

COMMERCE

(Established 1910)

VOL. XCIX. No. 2519

BOMBAY, 4th JULY 1959

PRICE: Rs.

PULROSE CO. LTD.

MADE IN ENGLAND

Makers of World-renowned

"ADEL" Brand

Also Makers of Surgical Lint Raising Machines, Rolling and Calendering Machines, Bandage Rolling Machines, etc.

STONE-WALLWORK LTD.

32, Victoria Street, London, S.W. 1
ENGLAND

Well-known Manufacturers of
P. I. V. Gears, Metal Alloy Pirns, etc.

REFER ENQUIRIES TO SOLE SELLING AGENTS

ALTEX PRIVATE LTD.

ESTD. 1956

147, Esplanade Road, FORT, BOMBAY 1
Telephone: 251082 Telegrams: "BETEX"

AKTIEBOLAGET LILJHOLMENS KABELFABRIK

STOCKHOLM, SWEDEN

Member of the ASEA Group

Manufacturers of
SOLID AND OILFILLED
PAPER INSULATED CABLES
Up to the highest Voltages in use

also

P. V. C. AND RUBBER INSULATED
WIRES

Sole Agents for India

ASEA ELECTRIC INDIA,
PRIVATE LIMITED
BOMBAY CALCUTTA MADRAS

VULCAN INSURANCE CO. LIMITED

(Incorporated in India)
Established—1919

Head Office: Fort, BOMBAY
No. 73, Veer Nariman Road
BOMBAY

Founded by

Late Shri J. C. SETALVAD

General Managers:

Shri K. C. DESAI Shri V. C. SETALVAD

OBJECTS

FIRE • MARINE • ACCIDENT

&
EMPLOYERS' LIABILITY

Branches & Agencies throughout India

THE NEW GREAT INSURANCE COMPANY

OF INDIA LIMITED

45-47, APOLLO STREET, FORT, BOMBAY-1

Authorised Capital	-	-	-	-	-	-	Rs. 2,00,00,000
Issued and Subscribed Capital	-	-	-	-	-	-	Rs. 1,00,00,000
Paid-up Capital	-	-	-	-	-	-	Rs. 20,00,000
Total Assets as on 31-12-1957 over	-	-	-	-	-	-	Rs. 1,56,00,000

BOARD OF DIRECTORS:

Shri TULSIDAS KILACHAND (Chairman)

Shri GULABCHAND HIRACHAND
Shri JEHANGIR PESTONJI PATEL, M.A. (Cantab.)
Shri AMBALAL KILACHAND
Shri LALITKUMAR M. KHATAU
Shri A. M. M. ARUNACHALAM

Shri PRATAP BHOGILAL
Shri ANANDLAL H. SHETH
Shri VRAJLAL CHHOTALAL
Shri MOHANLAL L. SHAH

General Manager: Shri M. G. MODY

OTHER OFFICES AT:

Agra, Ahmedabad, Amreli, Amritsar, Bangalore, Bhavnagar, Calcutta, Chittagong, Cochin, Colmbatore, Davangere, Gauhati, Guntur, Hyderabad (Da.), Hubli, Indore, Jalgaon, Jajna, Jullundur, Karachi, Lucknow, Madras, Madurai, Mangalore, Masulipatam, Nagpur, New Delhi, Nairobi, Poona, Surat, Sangli.

REPRESENTATIVES AT:

ALEXANDRIA, AMSTERDAM, BRUSSELS, COLOMBO, DAR-ES-SALAAM, KAMPALA, MOMBASA, MWANZA, RANGOON, ROTTERDAM, SEYCHELLES

Business Transacted: — FIRE — MARINE — ACCIDENT

NETHERLANDS TRADING SOCIETY BANKERS
 Nederlandsche Handel-Maatschappij, N.V.
 Established in 1824 by Royal Charter.
 Incorporated in the Netherlands.
 The Liability of Shareholders is Limited.

Paid-up Capital - **Nf63,030,000 (£5,924,000)**
 Reserve Funds - **Nf63,030,000 (£5,924,000)**

Head Office:
32, Vijzelstraat, Amsterdam-C, Netherlands.

99 branches in the Netherlands as well as agencies in Indonesia, New Guinea, Japan, Hongkong, Singapore, Malaya, Burma, India, Pakistan, Kenya, Tanganyika, Uganda, Saudi Arabia and Lebanon.

Affiliated Bank in London:
B. W. Blydenstein & Co.
 54, 55 and 56, Threadneedle Street, E.C. 2.
 New York Agency:
62, William Street, N.Y. 5.

The Bank transacts banking business of every description throughout the world.

Agency Bombay:
 14, Veer Nariman Road, Bombay-1. **C. Acket, Manager.**

THE BANK OF MYSORE, LTD.

(ESTABLISHED 1913)

Head Office and Central Office:
 Avenue Road, Bangalore-9

Bombay Branch: 24-26, Dalal Street, Fort, Bombay-1
 Madras Branch: 377, N.S.C. Bose Road, Madras-1

Authorised Capital **Rs. 1,00,00,000**
 Subscribed and Paid-up Capital **50,00,000**
 Reserve Fund and Other Reserves **96,70,613**

Offices at all important centres of Mysore State, Madanapalle, Cochin, Coimbatore and Hindupur.

All kinds of Banking and Foreign Exchange Services are offered.

Savings Bank Accounts are opened, carrying interest at 2½% per annum and operations are allowed by Cheques.

Safe Lockers arrangements on modern lines are available at the Bank's Head Office, Mysore and Madras Branches on Easy Terms.

M. A. ALEEM, Manager, Bombay Branch.
A. KRISHNA MURTHI, General Manager.

THE YORKSHIRE INSURANCE COMPANY LTD.

(Incorporated in England)
 (Established 1824)

(The liability of the members of the Company is Limited)

**FIRE, ACCIDENT
 LIVESTOCK, AVIATION
 Etc.**

8, Clive Row - CALCUTTA
 Telephone: 22-4315
 Telegrams: "YULINSURE"

For Service and Security

PANDYAN BANK LTD.

Central Office: MADURAI

Madras Office: 121, Armenian Street

Paid-up Capital - **Rs. 10 Lakhs**
 Reserve - **Rs. 10.25 Lakhs**

**BANK WITH PANDYAN
 THE BANK
 THAT SERVICE BUILT**

76 Convenient Offices in Southern Districts

All Banking Business transacted

S. N. K. SUNDARAM,
 Managing Director.

CHEMICALS THAT HELP INDUSTRY TO BRING A BETTER FUTURE CLOSER

Monsanto works constantly both to develop new, better chemicals—and to improve those chemicals already used in every major industry.

PHARMACEUTICALS—acetylsalicylic acid, phenacetin, benzoic acid, phenol, phenolphthalein, germicides are but a few of the many Monsanto products in this field.

RUBBER—Monsanto's accelerators help speed vulcanisation, add quality. Anti-oxidants improve resistance, prevent early cracking, give increased flexibility.

TEXTILES—Monsanto Syton is widely used in spinning cottons and woollens, increases yarn strength, allows for reduction in twist.

PRESERVATIVES—Monsanto's pentachlorophenol chemicals help to preserve a wide range of products. Monsanto sodium benzoate helps prevent corrosion.

PAINT—Monsanto's chemicals are used extensively in the manufacture of high-quality paints, varnishes and lacquers.

CHEMICALS FOR EVERY INDUSTRY



MONSANTO CHEMICALS OF INDIA PRIVATE LTD.

Wakefield House, Sprout Road, Ballard Estate, Bombay 1.
 Also at: Calcutta, Delhi and Madras.

Monsanto Chemicals Limited, London • Monsanto Chemical Company, St. Louis, U.S.A.
 Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris, Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal cities of the world.

U. 43

UMESH YOGA DARSHAN (First Part)

In Four Languages: English, Hindi, Gujarati and Marathi.

(Author: SHRI YOGIRAJ UMESHCHANDRAJI)



SHRI YOGIRAJ UMESHCHANDRAJI

An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE: **Rs. 15/-** Plus Postage **Rs. 2/-** extra.
 No V.P.P. sent.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: **Rs. 2.50** including Postage, to be sent by M. O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

RAMTIRTH BRAHMI OIL Special No. 1. Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: **Rs. 4/-** for big bottle and **Rs. 2/-** for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM,

Dadar, Central Railway, Bombay-14.

Telephone: 62899

COMMERCE

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

OL. XCIX. No. 2519

BOMBAY, 4th JULY 1959

PRICE: Rs. 2

MISSION ON EXPORT PROMOTION

THE report of the Goodwill Trade Mission, sponsored by the Federation of Chambers of Commerce and Industry and led by its recent President, Mr. Madanmohan R. Ruia, is notable for brevity and clarity. Our busy listeners, planners and policy-makers in the Congress Party should, therefore, find it easy to read and digest it. If they have the will and an open mind, the report will serve a good purpose, namely, of enabling them to manage the economic problems better and with greater access. Appropriately enough, the delegation took export promotion as its main task, for maximisation of foreign exchange earnings will be the major necessity of this country for as long a period as one can foresee, unless it is lucky enough to strike some underground riches, such as oil, non-ferrous metals, gold, silver and diamonds. It is true that Mr. K. D. Alaviya, our energetic Minister for Mines and Oil, is trying hard to find them, even by ignoring the risks involved in courting the Communist powers which have apparently succeeded in casting a spell over him. But the search for wealth hidden in the bowels of the earth is a gamble. While it should undoubtedly be continued, the country has to concentrate its energies on developing the export trade with its feet firmly on the ground. The report of the Goodwill Trade Mission is a welcome reminder of the several details that are yet to be attended to by the Government in this important respect. We purposely say details, because the Mission's suggestions are mainly of that nature. The Mission has, of course, made a few observations on Government's policies and attitudes, but they are scattered and, in any case, nothing new.

In recent months, the Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, has been talking in terms of compulsion for stimulating exports. This journal has questioned the merit of this assumption more than once. The Mission has returned convinced that exports cannot be augmented through compulsion. World trade in most of the goods that India can export had become a buyers' market long ago. The mere creation of surplus for export, either through increased production or through restraint on domestic consumption, is not enough now. The goods have to be sold on a competitive basis in terms of price, quality, delivery and continuity of supply. And since as much as 94 per cent. of India's export trade is with the free world, the State Trading Corporation is not an ideal instrument for the task. Indeed, the Mission has come to the conclusion that the S.T.C. is an impediment rather than of any positive assistance. It is of the view that the S.T.C. "is irksome not only to business in India but also to business abroad, especially in free competitive economies." It is apparent that it is the competitive private trade in India that is ideally suited to promote exports. The Government must, therefore, give greater freedom to business men and assist them to sell abroad, instead of treating them as undesirable and unwanted middlemen. It is necessary to reiterate this oft-repeated statement, because of the persisting tendency among the policy-makers in this country to think in terms of State monopoly for foreign trade. It is sheer waste of time to indulge in such thoughts and positively harmful to the growth of India's foreign trade, as it will drive away persons of talent and integrity from this field and that at a time when more and more persons of such quality have to be attracted.

Another important observation of the Mission is that first priority must be for removal of impediments and not for granting fresh incentives. This is commonsense, for, while the latter costs the country, the former brings a net

gain. To this category belongs the Mission's suggestion that (a) there must be continuity in export policy, (b) the quantum of goods earmarked for export should not be allowed to fall below a minimum, even if it meant some inconvenience to domestic consumers, and (c) export quotas should be announced in time—a quota delayed is a quota denied—and they should not be divided into small shares among too many hands. Critics need not rush to the conclusion that the Mission is advocating a monopoly and concentration of economic power, for that is not its object. Spreading the quotas among too many people leads to unsatisfactory export performance in every respect. The monopoly argument, it is needless to add, should not be carried to the extent of impairing the efficiency and profitability of exports which are vitally important considerations for the country as a whole. The Mission has proposed, as a *via media* perhaps, that exports could be effected through associations of different trades, without adversely affecting either the contacts of individual parties or their individual business. The chief merit claimed for this suggestion is that the associations could themselves ensure satisfactory performance by exporters in regard to quality, price, and satisfaction to importers in foreign countries. While this appears to be attractive and a reasonable safeguard against monopoly by a few, it is by no means an ideal arrangement for encouraging individual initiative and enterprise. It is, however, a lesser evil than State control or State trading.

The report contains several suggestions, commodity-wise, country-wise and general. Taken individually, they may appear to be of a minor nature, but, collectively, they are valuable and will yield tangible results, if implemented. To mention some of them. The quality of processing and finishing cotton textiles requires vast improvement. This means that the mills which want to compete successfully in foreign markets should have the right techniques and up-to-date modern machinery and they deserve to be assisted by the Government for procuring these facilities. The jute industry should keep a vigilant eye on the tastes and requirements of its foreign customers. Propaganda for Indian tea is not adequate and has to be stepped up in the U.S., the U.K. and Canada. Some export of a little longer staple cotton than now permitted should be allowed in exchange for cheaper varieties from abroad. Indian firms should be encouraged to open branches abroad and the Reserve Bank's present restrictive policy in this regard should be

Contents

	PAGES
LEADING ARTICLES—	
Mission On Export Promotion	1
Transport Policy	2
St. Lawrence Seaway	2
MARKET GOSSIP	3
ROUND THE EXCHANGES	4
THIS WEEK'S SURVEY	6-7
SPECIAL FEATURES—	
British Boiler Makers	3
Delhi Letter	8
London Letter	11
Manchester Letter	13
Co-operative Farming—I	18-19
CHAIRMAN'S SPEECH—	
Sen-Raleigh Industries of India Ltd.	21
MONEY AND BANKING	10
TEXTILES	12
COTTON	14
SUGAR	15
NEW PUBLICATIONS	16
ENGINEERING	20
LABOUR	22
COMMERCE AND INDUSTRY	24
COMPANY AFFAIRS	26-27
COMPANY REPORTS	28-29
MARKET REPORTS	31-33

relaxed. More foreign exchange should be released for Indian business men who wish to travel abroad for establishing personal contacts. The authorities have to take a liberal view in this matter, for contacts may yield contracts. While every business man that goes abroad may not succeed in winning sizable foreign exchange in the form of either capital for investment in this country or an export order, collectively their efforts are bound to be fruitful. There is still good scope, according to the Mission, for strengthening the commercial sections of Indian Embassies and Consular offices abroad by giving them competent staff. Better and more publicity is required for Indian goods in foreign markets. A comprehensive Export Directory should be published. We feel that a lot can be learned from Japan in this respect. What is required is not one directory, but a directory for each of the principal export items. The working of the various Export Promotion Councils requires to be reviewed, to see in what directions they need strengthening. This is a very pertinent suggestion, for we have a feeling that not all the Export Promotion Councils are functioning satisfactorily.

Of the several other suggestions of the Mission, two deserve to be reserved for special comment. Both are not directly relevant to the subject of export promotion. One is a proposal for setting up an "Investment and Information Centre" at New York, to begin with, with a view to providing prospective investors details of conditions in India in regard to various aspects of making a business investment, such as taxation, company law, labour relations, Government regulations, and availability of land, water, power, transport and other basic services. Not only has this suggestion been made by the Federation two years ago, but it has also been endorsed by some prominent persons who had been to the U.S. recently and have an intimate knowledge of that country; Mr. A. D. Shroff and Mr. G. L. Mehta, for instance, are two such persons. Barring some business men and banks, who are interested in investing in India, the vast majority of the American business community has little or no idea of conditions in India and the potentialities for gainful investment. The Press in the U.S. devotes very little space to India and the official releases by the Indian Embassy are inadequate and unsuitable. American business men generally do not like to gather their information and knowledge from official agencies. They would prefer to meet and discuss the problems with their opposite numbers in India and seek information from unofficial agencies. There is thus a real need for an independent establishment in the U.S. for disseminating economic information in a pure and objective manner and for helping investors in the U.S. to establish contacts with their confreres in this country and *vice versa*. Indeed, some Continental countries, such as Holland and Italy, have already established such centres in the U.S. and greatly profited by them. If an information centre of this nature is to be really useful, it is obvious, it must be well organised and competently run. It must be in charge of a person who knows the U.S. well, has a flair for initiative and ingenuity, and understands the value of public relations work. Further, the information centre in New York should be supported by an efficient organisation at New Delhi which can promptly supply all the up-to-date information it wants and follow up in this country the ground work done in the U.S.

The second suggestion of the Mission pertains to the Federation, in particular, and business men, in general, and their relationship with the Government. The Mission seems to feel that chambers of commerce in India are not given the same importance by the Government as is done by the Governments of Western countries. There is good reason for this grouse. To some extent this is due to the fact that the Government is the hands of political leaders who have no fair

in the merits of private enterprise, who have openly declared that they are not very much impressed by the captains of Indian industry and who feel that the public sector is superior to the private sector and should grow in importance. If they still tolerate the private sector, it is because they cannot replace it overnight, as it were. This is not the case in Western countries, where the Governments are in the hands of leaders who hold the opposite views. This fundamental difference apart, there are in this country too many chambers of commerce and trade associations trying to do the same functions. If this defect is eliminated, a central body such as the Federation can hope to get a better hearing from the Government, as also command sufficient resources and experienced personnel, to serve the business community better without having to invoke Government aid and backing. It is absolutely ridiculous to suggest, as the Mission does, that chambers of commerce should be reorganised with "Governmental assistance" and that the Federation should be given "administrative and legal recognition" as a body to serve the interests of trade and industry. We do not see what kind of independence the Federation can hope to enjoy if it is to exist on State subsidy and patronage. Surely, if it cannot get the voluntary support of the business community for whatever function it seeks to perform, it has no cause to exist. The examples of France and West Germany quoted by the Mission are not at all ideal. The Anglo-American pattern of voluntary form of commercial organisations is the best and a departure from it to the less democratic patterns obtaining in some of the Continental countries would surely be a retrograde step. The Mission's suggestion, therefore, deserves to be strongly deprecated by the Committee of the Federation and all other chambers of commerce which value their independence.

TRANSPORT POLICY

THE Transport Development Council, which concluded its two-day deliberations at New Delhi shortly after we went to press last week, did well to address itself to the vital need for a national transport policy. It is true that the Council did not actually lay down such a policy. Nor could it have been expected to formulate a policy applicable to the whole country's transport system. The magnitude and complexity of the task point to the necessity for a more comprehensive study of the issues than what the Council can undertake. But it is gratifying to note that the Council realised the importance of a national transport policy to India's economic development. And a significant decision taken by the Council was to the effect that a high-level committee should be appointed which would give a clear lead on the role each mode of transport should play in the country's economy and also recommend the best mechanism for the regulation and co-ordination of transport.

The announcement relating to the personnel of the Committee and its terms of reference will be awaited with interest. For, in the light of the recent controversy over the respective roles of rail and road transport, it should be clear that the formulation of a national transport policy may well provide the basis for resolving some of the dilemmas which transport issues in India, as in all countries, throw up for the authorities. In India, the authorities might have been well advised to ensure that rail-road controversy did not raise its ugly head. Surely, it is easy to over-emphasise the importance of one or the other. As the Union Minister for Transport, Mr. S. K. Patil, pointed out, in his address to the Council, there is no scope for any controversy or argument between the railways and the other means of transport for the next 25 years. Again, it would be wrong to represent the railways as a national enterprise, in order to claim for it special advantages. Road transport is also a national enterprise, inasmuch as roads are owned and controlled by the State for the benefit of the community. Further, road transport makes a not inconsiderable contribution to the Exchequer. Mr. Patil, in his speech at a meeting of the Bengal National Chambers of Commerce, held last week at Calcutta, computed that road transport, with an investment of Rs. 1,500 crores, has contributed Rs. 95 crores by way of taxes, as against railways which contributed Rs. 40 crores on an investment of Rs. 1,000 crores. From the overall national point of view, what serves the users best is the best form of transport, irrespective of whether it is owned by the State or not. The preservation of a certain element of competition among the means of transport will alone ensure maximum service to the community.

Among the specific issues discussed by the Council, mention must be made of the formation of viable road transport units. The Council decided that transport operators should be encouraged to form viable units, so as to ensure better service to the public. It may be recalled that the Masani Committee (the Road Transport Reorganisation Committee), after discussing the subject of viable units at some length, generally agreed that the formation of efficient enterprises should be encouraged in all reasonable and legitimate ways. At the same time, it insisted that no ban should be placed on the owner of a single truck in the case of goods transport. In this connection, it quoted the illuminating statistics that, in the U.S., owners of a single truck constitute 83.4 per cent. of the total number of trucks, private and public, though the position in that country is that some 80 per cent. of all carriers happen to be private carriers owning their own vehicles. What is necessary is that a man capable of rendering efficient service should not be prevented from entering the field merely on the ground that he cannot command the resources that would be needed to own a large fleet. This should govern the road transport policy at least in respect of any particular region within a State. However, it is true that, for larger areas, it is the owner of a large fleet that will be in a better position to render efficient services. For State-wide and inter-State operation, there is, therefore, some justification for laying down standards for viable units. The Masani Committee suggested a unit of five vehicles for intra-State operation and a unit of ten vehicles for inter-State transport. We wonder whether even these figures cannot be modified to suit local conditions in each State.

The formation of viable units will, of course, be greatly facilitated, if fears of possible nationalisation are removed, credit facilities augmented and the burden of taxation reduced. It is now generally agreed that there should be no nationalisation of road transport before the end of the third Plan. There is need for extending this period of immunity, considering that road transport will have to expand at a fast pace in the third Plan and it cannot do so without adequate "no nationalisation" assurance. The need for credit facilities for road transport has now won the recognition it did not receive in the past. The Masani Committee recommended that the Reserve Bank should issue directives to the scheduled banks to advance money for hire-purchase of vehicles. It is not known whether such directives have been issued so far. But many scheduled banks have, on their own initiative, now initiated schemes for advancing money for hire-purchase of a wide range of goods. It is not unlikely that they will be willing to extend similar treatment towards those who intend borrowing for purposes of purchase of transport vehicles. Obviously, they cannot go very far in this direction, inasmuch as vehicles constitute a capital asset which should be financed by specialised credit institutions rather than scheduled banks. State finance corporations and other institutions of their kind could certainly do much to provide a fillip to road transport industry by giving liberal advances to operators.

By far the most vexed question has been the burden of taxation on motor vehicles. The Transport Development Council has added its powerful voice to the chorus of support for the demand for reduction in taxes on road transport industry. The Council felt that the States which had not so far fallen in line with the policy of consolidation of taxes, fixation of ceilings on taxes and avoidance of double taxation should take early action along these lines. A notable recommendation of the Council is that tolls should not be looked upon as a source of revenue and they should not be levied on bridges costing less than Rs. 5 lakhs. Tolls and other minor levies serve only to add to the overall burden of taxation. It is computed that the incidence of taxation on a 5-ton petrol-driven truck works out to 7.44 nP per ton-mile and on a 5-ton diesel truck to 4.28 nP per ton-mile. The magnitude of the burden will be evident from the fact that the average freight rate by rail is only 6 nP per ton-mile. In other words, the burden of taxation alone on a petrol-driven truck is far above, and on a diesel truck not far below, the average freight rate for rail transport. This will serve to give one some idea of the enormity of the handicap with which road transport operators have to run their service. The case for relief in taxation, as well as for consolidation of the wide varieties of taxes on motor vehicles, continues to be as strong as ever.

ST. LAWRENCE SEAWAY

THE U.S.-Canadian project, the St. Lawrence Seaway, which was inaugurated on 26th June jointly by President Eisenhower and Queen Elizabeth, has a human as well as an economic significance. It is, as President Eisenhower pointed out, "a magnificent symbol to the entire world of the achievements possible by democratic nations peacefully working together for the common good." Queen Elizabeth recalled how men had dreamed of making a navigable and now at last it was a reality. "It will affect the lives of millions of our peoples; and it is bound to exercise a profound influence on the maritime trading nations of the world."

The significance of the Seaway will become clear when it is realised that it links the Atlantic to the vast coastline of the Great Lakes of the American Continent which have 8,300 miles of coastline, or nearly 2½ times India's coastline. Built at a cost of \$471 million (Canadian share \$340 million and U.S. share \$131 million), the Seaway is an engineering feat, which will rank along with other two great seaways, the Suez and the Panama canals. Broadly speaking, it involved the construction of a channel 1,200 miles long by 27 feet deep, dredged from Montreal to the head of the Great Lakes. Much engineering skill has gone into the making of the Seaway which serves to lift traffic from the sea level to a height of nearly 600 feet which represents the total drop from Lake Superior to the Atlantic. Till the Seaway was constructed, ocean vessels could proceed only 800 miles up the St. Lawrence River from the Atlantic Ocean; at Montreal, the 35-foot channel ended and the cargo for the Great Lakes had to be transferred to smaller vessels. But with the construction of the Seaway, it is now possible for 80 per cent. of the world's ships to go as far as Toledo at the head of Lake Erie—a distance of 1,200 miles. It would appear that the seven great locks on the Seaway can handle general cargo ships with a capacity of up to 9,000 tons. They can also handle ore and grain carriers and oil-tankers of up to 25,000 tons, provided they do not draw more than 25½ feet. Vital to the project is the \$600 million Moses-Saunders hydro-electric power plant, the second largest of its kind in North America, with a capacity of 1.88 million kilowatts. Shipping tolls, which will be levied, are framed on the basis that they should cover maintenance charges and amortise over a 50-year period the capital expenditure on the project.

In assessing the economic significance of the project, one should remember that it serves a rich and ever-growing hinterland. The great industrial and farming area served by the Great Lakes of North America account for two-thirds of the export trade of the U.S. and one-third of that of Canada. The inland region is made up of the provinces of Ontario and Quebec on the Canadian side and 17 States on the American side and constitutes the greatest concentration of industrial and agricultural development of the world today. While the region of Lakes produces three-fourths of the total industrial production in the U.S., the corresponding region in Canada has a large industrial potential, with immense resources of raw materials for further industrialisation. By 1969, the annual tonnage which will be carried through the Seaway is expected to rise to 50 million tons.

How powerful a stimulus to world trade is provided by the Seaway is best illustrated by the fact that it will cost \$12 a ton less to import via the Seaway raw rubber from Singapore to Akron, Ohio, the centre of the U.S. tyre industry, than through North Atlantic seacoast ports. The reduction in transport costs will, of course, work both ways. While it will mean that the U.S.-Canada industries will pay less by way of transport costs in respect of their imported raw materials or the goods they export, it will also imply that foreign goods can compete more effectively in the American markets. Indeed, American manufacturers, it is stated, are concerned at the prospect of increased competition from lower-cost foreign goods. The Seaway is, therefore, generally regarded as a further incentive to effect economies in production costs, in order to meet the competition. We hear that some manufacturing interests in the U.S. have already suggested additional protection in the shape of increased tariffs. It is to be hoped that the U.S., in keeping with its liberal international role, will not yield to the clamour for the upward revision of tariffs and thereby undo the immense benefits which are expected to accrue to world trade from the construction of the Seaway.

MARKET GOSSIP

SUPPORT TO NEW LOANS NOT THAT LARGE F.B.I. ON EXPORT CREDIT—MORE CONTROLS ON SUGAR

THE Press note issued by the Reserve Bank of India this afternoon on the results of the Government of India's new loans is extremely brief and reads thus:

"Subscription lists for the 3½ per cent. Bonds 1969 and 4 per cent. Loan 1979 have been closed today at 1-30 p.m., as the notified amount has been fully subscribed."

The language of the note suggests that the response to the new loans has not been as large as the sharp and sudden fall in the inter-bank call money rate to as low as 1½ per cent. early this week had led many to believe. In fact, so easy was the short-term money market that some thought that the loans would be oversubscribed. It is now clear that there has been no over-subscription. It is true that the lists were closed a day earlier than the maximum number of days chosen and announced by the Reserve Bank. But this does not necessarily mean that, if the Bank had waited for a day more, the loans would have been oversubscribed. The Bank may have closed the lists only after being reasonably satisfied that there was not much to be gained by keeping them open any longer.

No details of the subscriptions to each of the

no loans and of the amounts offered in cash and

inversions are given in the Press note. Perhaps,

the Bank had not the full particulars at the time

issued the communiqué and it is possible that it

may give them later on. This information will be

useful for knowing the extent of response the

medium- and long-dated loans have had.

The Reserve Bank, of course, never gives the

mount of loans taken up by itself. Unless this

information is available, one cannot precisely judge

the response from the market. Knowledgeable circles,

however, say that the Reserve Bank must have

been given a sizeable amount of the long-dated

loan and a fair amount of the medium-dated loan,

even though the banks took much greater interest

has originally anticipated. Indeed, it is said

that one of the chief reasons for inter-bank call

money rate returning to the busy-season level of

1-3½ per cent. between Monday and Wednesday

and staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they either called back the banks they had

not staying at that level today is the decision of

one bank, on second thoughts, to invest in the

new loans more than they had intended at one time.

This decision followed their realisation that, if they

were to wait and take up more of these loans later

in the slack season, they might have to pay more.

So, they

BOMBAY. 2nd July.

Automobiles continue to be produced. Passenger automobiles rising by 100,000 units and Indian Motors by 20,000 units.

Calcutta Stock Exchange

CALCUTTA. 30th June

In the engineering section, Indian Irons opened at Rs. 24.14 and, following the good news from Burnpur, staged an advance to Rs. 24.63, while Jessop & Cos. gave way to Rs. 30.87 from Rs. 31.06. Texmacos improved to Rs. 25.70 from Rs. 25.55 to

(Incorporated in England by Royal Charter 1889 with

(Incorporated in England by Royal Charter 1889 with

CAPITAL:

Authorised - - - - £2,500,000

Issued and Fully Paid - - £2,000,000

Published Reserves - - £2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN

ADEN (Crace
INDIA

INDIA
BOMBAY

IRAG

BAGHDAD (C)
BASRA
KARBS

PROSUL

JORDAN
AMMAN

JERUSALEM

LEBANON
SERIES 12 1-

BEIRUT (3 BR
TRIPOLI

LIBYA
BENCHUATI

**BENGHAZI
TRIPOLI**

1994

144 DT.
October 1935

1990

FROM: RALPH C

1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 26

Madras Stock Exchange

MADRAS, 1st July

COMMONWEALTH DEVELOPMENT FINANCE
COMPANY

While commenting on the reported decision of the Government of India to invest a substantial sum in the new issue of the Commonwealth Development Finance Company (vide page 925 of *Commerce* dated 13th June 1959), it was stated that the Company had given two loans to one of which was for Rs. 10 lakhs to the Industrial Credit and Investment Corporation of India. There is slight inaccuracy in this statement. The C.D.F.C. has not given any loan to the I.C.I.C. as has been stated on page 10.50 of the *Commerce* of the 13th June 1959. The I.C.I.C. is a subsidiary of the Corporation.

NEWS IN BRIEF

IT has been decided by the Government of Bombay to set up 69 new rural family planning centres in the State during 1959-60.

The Andhra Pradesh Rice Millers Association has decided voluntarily to deliver to the Central Government 50,000 tons of fine quality rice before the end of this year.

The Mining and Geology Directorate of the Bihar Government has commenced exploratory drilling operations at Barauni, in order to select a suitable site for locating the oil refinery.

The Indian Oil Company, the first company in the public sector to undertake marketing and distribution of petroleum products, was registered at New Delhi on Tuesday this week. It has an authorised capital of Rs. 12 crores. The new company will have its headquarters in Bombay.

The State Trading Corporation proposes to import art paper and art chrome-board, white printing paper, wood-free chrome art paper, manifold paper and white M.G. tissue paper. The imported paper will be distributed to actual users in both scheduled and non-scheduled sectors.

With the object of simplifying co-operative laws and procedures, the Central Government has asked the various State Governments to consider the appointment of small committees of officials to review the whole position. The drawbacks in the existing system, it is said, include, among others, delays in registration of societies, and disbursement of loans, official interference and lack of provision for appeals against refusal of membership.

The Government of Mysore has taken over thirteen transport bus routes covering 2,743 miles in the Anekal pocket, Bangalore district. The State Road Transport Service has a total fleet of 1,400 vehicles operating a daily mileage of 100,000 and employing about 8,000 persons. It is the biggest transport undertaking in South India and the third biggest in the whole country.

A Committee of agricultural experts with Dr. B. N. Uppal, Agricultural Commissioner, Union Ministry of Food and Agriculture, as Chairman, has been appointed by the Government of India to assess the extent of cultural wastelands in the country. The Committee will make a special study of utilising such lands in the best possible manner so as to raise agricultural production.

The Jammu and Kashmir Government proposes to exploit the huge deposits of borax, an important industrial raw material, found in the Pugga valley of the mountainous Ladakh region in the State, the only known area in India possessing this mineral. The deposits are estimated to contain 60 per cent. of borax. Experiments are being conducted to evolve a cheap method for on-the-spot purification of this element. At present India depends on imports for its requirements of borax.

The total reserves of copper proved so far by the Geological Survey of India are of the order of 3.37 million tons. Encouraging results have also followed the intensive survey carried out by the Department in the copper belts of Rajasthan, Uttar Pradesh, Bihar and Andhra. The Indian Bureau of Mines is carrying out detailed investigations at Khetri and Daribo for the economic workability of these deposits. The production of copper ore during 1957-58 was 450,000 tons.

A taxation research unit is proposed to be set up in the Union Finance Ministry to ensure co-ordination of the tax effort by the Centre and the States. The unit will, *inter alia*, collect and collate taxation statistics, besides constantly reviewing taxation trends in India and abroad. Further, it will evaluate the effective uses of specific taxation measures in securing the objectives for which they have been designed. It will also assess the effects of tax incentives given from time to time on production and investment.

The State-owned Integral Coach Factory at Perambur, near Madras, hitherto engaged in the manufacture of all-welded lightweight passenger coaches only, has now been entrusted with the manufacture of four proto-type all-welded bogie wagons to a special design, for the movement of iron ore for export. The new wagons will carry about 60 tons of iron ore, as against 22-ton carrying capacity of the traditional four-wheeler broad-gauge wagons. The new wagon has been designed by the Indian Railway Research Design and Standardisation Organisation.

The project report of the Italian consultants for utilising about 25 to 30 million cubic feet of petroleum gas per day from the Assam oilfields for the generation of power and manufacture of fertilisers and cements is being examined by the Government of India. Some Italian concerns have offered assistance for the development of these projects. The total volume of gas available in the Assam oilfields is estimated at 100 million cubic feet per day. In view of the limited demand in the State for the processed products and the difficulties in transporting them, it is proposed to pipe out the surplus either to Barauni or to some other convenient place for economic processing there.

For the first time since the Forward Contracts (Regulation) Act was enacted seven years ago, the nominated directors of 21 recognised associations located in the different parts of the country and

conducting forward markets in 13 different commodities will be meeting together for an exchange of views at Bombay on the 27th inst. The meeting has been convened by the Forward Markets Commission. Besides a general review of the working of the recognised associations, the conference will discuss, *inter alia*, the role played by the nominated directors on the governing bodies of these associations, their responsibilities and liabilities, and the ways in which they can effectively contribute to the smooth functioning of markets.

The detailed project report on the heavy machine building plant to be located at Ranchi has been received by the Heavy Engineering Corporation Limited from Messrs. Technoexport of the U.S.S.R. This is one of the projects undertaken for development under the 500-million rouble credit given by the U.S.S.R. This plant, which will manufacture different items of plant and equipments for steel mills and other heavy industries, will have an initial productive capacity of 45,000 tons of machinery per year which will be raised to 80,000 tons in the second stage. It may be recalled that the contract for the preparation of the detailed project report was signed between the Soviet authorities and the Government of India in December 1957.

From Abroad

The U.S. Development Loan Fund has extended a credit of \$5 million to Libya for augmenting electric power facilities in an area of about 100 square miles around Tripoli, which contains the bulk of the country's industry and agriculture.

Foreign tourists spent \$825 million in the U.S. during 1958, a 5 per cent. increase over 1957. As usual, the Canadians accounted for over half of this expenditure. The flow of visitors from Mexico, the West Indies, South America and the Far East was also higher.

British Cellophane is considering the possibility of setting up a factory to manufacture cellulose film in Australia. In order to gather technical and cost information on the proposed project, it has already sent its development engineer to Australia.

The Federal Government of Australia has increased the maximum subsidy rate to be paid to marginal gold producers in Australia by 10s. to £A3.5s. per ounce. The flat rate subsidy to small producers is raised from £A2 to £A2.8s. per ounce, and the subsidy scheme will be extended for a period of three years from 30th June 1959.

A Bill seeking to control monopolistic abuses has been introduced in the Senate by the Government of Belgium. The abuses are defined as those which obstruct free play of competition, limit economic freedom of producers, distributors and consumers and hamper development of production and trade.

Production of steel in W. Germany suffered a distinct setback during the first five months of the current year, as compared with the corresponding period last year. The actual output of raw steel was lower by 44 per cent. at 9.6 million tons and that of rolled steel by 8.4 per cent. at 6.2 million tons. The quantity of raw iron produced was 6.8 million tons, as against 7.3 million tons.

Tea production in the Georgian Republic, U.S.S.R., so far this year aggregates 17,000 tons and an equal quantity is expected to be produced before the end of the year. The total tea output in 1959 will thus be of the order of 34,000 tons, said to be a record level. The Georgian Republic accounts for about 97 per cent. of the tea output in the U.S.S.R.

PERSONAL

MR. S. K. Handoo, Managing Director and General Manager of Voltas Limited, has gone on a two-month business tour of the U.K. and the Continent.

Mr. M. G. Iyer, Chief Commercial Superintendent, North-Eastern Railway, has been appointed senior Deputy General Manager, Western Railway.

Mr. Arne Bøgh Andersen, until recently Counsellor of the Royal Danish Embassy in Washington, has been appointed Ambassador Extraordinary and Plenipotentiary of Denmark in India.

Lord Ritchie of Dundee has been elected Chairman of the Council of the London Stock Exchange, following the retirement of Sir John Braithwaite, who was Chairman for a continuous period of 10 years.

Sir Alexander Fleck, Chairman of Imperial Chemical Industries, London, will be retiring from the Company with effect from 29th February 1960. He will be succeeded by Mr. Stanley Paul Chambers, at present Deputy Chairman.

Mr. Jasjit Singh, I.A.S., the former State Transport Officer, Government of Bombay, has been re-designated as the Director of Transport and will also be incharge of issuing permits for the resale of cars under the provisions of the Motor Cars (Distribution and Sale) Control Order, 1959.

Mr. G. V. Karve, Chartered Electrical Engineer, has taken over the office of the Deputy General Manager of the B.E.S. & T. Undertaking with effect from the 22nd June 1959. Mr. Karve brings with him 23 years' experience of the Tata Hydro-electric Supply Company, Ltd., Central Water and Power Commission (Government of India), Voltas Ltd., etc.

A private Bill, designed to so revise the "Buy American" law as to improve the competitive position of American bidders for Government contracts, has been introduced in the U.S. House of Representatives. The Bill seeks to provide the U.S. bidders for Government orders a differential equivalent to the percentage difference in wages paid by the U.S. and overseas bidders. Under the existing law, the differential in favour of the U.S. bidders has been reduced sharply from 25 per cent. to 6 per cent.

The Yorkshire Insurance Company in Britain has decided not to proceed with its proposal for a merger with the Scottish Union and the National Insurance. The decision is a sequel to the £8-million counter-bid of the Norwich Union Insurance Societies, one of Britain's largest mutual groups, for the Scottish Union, announced just five days after the Yorkshire Insurance Company's £7-million cost and share exchange offer. The Company has reiterated clearly that it has no intention "of taking part in a competition between take-over bidders, a practice which it would greatly deprecate in the insurance industry."

A categorical declaration that, if the British Labour Party returned to power, it would immediately nationalise steel industry and road haulage, was made by Mr. Harold Wilson, the financial spokesman of the Party, in the course of a broadcast talk in Britain. He observed that nationalisation would be considered in the case of any other industry or firm, "which, after due enquiry, was found to be failing the nation." Public ownership, according to him, would result from inefficiency, failure to play an adequate part in the national export effort, abuse of monopoly power, unwillingness to expand sufficiently in the national interest, lack of drive in investment policy, bad industrial relations and failure to co-operate in Government planning measures.

★

Let
us help you
MIND
YOUR OWN BUSINESS
well!

★

The setting up of workable standards of cost is our business; so is the institution of management controls. It's our job to examine your problems analytically and objectively and to expose and remove all weaknesses anomalies... bottlenecks.

Problems in which we undertake studies include: Direct and indirect labour costs; fuel expense; raw materials expense; stores expense; market survey; office reorganisation; waste control; production standards; costing; transport and material handling; time-keeping and payroll methods; job evaluation and wage structure; incentive plans etc.

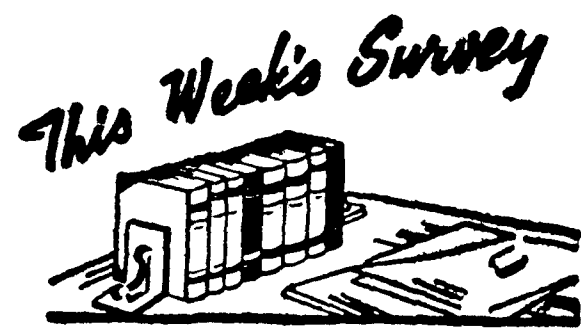
An **acbi** speciality is labour - management mediation for ironing out differences. And the objective, forthright **acbi** approach has found favour with clients... has earned their approval!

call in
acbi

Management Consultants
Keshpark - Poojapura
TRIVANDRUM - 6

Zonal Offices:
48/4 Poorvimag, Karalbagh
NEW DELHI - 5.

Management House,
Banawadi Road,
BANGALORE - 5



COAL PRICES

THE delay in the announcement of revised prices of coal continues to cause concern among coal producers. Few outside the industry know how grievous has been the burden of increased costs on this price controlled industry. Since 1947, wages which represent about 70 per cent. of the production cost of coal have gone up by 200 per cent., while the cost of stores and certain other factors has gone up by over 40 per cent. Reckoned in terms of production costs, the increase is of the order of over 40-50 per cent. while the increase in price over the period is only 31 per cent. Since 1956, the production cost, it is computed, has risen by Rs. 8.50 per ton, whereas the increase in price has been only Rs. 5 per ton. The Coal Prices Revision Committee, which was appointed to go into the price issue in 1957, submitted its report in February 1959. This Committee was expected to finish the job in six months, but it took more than two years. It is now four months since the Government received the Committee's report, but it has not been able to make up its mind so far over the revision of prices. Such inordinate delay does not redound to the credit of the public sector.

A delay of about 2½ years in revising the price must have already cost the industry heavily and any further delay would only retard its growth. Not only must the decision be announced early but it should reflect a realistic appraisal of the trends in production costs in the industry. The prospect for the industry is bleak enough in all conscience. At a Press conference in Calcutta this week, Mr. R. H. Wright, Chairman of the Indian Mining Association, pointed out that about 70 per cent. of the Indian collieries were making no profit at all. Of the 47 coal companies, with a total output of over 20 million tons a year, only 24 could declare a dividend, 14 just managed to carry on and nine actually incurred losses. Unable to cut the increased costs of such items as wages, stores, plant, equipment and administration, the industry is going through a period of instability.

Mr. Wright said that it looked as though the Government had shelved the question of revision of coal prices, because of its desire to keep down inflationary trends which it feared would result from increased prices of coal. It is best that this "inflationary" myth is exploded in the interests of the country's economy. For, in the final analysis, nothing is more inflationary than an inadequate price which kills the incentive for production and thereby causes all-round shortages. As Mr. Wright warned, if the coal industry did not expand, every industry dependent on coal for its fuel, would have to cut production, which, in its turn, would lead to the emergence of inflationary conditions. Apart from this consideration, it is well known that coal does not form a very large proportion of the production costs in most of the coal-consuming industries; for most industries, coal forms only 1 to 5 per cent. of production costs. To argue that a slight increase in coal prices will be a tremendous burden on industries is virtually to ask coal to play the role of a dispenser of subsidies for other industries—a role which is better played by the State than by the industry.

In the absence of an adequate price for coal, the industry should find it difficult to reach the 60-million tons target set for it under the second Plan, and much more difficult to prepare itself for reaching the more ambitious target of 100 million tons which is being contemplated for the third Plan. Already, there has been some slowing down in the pace of increase in coal output. In 1958, coal output rose to 45.3 million tons at which level it represented an increase of only 1.8 million tons, as compared with an increase of 4 million tons in 1957. It has been computed that the achievement of the 100-million ton target under the third Plan would imply an additional investment of over Rs. 200 crores. Even if one assumes that a large proportion of the increase in coal output will be allowed to take place only in the public sector—not that such a course is necessary or desirable—it should be clear that the private sector will have to find

large resources for increasing its production to the level permitted by the Government. An adequate price for coal alone will ensure that the industry reaches the higher production targets which, in fact, are necessary in the context of the development programmes for such large coal-consuming industries as cement and steel under the third Plan. The issue of coal prices that are economic to the collieries is thus of vital significance to the future of a wide range of industries. It is to be hoped that the Government will take a prompt as well as realistic decision.

POPULATION AND FOOD SUPPLY

For every minute that adds to the infinity of time, there is a net addition of 13-14 persons to the population of India. If this rate of population growth were to continue, the total number of people inhabiting this country by 1986 would be of the order of over 600 million—the estimate is placed still higher at as much as 775 million by the two American experts, Drs. Ansley Hale and Edgar Hoover—as against 410 million expected at the end of the second Five-year Plan (1960-61). Obviously, such a rise in population would, as Mr. D. P. Karmarkar, Union Minister for Health, pertinently remarked in his speech while presiding over the convocation of the Demographic Training and Research Centre at the Tata Institute of Social Sciences held in the city last week, nullify, to a large extent, the benefits of the increased production resulting from industrial and agricultural development. Mr. Karmarkar stated that "the population problem is, perhaps, the most urgent and most difficult among those with which the country is confronted today." But Prof. J. B. S. Haldane, the world-renowned scientist, who delivered the convocation address, said: "As a biologist, I disagree with this; the food problem is more urgent."

Both Mr. Karmarkar and Prof. Haldane are correct in a way, but one should not hair-split the relative urgency of the problems of population and food supply, for both are equally urgent. They must be tackled simultaneously and with the same vigour and drive. It is highly gratifying to note that this aspect has now been fully realised by planners. The Government of India is, perhaps, one of the few Governments in the world which has taken up the family planning work as a matter of official policy alongside efforts to step up food output.

Stressing the importance of research in the programme to raise food production, Prof. Haldane doubted whether adequate research was being done. "There are," he said, "many vested interests who might persuade the people to believe that adequate research is being done to increase food production. I venture to doubt it." He averred that the problem could be solved if scientific methods were applied to food production. And he was confident that the country had the resources to produce the food it required. It was in this context that Prof. Haldane explained the vital role of what he called animal demography. His observations may be summed up thus: The growth and movement of insect and animal life are not merely an academic problem but are of great practical application as well. The movement of a large swarm of locusts from the Western frontier may do more harm to India's economy than the movement of human beings. There is at present very little idea about the extent to which animal life depends on the soil, because it is not easy to enumerate the innumerable species of animal life.

Coming as they do from such a famous biologist as Prof. Haldane, these observations merit due consideration. The human demographers should pay more attention to the study of this branch of science.

Scientific methods can be applied to food production, as, indeed, to the production of any other agricultural commodity, successfully only if the development programme is a well-integrated one and not a loosely connected set of schemes prepared by different departments. The Planning Commission has done well to impress upon the States the need for considering the tentative third Plan programmes for raising food and other crops in terms of assets to be created, especially irrigation, seed supply, fertilisers and manures, credit, etc., as well as the targets for raising per-acre yields and the total output of each crop in each area. The suitable yardstick suggested for increasing food production is an additional 0.25 ton per acre through major and medium irrigation works and an extra 0.20 ton from minor irrigation schemes.

The total additional yield of foodgrains that will result during the third Plan period from irrigation schemes and creation of other assets

mentioned above is estimated at 26-37 million tons or 29-31 million tons, if fertiliser production can be stepped up still further. Even with this additional yield, the total food production in the country by the end of the third Plan is expected to be below the target of 110 million tons by about 6 million tons. Viewed thus and considering the importance of providing higher nutritional standards of diet, the need for stepping up production of supplementary and protective foods such as milk, dairy products, fish, meat and poultry cannot be too strongly emphasised. The programmes tentatively worked out envisage an increase in the production of milk from 4 oz. per head at present to about 6 oz., of eggs from 2.9 million to 4.5 million, and of fish from 1,233,000 tons to 2,000,000 tons.

CODE OF EFFICIENCY

The formulation of a draft code of efficiency and welfare by the Union Ministry of Labour as a complement to the two codes already in force, namely, the code of discipline in industry and the inter-union code of conduct, reflects the recognition in official thinking of the need for greater emphasis on efficiency and productivity in industry. While the existing codes are largely negative in emphasis, in that they enumerate a series of don'ts, the new code seeks to make a more positive approach to the question. It lays down certain rights and responsibilities of managements as well as unions in making a concerted effort to increase industrial efficiency.

The draft code was discussed at the inter-Ministerial meeting held in New Delhi on 26th and 27th June under the chairmanship of Mr. P. M. Menon, Secretary, Ministry of Labour and Employment. The meeting was attended, among others, by the representatives of the Ministries of Commerce and Industry, Transport and Communications, Fuel, Works, Housing and Supply and the Executive Director of the National Productivity Council. The consensus of opinion among the participants was that the acceptance of the code will be a significant step forward. It was agreed that, on the interpretation of the broad principles laid down in the code, there should be no legal quibbles. Among the important suggestions made at the meeting for securing better industrial efficiency, particular mention may be made of those concerning avoidance of waste and inefficiency by both employers and workers, adoption of suitable productivity techniques and drawing up of suitable recruitment, training and promotion rules by management. The draft code, together with the suggestions made at the meeting, will be considered by a sub-committee of the Indian Labour Conference and they will then be placed before the Indian Labour Conference at its forthcoming session.

There is no doubt that the aims and objectives of the code are unexceptionable in principle and neither the employers nor workers should have any objection to its adoption.

The current emphasis on productivity is a welcome feature of official economic thinking. It is based on the realisation that, while sound industrial relation no doubt forms the important basis for larger and more efficient production, the results in their fullness can be achieved only through positive incentives. Even in Soviet Russia, where the motivations of workers were said to be different from those obtaining in capitalist countries, monetary incentives are being recognised as having an important role to play in obtaining higher production. Linking payments with production, wherever possible, is accepted as a sound policy. Incentive bonus on the basis of productivity is already existing in some of the leading firms in the private sector as also in certain undertakings in the public sector such as the Hindustan Machine Tools. The Government proposes to extend the scheme to other undertakings as well and a team of three Soviet experts, it is reported, will shortly arrive in this country to advise the Government on the introduction of incentive schemes.

PLANNING IN INDIA

Many economic thinkers in the West have expressed their views on India's economic planning, based either on an on-the-spot study tour of this country or on the official documents published from time to time. Every one made in India to speed up economic development, with a view to raising the level of the servers are highly critical of the approach of authorities to planning and some of the policies adopted by them. A few question the very basic assumptions behind the Indian planning

system. To this latter group belongs Dr. H. A. Wolfsohn, Senior Lecturer in the Department of Political Science, University of Melbourne (Australia). Dr. Wolfsohn was in India recently; from August 1958 until last April, he was attached to the U.N.E.S.C.O. Research Centre at Calcutta. A summary of his findings of research in India, which are being incorporated in a report to be submitted to the Government of India, has been made available by the Melbourne Correspondent of *The Hindu* of Madras.

The basic assumptions behind the Indian planning system, Dr. Wolfsohn says, are contradictory. In his opinion, the dividing lines between the private and the public sector have not been carefully demarcated in terms of social responsibility. There is considerable force in this view. The Industrial Policy Resolution of 30th April 1956 has earmarked to the Government a large sector of industry, including almost all the most important ones. The importance attached to the private sector is only secondary. Again it is laid down in the same resolution, on top of the threefold categorisation, that it "is always open to the State to undertake any type of industrial production." Such an approach is beset with disquieting consequences. Already, they are becoming evident. Be that as it may, it will be worthwhile to note here the following observations of Dr. Wolfsohn:

"Indian planners have not consciously enough faced the still strong dualism of Indian life, the pre-capitalist, oriental mode of rural production and the contrasting Westernisation of the cities. For a national plan to succeed, there must be some controlled interaction between these two main groupings and forces. But, while the displacement of the peasantry, which began under Cornwallis, is still continuing to this day—such displacement being a *sine qua non* of 'classic' industrialisation—the second and complementary step of absorbing the displaced peasantry into industry and has not been adequately fulfilled."

Dr. Wolfsohn mimes no words when he declares that, as matters stand, the aims laid down in the "Directive Principles of State Policy" cannot be fulfilled, and that for this reason it is not at all necessary for India to turn to totalitarian methods to solve its problems.

The example of China which he has cited reveals that the revolutionary methods of industrialisation adopted by the Chinese with the elements of compulsion contained in them would be quite inadequate but for massive help from its allies. Mr. Wolfsohn has rightly emphasised that the solution to the problems of India lies in (a) as full a utilisation of rural manpower as circumstances and administrative techniques permit, and (b) the incorporation of the Indian sub-continent into a broad international system of economic planning and assistance. He has also urged the need for a new agrarian policy. He observes: "Whilst there is increasing awareness that greater attention must be paid to the agricultural sector and huge sums have been set aside for community extension projects, a definite agrarian policy does not exist." Given a proper agrarian policy and India's inclusion in a far wider planned economy area, the learned doctor feels, new methods of population control and more efficient husbandry will, in the long run, take away much of the pressure which now threatens to undo the advantages of national planning.

It is, however, difficult to agree with two conclusions of Dr. Wolfsohn. First, the new urban industries, by undermining small-scale, village industries, especially in textiles, create unemployed faster than they can be absorbed into the cities. Secondly, rationalisation of production in the big and relatively new enterprises is demolishing jobs at a rate as fast as, or faster than, new jobs are being created through new factories. The urban industry is not at all undermining the small industries. In fact, it is the other way. The small industries are sought to be fostered at the expense of the more efficient large-scale industries through measures like reservation of markets, grant of complete tax holiday, and active financial assistance and support. In the case of textile industry, a special cess is levied on the mill sector the proceeds of which are utilised for giving subsidies to handlooms. As regards rationalisation, the progress actually made is very poor, thanks to the stiff opposition from labour and to the lack of helpful official policy. Dr. Wolfsohn must know

that several industries in India are suffering from cost inflation and the only effective solution to this lies in modernising equipment and rationalising methods of production. How can the community have an abundant supply of cheap and quality goods unless old and uneconomical methods are discarded in favour of new techniques? Surely, India cannot shut itself off from the rest of the world which is moving fast in the application of technological developments to industrial production.

FREE WORLD ECONOMY

An infallible test of the strength and soundness of an economy is its capacity for steady and sustained growth. Moderate ups and downs in business activity are no sign of its weakness but only manifestations of the emergence of temporary imbalances which are evened out by the operation of the self-correcting mechanism of a free market economy. There is no better proof of the resilience and health of the free world economy than its present recovery from the recent depression.

President Eisenhower has testified to the soundness of the free world economy. In his third annual report to the Congress on the trade agreements programme, the President reports that, despite a dip in trade last year, the economy of the non-communist world remained "essentially strong." Several developments of last year, according to him, held great promise for the future. Among these he listed the creation of the six-nation European Common Market, the moves to make European currencies fully convertible and the four-year extension of the U.S. trade agreements legislation, under which tariff-cutting pacts were made with other countries, as the more significant ones. The U.S., he said, welcomed the E.C.M. and the concept of greater European integration underlying it on political, economic and security grounds. By promoting internal economic growth in Europe, the E.C.M. would provide a basis for more stable Governments and stronger defensive forces. He termed the relaxation of

(Continued on page 36)

Something new • Something for you!

LONDON via MOSCOW at no extra fare!

MOSCOW of the grand architecture;

Moscow of the ballet and inspiring opera.

Moscow of new sights and sounds you've never seen or heard.

Fly there — now — it adds no more to your London fare.

Air-India

Every Thursday.....	Departure Delhi	08.30
	Arrival Moscow	20.20

Aeroflot

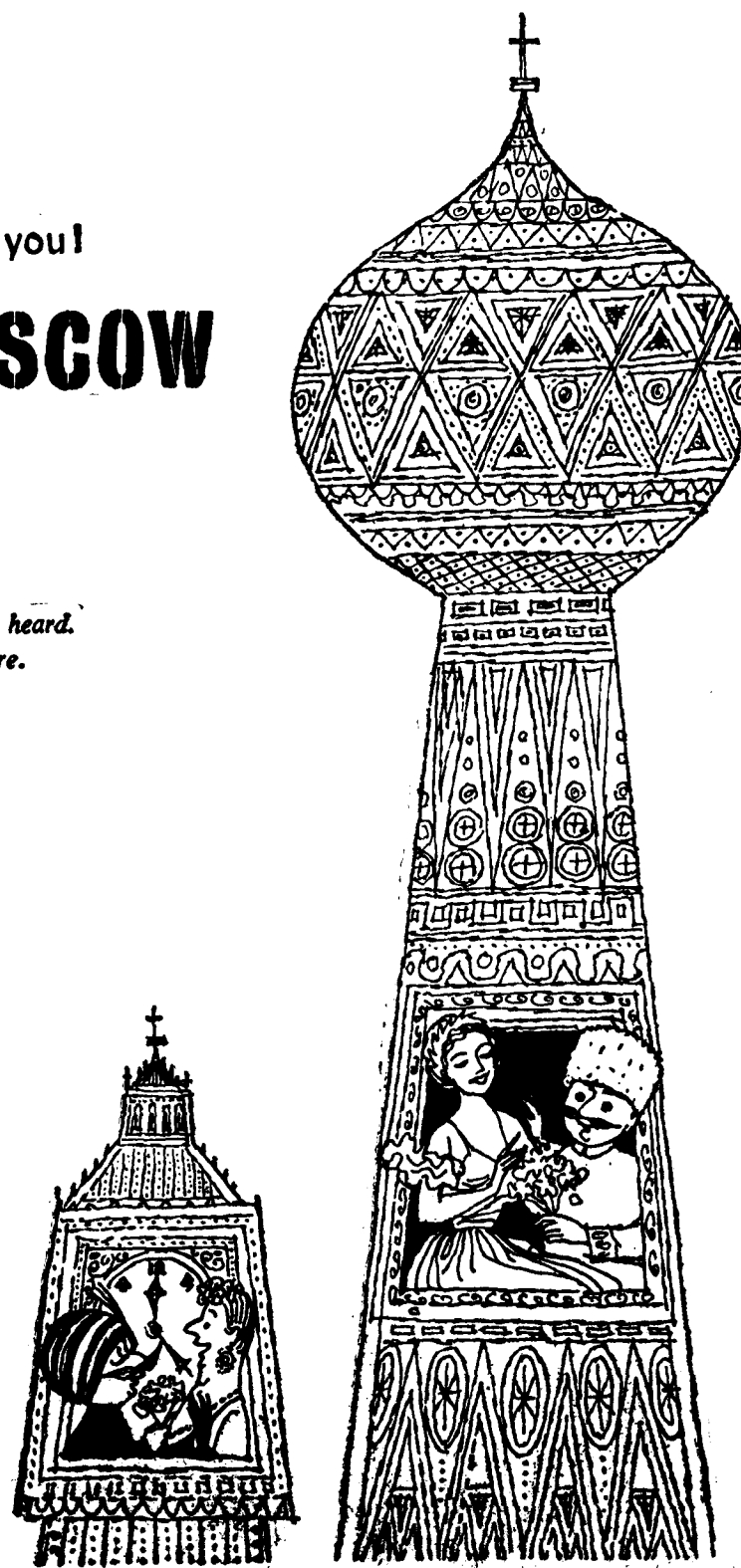
Every Wednesday...	Departure Delhi	06.30
	Arrival Moscow	12.30

Every Saturday.....	Departure Moscow	07.55
	Arrival London	11.00

B.E.A. fly Moscow-Copenhagen-London

Every Monday and Friday.....	Departure Moscow	09.05
	Arrival London	14.15

AIR-INDIA



DELHI LETTER

STIMULATING INDIA'S EXPORTS

SUGGESTIONS MADE BY GOODWILL TRADE MISSION

From Our Special Correspondent

New Delhi, 30th June

THE importance of the use of systematic methods and personal contacts with foreign buyers in promoting exports from India, the need for inviting foreign capital to participate in India's economic development and the opening of additional branches of Indian firms in foreign countries are among the many notable suggestions made in the report by the Goodwill Trade Mission (Leader: Mr. Madanmohan Ruia) which spent two months ended 25th May 1959, visiting Hong Kong, Japan, the U.S., Canada, the U.K., France, W. Germany, Switzerland and Italy. The object of the Mission was to tour several countries with a view to studying the prospects for India's trade with them and thereby supplement the work of the 1957 Industrial Delegation (Leader: Mr. G. D. Birla) which visited Europe, the U.S. and Canada. The Mission has called upon the Government to take early action on the proposal for setting up an Investment and Information Centre in the U.S., with a base office in India. It has urged the need for the observance of a "self-imposed code of discipline" by all sectors, including the Government. It has advised against the expression of extreme views in relation to private enterprise which often tend to upset business sentiment both inside and outside the country.

Foreign Capital

The Mission has emphasised that "if we are to win our share of the world's business, we cannot afford to employ slipshod methods." It adds: "We have to look upon promotion of exports as an effort requiring infinite patience as well as an effort forming part of an overall programme of economic development." Much remains to be done in the matter of inviting foreign private capital to participate in India's economic development. Urging the need for setting up an Investment and Information Centre in the U.S., the Mission observes:

"We would like that both the Federation and the Government of India should give immediate attention to the two-year-old proposal of setting up an Investment and Information Centre, to start with, in the United States, with a base office in India. This Centre should be able to give full information about the opportunities and conditions in India to prospective investors and also help them to contact their counterparts in India. Another useful function which the Centre could perform would be to have the applications of foreign investors processed and expedited. Functioning as Information and Service Organisation for all investors, both foreign and Indian, this Centre, in our view, should be able to stimulate industrial development in the desired fields through foreign investment and acquisition of technical know-how. This will be of particular assistance to medium-scale enterprises and investments. Both official and non-official spokesmen in the U.S.A. put it to us strongly that it is very essential that such a Centre should be set up by India, preferably by a non-official organisation so that it could function in a business-like manner in the interests of Indian and American business men. A related suggestion which we would like to make is that the Federation should send out delegations frequently. These delegations should not, however, attempt to cover too many countries at one time. It will be best if such small delegations are sent to deal with or study some special problems."

It would appear that the Mission had opportunities to study the working of the leading trade organisations in foreign countries. It found that, in certain European countries like France and W. Germany, there is compulsory membership of chambers of commerce. This has enabled the organisations to acquire a status for themselves and also to have at their disposal large funds for carrying on and developmental activities. India has adopted the Anglo-American model of voluntary associations. The Mission feels that "there is need to reorganise the commercial and industrial organisations with Governmental assistance, if necessary, so that they have legal recognition and adequate funds to engage themselves in useful work, such as quick dissemination of reliable commercial information, conducting market surveys, etc." It suggests that a beginning may be made by evolving a scheme which will make available to the Federation the necessary finance on a sound and expanding basis.

The Mission has made a number of observations on India's trade with each of the countries it visited. Some of the Mission's notable suggestions and observations are:

Hong Kong: It is virtually a show-window of the world and trade is carried on a world-wide basis. In a sense, the acid test of India's export promotion measures is the headway it can make in this international market. With proper organisation, India should be able to export to Hong Kong table fans, pumps and diesel engines, tea, groundnut oil, cotton textiles, handlooms, yarn, cement, finished leather, leather goods, pharmaceuticals, carbon paper, etc. The Engineering Export Promotion Council should open a show-room at Hong Kong with facilities for effecting sales.

Japan: While the Japanese economy is a competitive economy, private enterprise operates abroad through organised channels, often invisible, with the active support of the Japanese Government. Manufacturers often co-operate and combine in purchasing goods from foreign countries or in effecting exports. Similar arrangements can be made in India. The answer to marketing India's products in Japan, even of ores, is not the State Trading Corporation but of voluntary association of particular trades. There is demand for washed coal. Exports of cotton could be increased. The question of modifying the 15 per cent. import duty on semi-tanned hides, which Japan has imposed, should be taken up by the Indian Embassy in that country.

U.S.: The U.S. has half the industrial potential of the non-communist world. Although it is the second largest buyer of Indian goods, next only to the U.K., India's share in the total imports of the U.S. is only about 1.5 per cent. India should be able to increase its exports through organisational improvement. It should tap more centres for the offtake of its handloom goods. It should manufacture the specialised jute fabrics which are now being supplied to the U.S. by Japan, the U.K., Germany and Belgium. Tea propaganda should be intensified. The U.S. is not prepared to buy Indian hides and skins in semi-tanned condition since their processing is costly in the U.S. The U.K. buys semi-tanned material, finishes it and then sends it to the U.S. The Government should liberalise the issue of import licences, so that genuine tanners in India may import the machinery and chemicals they need. Tanning facilities will thus be improved. This will enable India to export finished skins and hides to the U.S.

Canada: This is a large and developing country. It is one-and-one-third the size of the U.S., which is itself twice the size of India—with a population of less than 17 million, and abundant resources. The Canadian market has not yet been fully exploited by Indian exporters. Jute manufacturers and tea constitute the most important items of export. The jute interests must be vigilant about the growth of substitutes and tea exporters about competition from other countries. Publicity for Indian tea should be intensified. It is possible to develop business in finished and half-tanned leathers.

U.K.: The U.K. takes about 25 per cent. of India's exports. The Government of India should take up with the British Government the question of "mark up" price of jute manufactures. The U.K.'s pricing policy is detrimental to India's jute exports. Tea publicity should be intensified.

France: The French industry can substantially contribute to our development programmes. There is scope of expanding India's export trade in castor oil, and tanned hides and skins. A leading French firm which imports ores reported that they had difficulties arising out of the entry of the S.T.C. into the trade.

W. Germany: The Government of India should take up the question of restrictive policies and internal levies which respectively interfere with India's exports of textiles and tea to W. Germany.

Switzerland: It would be worthwhile for India to have closer contacts with Switzerland, in that the latter may be deemed to be a test market for products in Europe.

Italy: It should be possible to stimulate India's exports of cashewnut to Italy. The Government of India should take up with the Italian Government the question of the 13 per cent. import duty which the latter levies on imports of East India tanned hides and skins.

Other Suggestions

In conclusion, the Mission makes some additional suggestions for improving India's export trade. Thus, it suggests the publication of a comprehensive export directory and the setting up of a small committee with official and non-official representatives to study the working of trade centres which India has opened in foreign countries. It also suggests that a review should be made of the working of the different

export promotion councils, in order to see how they can be strengthened. It emphasises that India's traditional exports should not be neglected. It advocates the provision of facilities which will improve the quality of processing and finishing of textiles in India. There is scope for co-ordinating the work of the Central and State Governments in the matter of expanding exports. Often, the absence of simple regulation may hold up exports. Thus, the export of lean meat to Hong Kong has been held up for the last two years through India's failure to set up a recognised body for certifying the quality of meat.

The Mission feels that it is wrong to assume that exports can be stimulated through compulsion or through the operation of the S.T.C. It observes:

"There is a tendency to assume that exports can be stimulated through compulsion. This is oversimplifying the matter of export promotion. A surplus—whether real or artificial—cannot be automatically marketed. We have to sell abroad along with other competitors and the buyers must be persuaded to choose Indian goods. In other words, the Government should assist Indian business to sell abroad. The f.o.b. costs of our exports should be brought down. We seem to be still in the stage where Government as a whole are not aware that there are real impediments in the way of exports. The first priority, alas, must be for removal of impediments rather than the question of granting fresh incentives. To illustrate: the export business in manganese ore is currently subjected to several handicaps, old and new. Imagine the cumulative effect of increased railway condition for approval of S.T.C. and the position of an Indian exporter in a falling market. The S.T.C. is not the answer to the problem of increasing our exports. It is up to the Indian industry and trade to organise themselves in a way as to make unnecessary the continuation of the S.T.C. which apparently is irksome not only to business in India, but also to business abroad, especially in free competitive economies."

Export Planning

Among the other specific suggestions made by the Mission are greater attention to export planning by Indian manufacturers and exporting firms, the opening of branches of Indian firms in foreign countries, the formation of export associations of Indian firms and the strengthening of India's embassies and consular offices in foreign countries. The Federation, it is stated, should re-publicise the arbitration agreement it has concluded with the American Arbitration Association and the Japanese Commercial Arbitration Association and also consider the possibility of entering into similar agreements with other countries. Finally, the Mission urges the Government, industry and trade to concern themselves more and more with questions relating to the design and packing of goods, the standardisation of goods, the advertisement of particular products through different media and the display of Indian goods in trade fairs and exhibitions and in foreign departmental stores.

Notice

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Members of Jessop & Co. Ltd., will be held at the Registered Office of the Company on Friday, the Twenty-fourth day of July, 1959, at 11.00 o'clock in the forenoon, for the transaction of the following business:—

1. To receive and consider the Accounts together with the Reports of the Board of Management and Auditors, for the year ended 31st October, 1958.
2. To declare a Dividend.
3. To appoint Auditors and fix their remuneration.
4. To transact any other business of an Ordinary General Meeting.

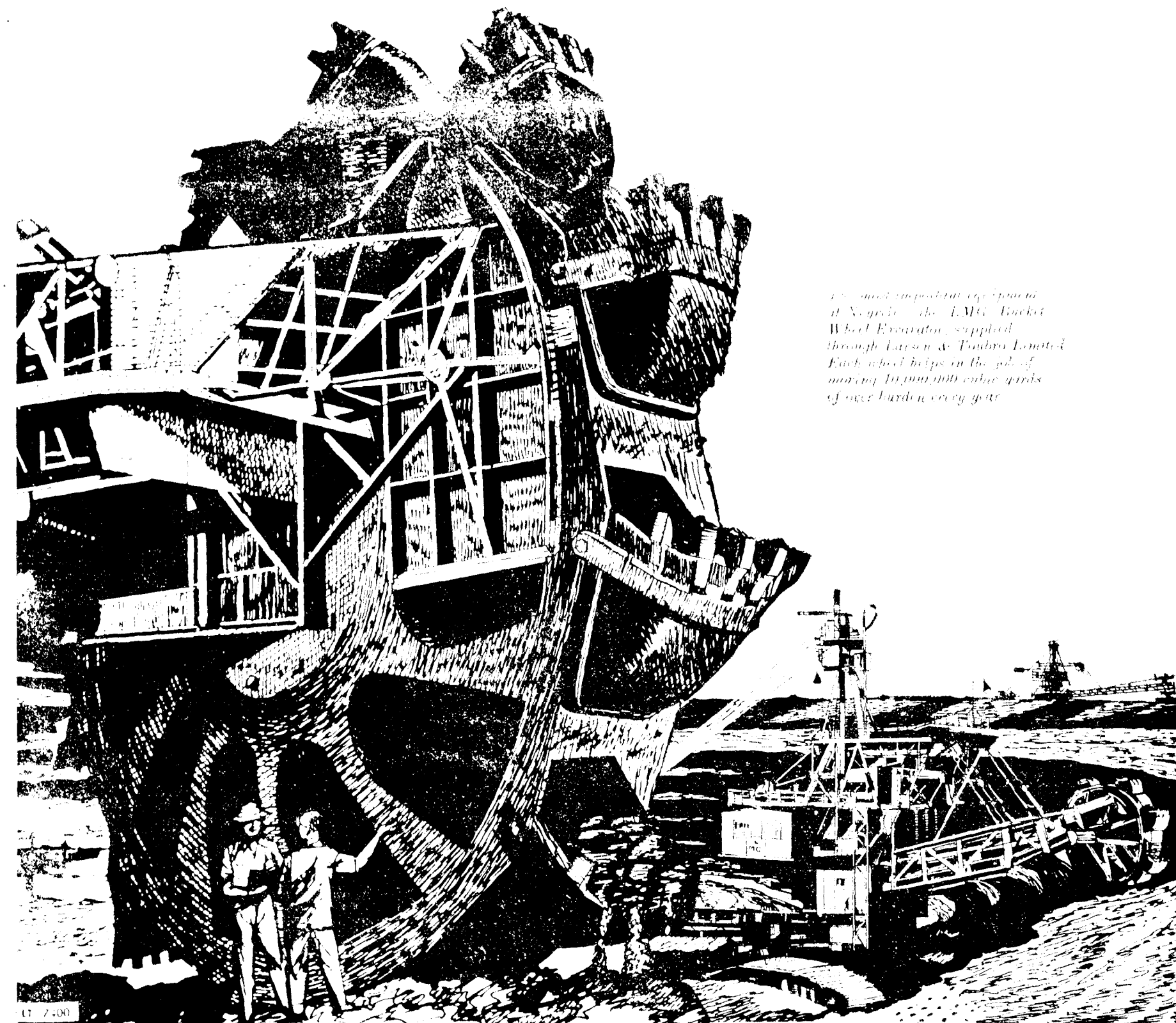
The Ordinary Share Transfer Registers of the Company will be closed from 8th to 24th July, 1959, both days inclusive.

By Order of the Board,

D. D. MARKAN,
Secretary

63, NETAJI SUBHAS ROAD,
CALCUTTA, 28th June, 1959.

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



It is most important equipment in Nigeria—the E.M.C. Rubber Wheel Press, supplied through Jessop & Co. Ltd. Each wheel helps in the job of making 10,000 rubber sheets of over 100 ft. long every year.

CO-OPERATIVE BANKING IN BOMBAY INCREASING RELIANCE ON BORROWINGS FROM RESERVE BANK

THE year ended 30th June 1958 was notable for an all-round expansion of co-operative activity, and co-operative banking institutions spared no efforts in fully responding to the demands made on them by mobilising the resources and making the best use of them. The Forty-seventh Annual Administration Report of the Bombay State Co-operative Bank for the year 1957-58 narrates the story of the Bank's effort to equip itself, as the apex bank of the co-operative movement in the State, and its affiliates to fulfil their obligations during the year under review and to face the bigger tasks that lie ahead of them.

From the point of view of resources and lending operations, the progress of the Bank and its affiliates during the year can be said to be satisfactory. The policy of providing better banking facilities to affiliated institutions was pursued vigorously during the year by opening 19 new branches, raising the total number of offices to 262 at the end of June 1958. In spite of the keen competition from commercial banks, the co-operative financing agencies succeeded in strengthening their deposit resources and these, together with the refinancing facilities, enabled them to augment their working capital required for meeting the growing demand for credit, specially for productive purposes. Organisationally, a certain degree of integration within the three-tier system was achieved. Ideologically, the need for specialised financing agencies was recognised, but, in practice, each district central co-operative bank, with a few exceptions, was accepted as a financing agency for all types of co-operatives in their respective districts in respect of their short and medium-term credit needs. The emphasis was shifted from purely agricultural loans to rural credit and the need for strengthening production in the rural sector was appreciated.

The co-operative credit institutions, including the Bombay State Co-operative Bank, as stated earlier, responded fully to the growing credit requirements of the co-operatives, but their task was by no means easy. For, besides the problem of resources and men, they had to accept greater risks and operate on a reduced margin stemming from static lending rates and higher cost of management and deposits. The magnitude of the change is well brought out by the following comparative table:

As at the end of the year (Amount in crores of rupees.)

	Apex Bank		Central Banks		Total	
	1956-57	1957-58	1956-57	1957-58	1956-57	1957-58
No. of offices	57	45	186	217	243	262
Owned funds	1.30	1.79	2.80	4.06	4.10	5.85
Deposits	11.48	11.34	18.53	19.63	29.93	31.59
Borrowings	1.17	3.42	2.38	6.50	3.55	9.92
Working capital	17.64	24.47	22.73	31.66	40.37	56.13
Cash on hand and with banks	0.77	1.08	1.96	2.04	2.74	3.12
Investments	5.65	6.65	8.58	9.79	12.56	16.44
Loans and advances	7.97	9.62	11.05	18.39	19.92	27.91
Profit	0.07	0.08	0.20	0.25	0.27	0.33

It will be seen that the total working capital of the Bombay State Co-operative Bank and its affiliates rose by Rs. 15.76 crores or 38.6 per cent. to Rs. 56.13 crores. Of this rise, deposits accounted for no more than Rs. 3.56 crores, so that the greater part of resources had to be found through borrowings which had gone up by Rs. 6.37 crores. Loans and advances were higher by Rs. 8.89 crores. In other words, the pace of increase in lendings far outstripped the rise in deposit resources. In view of the limitations on the ability of the co-operative credit institutions to augment their deposits, there was more reliance on the Reserve Bank.

Further, the rise in net earnings was not commensurate with the growth of business and the risks attached to it. Thus, the Administrative Report points out that, as against an increase of 46.4 per cent. in lendings and 38.6 per cent. in working capital, the net profit of the institutions was up by only 26.4 per cent. It adds:

"The effort to transact more business at a reduced cost is to be welcomed from the point of view of the institutions; but it also exposes the financing agencies to risks of bad debts and threats of a further rise in administrative costs which are regulated mainly in accordance with the provisions of the Industrial Relations Act."

effort for ensuring the successful functioning of credit mechanism at a reduced cost and for mobilising deposit resources at a fair cost from within the co-operative sector itself."

The growing reliance of co-operative banks on borrowings from the Reserve Bank underlines the importance of self-help in augmenting the resources. But there are, according to the Report, two main difficulties: (1) the inability of co-operative banks to compete with commercial banks for deposits on the basis of interest rates, since their lending rates are subject to a ceiling, and (2) the conflict of interest between co-operative institutions having surplus deposits and others relying on borrowings from their financing agencies. Commenting on this problem of resources for co-operative credit institutions, the Report makes the following interesting observations:

"The realisation on the part of every institution that co-operation stands for collective well-being and no individual institution is entitled to earn more at the cost of the other can alone promote co-operative discipline. Co-operation is trying to cultivate this breadth of vision. Pending the attainment of success, the Registrar has sought to draw the attention of co-operative institutions to the need for conserving co-operative resources within the fold of the co-operative movement by practising co-operative discipline. Another welcome development is the decision of the Government to encourage charitable and semi-Government institutions for placing their surplus funds at the disposal of co-operative banks. While this is most welcome, the full benefits of Government's intentions can be derived only when the distinction drawn by various laws between scheduled banks and co-operative banks for the purpose of accepting deposits is removed. Co-operative banking has been pressing for this reform unsuccessfully. It may also be desirable to define the degree of preference which semi-Government institutions should accord to the State Bank of India over co-operative financing agencies, since both are State-partnered institutions and are expected to serve as instruments of economic development."

"According to the present standards, it is possible to raise sums equal to five or six times the paid-up capital and statutory reserves of each central bank from the Reserve Bank of India for financing agricultural operations and marketing, medium-term investment in land and weavers' societies. The scope of this facility is restricted on account of the exclusion of a variety of production activity, notably forestry and fishing. Again, from the point of view of the Reserve Bank of India, the overall limit is fair, inasmuch as it assures half of the maximum borrowed resources which a financing agency can raise under its borrowing powers. From the point of view of central banks, however, the optimum cannot be had until the demand for medium-term credit and from weavers' societies in each district is sufficiently developed. In view of the rapidly growing demand for financing agricultural operations and the difficulties in mobilising deposit money, a plea is being made for allowing operations within the overall limit by removing the ceiling on borrowing for each type of purpose. Meanwhile, some of the central banks have been obliged to strengthen their borrowing capacity by raising fresh capital through Government assistance in order to secure more funds from the Reserve Bank. In doing so, some of them may be confronted with overcapitalisation."

"Certain States have sought to resolve the dilemma by pooling the resources and the cost at the apex level. This is done by taking into account the borrowing facilities available to the apex bank from the Reserve Bank against the security of promissory notes of central banks and Government securities, as well as its deposits, and pooling the cost of both types of funds. In effect, it is the apex bank which is a lender to the affiliated central co-operative banks and refinancing facilities from the Reserve Bank are available only to the apex bank. This Bank (Bombay State Co-operative Bank) has, however, been passing the funds made available by the Reserve Bank on the strength of credit of individual central banks to them at a margin of 1 per cent. interest and making loans out of its deposit resources at a normal rate of interest. The latter system is beneficial to those institutions which have already built up their strength. Since most of the central banks are strong, they prefer the present practice; but a few especially the newly started ones and those serving the growing marketing and processing co-operatives, are at a disadvantage."

A feature of the credit operations of the co-operative banks is the rise in arrears along with the growth in lending. As a percentage of outstanding loans, however, the arrears show a fall. Thus, in the case of the Bombay State Co-operative Bank, the percentage of unauthorised arrears to total outstanding, which had fallen from 12.5 to 6.8 in 1956-57, declined further to 3.4 in 1957-58 and in the case of the Central Co-operative banks it dropped from 14.1 at the end of 1956-57 to 10.2 at the close of the year under review. But the fall in this percentage is not a

and Marathwada is said to be particularly alarming. "The magnitude of unauthorised arrears," the Report points out, "underlines the shortcomings of the system of supervision over the use of credit and efforts to link production with marketing." It also reflects the lack of consciousness among borrowers to honour their commitments.

Notwithstanding the several handicaps and shortcomings, the progress of co-operation in the Bombay State has been encouraging and several examples of successful co-operative effort in the area served by the Bombay State Co-operative Bank are given in the Report. Much more, however, remains to be done. For, as the Report admits, "co-operation is still far away from its immediate goal of bringing within its fold at least half the volume of agricultural credit, marketing and processing by 1971. The drive for membership of agricultural primaries during the year under report could add only 2.44 lakhs, as against a target of 3.47 lakh members. There has also been a shortfall in short-term and medium-term credit for agriculture. The bulk of the fishing industry is outside co-operation and depends on moneylenders-cum-traders for finance. This is also the position in respect of artisans. Where agricultural co-operation has made considerable headway, projects for raising the productivity of lands through medium-term investment have to be undertaken on a larger scale in future."

There is thus a wide gap between the needs and the actual performance, indicating the vast scope for expansion of co-operation and co-operative credit. It also underlines the magnitude of the effort required to strengthen the co-operative institutions from within. But the main brunt of the task falls on co-operative banking which has to take the initiative and create favourable conditions, since credit is the very foundation of modern economic activity.

I.F.C. TO INVEST IN IRAN

The International Finance Corporation has agreed to invest U.S. \$300,000 in *Sherkate Sahami Kakhkashan*, an Iranian company, for the construction and operation of a ceramic tile plant in Teheran. Kakhkashan was organised in 1956 and is entirely owned by Iranian businessmen. This is the Corporation's first investment in Iran.

The Kakhkashan project consists of the construction and operation of a plant with a daily productive capacity of 10,000 high quality glazed wall tiles of various sizes and colours, and 5,000 floor tiles. The ceramic industry is one that dates from Iran's early history, but this will be the first modern plant in Iran to manufacture glazed ceramic tiles equal in quality to those currently imported. The high rate of construction activity, in both the public and private sectors, has steadily grown in recent years, resulting in a rapid increase in the demand for imported and domestic tiles.

Kakhkashan has been guided in its plans by experts of the United Nations Technical Assistance Mission to the Iranian Ministry of Industries and Mines. Design of the plant and specification of the machinery have been made in collaboration with a British consulting firm. The kilns and mixing machinery are being supplied from two British companies. Engineers of these companies have installed the equipment, and are being retained by Kakhkashan as technical supervisors during the early stages. During this period, Iranians will be trained in the technical operations.

The I.F.C.'s investment will help finance machinery and equipment and provide working capital. Total cost of the project is about \$825,000. The I.F.C.'s investment of \$300,000 will be in U.S. dollar notes bearing interest at 7 per cent, maturing by 1968. In addition, the I.F.C. receives the right to participate in profits of Kakhkashan. Payment of the principal and interest are guaranteed by the stockholders.

It is estimated that within two years Kakhkashan's operations will bring about a saving of foreign exchange equal to the amount of the I.F.C. investment.

DECIMAL COINAGE IN BRITAIN

A questionnaire on the introduction of decimal coinage in Britain is being circulated among traders by the National Chamber of Trade. Among other things, the questionnaire, which has been prepared by the British Association for the Advancement of Science, asks whether pounds, shillings, and pence are inconvenient for retail trade and to what extent cash registers are eliminating the need for mental arithmetic by shop assistants.

Those favouring the decimal coinage system are being asked whether the pound should be retained as a main unit and, if so, whether it should be subdivided with the pound (10 florins) equaling 100 cents. As an alternative, traders are being asked if there would be any merit in retaining the penny as one-tenth of a shilling and leaving the shilling as one-twentieth of a pound. Grocers are also being asked to give their views on changing the present official weights and measures system to the metric system.

LONDON LETTER

A CHANGE IN TREND U.K. EXPORTS INDICATE WORLD RECOVERY

From Our Own Correspondent

LONDON, 27th June

"THE rise in exports in the last two months represents one of the sharpest changes in trend for a long time." Thus announces the Board of Trade in its detailed analysis of British exports in May which it has just issued in supplement of the overall figures on which your correspondent commented last week. In May, there were, substantial further rises in shipments of machinery, cars and commercial vehicles, chemicals, nearly all types of textiles and most other forms of consumers goods. Indeed, monthly record figures were achieved in a number of goods, notably motor cars and chemicals.

The car figures are particularly instructive: in the first quarter of this year, car production in the U.K. as compared with 1958 dropped by 20,000 vehicles, of which 12,000 represented a fall in exports. But, in the past two months, exports have jumped up by 30,000 cars in the year, against an increase in home production of 24,000 cars; thus, in this important section of industry, the export market is outstripping the home

market. There is a similar picture for commercial vehicles; in the first quarter of this year, exports slumped by 6,500 vehicles as compared with 1958 which was exactly the drop in home production. In the last two months, exports have jumped up by 5,000 vehicles, as compared with last year while production has risen by 8,000 vehicles.

Moreover, the area distribution of exports shows a broadening basis of expansion. Although shipments to North America and Western Europe were slightly lower than in April the first signs of recovery in total shipments to sterling area countries which appeared in April were reinforced in May. Exports to the rest of the world also rose strongly on balance in May.

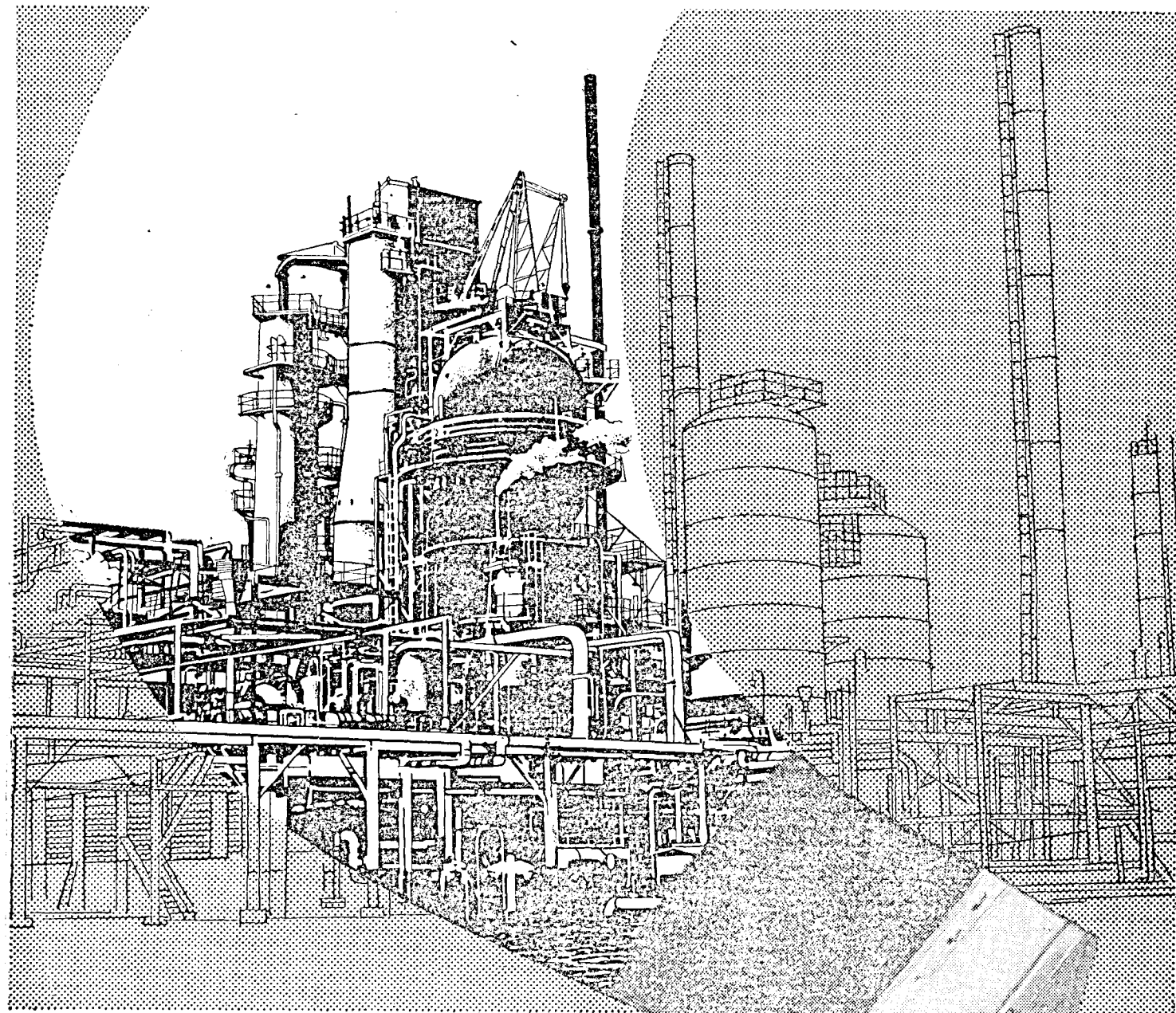
In effect, the improvement, both in quantity and in breadth of market, in the last two months has more than matched the whole of the decline which took place during the previous 18 months.

"It cannot be expected," says the Board of Trade, "that anything like the recent rate of advance will be maintained for long, but the recovery, together with other evidence of the resumption of a strong growth in industrial activity and trade in many parts of the world, now gives a good prospect that the year 1959 will see all, or more than all, of last year's fall in exports caught up."

The price picture is also most encouraging, not only from a British point of view but also

from the point of view of world markets. The food and tobacco group of imports have remained unchanged in their price level in the first five months of this year on average, as compared with 1958; in other words, the slump in prices has stopped but no rise has begun. Basic materials have been running at 5 per cent. below their 1958 level in the first five months of this year, but they have been steady at this level ever since last autumn showing no deterioration. Fuels are running about 5 per cent. below 1958 levels, but, while this is the average for the past five months, the trend in this group is still downwards. Significantly, manufactured goods have been creeping up since the beginning of the year and are now 2 per cent. above the 1958 level. Overall, import prices are 11 per cent. below the 1958 level, but, since the beginning of spring, the drop has been arrested.

In exports, the picture is very encouraging. Export prices have remained stable over the past five months, and, indeed, in manufactured goods, they have shown no change for a year. Even overall, there is only a 1 per cent. drop, as compared with 1958. The terms of trade, which are the ratio between imports and exports, have, in the first five months of this year, improved fractionally over the level for 1958 and recently they seem to have become stabilised. This is a much better outcome than might have been expected.—All Rights Reserved.



Inside this maze of pipes and tanks flows precious oil, for the nation's homes, transport and industries.

Outside — the Trombay refineries are well-protected with a tough coating of GOODLASS NEROLAC paint, made especially to strengthen and preserve the pipes and tanks which hold these vital oils.

Refineries are new to India, but GOODLASS NEROLAC have twenty-five years' manufacturing experience in India, backed by a century of technical and scientific development of methods and products. And each year, GOODLASS NEROLAC's research laboratories are perfecting better, stronger, protective paints.

GOODLASS NEROLAC — the Paint Specialists — supply all types of paints... each one specially manufactured to provide the best protection for every type of industry.

Consult GOODLASS NEROLAC PAINTS Private Ltd.
Forbes Building, Home Street, Bombay 1

**Goodlass
NEROLAC
Paints**



COTTON TEXTILE INDUSTRY IN THE U.S.

CAMPAIGN FOR MORE PROTECTION

INTENSIFIED—QUOTAS FOR JAPAN REVISED

A RENEWED campaign for more active official intervention in cotton textile trade has been launched by both millowners and traders in the United States. The textile interests want the Administration to give them greater protection at home and assistance for selling cotton goods abroad. They allege that competition from Japan is growing and that imported textiles have made important inroads into the domestic textile market. Attention is also drawn to the persistent marked contraction in the overseas demand for U.S. textiles. This is attributed partly to the development of national industries in areas of low labour cost and partly to loss of overseas sales to countries such as Hong Kong, Communist China and India, and, to a lesser extent, to the European Soviet bloc. In addition, the U.S. textile industry feels that protective action taken by foreign countries is especially severe in its effects on U.S. textile exports.

The allegation that India has captured a portion of the markets for American textiles is not justified because the trend of cotton goods exports from this country, too, continues to be downward, notwithstanding all the incentives for exports given by the Government of India. Exports of mill-made piecegoods from India are currently running at an annual rate of not more than 530 million yards, as against the actual shipment of 581 million yards in 1958, 839 million yards in 1957 and 1,072 million yards in 1950. In recent years, India was holding the second place in world trade in cotton textiles. It even held the first place at one time. But now it looks as though it will rank even below the U.S.

Shipment of U.S. Cotton Goods

Although India cannot be blamed for the difficulties of U.S. cotton textile industry, there is no denying the fact that the export trade in American cotton goods has been falling. The value of these goods actually exported during the month of April 1959 was only \$10.1 million, as against \$17.5 million in the corresponding month of 1958. Figures relating to the quantity of exports are not available. It is, however, estimated that the total exports of yarn and cloth in the current calendar year will be substantially lower than in 1958. The following table indicates the actual shipment of U.S. cotton goods in the past ten years:

Year	Yarn (million lbs.)	Cloth (million yards)
1949	26.12	937.94
1950	18.16	692.79
1951	20.22	855.13
1952	22.80	810.61
1953	17.23	661.55
1954	19.02	644.78
1955	15.46	577.08
1956	15.49	545.18
1957	19.17	689.39
1958	12.92	538.29

The continued setback to U.S. textile exports has occurred despite the adoption of two schemes of assistance. First, the American exporters of cotton goods receive Government help through the so-called "equalisation payment programme" started in 1956. This is designed to make exports of such items as cotton grey cloth, finish fabrics and yarns competitive with foreign products made from U.S. cotton sold at reduced prices overseas. Secondly, the International Co-operation administration purchases regularly textiles from the domestic trade. The exporters are urging for a larger share in these purchases, stating that half of this volume should be allocated to U.S. goods, instead of less than 15 per cent. at present.

The reaction of the U.S. Government to the plea for assistance to promote cotton goods exports will be awaited with much interest in India and other exporting countries. So far as the domestic textile market is concerned, the American textile industry is expected to take full advantage of the 1960 Presidential elections to secure higher barriers against imports of Japanese cotton textiles. This at any rate is the fear expressed by the textile industry of Japan which, to quote *The Mainichi* (overseas edition), a monthly published from Tokyo, "has paid a dear price to maintain American markets and friendship."

Japanese Plea

The cotton textile interests of Japan and the U.S. it will be recalled, met at Washington on 5th December 1958 to discuss how much Japan

could export to the U.S. in 1959. The meeting was held in accordance with the documents concerning the curbing of Japanese textile imports into the American market exchanged between the Governments of the two countries on 31st December 1956. At this meeting, the Japanese representatives wanted an upward revision in exports to the U.S. during 1959. The increase asked for was of the following order, with figures in million square yards: cotton textiles—235.0 to 249.1; velveteen—2.5 to 3.5; gingham—35 to 42; made-up goods—122 to 136. They also wanted the abolition of the ceiling on high-grade cotton cloth (26 million square yards). In support of their proposals, the Japanese representatives pointed out that the American market had expanded sufficiently to absorb an increase in their cotton textile exports and stressed that the textile industry of Japan was forced to depend more heavily on the American market as a result of Red China cutting into the South-East Asian market.

The U.S. textile interests, however, did not agree with the aforesaid view. They said that the domestic market, though it had improved lately, was still not as good as in 1956 and 1957 and that, with general demand falling despite the rise in population, the industry's business had been shrinking. They, therefore, put forward a counter-proposal: to allow no increase in imports of velveteen and gingham, though the aggregate volume might be raised; to include stripped gingham in import restrictions; to leave intact the framework of 26 million square yards for higher grade textiles but to give a new quota for typewriter ribbons; to include corduroys in the category of made-up goods; and to do away with the 10 per cent. transfer between Group I (cotton cloth) and Group II (made-up goods).

Agreement Reached

The Japanese rejected the American plan outright because (1) what Japan really wanted was an increase in the exports of high-grade textiles and (2) the proposed abolition of the flexibility clause would virtually amount to a tightening of the then existing import restrictions. Indeed, the textiles industry of Japan, which purchases as much as a million bales of cotton from the U.S., took a stiff attitude. It submitted its final plan on 26th March 1959. The U.S. Department of Commerce approved of it, but the U.S. textile industry spurned it. The Department tried hard to persuade the industry with the support of President Eisenhower who emphasised the importance of foreign trade to Japan. And on 25th April, both sides finally reached an agreement revising the Japanese programme for cotton textile exports to the U.S. as follows:

	Unit	Original quota	1959 quota
GRAND TOTAL	000 sq. yds.	235,000	247,200
Group I (Cotton cloth)	000 sq. yds.	113,000	113,000
Ginghams	000 sq. yds.	38,000	40,000*
Velvetes	000 sq. yds.	2,500	2,500
All other fabrics	000 sq. yds.	75,500	70,500
Group II (Made-up goods, usually included in U.S. cotton broad woven goods production)	000 sq. yds.	30,000	33,000
Pillow cases	000 doz.	400	400
Dish towels	000 doz.	800	800
Handkerchiefs	000 doz.	1,200	1,200
Table damask	000 sq. yds.	10,833	10,833
Other items	000 lbs.	1,875	2,527
Group III (Woven apparel)	000 sq. yds.	71,000	71,000
Blouses	000 doz.	1,500	1,500
Sports shirts	000 doz.	750	750
Dress and work shirts	000 doz.	300	300
Brassieres and other body sup- porting garments	000 doz.	600	600
Shorts and trousers	000 doz.	2,321	3,864
Other woven apparel	000 lbs.	12,000	13,200
Group IV (Knit goods)	000 sq. yds.	450	450
Men's and boys' T-shirts	000 doz.	450	450
Gloves and mittens	000 lbs.	1,477	1,738
Other knit goods	000 sq. yds.	9,000	9,000
Group V (Miscellaneous cotton textiles)	000 sq. yds.	9,000	9,000

* Including gingham stripes.

It will be noted that, excepting a reduction of five million yards in "other fabrics," there has either been an increase or no change in all the other items and that the reduction of five million yards in others has been more than offset by increases in various other items. Nevertheless, the Japanese cotton textile industry is not satisfied with the revision but has reconciled itself to the new deal, in view of the need for maintaining friendly relations between the two countries. Its grouse is that the new flexibility clause places stricter restrictions on Japan's exports of cotton textiles to the U.S.; the clause

prohibits transfers from Group I to other groups, as well as from Groups II, IV, and V to Group III, and limits the transfers among Groups II, III, IV and V to 5 per cent. All the same, the Japanese millowners are said to be anxious to establish better understanding with their counterparts in the U.S. They, therefore, propose to invite the leaders of the American textile industry for a "heart-to-heart talk" and for holding textile negotiations at Tokyo next year. Textile interests in the U.S., however, continue to wage a vigorous campaign for increased protection at home.

AN INTERESTING BOOKLET ON COTTON MILL INDUSTRY

An interesting booklet entitled *The Indian Cotton Mill Industry: Nation's Premier Enterprise* has been written by Mr. Ramnath A. Podar, Chairman, Millowners' Association, Bombay. (Published by Messrs. Podar Trading Co., Ltd., Podar Chambers, Parsee Bazar Street, Bombay 1. Price: Rs. 2.50.) The booklet gives a picture of the origin and growth of the industry, indicates the problems confronting it, and assesses the outlook for it. The study of the cotton industry's cost structure as made by the Indian Cotton Mills Federation Sub-committee with the author as Chairman has been reproduced at the end of the booklet. The publication is embellished with a number of tables and graphs depicting the main aspects of the industry.

Discussing the long-term prospects for the cotton mill industry, Mr. R. A. Podar emphasises, in particular, that, from the point of view of both acquiring the ability to offer quality goods at cheap prices and maintaining its position as a leading exporter of textiles, India must go all out in using the most up-to-date machinery by discarding the present outmoded ones. He has also stressed the need for adjusting production and supply on the basis of a study of consumer preferences. In his opinion, "it might become necessary to produce larger quantities of piecegoods consisting partly of cotton yarn and partly of yarn made out of synthetic fibres. Similarly, a day might come when the manufacturer will have to consider how best he can meet the demand for the non-iron, non-crease and quick-dry varieties of cloth. Indeed, it may not be long before he will have to be prepared to produce non-woven fabrics too!" If the cotton mill industry is to meet such a challenge, it is imperative that it maintains efficiency and economy in its operation through prudent management and that the Government and labour should render active assistance to the industry in reducing production cost to reasonable proportions. Mr. Podar has done well to pinpoint this aspect in his concluding remarks.

WOOL LEADS TEXTILE RECOVERY

The current recovery of wool in the world's markets is to be supported by an intensification of wool promotion in many countries. This was one of the decisions announced by the Executive of the International Wool Publicity and Research Fund, controlling the International Wool Secretariat, at the conclusion of its meeting held at London recently. "Full advantage of the present situation," the Executive said, "must be taken to strengthen wool's position. There is little doubt that wool is leading the recovery from the textile recession of 1958 in the majority of the main consuming countries." The Executive stressed the importance of wool in the economies of the Commonwealth countries concerned and pointed out that increased production had been accompanied by a widening of demand and increased consumption, particularly in the United Kingdom, the United States and Japan.

Research and technological advances has assisted wool to meet the challenge of the synthetics and the requirements of textiles in the modern world. It is forecast that the wool textile industries of the world will soon be employing new processes which give wool additional advantages and answer the desire for "easy care" cloth and clothes. As the three countries supplied more than 60 per cent. of the apparel wool of the world, these achievements will have far-reaching consequences.

The activities of the International Wool Secretariat were reviewed at their meetings. It was agreed that there should be a further extension of the funds provided for promotion and research throughout the world.

The Executive noted that joint promotion campaigns with all sections of the wool textile industry had not only continued but increased and welcomed the inclusion of Austria for the first time in such partnerships.

TEXTILES IN THE PHILIPPINES

The Philippines would impose a blanket ban on all imports of cotton goods by 1961, if the National Economic Council's plan for expansion of the productive capacity of the indigenous industry were to prove a success. The plan envisages a rise in the number of spindles from 153,876 at present to 410,000 in 1961 and looms from 3,478 to 11,000. Special attention is being devoted to bring about a complete integration of textile mills. Four units have already been fully integrated and three others are expected to be integrated in the next two years. The current rate of textiles output is meeting 35 to 40 per cent. of the domestic requirements and it is said that the country will be able to produce more than 50 per cent. of the demand during 1959.

Exports of home grown wool from India in the calendar year 1958 amounted to 34 million lbs. or 10 per cent. less than in 1957 when 37.8 million lbs. were sent out.

SECOND THOUGHTS ON COTTON INDUSTRY REORGANISATION PLAN

FORMATION OF COMBINES FAVOURED

From A Special Correspondent

MANCHESTER, 23rd June

WHEN the outline of the reorganisation plan for the Lancashire cotton trade was drafted into a White Paper only a few weeks ago, the importance of speed in implementing the proposals was stressed on every side. Changing circumstances, however, as so often happens, have made many people in the industry wonder whether first thoughts were best.



Quite by chance, the publication of the scheme coincided with a sustained movement of supplies and more pressure for goods than had been encountered for the past 18 months or so. Order books in many instances rapidly filled up, enabling producers to secure a firmer footing than they had experienced for a long time. The effect of this revival in business, which incidentally has now slackened off, may be of considerable importance in dealing with the programme of redundancy outlined in the reorganisation scheme.

Seasonal buying movements have a habit now and then of changing for no apparent reason. On this occasion, it is being suggested that the spurt of demand, often met with in the early autumn, has been anticipated by customers who were stimulated into sudden activity by a rising trend in prices and the knowledge that supplies in the pipeline were remarkably low.

A Disastrous Policy

Because of this development fears are growing that some of those managements which two or three months ago would have plumped unhesitatingly for compensation and a quick withdrawal from the trade may now reconsider their verdict. With more machinery at work and a fair backlog of orders, they may be tempted to "wait for the next man." Such a policy would obviously be disastrous for the trade as a whole, as it is unlikely that any more favourable opportunity of pruning the excess plant will be offered in the foreseeable future.

The experience of individual traders during this phase of freer buying has naturally varied. Cases have been reported where some mills have done well, regaining an order book at reasonable prices, but a complaint among the majority of producers has been that, although the offtake has improved, the remuneration per contract has been far from generous.

Margins, in comparison with those ruling before the spinners' price regulation schemes were abandoned, have been sharply curtailed. At the same time, the mood of sellers has been to hold out firmly for full rates and instances of weakness have been rare. As order lists have

filled up, so has it been possible to adopt a more independent attitude.

Looking Ahead

Looking ahead to the reorganisation which must be carried through in the second half of 1959, the position of the larger groups is certainly favourable. Their ability to concentrate output in a smaller number of units enables their Boards to make preliminary arrangements and await details of the compensation payable with confidence. Already there are signs that several of the combines have their plans laid, which can be carried into operation as soon as the word is given. In the circumstances, they can hardly fail to benefit from the proposals.

For the single unit mill, however, the position is far more complicated. Not only have the shareholders' views to be considered, but there must be reluctance in some quarters to sever longstanding connections with the industry. Certain firms may have their plans cut and dried, either to withdraw or to carry on, but others must be guided by immediate circumstances.

"A Surgical Operation"

Against this background, the importance of the time-table for the development of the separate sectional schemes was emphasised by the President of the Board of Trade during the committee stage of the Cotton Industry Bill in the House of Commons. Sir David Eccles said that the preliminary talks on the spinning, doubling and weaving reorganisation schemes had already gone much faster than they had anticipated. He hoped that the plans would be ready for presentation to the Board of Trade early next month. Summing up the Government's view of the scheme, the President of the Board of Trade said that it was in the best interests of Lancashire that "we should try a deliberate surgical operation."

In the meantime, a very pertinent question in connection with the whole complicated problem of redundancy has been raised by a firm of manufacturers whose directors have clearly gone deeply into the matter of their survival. This concerns the disposal of the goods when produced by Lancashire spinning and weaving units. Basically, the future of the Lancashire textile industry, this firm asserts, depends not merely on what it produces but what it produces and sells successfully. In other words, the accent must remain on the selling power of the trade, irrespective of the ability of spinning and weaving mills to operate efficiently.

According to the views of this weaving firm, which have been submitted to the authorities, production should be planned now on knowledge of the requirements of markets and customers. Believing that all activities in the textile trade are interdependent, it is fair to let all

Cotton Compensation

The National Insurance Commissioner is likely to be called upon to decide whether Lancashire cotton workers made redundant by the reorganisation scheme are entitled to unemployment benefit while drawing compensation from the industry. The joint Working Party of employers and trade union officials, which has been examining the operation of the compensation scheme, met again in Manchester last week and later announced that each side was reporting back to its constituent organisation. The unions are known to have raised questions on several aspects of the scheme. Speaking after the meeting, Sir Alfred Roberts, the unions' spokesman, said that no decisions had yet been taken.

Asked whether they had found an answer to the unemployment pay problem, he said: "We may have, but this is a question that can only be resolved eventually by the National Insurance Commissioner. Whatever arrangements we come to which in our opinion might overcome the difficulty will still have to go to the Commissioner."

Industrial Development

More new factories for north-west England have been forecast by the Lancashire and Merseyside Industrial Development Association. In its annual report in Manchester, the Association referred to "signs of a slight improvement in the industrial climate" and went on: "When the slack has been taken up and the more successful industries are ready to expand, there should be a considerable increase in factory building in the north-west." Pointing out that other industries had been growing to offset the rapid decline of the textile industry, the report added: "The engineering industry, chemicals, food and paper will all expand further as trade improves."

Turning to immediate problems, the Association referred to the contraction of the cotton industry during 1958 and commented: "The difficulty this time will be in finding alternative employment quickly enough, because there seems little hope of a textile revival requiring the available labour force."—All Rights Reserved.

U.K. KNITTING INDUSTRY

The U.K. knitting industry has sent a brief to the Canadian Tariff Board saying that the higher Canadian tariffs on knitted goods imported from the U.K. would have an adverse effect on the U.K. efforts to reduce duties on goods imported from Canada. The brief is from the Hosiery and Knitwear Export Group, the National Hosiery Manufacturers' Federation, and the affiliated associations in Britain and Northern Ireland. The brief is opposing the application by Canada's primary textile institutes requesting increased tariff protection against imports of low cost knitted goods and fabrics. Canada's institutes ask for a "modest" increase in duties in order to give the Canadian knitting industry a reasonable chance to live and prosper. The brief notes that Canadian exports to the U.K. are vastly above purchases in the U.K.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
9-D Rashtrapati Road
SECUNDERABAD (Dn.)

BOMBAY STATE
Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY

MADRAS STATE
Finance House
Puttaloos Road
MADRAS-2

MADHYA PRADESH
41, Tokogum Main Road
INDORE

MYSORE STATE
Kannur Building
Ramdeo Gali
BANGALORE

PUNJAB STATE (India)
Madan Mohan Malviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

JALANAGAR P. O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

SUPPLY OF IMPROVED COTTON SEEDS PROGRESS OF I.C.C.C.'S SCHEME

IT is a primary principle of cultivation, known to farmers all over the world, that the quality of the crop harvested depends, to a large extent, on the quality of the seed sown. In the case of cotton, the plant being very sensitive, the problem of finding suitable varieties which will withstand the vagaries of climate, the ravages of pests and, at the same time, give the maximum yield is difficult enough. But it is rendered more so in India, thanks to the wide differences in soil, climate and methods of cultivation as between cotton tracts. This poses a perpetual challenge to the ingenuity and resourcefulness of agricultural scientists working at plant breeding. Their problem is not merely to evolve suitable varieties but also to maintain the purity and quality of the cotton thus evolved. It is here the importance of seed multiplication lies.

Realising this, the Indian Central Cotton Committee emphasised, as far back as in 1929, that multiplication and distribution of approved varieties of seeds should be organised in the different cotton tracts. The Committee, in addition to financing research for the improvement of the race of the cotton plant, has also been financing seed multiplication and distribution schemes in respect of each of the improved varieties officially released for cultivation in any particular tract in collaboration with the State Governments. This policy of extending assistance to the State authorities in multiplying the seed and making it available to the cultivators in an organised manner has enabled the establishment of liaison between the experiment station and the cotton grower. This is as it should be, for research will serve no purpose, unless its results are carried from the experimental stations to actual farms.

Cotton tracts in the different States vary in their extent anywhere from 50,000 acres to over 100,000 to 120,000 acres. It is obvious that providing seed for the entire area in one stage is a very difficult task. The multiplication of seed for covering a given tract is, therefore, organised to be achieved by stages from the nucleus plot on the cotton breeding station until it reached the general cultivator in the last stage. Though the principle of seed multiplication and supply had been accepted and followed by the different States, differences in respect of the number of stages linking the cotton station with the general area exist owing to differences in local conditions. It was found that, in one or two instances, with a large number of intervening stages, there was a tendency for the variety to go out of hand resulting in deterioration of quality. As this defeated the very purpose of seed multiplication by stages, the Indian Central Cotton Committee constituted a small Sub-committee to examine the question of reorganising the seed multiplication in an efficient manner in order that seed of standard purity was made available to the cultivators in all stages including the general area.

Standard Pattern

After careful examination of the different methods of multiplication which the various States had developed, taking into consideration, at the same time, the differences in cultivation practices in the irrigated and the rainfed areas, the Sub-committee drew up a standard pattern for seed multiplication which could be put into operation in all the States irrespective of local conditions. It consisted in raising a foundation stock seed on a fairly large area (10 to 15 acres) from the nucleus seed which is usually maintained on the experiment station by the cotton breeder. The foundation seed would also be under the control and scrutiny of the cotton breeder responsible for the evolution of the strain. The foundation stock seed was then proposed to be grown on the fields of a few reliable and enlightened cotton growers who would be known as A class growers. According to the terms of cultivation they would permit the staff of the Department of Agriculture to examine the crop thoroughly to purify it by a strict roguing, that is, by the removal of such plants which did not conform to the typical strain under distribution. The produce of these cultivators would be taken to the approved gineries where proper precautions would be taken to see that the produce was not mixed with any other type and that the seed was collected and bagged by the departmental staff. The seed would then be subjected to fumigation after which it would be put in bags which would be

sealed and sold for cultivation in the fields of a bigger circle of reliable cultivators known as B class growers, who would similarly bind themselves to have the crop examined, produce pooled and ginned under departmental supervision. The seed from the B class growers' fields would be distributed to a still wider circle of registered cultivators called C class growers whose crop would be generally inspected and the seed procured, bagged and sealed by the department. The seeds from the C class growers would then be made available for general cultivation. In the case of irrigated cottons the penultimate stage of C class might well be dropped as sufficient seed would be available from B class stage for growing in the general area.

Four Stages

It would thus be seen that after its emergence from the nucleus plot, the seed would be multiplied in four definite stages (three in the case of irrigated cottons), namely, the foundation stock, the A class, the B class and the C class. Thus, the organisation has not only been made simple and compact but it also enables the general cultivator to receive seed of the highest purity so that the benefit that accrues as a result of the superior characters and higher yields would be derived by him.

The Indian Central Cotton Committee has so far financed 86 seed multiplication and distribution schemes out of which 62 have terminated and 24 are in operation at present.

As a result of the intensified work under the seed multiplication and distribution as well as extension schemes, the area under improved cotton varieties increased from 2.5 million acres, representing 11.4 per cent. of the total area sown to cotton, in the 1922-23 season to 13.3 million acres, 66 per cent. of the total area under cotton,

in the 1957-58 season. The monetary gain to agriculturists as a result of cultivating these improved varieties of cotton is estimated at Rs. 13.3 crores in 1957-58.

The following improved varieties are under distribution in the schemes now functioning in the States:

State	Name of improved cotton strain released	Name of tract in which cultivated
Bombay	Vimbar Vijaya Kalyan Vijay and Dheviyay H-420 (Rukmini), No. 91, Gaurani 6, Gaurani 12, Daulat, Buri 0204, 170-Co. 2	Khandesh Surri North Gujarat Breach Vidarbha Marathwada Nimar and Vidarbha Saurashtra Karnatak Karnacum and Tinnies Camboodia tract of Comodore and Salem districts.
Mysore	Jayadhar and Laxmi	Summer tract of Ramana- mathapuram
Madras	K.2 and K.5 MCU-1 MCU-2	Ferozepore and sub- mountain tracts Haryana Central Uttar Pradesh Mewar Nimar
Punjab	820F	
Uttar Pradesh	H.14	
Rajasthan	351	
Madhya Pradesh	Indore-1 D.48-164 (Majhari)	

It is expected that reorganisation of seed multiplication on the above pattern would enable cent per cent. coverage of cotton tracts in all cotton growing States in due course. This alone will result in considerable increase in production. If the farmers were to adopt, in addition, better cultural practices and improved application of manure, there is no doubt that cotton output would increase substantially. An important prerequisite for the adoption of these practices, however, is the provision of irrigation facilities.

AN IMPROVED COTTON FOR VIDARBHA

A scheme for multiplication and distribution of Vimbar (197-3) cottonseed in the Vidarbha tract of Bombay State has been sanctioned for the period ending February 1960. The scheme will cost about Rs. 1.29 lakhs. It aims at replacing the H. 420 cottonseed by a superior strain and enhancing its purity by multiplying and distributing it to cotton growers in the tract. It was observed that the strain, H. 420 cotton, introduced in Vidarbha tract, being low ginner, fetched less returns to the growers as compared with high ginning strain Vimbar (197-3).



National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., and Grindlays Bank Ltd.)

Registered in London under the Companies Act of 1862 on the 23rd March 1866.
The liability of members is limited.

Bankers to the Government in
Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Capital
(Authorized and Subscribed) £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,168,579

Head Office: 26 BISHOPSGATE, LONDON, E. C. 2,
London Branches: 54 Parliament Street, S. W. 1; 13 St. James's Square, S. W. 1

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somaliland Protectorate, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

The Bank undertakes the recovery of Income Tax and the preparation of Income Tax returns on behalf of constituents.

Bombay Branches:
90 Mahatma Gandhi Road
Mint Road (Corner of Mint Rd. and Sir P. M. Rd.)

SUGAR IN MADHYA PRADESH PRODUCTION SUFFERS A DISTINCT SETBACK

SUGAR production in Madhya Pradesh has suffered a distinct setback during the current season (November 1958-October 1959) also. The quantity that has actually come off the crushing plants of mills is believed to have been no more than 22,000 tons, which compares very unfavourably with 33,844 tons in 1957-58 and 49,050 tons in 1956-57. The continued downward trend in production is due to the difficulty of many sugar mills to secure adequate supplies of cane, thanks to the persistent competition offered by gur producers, encouraged by the high level of prices of their product, and to the poorer sugarcane crop. The aggregate yield of cane is estimated at just 1,153,000 tons, as against 1,245,000 tons and 1,672,000 tons harvested in the preceding two seasons, respectively. Reflecting these trends, the quantity of cane crushed is lower at about 225,409 tons, as against 347,000 tons and 502,000 tons in the two previous years.

The decline in sugarcane crop reflects the shrinkage in the area and per-acre yield. The all-India second estimate of the crop for 1958-59 puts the area under cane in Madhya Pradesh at 112,000 acres, as against 122,000 acres in 1957-58 and 131,000 acres in 1956-57. The average yield of cane per acre is shown at 10.2 tons, same as in 1957-58, and 12.8 tons in 1956-57.

Importance of Industry

This disquieting performance in production for the second year in succession must have adversely affected the financial position of sugar mills in the State. This is certainly unfortunate considering the vital role which the industry plays in this State. There are at present five sugar factories, together accounting for a capital investment of nearly Rs. 3 crores. Some 5,000 skilled and unskilled workers are employed by the industry. Besides, a large number of persons is engaged in sugarcane fields, transport and other allied works. About 400,000 cultivators get their livelihood by growing cane. The total payment received by these cultivators every year for the cane supplied to mills represents as much as 50 per cent. of the value of sugar produced.

The following table indicates the trends in the sugar industry of Madhya Pradesh during the first three years of the second Plan:

	1958-59*	1957-58	1956-57
Number of factories working	5	5	5
Average number of actual working days ..	90	98	152
Cane crushed (000 tons)	225	347	502
Sugar production (000 tons)	22	34	49
Recovery (per cent.)	9.77	9.77	9.77
Area under cane (000 acres)	112	122	131
Total output of cane (000 tons)	1,153	1,245	1,672
Average per-acre yield (tons)	10.2	10.2	12.8

* Estimates only.

The production of sugar in Madhya Pradesh during 1958-59, as already stated, is 22,000 tons, as against the estimated consumption requirements of about 250,000 tons. In view of the wide gap thus, there is scope for expansion of the sugar industry in the State. But before allowing such expansion, it is necessary to

examine whether the State has the necessary climate and water resources for growing sugarcane. Sugar is an agro industry and cannot be established wherever one likes.

Performance Not Encouraging

The performance of the State in the production of sugarcane so far is not sufficiently encouraging to support the claim for establishing more factories there. On an average, one acre of land sown to sugarcane yields a little over 10 tons, which is substantially lower than the all-India average yield of 12.7 tons and 27 tons in Andhra Pradesh and Bombay, 26 tons in Madras and 24 tons in Mysore. Similarly, the quality of cane grown is poor. The average recovery of sugar per cent. in cane is only 9.77, while the figure for all India is 10.01, 11.18 in Bombay and 10.28 in Mysore.

If the sugar industry is to maintain maximum production at an economic cost, it is imperative that a more vigorous cane development programme should be launched. The programme must specially provide for better irrigation facilities, supply of fertilisers, distribution of improved seeds, intensive manuring, training of technical staff, plant protection and compost, provision of equipment and insecticides for controlling pests and diseases, supply of improved implements to cultivators on a subsidised basis, and construction of pucca roads from the fields to the factories. The State will do well first to take all these measures for improving the productivity of the fields that supply sugarcane to the existing factories before granting permission for erecting new factories.

SUGAR CO-OPERATIVES IN BOMBAY

Six new co-operative sugar mills with a total daily cane-crushing capacity of 6,000 tons have gone into production in the Bombay State during the current season, bringing the total number of co-operative sugar units in this State to 15, with an aggregate daily crushing capacity of 14,100 tons. The names of the fifteen factories, their location, daily cane-crushing capacity, producer members and sugarcane areas as on 30th June 1958 are given below:

	District of location	Daily cane-crushing capacity (tons)	Sugarcane area (acres)	No. of producer members
Pravara	Ahmednagar	1,200	4,857	1,945
Kopergaon	"	800	3,027	883
Rahata	"	1,000	3,832	1,158
Karagam	"	1,000	3,315	1,076
Rahuri	"	1,000	3,565	1,277
Bhogavati	Kolhapur	1,000	3,500	1,811
Vara	"	1,000	5,981	1,759
Panchganga	"	1,000	4,000	1,605
Malasaon	Poona	1,000	2,690	1,160
Sires Chhatrapati Shivaji	"	800	1,728	598
Shriram	N. Satara	800	2,815	943
Shetkari	S. Satara	1,000	2,000	1,762
Gitra	Nasik	1,000	2,890	1,000
Shreekhand Udyog	Surat	800	1,717	1,419
Kodinar	Amreli	1,000	2,200	1,320
Total	"	14,100	40,177	18,597

The Central Government has issued licences for the purchase of machinery to two more co-operative factories—the Krishna in Rethare, North Satara district, and the Sahakari Khand Society in Gandevi, Surat district. The position in respect of the Dudhganga Vaidganga Society in Bidri (Kolhapur) is not known.

The Bombay State Co-operative Bank has continued to be the financing agency for 10 of the 15 factories mentioned above. The Surat and Poona Central Banks are the agencies for two each, while the Ahmednagar Central Co-operative Bank has taken over the financing of the Kopergaon Sugar Factory with effect from 1st June 1958.

SUGAR INDUSTRY IN PAKISTAN

Pakistan hopes to achieve self-sufficiency in sugar by the end of 1965. The Pakistan Industrial Development Corporation proposes to establish four more sugar factories during the five-year period 1960-65. They will be located in the former Provinces of the Punjab, Sind, Bhagalpur and the N.W.F. The total additional production of sugar from these new units is put at 40,000 tons. The target of productive capacity fixed for 1960 is 235,000 tons, but the actual capacity is expected to be not more than 180,000 tons.

The future pattern of development of sugar industry in Pakistan will be determined on the basis of the report which the ten-member Sugar Commission set up in 1957 will submit to the Pakistan Government. It is reported that the Commission has already completed its findings which cover, among others, sugarcane acreage, production, recovery, future expansion of capacity, and economics of sugar, gur and khandasari sectors. The total area under sugarcane is now about 1,159,000 acres (first estimate for 1958-59). On this basis and taking the average per-acre yield at 11.8 tons, the aggregate cane production works out to 13.68 million tons.

SUGAR FOR "FREE" SALE

The Government of India has released 185,000 tons for sale in the free market. This quantity is slightly less than that released last month, namely, 195,000 tons. In the case of sugar factories situated in Uttar Pradesh, North Bihar and the Punjab, sales are to be effected at prices not higher than the ex-factory prices fixed by the Government on 22nd December 1958. Allotments of sugar will hereafter not be made to persons who are not licensed traders. The parties are clearly advised to mention their licence number in their applications. Further extension of the system of direct allotment, the Government says, will depend on the extent of co-operation offered by the industry in maintaining the controlled ex-factory prices and of the trade in ensuring reasonable market prices.

SUGAR IN THE PUNJAB

The Punjab Government has decided to take over distribution of sugar in the State. The decision, it is said, is a sequel to the need for bringing down the price of sugar which now stands as high as Re. 1.50 a seer. Accordingly, supplies will be made available to consumers through fair-price shops with the exception of sugar produced by co-operative units which will be distributed through co-operative societies. The retail price is fixed at Re. 1 per seer. The Punjab's requirements of sugar are estimated at 144,000 tons per annum, while the actual rate of output is just 72,000 tons. The Centre has agreed to allot the quantity of sugar needed to cover the deficit, as also a small additional quantity for stocks.

The Union Finance Ministry is understood to have released Rs. 70 lakhs of foreign exchange for the year 1959 to meet the equipment requirements of the firms licensed to manufacture complete sugar plants. Further allotment of foreign exchange is proposed to be made for the subsequent two years—Rs. 25 lakhs for 1960 and Rs. 1.5 crore for 1961—so that the demand for twelve plants from licensed sugar factories may be fully covered. It is reported that the firms will deliver four complete sugar-producing plants before 1st January 1961 and the remaining eight plants before the crushing season 1961-62.

HINDUSTHAN MERCANTILE BANK LTD.

Head Office :
10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

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

Interest allowed on Savings Bank account
at 3%

All types of Banking business transacted.
Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

Terms on application.

A Policy Issued By

The
**Bombay Fire & General
Insurance Company, Ltd.**

(Incorporated in India)

Your Symbol of Security in the
Event of

**FIRE, ACCIDENT OR A
MARINE PERIL**

Head Office:

**Henley House, Graham Road
Ballard Estate, BOMBAY 1**

Represented in
INDIA, BURMA & PAKISTAN

MERCANTILE BANK LIMITED

(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

Authorised Capital - £4,000,000
Issued and Fully Paid
Capital - - £2,940,000
Reserve Fund - - £2,200,000

Head Office:

15, GRACECHURCH ST., LONDON, E.C.3

West End Office:

123, PALL MALL, LONDON, S.W. 1

Agents in New York: BANK OF MONTREAL
AND THE CHASE MANHATTAN BANK

Branches and Agencies:

INDIA, PAKISTAN, CEYLON, BURMA,
MAURITIUS, SINGAPORE, MALAYAN
FEDERATION, HONGKONG, THAILAND
AND JAPAN

The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits
are received on terms which may be ascertained on
application.

Trusteeships and Executorships accepted.

Safe Deposit Lockers available.

52/60, Mahatma Gandhi Road,
Bombay.

J. R. N. SHIRREFF
Manager.

NEW PUBLICATIONS

Indian Economy Since Independence. By H. Venkatasubbiah. Published by Asia Publishing House, Bombay. Price: Rs. 17.50.

It is now twelve years since India attained independence. Over this period, perhaps, few underdeveloped countries can show a higher rate of economic progress than India. Many and varied have been the economic changes which this country has witnessed. Again, at no comparable period in India's history was there a more conscious attempt at economic development. India has, therefore, arrived at a point of time, where its historians can conveniently survey its recent past. This is the task to which Mr. H. Venkatasubbiah, already familiar to students of Indian economics as the author of three admirable studies, *The Structural Basis of Indian Economy*, *The Foreign Trade of India 1900-1940* and *Asia in the Modern World*, has addressed himself. There is no doubt that it is a task to which he is eminently fitted by reason both of his extensive knowledge of the subject he deals with and of the experience of men and affairs he has acquired over the last few years in the course of his professional duties as a financial journalist. He has succeeded in presenting a comprehensive and critical account of the economic development in the eventful years which have followed India's attainment of independent status.

In the first two chapters, entitled "Independence" and "Government," both of which provide the necessary background against which India's economic development is presented, the author discusses the problems which the Indian Government had to face in the wake of independence, the enactment of the Constitution and the working of democratic institutions. These are followed by a somewhat detailed review of the land problem, including the abolition of *zamindari*. Two chapters are devoted to the working of public enterprises, nationalisation of the Reserve Bank, Imperial Bank and life insurance and the performance of major State undertakings like the railways and the steel projects. Private enterprise, foreign trade and public finance get a chapter each. The last two chapters are devoted to "Planning" and "Factors of economic change."

This summary of the contents of the book (343 pages) will, of course, do no justice whatever to the author's painstaking treatment of the subject but may convey some idea of the ground the author has chosen to cover. A reviewer may only too easily fall into the pitfall of suggesting that some particular topic or groups of topics or some aspect of a topic should have been dealt with, or enlarged or left out altogether. Naturally, in a book with so vast a theme, particular readers will wish that the balance struck by him had been different. Thus, some may wish that the price question had received more extensive treatment or the food problem been more adequately dealt with. But what one may reasonably expect is that the book, taken as a whole, should give a comprehensive picture of India's economic development and throw, at the same time, light on the successive stages of the evolution of Governmental policies. The book does answer this test. It is the chief merit of the book that the author seldom loses himself in the many mazes of details. On most topics, he maintains a balance. The author admits that he has not eschewed subjectivity altogether. This is all to the good. For complete objectivity in respect of events to which we are so near could perhaps have been achieved only at the sacrifice of the many interesting passages without which the book would have been too colourless a recitation of developments. From this point of view, one wishes that the author had been even less detached than he has been.

Throughout the book, the author sustains the reader's interest by his acute judgment on events and developments. Discussing the prospects of Indian democracy, he observes:

"The fundamental oneness of the people to sustain the Parliamentary system in India must come in the last resort simply from its belief in argument and discussion, a belief which, fortunately, is as ingrained as some of the shortcomings. The love of logic and subtleties is part of the people's heritage. Though often hampering to practical achievement, it is a basic factor in the prospects of democratic Government."

Assessing the results of Vinobaji's Bhoodan movement, he says:

"Ignoring the motive of the giving—some gave for vanity, others to shift the burden of a mortgage and yet others in expectation of petty official or party favours—a considerable extent of donated land was either perfectly useless or could be

brought under cultivation through such initial methods that its prospective users had hardly the capacity for. Since the society that gave the land did not always look after the economic side of the problem before giving, Governments representing the larger society had to look after it when Vinoba took the land. The poor economic result of Bhoodan was due to the almost complete neglect by the Governments of the provision of the appurtenance of cultivation to those presented with land. As long as the new life could not really begin, pride of possession remained hollow. But the fact remained that good land was gifted as well as bad, and to the thousands of families that could and did manage to gather the equipment the tilling of own land, however little of it, was redemption from a curse of generations."

Commenting on the industrial prospects visualised under the second Industrial Policy Resolution (1956), he states how, under it, "the public sector had to grow—and rapidly—and the private sector had to conform to the requirements of the Plan." He adds:

"The private sector had to be given the opportunity and facilities to function effectively within the field allotted to it. But, in practice, the Government was aggressive in the public sector, and the private sector seemed to be getting less consideration than it believed was vouchsafed to it in the Resolution. Among the industries that were reserved for the public sector were practically the whole range of mining and heavy metallurgical industries. The solid base of the country's industrial structure would thus be nationalised in due course."

It is no unfair verdict on the author that his book does not always make easy reading. This stems partly from his understandable desire to achieve economy in the development of arguments and partly from his having to traverse as wide a field as possible within a brief compass. But it is a tribute to the author that, if his book occasionally calls for effort in reading, the reader will find such effort fully rewarding.

Indian Administration. By Asok Kumar Chanda. Published by George Allen & Unwin Ltd., London. Price: 25s. net.

Although India inherited a system of sound public administration on the eve of independence, the system has been under a severe strain since then, thanks to the various new functions it has had to undertake and the several readjustments that are taking place. Also, as the bastion of democracy and a stabilising force in South-East Asia, the form of its democratic institution and the organisation of its administration are vital to India's role in this region. The book on Indian Administration by Mr. Asok Chanda, the Comptroller and Auditor-General of India, will, therefore, be widely welcomed.

In recent months, the administration of some of the public organisations in this country has come in for criticism and examination, raising such fundamental questions as the constitutional responsibilities of a Minister for the acts of his subordinates and the measure of control Government should exercise over autonomous statutory corporations. To examine these problems, few are better qualified than Mr. Asok Chanda who has been a permanent Secretary of important departments in the Government of India. As Dr. Radhakrishnan points out in his foreword—a brief and sweet foreword which indicates the quality of the book—"in a short compass he reviews with impressive lucidity the historical growth of the Indian Administration, its present set-up and trends and the direction in which it would need to be modified to suit the growing needs of our Government and its social policies. The section on "Financial Administration" which deals among others with the accountability of the Executive to Parliament and Audit control is particularly interesting."

The book is divided into four parts. By way of background, the author traces the historical developments together with details of financial policy, till the date of our independence and the progress made thereafter, including the reorganisation of States. He states that if India is to realise fully its declared objectives, to secure all its citizens justice and social, economic and political fraternity, assuring the dignity of the individual and the unity of the nation, the structure of its administration should be reorganised to conform more to the unitary pattern with a well-developed system of local government. He adds that without a diffusion of initiative and responsibility and without creating a feeling that the people of a region have a significant share in its development, the purposes of a welfare State cannot be fully realised. These considerations underline the basic necessity of encouraging the orderly growth of local government and autonomy as

an essential ingredient of Parliamentary democracy.

In the second part, the constitution of Parliament is explained and its role critically examined. The accountability of the Executive to Parliament in a democratic form of government is absolute. This accountability in the field of financial administration is secured through the reports of the Comptroller and Auditor-General who is rightly described as "the guide, philosopher and friend" of the Parliamentary Committee on Public Accounts. Audit of public accounts by an independent authority is an essential aspect of Parliamentary control over expenditure.

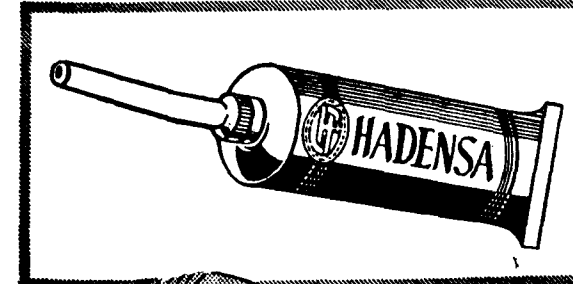
In the section on "Executive," the role of the Cabinet, the Services and the Secretariat is discussed. India has had the benefit of various constitutions in the world. The constitution and powers of the Indian Cabinet give evidence of an attempt to resolve various ideologies. There are questions of the real power of the Council of Ministers and the degree of Parliamentary control. Since the days of independence, a series of adjustments and readjustments of the ministries have taken place which bear the impress of improvisation rather than of any constructive thinking. In the section on the "Services," the author discusses the stresses and strains which have developed in the civil services as a result of their past constitution and the impact of a Parliamentary form of government. Briefly, one is struck by the lack of symmetry and mobility in its features. Instead, it is pointed out that the advantages of a single civil service far outweigh the technical advantage of retaining a number of distinct and separate services. By suitable adjustment of the training programme, a single service could be made multi-purpose to fulfil diverse responsibilities and functions with equal ease and competence. The author advocates a comprehensive review of the organisation of the services to make the existing executive instrument better fitted to serve the needs of a welfare State.

Since the author is the Comptroller and Auditor-General of India, the section on Financial Administration will be read with particular interest. The section is divided into three parts dealing with Parliamentary control, Treasury control and Audit control; taking the three sections together, it deals among others with the accountability of the Executive to Parliament and Audit control. Parliamentary control seeks to ensure that the appropriations have been utilised economically and prudently within the grants and for the purposes approved and provided for. The working of the Public Accounts Committee and the Committee on Estimates indicate several interesting experiences, some hampering its work, some in catering their anxiety to overstep their terms of reference. With the increasing number of public enterprises the accountability of these important, the problem being to devise a satisfactory arrangement by which these companies can be endowed with the maximum degree of freedom in movement and operation without disturbing or diluting the essentials of Parliamentary democracy. It is pointed out that having placed the audit arrangements of the public enterprises under the control of the Comptroller and Auditor-General, Parliament must impose some self-restraint in dealing with matters pertaining to the field of industrial and commercial activities of the State.

Historically, in the absence of arrangements and personnel for financial scrutiny internally in the departments and in order to effect economies in expenditure, itemised control was instituted. Gradually, the Finance Department came to be acknowledged as the sole repository of financial wisdom and sagacity, giving way to complete divorce between administrative and financial functions. There has been excessive concentration of authority in the Finance Department not merely in the matter of the allocation and application of general financial, economic policies and principles, which are unquestionably its legitimate and logical responsibility, but also in the exercise of control over meticulous details, over items of expenditure pertaining to estimates which have already been accepted and approved by Parliament for which the necessary resources have been duly appropriated. The question of delegation of financial authority to the ministries and heads of departments involves certain modification to existing procedures. First, there is question of examination of technical detail developmental schemes and work program

(Continued on page 30)

The
difference
between
LAST WEEK



and
THIS WEEK
is
Amazing
HADENSA
for PILES
AVAILABLE
AT ALL CHEMISTS

BOM-14-1950

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED

9, RAKEHOUSE LANE, FORT, BOMBAY-1.
(ESTABLISHED IN 1911)

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

Money deposited with this Bank helps the
Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL: Rs.

Subscribed by the Share-holders	Rs. 44,00,000	
Subscribed by the Government of Bombay	Rs. 81,00,000	1,25,00,000

RESERVE AND OTHER FUNDS .. 83,00,000

TOTAL DEPOSITS .. 12,00,00,000

WORKING CAPITAL .. over 24,00,00,000

BRANCHES 30 IN 9 DISTRICTS AND
GREATER BOMBAY

Collection arrangement in all the important cities of the Indian Union. Banking business of every description transacted.
Deposits of all kinds accepted. Terms on application.

G. M. LAUD, Managing Director.

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorized Capital - Rs. 2,00,00,000

Issued and Subscribed Capital - Rs. 1,00,00,000

Paid-up Capital - Rs. 50,00,000

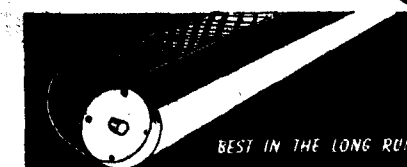
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,

General Manager.

★ **Hastings Belting**

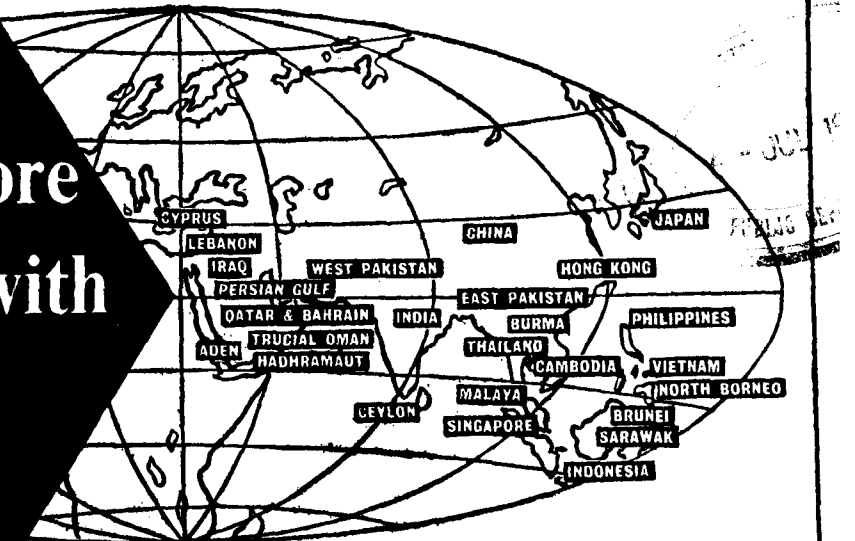


BEST IN THE LONG RUN

BIRKMYRE BROTHERS LIMITED
P. O. BOX 14, CALCUTTA

Trade with Eastern countries is ever on the increase. An efficient world wide banking service with expert knowledge of market conditions is essential to develop trade. The three associated banks, The Chartered Bank, The Eastern Bank Ltd. and Allahabad Bank Ltd. with branches in almost every commercial centre in the Middle East, South East Asia and the far East are fully equipped to provide complete Banking facilities to every trade and industry.

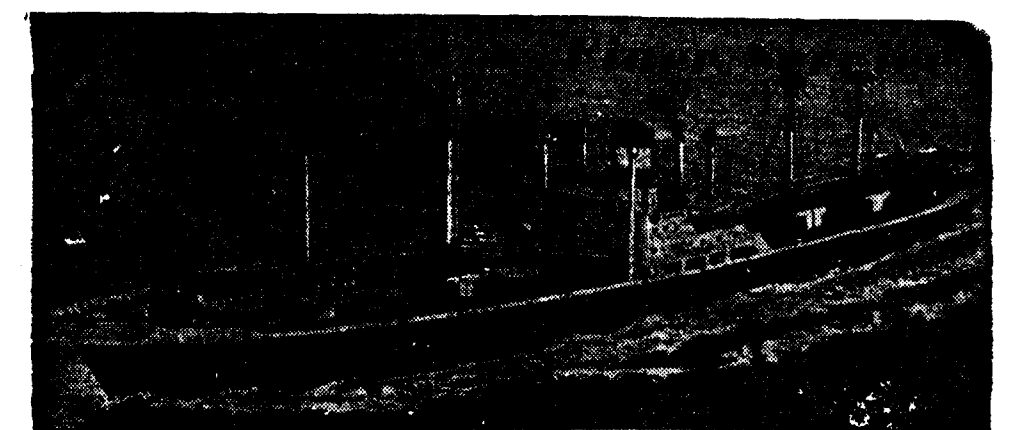
More
and more
trade with
the
East



Let your worry be our pleasure

**THE CHARTERED BANK
THE EASTERN BANK LTD.
ALLAHABAD BANK LTD.**

which together have over 80 branches in India and a complete branch service in The East extending from Cyprus to Japan.



Our fleet of sixteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA

INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS

Also around INDIAN COAST

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1

Managing Agents:—LIONEL EDWARDS (PRIVATE) LTD.

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 293505

CO-OPERATIVE FARMING—I

CONDITIONS IN INDIA ARE UNSUITABLE FOR IT

By Dr. D. S. Chauhan

EVER since the Nagpur resolution of the A.I.C.C. on co-operative farming, there has been a good deal of controversy and heated discussion on it, but, so far, this discussion, instead of leading the country towards unanimity and agreement, has only served to widen the cleavage. A new political party, called the Swatantra Party, has been formed to oppose co-operative farming in particular. Thus, some dogmatism, sentimentalism, and considerable emotionalism (and even heat) seem to be gradually gathering around the Nagpur resolution. Opinions usually differ on all issues; and it is not peculiar that they differ on this question. But the attitude of Mr. Jawaharlal Nehru (as it appears from his recent speeches), particularly towards the critics of co-operative farming, is (if one is permitted a bit of freedom of expression) absolutely undemocratic, and is likely to do a great deal of harm to the country.

Co-operative farming, as the general pattern of our agriculture as presumed in the Nagpur resolution, is a very radical measure, a fundamental reform for reorganising the pattern of agricultural production, implying the remodelling of the whole agrarian life. It involves what may be categorised as economics of co-operation, sociology of co-operation, politics of co-operation, philosophy of co-operation and ethics of co-operation. In other words, in addition to economic, many other considerations such as social, political, philosophical and ethical, are also involved. Its importance and far-reaching character demand considerable forethought on its fundamental motives, broad objectives, concepts, forms, suitability to the genius of the people, machinery to accomplish it, methods of implementation, and the possibilities of its popular acceptance. Segmental or partial approach may lead to one conclusion and an overall or comprehensive approach to another. The problem should, therefore, be taken up in its multiple dimensions and perspectives. In regard to time dimension, it should be examined (i) in relation to the historical context, covering past and present, and (ii) in relation to economic growth, involving future projection. In regard to area dimension, it should be examined in relation to its influence on various aspects of life.

Forms of Co-operative Farming

The Nagpur resolution on co-operative farming postulates "pooling of land for joint cultivation." In the absence of a definite indication, the normal presumption is one village one farm, that is, pooling of all the land of a village, so as to constitute one farm or a single managerial and operational unit. However, in addition to this, there can also be two other forms. One, which Prof. D. R. Gadgil recommended at a seminar on co-operative farming, organised by the Indian Society of Agricultural Economics, is what may be called a "firm and plant approach," where the pooled land may be rearranged in separate blocks, depending upon agricultural conditions. This implies the formation of one co-operative body for one village (the Firm) which will have the authority for taking all the important decisions regarding farming. The decision-making authority will be a collective body of cultivators, instead of individual farmers or component units (farms or plants). The degree of autonomy to be enjoyed by the constituent units and the regulation of relationship between them may not be determined, Prof. Gadgil says, in advance on a priori ideological grounds. The other form may be the formation, in each village, of several co-operative farming units, independent of each other and autonomous in themselves, so far as the decision-making or farming operations are concerned. The size of each may depend upon the willing co-operation of the individual cultivators, satisfying, of course, the minimum conditions laid down in the law governing it, in terms of either the number of cultivators or area of land or both. In small villages, however, there may be only one farm.

Broadly speaking, three patterns emerge: (i) one village one co-operative farming society

*After three years, because it is only from then that co-operative farming is scheduled to be introduced.

and only one jointly cultivated farm; (ii) one village one co-operative farming society but more than one constituent units or farms; and (iii) one village and more than one co-operative farming society, each having its own jointly operated farm. The other two forms often mentioned, namely, co-operative tenant farming and co-operative State farming or collective farming do not reconcile properly with the ideals of joint cultivation, the institution of private property in land, and ideals of democracy and individual liberty. Besides, if we think beyond the idea of total cultivated land being farmed co-operatively, and aim at a combination of co-operative (joint) farming on some land and by some farmers, with a part of the land being cultivated individually by farmers who can do without joint cultivation or do not want it, that is, joint-farming combined with individual farming with service co-operatives for both, a fourth pattern also emerges.

Quality of Persons

One important consideration is to examine the prevailing conditions, and to anticipate those that will exist after three years,* of the persons, who are actually concerned with co-operative farming, that is, the village people, landholders and the landless, including village service castes, artisans and menials, etc., having very small holdings. In the ultimate analysis, the success depends on the quality of persons and the degree of people's participation or the general acceptance and the spirit of co-operation, particularly their emotional and sociological preparedness for co-operative action and living. In our villages at present (considering only those things which have a direct bearing on the success or otherwise of co-operative farming), we find mounting individual and group tensions and formation of factions. We find that new leadership of a manipulative nature is trying to overthrow the traditional one; *panchayats* are being dominated by groups resulting in rivalries and widespread corruption; and the whole rural society is thus being torn by groupism and casteism, exhibiting distrust, hate, quarrel and a lot of bad blood, in the place of community spirit, co-operation, fellow feeling, and the cohesiveness which used to characterise the Indian village communities in the past. Life has become more individualistic and family life rather than community life dominates the scene. There is no psychological, sociological and educational (realisation, awareness and conviction about the utility of co-operation being absent) preparedness amongst the masses at present to accept co-operative farming and to operate it successfully. Neither the existing environment, nor the one that is likely to obtain after three years, offers any potentiality for it.

Emotional Aspect

Considering the emotional aspect, which is a very important consideration for a mass movement or for a programme involving mass enthusiasm or people's participation in general, co-operative farming has little chance of being accepted by many sections, as it is viewed with doubts, suspicion, uncertainty and a sense of lurking danger. In villages, land is the richest possession. It is dear to all, as it is the most important, in a vast majority of cases the sole, source of livelihood. The landholders, who had

acquired the *Bhumidari* or similar rights of ownership, after paying a certain multiple of rent, have recently bought the land at a very high cost and with considerable sacrifice. Others who have been allotted lands in one form or another or have acquired possession after prolonged and costly litigation and long cherished hopes, hold them quite dearly. Some have invested heavily in land improvements. In such circumstances, emotional clinging to land is quite natural. The assurance by the protagonists of co-operative farming that individual freedom will be respected and right of ownership maintained after pooling the land is received with scepticism, if not suspicion. The suggestion that farmers should pool their land voluntarily under a jointly operated and collectively administered farm is likely to face resentment, resistance and hostility from them. It will lead to, if imposed upon them by law, loss of faith in co-operative farming itself, and, may be, even in other forms of co-operation by the simple logic of association. The chances of voluntary merging of land into the community farm are, therefore, very dim.

Taking the value system into consideration, the suggestion implies a shift from the individualistic value system, with its emphasis on achieved status. In our rural society, in which caste still holds a dominant role as a social institution, individual property rights are still cherished, and tradition and conventions continue to exercise a guiding and powerful influence on social conduct. Consequently, implementation of a policy which is not in consonance with the social consensus will have to overcome immense practical bottlenecks and will therefore yield only limited success.

Personal Incompatibility

Again, there are good, bad and indifferent farmers. There are many (even those having some small lands) who have had no agricultural traditions. Those who follow agriculture understand the importance of personal factor in the success of farming. Agriculture is highly technical; even for performing the simplest agricultural operations, some skill is needed. In addition to personal relationships, the level of technical skill likewise limits the scope and chances of joint cultivation by anybody and everybody. All or any group of persons will not cultivate jointly, much less do it successfully. This consideration is more vital in re-farming society, since, in that case, the collective body will have an inherent heterogeneity, and will not acquire a common emotional impulse which is indispensable for the successful operation of co-operative farm. Besides, it is worthwhile to note that similarity of occupational background is insufficient to materially reduce differences, disagreements, and discord. A key to the success of co-operative endeavour lies in personal compatibility grown out of mutually spontaneous choice of members.

Even anticipations of the shape of things to exist after three years of service co-operatives, when co-operative farming is supposed to be taken up, do not hold out better hopes. Neither *panchayats* for over a decade, or the experience of the co-operative movement for over 50 years, warrants any optimism. The level of preparedness for co-operative action in the next three years cannot be of the dimensions which the Nagpur resolution on co-operative farming would need. Surely, what could not be achieved in the past 50 years cannot be achieved in the next three years, whatever may be the support from the Government. This is one of the important considerations that must be borne in mind in determining the scope for co-operative farming and the speed with which it can be brought into force all over the country.

Agricultural Productivity

The case for co-operative farming or for any programme of human welfare should be made on the merits of its broad objectives. The most important objective of this new organisational pattern of agricultural activity is economic efficiency. (The other broad objective, i.e., social justice, associated with that of economic efficiency, implying equality of opportunity for the fullest development to one's capacity, is to my mind, not a very important consideration in the case of co-operative farming as in the case of co-operative farming regard to fixation of ceiling on land or on income.) Though there are several methods for measuring and expressing economic efficiency of agriculture known to experts in farm

ment and agricultural economics, in the case of India, the scarcity of land is the most dominant factor in agriculture, and, consequently, economy in the use of land is the most important problem. Secondly, there is the problem of capital scarcity. For these reasons, productivity per acre is to my mind a more appropriate method of measuring economic efficiency for India. But the pattern of co-operative farming presumed in the Nagpur resolution is likely to create a situation which will lead to a decline rather than an increase in agricultural productivity. It is thus likely to nullify partly the results of national development effort.

A fall in productivity may take place for the following reasons:

(1) The experience of "socialised agriculture," particularly in the U.S.S.R., Yugoslavia and Poland, clearly shows the peasant's unwillingness to work harder or to produce more and that he does not have greater incentive in working for the State or the Commune. The trend towards, and the gradually increasing extent of, private agriculture in these countries are lessons for maintaining the peasant's freedom for individual farming. The anxiety and effort for more efficient operation of agriculture and higher production are greater under individual farming than under co-operative or collective farming.

(2) The story of what happened when everybody was expected to pour one's share of milk in a big pot every day for equitable distribution among all, is well known. The bad and neglected condition of jointly held properties in villages and towns is a common sight. Even in agriculture, the comparative inefficiency of *batai* cultivation (share system) is an old experience. The workers' desire for more wages for less work is a characteristic feature of labour in India at present. The irresponsible behaviour of the junior members of joint family and the consequent increase in the burden to be borne by the rest is a well-known experience of India. It is also common knowledge that this defect is the main cause of partition of many joint families. It is unrealistic to advocate co-operative farming in the face of all this experience in India and elsewhere.

(3) Enhancement of productivity, which is our urgent need, requires considerable capital investment in agricultural improvements. To the extent it is intended to be private or non-public, direct benefit provides the greatest encouragement to make such investment, even though farmers, as individuals, are not fully conscious of their responsibilities towards the nation. The prevailing situation in the countryside is that, as the law and order situation has deteriorated considerably, endangering life and property, the moneyed sections and big landlords have been gradually migrating to towns and cities; and, because of the element of uncertainty of new land reforms, investment in land is being restricted and many important agricultural improvements are being left unattended, with the consequent deterioration in the productivity of land resources. A very large number of sales of land is seen these days in the countryside.

(4) Again, the operation of the common pool of land implies the institutionalisation of production function in agriculture, in which motivation of the improvements in land resources will be determined mainly by social good. Amongst our people, whose dependency characteristics have been the result of joint-family system, even the development of initiative must take quite a long time and the idea of sacrifice for an abstract ideal (society or community and the ultimate individual good coming out of social good) will take a longer time to gain acceptance and support.

(5) In the pattern of co-operative farming, particularly under the first two out of the three forms mentioned at the outset, decision making on all important matters will be done by the collective body. And, in this collective body, agricultural innovators or pioneers of development, those who think of and adopt new ways, and are prepared to take risks with new ideas, will be in a minority, since such farmers are always few. Accordingly, there seems to be a likelihood of suppression of innovations and, consequently, to that extent, agriculture will continue to be on stereotyped and traditional lines. (The examples of numerous innovations being adopted by collective farms in com-

munist countries relate more to agricultural services which voluntary service co-operatives are intended to perform here and not so much to the technique of cultivation.) Besides, in India, co-operatives are to be on democratic lines and so even the limited achievements of collectives in communist countries will not materialise. Again, in a democratic set-up, the proletarian character of societies may lead to the exclusion of intellectuals and innovators from managerial responsibilities.

The combined effect of all these things may be a regression in agricultural productivity, and this will lead to a worse situation.

A New Danger

There is a danger that the administration of the co-operative farming societies under the prevailing conditions and those likely even after three years may degenerate into a new type of bureaucracy in the hands, or under the influence of, dominant groups or new leadership (which is more manipulative than the old) exploiting the situation for individual or group benefit. The chances of the much-feared bureaucratic administration being developed are greater if the present departmental agency and the Congress Party are used as instruments to implement this measure. But an even greater danger arises from the combination of State trading in foodgrains with co-operative farming as presumed in the Nagpur resolution. Though, in theory, there are some positive advantages of such combination, there is no guarantee that, in practice, the farmers will not be exploited; with the State having the monopoly of purchase, prices will be fixed by the Government officials; and they will so fix the prices as to suit their policies. There is a great potential danger of State control being extended to co-operative farms, compelling them to hand over a certain quantity to the Government. There may thus be forced levies or coercion on the farmers to accept certain policies and programmes. This may result in the complete sacrifice of individual liberty and the establishment of full-fledged State control on production and marketing alike.

(To be continued)



THINK OF REPUTATION

for
Quality, Uniformity, Reliability



CLARETTA



High Rayon Fabrics # 6040 M/s Habutae # 6080 Chiffon # 6280 Silver Crape # 6300 Georgette Crape	Rayon Yarn Filament Yarn Spun Yarn Twisted Yarn Staple Fibre
--	---

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umada, Kinku, Osaka, Japan Cable Address: "KURARAY OSAKA"

SOME RECENT ENGINEERING ADVANCES IN BRITAIN

COMBINATION of a welded and bolted construction in a new design of walking dragline has made possible quick dismantling and ease of transportation with comparatively easy re-erection on alternative sites. The first of the new machines is being used on opencast coal mining at Heddon-on-the-Wall, Northumberland, England. The second of these machines, recently completed by Ransomes and Rapier Ltd., carries a seven-cubic yard bucket on a 140 ft. boom or a five-cubic yard bucket on a 180 ft. boom. It has a working weight of 380 tons and is capable of cutting to a depth of 125 ft.

Under normal conditions with readily handled material, a cycle of dragging and hoisting the bucket, slewing through 90°, discharging and return should be completed in 50 seconds. Eccentric force rectangular walking shoes (30 ft. long by 5 ft. 6 inches wide) into contact with the ground, tilt the machine on its base, and slide it along in a series of four-feet steps in any desired direction.

In the application of dragline equipment for mining of opencast coal, iron ore or clay, however, ease of dismantling, transfer and re-erection is also a vital factor and a combination of welded and bolted construction was found most suited to meet these requirements. Twelve major welding runs totalling 150 ft. are necessary in assembling the main units of the dragline structure. Seven major welded assemblies form the main base and superstructure elements, the whole being of unit construction. To minimise site welding the main construction was, where possible, carried out at the Ipswich works. The main base was welded in three parts on manipulators in the workshop.

Each assembly is complete with the machinery, drive and other components ready for quick mechanical or electrical inter-connection. Welding along prepared edges, to complete a rigid structure, is carried out when the main units have been bolted together and the welds are made along adjoining edges of main plate members of the welded units in positions which allow down-hand working. Flame-cutting is used to dismantle the machine and is carried out along the welds.

New Hovercraft

Sponsored by Britain's National Research Development Corporation, a revolutionary type of aircraft has just started its first tethered trials. The new machine has been named the Hovercraft and is neither winged aircraft, a ship nor a motor vehicle. It is actually an entirely new means of transport which will be almost frictionless.

Shaped like a flying saucer, the Hovercraft is being built by Saunders-Roe Ltd., at Cowes, for Hovercraft Development Ltd., of London. The prototype machine is 30 ft. long and 24 ft. wide and is powered by an Alvis Leonides 450 h.p. engine which drives a ductless fan to provide the supply of air for lift and propulsion.

This prototype will carry a crew of two, but it is expected that the first Hovercraft to go into service will be big enough to act as a cross-channel passenger and vehicle ferry. An important feature of the machine is that it can be loaded and serviced on land, in an area not much bigger than the Hovercraft itself, making airports, harbours and expensive port facilities unnecessary. This means it will be able to operate in many parts of the world at present inaccessible to modern transport.

Hand-carved wooden fan blades, designed and built by the Aircrow Company and Jicwood Ltd., will provide the lifting force. The fan, powered by an Alvis Leonides Mk 70 engine, provides the air cushion which lifts the Hovercraft off the ground and enables it to "ride" at anything from three to 7 ft. above the surface of the water. On reaching the required height some of the air is bled off to propel the craft forward.

Its four blades are constructed from laminations of aerograde mahogany, glued with waterproof synthetic resin and covered with a special plastic. The blade's leading edges are protected by a metal sheath. Accurate balance of the impeller was obtained by control of the hinged dimensions of the blades within the drawing tolerances. No artificial means of balance was used.

There are also pre-rotational vanes constructed of resin-bonded thick Birch veneers,

with grain direction arranged to give the optimum strength characteristics. The vanes are built into a rigid central blanking which carries the nose fairing. The pre-rotational vanes and the blanking assembly is doweled and bonded at the blade tips to a section of ducting also made of wood. The duct is double-skinned of Birch ply and mounted on plywood rings.

Oil-Drilling Platform

The first mobile oil-drilling platform to be built in the United Kingdom, the Orient Explorer, is on its way to British Borneo. Built at Southampton by steel Structures Ltd., an associate of the John Howard Group of engineering companies, it is fitted with a helicopter landing stage and has been constructed to withstand a wind force of 100 miles per hour. The Orient Explorer is being towed, via Suez, a distance of 9,200 miles to drill for oil into the bed of the South China Sea.

This platform, which contains 3,000 tons of steel and cost nearly £1,000,000, will be used by the Brunei Shell Petroleum Company for exploration drilling in high seas areas up to approximately 40 miles off the west coast of British Borneo.

The platform is completely self-contained, with air-conditioned living accommodation for 56 men, who will be ferried to and from the mainland of Borneo by helicopter. Food supplies and light freight will also be conveyed to the platform by helicopter.

The platform is fitted with four retractable legs, 235 ft. in length and 10 ft. in diameter. When the appropriate drilling site is reached, these legs will be lowered until they reach the bottom of the sea; at this point a powerful hydraulic mechanism is engaged, which literally causes the entire platform to "climb up on its own legs" into a position where it is quite clear of any lifting action from the waves. When drilling is finished the platform is lowered into the sea, the legs are raised and it can be towed to another location.

Electric Furnace

Originally designed to reduce the pollution of the atmosphere, which seems inherent with pottery kilns fired with slack coal, an electric furnace has proved so successful in its designer's pottery that it has now been developed to meet the requirements of all types of pottery makers. With the use of electricity, all smoke pollution is obviated, and it has been found that the new kilns have many other advantages. They practically eliminate all risk of damage or breakages, and also greatly speed up the time needed for firing pottery ware.

Made by Shelley Electric Furnaces Ltd., the "Top Hat" kiln gets its name from the fact that the kiln is simply a base with an upturned box that is lowered on to it. This box is made of aluminium sheeting lined with asbestos slabs and insulation bricks. The heating elements are fitted to the bricks so that when the "Top Hat" is lowered over the loads of china, earthenware or porcelain, they are directly exposed to the heat.

Each of these kilns takes a day to fire and a day to cool, which compares very favourably indeed with the old-type smoke-producing kilns which called for a cycle of 10 days—three for preparation, three for firing, three for cooling and one for emptying. Another great advantage is that by bringing the oven to the pottery, all danger of damage is obviated.

New Conveyor

A new design of conveyor, in which wire ropes replace rigid side frames, is now being produced in England. Chain-linked trouting idlers clamped at intervals between the parallel wire ropes provide a resilient support to the loaded belt and give a carrying capacity up to 20 per cent. greater than that of conventional rigid-framed conveyors. Because of the trouting action of the idlers, spillage is almost eliminated and this flexible method of suspension also considerably reduces impact damage to the belt as it passes over the idlers, cutting down belt wear and giving longer idler life.

Known as the Distington-Goodman resilient ropebelt conveyor, and made by Distington Engineering Company Ltd., first deliveries of the structure have already been made to the National Coal Board. Although primarily designed for colliery use, it is readily adaptable to surface applications, such as quarries, where

an economical and high-capacity conveying system is in demand.

Weighing only one-third of conventional conveyor line material, the ropebelt conveyor can be assembled or dismantled in a fraction of the normal time as the main stands, at which the ropes are tensioned and anchored, are spaced from 150 to 300 ft. apart, depending on the material to be carried. With conventional structure, stands must be lined up correctly at 9 ft. intervals, whereas ropebelt structure is lined up at each anchor point. The equipment can be operated with any existing drive and tail pulley and can be linked to any other type of conveyor structure.

Automatic Die Programming Technique

New programming methods now makes it possible to produce first-class dies on milling machines, direct from the drawing, without the use of an external computer. Special mathematical techniques have been devised to provide continuity in "blending" between the co-ordinates shown on the normal blueprint and produce fully three-dimensional work pieces. Punched tape feeds instructions into what is in effect a built-in computer which controls the mill.

This system—evolved by engineers at the laboratories of E.M.I. Electronics Ltd.—gives, it is claimed, several outstanding advantages over the conventional method of die sinking from mahogany or metal models. For a typical medium-sized product, the tape can be programmed in about half the time required to make a wooden prototype. As girl programmers can be employed instead of skilled model-makers, the cost per hour is also greatly reduced. It is found in practice that the machining time too is considerably less than by normal methods.

The new system ensures a consistent accuracy of +.002 in.—much greater than could be achieved by the use of wooden models made to an accuracy of + 1/64 in. and subject to subsequent swelling or shrinkage.

Television Camera Works from Sound

A television camera which works from sound instead of light and can visualise the internal structure of engineering components and materials and parts of the human body, was recently demonstrated in London. It can also be used for seeing under water. The new instrument, which may become of considerable use to engineering, and to medicine, was demonstrated by its inventor, Dr. C. N. Smyth, of University College Hospital Medical School, London.

Sound waves which carry speech and noises through air or water are in many ways similar to light waves or rays. They can be focussed with lenses, and images of objects exposed to noise can be formed and reproduced at a distance. The wavelengths of audible sounds are too great to make these techniques useful, but for ultra-sound of frequency 1-20 millions of cycles per second the wavelengths in water or oil are only fractions of a millimetre and sound lenses 10 centimetres across are very efficient.

This ultra-sound camera differs from an ordinary television camera, in that the light-sensitive (photo-electric) image-receiving surface is replaced by a sound-sensitive (piezo-electric) image-receiving surface. This is simply a bare slice of crystalline quartz, which, under the impact of sound, develops, on each point of its surface, a voltage proportional to the ultra-sound intensity. The value of this voltage is detected, point by point, by a scanning electron beam, and after amplification controls the brightness of a television receiver to produce a visible image of the invisible internal structure under examination.

The demonstrations of the new camera included the examination of objects immersed in a tank of water. Internal flaws in blocks of aluminium revealed their shape and size clearly. Electroplating that was poorly adherent to the base metal showed as dark patches.

2,200 M.P.H. AIRLINER

Mr. Hall L. Hibbard, Senior Vice-President of Lockheed Aircraft Corporation, declared recently at Los Angeles, U.S., that a profit-making 2,200 m.p.h. passenger airliner could be built and certified by 1965. Design studies and testing indicate, he revealed, the solution of all major technical problems which previously blocked development of a Mach 3.0-to-3.5 transport. Mr. Hibbard, Aeronautical Sciences in Los Angeles, said that the projected airliner would carry about 90 passengers and could operate from today's existing airports. Following a typical supersonic time-table

NEW PRODUCTS AND PROCESSES

Construction Starting with the Roof

THIS unusual method of construction is used in Leningrad, Soviet Russia. It is done like this: high ferro-concrete columns are placed on the foundation. Powerful hoists place on them a ceiling which serves as the roof. After this, whole-cast ferro-concrete ceilings of the other storeys are installed. There are prefabricated building parts on the platform of every floor. Beginning with the upper part of the building, walls are erected and interior trim is done. This method, it is claimed, not only reduces construction period, but also allows a considerable cut in the expenditure of ferro-concrete and steel and reduces the weight of the building.

Microfilm Printer for Insurance Use

A new electronic microfilm printer has been developed for use in handling insurance data. It is designed to be able to handle records relating to up to 130 million people. The new printer converts data coded on magnetic tape directly into printed, readable records on 16 millimetre microfilm. It is said to be capable of printing at a rate of more than 3,000 lines a minute. Each of these lines contains 120 characters. At this speed it is estimated it could print the entire text of an average length novel within two minutes. Calculations which have been carried out show, it is claimed, that it could save as much as £70,000 a year in printing costs when processing the "social security" cards of 130 million people. The machine is designed so that it can be used with conventional electronic computers.

Novel Explosion Detector

An explosion detector has been designed by a team of engineers headed by Mr. Vilhelm Ahgren at the Stockholm firm Salén & Vicaner AB, according to Swedish Press reports. The device is based on the principle that platinum reacts as a catalyst when it comes into contact with explosive gases. The flame-protected and capped "heart" of the new instrument is a platinum filament serving as a conductor for an electric current. When it is exposed to explosive gases, such as hydrocarbons, the electric resistance will change and these data are transmitted to an electronic centre from where the impulses can be made to actuate acoustic or visual alarm apparatus. The electronic centre can be located up to 1,000 metres from the detector. The new device, which is said to have no counterpart so far, is intended for industrial plants, stores, etc.

Instrument for Classification of Mica

An instrument for testing and evaluating the electrical qualities of block mica has been developed at the Central Glass and Ceramic Research Institute, Calcutta. Mica, as is common knowledge, finds many and varied uses in the electrical industry. It is, however, not every kind of mica that can be used in the manufacture of electrical goods. The new instrument has been specially designed for quick and faultless classification of mica on the basis of electrical properties. This helps in the utilisation of not only good mica but also of the spotted or stained type which would, purely on the basis of conventional and visual methods of examination, get rejected. The instrument thus avoids waste of both time and material. There will be less rejection of mica and, at the same time, an assurance that no bad mica finds its way into the electrical industry. The instrument has many other advantages. It is portable, self-contained, battery-operated, direct-reading and uniform in its operation. It is also said to be extremely simple to operate and suitable for rapid grading of mica of every size and thickness.

Plastic Mirrors for Optical Use

A new series of plastic light-weight mirrors which can be reproduced, it is claimed, for quantity production has been developed. The mirrors can be produced, the scientists responsible for developing claim, with sufficient accuracy to permit 90 per cent. of the incident collimated light to be concentrated within a disc 1/10 millimetre in diameter. Tests which have been carried out with the mirrors have shown, it is said, that the new plastic mirrors can withstand repeated rapid temperature changes ranging from minus 55 degrees Centigrade up to plus 125 degrees Centigrade, without undergoing measurable physical changes. At the same time in other tests they have withstood impacts as severe as 22,000 times the force of gravity. The reason for their ability to withstand rapid and repeated temperature changes is the relatively high rate of heat diffusion through the epoxy resin compounds used in their construction. A silicon monoxide coated aluminium film applied under high vacuum conditions is used to provide the reflective surface. An advantage of the plastic mirrors, which can be made at present with 6-inch and 3½-inch focal lengths, is the fact that they can be built so that electrical components and other fixtures can be threaded through, or mounted within the back of the mirror. They could also be made, it is claimed, in novel hyperbolic and ellipsoid shapes which are difficult to reproduce in glass.

Excavation and Blasting Method

A new and revolutionary excavation and blasting method—the outcome of 1½ years of experimental work and the collaboration of four Swedish industries—is at present being used for the excavation of the new outlet from the harbour of Norrköping, on the Central Swedish East Coast.

SEN-RALEIGH INDUSTRIES OF INDIA LTD. MR. S. K. SEN ON PROGRESS TOWARDS SELF-SUFFICIENCY

THE Ninth Annual General Meeting of Sen-Raleigh Industries of India Ltd. was held at Calcutta on 29th June 1959. The following are extracts from the speech of Mr. S. K. Sen, Chairman of the Company, delivered on the occasion.

"Our Directors have in their report explained to you the reasons for the decline in profits of the Company, following shortage of raw materials which did not allow achievement of those targets of production which were necessary to offset the general rise in costs. They have, however, recommended that dividends for the preference and ordinary shares be paid at the same rates as in the past year.

"The year under review opened for us on a note of pessimism with imports of even raw materials being to a degree dependent on the availability of foreign aid. The frequency of layoffs—although mostly sectional—did not make for smooth and regular production and the result was a turnover not much beyond the level of the previous year, achieved, however, at a much higher cost. Our factories were particularly affected, inasmuch as the major part of our plant for expansion had arrived but could not be fed, resulting in so much idle capacity and unremunerative blocked capital.

Import Licensing Policy

"Towards the middle of 1958, an import licensing policy for the bicycle industry, based on the 1957 level of production, was ultimately evolved, but this did not benefit our expansion programme immediately to any great extent, as the foreign exchange released under this policy only allowed the 1957 level of production to be repeated. It was possible to increase production of bicycles beyond the 1957 level, if raw material supplies could be augmented from indigenous sources.

"In the present circumstances, what the industry needs badly is an import licensing system that allows licences for all categories of materials to be issued simultaneously, instead of the issue being spread over 4-5 months in each period when production is always dependent on the last licence issued. Much of the material supply problems encountered by industries today would automatically disappear, if such simultaneous issue of licences could be achieved.

"I am pleased to find from the recent address of the Union Minister for Industries to the Cycle Manufacturers' Association of India at Madras that he is fully alive to the situation and his Ministry have, in the meantime, announced certain changes in the April-September 1959 licensing policies, the effects of which, if fully realised, would help to stabilise production programmes in a large number of growing industries.

Components Manufacture

"In my previous addresses to you, I had stressed the necessity of planning our expansion so that self-sufficiency in the manufacture of components be given priority over the quantum of overall production. The benefits of this policy are becoming evident now when we are in a position to increase our bicycle production well above the 1957 level, because we depend on component imports only to the ex-

Featuring several interesting innovations, the method enables blasting into the bedrock to be performed without previous excavation of covering layers of moraine, clay and earth. What is claimed to be the world's largest delayed-interval blast—when considering the number of holes drilled—was recently detonated at this site by means of the new method. The system, which has been named the "Lindö method" after the name of the canal that is at present being excavated, is based on the Atlas Copco compressed-air method with series detonations, but differs from the normal system in that the rock-steel proper is surrounded by a steel tube equipped with a circular crown bit, used to prevent loose matter from caving in when the bit is being removed. The steel, which protrudes about an inch from the tube, works in conjunction with the latter, and when both have got a firm grip (about 4 in.) on the rock bottom, the tube is disconnected from the drilling movement, while the inner bit continues boring into the rock to the desired depth. When the bit is withdrawn the tube constitutes the connection between the surface and the rock.

tent of Rs. 2 per bicycle, and we are also in a position to use more indigenous materials.

"Despite the difficulties encountered, the foreign exchange stringency has achieved one significant result. It concentrated the attention of all manufacturers on the possibility of utilising the country's resources to the maximum, so that more and more production could be maintained on indigenous supplies alone. This drive towards self-sufficiency accomplished in the short space of one year what would normally perhaps have taken four or five years to realise.

Marked Expansion in Output

"This is evident from the fact that, despite import ceilings being held at the 1957 level of production, the bicycle industry recorded a considerable expansion in production in 1958 and this trend continues into the present year. That the added production was achieved in a period of diminishing import licences for components would indicate that the production of components within the country is now nearly keeping pace with bicycle production. It is important to effect a still larger production of components, particularly of friction parts, as, apart from any question of equipping new bicycles for the road, the time is fast approaching when the indigenous production of friction parts would play a vital part in supplying essential replacement spares.

"There is an increasing demand from assemblers and manufacturers for friction parts made by your Company. The trade has just as big a demand for these parts for supply to consumers as essential spares. In the overall interests of the country—supplies of the friction parts being limited—our products were made available to manufacturers first and only the balance was supplied to the trade. The need for placing more friction spares on the market is fully realised and, through our expansion in the components section, which is now gradually taking place, we hope to be able to meet some part of the market demand later.

"In my last report, I had mentioned that rights of export for bicycles, components and accessories for a number of countries in Eastern Europe and Asia had been granted to the Company by its foreign associates. In addition to the countries mentioned previously, provisional sanction to export bicycles to two further areas, namely, Burma and Egypt, were received during 1958. Our efforts at developing an export market have not as yet met with any major success. Eastern European countries offered prices at which transactions were not possible and, in the case of Burma, notwithstanding the existence of a trade agreement for some time now between that country and India covering imports of cycles from India, no import licences for cycles have been issued as yet by Burma.

Productivity

"During the last year, there has been a growing realisation in this country of the need for the study of productivity. The bicycle industry was well to the fore in this sphere. Two members of the First Productivity Team that was sent out by the Government for studying this subject in the United States and Europe were from the bicycle industry and Mr. Sanjoy Sen, a Director of your Company, was one of them. I am certain the Company will benefit greatly from the experience gained by him during the course of this tour.

"I welcome to the Board Mr. S. Venkataraman, nominee of the Industrial Finance Corporation, who takes the place of Mr. C. D. Khanna. I take this opportunity to thank Mr. Khanna for the valuable services rendered by him to the Company during his term of office.

"Before I close, it is my pleasant duty to thank my colleagues, the staff and the workers of the Company, our foreign associates and our dealers for another year of unfailing support to the Company."

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

MANAGEMENT OF FOREIGN CONCERNS IN UNDERDEVELOPED COUNTRIES

SOME PROBLEMS OF STAFF POLICY

THE strengthening of nationalist sentiments and the spread of independence throughout Asia and Africa in the post-war period have been followed by a widespread and insistent demand for greater association of local nationals in the management of foreign-owned and controlled businesses and commercial enterprises operating in these countries. It is true that, even before this demand emerged, a few progressive international concerns had adopted programmes designed to add local talent to their managerial and technical staff. But most typical business concerns established in Asia and Africa had two classes of staff: clerical, almost exclusively local, and managerial and senior technical, wholly European.

The process of recruiting staff of executive calibre locally received considerable momentum after the attainment of independence by these countries. For instance, in India, an analysis of the returns supplied by foreign concerns regarding their employment position as on 1st January 1958, reveals that the proportion of foreigners in the top supervisory and executive posts (drawing a salary of Rs. 1,000 and above per month) has declined progressively in the post-independence period, while that of Indians increased in all categories of companies. Thus, while the proportion of non-Indians declined from 92 per cent. to 45.7 per cent. during the period 1947-58, that of Indians increased from 7.9 per cent. to 54.3 per cent. in the same period.

However, contrary to popular belief, the process of "isolation" as it is called (that is, Indianisation, Africanisation, etc.) is not as simple as the mere substitution of foreigners with nationals. It has deeper implications and poses many problems. An interesting survey of some of the main problems encountered in the process of bringing nationals into closer participation with British and other Western firms established in the underdeveloped countries of Asia and Africa is contained in a broadsheet *Management and Underdeveloped Territories*, published recently by P.E.P. (Political and Economic Planning), an independent, non-party research body in Britain.

Looking Ahead

The training and placement of nationals in executive posts, the survey recognises, must present widely different problems to different companies, depending partly on the nature of their business and partly on the social and educational level of the country in which they exist. However, it maintains that sufficient experience has been gained, especially by the companies with international interests, to allow some appraisal of what is being done and to look at some possible future developments.

Since the recruitment of executives is, in effect, a long-term investment, the survey points out, building up locally-recruited staff means, estimating the volume of business ten or fifteen years ahead. The next difficulty is finding the recruits. In most countries, to begin with at least, nationals, who are capable of filling managerial posts and are willing to do so, were very scarce. In most countries of Africa and Asia, the limited class of people who could afford high education were traditionally unattracted by business careers and there was no counterpart to the Western educated middle class to draw upon. Training schemes had, therefore, to be devised. This meant both finding young people capable and willing to attend courses of higher education and persuading young men already undergoing education in local or European universities that opportunities genuinely existed. Competition for the locally available talent was keen. In some countries, the supply of young men of good calibre was (and still is) limited by the "bonding" of scholarship-holders to Government service for a period. There were other competing attractions too, for these young men. In the experience of one international concern, wastage rate was as high as 40 per cent. in the early stages of its "isolation" policies.

The shortage of educational and training facilities in underdeveloped countries, especially in Africa, has led many firms to set up their own training centres. By a combination of drawing upon the Universities in Europe and

in the countries concerned, with a tendency to draw more and more on the latter source, by establishing schemes for management trainees and upgrading existing staff, considerable changes have been made in the composition of management in British firms in underdeveloped countries. Even after making allowances for the fact that management means different things to different firms and for the impossibility of making a comparison between rates of progress among firms and countries, there can be no doubt, according to the survey, that rapid advances are being made in bringing nationals into the management fields.

The recruitment of young nationals to the management scale inevitably created friction with older men who had worked their way up, often to less senior posts, and problems of job and age structure of the staff and promotion prospects began to present themselves. Further, the accomplishment of partial "isolation" and the prospect of a faster rate in the future bring their own crop of difficulties. One, already familiar to many companies operating overseas, is the rejection, by newly independent countries, of racial or religious minorities. Sometimes, as in Malaya, Pakistan, Ceylon, East Africa and Egypt, minorities form the only commercially minded sections of society, but reliance on them as future managers is hazardous, because they might suddenly become unacceptable to the majority and the firm may be accused of being unwilling to see "true" nationals rising to senior posts.

Implications

Another is the implication of "isolation." As the staff and labour composition of the firm become more heavily weighted with nationals, there must inevitably be some interaction between the Western and indigenous standards of values and outlook on life. If the future executives of the business, and through them the business itself, are to be in sympathy with the community and acceptable to it, how far will Western views about the importance of and purpose of industry and commerce and the standards applicable to them have to be modified? It cannot be assumed that Western standards will be accepted wholesale. The existence of this problem, present and potential, it is pointed out, is recognised by the leading parent companies in Britain. They point out, as a relatively simple example, that the Western tendency in training the young expatriate executive has been to give him all the responsibility he could carry. But there are cultures where effacement is more esteemed than "push," where deference to elders still prevails, where loyalties are to individuals not institutions and where integrity does not include business integrity.

In formulating staff policies, many factors have to be taken into consideration. As one international company observes: "The pattern and tempo of career development and the expectations from it must be adapted to the local environment. In a given country, as the national advances to take his place in the administration of the company so must the local management be prepared to adapt its structure and methods to make the best use of his characteristic qualities, personal and professional."

The process of adapting an organisation to its environment requires looking afresh at the local ability available. Another aspect of adaptation is the need to ensure that expatriate staff, who are selecting, training and working with national colleagues, develop their own powers of understanding. The problem is also one of ordinary social contacts outside business life.

Nationalisation

By the very process of bringing business firms into closer association with the communities in which they are located, each becomes more open to influence by the other. This brings forward the question of nationalisation. Surely, the survey points out, "isolation" facilitates, almost invites, nationalisation. Answering the poser "Can a business be staffed largely or exclusively by nationals carefully trained to a high level of competence without incurring the

risk of take-over in the future?" the survey observes:

"The answer is clearly that, in the first place a refusal to adapt staffing policies at all would invite immediate trouble; 'isolation' at least buys time and the possibility of a workable compromise being evolved. Given the emergence of powerful nationalist sentiment along with independent national status, it is, indeed, the only course open, if the business is to be kept flourishing, even alive. In practice, the implementation of local-recruiting staffing policy has coincided with very considerable expansion of business in most of the territories concerned; and some firms consider that if their 'isolation' policies develop satisfactorily, the possibility of nationalisation will diminish rather than increase.

"This is not to deny the possibility of a more or less gradual assumption of ownership followed by control. In some countries, local shareholders of British companies is already developing and the trend may continue in the direction of greater control. While no one would expect parent companies to view a diminution or loss of control with enthusiasm, the possibility of take-over certainly would not be neutral so damaging as a hasty expropriation, and, if the company remained a going concern, Britain would lose a source of income but the advantages of international trade would remain."

Three Stages

Tracing the stages through which the staffing policies of parent firms have passed and how they are currently shaping, the survey discusses three phases of development of staff policy. In the first phase, broadly speaking, up to the Second World War, overseas concerns were staffed largely by expatriates who general made careers abroad. In the second stage, namely, post-World War II period, the demand that local nationals should share in the recruitment of local talents in competition with the civil service and the professions. Where such talent did not exist, it had to be created either by internal training or by the formation or support of educational opportunities outside the firm.

The third stage is now developing. The emergence of the locally-recruited executive has coincided with, and is partly responsible for, the rapid disappearance of the expatriate career as distinct from the job abroad. Among the international concerns at least, it is said, a new staff policy is developing along the lines of equipping management with international rather than national experience. The aim of the policy is to get a greater cross-fertilisation of ideas through an extensive system of overseas posting during the development of executive careers, in short, to eliminate the concept of an expatriate career by offering jobs abroad as an integral part of management training and promotion.

This new type of policy, according to the authors of the pamphlet, should not only improve the quality of management but also make for greater adaptability. If, for instance, in response to a sudden change in political circumstances in any country, it became necessary to speed up the rate of "isolation," it could be done quickly. In general, any rapid change in the composition of management that might become necessary to reconcile the interests of the firm with those of local governments could be more easily effected if there existed a core of internationally-trained executives. The survey maintains, other threats to the continued harmonious existence of Western firms in underdeveloped countries. But the development of this third phase of staffing policy, according to it, would at least ensure that, on the Western side, the weakness of rigidity is avoided.

Conditions in India

It is no doubt true, as the P.E.P. itself recognises, that, in a general survey covering the entire region of underdeveloped countries which present widely differing patterns of economic and social conditions, it is not possible to avoid generalisations and oversimplifications. Many of the findings and conclusions of the survey, therefore, have varying degrees of validity to the various underdeveloped countries. So far as India is concerned, they do appear to have more than 10 per cent. validity. The majority of problems of association of local nationals in the management of foreign concerns do not exist in India. This is borne out by the rapidity with which the percentage of Indians in top supervisory and executive positions in foreign enterprises operating in India could be raised. Much of the increase in the percentage from 7.9 in 1947 to 54.3 in 1958 is

(Continued on page 33)

Estd. 1906 H. O.: UDIPI, S. India

THE CANARA BANKING CORPORATION, LIMITED

	(As on 31-12-1958)
Paid-up capital	Rs. 20,00,000
Reserves	Rs. 14,40,000
Deposits	Rs. 7,19,34,549
Working capital	Rs. 9,18,93,969
(Rounded off to the nearest thousand)	

With 52 offices in South India and 1 in Calcutta City in North India and agency arrangements all over the Country, the Bank transacts Banking business of every description.

Our Branches in Bombay City:

"Lentini Chambers"	First Floor,
Ground Floor	209/211 Narisnatha
Dalal Street	Street
FORT	MANDVI
(Phone No. 252977)	(Phone No. 73342)

B. I. C.

THE
-BRITISH INDIA CORPORATION LTD.
KANPUR

Branches:—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

BEGG, SUTHERLAND & CO.
PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champaran Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories



For over 15 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other industries in the country.

Phone: 22-5952
22-5101
Green "BANCO"

THE BEHAR FIREBRICKS & POTTERIES LTD.
22, STRANGE ROAD, CALCUTTA 1



THE GLOBAL AIRLINE

This is your Heritage

As you approach the ancient town of Gwalior, you cannot fail to see the lofty towers of the world-famous Gwalior Fort. This magnificent edifice takes you back through the turbulent history of India. Within the fort are many examples of architectural beauty such as the 'Painted Palace' built by Man Singh in 1490. Throughout India, there are many wonderful monuments that speak of the past, set in a countryside that is full of exciting interest to the tourist. And wherever you motor in this vast land, your trip will be more pleasant, and free from 'car troubles', when you drive on Caltex petroleum products.

SEE YOUR COUNTRY ON CALTEX PETROLEUM PRODUCTS

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines)

— MADURAI —
SOUTH INDIA

Telegrams: 'Harvey'

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM

5,00,000 Spindles

Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE

BELTING DUCK — TYRE CORD — SEWING THREAD

MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines)

Telegrams: 'HARVEY'

PROTECTION TO MACHINE SCREW INDUSTRY FOURTH ENQUIRY FOR ITS CONTINUANCE

THE Tariff Commission has taken up for consideration the question of continuing protection to the machine screw industry. It has already completed its public enquiry, which was begun at its office on 16th June 1959 by Mr. C. Ramasubban, its Chairman. The industry has been enjoying tariff protection since 1951. The current period of protection, granted in pursuance of the third tariff enquiry in 1957, is due to expire by the end of this year. The industry has now asked for continuance of tariff protection for a further period of three to eight years. Mr. Ramasubban, while opening the enquiry, observed that the industry had achieved considerable progress since the last enquiry by stepping up its capacity and production. Some of the units had either already diversified their production or submitted proposals to the Government to undertake manufacture of certain types of precision screws and other specialised screws. Mr. Ramasubban was of the view that, while the industry's capacity was adequate to meet the domestic demand for ordinary machine screws, there was considerable scope for developing the manufacture of precision screws and other types of specialised screws.

It may be recalled that, following the recommendation of the then Indian Tariff Board, protection was granted to the industry in 1951 by levying a protective duty of 3½ per cent. ad valorem on imports of iron or steel machine screws. After the second tariff enquiry in 1954, a higher rate of duty was introduced since 1955 at 50 per cent. ad valorem or 9 annas per gross, whichever was higher. Subsequently, under the Finance Act (No. 2) of 1957, the rate of specific duty was rounded off to 60 nP per gross. The third enquiry was followed by the continuance of protection for another two years, that is, upto 31st December 1959, at the same rates.

The scope of the present enquiry covers machine screws made from iron and steel, including the following types: the shank of which has been threaded to within two pitches from the head, namely, (i) mushroom head roofing bolts, all types; (ii) hexagonal head bolts, all types, and (iii) mudguard cycle bolts (with threading other than British Standard Cycle threading).

Production and Capacity

From the facts mentioned by Mr. Ramasubban it appears that the machine screw industry has made substantial progress during the past few years. The present annual capacity of the industry for the manufacture of machine screws, bolts classified as machine screws, and socket head screws aggregates 3.6 million gross on single shift basis, as against about 1.4 million gross in 1957. The combined output of these items have also gone up, from 1.8 million gross in 1957 to 2.7 million gross in 1958. These figures are exclusive of the production of small-scale units engaged in the manufacture of the protected categories of machine screws as also those industrial undertakings and defence departments which manufacture them for self-consumption.

In 1957, there were nine units manufacturing machine screws. The Government has sanctioned the establishment of four more units. Of these, only two units have started production. Rambal (Private) Ltd., which produces mostly brass screws, commenced manufacture in January 1958. The Southern Industrial Corporation, Madras, went into production on a commercial scale in October 1958. Besides, Messrs. T. E. Thompson & Co., Ltd., has been licensed to undertake the manufacture, among others, of studs and set screws.

The domestic demand for machine screws has also been going up. The Commission estimated the annual domestic demand at two million gross in 1957. At the present enquiry, the Commission received various estimates of demand ranging from 2.50 million gross to 4 million gross for 1959 and from 3.25 million gross to 6 million gross for 1962. The Development Wing of the Government of India estimates it at about 3 million gross for 1959, gradually rising by half a million gross per annum during the subsequent three years. This estimate is based on the assumption that the present rate of progress will be maintained in such industries, as bicycles, electric motors and appliances, metal fabricating industries and typewriters. A clean

picture of the trend in demand can be had from the data on apparent consumption of machine screws. The apparent consumption of the screws in 1958 was at 2,281,665 gross (made up of indigenous screws 2,063,665 gross and imports of 218,000 gross), as against 2,037,361 gross in 1957 (1,489,161 gross indigenous and 548,200 gross imported). Mr. Ramasubban pointed out that the coverage of these figures is limited. So, the actual consumption is bound to be more than that indicated by these figures.

Raw Materials

Although the domestic industry has been striving hard to meet the growing demand, its progress is circumscribed by the inadequate and irregular supply of raw materials. The principal raw material for the manufacture of machine screws is mild steel annealed wire from 14 SWG to 2 SWG. The Indian Steel and Wire Products Ltd., and the National Rolling and Steel Ropes Ltd., provide the industry with its requirements of raw material in the form of wire rods or wire. These are supplemented by imports in some cases. With the commissioning of the new blooming and steel bar and billet mills at the Tata Iron and Steel Company, Ltd., the supply position of the billets for conversion into rods and wires has improved considerably from December 1958. We are told that more than adequate supplies of billets have been made available to Indian Steel and Wire Products Ltd., during the first quarter of 1959.

The quality of the indigenous products is said to be generally satisfactory. Commenting on this aspect, Mr. Ramasubban disclosed that while the general trend of evidence showed that the quality was satisfactory, a few important consumers had stated that the screws produced by certain units were inferior to the imported ones. The main defects pointed out by them were that the heads of screws shear off when fully screwed home and that dimensional tolerances with regard to both threads and diameters were not adhered to. These are serious defects and should be rectified by the manufacturers without any further delay. In addition to tariff protection, the indigenous manufacturers are enjoying the shelter provided by severe import restrictions necessitated by foreign exchange shortage. They have, therefore, a special obligation to the consumers in this country in regard to the quality of their products. Owing to drastic restrictions, imports of machine screws in 1957 were no more than 274.10 tons, valued at Rs. 10.66 lakhs; in 1958, they fell further to 109 tons, valued at Rs. 7.72 lakhs. The principal sources of imports were W. Germany and the U.K.

OUTLOOK FOR INDIAN LAC

The Indian Lac Exporters Association, the first annual general meeting of which was held at Calcutta last week, has completed one year of useful service to the lac industry and trade. Unlike other associations of business, this Association was brought into existence specifically for arresting the rot that had set in in the lac export trade and for ensuring a fair return to the producer of lac. It is a sort of co-operative body, with a monopoly for the export of lac. It enjoys the support and help of Government, which has agreed to channel the export quota through this body. It has also, as its objective, stabilisation of lac prices through such constructive measures as promotion of research for expanding the uses of lac, staggering the flow of lac into the export market by organising the trade and industry and establishing a code of conduct for the trade and seeing that the code is followed. Great credit goes to Mr. K. B. Lall, I.C.S., for establishing the Association and vesting it with this responsibility.

Before the Association came into being, there were hectic fluctuations in the price of this commodity. The price of TN pure shellac, for instance, which fetched about Rs. 168 per maund in November 1955, fell sharply to Rs. 57 by April 1958. Mr. C. R. B. Menon, an official of the Central Government and the President of the Association, said at its annual general meeting that, had the Association not been formed, prices would have fallen further. Analysing the cause of the setback, he observed that, with the imposition of the ban on forward trading in lac and the exit of two large firms from the shellac trade, the finance available for the trade became inadequate, because the rest of the trade consisted of small traders with limited resources. The holding power and staying power of the operators who continued in the trade were small, and the phenomenon of exporters under-quoting each other in foreign markets with a view to getting rid of their supplies as quickly as possible developed. Naturally, foreign importers took advantage of this weakness by quoting lower and

lower prices. On top of this there was the growing competition from Thailand, India's serious rival. Besides, the Western countries, which are the principal consumers of Indian lac, were busy introducing a wide range of synthetic substitutes. Something had to be done to save the Indian lac and its producers. The Government of India fixed minimum prices with effect from 1st June 1958 and asked the Association to enforce them strictly. It also applied export control and issued licences only on the production of "price scrutiny slips" supplied by the Association.

The minimum price scheme, it is claimed, has served to impart some stability to the prices of lac. There have been a few cases of evasion of minimum prices by granting higher rebates to foreign importers, a practice which Mr. Menon rightly condemned. The price of TN pure shellac improved from Rs. 57 per maund in April 1958 to Rs. 65.50 by the middle of June 1958 and continued to be more or less at this level at the turn of the current year. In the middle of last month, however, it fell again slightly to about Rs. 62 to 64.

Mr. H. P. Lohia, Vice-President of the Association, in his speech at the annual meeting, conceded that, although the price situation in the first quarter of 1959 was satisfactory, with the start of the new crop season, the price-gap was again tending to widen. He thought that the situation had not yet shown any sustained improvement. He also felt that, while it was some comfort to the growers' lot would have been distinctly worse without the stabilisation efforts, the benefits accruing from price stabilisation had been disproportionately small to the grower and the small manufacturer.

Mr. Lohia attributed the slump in lac prices to the structural weakness in the organisation of its trade. He pointed out that, in the crop year 1958-59, India exported all the lac that was produced during the year, along with a large part of the previous season's carry-forward. This shows that there was hardly any problem of over-supply last year and that the speculators were exploiting the situation to their advantage. The main weakness of the lac trade is the absence of sufficient number of middlemen and manufacturers with adequate resources to hold the stocks and release them in stages according to the demand. Although there are some signs of money coming into this trade, they are not sufficient to warrant the conclusion that all is well. Mr. Lohia, therefore, pleaded for the creation of an institutional stock-holding authority.

Apart from improving the organisation and technique of marketing, attention should be paid to find out new applications for lac, particularly in industry. In the case of so versatile a resin as lac, the problem cannot be insoluble. Referring to this aspect, Mr. Lohia pointed out: "It is no longer enough to advocate remedies within the confines of existing techniques; the need of the hour, therefore, is to achieve an immediate technological break-through in lac. Lac must be metamorphosed into a factory product; it should be capable of natural and synthetic modifications, with or without other graded and standardised and tailored to the exact need of the consumer. It should be offered at a stable price over long periods and must be free from disturbing fluctuations in supply and price." He felt confident that the position of lac would definitely improve, if scientific techniques of production, manufacture and distribution were adopted and applied.

With this object in view, the Association proposes to organise some fundamental and applied research in reputed foreign universities. It also intends to launch an export promotion drive, particularly in the U.S.A., besides conducting survey collected Rs. 8 lakhs through cesses and levies. Some new uses for lac have already been found. Among these may be mentioned: a composition for coating jute cloth so as to make it leak-proof, corrosion-proof, and waterproof; a shellac-based resin capable of giving water-resistant varnishes and paints; and a large range of shellac-based starts, are likely to absorb considerable quantities of lac.

While there is scope for the development of industrial applications of lac, the long-term outlook for the commodity is by no means promising, as will be evident from the following extract from the speech of Mr. Lohia:

"The challenge of the times is so severe that our response may be too feeble and inadequate. What chance does poor lac stand in face of the constantly adaptable and improving synthetic products being turned out by billion-dollar giant corporations? Lac has not shared at all in the rapid economic expansion that has been taking place in the West. Even now, while industrial production is at an all-time high and all branches of the economy are stagnant and is probably shrinking for lac is at best States. It is my belief that, if lac loses the mass markets of the West, it shall have a very bleak future as an export commodity. Demand from the West is not only substantial in nature, but since for it, it is a kind of effective demand. Take the Latin-American countries as a contrast. Judging from demand alone, these countries are capable of absorbing at least three to four times the quantity that they import at present, but this potential due to payment difficulties. Therefore, it is unrealistic to postulate a vastly increased effective world. Some of these countries, especially in the Far East, have large territories, tropical climate, like Thailand, may very soon be growing lac in their own territories. The stress in the cen-

(Continued)

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906
CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED Rs. 5,50,00,000
CAPITAL PAID-UP Rs. 3,00,00,000
RESERVE FUND Rs. 3,10,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA
AHMEDABAD Sion JUNAGADH
Bhadra BHUJ (Kutch) KANPUR
Ellis Bridge CALCUTTA MADRAS
Gandhi Road 23-B, Netaji Sowcarpet
Manek Chowk Subhas Road NAGPUR
Navrangpura (Main Office) Kingsway
Station Branch Bara Bazar Itwari Bazar
AHMEDABAD Chowringhee Square NEW DELHI
BANGALORE CALCUTTA PALANPUR
BARODA COCHIN POONA CITY
BOMBAY COIMBATORE RAJOT
Andheri DELHI SURAT
Bandra GANDHIDHAM SHOLAPUR
Bulfinch HYDERABAD VERAVAL
Colaba (Deccan) VISAKHAPATNAM
Churchgate JAMSHEDPUR
Fort Malabar Hill Santa Cruz

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

DIRECTORS
SIR COWASJEE JEHLANGIR, Baronet,
G.B.E., K.C.I.E. (Chairman)
Mr. AMBALAL SARABHAI
Mr. RAJNIVAS RAMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.



ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited
Incorporated in England

A. D. 1908

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Office:
Donghai Road, Bahadur Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

ASK

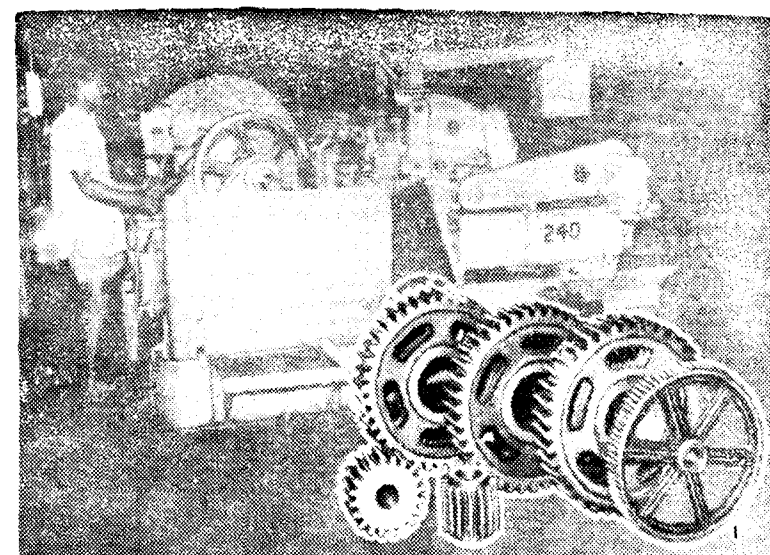
RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKALIC BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY CO., LTD.
4, LYONS RANGE, CALCUTTA 1.

Bombay Branch:
35A, HOSPITAL AVENUE, PAREL



We have manufactured gears for half a century. We cut gears and flame harden teeth to customers' specification up to the undernoted maximum sizes:—

Straight Spur and	Dia Face
Internal Gears	120" 20"
Helical, Double Helical,	
and Skew Gears	72" 18"
Bevels	24" 6"
Worm-Wheels	72" 6"

BURN GEARS

& CO. LTD. HOWRAH

Managing Agents: MARTIN BURN LTD.

12 Mission Row, Calcutta 1

Branches at: New Delhi Bombay Kanpur

Your goods have a ready market in South East Asia

EXPORT NOW

INDIA produces the very commodities which the South East Asian countries need—jute, textiles, tea, handlooms, handicrafts, cycles, sewing machines and many other manufactured goods. Export them now—they'll buy them.

The INDIAN OVERSEAS BANK LIMITED has made a special study of this important, growing market. Our network of overseas branches, agents and correspondents are at your service for on-the-spot advice.

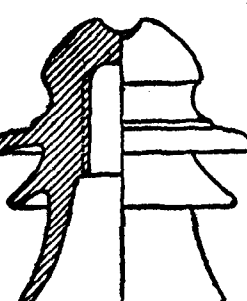
THE INDIAN OVERSEAS BANK LIMITED, Madras

Branches at: AHMEDABAD, BOMBAY, CALCUTTA, CUTTACK, HYDERABAD, MADRAS, NEW DELHI and throughout South India

Overseas Branches: BANGKOK, COLOMBO, HONGKONG, IPOH, KLANG, KUALA LUMPUR, MALACCA, PENANG, RANGOON, SINGAPORE.

Agents and Correspondents all over the world

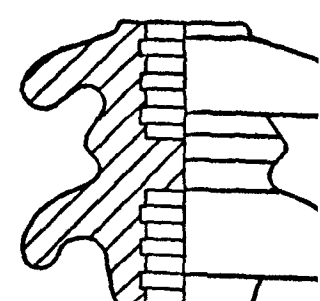
M. Ct. Muchah Chairman C. P. Dorakannu General Manager



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



BALMER LAWRIE DOES EXCEEDINGLY WELL

DIVIDEND RAISED SIZABLY—OUTLOOK GOOD

A STRAIGHT increase of 7½ per cent. in the dividend, that is from 12½ per cent. for 1957 to 20 per cent. per annum for 1958, has been recommended by the Directors of Balmer Lawrie & Co., Ltd. (Chairman and Managing Director: Mr. A. T. Montgomery, Calcutta). This has been done by doubling the final distribution from 7½ per cent. to 15 per cent., while the interim payment made in December last, at 5 per cent., was the same as for the previous year. This is the highest rate of dividend declared by the Company so far since the reconstruction of the capital structure in 1954, when the Company's deferred shares were consolidated into ordinary shares and an one-for-one scrip bonus issue was made. It must be noted here that the shareholders had actually received, out of the profit for 1957, a distribution of 15 per cent., but this includes an additional payment of 2½ per cent. for 1955 under Section 23A(3) of the Indian Income-tax Act 1922.

The increase in final distribution for the year under review is in consonance with the excellent performance of the Company during the year, thanks to the considerable improvement in the income from trade investments and from the managing agency. This, in turn, is attributed to the continued progress and development in associated manufacturing companies. Contrary to expectations, trading activity of the Company was fully maintained.

The impressive results are reflected in the sharp rise of over 50 per cent. in gross profit from Rs. 32.28 lakhs to Rs. 49.08 lakhs, thus more than making good the small setback in the previous year when the profit had declined by Rs. 6.35 lakhs. With the improvement during the year under review, the gross profit has set a fresh record for recent years. The net profit, at Rs. 22.14 lakhs, shows an increase of Rs. 6.42 lakhs over that for 1957, after raising the provision for taxation from Rs. 12.37 lakhs to Rs. 22.10 lakhs and that for depreciation from Rs. 4.19 lakhs to Rs. 4.83 lakhs. As in the previous year, no provision has been made for wealth tax liability, as payment of wealth tax is not considered to be a charge against the current profits of the Company and the Directors propose to charge any payment made in respect of such assessment against the reserves. During the year under review, a sum of Rs. 35,694 has been paid out of the general reserve towards wealth tax. After creating a development rebate reserve with an initial allocation of Rs. 61,382, the Directors have increased the transfer to the general reserve from Rs. 2 lakhs to Rs. 5.50 lakhs and have cut down the addition to the pension reserve from Rs. 1.74 lakh to nil.

The progress of the Company in recent years is fully indicated by the following comparative table:

(In lakhs of rupees)	For the year ended 31st December			
	1958	1957	1956	1955
Sales and services	12,54.50	12,57.79	15,80.82	11,64.70
Other income	84.72	25.89	15.74	23.38
Trading stock and work-in-progress	61.38	75.89	1,08.84	1,14.45
Purchases	10,35.79	10,30.82	13,19.52	8,74.88
Raw materials consumed	18.98	19.80	10.98	5.65
Other expenses	1,77.58	1,74.04	1,77.34	1,50.09
Gross profit	49.08	32.28	38.63	35.38
Provision for—				
Depreciation	4.83	4.19	3.48	3.21
Taxation	22.10	12.37	17.38	12.55
Net profit	22.14	15.72	17.77	19.78
Excess provision written back	—	—	6.00	—
To reserves	6.11	3.74	17.70	10.24
Dividend	16.00	12.00	12.00	10.00
	(20%)	(15%)	(15%)	(12%)
Carry forward	5.03	5.01	5.08	5.08

* Includes an additional dividend of 2½ per cent. in respect of 1955.

The Company's financial position is quite sound. The paid-up capital, at Rs. 80.01 lakhs (unchanged since 1954), is supplemented by reserves and surplus aggregating Rs. 83.60 lakhs, of which general reserve alone accounts for Rs. 68.64 lakhs. The secured loans from banks stand increased from Rs. 0.57 lakh to Rs. 8.47 lakhs, while unsecured loans have been reduced from Rs. 65.92 lakhs to Rs. 29.97 lakhs. The other liabilities and provisions amount to Rs. 155.84 lakhs. The gross block of the value of Rs. 74.47 lakhs has been written down by Rs. 38.77 lakhs to a book value of Rs. 35.70 lakhs. The trade investments (at cost) have been enlarged from Rs. 97.84 lakhs to Rs. 113.77 lakhs.

but this increase is more than offset by the fall in other assets from Rs. 237.30 lakhs to Rs. 208.42 lakhs.

The main point of interest in the Company's assets is the large trade investments. These investments used to be revalued in the past at the market value prevailing on the date of the balance-sheet of each year. As a result of this practice, the Company's investment reserve had to be adjusted each year. During the last two years, however, the Directors have given up this practice and are valuing them at cost. Of the total investments (at cost) as on 31st December 1958, those quoted on various stock exchanges amount to Rs. 109.20 lakhs (Rs. 95.59 lakhs at the close of 1957) and unquoted investments for Rs. 4.58 lakhs. The market value of the quoted investments as at the end of the year is substantially higher at Rs. 156.04 lakhs, as against Rs. 112.50 lakhs a year ago. A type-wise breakdown of investments shows that Government securities account for Rs. 0.83 lakhs, shares of managed companies for Rs. 107.64 lakhs and others for Rs. 5.30 lakhs. A further break-up of the investments shows the following changes over the year:

(In lakhs of rupees)		As on 31st December	
		1958	1957
Government securities	..	0.83	0.83
Commercial investments	..	..	..
Ordinary shares (fully paid)	..	50.75	70.82
Preference shares (fully paid)	..	0.10	0.10
Debentures (fully paid)	..	0.24	0.25
Debentures (partly paid)	..	0.09	—
Fully paid shares in subsidiaries	..	61.77	25.84
Total	..	113.77	97.84

The Company's subsidiaries and the number of shares held in each are as follows:

Company	No. of shares
Bengal Flour Mills Co., Ltd.	60,067
Bridge and Roof Co. (India) Ltd.	112,192
British India Electric Construction Co., Ltd.	35,942
Indian Galvanising Co. (1926) Ltd.	194,522
Balmer Lawrie & Co. (Pakistan) Ltd.	20,000

Commenting on the future prospects for the Company, the Directors observe:

"It seems reasonable to expect satisfactory trading results again in the current year, although eventually restrictions on imports must have some adverse effect. On the other hand, this may well be offset by the further development of manufacturing interests."

The Company's shares (Rs. 100 paid-up) are popular with investors and are being quoted at Rs. 202 cum-div. (final Rs. 15), as against Rs. 142 at the beginning of the year and Rs. 165 a year ago. On an ex-div. basis and at the current rate of dividend, the shares offer a very attractive yield of 10.7 per cent. per annum.

F.A.C.T. RETURNS TO DIVIDEND LIST

After a lapse of eight years the ordinary shares of the Fertilisers and Chemicals Travancore Ltd. (Managing Agents: Messrs. Seshasayee Bros. (Travancore) Private Ltd., Alwaye) have returned to the dividend list. The Directors of the Company have recommended a modest distribution of 4 per cent. for the year ended 31st December 1958; the previous year for which the shareholders had received a return on their investment was 1950 when a dividend of 2½ per cent. was paid.

The payment of a dividend for 1958 has been made possible by the all-round progress made by the Company during the year. The production of various products, such as ammonia, sulphuric acid, ammonium sulphate, superphosphate and ammonium chloride, was at a higher level and there was a sizable improvement in demand for these products, as reflected in the rise in sales by Rs. 73 lakhs to a record level of Rs. 2.47 crores. The gross profit has more than doubled itself from Rs. 31.62 lakhs earned in 1957 to Rs. 64.31 lakhs.

It will be recalled that, after 1950, for which year the Company had paid a maiden dividend of 2½ per cent., the Company had to face a lean period and the gross profit had dwindled from Rs. 37.42 lakhs (in 1950) to Rs. 8.03 lakhs in 1953. After providing for heavy depreciation, there were only net losses and, by the end of 1953, the accumulated losses amounted to no less than Rs. 44.97 lakhs. Thereafter, the fortunes of the Company turned for the better and, with the substantial profits earned in the four years 1954 to 1957, the Company was able to reduce its accumulated loss to Rs. 7.08 lakhs at the end of 1957. This also has since been wiped out.

With the rise in gross profit for 1958, the Managing Agents' remuneration also has gone up from Rs. 80,851 to Rs. 3.55 lakhs. The provision for depreciation has been raised from Rs. 19.51 lakhs to Rs. 21.98 lakhs. A sum of Rs. 1.29 lakh has been provided for wealth tax in respect of 1957, as against Rs. 1.47 lakh for 1956. These essential allocations leave a net profit of Rs. 37.49 lakhs, as compared with Rs. 9.83 lakhs for the

previous year. The Directors have created a development rebate reserve with an initial allocation of Rs. 11.26 lakhs—this is the only reserve which the Company has now. Though the rate of dividend is only small at 4 per cent., it absorbs as much as Rs. 13.84 lakhs in view of the large size of the capital. After wiping out the loss of Rs. 7.08 lakh brought in and writing off Rs. 92,775 on account of commission on shares, a surplus of Rs. 4.38 lakh is being carried forward.

The Company has on hand an expansion scheme for doubling the capacity of the ammonium plant and for utilising the additional ammonia to produce ammonium phosphate and for increasing the present production of ammonium sulphate. The air liquefaction plant and the new sulphuric acid plant which form part of the first stage of the expansion scheme have been commissioned. The new dryer and the ancillary equipments in the sulphate plant were brought into use during the year. The work on the rest of the items included in the first stage of expansion is said to be progressing according to schedule and the plants are expected to be ready for operation by the end of 1959. The total expenditure incurred on the Rs. 133.37 lakhs, which is more than double that spent up to the end of 1957, thus bringing the total expenditure so far to Rs. 198.80 lakhs.

A rough idea of the financial position of the Company can be had from the following synopsis of its latest balance-sheet as at 31st December 1958:

(In lakhs of rupees)			
LIABILITIES		ASSETS	
Paid-up capital	346.06	Gross block	493.37
Reserves and surplus	15.64	Less—Depreciation	258.34
Borrowings from banks and I.F.C.	98.31	Net block	235.03
Liabilities and provisions	132.34	Development expenditure	137.48
		Stock-in-trade and stores and spares	25.77
		Debts, deposits and advances	91.81
		Cash balances	78.22
Total	592.35	Total	592.35

The distribution of the Company's shares shows that the bulk of it, as much as 62.86 per cent. of the total, is being held by the Kerala Government. The other Governments hold 11.89 per cent. and private shareholders, including companies and banks, account for the balance of 25.25 per cent. of the shares.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 9.10 cum-div. On an ex-div. basis, they provide a yield of 4.6 per cent. per annum.

AMAR DYE-CHEM WIPES OUT ARREARS OF PREFERENCE DIVIDEND

The year ended 31st December 1958 has turned out to be the most prosperous one so far for the Agents: Messrs. Amritlal & Co. Private Ltd. (Managing Agents: Established in 1954 for the manufacture of synthetic dyestuffs vitally needed for the country's textile industry, the Company has earned a gross profit of Rs. 16.75 lakhs in 1958, as compared with a mere Rs. 86,945 in the previous year. This impressive performance has enabled the Company to reduce sizably the arrears of preference dividend and to pay off the 8 per cent. tax-free preference dividends for the five years 1954 to 1958.

Out of the aforesaid gross profit, the Directors have set aside Rs. 5.78 lakhs towards normal Rs. 5.48 lakhs for part of the previous year's arrears. They have also recommended the creation of a development rebate reserve with Rs. 1.10 lakh dividends.

The sales of the Company grew from Rs. 46.24 lakhs in 1957 to Rs. 106.28 lakhs in the year under review. This is due to the keen demand for the Company's, as a result of the paucity of imports. The Company is now manufacturing 12 Amarthols and 16 fast bases. The manufacture of Bon acid, which had remained suspended on account of damage to the plant caused by fire, was restarted at present completely satisfactory. The results are not only expected to obtain improved performance with the help of the technical collaborators. This will exchange but make a considerable saving of foreign exchange in its requirements and large self for manufacture of Amarthols. The Company has Montecatini of Italy, as technical consultants in the place of Messrs. Hilton-Davis Chemical Company of the U.S. Its agreement with the latter for technical collaboration was terminated.

The Company has on hand a programme for expansion of plants and building residential quarters for its employees, at an aggregate cost of Rs. 12 lakhs. In order to provide the necessary raise fresh capital to the tune of Rs. 20 lakhs, by existing shareholders at Rs. 100 each to the share for every three existing ordinary shares. The consent of the Controller of Capital Issues is awaited for this issue. The present paid-up capital of the Company is Rs. 80 lakhs, made up of 20,000 shares of Rs. 4 each. The present tax-free preference dividends (any time after 10 and 60,000 ordinary shares of Rs. 100 each

GROSS PROFIT OF METAL BOX CROSSES ONE-CRORE MARK

DIVIDEND UNCHANGED—DEVELOPMENT PLANS GO AHEAD

AN expansion in production, thanks to an improvement in the supply position of tinplate in the latter half of the year, higher operational efficiency, larger sales of general line containers for a miscellany of packs and the open top cans for processed foodstuffs, and the success in developing sales of containers not made out of tinplate—all these were the main factors responsible for the impressive results of the Metal Box Company of India Limited (Managing Director: Mr. R. W. Westbrook, Calcutta) for the year ended 31st March 1959. The gross profit has crossed, for the first time in the history of the Company, the one-crore mark, to stand at Rs. 111.59 lakhs. This represents an increase of Rs. 23.21 lakhs over that earned in the previous year and, with this rise, the Company has maintained the upward trend in its profit for the fifth year in succession. What is more, within these five years, the profit has more than trebled itself, that is, from Rs. 34.92 lakhs earned in 1953-54 to Rs. 111.59 lakhs in the year under review.

Larger Tax Liability

The net profit, at Rs. 41.57 lakhs, however, shows a relatively smaller rise of Rs. 5.23 lakhs. This is due to the fact that the bulk of the increase in gross profit has been absorbed by the higher tax liability, the provision for which has been raised from Rs. 39 lakhs to Rs. 56 lakhs. The provision for depreciation, at Rs. 14.02 lakhs, takes up nearly a lakh more than in the previous year. Notwithstanding the higher distributable profit, the Directors have not chosen to increase the dividend distribution, which is being repeated at 1½ per cent. per annum, for the third year in succession. Instead, they have recommended the strengthening of the reserves with larger allocations and carrying forward a larger surplus, as will be seen from the following comparative table:

(In lakhs of rupees)	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	6,96.85	5,11.79	5,66.78	4,94.55
Other income	14.59	11.62	9.73	8.08
Stocks of finished goods	7.95	6.45	7.01	7.01
Raw materials consumed	9,78.79	8,41.90	8,27.60	2,79.55
Other expenses	2,22.55	1,91.98	1,70.04	1,48.99
Gross profit	1,11.59	88.88	79.82	75.13
Provision for—				
Depreciation	14.02	13.04	12.45	11.28
Taxation	58.00	39.00	38.00	31.00
Net profit	41.57	36.84	28.85	23.84
To reserves and provisions	17.50	14.22	7.81	11.01
Dividends	1.84	1.24	1.33	1.33
Per cent. preference	20.13	20.69	20.13	18.69
Ordinary	(17.3%)	(17.3%)	(17.3%)	(16.5%)
Carry forward	18.34	18.33	18.34	18.34

* Includes additional dividend of Rs. 46,000 for 1955-56.

It will be observed that the Company's sales have increased by Rs. 85.06 lakhs or 14 per cent. over the year. This improvement would not have been possible, according to the Chairman, Mr. K. C. Mahindra, but for the Company's success in developing the sales of such of its products as are not made from tinplate, a major raw material which was in short supply throughout the year. As the raw material position improved in the second half of the year, the Company was able to increase production and sales and also to make a reduction of 2½ per cent. in prices of general line containers. Open top cans, too, increased, following the emergence of a canned prawn export trade with Europe and America under the stimulus of subsidy given by the Union Ministry of Food and Agriculture for processed fruit and vegetables. Thanks to this subsidy and the fall in the cost of special quality of tinplate imported for open top cans, the Company has been able to reduce the prices of these cans by as much as 41 per cent.

Exports

The Company's indirect exports increased substantially during the year under review, but its direct exports were below expectations, owing to Burma's foreign exchange difficulties. The Company set up, during the year, an export promotion unit and undertook an extensive tour in South-East and West Asia. It has planned an intensification of this work during the current year. Commenting on export prospects, the Chairman, in his annual report, says: "We are thus well placed to make the best of

our opportunities in the more promising of the export markets open to us. As a result, an impressive order book has already been built up and I am confident that, by next year, I shall be able to report a substantial increase in our export sales. We continued to receive excellent support from the Export Promotion Directorate of the Government of India and the Export Promotion Councils. Demand this year remains brisk; there are signs that the market of our customers, the packers of India, is growing and that materials are being made increasingly available to meet it."

Much, however, depends on the supply of raw materials. Despite the larger imports during the second half of the year under review, the stocks of tinplate with the Company are said to be below the desired minimum operational level, but there are now, according to the Chairman, good prospects that the position will improve in the near future. Supplies of indigenous aluminium were adequate during the year under review to meet the substantially increased demand for the Company's non-tinplate products. It appears that the Company will be able to cover the enhanced requirements of this raw material for the current year as well. As regards manufacture of the wide range of industrial components, there is a shortage of steel and the Company has applied for licence to import a part of its requirements of steel to supplement the indigenous supply. In respect of other raw materials, there was a substantial rise in prices during the year under review and the upward trend has since then shown no sign of reversal.

Expansion Plans

On the development side, the Company's progress is encouraging. The new Calcutta factory has been completed and manufacturing activity has started therein. Manufacture of industrial components continues in the old factory and it is proposed to start production of plastics, embracing injection moulding and polyethylene extrusion, printing and bag making in this factory. Provision is being made for the manufacture of a range of spare parts for machinery. Constructional work is progressing for a new factory at Faridabad, near Delhi. This factory is expected to go into production early in 1960. The Madras factory has been extended and an extension of the Worli (Bombay) factory is being planned. A plan is under consideration for the acquisition of additional machinery for extending the range of products manufactured from indigenous raw materials and for meeting the demand for industrial components which are now being imported.

In order to finance the new developmental activities, the Company proposes to increase its capital by a rights issue of ordinary shares at par in the ratio of two new shares for every five, the Government's consent for which has already been obtained. This will bring an additional capital of Rs. 46 lakhs.

Financial Position

The present paid-up capital of the Company is Rs. 145 lakhs, of which ordinary capital accounts for Rs. 115 lakhs and preference for Rs. 30 lakhs. This is supplemented by reserves and surplus aggregating Rs. 165.84 lakhs. There has been a substantial reduction in secured loans from Rs. 49.35 lakhs to Rs. 9.85 lakhs, but this is offset to a large extent by unsecured borrowings from the Metal Box Company Overseas Ltd. to the extent of Rs. 23.53 lakhs, presumably on account of the deferred payment credit obtained from that Company for import of tinplate during the year under review. The other liabilities and provisions amount to Rs. 154.23 lakhs. The additions to gross block during the year were of the order of Rs. 28.27 lakhs, bringing the total value to Rs. 309.15 lakhs. The book value of the block account as at the end of the year is Rs. 196.42 lakhs. The current assets aggregate Rs. 302.02 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 42.87 cum-div., as against Rs. 37.25 a month ago. On an ex-div. basis, the yield on the shares works out to 4.2 per cent. per annum, free of tax.

COMPANY MEETINGS AND DIVIDENDS

SAVAMALAI ESTATES LTD. Annual General Meeting, Calicut, 4th July 1959. Dividend: 12½ per cent. or Re. 0.25 per share. Transfer books remain closed from 27th June to 4th July 1959, both days inclusive.

EQUITABLE COAL CO., LTD. Annual General Meeting, Calcutta, 7th July 1959. Dividend: Re. 1.50 per share. Transfer books remain closed from 24th June to 7th July 1959, both days inclusive.

DHEMO MAIN COLLIERIES LTD. Annual General Meeting, Calcutta, 7th July 1959. Dividend: Nil.

WEST JAMURIA COAL CO., LTD. Annual General Meeting, Calcutta, 7th July 1959. Dividend: Nil.

KAMARHATTY CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: Rs. 5.00 per ordinary share and Rs. 5.00 per "B" ordinary share. Transfer books will remain closed from 1st to 10th July 1959, both days inclusive.

KANKARRAH CO., LTD. Annual General Meeting, Calcutta, 10th July 1959. Dividend: Nil. Transfer books will remain closed from 6th to 10th July 1959, both days inclusive.

BRIDGE AND ROOF CO. (INDIA) LTD. Annual General Meeting, Calcutta, 13th July 1959. Dividend: 20 per cent. or Rs. 2.00 per share (includes a dividend of 10 per cent. or Re. 1.00 per share, for 1955 and a dividend of 7½ per cent. or Re. 0.75 per share, for 1954). Transfer books remain closed from 29th June to 13th July 1959, both days inclusive.

BALMER LAWRIE & CO., LTD. Annual General Meeting, Calcutta, 13th July 1959. Dividend: Rs. 15.00 per share (final). Transfer books remain closed from 24th June to 13th July 1959, both days inclusive.

FERTILISERS AND CHEMICALS TRAVANCORE LTD. Annual General Meeting, Alwaye, 15th July 1959. Dividend: 4 per cent. or Re. 0.40 per share, payable on and after 15th August 1959. Transfer books will remain closed from 6th to 15th July 1959, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 15th July 1959. Dividend: 25 per cent. or Rs. 25.00 per share. Transfer books remain closed from 27th June to 15th July 1959, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 16th July 1959. Dividend: 17½ per cent. free of tax (includes interim dividend 6½ per cent.). Transfer books will remain closed from 1st to 16th July 1959, both days inclusive.

PULLANGODE RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Fort Cochin, Kerala State, 20th July 1959. Dividend: 5 per cent. or Re. 0.10 per share. Transfer books remain closed from 4th to 22nd July 1959, both days inclusive.

NAZIRA COAL CO., LTD. Annual General Meeting, Calcutta, 25th July 1959. Dividend: 7½ per cent. or Re. 0.75 per share. Transfer books will remain closed from 16th to 25th July 1959, both days inclusive.

RAJA BULAND SUGAR CO., LTD. Annual General Meeting, Rah-Bhara, Rampur, U.P., 21st July 1959. Dividend: Re. 1.25 per share. Transfer books will remain closed from 13th to 25th July 1959, both days inclusive.

CAWNPORE TEXTILES LTD. Annual General Meeting, Kanpur, U.P., 30th July 1959. Dividend: Nil.

ALUMINUM CHEMICAL WORKS CO., LTD. Annual General Meeting, Baroda, 30th July 1959. Dividend: Rs. 12.00 per share, payable on or after 14th August 1959. Transfer books will remain closed from 24th to 30th July 1959, both days inclusive.

SANGAMESHWAR COFFEE ESTATES LTD. Annual General Meeting, Madras, 30th July 1959. Dividend: 9 per cent. or Re. 0.18 per share. Transfer books will remain closed from 25th to 30th July 1959, both days inclusive.

CAVVERY SPINNING AND WEAVING MILLS LTD. Dividend of 9 per cent. or Re. 0.90 per share, for the year ended 31st March 1959. Transfer books will remain closed from 24th to 30th July 1959, both days inclusive.

VIRUDHUNAGAR TEXTILE MILLS LTD. Dividend of 6 per cent. or Re. 3.00 per share, for the year ended 31st December 1958. Transfer books will remain closed from 20th July to 3rd August 1959, both days inclusive.

CANNANORE SPINNING AND WEAVING MILLS LTD. Dividend: Rs. 9.00 per share, final (the interim dividend paid was 6 per cent. or Re. 6.00 per share), for the year ended 31st March 1959. Transfer books will remain closed from 15th to 30th July 1959, both days inclusive.

SPENCER & CO., LTD. Interim dividend of 6 per cent. or Re. 0.60 per share, for the year ended 30th June 1959.

INDIA CEMENTS LTD. Final dividend of 5 per cent. or Re. 0.25 per share (making a total of 9 per cent. or Re. 0.90 per share), for the year ended 31st March 1959; subject to approval of Industrial Finance Corporation. Transfer books will remain closed from 18th to 31st July 1959, both days inclusive.

NAVASARI COTTON AND SILK MILLS LTD. Dividend of Rs. 12.00 per share, for the year ended 31st December 1958, payable on 17th August 1959. Transfer books will remain closed from 20th July to 14th August 1959, both days inclusive.

GAEKWAR MILLS LTD. Dividend of Rs. 10.00 per share, for the year ended 31st December 1958, payable on 17th August 1959. Transfer books will remain closed from 20th July to 14th August 1959, both days inclusive.

SIMPLEX MILLS CO., LTD. Dividend of Rs. 5.00 per share, for the year ended 31st March 1959.</

SYNOPSIS OF COMPANY REPORTS

Bridge and Roof Co. (India) Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie and Co. Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year (including items relating to previous years) after providing for taxation and depreciation, was Rs. 4,59,013 (Rs. 6,35,876) to which is added provision for taxation no longer required of Rs. 2,00,000 (nil) and the balance brought forward from 1957 of Rs. 1,73,321 (Rs. 1,77,445) making a total of Rs. 8,32,334 (Rs. 8,13,321). Out of this total the Board has transferred Rs. 2,43,990 (nil) to development rebate reserve in compliance with the provisions of Section 10 (2) (vi) b) of the Indian Income Tax Act, 1922, and Rs. 2,00,000 (Rs. 4,00,000) to general reserve, leaving a balance of Rs. 3,88,354 (Rs. 4,13,321) available for distribution, which it is recommended be dealt with as follows: To payment of a dividend of 7½ per cent. for 1958 Rs. 90,000, a dividend of 10 per cent. for 1959 Rs. 1,20,000, and a dividend of 2½ (20) per cent. for 1958 Rs. 30,000 (Rs. 2,40,000) leaving a balance to be carried forward of Rs. 1,48,354 (Rs. 1,73,321).

Orders were made by the Commissioner of Income Tax under Section 23A (3) of the Indian Income Tax Act, 1922, requiring the Company to distribute further dividends for the years 1954 and 1955. A reference was made under Section 23A (4) to a Board of Referees appointed by the Central Government, which directed that further dividends for these years amounting to Rs. 75,400 and Rs. 1,04,759 respectively be distributed. The Board therefore recommends that additional dividends (rounded off for the sake of convenience) be paid in compliance with the direction of the Board of Referees. These additional dividends, although expressly declared to be payable in respect of the years 1954 and 1955, will, if sanctioned, be payable to those members whose names are registered in the Register of Members of the Company on the date of declaration. It will be noted that the total distribution will be at the same level as last year.

The provisions of Section 23A of the Indian Income Tax Act, 1922, do not apply to the Company subsequent to the financial year 1955 in consequence of the amendments made to that Section by the Finance (No. 2) Act, 1957.

No provision has been made for liability to wealth tax. Payment of wealth tax is not considered to be a charge against current profits of the Company, and the Board therefore intends to charge against reserves any payment made in respect of such assessments.

Operations.—As evidenced by the higher turnover, output increased, and the prospects for the current year are good. During the year the Company acquired a plot of land adjacent to its existing property. This land will be used in the reorganisation of the Works.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	12,00,000	Gross block	73,60,535
Reserves	29,30,393	Less—Depreciation	36,42,693
Provision for taxation	6,02,052		
Liabilities	93,47,697	Net block	37,17,842
Profit	1,48,354	Buildings under construction	2,27,479
		Raw materials	23,54,576
		Work-in-progress	39,86,649
		Goods in transit	1,70,787
		Debits, deposits and advances	34,59,797
		Investments	5,086
		Cash	3,06,300
	Rs. 1,42,28,496		Rs. 1,42,28,496

Equitable Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill and Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working resulted in a profit, before depreciation, of Rs. 18,41,973 (Rs. 21,40,560) after charging depreciation at normal income-tax rates, amounting to Rs. 11,01,535 (Rs. 11,33,843) there was a balance of Rs. 7,40,438 (Rs. 10,06,723). Adding thereto the amount brought forward from the previous year of Rs. 59,732 (Rs. 41,728), sundry adjustments (net) on account of previous year Rs. 7,62,299 (Rs. 2,45,299) [Less—managing agents' remuneration on above Rs. 76,230 (Rs. 24,530)], provision for income-tax no longer required Rs. 17,533 (nil), unclaimed dividends forfeited Rs. 515 (Rs. 4,425) and bad debts: excess written off in previous year Rs. 12,800 (nil) there is a total amount of Rs. 15,17,087 (Rs. 12,73,645). From this amount is deducted provision for cesses (net) Rs. 33,380 (Rs. 32,000), wealth tax Rs. 60,571 (Rs. 1,13,349), doubtful debts Rs. 12,800 (nil) and forfeited dividends paid Rs. 75 (nil) and leaving an available balance for disposal of Rs. 14,10,261 (Rs. 11,28,296). The directors propose that this amount be dealt with as follows:—

By transfer to development reserve Rs. 4,00,000 (Rs. 4,00,000) to development rebate reserve Rs. 3,52,000 (nil), to royalty reserve Rs. 1,51,692 (nil), by payment of a dividend on preference shares at the rate of 6 per cent. per annum absorbing Rs. 24,000 (Rs. 24,000) and by payment of a dividend on ordinary shares at the rate of 15 (15) per cent. per annum absorbing Rs. 4,44,564 (Rs. 4,44,564) leaving to be carried forward a sum of Rs. 38,005 (Rs. 59,732 after transferring

Rs. 1,00,690 to debenture redemption sinking fund and Rs. 1,00,000 to investment depreciation reserve).

Net raisings during the year were 17,62,616 tons compared with 18,00,651 tons and 16,84,813 tons during 1957 and 1956, respectively. Despatches amounted to 17,53,176 tons against 18,10,938 tons and 16,84,549 tons during the preceding two years. Stocks totalled 64,744 tons. The Collieries have been maintained in good condition.

Unfortunately, the Company's plans for increased production were temporarily impeded due to unforeseen set backs experienced at three collieries but these mining difficulties have since been largely overcome and, in addition, Jamuria 5 and 6 pits came into operation and started producing coal at the close of the year.

During the year under review, the Company has implemented the new Mines Regulations which were introduced at the end of 1957, subject to the availability of new equipment which had to be imported and the additional technical staff required. The Mines Regulations, 1957, have been an additional burden on colliery costs for which no compensation has yet been granted by any increase in the controlled selling prices for coal. Government's decision on the Coal Prices Revision Committee's Report is awaited and it is hoped that due consideration will be given to the cost of these Regulations as, out of ten collieries worked by the Companies, six collieries are gassy mines and consequently have to bear additional costs on this account. In addition, three of these collieries carry out extensive sandstowing operations for which they are not fully compensated by the assistance paid by the Coal Board.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	33,63,760	Gross block	4,59,53,374
Debentures	47,86,000	Less—Depreciation	3,22,76,059
Reserves	1,02,32,676		
Provision for wealth tax	1,19,520	Net block	1,36,77,315
Liabilities	2,04,85,361	Stock of coal	13,22,363
Profit	38,005	Stores and spare parts	75,48,280
		Debits, deposits and advances	1,39,02,633
		Investments	15,86,612
		Cash	6,60,627
		Deferred revenue expenditure	3,27,492
	Rs. 3,90,25,322		Rs. 3,90,25,322

West Jamuria Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working resulted in a profit, before depreciation, of Rs. 66,654 (Rs. 1,77,077). After charging depreciation at normal income-tax rates, amounting to Rs. 1,59,240 (Rs. 1,78,661) there was left a debit balance of Rs. 92,586 (Rs. 1,584). Adding thereto the debit balance on profit and loss account brought forward from last year of Rs. 3,49,103 (Rs. 3,20,058), adjustments in respect of previous year Rs. 22,920 (Rs. 87,000), coal sales adjustments Rs. 19 (nil), debt written off Rs. 1,981 (nil) and provision for doubtful debts Rs. 22,286 (nil) there is a total debit balance of Rs. 4,88,855 (Rs. 4,08,932) after adding Rs. 290 in respect of income-tax for 1952-53). From this amount is deducted sundry receipts in respect of previous year Rs. 3,146 (nil) leaving a balance at debit on the profit and loss account amounting to Rs. 4,85,709 (Rs. 3,49,103 after deducting Rs. 57,120 being unclaimed dividends written back and Rs. 2,709 being provision for doubtful debts no longer required).

Net raisings during the year were 2,77,301 tons compared with 2,54,471 tons and 1,67,373 tons during 1957 and 1956, respectively. Despatches amounted to 2,77,786 tons against 2,48,214 tons and 1,80,640 tons during the preceding two years. Stocks totalled 9,885 tons. The Collieries have been maintained in good condition.

Reorganisation in working the West Jamuria Colliery took place last year and while production increased there was no improvement in the financial results during the year under review. The effect of this reorganisation has since been felt and better results are now being obtained.

The Railway's rationalisation policy which limits the movement of coal from the Company's collieries in the "upcountry" direction, where there is greater demand for Grade I coal, proves to be a serious handicap over sales. Until the Eastern Railway complete certain constructional work to their Railway Yards these difficulties will continue.

The Mines Regulations, 1957, have been an additional burden on colliery costs for which no compensation has yet been granted by any increase in the controlled selling prices for coal.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	7,00,000	Gross block	59,74,151
Liabilities	45,57,037	Less—Depreciation	29,16,909
		Net block	30,57,242
		Stock of coal	1,61,372
		Stores and spare parts	55,600
		Debits, deposits and advances	14,44,419
		Cash	52,695
		Loss	4,85,709
	Rs. 52,57,037		Rs. 52,57,037

Dhemo Main Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working resulted in a profit, before depreciation, of Rs. 37,311 (Rs. 3,77,699). After charging depreciation at normal income-tax rates, amounting to Rs. 90,928 (Rs. 90,238) there was a debit balance of Rs. 53,617 (credit of Rs. 2,87,461). Adding to this the debit balance on profit and loss account brought forward from last year of Rs. 67,535 (Rs. 3,36,908), provision for taxation Rs. 94 (nil), forfeited dividends paid Rs. 350 (Rs. 50), adjustments in respect of previous years Rs. 11,281 (Rs. 14,000) and bad debts Rs. 1,087 (nil) there is left a debit balance of Rs. 1,33,964 (Rs. 63,497). And deducting therefrom hospital grant in respect of previous year Rs. 11,007 (Rs. 8,559), unclaimed liabilities written back Rs. 2,091 (Rs. 200) and adjustments in respect of previous years Rs. 92,771 (Rs. 703) there remains a balance at debit on the profit and loss account amounting to Rs. 28,095 (Rs. 67,535 after taking into account a sum of Rs. 13,500 being provision for wealth tax and cesses).

Net raisings during the year were 2,67,099 tons compared with 2,74,145 tons and 2,12,536 tons during 1957 and 1956, respectively. Despatches amounted to 2,54,838 tons against 2,70,676 tons and 2,10,779 tons during the preceding two years. Stocks totalled 20,860 tons. The Colliery has been maintained in good condition.

Owing to restrictions in working the Raghunathbatty Seam which were imposed by the Mines Department earlier in the year, production dropped below an economic level for several months. During the second half of the year, raisings commenced from the Borachuck Seam and the Company has now returned to more economic working. The latter Seam, however, has been graded provisionally as Grade II and there is little demand for this type of coal at the present time.

The majority of the output of the Company is obtained by sandstowing, for which inadequate assistance is paid by the Coal Board. In addition the Mines Regulations, 1957, have been an additional burden on colliery costs for which no compensation has yet been granted by any increase in the controlled selling prices for coal.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	16,00,000	Gross block	57,45,962
Provision for taxation	94	Less—Depreciation	32,76,321
Provision for wealth tax	5,500	Net block	24,69,641
Liabilities	35,47,086	Stock of coal	3,75,932
		Stores and spare parts	1,82,771
		Debits, deposits and advances	20,22,681
		Cash	73,555
		Loss	28,095
	Rs. 51,52,680		Rs. 51,52,680

Metur Industries Ltd.

The directors of the above Company (Managing Agents: Messrs. W. A. Beadell & Co. (Private) Ltd., Madras) submit the audited accounts of the Company for the year ended 31st March 1959.

The net profit available for distribution, after providing for depreciation and reserving for taxation Rs. 28,90,000 (Rs. 18,30,000) and taking into account the amount of Rs. 876 (Rs. 5,157) brought forward from the reserves amounts to Rs. 15,12,400 (Rs. 12,00,876). From this amount the directors recommend payment of a dividend of 25 (20) per cent. free of income-tax amounting to Rs. 15,00,000 (Rs. 12,00,000) leaving a balance to be carried forward of Rs. 12,406 (Rs. 876).

The shareholders will remember that at the extraordinary general meeting held on the 11th April 1958 when a special dividend of 10 per cent. free of income-tax was declared, the Chairman on behalf of the directors explained that the circumstances the Board were not able to recommend any expansion of the mill. The Board have now recommended transferring from the reserve further dividend of 25 per cent. in order that the financial year 1958-59. The Board believes that the very heavy taxation liability of Rs. 28,90,000 should not reflect in the ordinary dividend, not only in view of the very sound position of the Company, but also because there would seem to be reserves at a high level. The directors have therefore recommended a further transfer from the reserves to the profit and loss account, the main purpose of which is to offset the heavy taxation liability arising from the special dividend payment of 50 per cent.

Apart from the gross profits of the Company, having been once again seriously affected by heavy taxation from the year's working a sum of approximately Rs. 1,83,980 had to be provided to bonus in addition to the provision of Rs. 3,50,000 already made for the year 1957-58.

There was a slight increase in raw cotton prices over the previous year. The mill's products continued to be popular and our organisation for distribution maintained the usual efficiency.

The mill was affected by power cuts in May and June 1958 and during these months output fell to 21 per cent. production loss respectively was suffered. Notwithstanding these various factors, however, the directors consider the result achieved during the year to be most satisfactory.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	60,00,000	Gross block	68,13,971
Reserves	29,52,000	Less—Depreciation	49,51,979
Provision for taxation	28,90,000	Net block	18,61,992
Liabilities	28,73,143	Stock-in-trade	30,64,053
Profit	12,406	Stores, loose tools, etc.	17,44,219
		Debits, deposits and advances	23,63,140
		Investments	28,30,510
		Cash	28,63,635
	Rs. 1,47,27,549		Rs. 1,47,27,549

Pullangode Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Aspinwall & Co. Ltd., Calcutta, Fort Cochin) submit the audited accounts of the Company for the year ended 31st March 1959.

The net profit for the year is Rs. 94,604 as compared with Rs. 64,262 for the past year. The increase in profit over last year was mainly due to the increase in crop harvested. The necessary provisions for depreciation on fixed assets and for rubber rehabilitation have been made, also income-tax, agricultural income-tax and wealth tax.

Crops and Costs. Against an estimate of 5,75,000 lbs. the crop harvested amounted to 5,75,000 (5,86,000) lbs. which is a record crop for the Company. The increase in crop was mainly due to the slaughter tapping of areas earmarked for replanting. The average sale price realised was 147.26 (146.81) cents per pound. Estate expenditure was 98.66 (102.35) cents per pound.

It is conservatively estimated that a crop of 5,75,000 lbs. of rubber will be collected during 1959-60 at an Estate expenditure of 115.99 cents per lb.

Replanting. As mentioned in the last report 75 acres of old rubber are being replanted this year and the work is well in hand. A further 100 acres has been selected for felling and replanting in 1961 and this area is now being slaughtered.

Cashewnuts. This area has now commenced to pay for itself and in future years should yield a small profit.

Pepper. The vines in the Company's pepper area continue to be maintained in a healthy condition and a small crop was secured from this area which was planted only in 1954-55. Pepper does not usually come into full bearing until it is eight years old.

General. The Company's properties are being well maintained and it is pleasing to report that the labour situation was generally quiet throughout the year.

Information has recently been received to the effect that the Kerala Government intend to legislate that the weekly day of rest be a paid holiday, which would involve a substantial increase in cost of production. On representations from producers for an upward revision of prices of raw rubber, the Government of India have referred to the Tariff Commission the question of such revision and should this proposed legislation be enacted it is to be hoped that the Tariff Board will take it into consideration in their revised price recommendations.

The profit for the year was Rs. 94,604 (Rs. 64,262) from which is to be deducted Rs. 9,000 (Rs. 9,000) representing 6 per cent. dividend on preference shares and Rs. 31,500 (nil) transferred to rehabilitation reserve. This Rs. 31,500 represents estimated excess income from areas under intensive tapping. This leaves a profit of Rs. 54,104 (Rs. 55,261), which with the amount brought forward of Rs. 76,143 (Rs. 89,504), plus tax provision of Rs. 24,651 (nil) written back, makes available for distribution the sum of Rs. 1,54,898 (Rs. 1,44,765). In recommending a first and final dividend of 5 (4) per cent. for the year on the ordinary shares, the Board point out that this will amount to Rs. 92,500 (Rs. 66,000). This leaves an amount to be carried forward of Rs. 72,398 (Rs. 76,143).

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	18,00,000	Gross block	21,56,112
Reserves	2,29,315	Less—Depreciation	5,52,520
Provision for taxation	1,13,798	Net block	16,03,592
Liabilities	2,70,740	Stock-in-trade	1,39,619
Profit	72,398	Stores and spare parts	69,680
		Nursery	12,234
		Loans and advances	11,895
		Investments	2,03,301
		Cash	4,45,930
	Rs. 24,86,251		Rs. 24,86,251

A. V. Thomas and Co., Ltd.

The directors of the above Company (Managing Director: Mr. A. V. Thomas, Alleppey) present the audited accounts of the Company for the year ended 31st December 1958.

Taxation.—As has been reported last year, the Income-tax referred case is before the High Court and the directors have been informed that it would be taken up shortly and judgment of the High Court obtained perhaps within two months from date.

The working results of the year under report have been satisfactory. The net profit before providing for taxation is Rs. 2,26,086 (Rs. 2,18,918). After deducting the preference dividend of (Continued on third column)

PROFITS OF NEW INDIA HIGHER DIVIDEND ALSO STEPPED UP

THE results of the working of the New India Assurance Company, Ltd. (Managing Director: Mr. B. K. Shah) for the year ended 31st December 1958 disclose an all-round improvement in the business of the Company. The premium income showed a sharp increase over the previous year's figure. Claims and expenses too indicated an encouraging trend. Thus, the aggregate portfolio premium rose from Rs. 6.30 crores in 1957 to Rs. 7.54 crores in 1958 while the overall claims ratio declined from 52.2 per cent. in 1957 to 51.5 per cent. in 1958. Commission and expenses of management also declined from 39.3 per cent. of premium income in 1957 to 36.7 per cent. in the year under review. Reflecting these improvements, departmental profit increased from Rs. 32.7 lakhs in 1957 to Rs. 55.9 lakhs in 1958. This is reinforced by Rs. 12.4 lakhs received as earnings from investments. The Directors recommend a final dividend of Rs. 2 per share of Rs. 15 paid-up which, together with the interim dividend for a like amount, declared in February last, makes a total of Rs. 4 per share tax-free, as against Rs. 3 per share paid last year on the old capital. It may be recalled that, last year, the Company issued bonus shares in the proportion of one new share for every three old shares held, thereby raising the paid-up capital from Rs. 1.06 crore to Rs. 1.42 crore.

The expansion of the business of the Company is reflected in the steady and continuous rise in net premium income over the past decade. The premium income, which stood at Rs. 1.38 crore in 1948, rose to Rs. 4.36 crores in 1954, Rs. 5.64 crores in 1956, Rs. 6.30 crores in 1957 and crossed the Rs. 7-crore mark, to touch Rs. 7.54 crores in the year under review, representing a rise of almost 20 per cent. over the previous year's figure. The increase in net premium income was shared by all the departments except the fire department where premium income declined from Rs. 3.24 crores in 1957 to Rs. 3.08 crores in 1958, thanks to the pruning of unremunerative business. But this was more than offset by the rise in premium income in the other two departments, namely, miscellaneous and marine. Premium income in the miscellaneous department spurred from Rs. 1.64 crore in 1957 to Rs. 2.50 crores in 1958 and from Rs. 1.42 crore to Rs. 1.97 crore in the marine department.

Foreign business continues to account for the major portion of the premium income. Thus, of the total premium of Rs. 7.54 crores during the year, Rs. 4.84 crores were from business outside India and Rs. 2.70 crores from business within the country.

The following table indicates the trend of progress of the Company during the four-year period 1955-58:

(In crores of rupees)				
	1958	1957	1956	1955
Premium:				
Fire Department	8.08	8.24	2.90	2.74
Miscellaneous Department	2.49	1.64	1.44	1.09
Marine Department	1.97	1.42	1.80	1.15
Total of all Departments	7.54	6.30	5.64	4.98
Funds:				
Fire Department	1.94	2.05	1.88	1.81
Miscellaneous Department	1.45	1.02	0.92	0.74
Marine Department	1.97	1.76	1.65	1.56
Total of all Departments	5.36	4.88	4.45	4.11
Free Reserves:				
Capital	0.82	0.82	1.00	1.00
General Reserve	1.00	1.00	1.00	1.00
Premium on Shares	0.30	0.36	0.36	0.36
Dividend Equalisation	0.30	0.22	0.22	0.20
Exchange	0.08	0.05	0.05	0.05
Investment Reserve	0.22	0.22	0.22	0.09
Total	2.12	2.37	1.85	1.70

As regards claims, the experience of all the three departments taken together has been better, the overall ratio showing a decline from 52.2 per cent. in 1957 to 51.5 per cent. in the year under review. Department-wise, however, while the miscellaneous and marine departments reflected the overall trend, the fire department showed a higher percentage of claims due to the fall in premium income as well as the impact of deferred claims under the adverse portfolios which, as noted earlier, were cancelled. Thus, whereas claims ratio in the miscellaneous and marine departments fell from 52.1 per cent. and 71.5 per cent. in 1957 to 46.1 per cent. and 67.7 per cent. respectively during the year under review, claims in the fire department increased from 43.9 per cent. to 45.7 per cent.

Commission and expense ratio, too, was more favourable than last year. It was only 36.7 per cent. during the year, as against 39.3 per cent. in 1957. In the fire and miscellaneous departments, the ratio was lower at 44.0 per cent. and 35.4 per cent., as against 46.6 per cent. and 36.6 per cent. in 1957 whereas, in the marine department, commission and expenses were higher at 27.0 per cent. as compared with 25

Notices

CORRIGENDUM

BRIDGE & ROOF CO. (INDIA) LTD.

THE TRANSFER BOOKS AND REGISTER of Members of the Company will be closed from 29th June, 1959 to 13th July, 1959, both days inclusive, and not up to 15th July, 1959, as was mentioned in the notice of the aforesaid Company published on page 1091 of our issue dated 27th June, 1959. The error is regretted.

—Editor.

RAZA BULAND SUGAR COMPANY LIMITED
RAMPUR, U.P.

NOTICE

IS HEREBY GIVEN THAT THE 24th Annual General Meeting of the Shareholders of the Company will be held at Govan Building, Rampur, on Tuesday the 21st July, 1959, at 10 a.m., to transact the following business:—

- To receive and consider the report of the Board of Directors and Auditors and the Audited Statement of Accounts of the Company for the financial year ended 31st October, 1958.
- To declare dividend.
- To appoint a Director in place of Shri N. C. Roy, who retires by rotation at the meeting and is eligible for re-appointment.
- To appoint a Director in place of Shri R. K. Jain, who retires by rotation at the meeting and is eligible for re-appointment.
- To appoint Auditors for the financial year 1958-59 of the Company and the financial year 1959-60 of the Provident Funds of the Company and to fix their remuneration. Messrs. V. Sankar Aiyar & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment.
- To consider any other business that can be transacted at the Annual General Meeting with the permission of the Chair.

The Share Transfer Books of the Company will remain closed from 13th July, 1959 to 25th July, 1959, both days inclusive.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself, who need not necessarily be a member. Such proxies should reach the Company at least 48 hours before the meeting.

By Order of the Board,
For RAZA BULAND SUGAR CO. LTD.,
S. K. KAUL,
Secretary.

New Delhi, 8th June, 1959.

Note: (1) The dividend as proposed by the Directors, if declared, will be paid on or after the 5th August, 1959, to those members whose names appear in the books of the Company on 21st July, 1959, or to their Mandatees. No applications for dividend warrants will be necessary.

(2) Members or other persons holding shares of the Company on blank transfer should submit such shares for transfer with stamped and completed transfer deeds and the registration fee before the closure of the Transfer Books so as to be entitled to the despatch of the dividend warrants in respect of those shares to them. Claims from or on behalf of holders of shares on blank transfer will not be entertained.

(3) Members should immediately notify any change that may have occurred in their addresses as the Dividend Warrants will be sent at the addresses of members registered in the

BURN AND COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the sixty-fifth Ordinary General Meeting) of the Company will be held on Friday, the 31st July, 1959, at 11 a.m., at the Registered Office, 12, Mission Row, Calcutta, to transact the following business:

- To receive and adopt the audited accounts for the year ended 30th April, 1959, and the Directors' and Auditors' Reports thereon.
- (a) To confirm the interim dividends declared by the Directors comprising the dividends payable on the Preference Shares for the half-years ended 30th June, 1958 and 31st December, 1958.
- (b) To declare a dividend on the ordinary shares. The dividend, if declared, will be paid on or after the 4th August, 1959 to the Shareholders whose names are on the Company's Register on the 31st July, 1959, or to their Mandatees.
- To appoint a Director in place of the retiring Director.
- To appoint Auditors and fix their remuneration.

The Ordinary Share Register of the Company will be closed from the 23rd July, 1959 to the 31st July, 1959, both days inclusive.

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

By Order of the Board,
MARTIN BURN LIMITED,
A. G. GIDLEY,
Secretary,
Managing Agents.

Calcutta, 3rd July, 1959.

BURN AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the members of the Company will be held at the Company's Registered Office, 12, Mission Row, Calcutta, on Friday, the 31st day of July, 1959, immediately following the termination of the Annual General Meeting of the Company called for 11 a.m. on that day to consider and if thought fit to pass with or without modification the following resolutions the first of which will be proposed as an Ordinary Resolution and the second as a Special Resolution.

Ordinary Resolution:

- That the proposed re-appointment and the draft agreement (which has for the purpose of identification been subscribed by the Chairman of the Board of Directors) submitted to this Meeting setting forth the terms and conditions on which it is proposed that Martin Burn Limited be re-appointed the Managing Agents of the Company for a period of 10 years from the 15th August 1960, be and is hereby approved and an application to the Central Government for its approval to this proposal under Section 326 of the Companies Act 1956 be and is hereby directed to be made.

Special Resolution:

- That the Articles of Association of the Company be altered in manner following:—
Articles 131, 132, 133, 134, 135, 136, 137, 138 and 139 shall be deleted and for Article 131 the following shall be substituted—

"131. Subject to the approval of the Central Government Martin Burn Limited shall be the Managing Agents of the Company upon such terms and conditions as may from time to time be agreed upon between the Company and the Managing Agents and

embodied in an agreement in writing between the parties."

By Order of the Board,
MARTIN BURN LIMITED,
A. G. GIDLEY,
Secretary,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 3rd July, 1959.

Note: (i) A member entitled to attend and vote at this Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and a Proxy need not be a member of the Company.

(ii) An Explanatory Statement is annexed to the Convening Notice issued to members of the Company.

THE ALUMINIUM CORPORATION OF INDIA LIMITED
7, COUNCIL HOUSE STREET
CALCUTTA

NOTICE IS HEREBY GIVEN THAT THE Deferred Share Transfer Book and the Register of Members of the Company will remain closed from the 10th to the 16th July 1959, both days inclusive.

Persons holding Deferred Shares under Blank Transfer Deeds are requested to apply for Transfer of such shares before the 10th July 1959.

The holders of Deferred Shares whose names will appear on the books of the Company as on 16th July, 1959, will be entitled to receive such number of Ordinary Shares which the Company has decided to allot to them respectively in pursuance of the Scheme of Arrangement approved at separate general meetings of the holders of Ordinary Shares, the holders of Deferred Shares and of the Company, all held on the 8th August 1958, and sanctioned by the Calcutta High Court and the Controller of Capital Issues. Thereafter deferred shares will cease to exist in the capital structure of the Company.

By Order of the Board,
J. K. INDUSTRIES PRIVATE LTD.,
Managing Agents,
H. S. SINGHANIA,
Director.

The 23rd June, 1959.

NEW PUBLICATIONS

(Concluded from page 16)

for which the Finance Department is not properly equipped and the present basis of compilation of estimates. One of the remedies would be a division and demarcation of the financial responsibility between the finance and administration ministries; the overall financial control with reference to financial policy and principles should continue to be vested in the Finance Ministry, but detailed scrutiny of proposals at expert level should be vested in the administrative ministry by installing "balancing personnel" within it. In recent months, certain delegation of functions and simplification of procedures have been attempted. The student of financial administration would be interested in these developments.

In a postscript, the author refers to the Chagla enquiry on the L.I.C. deals and poses the question of the constitutional responsibility of a Minister and the administration of autonomous State enterprises. As regards the former, the author remarks that the defined role of the permanent Secretary responsible for advising the Minister on policy and executing the approved policy has received a severe jolt. As regards the latter, the author concludes that there should be re-thinking on the constitution of autonomous corporations and companies. Where a production unit is largely intended to meet a departmental requirement it is not always necessary to give it the form of a company or a corporation. Once a unit is constituted as a corporation or a company it should be made autonomous in reality, the Government only exercising the rights of a shareholder.

In a field about which there is little authoritative information, this book breaks much fresh ground. The problems raised and discussed are the author has not attempted one. The publication is a welcome and notable addition to the scanty literature now available to an earnest student of Indian Administration.

CALL MONEY RATE JUMPS UP

(From Our Own Correspondent)

BOMBAY, 1st July

The subscription list for the Central Government's two loans for an aggregate sum of Rs. 175 crores opened today and has not yet been closed. Though there are no indications of the amount subscribed so far, it is stated that the response is good. The list is scheduled to be closed on the 3rd inst., or earlier.

The demand for funds by banks on account of the half-yearly closing of accounts and for subscribing to the new loans has had a pull on the short-term money market from Monday onwards. Inter-bank call money, which was being offered at 1½ per cent. last week-end, is now being bid at 3½ per cent. among all sections of banks, with very few lenders. House money at seven days' notice is being offered 3½ per cent. to 3¾ per cent. and short-term deposits 3½ to 4 per cent. for one to six months.

In view of the opening of the list for Central Government loans, the sale of Treasury Bills remains suspended this week. It will, however, be resumed next week, when tenders have been invited for Rs. 2 crores. During the week ended 27th June 1959, Rs. 10 lakhs worth of intermediate Bills were sold at Rs. 99.326 per cent., as against Rs. 7 lakhs in each of the preceding two weeks.

For the second week in succession, there has been a substantial contraction in notes in circulation. The Reserve Bank of India statement for the week ended 26th June 1959 shows a fall of Rs. 24.22 crores; this is on top of a decline of Rs. 16 crores in the previous week. Notes held in the Banking Department have gone up by Rs. 5.71 crores, so that the net fall in total notes issued is Rs. 18.51 crores. This is covered by a decline of Rs. 20.01 crores in rupee securities and a small rise of Rs. 1.50 crore in rupee coin. There is no change in foreign securities, but the drain on balances held abroad continues, with a fresh drop of Rs. 1.07 crore, bringing the total foreign assets to Rs. 192.56 crores, as against Rs. 217.71 crores a year ago. The influx of funds to banks last week, leading to a fall in money rates, is reflected in the rise of Rs. 19.46 crores in deposits of banks with the Reserve Bank. Notwithstanding a reduction of over Rs. 2 crores in borrowings of banks against usance bills, loans and advances other than to Governments are higher by Rs. 3.11 crores. The outstanding borrowings by banks against usance bills as at the end of last week are no more than Rs. 1.45 crore. The investment portfolio shows a rise of Rs. 20.04 crores.

A rise of Rs. 6.06 crores in demand deposits and of Rs. 2.19 crores in time deposits is disclosed by the Scheduled banks' statement for the week ended 19th June 1959. Inter-bank borrowings too, are higher by Rs. 1.48 crore. Advances are again unchanged, but bills purchased and discounted have declined by Rs. 1.60 crore. Cash balances are higher by Rs. 9.31 crores and money at call by Rs. 2.92 crores.

The gilt-edged market is ruling steady, with enquiry confined mainly to short-dated issues, which, as a result, were further marked up by 5 to 15 nP. Much business is not, however, being done, in view of scarcity of sellers. 2½ per cent. 1961 has gained 15 nP to Rs. 97.95 and 2½ per cent. 1960 has hardened by 10 nP to Rs. 99.50, 3 per cent. 1963-65 and 1964 has each added 5 nP to Rs. 97.05 and Rs. 97.15, respectively. In the 3½ per cent. group, 1963 and 1964 has gone up by 10 nP each to Rs. 100.15 and Rs. 100.10, respectively. 3 per cent. 1966 has softened 10 nP to Rs. 97.70. Among the State loans, 4½ per cent. 1970 of Andhra, U.P., M.P., Bihar and Orissa were marked down by 5 to 20 nP.

There has been no change in the rupee-dollar rate again this week, banks' selling rate for U.S. ready T.T. being quoted at Rs. 475.75 per \$100 and their buying rate for clean T.T. at Rs. 472.50. There has, however, been a further slight weakening of the rupee in terms of the Canadian dollar. Banks sell ready T.T. at Rs. 499.75, as against Rs. 499 a week ago, and buy clean T.T. at Rs. 493.25, as against Rs. 492.25. Sterling is a shade higher in New York at 281.32-281.35 cents per £ for spot, while three months' forward is a fraction lower at 281.08-281.10 cents.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, 29th June

The linseed market ruled dull during the week under review. With the generally quiet tendency in other oilseeds, linseed sagged. Little interest was shown by either buyers or sellers and the actual turnover during the week was small. With a further improvement in linseed cake prices abroad, fresh business was done and there was brisk activity in the local market. The oil section was lifeless. Prices weakened owing to lack of support from buyers and a decline of about Re. 1.50 was registered during the week.

The latest available quotations are: June-July Rs. 22.50 and July-Aug. Rs. 22.62 per maund.

HIDES IMPROVE

(From Our Own Correspondent)

MADRAS, 29th June

Arrivals of E.I. tanned hides and calves were on the usual scale and clearance was good. Prices remained firm because shippers were active in the local market, except on lowest grades. Shipment was selective and the importers were trying to buy at lower prices which sellers were not to accept, except on cow inferior fifts 5/5½ average.

Tanned goats ruled bullish, following the de-
clination of very small stocks in the June London

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 1st July

The bullion market presented a firm trend during the major part of the week under review. Both silver and gold met with good buying support from upcountry centres, as well as from Calcutta. Consequently, values registered an improvement. The net gains over the week were Rs. 2-6 in ready silver and Rs. 12 in ready gold. The rise in the white metal would have been more marked but for liquidation by some bulls on Monday, following reports that several Tibetan refugees had brought with them large stocks of silver coins. Gold also encountered selling yesterday, due to rumours regarding inflow of contraband metal.

In the gold section, July settlement advanced from Rs. 117-7-6 to Rs. 119-1 on 29th June and, after declining to Rs. 118-1 yesterday, recovered to Rs. 118-3 today before finishing at Rs. 119-2-6. July settlement fluctuated between Rs. 117 and Rs. 118-4 and closed at Rs. 118-3-6. The backwardation rate (bull) in favour of bulls for July settlement widened from As. 9 on Wednesday last week to Re. 1-3 in the mid-session on Monday, but receded thereafter and stood at As. 15 today. As the rate was more than a rupee on Monday as well as yesterday, the bulls in this settlement were required to deposit margin at the rate of Rs. 25 per tola.

Ready gold opened the week firm at Rs. 120-5, as against Rs. 119-10-6, and rose to Rs. 121-5 on Monday. After easing to Rs. 120-7 yesterday, it recovered to Rs. 120-7 today before closing half an anna lower. The daily average arrivals and off-take of gold were 3,800 tolas and 2,600 tolas, respectively. The floating stocks of gold are estimated at 20,000 tolas.

Induced by enlarged enquiries, July settlement in silver spurted from Rs. 194 to Rs. 195-7 on Friday. On Monday, it came in for some selling and receded to Rs. 194. Subsequently, however, it edged forward and touched Rs. 196-3 today. The closing rate was an anna lower. Over the week, August settlement has recorded an increase of Re. 1-15 to Rs. 195-4. The backwardation rate for July settlement widened from As. 11 last week to As. 14 today.

Ready silver strengthened from Rs. 194 to Rs. 195-7-6 on 26th June and, after declining to Rs. 193-14 on Monday, recovered to Rs. 196-7 before finishing at Rs. 196-6. The daily average arrivals of silver were 14 bars, while the off-take was 11 bars. The floating stocks of silver are reported to be around 500 bars.

Both ready and forward silver in the London bullion market were unchanged at 78½d. and 77½d. per ounce, respectively, as also ready silver in New York at 91.375 cents per ounce. Ready gold in London eased from 249s. 8½d. last week to 249s. 7½d. yesterday, owing to the firmness of the pound sterling vis-à-vis the dollar. The latest available dollar rate for gold in London is \$35.10-\$35.12, as against \$35.11-\$35.13 a week before.

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

	1-7-59	Highest	Lowest	24-6-59
GOLD				
Ready (999 fine Mint)	120 5	121 5	119 10	119 10
Forward	119 2 6	119 3	117 10	117 7 1
SILVER				
Ready (999 fine Mint)	196 6	196 7	193 13	194 0
Forward	196 2	196 3	193 13	194 0
London Silver Ready	74½d.	74½d.	74½d.	74½d.
London Forward	74½d.	74½d.	74½d.	74½d.
London Gold	249s. 7½d.	249s. 8½d.	249s. 7½d.	249s. 8½d.
New York Silver	91.375	91.375	91.375	91.375

* 21st July settlement. † 22nd July settlement.

public auctions which commence today. Business was done at 3d. more on 5½/6 and 8/9 lbs. average on selected marks, and enquiries for 11/12 lbs. lower ends were in evidence. Tanned sheep were slightly dearer, thanks to enquiries for shipment to Japan.

It is reported that Messrs. Dyster Nalder & Co., who have been conducting the London Public sales for tanned skins for several decades, have decided to close their organisation by the end of the year.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 30th June

Conditions in the metal market were steady to firm during the week under review, and prices were well maintained at previous levels. Tin opened at Rs. 582 and after improving to Rs. 587, closed at Rs. 583. Local demand was fair and a shortage was apprehended. Fresh arrivals were anticipated. On the London Metal Exchange, tin opened at £789 to harden to £790 following buying on account of the Continent and expectations of good orders from the United States. Clean wire scrap was steady at Rs. 238, as was mixed scrap at Rs. 228. Supplies were limited. In London, spot copper receded to £219½ after improving to £226½ from £224. The recession was due to poor demand from Europe and the remote possibility of a strike in copper mines in the United States. Lead was unchanged at Rs. 75, thus reflecting a satisfactory stock position. Electrolytic zinc opened at Rs. 105 but gave way to Rs. 103. The decline was due to poor demand.

COTTON FUTURES RECOVER

(From Our Own Correspondent)

BOMBAY, 1st July

In contrast to the easy trend noted during the past few weeks, the cotton futures market witnessed a smart recovery during the week under review. The recovery was induced by extensive short-covering by upcountry interests and buying by local operators. Although support was lacking at higher levels, lower levels met with resistance.

Reports of inadequate rains in certain cotton areas and the news that the crop was late by almost a month imparted strength to the market. It was thought that, since stocks with mills were limited, the delay in arrival of new crop would make available lots of current crops dearer in the coming weeks. This consideration prompted heavy buying in the maturing current crop contract, namely, Jarilla August, which recorded a strident rise of Rs. 14.50 over the week. The rise in the new crop contract was less marked, being only Rs. 5.50 over the week.

I.C.C. Moglai Jarilla August 1959 opened the week higher at Rs. 677, as against the previous close of Rs. 675.25 and steadily firmed up to Rs. 687.75 yesterday. Commencing today's session at Rs. 688.50 the contract put on Rs. 4 before closing a shade lower at Rs. 689.75.

I.C.C. Moglai Jarilla March 1960 commenced the week at Rs. 664.50 and advanced to Rs. 668.50 yesterday. Opening at Rs. 668.50 today, the contract rose to Rs. 670.50 before finishing at Rs. 688.75.

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

(In rupees per candy of 784 lbs.)

1-7-59 High Low 24-6-59

I.C.C. Moglai Jarilla August 1959 ... 689.75 692.50 675.50 675.25
I.C.C. Moglai Jarilla March 1960 ... 668.75 670.50 663.50 663.25

In the spot section, mill demand for available lots broadened. Staple varieties such as Vijay, Digvijay, Laxmi, Jaydhar, Kalpan, Wagad, Co2 were well favoured. Kalagin also evoked interest. Kanpur and Southern mills were especially interested in Kalpan.

Export demand was moderate. Shippers bought Bengal Deshi, Kalagin and Yellow pickings. Exporters were inclined to hope that the Government might make an early announcement of the export quotas for the new season in view of the recommendations of the goodwill mission, sponsored by the Federation of Indian Chambers of Commerce and Industry, which was led by Mr. Madanmohan Ruia, its President. The mission, which visited many countries abroad, held that, as a result of frequent changes in the quota item, foreign buyers were increasingly finding it difficult to depend on India for supplies of cotton. It, therefore, urged that there should be continuity in India's export policy, timely announcements of quotas and removal of impediments to exports. The mission has suggested that the Government should consider the question of allowing a small quantity of longer staple cotton for export and import cheaper cotton from abroad.

Business in foreign cotton was subdued. Although it was known that Egyptian cotton would be available to Indian buyers at a 35 per cent. discount as per the agreement reached between Mr. Madanmohan Ruia, President, Cotton Buyers Association, Bombay, with the Egyptian Government-controlled Misr Foreign Trade Company, the absence of confirmation from the Government of India and necessary instructions to the State Bank for making arrangements for payments, held up business in Egyptian cotton. It appears that, already, many mills have covered a major portion of their quotas, leaving only a small balance for Egyptian cotton.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal Deshi 685; Berar Jarilla Khandesh 835; Vijay 970; Laxmi 975; Jaydhar 905.

Cotton values in Karachi market scored modest gains during the week. Domestic spinner demand was active and export interest better. Interest in Deshi varieties, however, was subdued. Staple styles were in good demand. The futures section continued to remain closed. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 82-8; Punjab Deshi 72; 4F Punjab Roller 73-8; S.G. 75; L.S.S. Punjab Roller 75-8; S.G. 76-8; N.T. Roller 75; S.G. 78; 289F Punjab Roller 75; S.G. 78-8.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. Values showed a sagging tendency. Export demand was slack. Crop reports indicated that the new crop was about a week late. But plants showed satisfactory progress. Weather was said to be favourable and water-supply abundant. Crop in Upper Egypt was also satisfactory. According to a prominent shipper, the new crop is expected to be of the order of 1.19 million bales, as against this season's 1.32 million bales. The fall in expected production is attributed to lower planted acreage.

The following are the latest available quotations—in tallars per lb.—from Alexandria:

Karnak: July 75.70; November 76.15. Ashmouni: August 68.53; October 67.75.

The Liverpool cotton futures market depicted a mixed trend during the week. While the old crop positions of both the American and the American type contracts were easy on long liquidation, the new crop positions forged ahead, thanks to Commission House support and trade buying. Sudan

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India

Statement of Affairs for the week ended 26th June, 1959

BANKING DEPARTMENT	
LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund	25,00,00,000
National Agricultural Credit (Stabilisation) Fund	1,00,00,00,000
Deposits:	
(a) Government—	
(1) Central Government	50,46,67,000
(2) Other Governments	10,50,51,000
(b) Banks	99,31,55,000
(c) Others	120,46,72,000
Bills Payable	22,48,90,000
Other Liabilities	56,33,13,000
	47,99,93,000
	Rupees

ASSETS	
LIABILITIES	Rs.
Notes	3,41,52,000
Reserve Gold	2,65,000
Subsidiary Coin	3,22,000
Bills Purchased and Discounted—	
(a) Internal	1,12,16,000
(b) External	1,12,16,000
(c) Government Treasury Bills	1,12,16,000
Loans and Advances to Governments	23,13,16,000
Other Loans and Advances	61,80,51,000
Investments	22,48,90,000
Other Assets	13,88,96,000
	47,99,93,000
	Rupees

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The item "Other Loans and Advances" includes Rs. 15,00,000 advanced to Scheduled banks against unsecured bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT	
LIABILITIES	Rs.
Notes held in the Banking Department	3,41,52,000
Notes in circulation	17,13,93,26,000
Total Notes issued	17,48,35,26,000
Total Liabilities	17,48,35,26,000
	Rupees

ASSETS	
LIABILITIES	Rs.
A. Gold Coin and Bullion—	
(a) Held in India	117,76,03,000
(b) Held outside India	178,09,80,000
Foreign Securities	1,78,09,80,000
Total A	295,76,92,000
B. Rupee Coin	1,92,57,15,000
Government of India Rupee Securities	1,92,57,15,000
Internal Bills of Exchange and other commercial paper	1,78,09,80,000
Total Assets	17,48,35,26,000

COMPARATIVE BANKING STATISTICS

(In crores of rupees)

	1st Sept. 1947	1st Sept. 1948	1st Sept. 1949	1st Sept. 1950	1st Sept. 1951	1st Sept. 1952	1st Sept. 1953	1st Sept. 1954	1st Sept. 1955	1st Sept. 1956	1st Sept. 1957	1st Sept. 1958	1st Sept. 1959
RESERVE BANK													
Notes in circulation	172.37	173.79	176.39	176.39	176.39	176.39	176.39	176.39	176.39	176.39	176.39	176.39	176.39
Notes held in Banking Department	35.05	32.74	31.77	31.77	31.77	31.77	31.77	31.77	31.77	31.77	31.77	31.77	31.77
Foreign Securities	39.50	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81	17.81
Rupee Securities	37.39	134.75	134.75	134.75	134.75	134.75	134.75	134.75	134.75	134.75	134.75	134.75	134.75
Banking Department Deposits of—													
Government of India	14.39	40.82	52.56	54.40	49.90								
Other Governments	12.00	12.00	12.00	12.00	12.00								
Banks	10.06	15.62	18.01	24.30	17.42								
Others	134.30	757.52	750.06	746.67	743.41								
Time Liabilities	102.24	102.99	101.73	100.02	97.92								
Borrowings from Reserve Bank	4.92	4.95	17.98	12.71									
Borrowings from State Bank	3.46	6.58	6.52	11.70									
Cash in India	6.70	48.68	44.73	43.73	38.12								
Balance with Reserve Bank	25.17	73.19	67.82	75.60	90.29								
Excess over statutory limits	15.52	14.90	9.96	18.15	36.96								
Assets													
Gold and Silver	13.97	13.45	13.78	11.79									
Money at call and short notice in India	42.63	39.70	35.43	56.27									
Investments (at cost value)	163.95	634.81	624.91	484.78									
Advances and bills—													
STATE BANK	87.76	330.74	320.22	325.04	417.81								
Advances	51.30	311.97	312.50	303.55	206.90								
Investments	36.46	118.77	107.72	121.49	210.91								
Cash	14.69	32.05	25.88	31.00	33.53								

* Borrowings from Reserve Bank excluding the Reserve Bank and the State Bank. Figures are provisional. B—Revised.
† Borrowings against unsecured bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec. 1957	8.50	6
Austria	22nd April 1959	5	4.25
Belgium	7th Jan. 1959	8.50	6
Bolivia	30th Sept. 1958	8	5
Burma	1st Feb. 1948	15	13.33
Canada	11th June 1954	8	2.50
Ceylon	15th Aug. 1958	4	4
Chile	15th Aug. 1958	4	4
Denmark	8th May 1948	7	10
Ecuador	15th Aug. 1958	4	4
France	20th April 1956	6	6
Germany	23rd April 1959	4	4
Finland	15th Aug. 1958	4	4
Greece	23rd April 1959	4	4
India	15th Aug. 1958	4	4
Indonesia	28th Nov. 1958	4	4
Ireland	7th June 1958	7.50	6.50
Italy	15th Aug. 1958	4	4
Japan	15th Aug. 1958	4	4
Netherlands	19th Oct. 1958	6	6
New Zealand	14th Feb. 1959	2.50	2.50
Norway	14th Feb. 1959	2.50	2.50
Pakistan	12th Nov. 1947	5	6
Peru	15th Aug. 1958	4	4
Philippines	15th Aug. 1958	4	4
Portugal	15th Aug. 1958	4	4
South Africa	15th Aug. 1958	4	4
Sweden	15th Aug. 1958	4	4
Switzerland	15th Aug. 1958	4	4
Thailand	15th Aug. 1958	4	4
Turkey	15th Aug. 1958	4	4
U.S.S.R.	21st July 1958	4	4
U.S.A.	21st July 1958	4	4
West Germany	9th Jan. 1959	8	3.15

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with the preceding rate in the preceding week.
† Rate of interest on the Federal Reserve Bank.

State Bank of India

Statement of Affairs for the week ended 26th June 1959

CAPITAL AND LIABILITIES	
LIABILITIES	Rs.
Capital—	
Authorized Capital—	
20,00,00,000 shares of Rs. 100 each. 20,00,00,000	
Issued, Subscribed and Paid-up:—	
5,62,50,000 shares of Rs. 100 each. 5,62,50,000	
Reserve Fund and Other Reserves	5,62,50,000
Deposits and Other Accounts	5,62,50,000
Borrowings from Other Banking Companies, Agents, etc.	9,10,99,000
Bills Payable	2,39,35,000
Acceptances, Endorsements and Other Obligations	6,27,25,000
Other Liabilities (including Inter-Office Adjustments)	6,27,25,000
Total	56,76,43,000
	Rupees

PROPERTY AND ASSETS	
LIABILITIES	Rs.
Cash in hand and with Reserve Bank	39,36,20,000
Loans and Advances to Governments	2,41,78,000
Money at Call and Short Notice	2,41,78,000
INVESTMENTS	
Government and Other Trustee Securities	201,74,08,000
Other Authorized Investments	19,26,31,000
Advances—	
Loans, Cash Credits, Overdrafts, etc.	173,93,33,000
Bills Discounted and Purchased—	
12,71,13,000	
Bills Receivable being Bills for Collection as per contra	18,89,76,000
Departmental Liabilities for Acceptances, Endorsements and Other Obligations per contra	2,39,35,000
Premises less Depreciation	1,11,87,000
Furniture and Fixtures less Depreciation	1,08,10,000
Other Assets (including Inter-Office Adjustments)	1,68,35,000
Total	56,76,43,000
	Rupees

SCHEDULED BANKS*	
LIABILITIES	Rs.
Notes held in the Banking Department	3,41,52,000
Notes in circulation	17,13,93,26,000
Total Notes issued	17,48,35,26,000
Total Liabilities	17,48,35,26,000
	Rupees

ASSETS	
LIABILITIES	Rs.
A. Gold Coin and Bullion—	
(a) Held in India	117,76,03,000
(b) Held outside India	178,09,80,000
Foreign Securities	1,78,09,80,000
Total A	295,76,92,000
B. Rupee Coin	1,92,57,15,000
Government of India Rupee Securities	1,92,57,15,000
Internal Bills of Exchange and other commercial paper	1,78,09,80,000
Total Assets	17,48,35,26,000

SCHEDULED BANKS*

Statement of Affairs for the week ended 19th June, 1959

Demand Liabilities in India:	
LIABILITIES	Rs.
(a) Borrowings from banks other than the State Bank and a notified bank	28,41,12,000
(b) Other demand liabilities	729,10,80,000
Time Liabilities in India:	
(a) Borrowings from banks other than the State Bank and a notified bank	28,41,12,000
(b) Other time liabilities	992,39,97,000
Borrowings in India from the Reserve Bank of India	4,41,47,000
(a) Demand liabilities	15,00,000
(b) Time liabilities	4,41,47,000
Borrowings in India from the Reserve Bank of India	4,41,47,000
(a) Demand liabilities	15,00,000
(b) Time liabilities	4,41,47,000
Cash in India	48,98,30,000
Loans and Advances to Banks in current account in India	13,96,71,000
Money at call and short notice in India	42,62,91,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	634,05,21,000
Advances in India	86,15,55,000
Inland Bills purchased and discounted in India	35,95,51,000
Foreign Bills, purchased and discounted in India	35,95,51,000

* Provisional. † Excluding borrowings from the Reserve Bank also.
† The figures in bracket represent borrowing from the Reserve Bank against unsecured bills and/or promissory notes.

TREASURY BILLS

(In crores of rupees)

Date of tender	(in crore of rupees)			rate of discount	rate of interest
	Offered	Applied for	Allocated	Per cent.	Rs.
1959					
7th April ..	2.00	2.00	2.00	2.780	99.305
14th April ..	2.00	2.00	2.00	2.780	99.305
22nd April ..	2.00	2.00	2.00	2.800	99.300
30th April ..	2.00	2.00	2.00	2.800	99.300
12th May ..	2.00	2.05	2.00	2.800	99.300
19th May ..	2.00	2.00	2.00	2.800	99.300
26th May ..	2.00	2.15	2.00	2.780	99.300
2nd June ..	2.00	2.40	2.00	2.780	99.305
9th June ..	2.00	2.40	2.00	2.780	99.305
16th to 13th June*	0.07	0.07	0.07		
23rd to 20th June*	0.07	0.07	0.07	2.784	99.310
30th to 27th June*	0.07	0.07	0.07		
7th to 4th July*	0.07	0.07	0.07	2.780	99.310
11th to 8th July*	0.10	0.10	0.10		
Total amount outstanding	24.24		24.24		

To record the main trends in the private sector first. The book value of total foreign business investments in India by the end of 1957 was Rs. 555.6 crores; on the basis of tentative estimate, it was Rs. 590 crores at the close of 1958. These include loans from the World Bank amounting to Rs. 46.9 crores and Rs. 72.1 crores, respectively.

There has been a steady decline in the net flow of foreign private capital into this country, from Rs. 24.7 crores in 1956 to Rs. 16.8 crores in 1957 and Rs. 10 crores in 1958. These figures compare with the annual average of Rs. 16.2 crores for 1954 and 1955.

Retained earnings, which amounted to Rs. 19.4 crores in 1956, declined to Rs. 9.6 crores in 1957, due to a fall in profits, brought about by adverse trading conditions and heavier taxation. In view of the higher level of industrial profits and better export earnings in tea, profits retained in 1958, however, are estimated to have been higher by Rs. 5 to 6 crores in industries other than petroleum. But, as the position in regard to petroleum companies is not clearly brought out by the survey, it is not possible to estimate the amount of profits retained last year. The Bank's survey, however, unmistakably shows that profits retained have a close bearing on the trend of net profits.

Fresh capital received in 1957 was a shade better at Rs. 16.3 crores, as against Rs. 11.6 crores in 1956 and the average of Rs. 8.12 crores for 1954 and 1955. At the same time, the outflow of capital was also higher, being Rs. 9.1 crores in 1957, as compared with Rs. 6.3 crores in 1956 and the average of Rs. 5 crores for 1954 and 1955. The increase in the outflow in 1957 was due to compensation payments amounting to Rs. 4.8 crores to life insurance companies and the Kolar Gold Mining Companies, as a result of their nationalisation in 1956.

The position in regard to inflow and outflow of capital in 1958 is not clear. It, however, seems to us that the outflow must have been fairly substantial and in excess of that in 1957, owing to remittance of capital by petroleum distributing companies. In industries other than petroleum, however, fresh investments are estimated to have been higher than in 1957 by Rs. 1 to 2 crores. On this basis, these must have been of the order of Rs. 9 to 10 crores.

Among the industries other than petroleum that received fresh capital in 1957, mention may be made of rubber goods, electrical goods, medicines and pharmaceuticals. There was an increase in the capital invested by the companies providing engineering and consultation services.

Planting, mining and managing agency houses continued to repatriate their capital in 1957, as in previous years. Further, in these industries, there have been no fresh investments at all in recent years, their expansion, if any, being financed by reinvestment of profits.

Although the U.K. still maintains its overwhelming lead among the countries that have invested in India, in 1957, more capital came from the U.S. than from the U.K. This change in position was the result of India's own making, as it nationalised life insurance and the gold mining companies and thereby caused repatriation of sizeable capital. The deterioration in the fortunes of the tea industry was also responsible for this trend, as it adversely affected the amount of profits retained in business.

Petroleum manufacture, prospecting and distribution have so far constituted the main attraction for U.S. capital. In 1957, 90 per cent. of capital that came from the U.S. was for petroleum activities. Since, in 1958, there was a net outflow of capital from this industry, the U.K. might have regained its position as the principal source of private capital.

The World Bank's investment in the private sector during 1957 was as high as Rs. 32 crores, as against Rs. 12.1 crores in 1956 and Rs. 1.4 crore per annum in 1954 and 1955. In 1958, it is estimated to have invested Rs. 25.2 crores, raising the total to Rs. 72.1 crores. The industries that have received assistance from the World Bank are iron and steel, public utilities and transport.

Now for a few observations on the trend of foreign investments in recent years. A comprehensive picture of trade-wise and country-wise foreign business investments (upto 1957), including loans from the World Bank, is provided by the two comparative tables on this page. It will be noted from them that, during the four years ended 1957, there was a net rise of Rs. 152 crores in foreign business investments. Of this, the share of the World Bank was approximately Rs. 47 crores, so that the net inflow of foreign private capital was Rs. 105 crores. This, together with Rs. 10 crores (estimate) added in 1958, means Rs. 115 crores or

Rs. 23 crores per annum in the past five years. Of the increase of Rs. 105 crores upto the end of 1957, more than half—Rs. 56.67 crores, to be precise—was the share of petroleum business.

An average annual receipt of about Rs. 23 crores of foreign private capital, including the profits retained in business, is not something that India can boast about. It is neither as large as was expected or talked about nor sufficient to meet the capital needs of this country. It is, indeed, infinitesimal, when compared with the \$5.7 billion (about Rs. 2,750 crores) of long-term private capital that flowed out in a single year, 1957, from the main capital supplying countries in the free world. It may be quite pertinent to note here that, during the years 1955-58, the underdeveloped countries alone were receiving foreign private capital of the order of \$2 billion (about Rs. 960 crores) per annum, of which India's share was no more than 2.4 per cent. To give another comparison, foreign investments in Australia during the ten years to 1956-57 were of the order of £100 million (Rs. 130 crores) per annum. For yet another comparison, the experience of Latin America may be quoted. In 1957, that Continent received a little under \$1.5 billion (about Rs. 730 crores), as against a mere Rs. 23 crores by India. Again, U.S. private capital invested in underdeveloped countries in 1957 was \$844 million (about Rs. 406 crores), of which a little more than half was in Latin America. India, however, received only Rs. 10.4 crores, or a bare 2.5 per cent. These comparisons bring out two points: the miserable failure of India to attract foreign private capital and the vast scope that exists for getting foreign private capital, contrary to the belief prevailing in certain high places in this country. The reasons for the negligible flow of such capital into India are well known. The most important of these are the obstructive nature of the Government's economic policies and its social philosophy which is inimical to a vigorous growth of private enterprise.

The very poor inflow of private foreign investments has been offset, to some extent, by the receipt of foreign Government loans, grants and loans from such international institutions as the World Bank and the I.M.F. This trend impressively reflects the growth of the public sector. The ratio of external finance secured by the official sector to that obtained by the non-

official sector during the three years 1956-58 is around 9:1. During this period, official borrowings abroad (including unallocated rupee funds of the U.S. Government under the surplus commodity purchase arrangements) amounted to some Rs. 450 crores, raising the aggregate official liabilities to Rs. 652 crores (of which Rs. 306.3 crores were owed to the U.S., Rs. 161.9 crores to the I.M.F. and World Bank, Rs. 52.6 crores to Russia, Rs. 49.7 crores to the U.K., Rs. 20.4 crores to W. Germany, Rs. 36.1 crores to Pakistan and Rs. 25 crores to others). These were on top of a heavy depletion of official assets abroad from Rs. 1,170.5 crores to Rs. 592.1 crores; the figures include Rs. 300.8 crores, being the Partition debt due from Pakistan but which that country is now stubbornly refusing even to admit, let alone honour.

The net result of changes in the external position of non-official and official sectors is that, by the end of 1958, India had a net indebtedness abroad to the tune of Rs. 648 crores, of which foreign business investments accounted for Rs. 590 crores. On paper, the net indebtedness by the official sector appears small at about Rs. 60 crores, but, since the Rs. 300 crores due from Pakistan are fetching nothing, the net indebtedness for practical purposes is Rs. 360 crores. And this indebtedness is tending to grow rapidly, and with that the servicing of these debts will become onerous in the coming years. It is estimated that, between 1961 and 1966, India will require Rs. 500 crores or Rs. 100 crores per annum, by way of foreign exchange to repay maturing external debts and interest charges. The burden will turn out to be heavier still, if the foreign exchange requirements of the next Plan are sought to be raised through loans. And there will have to be a tremendous increase in India's exports to finance these commitments, a prospect by no means promising. One way of reducing this foreign exchange burden will be to encourage large-scale inflow of foreign private capital, as it does not impose any rigidity in regard to service charges and repayment of the principal. Economic wisdom, therefore, demands that all impediments to investment of foreign private capital be quickly removed and that the private sector be allowed to operate over a much wider area, including heavy industries, mining, power and petroleum, instead of reserving the future expansion of these industries exclusively to the public sector.

TABLE I
Foreign Business Investments in India (Non-banking) Trade-wise
(In lakhs of rupees)

	As at the end of				
	June 1948	1953	1955	1956	1957
MANUFACTURING					
Mineral oils and products	101	969	28,41	36,48	42,11
Electrical Goods	477	12,01	14,63	15,77	16,46
Matches	173	322	229	224	225
Cigarettes and Tobacco	617	25,65	24,94	25,03	25,25
Medicines and Pharmaceuticals	45	553	765	829	825
Iron and Steel Products	548	908	943	18,53	48,81
Food Products including vegetable oils	182	397	322	322	329
Others	50,52	68,97	72,75	77,46	81,36
Total	71,95	135,72	163,32	187,12	228,77
TRADING					
Mineral oils and products	21,32	67,40	75,50	79,73	91,66
Iron and Steel Products	362	69	89	102	103
Jute and Coir Goods	264	82	48	59	48
Food Products including vegetable oils	349	58	119	120	92
Others	33,28	25,29	24,24	26,16	24,55
Total	64,35	94,78	102,30	108,70	118,64
UTILITIES AND TRANSPORT	31,23	50,54	53,05	59,40	62,52
MINING	11,46	838	962	10,82	977
FINANCIAL	687	14,70	28,53	28,17	24,86
PLANTATIONS					
Tea	50,31	70,17	86,26	87,27	86,00
Others	194	133	94	64	58
Total	52,25	71,50	87,20	87,91	86,58
MISCELLANEOUS					
Managing Agency	14,40	26,20	24,62	23,49	22,50
Others	332	152	127	112	193
Total	17,72	27,72	25,89	24,61	24,43
Grand Total	255,83	403,34	469,91	506,73	555,87

TABLE II
Foreign Business Investments (Non-banking) Country-wise

United Kingdom	206,02	337,71	390,72	408,43	412,70
United States	11,17	30,06	39,76	46,84	57,30
Germany	8	12	2,54	2,78	3,63
Japan	17	8	16	24	64
Switzerland	5,85	5,88	6,61	8,22	6,68
Pakistan	8,41	4,14	4,35	4,19	4,20
I.B.R.D.	24,63	25,25	23,07	14,82	48,87
Other countries				23,23	23,75
Total	255,83	403,34	469,91	506,73	555,87

BOOM IN SHARES GOING TOO FAR? EMPLOYEE SHARES—TAKE-OVER BIDS IN U.K.—ENGINEERING INDUSTRY

THURSDAY, 5 P.M.

THE boom in share markets is still on. It seems to be a self-generating one, in that every rise in price is leading to a further rise. Although at current levels yields on equities are very low, there is hardly any liquidation by investors. With the money market being easy, speculators have not found any difficulty in taking delivery of what-ever shares that are offered. The Life Insurance Corporation, the single largest institutional investor, must be seeing a substantial capital profit on its investments in equities. Yet it is not keen on booking its profit even on a part of its holdings. Invariably, advice to sell involves a far greater responsibility than advice to buy. This is particularly so, when the trend of the market is upward and one is unable to see the limit, for, if the prices rise further after the shares are sold, there will be a tendency to criticise the adviser. It is, therefore, understandable if the Investment Advisory Committee of the L.I.C. has chosen not to bother about this aspect of the question. The lead must naturally come from the Government, which owns the corporation. But who is there to advise the Government about it? Further, the Finance Minister may be inclined to think that the L.I.C. being an autonomous body, its directors should take the initiative, but, as these gentlemen are honorary workers, they are also in the same position as the members of the Investment Advisory Committee. In such a situation, an autonomous corporation like the L.I.C. is no different from an orphan. If, instead of a monolithic corporation having the monopoly of life insurance in India, there were to be a number of insurers competing for business with one another, there would be buying and selling of equities by them according to the judgment of each one of them. This would have a restraining effect on the market, though it might not, by itself, be able to prevent the emergence of unhealthy booms.

The resignation of Mr. A. Subbiah from the Investment Committee of the L.I.C. has not caused even a ripple. When this issue was raised at a Press Conference a fortnight ago, the Chairman, Mr. P. A. Gopalakrishnan, firmly declined to be drawn into it. A week later, the L.I.C. Board accepted his resignation. Mr. Subbiah, a former General Manager of the Indian Overseas Bank, is reported to have made several diligent suggestions and also many pertinent criticisms. It would appear that there are quite a few defects in the way in which the L.I.C. is making investments. Market circles are wondering whether the Finance Minister has received a copy of Mr. Subbiah's note and got his suggestions thoroughly examined. Independent of the L.I.C. administration. The subject is important enough to merit the disclosure of the grounds on which Mr. Subbiah resigned and the suggestions, as well as the criticisms, made by him.

To revert to the boom in share markets. No-body, whether in official or in unofficial circles, seems to be concerned about it. The rise in prices of foodgrains and commodities, the high cost of production, the low productivity of workers are being discussed frequently, but not what is happening on the stock exchanges. The Forward Markets Commission has often been interfering with the working of commodity markets, in order to curb unhealthy bullish activities. The Reserve Bank has been exercising a close control on the advances against foodgrains and does not hesitate to warn the banks against over-lending. Nothing has been heard from it about the spectacular rise in share prices. Has it taken place justifiably? Is it a rise that has taken place justifiably? Is it healthy? Is there excessive speculation? Are the stock exchange authorities taking adequate steps to prevent a runaway boom?

The lack of attention to stock exchange trends is not understandable. The present boom seems to be keeping everybody happy, except the bears. Investors are gratified to find that, after the distress depression induced by T.T.K., when he was Finance Minister, their holdings are showing substantial capital appreciation and that the upward end is continuing. The speculator, who chose to long, is reaping a rich harvest. The Government and the politicians behind it are happy, because they can proudly point out that, under a socialist system of society, investors are flourishing, with the market value of their holdings being markedly up. Indeed, they can hold forth the boom in the stock exchanges as a clear refutation of the charges that are being made against them by the organisers of the Swatantra Party! The Reserve Bank is happy, as a boom enables it to raise the rate of service charges on deposits on terms more favourable to them. The industrialists are happy, or they, too, can raise more capital and expand their operations.

Why then, one may ask, are we grouching about the boom in shares? Surely, not out of any desire to give comfort to the bears, but for the sake of considering that booms and depressions are unhealthy for genuine investors. Unless checked in time, booms ultimately breed depressions and thereby inflict serious injury to the investment habit in industrial securities. In effect, they do more harm than good. They give rise to a false sense of prosperity, encourage spend-thriftiness, cause labour unrest, and provoke Governments to impose heavy taxation through undesirable levies, which, once imposed, are rarely taken off even after the emergency is over. This is more so in socialist countries where private enterprise is suspect. It is for these reasons that stock exchanges should have their own checks to restrain excessive speculation.

It will not be incorrect to say that stock exchange authorities in India have not taken any such measures this time. They have not even raised their little finger against speculators who have been buying thousands of shares worth several lakhs of rupees. Nor has the Government cared to see that they took appropriate measures.

The manner in which the stock exchanges in this country are functioning is so primitive that there are no reliable data for ascertaining the volume of business or the names of big parties operating on them. There is more secrecy than is necessary for the good of the markets themselves. It is high time the trading practices, rules and regulations, especially checks and balances, were brought in line with those obtaining on the New York and London Stock Exchanges. The system of making in New York is more effective and scientific than, for instance, in Bombay. During the current boom, the stock exchange authorities there have warned the public from time to time against buying shares at high prices. Members of the New York Stock Exchange have spent millions of dollars on advertisements designed to dissuade investors from putting their money on equities, irrespective of yield and other considerations. The President of the New York Stock Exchange has power to remove or suspend from the forward list the scrips in which the supply is not adequate and it is an expression that he does exercise it, whenever he finds it necessary to do so. If this criteria were applied to the Bombay share market, there would, perhaps, be quite a few scrips that might deserve suspension from the forward list.

It will be recalled that, in our issue of 23rd May last, we drew attention to the trends in employees' participation in the share capital of joint-stock companies, with particular reference to the experience in Britain. We had deplored then that no concerted attempt was being made by the companies in India to try this experiment. In this connection, Mr. S. N. K. Sundaram, Managing Director of the Pandyan Bank Ltd., writes as follows:

"It might be appropriate to mention that Pandyan Bank has been a pioneer, if not one of the pioneers, in establishing a scheme of employees' participation in the capital structure of the Bank. But, it is not on the lines you have mentioned, about the scheme of I.C.I. paying bonus in the form of shares to the employees. You may be aware that the employee participation in the capital of an institution is somewhat familiar among American institutions. But one disadvantage that was experienced by some of the American institutions, as gathered by me during my discussions, was that individual ownership of shares does not stay. When there is scramble for shares of an institution which has prospects of shooting up in values, the tendency of the employee shareholder is to take the profit out of his shares and spend away the money. This offered scope for unhealthy elements to exploit the institution. In fact, one of the leading institutions mentioned to me that they had to give up the issue of shares to employees on these grounds.

"The joint holdings of shares by eligible employees is considered as the safest method of participation of the employees in the shareholdings.

"As a result of my study, you will be interested to know, I have been able to formulate and introduce a scheme for Pandyan Bank employees under the style of 'Bankpandyan Family Estate.' It came into force from 1st January 1955. It is a composite employee benefit plan by the voluntary efforts of the employees with substantial support from the Bank itself. The main objects of the scheme are: (1) A long-range programme for family security of the employees; (2) a steadily building estate available to the employee at his retirement by stimulating savings; (3) financial assistance to the family of the employee in the event of his death or illness or disability; (4) contribution to the future happiness of the employee; and (5) giving the employee a share in the ownership of the Bank.

"Eligibility of membership of the Estate is for every employee who has put in a minimum of two years' service in the Bank. It is managed by an executive committee elected by the members of the Estate itself. Contribution to the fund is based on certain formula depending on the length of service and the emoluments drawn during the year of service. The Bank makes a contribution of a high percentage of the total contributions of the employees. All these moneys are pooled together and utilised only for the purpose of acquiring shares of the Bank which are held jointly by the Estate.

"The Bank no doubt helps the Committee to maintain the accounts of each of the member. But these shares become eligible for delivery to the member only in the eventuality of retirement or permanent disability and in case of death to heirs. But, in the event of resignation I

service or discharge, the amount of the value of shares is paid in cash.

"Such, in brief, are the main features of the scheme. From this, it will be observed that the Pandyan Bank is almost first in the field of allowing employees to participate in the ownership of the institution. This has worked successfully for five years and has built up abundant goodwill between the employees and the management."

Mergers of joint-stock companies are not an uncommon feature in a free and flexible industrial society. One of the methods by which such mergers are brought about is take-over bids, that is offer of one company to purchase the shares of another company, which it wants to take over in consideration for its own shares at a price, along with or without some cash payment. This price is usually more than the market value of the shares to be purchased and bears some relation to their intrinsic value. Such take-over bids are rare in India, while they are common in Britain, where the end of the credit squeeze has, to some extent, given a fillip to this practice. In fact, this trend has gained momentum in recent weeks, with an unusual spate of offers extending to such varied lines of business as manufacturing industries, insurance, publishers, brewery, departmental stores and chain stores.

Several amalgamations through take-overs have taken place in small businesses without the public noticing them. But this year, there have been such a large number of amalgamations of big business or offers for take-over in Britain that the British public have become widely concerned over them. A feature of these bids this year is the keen competition among companies to take over a particular going concern with counter-bids, as a result of which the market value of the shares to be purchased even crosses the price offered by the highest bidder, in anticipation that yet another higher bid may be made. One of the notable instances of this battle was provided by the British Aluminium Company which was sought to be taken over by Aluminium Company of America (A.L.C.O.A.) and the Tube Investments Ltd. of Britain, in which the latter won. This was some months ago. More recently, Sears Holdings made an offer to purchase a brewery group, but it was later on withdrawn, after friendly discussion between the Chairmen of the two companies. There was then a battle between Schweppes manufacturers of soft drinks, and St. Martin Prservers for Chivers, the well-known manufacturers of fruit jam.

Not so much public interest has been aroused since the battle for British Aluminium as that no going on between three groups of department stores to take over Harrods, another group, departmental stores. The first offer came from D. benhams, Britain's largest store group, followed by a counter-offer from the House of Fraser which owned less than 50 stores. The Directors of Harrods considered both the offers and recommended to their shareholders the acceptance of Debenhams' offer worth £34.5 million, as against £32.6 million offered by Frasers. A few days after the Directors' recommendation, United Draper Stores joined the battle with an offer worth £36 million. Meanwhile, the House of Frasers made them offer a little more attractive than that of Debenhams. It remains to be seen how far this battle will be carried on. Meanwhile, the Directors of Harrods have decided not to make any recommendation to the shareholders until the offers are forwarded to the latter. They have asked shareholders also not to act on any offer submitted to them before receiving the Board's comment. The three bidders have been asked to send their offers direct to the shareholders of Harrods.

Take-over bids are not as a whole unhealthy. In fact, they dissolve economic stagnation and help the utilisation of the hidden property values which have over a number of years appreciated. This is one of the main objects behind the take-over bids. They also help diversification of activities, as in the case of Courtaulds, one of the leading textile manufacturers of Britain, which, having exploited fully the opportunities in their own field, are now buying various other industries with their surplus resources and hope to get better yields on their new investments. It is less costly, in the long run, to take over a going concern than to start a fresh enterprise.

The take-over bids formed the subject matter of a debate in the British House of Commons last week, when Mr. Harold Wilson (Labour) accused the big companies of adopting get-rich-quick methods. The Chancellor of the Exchequer, however, declared that most of the take-overs to date had been beneficial rather than harmful. He added that, when considering a bid, the shareholders should always insist on enough information to enable them to judge whether the take-over would be fair to the Company's employees, as well as to themselves. He firmly rejected Mr. Wilson's suggestion to levy capital gains tax on speculative gains made through take-overs.

The priority accorded to engineering industries in the second Plan is second only to that given to steel industry. Out of the aggregate outlay of Rs. 1,094 crores on industrial expansion, engineering industries (heavy and light) account for nearly Rs. 151 crores, or 13.7 per cent. of the total; the investment actually incurred in the first Plan period was just Rs. 46 crores. This high priority was given, partly because the engineering industries are a natural corollary of steel works and partly because they provide from within the country a wide range of industrial machinery and capital equipment. To the extent these industries develop, dependence on outside sources of supply and the drain on the country's foreign exchange resources will be reduced. Viewed thus, it must, indeed, be said to the credit of the engineering industries that the progress achieved by them has

EQUITIES MAINTAIN BULLISH TREND

TATA ORDINARIES CROSS

RS. 200-MARK

(From Our Own Correspondents)

BOMBAY, 9th July

BARRING a slight decline just at the close of business today on profit-taking due to settlement considerations and rumours that sales by the L.I.C. were impending, the share market was bullish during the week under review. Equity values surged forward on keen speculative buying and short-covering to touch fresh high levels. Expectations that the Controller of Capital Issues might give permission to the T.I.S.Co. to issue the new shares at par and the more conciliatory attitude of the Government towards the private sector, indicated in the speech of Mr. Lal Bahadur Shastri at the meeting of the Central Advisory Council of Industries, and of the Prime Minister at a meeting of the Committee of the Federation of Indian Chambers of Commerce and Industry with the former, and encouraging corporate news would appear to have sustained the bullish enthusiasm. The Prime Minister is reported to have assured the representatives of industrialists that the Government had no intention either to nationalise the existing industries or to ban the establishment of large-scale units in future. He also expressed his conviction that there was a wide field for the private sector even with the development of the public sector. While activity was brisk and widespread, some of the counters were concerned in large speculative dealings. National Rayons and Premier Constructions continued to be in the limelight.

In the steel group, Tata Ordinaries forged ahead from Rs. 192 to Rs. 201.50, despite the announcement of lower output in June, as compared with the previous month. Towards the close, however, they dipped to Rs. 198. The output of saleable steel had fallen from 91,400 tons to 88,100 tons. In March it was at a high of 100,700 tons, but declined to 93,300 tons in April. The rise in Indian Irons was less marked. After gaining from Rs. 24.64 to Rs. 25.55, the shares softened to Rs. 25.10. The output of steel by the Company in June was a shade lower at 49,296 tons, as compared with 49,470 tons in May.

Textile shares, too, moved ahead and the gains in some of the counters were very marked. On expectations of good earnings on exports, Bombay Dyeings were lifted up from Rs. 65.70 to Rs. 67.60, before they closed at Rs. 66.90. Centurys moved up from Rs. 567 to Rs. 586 before finishing at Rs. 574. Kohinoors provided an exception to the general trend. The shares which had gone up by Rs. 19 to Rs. 304 in the previous week, suffered a reaction to Rs. 292. Central India too dipped by Rs. 2 to Rs. 102. Finlays gained Rs. 17 to Rs. 282. Gokaks Rs. 3 to Rs. 153 and Khataus Rs. 3.75 to Rs. 248.75. Morarji Mills rose by Rs. 4 to Rs. 261. New Greats by Rs. 15 to Rs. 195. Podars by Rs. 8 to Rs. 180 and Shree Niwas by Rs. 4 to Rs. 179. Simplex, which had gained Rs. 12 to Rs. 183 in the previous week, added another Rs. 12 this week to stand at Rs. 195. Standards advanced by Rs. 29 to Rs. 547, while Svadeshis were unchanged at Rs. 253. Swans were marked up by Rs. 42.50 to Rs. 412.50. Tatas were, however, lower by Rs. 2.50 to Rs. 39. Ahmedabad Advances picked up Rs. 13 to Rs. 150.

Bank shares were done at higher rates. Bank of Barodas put on Rs. 1 to Rs. 162. Central Bank rose by Rs. 2.50 to Rs. 53.50 and their new shares by Re. 1.50 to Rs. 54.50. Bank of India, however, declined by Rs. 2.25 to Rs. 127 and their new shares by Rs. 2 to Rs. 129. United Commercials advanced by Rs. 2.50 to Rs. 63 and Union Banks by 28 nP to Rs. 6.96.

Electricity shares attracted good attention, particularly those in the Tata Hydro group. Andhra Valleys shot up by Rs. 41.25 to Rs. 1,163.75 and Tata Powers by Rs. 65 to Rs. 1,245. Tata Hydros hardened from Rs. 116.75 to Rs. 121. Tata Hydros Suburbans improved by Re. 1.50 to Rs. 106.50, while Ahmedabad Electrics were a fraction lower at Rs. 91.50.

Belapurs provided the highlight of the sugar group, with a sharp jump from Rs. 308 to Rs. 328, before closing at Rs. 323.50. Phaltans gained Rs. 5 to Rs. 166, while Walchandnagars lost Re. 1.25 to Rs. 330. Bhopal Sugars were done 44 nP higher at Rs. 24.44. Among cement shares, Associated Cements gained strength from Rs. 152.50 to Rs. 158, but much of the earlier gain was lost today when the shares closed at Rs. 154. Disnavis dropped Rs. 2.50 to Rs. 155, while Orissa Cements gained 56 nP to Rs. 16.72 and Dalmia Cements 48 nP to Rs. 11.04.

In the engineering and mining groups, Alcocks were prominent with a gain of Rs. 8.50 to Rs. 281.50. Tata Locomotives rallied from Rs. 222.50 to Rs. 233.50, but heavy profit-taking at the close pushed them down to Rs. 225.50. Premier Constructions shot up from Rs. 356 to Rs. 384 but gave way to Rs. 371 at the close. Larsen and Toubros were featureless at Rs. 22.72 and Mahindras at Rs. 21.80. Cooper Engineerings added Rs. 7 to Rs. 159, while Brady Engineerings were maintained at Rs. 83. Shivrajputs were steady at Rs. 82 and Indian Coppers, after rising from Rs. 4.14 to Rs. 4.32, closed at Rs. 4.16.

Premier Automobiles continued to be in favour and rose by Rs. 3.25 to Rs. 127.25, while

Hindustan Motors lost 36 nP to Rs. 9.63. Shipping shares were relatively less docile. Scindias moved from Rs. 18.04 to Rs. 18.48 before giving way to Rs. 17.96. Great Easterns lost over the week 28 nP to Rs. 22.28.

In the miscellaneous group, Bombay Burnmahs (old) shot up from Rs. 556.50 to Rs. 579, but under heavy profit-taking at the close dipped to Rs. 566. National Rayons forged ahead from Rs. 336.50 to Rs. 361.50 before closing at Rs. 332. Their new shares picked up Rs. 18.50 to Rs. 341. Gwalior Rayons were done Re. 1.08 higher at Rs. 21.82. Tata Chemicals were quiet with a loss of 80 nP to Rs. 18.56 and Tata Oils were Rs. 5 lower at Rs. 67.50. Voltas too gave way from Rs. 180.56 to Rs. 175. Wincos gained Rs. 5 to Rs. 213. Cents were done Rs. 3.75 lower at Rs. 188.75. Indian Dyestuffs moved down by Rs. 70 to Rs. 860.

Calcutta Stock Exchange

CALCUTTA, 8th July

A distinctly firm trend was in evidence on the Calcutta Stock Exchange during the week under review, following more buying support on yield considerations. Operators were inclined to feel that the need for a change in the official attitude towards the private sector was gaining ground. The view was based on the concern over the falling rate of private investment expressed by the Union Commerce and Industry Minister, Mr. Lal Bahadur Shastri, when he addressed the Central Advisory Council of Industries at New Delhi this week. Some, however, doubted if Mr. Shastri's view would mean anything in the background of New Delhi policies to extract as much as possible from the private sector when the going was good. Hopes that the Controller of Capital Issues would permit the T.I.S.Co. to issue the rights at par towards the end of August were entertained; if the Government did not accord sanction by then, it was thought, some other scheme would be evolved by the Company. On publication of lower production figures for June (output of saleable steel declined from 49,470 tons to 49,296 tons and pig iron from 94,105 tons to 78,795 tons, while steel ingots production was higher at 62,510 tons, as against 57,483 tons) and fall in despatches of saleable steel (from 52,105 tons to 46,670 tons), Indian Irons were shaded but a subsequent recovery pushed up the rate in accord with the general trend of the market. Other engineering shares were favoured on good corporate news and reports of expansion. The news of expected announcement of increased coal prices by August did not induce a buying wave, as, in view of the considerable delay that had already occurred, operators were not prepared to discount expectations. The Jharia report that coal was accumulating at pit-heads owing to wagon paucity was a pointer for caution. However, the section recorded a few interesting rises. Jutes responded to the buoyancy in the goods market and several counters gained. Teas were for most part of the week subdued, but a ray of light tended to flash on good reports of Monday's auctions. Miscellaneous industrialists responded lively in active trading, though most gains were fractional and guarded. Yesterday profit-taking was in evidence.

Several counters in jutes recorded interesting activity, thanks to considered support. Anglo-India at Rs. 264 added a net addition of Rs. 11. Baranagores, though unchanged at Rs. 160, were fully firm before declining yesterday to Rs. 159 on profit-taking. Bally's gain of Rs. 3 to Rs. 232 was a temporary phase, as the rate soon gave way to Rs. 228. Aucklands rose from Rs. 185 to Rs. 191. Dalhousies changed hands at Rs. 139, as against Rs. 138 previously. Kamarhatties met with unsatisfied demand and moved up from Rs. 203 to Rs. 220. Budge Bidges were taken up to Rs. 159.50 from Rs. 145. Gourepores being pushed up to Rs. 416 from Rs. 396, previously. Champianies touched a high of Rs. 142, at which rate the week's gain was a substantial sum of Rs. 9. Profit-taking set in subsequently to lower the gain to Rs. 7.

In coals, East Indias firmed up by 50 nP to Rs. 24.44, following dividend of 50 nP per share. On good demand, Bengals at Rs. 320 added Rs. 4. At Rs. 32.37, Equitables were fractionally better. Churulis advanced by 25 nP to Rs. 3.75 on sustained demand. Burrakurs were unchanged at Rs. 17.81, while Western Bengals were raised to Rs. 6.68 from Rs. 6.31.

Paper mills met with good support on keen buying, as it was believed that working results for the current accounting period would be more satisfactory. India Pulps opened at Rs. 23.75 and gradually derived strength to rise to a high of Rs. 27.06, when profit-taking set in to reduce the gain to Rs. 25. Ballaparas at Rs. 36.75 were better, while Titaghurs, after remaining unchanged for most part of the week at Rs. 44.50, closed lower at Rs. 44.37. Orients opened at Rs. 36.75, moved down to Rs. 36.60 and rose again subsequently to Rs. 36.90.

Sugars received more attention. Carew and Cos. continued to advance and touched a high of Rs. 15.50, as against Rs. 11.75, before closing fully steady at Rs. 14. Raza Bulands were done at Rs. 14, as against Rs. 13.94 previously, although the dividend for 1958 at 124 per cent. compared unfavourably with 15 per cent. for 1957.

In the engineering group, Jessop and Cos. changed hands at Rs. 30.75, as against Rs. 30.56

earlier, but closed lower at Rs. 30.50. It was announced this week that, for 1958, the dividend would be 6 per cent, as against nil for 1956 and 1957. The Company, which was until recently a Management under Government direction, is expected to show better results, as expansion plans for manufacture of electric multiple unit coaches and road rollers have been completed. From which is planning to hand over its new steel rolling mills to a proposed new company in which Bhartia shareholders would be offered shares at Rs. 17.50 and Rs. 17.37. Indian Irons opened at Rs. 24.76 and, after giving way to Rs. 24.63, hardened to Rs. 24.97. Indian Galvanizings were in good demand at Rs. 21.56, as against Rs. 21.94 earlier.

A strong feature in the miscellaneous group was National Cables which at Rs. 38.05 recorded a handsome gain of Rs. 3.06. Aluminium Corporation after rising to Rs. 15.81 from Rs. 15.12, Rs. 18.25 to Rs. 17.75 and Rohas Industries from Rs. 23.06 to Rs. 22.75. From Rs. 23.06, Phillips India recovered to Rs. 23.19. In Lal Tobaccos, after being lower at Rs. 12.12, as against Rs. 12.44, advanced to Rs. 12.69. At Rs. 5.12, B.I.C.'s registered a small gain, as did National Rollings at Rs. 16.75. Balmer Lawries, after giving way to Rs. 215, regained to Rs. 220 to lose again to Rs. 216. Dunlop Rubbers at Rs. 34.06 were better before being pushed down to Rs. 33.75. National Carbons declined from Rs. 33.50 to Rs. 32.94 before recovering to Rs. 34.87.

Madras Stock Exchange

MADRAS, 8th July

The Madras Stock Exchange continued to rule firm during the week under review. Investment support was quite sustained, but offerings were limited, as floating stocks were scarce. Textiles tended to move up on reports of encouraging offtake of yarn and piecegoods. Selected sugar scrips met with good enquiries. Tea shares were fancied on hopes of better outlook for South Indian tea following damage to crops from floods in the major plantation areas of Assam and the labour strike in Ceylon. Reports of higher prices fetched at the recent tea auctions also imparted strength. Rubber shares attracted keen attention of operators, thanks to expectations that the Tariff Commission would recommend an upward revision in prices. Reports of large world coffee surplus, particularly in view of the approaching coffee season in Brazil, had no effect. In sympathy with teas and rubbers, coffees too ruled strong. Trading in miscellaneous industrialists was active. Inspired by excellent demand, many scrips registered a handsome improvement in prices.

Among sugars, Kiriampudis spurred by Rs. 4 to Rs. 70. E.I.D.s gained a rupee to Rs. 40.25. Indias and Travancores advanced by 10 nP each to Rs. 12.10 and Rs. 12.20, respectively. United Breweries were firm at Rs. 450. Cauverys, however, came in for selling and fell by Rs. 4 to Rs. 115. Mysore receded by a rupee to Rs. 50. Deccans shed 8 nP to Rs. 12.67.

In the tea group, Ouchterlony's hardened by 13 nP to Rs. 5.68. Kil Kotagiris and Periakaramalais picked up 5 nP each, the former to Rs. 8.35 and the latter to Rs. 4.13. Halleyburys were fully steady at Rs. 20.50, as also Nonsuch Teas at Rs. 26.78. Balanors at Rs. 20.50, cum-div., Chembras at Rs. 4.28 and United Nilgiris at Rs. 20.30. Among coffees, Babuddins strengthened by a rupee to Rs. 17, following the announcement of a bonus issue in the ratio of one new share for every one held. Anapara's gathered 25 nP for every one held. Coffee Land's rose by Rs. 15 to Rs. 5.10 and by 10 nP to Rs. 6.70. Osoors put on 8 nP to Rs. 3.90. Sangameshwars rose by 6 nP to Rs. 2.76 and rubber group, Malankaras evoked an enlarged demand and improved by 37 nP to Rs. 19.62. Rajagiris increased by 25 nP to Rs. 18.18. Malabars gained a like amount to Rs. 6.85. Highlands rose by 10 nP to Rs. 12.25. Thrumbadils were a shade higher at Rs. 1.99.

In the textiles section, Buckinghams and Metturs advanced by a rupee each to Rs. 186 and Rs. 398, respectively. Radhakrishnas improved by 75 nP to Rs. 123.75. Cannanores by 50 nP to Rs. 151.50. Coimbatore Cottons were firm at Rs. 142. Coimbatore Pioneers at Rs. 280, and were subjected to selling pressures and fell from Rs. 124 to Rs. 119 cum-div. The Directors of the year ending 31st March 1959 at the last year's level of 12 per cent. tax-free.

Rallis provided the bright spot in the miscellaneous section, the quotation rising by Rs. 3.50 to Rs. 70. Textools hardened by 75 nP to Rs. 188. Mysore Papers advanced by Re. 1.30 to Rs. 21.75. Travancore Chemical Manufacturings rose by 75 nP to Rs. 15.00. Orissa Cements improved by 70 Motors gathered 50 nP each to Rs. 7.55 and Rs. 16.50, respectively. Dalmia Cements gained 45 nP to Rs. 11.05. F.A.C.T.'s rose by a like amount to Rs. 10.20. Mettur Chemicals were higher by 15 nP at Rs. 13.40. Parrys picked up 12 nP to Rs. 4.35 and Travancore Cements 10 nP to Rs. 9.75. India Cements increased by 7 nP to Rs. 6.30. Western India Plywoods were fully maintained at Rs. 172.50, as also Spencers at Rs. 20.25. Mysore Electrical Industries were dull at Rs. 125, despite announcement of higher dividend of 15 per cent. tax-free for the year ended March 1959 as against 11 per cent. distributed in the previous year.

NEWS IN BRIEF

THE West Bengal Government proposes to change its Transport Directorate into a company. It has already sought the permission of the Company Law Administration for this purpose.

Those established importers and actual users who hold licences for cellulose acetate moulding powder are now permitted to import cellulose acetate flakes and plasticisers in the normal proportion in which these are blended in the moulding powder upto the full face value of the licences.

A seven-member committee has been set up by the Government of Bombay to rehabilitate the slum dwellers in the city. The Committee will explore the possibilities of providing, in co-operation with the Municipal Corporation, hutments to slum dwellers on a monthly rent of Rs. 10.

The Government of India, in exercise of powers conferred under Section 18A of the Industries (Development and Regulation) Act, 1951, has taken over the Atherton West Mills Company Ltd., Kanpur. Mr. S. K. Chaudhri, I.A.S., has been appointed the Authorised Controller of the Mills.

The convention of the International Maritime Consultative Organisation has been ratified by the Government of India, subject to certain reservations designed to facilitate smooth and orderly development of Indian shipping. If no objection is raised by the member-countries to the reservations sought, India will become a party to the convention.

The Union Government proposes to set up a security paper mill at Hoshangabad, estimated to cost Rs. 5.5 crores, in addition to the Security Printing Press at Nasik. The contract for the construction of the mill is expected to be awarded to Messrs. Portals Limited, a British firm, from which India has been importing security paper worth Rs. 85 lakhs annually.

The heavy electrical equipment factory, now being established at Bhopal, will have a capacity to manufacture equipment worth Rs. 25 crores annually, as against the original schedule of Rs. 12.5 crores. As a result of the expansion in productive capacity, the cost of the project has been revised upward from Rs. 52 crores to Rs. 70 crores. The factory is expected to commence operations in January 1961.

Central assistance to States for housing schemes in 1959-60 will be increased by Rs. 5.2 crores to Rs. 17.40 crores. Of the enhanced provision, subsidised industrial housing accounts for Rs. 5.35 crores, (as against Rs. 4.23 crores in 1958-59), low-income group housing for Rs. 6.01 crores (Rs. 5.81 crores), slum clearance for Rs. 3.86 crores (Rs. 3.81 crores), village housing for Rs. 2.05 crores (Rs. 1.7 crore) and plantation labour housing for Rs. 12.50 lakhs (Rs. 2.37 lakhs).

With a view to restricting the practice of issuing duplicate or even triplicate shares indiscriminately by companies, the Government of India has framed rules governing the same. The rules provide, among other things, for the issue of share certificates only under the authority of the resolution of the board of directors of a company and cast the responsibility for the safe custody of these certificate-forms and other connected papers on selected officers of the Company concerned.

A five-year bonus agreement covering the period 1957-61 has been signed in Bombay between the Life Insurance Corporation and its two rival trade unions. Under the agreement, the staff of the Corporation in the supervisory, clerical and subordinate grades enjoying a basic salary of Rs. 500 or less per month will be entitled to a cash bonus at the rate of one and a half month's basic salary of the employee as on 31st December of each year of the agreement.

The detailed project report on the establishment of an optical and ophthalmic glass factory at Durgapur, West Bengal, prepared by Messrs. Technoexpert of the U.S.A., has been submitted to the Union Ministry of Commerce and Industry. According to the report, the factory will have a capacity to produce 200 tons of ophthalmic glass and 10 tons of optical glass per year. This is one of the projects covered under the 500-million rouble credit extended by the U.S.S.R.

From Abroad

The French Government proposes to liberalise further imports of goods and commodities from the O.E.E.C. countries as well as those from the dollar areas.

The Government of Ghana has decided to extend the tax holiday for new companies from the present five-year period to such time as the Company recovers its initial investment.

Some 14 million West German wage and salary earners now enjoy a work week of less than 48 hours. Three-fourths of them do not work on Saturdays. Of the Federal Republic's total labour force of some 19 million, about 4 million work less than 45 hours per week.

At the start of this year, there were 124 million holders of insurance policies in the United States and the value of their policies came to a record \$550,000 million, according to the Life Insurance Fact Book. The average amount of insurance held by the American family rose to \$11,000, also a new high.

PERSONAL

DR. Radhakrishnan, Vice-President of India, left Calcutta for Hong Kong on the 5th inst. He will visit the Philippines, the U.S. and West Germany.

Mr. L. M. Jamnadas has been elected President of the Indian Rubber Industries Association for the year 1959. Messrs. S. P. Saha and Basheshar Nath have been elected Vice-Presidents. Mr. K. V. Modak will be the Honorary General Secretary.

Col. Majeed Malik, Principal Information Officer, Government of Pakistan, has been appointed Colombo Plan Information Officer in place of Mr. P. K. Chatterjee of India, who will complete his term of office and rejoin the Government of India in November next.

Mr. George L. Anderson has been appointed Managing Director of the Firestone Tyre and Rubber Co. of India Private Limited, in succession to Mr. Andrew D. Wenzel who left India on 30th June to take over charge as the Managing Director of Firestone in the United Kingdom. Mr. Anderson was formerly the Production Manager and Factory Manager of Firestone-India and was made a Director of the Company in October 1945.

goods." It declared that the Soviet Government did not intend to buy any substantial quantity of consumer goods.

The assembly of big cars in Pakistan has been stopped for some time to come, according to the Finance Minister, Mr. Shoaib. He said no funds would be allocated from Pakistan's foreign exchange for imports of big cars. In his Budget for the current fiscal year, Mr. Shoaib increased the duty on big cars from 107 per cent. to 250 per cent. On medium-sized cars the duty has been raised from 107 per cent. to about 150 per cent. On small cars costing about £350, the duty has actually been reduced from 107 per cent. to 60 per cent. Companies assembling cars—General Motors and All Automobile—would be affected by the decision.

THE CHANGING FACE OF INDIA

the weir & the well

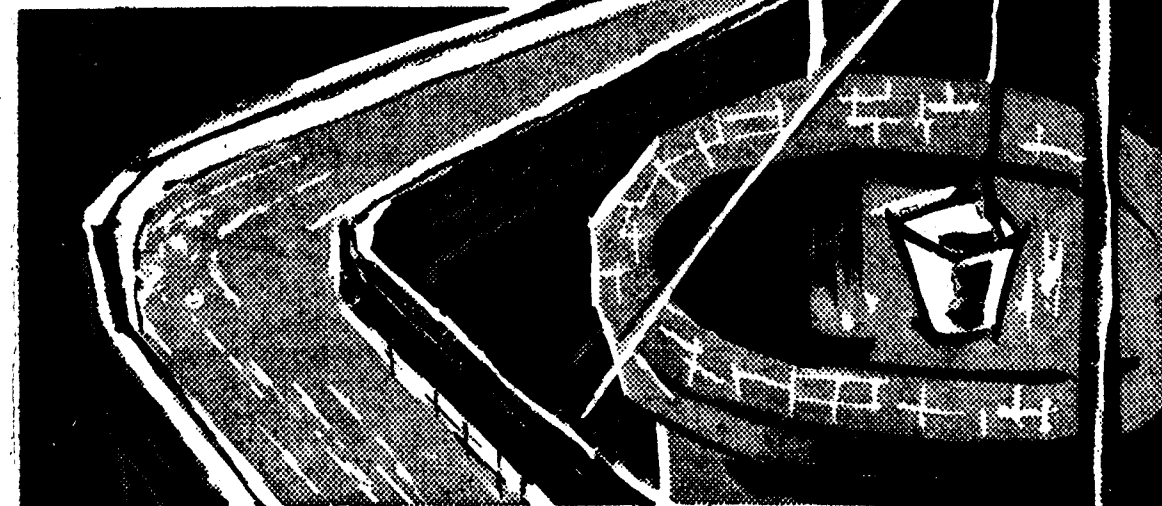
Hovering over the land like a giant cloud, the dam holds the promise of fertility. Where before seasonal wells precariously watered the parched land, today canals from multi-purpose projects irrigate millions of acres all year round.

From the well to the weir—a phrase which symbolises the story of India's progress.

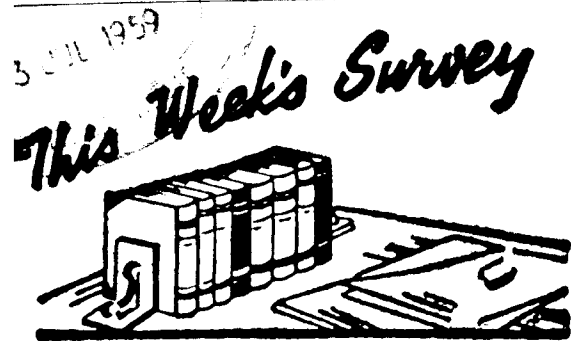
All over the country, in every field of endeavour, a better way to do the job is being found. This needs money... a lot of money. And here the Life Insurance Corporation plays its part. More than a million rupees a day are invested by the Corporation both in the public and the private sectors.

Corporation funds are employed to building dams, to mechanising agriculture, to erecting factories—in fact, to bringing about a modern and prosperous India. And along with the Life Insurance Corporation, every policyholder plays his part in building a better life for himself and the generations to come.

 Life Insurance Corporation of India



ASPLUCE 12



ECONOMIC FREEDOM

JUDGING from the enthusiastic response which Rajaji received in Bombay this week and the applause of approval with which his utterances were greeted, it looks as though it will not be long before the Swatantra Party, which he has chosen to guide, strikes its roots in the Indian soil. To many, Rajaji now represents a Messiah who preaches the new gospel of *Swatantra*, of self-reliance, and not mere freedom from Governmental interference. He was at some pains to explain to his admiring audience the many nuances of the Sanskrit word *Swatantra*, which signified something infinitely richer than the English word "freedom." He said that, whereas "freedom" was a negative concept, indicating freedom from external authority, its Sanskrit equivalent not only included that concept but went beyond it to connote one's reliance on one's own worth and ability. Clearly, *swatantra* is more in tune with the best in Indian traditions which insist on sustained human endeavour and the dynamic expansion of human personality. This is the very antithesis of "stateism" with its pernicious tendency to reduce the individual to the status of a slave, without the saving grace of a human master, who is replaced by a relentlessly impersonal bureaucracy.

The accent in all Rajaji's speeches fell on the supreme importance of safeguarding personal freedom and the freedom to pursue one's avocation against their encroachment by the State. With apt illustrations and parables, for which he is justly famous, he stressed the need for increasing wealth before attempting the task of distributing it. He spoke too of the continued exercise of power by the Congress which had made its members "careeristic, selfish and greedy." The Congress, he said, had indulged in over-government. Its policies were based upon the distrust of the people. Singling out for special attack the Government's land reform policy, in general, and its move to set up co-operative farms in particular, Rajaji declared that these measures would not lead to increased food production. State trading in food-grains would inevitably result in increased costs, for the Government could never manage a trade in as frugal a manner as a merchant. He deplored that the Congress, out of a sense of defeatism, was borrowing its policies from the Communists. If a policy was wrong, Rajaji said, it was wrong whether it was the Congress or the Communists that carried it out.

Although the Party's spokesmen are understandably reluctant to commit themselves to any particular statement on some of the specific issues like the linguistic redistribution of States, which agitate the public mind in particular regions, it is apparent that they have clearer ideas on the major economic issues. Thus, they attach considerable importance to the retention of peasant proprietorship. They would also like to see the early removal of the uncertainty from the minds of self-employed groups who might find themselves in a difficult position through the steadily increasing encroachment of the State into the economic sphere. Rajaji said: "Everybody, whether he is in small business or big business whether he holds a few acres of dry land without water in the well or whether he holds a few hundred acres under an irrigation scheme, whether he is a printing press owner or an iron foundry man, whether he is a motor repairer or whatever other occupation he may be in, is in doubt as to what will happen to his business." This is a depressing uncertainty. To the extent the Party has sworn to remove it, it is bound to have a great appeal to the self-employed groups and business men.

Above all, the Party stands for the restoration of freedom and individual initiative into a position of prominence in the country's economic life. This is a vital contribution to practical economic thinking. "Happiness," Rajaji said, "has to be produced through individual exertion as a result of encouragement, hope, facilities and inspiration to work." He rightly felt that neither industry nor agriculture would flourish if they took away individual responsibility for

work done. The sense of individual initiative as well as of individual responsibility, as is well known, is blurred in a socialist State. An even greater danger is that such a State cannot always ensure greater production, so that it will inevitably resort to more and more coercive methods. The Swatantra Party would like to see the area of Governmental activity reduced to the minimum.

Appropriately enough, the Party draws its inspiration from Gandhiji's words that the Government which governs the least is the best. Through persistent effort, the Party should be able to convince the electorate that neither "over-government" nor "stateism" is a solution to our economic problem, that power corrupts and absolute power corrupts absolutely, and that, in the ultimate analysis, it is individual effort and initiative alone that can increase the country's wealth and lead it to prosperity. It is true that these concepts are somewhat too abstract for the Indian electorate at its present stage of political education. But the average Indian has a great capacity for abstract thinking. It should not be difficult to make him see the dangers of a State, armed with vast powers for controlling the economic destiny of each of its citizens.

COMMUNITY DEVELOPMENT

There has of late been a critical examination of the Community Development Programme and its relationship with the wider aspects of development and administration. In spite of the sound principles of economic and social reconstruction underlying it, the creation of a separate Ministry for it and an outlay of about Rs. 200 crores (including people's contribution) for its implementation during the past seven years of its existence, it cannot be said that, in all areas, the Programme has produced results commensurate with the effort and attention devoted to it. Far from being a people's movement for their own betterment, this Programme, unfortunately, still depends on official spoon-feeding for keeping it alive. Mr. S. K. Dey, Union Minister for Community Development and Co-operation, however, claims that, apart from increasing the people's awareness for a better standard of living, the Programme has increased the standard of living, in the villages which have benefited by it, reduced corruption and changed many wrong practices.

Experience gained so far has induced some rethinking on the role of Community Development Programmes and the methods of administering them. It has been realised that the Programme has no chance of being a people's movement, as long as it is dominated by bureaucratic agencies. The Study Team for Community Development and National Extension Service appointed by the Committee on Plan Projects, after a comprehensive study, made some important recommendations for the reorientation of the Programme. Most of these recommendations are in accord with the approach of the Programme Evaluation Organisation of the Planning Commission. The main recommendation of the Team was for the "democratic decentralisation" of the Community Development Programme, that is, transfer of the responsibility for planning and execution of the programme to representatives of the rural population. This principle has been accepted by the Central and State Governments. Seven States have already initiated the necessary legislation and others are expected to follow suit.

The conference on Community Development, scheduled to be held in Mysore towards the end of this month, is expected to finalise the scheme for vesting the responsibility for Community Development on *panchayats*, co-operatives, and other village organisations. Disclosing this, Mr. S. K. Dey said at New Delhi this week that a sum of Rs. 400 crores is the estimated expenditure on Community Development in the third Plan and that, by the end of the Plan period, it was proposed to bring nearly all the 550,000 villages under the Programme. This sum is more than three times the Government expenditure on Community Development so far. From 2nd October 1952 upto the end of March 1959, Rs. 125.58 crores were spent by the Government. People's contribution, in terms of cash and voluntary labour, amounted to Rs. 72.76 crores. A sum of Rs. 90 crores more is expected to be spent during the rest of the second Plan period.

Since a substantial sum is being earmarked for Community Development, it is necessary to underline the need for proper emphasis. The tendency in the past has been to stress welfare activities more than economic development activities. This can be attributed to a

misplaced zeal for making an impression on the villager of what the State is doing for him. Welfare activities are popular, easy of achievement and impress the casual observer. The villager himself, often unable to understand even the meaning of the terms Community Development and National Extension Service, gives a full measure of his admiration and gratitude for the people who have brought him these amenities. As the Study Team itself had urged, the emphasis should shift to the more demanding aspects of economic development. An intensive programme of economic development, it rightly pointed out, would generate a demand for a programme of amenities. Greater stress on the former, especially in the initial stages, would gradually lead to the latter.

It is heartening to note that the Ministry of Community Development has seen the logic of this reasoning. A reflection of this is to be found in Mr. Dey's statement that the Community Development Programme will intensify efforts to increase food production and, with this end in view, more attention will be devoted to improving agriculture. The Programme will also lay equal emphasis on development of small-scale industries.

While these proposed steps are in the right direction, it is to be doubted whether it is equally wise to seek to bring all the villages in the country within the fold of the Community Development Programme in the third Plan period itself. Mr. Dey himself admits that past experience has brought to light the basic shortage in personnel, supplies and training facilities necessary to implement the Programme. Attempts are no doubt being made to increase the availability of personnel and supply. Has the situation improved to such an extent as to warrant the extension of the programme over the entire country-side? The Study Team as well as the Programme Evaluation Organisation had pointed out that it was advisable to confine an intensive programme in fewer areas rather than extend it in a diluted version over the entire country. The desire for rapid coverage should not blind the authorities to the difficulties in the way of extending the programme. Surely, one should not bite more than one can chew.

FOREIGN ASSISTANCE

Like any other underdeveloped country, India too continues to find itself in a vicious circle of low incomes, resulting in a low rate of saving and a low rate of capital formation, notwithstanding over eight years of planning. In a situation such as this, the part played by foreign assistance is, indeed, very vital. Foreign assistance, as Mr. Manubhai Shah, Union Minister for Industry, remarked in the course of a talk broadcast from All-India Radio on Sunday this week, provides a part of the capital necessary for the large investment for rapid industrialisation and also bridges, by bringing in technical experts and know-how, the gap between the need for and the supply of technical knowledge, as well as trained personnel, required to carry through the development programmes. What is more, technical collaboration and assistance in building up new projects have also been of great importance. According to Mr. Shah, a large number of our industrial projects today have the distinction of being among the most modern and efficient plants, thanks to the technical assistance received for their design, construction and technical know-how. The total of external assistance authorised to-date by foreign Governments and institutions is estimated at Rs. 1,423 crores. Of this amount, the sum actually utilised until September 1958 was about Rs. 690 crores.

Equally important has been the role of private foreign capital. The value of foreign business investments in India has gone up since 1948 at an annual rate of nearly Rs. 29 crores. The aggregate of these investments at the end of December 1958 was of the order of Rs. 590 crores (tentative estimate), as against Rs. 256 crores in June 1948. Stressing the importance of private foreign capital, Mr. Shah said: "Small though the amount, it has over the years meant a sizable increase in the savings available for investment. ... There has been hardly any disinvestment which has been the bane of newly independent countries. This in itself is a very satisfactory indication of the potentialities of future inflow." Mr. Shah revealed that, since 1948, there had been over 500 cases of foreign technical collaboration with Indian enterprises for setting up new units and for organising manufacture of new products.

While foreign assistance plays a vital role in speeding up development thus, it will not be a correct approach if too much reliance is

placed on it. The rate of development must depend, as Mr. Shah very pertinently emphasised, primarily on the effort that we can put in towards the fulfilment of development programmes. "For this," to quote Mr. Shah, "we must be prepared to face every temporary or long-term hardship and to make the fullest use of our existing equipment to accelerate production of all commodities." Few would understate the need for such sacrifice on the part of the people, but what everyone stresses most is that the authorities must follow correct economic and fiscal policies and that the enormous sums of money collected by the State as taxes are spent wisely and not frittered away in implementing highly idealistic, grandiose schemes.

CAPITALISM IN U.S. BENEFITS WORKERS

The productive efficiency of the capitalist system has never been seriously questioned even by its worst critics. It is its distributive mechanism that has come under fire by socialist thinkers of the nineteenth century. Over the years, however, the distributive mechanism, too, has undergone changes, thus strengthening the system in the estimation of the public. Karl Marx, who envisioned the breakdown of capitalism through its own inner contradictions, would, if he were alive, be dismayed at seeing capitalism growing from strength to strength in countries like the U.S., the U.K. and West Germany. He might, perhaps, refuse to believe his own eyes as he sees that, contrary to his prediction that the development of capitalism would speed up the polarisation between the capitalist "haves" and the proletariat "have-nots," leading inevitably to the clash between the two and the equally inevitable victory of the latter over the former, the class barriers in these countries are disappearing and that the workers and their unions are emerging as ardent supporters of the capitalist order.

This transformation of the capitalist system is reflected in a study undertaken by the U.S. Department of Labour. It reveals that the wage-earner in the U.S.—the blue-collar (factory) and white-collar (clerical) workers—have become the most important consumers of the products of the nation's economy. Not only that, the standard of life of the wage-earner has become "well-nigh indistinguishable" from that of his salaried co-citizens. According to their study report, "their homes, their cars, their baby-sitters, the style of the clothes their wives and children wear, the food they eat, the bank or lending institutions where they establish credit, their days off, the education of their children—all these are alike and are becoming more nearly identical."

Under the free enterprise system, American workers have achieved unprecedented levels of material and social well-being. Basic to the ability of the American working men and women to achieve their present standard of living has been the thriving industrial production under its free enterprise system. With only 6 per cent. of the world's population and 7 per cent. of the land area, the U.S. produces more than one-third of the world's goods. The high rate of power application, the development of production tools and techniques and the availability of raw materials have also been basic factors in this phenomenal production. Other contributory factors, according to the report, are "the experimental bent of the American business man in a free enterprise economy, his surprising freedom from tradition and custom and a mobile and adaptable work force."

American trade unionism has had a powerful impact on the economic scene. Rejecting socialist orientation and the theory of class conflict nearly half a century ago, American trade unions have helped to bring capitalist production to full fruition. In fact, trade union growth was in part a response to expanding productivity and the workers' desire to share in it. As Mr. James Mitchell, Secretary of Labour points out, American workers gained not only in material things "but also in many things that may be termed spiritual." They now have "more time to read, to learn, to think, to dream, more time to restore the body and to heal the mind."

PAKISTAN'S FINANCES

The Pakistan Government budget estimates for 1959-60, announced on the radio on Tuesday last week by Mr. M. Shoaib, the Finance Minister, cannot be compared with those for previous years, in view of the change in the

fiscal year from the British pattern (April-March) to the American pattern (July-June). The estimates disclose a revenue surplus of Rs. 2.63 crores, the aggregate revenue receipts and expenditure being placed at Rs. 154.08 crores and Rs. 151.45 crores, respectively. It is, however, not known from the Press version of Mr. Shoaib's broadcast talk whether this surplus has been arrived at after or before taking into account the new taxation measures to bring in an additional revenue of Rs. 4.37 crores in 1959-60, as well as the proposed relief in direct taxes to the tune of Rs. 32 lakhs.

The new tax measures impose a fresh burden on the common man, who is now asked to pay higher excise duty for his requirements of cotton cloth (all varieties excepting coarse cloth), matches, vegetable products and cigarettes, and enhanced sales tax of 10 per cent. (as against 4 per cent. hitherto) on leather goods. The sales tax on cotton yarn is also raised from 6½ to 10 per cent. By way of some relief, the Finance Minister has sought to lower the duties on a few items of daily use such as spices, reduce rail fares and exempt coarse cloth from the enhanced excise duty. Sales tax on locally manufactured gold and silver ornaments and jewellery has no doubt been abolished altogether, but the benefit will be derived only by a negligible minority of the country's population.

In the sphere of direct taxation, two further concessions have been announced. First, inter-corporate tax—that is, tax on investments in other companies—has been reduced to 15 per cent. in the case of holdings in approved undertakings. Secondly, the maximum profit limit for 5 per cent. rebate is raised from Rs. 25,000 to Rs. 2 lakhs. These concessions, together with those announced in the interim budget for April-June 1959 presented on 31st March last, namely, abolition of business profits tax, a two-year tax holiday for limited companies established after 1st April 1959, if the industry is primarily based on Pakistani raw materials, and removal of distinction between public and private companies, certainly signify the welcome determination on the part of the authorities to accelerate the pace of industrial expansion and development through the private sector.

The Finance Minister has not announced any relief in personal taxes beyond the concessions granted in the interim budget. These concessions, it will be recalled, included the raising of income-tax limit from Rs. 5,000 to Rs. 6,000, fixation of the maximum tax payable by any taxpayer at a level not exceeding 75 per cent. of his income, reduction in the marginal rate of tax from 87.5 per cent. (in certain cases, 97.9 per cent.) to 80 per cent., and tax exemption to foreign technicians for a period of 24 months (and not for two financial years).

That the Pakistan Finance Minister has been able to give so much of tax relief to companies and individuals as is indicated above is, indeed, commendable, especially when the nation has committed itself to spending very heavily on defence. Out of every Rs. 2 the Government gets by way of revenue, as much as Re. 1.11 represents defence expenditure, excluding the large-scale expenses incurred in connection with the induction of U.S. military aid. The sum actually earmarked for defence expenditure in the 1959-60 budget is Rs. 86 crores (exclusive of U.S. military aid), or more than 55 per cent. of the anticipated total revenue receipts of the Government, including the net receipts of the Railways and the Posts and Telegraphs Departments after allowing for working expenses. Certainly, to incur defence expenditure on a scale which is so disproportionately high is to do injustice to the urgent nation-building activities by depriving them of their just dues. In India, it may be noted here, the proportion of defence expenditure to the aggregate revenues of the Central Government and the net contribution from Railways together comes to just 31 per cent.

The capital expenditure of the Pakistan Government for the current year (1959-60) is estimated at Rs. 159.66 crores, the largest portion of the sum being allotted for direct outlay by the Centre and loans to the Provinces. No information is available as to how exactly this large amount will be raised, but it is gathered that a sizable part is expected to be met out of foreign aid. The Finance Minister of Pakistan has taken credit for a total foreign aid of Rs. 56 crores (\$117 million), as against Rs. 52 crores (\$110 million) in the previous year.

The budget speech of Mr. Shoaib is notable for the declaration of the Government's intention to accord greater scope to private enterprise. "In line with this policy," he said, "it has been decided gradually to transfer some of the

industrial assets of the Government-owned Pakistan Industrial Development Corporation to the private sector, provided this can be done without upsetting production and without disturbing the stock market."

The review of the recent economic trends made by the Finance Minister may be summed up thus:

Agriculture: Agricultural production is lagging behind the requirements of the country's growing population.

Industry: Pakistan is witnessing a marked increase in industrial production, despite the shortage of imported raw materials and spares. Expansion is remarkable in cotton and jute manufacturing industries. There will be a substantial addition to the country's industrial capacity in a few years immediately ahead—in the field of cement, sugar, fertilisers and newsprint. A number of important new ventures will be started by foreign enterprise in association with Pakistani capital. Arrangements will soon be completed for the establishment of an oil refinery and talks are also in progress with a foreign company for the setting up of a plant for the liquification of natural gas for export.

Foreign trade: Although the total value of exports has not risen significantly, there has been an encouraging increase in some exports. For instance, exports of cotton textiles during the first four months of this year (1959) were more than double those in the whole of 1958. Unfortunately, export trade in raw cotton and jute is not such as one would wish. Export of raw cotton has fallen and Pakistan is losing its monopoly position in jute. Pakistan is particularly concerned with the fall in tea exports; from an average export of 25.5 million lbs. between 1952 and 1957, they had declined to 7.2 million lbs. in 1958. This year, however, exports have shown some signs of recovery.

Money supply: As a result of self-discipline introduced by the new regime, the rise in the volume of money in circulation has been halted and even reversed in the first quarter of 1959. By the end of March 1959, money supply stood at Rs. 545.14 crores, a reduction of Rs. 5.55 crores since the beginning of the year.

The Finance Minister of Pakistan clearly stated that the country would continue for sometime on "strict import ration." He, however, held out prospects of increased availability of imported goods for industry with the help of the U.S. Acknowledging the "great contribution" made to the Pakistan economy by the U.S. loans and aid, he said: "Part of the American aid has taken the form of goods. In 1958-59, the U.S. gave to Pakistan no less than \$80 million and promised \$15 million more for 1959-60, as a result of my visit to this country. The American Development Loan Fund approved in 1958-59 Pakistan's application for loans aggregating \$101.75 million. Another application for \$82.4 million awaits the sanction of the Fund." He also welcomed the recent offer of 170 million marks assistance from West Germany. Explaining the importance of foreign aid, the Finance Minister observed that, without large foreign aid, Pakistan could not expect to accelerate the pace of development in such a way as to increase production and income. This statement holds good as much in the case of Pakistan as in that of any other underdeveloped country striving to raise the living standards of the masses. Even so, it must be asked as to whether it would not be wise on the part of the powers-that-be in Pakistan to cut down defence expenditure to a reasonable level, thereby releasing a substantially larger sum for implementing programmes of economic development.

THE THIRD PLAN

Much discussion on the shape and size of the third Plan has been going on for the past eight months. It is now taken for granted that the outlay on the third Plan, including both the public and private sectors, will be of the order of Rs. 10,000 to 11,000 crores, as against Rs. 7,200 crores in the current Plan. Some believe that this outlay errs on the high side and hence too ambitious. There are others who refuse to share this view. The success of the Plan, in any case, depends not so much on the lofty targets set, but on the availability of requisite resources to finance the Plan and the personnel who will see it through. If experience in the second Plan so far is any guide, one fails to understand how it would be possible for the planners to procure more and more resources without landing the economy into chronic difficulties. Here, too, opinions differ. Dr. B. K. Madan, Principal Adviser, Reserve Bank of India, in the course of a speech at the Rotary Club, Bombay, last week, held the view that it was possible to find adequate solution for the resources problem on the technical plane of the third Plan, as envisaged at present. He hastened to add, however, that any solution would call for courage in political leadership, efficiency in administration and

rigour in execution supported by broad-based public co-operation and understanding of the purposes and *modus operandi* of the Plan. But these conditions are more easily prescribed on paper than implemented in actual practice.

To raise internal resources for a plan of the magnitude now proposed is a matter of no easy solution. Dr. Madan did recognise this. He conceded that "prodigious effort" in mobilisation of the savings of the community through taxation and borrowing in diverse forms will be required to finance the Plan, even assuming larger external assistance and a larger part in the projected investment by the private sector. The role of deficit financing, he maintained, should remain limited, particularly because a great deal of credit creation would otherwise be necessary to finance development in the private sectors, including that of co-operatives, or to finance activities, such as State trading, which replace existing private sector enterprise. Besides, deficit financing has the disadvantage of increasing economic inequality. He made it clear that all strata of the community should be ready to bear additional burdens in direct and indirect taxes. Put in a nutshell, a period of "some real austerity" is ahead. He warned against falling into the fallacious train of reasoning which demanded at once a bigger plan, lower taxes and less deficit financing. In this connection, he pointed out that the incidence of taxation on the agricultural sector was inordinately low. Unless a way was found to raise it appreciably, simultaneously with an increase in the rest of the economy, it would appear difficult to devise a rational method of financing the Plan.

Commenting on the prospects for external assistance, Dr. Madan observed that, in order to implement a Plan of Rs. 10,000 crores, external resources to the tune of Rs. 2,500 crores might be required. Of this, about Rs. 500 crores would be needed for repayment and servicing of the debts outstanding at the end of the second Plan. Admittedly, there is no scope for further scaling down of sterling balances. It is anybody's guess whether the developed countries of the world and the world organisations will be inclined to render economic aid of this order. But this does not mean that India should not try to obtain such help or does not deserve it.

On the place of the private sector, Dr. Madan thought that an investment of Rs. 4,000 crores was well within practicability, because in the second Plan itself this sector will have invested, according to his calculation, Rs. 3,000 crores. He, however, observed that the fact that investment in the public sector had to expand at significantly larger rate limited the possibility of expansion of investment in the private sector above a moderate level.

LONDON LETTER

SHORTAGE OF INK IN FLEET STREET

(From Our Own Correspondent)

LONDON, 4th July

It is possible that, by the time this Letter appears in print the printing dispute, or if not that, the ink dispute, will have been resolved. At the moment, the chances are brighter in favour of the latter than the former, but the issues are substantial enough to make them worthy of comment in any event: that is, that if the disputes are not resolved, there will be no newspapers next week, and, virtually, no printing in the United Kingdom in any shape or form. The whole industry of disseminating news and information to the British public will have come to a stop.

There are, of course, two disputes. The first, which is three weeks' old, is a dispute between the Master Printers and the various Unions representing the printing workers; the second, which came to a head this week, is a dispute between the makers of printing ink and their employees. What many people and the newspaper industry in particular find exasperating is that the national Press which employs its own printers and is not involved in any dispute will be brought to a stop, simply because one of its raw materials will be cut off. Similarly, many printing works which are now carrying on because their owners have made individual agreements with the Unions will also be put out of work through lack of ink. In short, the publishing trade, which is not involved in the dispute at all, is grinding to a standstill this week-end, either because of lack of printing facilities or of lack of ink.

Although at the time of writing the general expectation is, indeed, that no papers will appear on Monday, this is only because of an understanding between the various journals that, if one is unable to appear because of a dispute for which it is not directly responsible, the others will not appear either. Not surprisingly, supplies of ink are not uniform throughout the trade and talks are at the moment being held with the Unions representing the ink-making workers to get their agreement to a pooling of supplies between the various printing undertakings. If this is done, then the national Press will be able to carry on till half-way through next week, by which time there is the better prospect of resolving the problem.

And what is this problem which is threatening to bring publishing in the U.K. to a stand-

still? The basic trouble is 'bad relationships' over a number of years between the Trade Unions (of which there are at least ten involved) and the Master Printers, including in this the ink-making firms. It is three years since the last dispute and both sides have been expecting that its resumption this year would be a good deal more bitter, since it is generally believed that the principal master printers were resolved on victory. The industry consists of very diverse firms, some well equipped but many of them out of date both in capital equipment and in organisation. These have had no incentive to modernise, but the Unions take the view that, if the industry as a whole were to modernise, it could afford the 40-hour week and the higher wages which the men are demanding. The employers on their side are making a condition of resumed negotiations that the men should both call off the strike and agree to drop some of their restrictive practices. So, in an atmosphere of mutual suspicion, neither side is prepared to make a move to meet the claims of the other.

The Minister of Labour who is notoriously diffident about getting involved in a trade dispute now has no option but to intervene; he can either try for a patched up settlement or, as is suggested in some quarters (and the Unions are known to be favourable to this), he can set up a proper commission of enquiry into the industry as a whole. But he will have to be very firm, if he wants to take this line: and this week-end is his chance to decide.

WORKERS' OUTPUT IN U.S. HIGHER THAN IN U.K.

The average American worker's output in 1957 was more than twice that of his British counterpart, according to a joint survey published in Paris. The survey, based on a two-nation study by the Organisation for European Economic Co-operation and Cambridge University's applied economics department, put the American superiority mainly in fields where mechanisation and labour economy had most scope. The disparity was smallest in agriculture, construction and distribution. The report said that the average output per American worker—at British prices—was 2.2 times that of the British worker in the year reviewed.

The greatest U.S. advantage was in fuel production, where the American output figure was 769, against Britain's 100. In manufacturing industries generally, the American worker's output was 2.9 that of Britain's. The lowest U.S. advantage—11 per cent—was in shipbuilding and repairing, despite U.S. earnings of about £3 3s. 7d. for every £1 earned in Britain. It cost about £2 17s. 3d. for each £1 worth of work that could have been done in Britain.

On the same basis, however, America fared much more favourably in motor manufacturing, where output was 4.7 times higher per worker, with wages at £3 7s. 3d. to £1. Thus for every £1 spent by British makers in turning materials into cars, American firms had to spend only \$2.47 (about 17s. 7d.).

AMERICAN LETTER

STEEL STRIKE POSTPONED BUSINESS BOOMING—MORE AND MORE PEOPLE INVEST IN SHARES

From Our Special Correspondent

NEW YORK, 1st July

THE big news in the United States at this writing is the postponement for two weeks of the steel strike at the request of President Eisenhower. This development has led to renewed hopes that a walkout can be averted which seemed most improbable just 24 hours ago.

In anticipation of the previous 30th June strike deadline, various wild-cat strikes broke out last week in the steel industry which led to the banking of furnaces in a number of areas. The net result will be lower production figures, no matter what happens. Up to this point, steel output is headed for a record half-year.

Other indices are headed for substantial gains, too. Automotive sales and production continued on a high level. Consumer spending has been setting a new pace in the business upturn in the first half of this year.

Spendable Income

People's spendable income this year, according to authoritative estimates, will top that of 1958 by about \$18,000 million. Judging from experience, this increased income will be spent in three major areas—soft goods such as food and apparel; hard goods including automobiles, furniture and appliances; and services which cover a multitude ranging from education, travel, and medical expenses to the costs of beauty treatments, utilities and theatre admissions.

Hence, confidence was replaced in the stock market. Investors' hopeful attitudes were also bolstered by other statistics. Machine tool builders reported May orders at 71 per cent, above 1958. Corporate working capital rose by \$2,600 million in the second quarter, bringing the total to \$122,400 million. Paper production stood at 95 per cent. of mill capacity in mid-June. Railroad freight loadings bounded to a 20-month high at the end of June.

Foreign Aid

There is still much uncertainty about the U.S. foreign aid programme as proposed in March. President Eisenhower has now asked Congress formally for funds aggregating \$3,929,995,000 for the fiscal year starting 1st July.

The House of Representatives has already passed its version of the President's request to the tune of \$3,542,600,000. The Senate expects to take up the measure in July. It will debate a \$4,164,000,000 aid bill which has been cleared by the Foreign Relations Committee.

Mr. Eisenhower who is quite conscious of the necessity for foreign aid is dismayed at the 10 per cent. cut in military spending imposed by

very little money can be left over for investments, after household expenses and taxes.

A part of the explanation of the relatively large increase of stockholders has been the rise in stock prices. It has induced people to invest, rather than leave their surplus funds in savings banks where the top return is not more than 3½ per cent. in most localities. Besides, the American people love to take a chance and gamble. There is no authorised lottery here, because of prevailing puritanical laws. Legalised betting at race tracks demonstrate how great a national pastime "reward by chance" is.

Treasury Bills

There are other changes in the investment markets. The role of commercial banks as prime supporters of the Treasury securities' markets, as they were during the last war, is changing. As an example may be cited the fact that, out of \$32,000 million of Treasury bills outstanding, only about \$2,000 million are held by commercial banks and an additional \$2,000 million is held by the Federal Reserve banks.

The balance is in the hands of non-financial corporations. They buy bills as a temporary investment earning interest until the money can be employed usefully in the business. Treasury bills are as liquid as a cash balance in a bank which does not draw any interest.

Thus, the big corporations in this country have replaced the commercial banks as prime lenders. They finance dealers in Government securities on repurchase contracts related to Treasury Bills. They are large buyers of commercial paper, backed by consumer installment contracts. And, as indicated above, they have become the chief holders of short-term Government obligations—a development which was hardly foreseeable 15 years ago.

In a way, it is a rather healthy development, since the corporations rather than the banks are the real income producers all over the world. The banks serve as most useful service institutions providing short-term credit out of depositors' funds for the income producers.

A contributing factor in this shifting investment scene has been the rise in costs and interest rates which is continuing. Higher costs have created a pressure for more income as an offsetting element. Hence, cash balances are kept at a minimum and earning assets are being sought rather desperately.—All Right Reserved.

Financial assets held by individuals in the U.S. rose by more than \$130,000 million to about \$900,000 million in 1958, according to the U.S. National Industrial Conference Board. Individual holdings of corporate stocks and bonds aggregated \$377,000 million and the balance of \$523,000 million consisted of cash, bank deposits, savings, loan shares and insurance and Government securities.

A world conference on peaceful uses of large radiation sources in industry, particularly in industrial chemical processes, will be held at Warsaw on 8th September next. This will be the first major scientific conference of its kind organised by the International Atomic Energy Agency. More than 200 delegates are expected to attend the conference.

THE LONG AND SHORT OF IT

THERE's a long, long list of good reasons for sending your goods as cargo by air—and the list includes reduced transit risks and costs; reduced insurance and warehousing charges; quicker turnover; less tied-up capital; satisfied markets; big profits!

And there's another long list of short, snappy reasons for sending your cargo by Air-India! Numerous weekly flights, direct to so many cities of the globe, with easy connections onwards to all the others—plus Air-India's expert handling of cargo!

AIR-INDIA
Cargo Department, Esplanade Mansion
Mahatma Gandhi Road, Bombay 1.
Telephone: 259191

GLOSTER
CABLES & WIRES

We have pleasure in announcing that "Gloster Cables" will shortly be manufactured by our Cable Division at Fort Gloster, Bauria, South Eastern Railway. Gloster Cables will be manufactured in long runs on the latest Continuous Vulcanising Machines, the first of their kind in India. This new method ensures consistently high quality Cables because in the C.V. Process the rubber is vulcanised at more accurately controlled temperatures.

FORT GLOSTER INDUSTRIES LTD.
CABLE DIVISION: 14, NETAJI SUBHAS ROAD, CALCUTTA-1
Managing Agents:
KETTLEWELL BULLEN & CO. LTD.
91, STRAND ROAD, CALCUTTA-1.

BANK CREDIT TO MEDIUM AND SMALL-SCALE BUSINESS

WHOLESALE TRADE TAKES UP BULK OF IT

IT is an undeniable fact that small-scale business plays a vital role in the economy of many countries by manufacturing and distributing goods of various kinds and by providing services to consumers. In view of this important contribution, India's planners have laid considerable emphasis on the development of medium and small-scale industries in the second Five-year Plan. Though three years of the Plan period have already passed, much progress does not, however, seem to have been made by these units. The main factor impeding their growth is said to be lack of suitable and adequate credit facilities and promotional capital. This handicap is not due to absence of institutions to provide them the credit needs nor to paucity of funds. There are the co-operative banks and the State Financial Corporations. The State Bank of India also has started providing finance for small enterprises. Maybe, these arrangements have not yet gathered full momentum, but they will, if their present pace of progress is maintained. As for the commercial banks, while they have been meeting the credit requirements of small business to some extent, there are some difficulties which prevent a large-scale extension of this service. These are: (1) inherent limitations of small industries in providing suitable security, (2) low ratio of capital to turnover, as a result of which the available block capital has proved an inadequate security in relation to a given level of production, (3) the uncertain prospects of business, and (4) the difficulties in assessing the existence and strength of demand for the products of this sector. Despite all these handicaps, the commercial banks in India have been meeting a sizable part of the credit needs of small entrepreneurs.

Reserve Bank's Survey

No attempt had so far been made to assess the extent of credit provided by commercial banks. This lacuna has now been filled by an ad hoc survey of advances of a selected (sample) number of offices of scheduled and non-scheduled banks to medium and small-scale business units by the Reserve Bank of India. The results of the survey, published in the *Reserve Bank of India Bulletin* for June 1959, make interesting reading.

Though the Reserve Bank's survey is a sample one, it is fairly representative, in that it covers (1) places in all population groups, (2) various States in the Indian Union, and (3) scheduled and non-scheduled banks operating at each centre. Thus, 74 scheduled banks with 556 branches and 151 non-scheduled banks with 244 branches, making a total of 225 banks with 800 offices, were selected for the survey. But statistics available covered only 752 offices. For the purpose of this survey, small-scale business is defined to include a proprietary concern or a partnership or public or private limited company with total assets less than Rs. 5 lakhs and medium-scale business as one with total assets between Rs. 5 lakhs and Rs. 20 lakhs. The survey relates to the position as on 30th September 1957.

Outstanding Advances

The total outstanding advances (secured and unsecured) of the 752 offices to the aforesaid types of business amounted to Rs. 56.8 crores as on that date. On this basis, the projected figure for the entire commercial banking system is Rs. 256.83 crores, of which the share of scheduled banks is Rs. 241.77 crores, or 94.2 per cent., and that of non-scheduled banks Rs. 15.07 crores, or 5.8 per cent. This means that scheduled banks made a little over 30 per cent. of their total advances to medium and small-scale business units and non-scheduled banks over 61 per cent.

A State-wise distribution of these advances shows that Bombay State accounted for the largest share with Rs. 76.95 crores, followed by West Bengal (Rs. 38.58 crores), Madras (Rs. 22.73 crores), Mysore (Rs. 21.46 crores), Kerala (Rs. 17.86 crores), U.P. (Rs. 14.26 crores) and Punjab (Rs. 13.91 crores). Another feature of the State-wise distribution of advances is that nearly four-fifths of total advances of non-scheduled banks (Rs. 15.07 crores) were concentrated in the three States, Kerala, Madras and Mysore,

with Kerala alone accounting for nearly 50 per cent. This is attributed largely to the relatively high concentration of non-scheduled banks in these States.

The Reserve Bank's survey shows that about 80 per cent. (Rs. 207.44 crores) of the advances to small concerns was secured. The proportion of secured advances was more or less the same in the case of both the corporate and non-corporate sectors. Advances to the non-corporate sector were predominant with Rs. 202.77 crores or nearly 80 per cent. of the total, as the following table shows:

(In crores of rupees)			
	Secured	Unsecured	Total
Corporate sector	44.44	9.62	54.06
Non-corporate sector	163.00	39.77	202.77
Total	207.44	49.39	256.83

Though the non-corporate sector accounted for about 80 per cent. of the total, in view of the generally smaller size of the units in this sector, the average amount of loan was no more than Rs. 17,400 against securities worth Rs. 23,000, while, in the corporate sector, it was about Rs. 85,500 against securities of the value of Rs. 1.20 lakh.

Purpose-wise Credit

A purpose-wise analysis of the advances of all commercial banks (on the basis of the Reserve Bank's survey) shows that Rs. 200.65 crores, or 78 per cent. of the total, were given to trade, of which the share of the non-corporate sector was Rs. 170.28 crores or more than 85 per cent. of the advances to trade. Industry ranked next, but it accounted for no more than 18 per cent. Industrial advances were more or less evenly distributed. Almost the entire advances to construction, services and agriculture were given to the non-corporate sector.

A break-up of the advances to trade has revealed that wholesale business was the single target entity, the amount of scheduled bank credit to this section being Rs. 119.48 crores or 63 per cent. of the total commercial advances to all medium and small-scale units. In the case of non-scheduled banks, advances to wholesale business were only a third of their total to all trade. It will be interesting to note here that nearly half of the total commercial bank advances to all units of wholesale trade was given to small and medium units. Total advances to retail trade amounted to Rs. 27.05 crores, of which scheduled banks accounted for Rs. 23.92 crores and non-scheduled banks for Rs. 3.25 crores. Advances to industries were far behind with Rs. 46.11 crores or 18 per cent. of the total. Among these units, textiles other than cotton, vegetable oil crushing, iron, steel and light engineering, rice milling and "other food, drink, tobacco" were the principal recipients of bank credit.

Security-wise Advances

A security-wise analysis of the advances shows that nearly half of the scheduled banks' credit, or Rs. 98.27 crores, was secured by stock-in-trade. Next in order were documentary bills, advances against which by scheduled banks stood at Rs. 26.60 crores. Advances against Government securities, shares, etc., were fairly high at Rs. 19.96 crores or about 17 per cent. of the total advances against these securities to all units. Scheduled bank credit against finished goods and raw materials were Rs. 10.86 crores and Rs. 9.41 crores, respectively. Such low level of advances against these two securities provides an indication of the general reluctance of banks to accept them as sufficient securities.

From the foregoing analysis, the Reserve Bank survey concludes that "scheduled banks play a more significant role than is realised in providing finance to medium and small-scale business units." It, however, adds that most of the finance is directed towards wholesale and retail trades, small and medium-sized units of industry getting no more than 12 per cent. of the advances made available by the whole banking system to industry, thus pointing to the need for augmenting the credit supply required by the producers.

SMALL SAVINGS IN BOMBAY

Over 50 per cent. of the total net collections under the small savings scheme made in the State of Bombay during the year 1958-59 have come from rural areas, an improvement by more than 20 per cent. over 1957-58, when rural investment in small savings was estimated at less than 30 per cent. This was stated by Mr. Homi J. H. Taleyarkhan, Parliamentary Secretary to the Chief Minister, in his valedictory address early this week at the Small Savings Shibir at Veetnal for training of small savings agents in the district, over which he presided. The total net collections of small savings in Bombay State during the year 1958-59 amounted to Rs. 23 crores (inclusive of interest). Out of this, Rs. 7½ crores came from Bombay City. Assuming another Rs. 3 crores to have come from other urban areas of the State, he estimated over Rs. 12 crores to have been collected from rural areas. Besides, he added, quite a considerable amount which went to the credit of cities came from those residents of towns who invested out of their agricultural incomes.

Mr. Taleyarkhan added that the State was making an all-out effort this year to reach its target of Rs. 26 crores. He said that in the first three years of the Plan, the State had collected a net amount of Rs. 55 crores, as against the total target of Rs. 75 crores at the rate of Rs. 26 crores each year. Although this was far better than any other State, it was not enough, as besides the target of Rs. 52 crores for the remaining two years, the State would still require Rs. 23 crores more to achieve its net aggregate target for the second Plan period.

INFLATION IN THE U.S.

A special Presidential Committee on Price Stability, headed by Mr. Nixon, Vice-President, has urged congressional action to "forestall inflation and ensure sound and sustained growth and progress." In an interim report presented to President Eisenhower and made public by him a few days ago, the Committee observes that, if "inflationary forces are substantially checked, the U.S. can move forward to the greatest and soundest period of economic progress and prosperity in history—a period of sustained economic growth with reasonable price stability."

In sending copies of this report to all members of Congress, Mr. Eisenhower remarked: "I urge that the Congress consider anew the Committee's three recommendations...."

The Committee has noted that "the economy has recovered from the recent recession and is now breaking into new high ground." Stating that the evidence "is unmistakable," it cites the following:

- (1) Overall output is the highest in history and rising vigorously.
- (2) Employment is rising sharply and unemployment is falling steadily.
- (3) Average weekly earnings, personal consumption expenditures and private investment are at record levels and are continuing to rise.

The Committee, which includes the Secretaries of Treasury, Agriculture, Commerce and Labour, the Postmaster General and the President's Chief Economic Adviser, has called on the Congress to take three prompt actions to control inflation. Its recommendations are:

A clear statement by the Congress "that the Federal Government intends to use all appropriate means to protect the buying power of the dollar."

A balanced federal budget in the fiscal year starting July 1959 and some reduction in the national debt.

Elimination of the present limitation on the interest rate of long-term Government bonds to make such bonds more attractive to investors and to reduce the need for very short-term Government borrowing.

"The preceding three steps are direct defences against the present danger of excessive high price rises," says the Committee. "The Administration has already recommended all of them to the Congress. We emphasise them in this interim report, because these actions are needed without further delay."

For the long-term approach to the problem of price stability, the Committee has informed the President that it is studying such questions as tax reform, the U.S. competitive position in overseas markets, Government regulations affecting industry, farm price support programmes, practices of labour and business, and increasing public understanding of the broad problems of economic growth and price stability.

STERLING AREA GOLD RESERVES

The gold and convertible currency reserves of the Sterling Area rose by £19 million in June and stood at £1,133 million on 30th June. The reserves, which now stand at their highest point since September 1951, have shown a net rise of £37 million in the first six months of this year. With the were made out of the reserves, they have risen every month since September 1957.

Last month's rise in reserves compares very favourably with that of £4 million in the corresponding month of 1958 and of £10 million in June 1957. At £1,133 million, the reserves, after allowing for the repayments of loans which had been taken from the I.M.F. and the Export-Import Bank are twice those to which they had fallen in the crisis of September 1957. They do not include the "hidden reserves" of £12 million which the U.K. Government received last month from Germany as a contribution towards occupation costs. This was not added to the reserves, but paid over to the Paymaster in Germany so as to be available to meet future costs.

THE CASE FOR HIGHER INTEREST RATES IN INDIA

By Dr. George Rosen

ANY observer of the Indian economy, and any prospective foreign investor, is rapidly and surprisingly struck by one striking phenomenon in the Indian economy—the low level of interest rates in the organised capital markets. The Reserve Bank rate is 4 per cent., the interest on Government loans is approximately the same, the rate paid on bank deposits is approximately equal, and the rate paid to banks for short-term loans ranges from 4½ to 6 per cent. for the larger companies. The rates on long-term loans from the Industrial Finance Corporation, or from banks via the Refinance Corporation, is about 7 per cent. These rates are also reflected in the returns on industrial securities which range from about 4 per cent. tax-free on debentures to about 6 per cent. tax-free on shares (or about 6-10 per cent. inclusive of tax). This structure of rates, which is confined to the organised money markets, is relatively low—certainly as compared with other underdeveloped countries, and even as compared with certain developed countries. Furthermore, within India itself, if the unorganised money market rates are taken as indicative of the real rates of interest, they are significantly below the real rates.

These organised money rates largely reflect Government policy, as evidenced both by the Reserve Bank rate, and by the Government's active intervention to prevent rates offered for bank deposits from rising. The reasons for the policy, which goes back to the war years, are not hard to find. The Government, which is by far the country's leading debtor, is also attempting to finance a major development programme which may be compared to the war effort. It must pay a substantial sum each year in interest on steadily increasing debts. It is interested in keeping that figure low for straight budgetary reasons, to reduce the cost of the development programme, and for the social reason that the Indian Government is committed to a "socialist society" which has no place for a rentier class. Apart from this, it is felt that a rising rate of interest would reduce the capital value of existing Government securities and thus jeopardise the asset position of the holders—largely institutional—of these securities.

Effect on Savings

These are strong grounds for the Government's interest in maintaining low interest rates. They could only be overridden by the argument that a greater volume of savings would be attracted by higher rates. However, it is claimed that the separation between the organised and unorganised capital markets in India is so sharp that a rise in the interest rates in the former would have little or no effect in attracting a greater volume of savings in the latter. Furthermore, it is felt that, since the demand for capital is determined by the Plan, it would not be reduced as a consequence of higher interest rates. Thus, it is claimed that the interest rate in the organised market would not be performing the usual functions of price. It is best to keep the rate as low as possible, since, thereby, costs are kept low for the Government, and an "undesirable" social class is discouraged.

When so little is known in fact concerning the savings and investment habits of the Indian population, it is difficult to discuss the effects of interest rate changes on them intelligently. Nevertheless, I feel that the arguments for permitting a rise in the interest rates are strong, and outweigh those advanced in favour of retaining the present rates.

First the comparison with a war economy is apt, but it is overdue. In a war economy, the Government will normally take steps to control other prices, as well as the interest rate; and it will also, by patriotism and various methods, ensure that it gets the resources it needs. For a long-term development programme, patriotism is insufficient as a saving stimulus. In India, other prices have not been controlled, except to a limited degree. From 1955-56 to 1958-59, the index number of wholesale prices has risen from 89 to 112—an annual average of about 3 per cent. This means that, with the interest rate roughly constant, the real rate of return in the organised money markets is only about 1 to 6 per cent., rather than the ostensible 4-10 per cent. With such a low rate of return it becomes understandable why potential urban middle-class investors put their savings in bank or in time deposits; and,

if they do invest, it is only in gilt-edged company securities which are almost risk-free and very liquid. There is in India a suspicion of many of the business men; if the rates of return offered were higher, some savers might be willing to take the risks of investment in such enterprises. But, with the general low rates of return on both safe and risky enterprises, the urban investors throng only to the securities of a few safe companies—Indian and foreign—depressing their returns to almost the level on Government securities and leave the others alone, preferring to put money in the bank or in commodities, instead of taking a high risk with a potentially low return.

It is difficult to examine the rural sector's response to higher rates, since, at present, there is little reason for the peasant with a surplus, as well as the urban worker or lower middle-class person, to invest in Government or industrial securities, in preference to gold, or, in rural areas, land. Apart from lack of knowledge of the industries and suspicion of urban business men, the peasant and small urban saver can very safely put his surplus into gold on a rising market. From 1954-55 to 1958-59, gold has risen in price in Bombay from about Rs. 90 to Rs. 112 per tola—or at a rate of about 5 per cent. per year. Gold is risk-free; it is a traditional form of investment; and it is rising in value. In order for other investments to be preferred, they must offer a rate of return that, at minimum, equals the rate which can be earned simply by holding gold for a price rise, even apart from the greater risk in, and the ignorance of, other types of investment. It is clear that present low yields on other investments discourage alternative investment and thus encourage the increasing amount of gold smuggling that has been noticeable since 1955.

Rural Savings

At present, with the proposed ceilings on land, it is believed that at least some rural landowners would be interested in putting their savings (or surplus land) into investments alternative to land. For this to take place, there must, however, be at least the possibility of adequate returns in industrial or Government securities—and this is discouraged by the present low rate of return on these.

Until now our discussion has been in terms only of the supply of savings. If rates of interest rose, would the effect on demand for capital be negligible? In war-time, this would certainly be the case, but does this also hold true in a development programme?

The effect of low interest rates is to encourage large capital-intensive projects—the giant steel mill, the large multipurpose project, etc., and to discourage the smaller, less capital-intensive projects. While to some degree these are not alternatives, to the degree that they are it is highly desirable that the less capital-intensive method be chosen in a country where capital is as scarce as it is in India. It is possible that one of the factors encouraging the large multipurpose projects and discouraging the smaller local irrigation works that might have been even more useful has been the low level of interest rates. The effect of higher interest rates, by encouraging the more capital-intensive projects, also encourages importation of more foreign components (since India probably does not produce them), thus contributing to the foreign exchange crisis.

Allocation of Capital

Furthermore, since the larger projects normally take a longer time to produce their output, the lag contributes to building up inflationary pressures within the economy. Finally, and a very important effect, by discouraging more labour-intensive projects, the low cost of capital reduces the employment consequences of a project. It is worth noting that Russia, which initially abolished the interest rate, has been forced to introduce it under other guises, in order to contribute to the more efficient allocation of its capital resources. Thus, higher rates of interest would probably contribute to a more efficient allocation of capital in India, as well as reduce the demand for capital goods imports and increase the demand for labour. (It may be desirable that some projects be subsidised with a lower rate of interest, but it is better that this be done as a direct subsidy for those few than for all projects.)

The other two arguments for lower rates are subsidiary to the major ones. A higher rate does support a rentier group, but, if the savings of the rentier group are invested in socially desirable investments with a higher return, it is any day preferable to investment in such forms as gold, even though, on this, the Government pays no return. If a rentier class is felt to threaten desirable social goals by the high incomes it earns, this can be met by appropriate tax policies. The effect of higher rates on existing holders of Government securities is a problem, but becomes one in fact, as distinguished from bookkeeping accounts, only if the securities are sold. In order to cushion the blow of a substantially higher rate to the banks and the Life Insurance Corporation, which hold such a large proportion of their assets in Government securities, it might be desirable to give them a bookkeeping credit, or adopt some other method, such as a subsidy on sale of the security, to prevent their bankruptcy in the case of a sharp rise in the rates of interest. This also can be dealt with by specific steps taken within a context of a move toward higher rates.

In spite of these difficulties, there are strong grounds for a policy of encouraging a higher rate of interest in the organised money markets of India; and these grounds outweigh the reasons for continuing the present low interest rate policy. Moreover, if we are correct, our arguments would support a sharp rise in rates, rather than merely a very slight adjustment, whose effects would be negligible.—All Rights Reserved.

U.S. AID TO BURMA

The United States is prepared to make available to Burma over the next four years up to \$30 million in economic assistance, subject to appropriation of funds by Congress, according to an announcement by the State Department made on Monday this week. At the request of the Burmese Government, the United States has offered to provide essential economic assistance to two major development projects in Burma. These projects involve the construction of a modern highway connecting Rangoon with Central Burma and of modern dormitory facilities at the University of Rangoon. Diplomatic notes have been exchanged between the two Governments providing for the use of up to \$1 million of U.S. economic assistance funds to finance feasibility, engineering and other studies for these two projects. It is anticipated that most of these studies will be carried out by the U.S. Army Corps of Engineers.

The \$30 million offer would be subject to mutual agreement on details, compliance with applicable U.S. laws, and appropriation of funds by the U.S. Congress. On its part, the Burmese Government would cover, from loans or other sources, the foreign exchange costs of the projects in excess of this U.S. contribution. The Burmese Government will also cover local currency cost of the projects. The United States is prepared to assist in financing a portion of these local currency costs by providing the equivalent of \$6 million Burmese currency derived from sales to Burma of U.S. reserve commodities.

The State Department said that the assistance "is intended as a token of friendship towards the people of Burma to assist the development of Burma's economic and human resources. A modern highway serving the interior of Burma will stimulate further economic development, while the new facilities at the University of Rangoon will contribute materially to the improvement of higher education for the young people of Burma."

WORLD BANK LOAN TO GABON

The World Bank has granted a loan equivalent to \$35 million to a firm in the Gabon Republic in French Equatorial Africa for the development of extensive high-grade manganese deposits. The loan is for a period of 15 years and bears interest at the rate of 6 per cent., including the usual commission of 1 per cent. The loan, the amortisation of which will begin on 1st July 1963, is guaranteed by the Republic of France, the Republic of Gabon and the Republic of Congo. Messrs. Lazard Freres and Co., New York, has arranged the private sale of maturities representing at least half the amount of the loan. Institutional investors are purchasing "strips" covering the whole 15 years of the loan. These are the longest maturities of a World Bank loan ever to be sold without the Bank's guarantee.

The total cost of the project is estimated to be the equivalent of \$69 million. The Bank's loan will be used to pay for imported goods and services.

DENA BANK

The Devkaran Nanjee Banking Company, Ltd., has earned a profit, subject to audit, of Rs. 6.99 lakhs for the half-year ended 30th June 1959, as compared with Rs. 7.61 lakhs in the corresponding period of 1958 and Rs. 6.45 lakhs in the first six months of 1957. The Directors have, however, raised the interim dividend to Re. 1.86 per share of Rs. 50 each, equivalent to Re. 1.30 (net) per share, as against Re. 1.25, free of income-tax, paid for the corresponding six months of last year. This absorbs Rs. 1.86 lakhs (Rs. 1.25 lakhs), leaving to be carried forward Rs. 8.15 lakhs (subject to provision for taxation), including a sum of Rs. 3.02 lakhs brought in from 1958.

DIFFICULTIES OF U.P. COTTON INDUSTRY MR. SHASTRI IN SYMPATHETIC MOOD

THE cotton millowners of Uttar Pradesh must have felt gratified at the assurance of Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, that he would give sympathetic consideration to their suggestions for resolving the crisis in the U.P. textile industry. Speaking at a high level conference on the industry held in Naini Tal on the 1st inst., Mr. Shastri pointed out that, if the Central policies caused any hardship to U.P. mills, efforts would be made to remove them; in any event, these policies were not meant to discriminate against them. And he added: "Some of the suggestions will have to be examined by various Ministries other than my own. Mr. D. S. Joshi (Textile Commissioner) will initiate consultations with other Ministries on the industry's demands before the Government takes a decision."

The Naini Tal conference was attended by representatives of the Centre, the State Government and the millowners. Messrs. Padampat Singhania, Sitaram Jaipuria, K. M. Modi and Ram Rattan Gupta represented the industry and presented the problems confronting the mills, while Dr. Sampurnanand, Chief Minister of Uttar Pradesh, assisted by the Deputy Minister for Industries and other officials, explained the State Government's viewpoint. Mr. Shastri was assisted by Mr. D. S. Joshi, Textile Commissioner, and Mr. C. S. Ramachandran, Joint Secretary, Ministry of Commerce and Industry.

The spokesmen of the U.P. cotton industry were reported to have urged that the industry was subjected to severe stresses and strains and, unless energetic official action was taken, the crisis in the industry would deepen considerably. There is no exaggeration whatever in this statement. How else is one to explain the continued large capacity of the mill sector lying unutilised? The actual extent of idle capacity is estimated to be of the order of over 12 per cent. in spindleage and 15 per cent. in loomage. Out of the 31 mills (10 spinning, 3 weaving and 18 composite) in existence in the State, nine mills with a total of more than 100,000 spindles and 2,000 looms are at present remaining closed. In Kanpur alone, two big mills, the Cawnpore Cotton Mills and the Atherton West Mills, are not functioning.

Textile Output Low

As a result of the continued closure of a number of units thus and the curtailment of operation in a few others, production of textiles continues to be low. The total quantity of yarn that actually came off the spindles of U.P. mills during the first quarter of 1959 was no more than 131.02 million lbs., as against 133.09 million lbs. and 141.84 million lbs. in the corresponding quarters of 1958 and 1957, respectively. Similarly, the cloth output was lower at 335.61 million yards, as against 337.31 million yards in the first quarter of 1958 and 429.40 million yards in the same quarter of 1957.

The yarn and cloth output would have fallen to a greater extent but for the efforts of many mills to maximise production despite all the handicaps. For, by doing so, they could reduce the unit cost of manufacture which would have otherwise been higher. In other words, by keeping production at the highest possible level, they are only trying to minimise their loss and keep their heads above water. The gross profits of the U.P. mills are said to be negligible. To quote a report:

"The U.P. industry's ill-health is specially noticeable when its gross profits are compared to those earned by Bombay and Ahmedabad mills. The industry attributes many of its ills to certain disadvantages which it is made to suffer by the Union Government's textile policy. Ninety per cent. of the imported cotton, which should go to U.P. mills on the basis of their exports, are turned over to Bombay and Ahmedabad mills. U.P. mills pay more for power (notwithstanding the fact that the State Government has already decided to exempt the industry from electricity duty), freight, and insurance and a high rate of excise duty on coarse fabrics."

Several suggestions were put forward by the U.P. millowners at the Naini Tal conference. These covered modification of excise duties on textiles; provision of necessary facilities for modernisation of plant and equipment; liberal allocation of foreign cotton; assistance for textile exports from the State; liberalisation of bank credit; more active lending by financing agencies; and downward revision in railway freight on raw material and finished goods. An important point stressed was that the general depression in the textile trade had hampered the industry's scheme of modernisation which

might have prepared the industry for meeting the changing requirements.

The U.P. millowners' spokesmen pleaded for distributing the spindles and looms lying idle to the mills which are functioning on a *pro rata* basis. The acceptance of the plea, it was argued, would, besides providing employment to a large number of people, benefit the Central exchequer, as the yield from Union excises would increase. This would further alleviate the distress of such of the units as were working uneconomically now. Another plea put forward related to the abolition of sales tax on cotton yarn, which, according to the millowners, was collected only in Uttar Pradesh. They said: "Yarn-consuming interests in U.P., such as handloom weavers and their co-operative associations, now draw their requirements from other States, as supply from outside is more economical. Unless the Central Government decides to impose sales tax on yarn in all States, the U.P. Government should abolish the impost on yarn."

Two Things Essential

It will be seen from the foregoing account that the cotton mills in Uttar Pradesh are suffering from certain special disadvantages, especially locational, *vis-a-vis* their counterparts in other States and as such their plea for special treatment deserves sympathetic consideration. But, at the same time, it must be reiterated that, following the change in ownership and management of most of these mills after independence, there has also been considerable deterioration in the running of most of the units and dissipation of financial resources that had been carefully husbanded during the war and early post-war years. If these mills are to be put on a sound footing and that with

special assistance from the Government, two things, as was mentioned in this journal some-time ago, will be essential. One, the workers employed in U.P. mills must agree to take on a higher work-load. Two, there should be an expert investigation into the management of these mills, so that one may obtain firsthand knowledge of the type of reforms to be made in managements and the extent to which they are morally responsible for restoring the mills to their normal working.

WOOLLEN GOODS EXPORTS INCENTIVE SCHEME

The Government of India has announced an incentive scheme for stimulating exports of woollen goods—cloth, yarn, hosiery, garments, carpets and shawls. Under the scheme, those manufacturers who sell woollen goods abroad will be entitled to utilise a part of the foreign exchange for imports of essential raw materials. Licences for these imports will be granted only once in a quarter on the basis of exports effected in the preceding quarter as indicated below:

Yarn, cloth and hosiery: Licences for the import of raw wool, wool tops and shoddy wool will be given to spinning and weaving units and manufacturers of hosiery up to 75 per cent. of the f.o.b. value of the exports effected. Additionally, licences up to 10 per cent. may also be granted to them for importing permissible types of dyes and chemicals as may be decided upon by the Textile Commissioner. These applicants will have the option to use this 10 per cent. for importing permissible types of machinery, spare parts and accessories for replacement purposes as decided by the Textile Commissioner.

Carpets, rugs and druggets: Manufacturers of carpets, rugs and druggets will be allowed to import permissible types of dyes and chemicals as decided by the Textile Commissioner to the extent of 5 per cent. of the f.o.b. value of their exports. In the case of exports to North and South America and Canada, licences up to an additional 5 per cent. of the f.o.b. value may be allowed for the import of wool and wool tops.

Ready-made garments and shawls: Manufacturers of ready-made garments and exporters of shawls other than manufacturers will be permitted to import raw wool, wool tops and shoddy wool up to 50 per cent. of the f.o.b. value of their exports. Additional licences up to 25 per cent. may also be granted to manufacturers of ready-made garments for importing zip fasteners, buttons and sewing thread.

SUSTAINED DEMAND FOR TEXTILE GOODS SYSTEM OF PAYING COMPENSATION TO COTTON OPERATIVES REVISED

From A Special Correspondent

MANCHESTER, 30th June

WITH half of the current calendar year behind them, quite a number of firms connected with the textile trade will be taking stock of their position. Many will now be far more favourably situated than those who undertook the same task only three months earlier. The transformation in the past quarter may not have been quite as start-

MANCHESTER LETTER

ling as some observers have led the outside world to believe, but it has certainly justified those forecasters who indicated that a change for the better was sure to come once the complicated matter of price irregularity had been smoothed out.

It has, on the whole, been a half-year of remarkable contrasts, but the Lancashire cotton trade is well versed in such variations of mood. Starting in a period when trading has rarely, if ever, been so stagnant, it has seen a transitional phase through the downfall of price regulation and a subsequent reversal of fortunes resulting from a sustained demand for goods which rapidly became in short supply. The volume of stocks held and those in the pipeline quickly diminished in face of a large and persistent call from customers.

These switches in demand from one extreme to the other are difficult to foresee, but efforts are being made in some directions to provide a guide to traders so that adequate steps can be taken to meet eventual developments, whether indicating a dearth or excess of demand.

Figures drawn up quarterly, covering the Lancashire textile trade in man-made fibres, are now being more widely circulated with the object of giving each section of the industry information about general demand, supply and stock positions in each branch and the final off-take of textile goods. It is believed that the intelligent use of these figures should have a stabilising influence on the trade generally.

A Good Guide

All the statistics available for the first quarter of the year indicated a sharp fall in stocks in the pipeline from the closing months of 1958, accompanied by rising retail sales. While yarn and fabric production declined, the stocks held by the industry generally were reduced. The last sentence of the survey forecast: "If final off-take is maintained, this situation should lead to increased activity in the near future." This observation has subsequently proved correct, in view of the pronounced upward movement in man-made fibres manufacture in Lancashire, particularly in May and June.

Historically, the past half-year has witnessed developments which will be regarded as important in the annals of the Lancashire cotton trade. The abandonment of price regulation arrangements in spinning and doubling and the agreement limiting purchases of Hong Kong cloth were factors whose repercussions have not yet been fully felt.

Overshadowing these events has been the preliminary stage of the reorganisation scheme, now rapidly reaching its climax. Within a week, the sectional schemes are due to be submitted to the Cotton Board for approval by the special agency set up to deal with the project and onward transmission to the Board of Trade.

New Pay Pact

Representatives of the employers' organisations in the cotton spinning and weaving industry have agreed to a revised system of paying compensation to operatives who are displaced under the reorganisation plan now under consideration. This followed strong pressure from the trade unions for an unconditional lump-sum payment. Administrative difficulties arising from the unemployment insurance regulations resulted in a modification of the original agreement so that workers will now be able to draw compensation without forfeiting the right to unemployment benefit at the same time.

The formula is based on the same entitlement already agreed on average earnings and according to age. Half the amount will be paid as an immediate lump sum and the remainder will be available for payment by weekly instalments during unemployment on a basis of two-thirds of normal earnings less the standard rate of unemployment benefit. The weekly compensation will stop when the redundant worker is placed in another job.

Examples of how the scheme would work include the payment of £180 in cash for an operative aged 65 or over earning an average of £12 a week plus the balance at the rate of £5 10s. a week. A £9-a-week worker aged 43, which is the average age in the industry, would get £40 10s. in cash and the rest at £3 10s. a week.

Administrative details of the agreement are to be arranged by a joint working party consisting of representatives of the cotton employers and trade unions.

Still on the Wrong Side

Despite the fact that export of British cotton cloth in May were the highest since the same month in 1958, the volume of imports again exceeded comparable shipments. The gap was narrowed but not eliminated; for the first five months of this year, arrivals of foreign cloth have increased by more than 20 million square yards, while exports have fallen by 37 million square yards. By value, exports during May exceeded £6,000,000—again for the first time

since May last year—and the limited revival in shipments of cloth at 33,248,000 square yards must be a source of encouragement. The attitude of many customers abroad, however, still remains remarkably indolent so far as Lancashire-made cloth is concerned. Few stimulating influences can be discerned which might in due course bring a material improvement in the off-take.

At the end of five months, the number of outlets which have taken larger quantities of cotton goods this year as compared with last is scarce indeed; with the exception of one or two West African territories, including Ghana and Sierra Leone, only minor customers are involved. In contrast, the major Commonwealth buyers have invariably cut their purchases substantially, the most notable examples being Australia, whose takings have dropped from 31,137,000 square yards to 22,430,000 square yards, South Africa from 28,790,000 square yards to 17,351,000 square yards and New Zealand from 14,524,000 square yards to 10,743,000 square yards. Trade with the Belgian Congo and French West Africa has also shown a marked decline.

Arrivals of both grey cloth and finished goods continue on a larger scale than a year ago. Unbleached fabrics imported in the five months amounted to 167,656,000 square yards, as against 155,073,000 square yards in 1958. Other cloth from abroad aggregated 28,947,000 square yards, as against 20,314,000 square yards.

The Major Increase

The major increase is in purchases of Hong Kong material, which have risen by almost 50 per cent. Supplies reaching Britain so far this year have been 60,299,000 square yards, as against 40,397,000 square yards. Shipments from India have also broadened from 56,199,000 square yards to 65,165,000 square yards. A slight reduction has taken place in purchases from Japan, while Chinese trade has been sharply affected by the quota arrangements, arrivals being little more than 10,000,000 square yards, as against over 30,000,000 square yards.

In the first quarter of 1959, imports of cotton yarn exceeded comparable shipments for the first time for many years. Subsequent developments have given exports a slight edge, but arrivals are still substantial; at the end of five months, they amounted to 9,609,000 lbs., as against 5,923,000 lbs. in the same period last year.

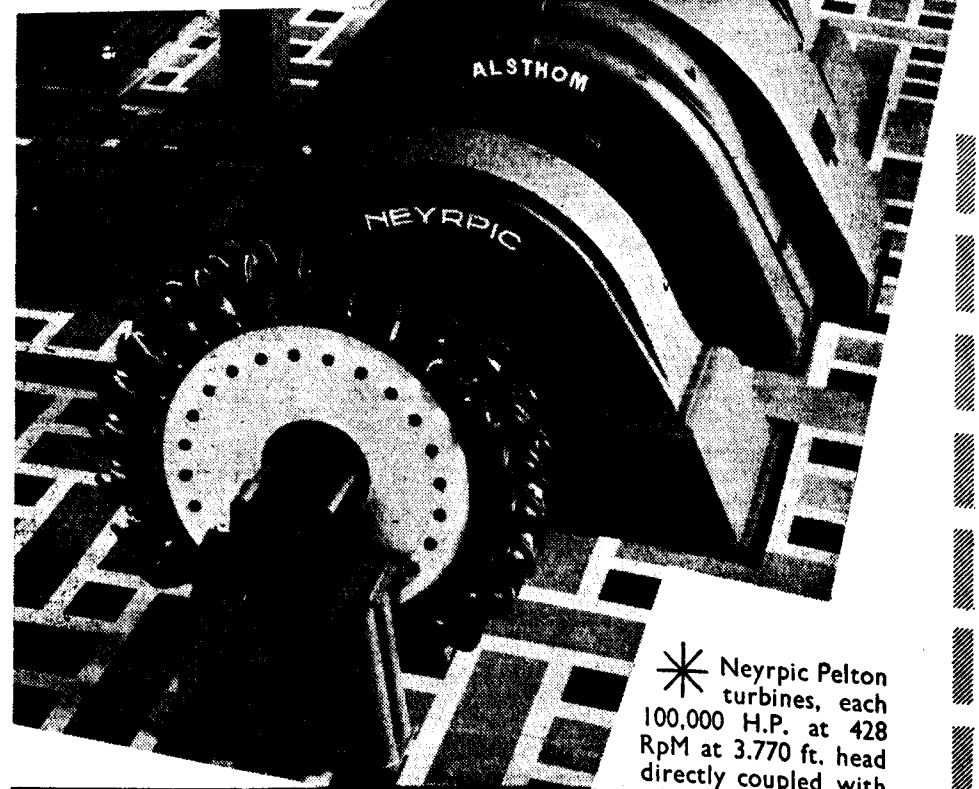
"Buy British" Plea

Customers of one old-established British textile firm have been told that the Directors have decided unanimously not to supply any foreign-made cloth. Customers were also urged not to handle any. Mr. Norman Taylor, a Director of the 123-year-old Baxter Woodhouse and Taylor, said in a letter from the firm's Poynton headquarters that Britain was being flooded with cotton goods marked "100 per cent. British made." "This statement can be misleading an often in effect means not spun, not woven an sometimes not finished in Great Britain by 'Made in Hong Kong by Chinese workers,'" he said. Customers were told that, in future good supplied by the firm would carry a small label saying "Spun, woven and finished in Great Britain."—All Rights Reserved.

BATLIBOI & COMPANY

REPRESENTING LEADING FRENCH MANUFACTURERS

**ALSTHOM
NEYRPIC
C.G.E.** [Compagnie
Générale
d'Electricité]



BATLIBOI & COMPANY
Proprietors:
BHOJILAL LEHERCHAND PRIVATE LIMITED

Head Office: Forbes Street, Fort, Bombay
Branches:
Madras • Calcutta • Delhi • Ahmedabad • Coimbatore
Kanpur • Vijayawada • Secunderabad-Dn.
Associates in Bangalore

* Neyrpel Pelton turbines, each 100,000 H.P. at 428 Rpm at 3,770 ft. head directly coupled with Alsthom alternators 80,000 KVA, 10,500 V. at Pragnères Power House (France)

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 25-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
6-D Rashtrapati Road
SECUNDERABAD (Dn.)

BOMBAY STATE
Horsebong Bank Building
Veer Nariman Road
Fort, BOMBAY

MAHARASHTRA
Mahatma Gandhi Road
BANGALU

GUJARAT
St. Chintamani Building
Rashtrapati Road, Cross Lane
AHMEDABAD

DELHI STATE
60, Jaipur
NEW DELHI

MADRAS STATE
Finance House
Pattas Road
MADRAS-2

MADHYA PRADESH
41, Tokogum Main Road
INDORE

MYSORE STATE
Korner Building
Ramdeo Gali
BELLARU

PUNJAB STATE (India)
Madan Mohan Malviya Road
AMRITSAR

UNITED KINGDOM
Priest House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Mohan Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

JALANAGAR P.O.
RAMRUR

INSURANCE
FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

NEW PUBLICATIONS

Industrial Change in India. By Dr. George Rosen.
Published by Asia Publishing House, Bombay.
Pages: 202. Price: Rs. 15.00

DESPITE the fact that India has more than a century of industrial experience, very few attempts seem to have been made to study scientifically the growth of industries in this country. Such treatises on industries as have appeared in the past have generally been historical and descriptive in their treatment. While these have their own value, they are no substitute for the study of technological changes in industries which is essential for a better understanding of the industries and their relationship to the rest of the economy and for projecting probable course of future growth. True, the lessons of the industrial history of the West can provide some guidance, but it is only on the basis of our own experience that future development could be firmly planned.

It is to this neglected field that Dr. George Rosen, a noted American economist, has turned his attention. Dr. Rosen's interest in India's economic problems dates back to his student days. His thesis for the Ph.D. degree at Princeton dealt with the problems of industrialisation of India. After spending a few years teaching economics, and a brief sojourn in Japan on a State Department assignment, he joined the staff of the Centre for International Studies of the Massachusetts Institute of Technology. This afforded him further opportunities to study India's problem. The book under review is the result of an experiment in empirical economic and statistical research into Indian industry he made at the instance of the Centre. It is, as the sub-title suggests, a study of industrial growth, capital requirements and technological change during the period 1937-55. The choice of this period is significant for the developments during this period were chiefly responsible for placing India on the industrial map of the world.

The study, in the author's own words, is aimed at "utilising existing statistical material in India to compute the historical trend of capital output and capital labour ratios in specific factory industries over a period of time. It is intended to provide some tentative answers to the following questions:

What have been the trends with respect to capital intensity and use of labour and capital in Indian industry? How do the observed trends in specific industries between 1937 and 1953 compare with the ratios forecast for Indian industry in the second Plan? How do these trends in India compare with those found in countries with different endowments of capital and labour and at different stages of industrial development? How do these statistical results compared with results based on observation and interview with respect to the use of both machinery and labour in Indian industry? What are the influences acting upon the Indian business man which determine his attitude toward varying combinations of machinery and labour?

The foremost problem which a research scholar in Indian problems has to face is the paucity of statistical data. Even those that are available are either not sufficiently comprehensive in coverage or lack clarity and precision. This imperfect material one has to work on blunts the edge of the tools of research. Realising this limitation, Dr. Rosen, confines the study to five specific industries—cement, paper, iron and steel, cotton textiles, and sugar, for which relevant data are available and which, by their importance and range of problems, are reasonably representative of Indian factory industry. To ensure greater accuracy, he has compared the results of the research with those obtained from personal interviews. As a result of these checks and cross-checks, he is able to develop a statistically satisfying picture of industrial change in India.

The first two chapters give a short historical review of the growth of Indian industry since 1937 and the conditions of that growth. The third chapter contains a brief discussion of the purpose and value of capital-output ratios. In the fourth and fifth chapters are presented the results of statistical studies of five industries, followed by an examination of technological trends in Indian industry, in general, and the cotton textile industry, in particular, in the seventh and eighth chapters.

The author's study indicated a trend towards both higher capital-output ratios and capital-labour ratios over the period. It, however, gave little indication of the reasons for this upward trend in a country like India with apparently 'unlimited' supply of labour and scarcity of

capital. To find out the reasons, the author collected information through plant visits and personal interviews of managers, technicians and trade unionists which form the basis of the discussion of the technological trends in Indian industry. This revealed, *inter alia* that, contrary to popular notion, labour is not cheap, at least to the manufacturing sector of the economy. On the other hand, the scarcity of specific types of labour, skilled and semi-skilled, the cost of training a labour force and the lower productivity of this labour force caused by such factors as newness to an industrial organisation, poor diet and climate, etc., make industrial labour costly in both money and real terms. In addition to these factors, which had already existed in the country, changes that have occurred in the pattern of labour-management relations with the consequent changes in the management's responsibilities in the wage structure since the war and especially since independence have had the effect of raising the cost of labour to management and making it a rigid element at least during a downturn. Dr. Rosen does not pronounce on the merits or demerits of the welfare legislation that produced this rigidity. He only points out how they affect the economics of the industry. This indicates why Indian industrialists, like their counterparts in the West, consider capital relatively cheaper than labour despite its scarcity and the abundance of labour, and perhaps explains the rising capital-output and capital-labour ratios in industry.

Since financial data were available only for the large-scale industry, to complete the picture, a non-statistical study of the small-scale industry was felt necessary, the results of which are presented in chapter nine. It had only a limited aim, namely, examination of the relationship between the large-scale factory establishments and small-scale firms and was confined to small-scale firms in Bombay's engineering industry.

The implications of the conclusions of the study for future industrial development are outlined in the last chapter, along with certain projections of growth. For instance, the author emphasises that the private and public sectors are highly complementary and that, in the in-

terest of rapid development, both must move in unison. To quote him:

"If the required Government programmes are not carried out, the shortages of facilities for the expansion of the private sector will lead to a lower rate of growth than anticipated. At the same time, if the Government programmes are financed by substantial diversion of capital and foreign exchange resources from the private organised industrial sector, the latter sector will be unable to expand as projected. Apart from the immediate effects of relieving a short-run financial crisis, the effects of a sharp cutback in the expansion of private investment could have harmful, long-run psychological consequences in abruptly 'grounding' the take-off of the most dynamic sector of the economy. The simultaneous expansion of both sectors thus requires a careful examination of the programmes in both the Government and the private sectors to evaluate the degree of complementarity and to insure the efficient allocation of capital."

In the concluding portion are indicated certain potential areas of further research into fields related to industrial development.

Dr. Rosen's is no doubt a pioneer study. It has provided certain tentative answers to some important questions, thrown fresh light on some others, enabled a better evaluation of research techniques and prepared the ground for further research. It is upto Indian economists to pursue the line and make similar studies.

Motor Vehicles Act. Published by Sundaram Industries Private Limited, Madras. Pages: 742. Price: Rs. 25

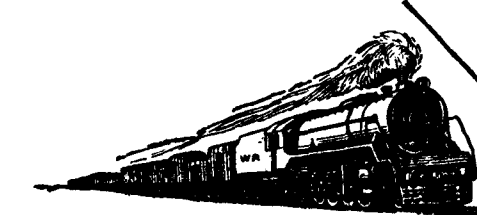
In the context of the need for promoting road transport and the modest fillip which the Government's policies have given to it in recent years, the book *Motor Vehicles Act* will be widely welcomed. Each section of the Act is carefully explained and the relevant case law cited. A notable feature of the book is a series of appendices which cover such subjects as motor vehicles taxation, a chronicle of events in the development of automobile industry in the U.S., and road and automobile statistics. For those interested in automobile industry, in general, and road transport, in particular, the publication will serve as an excellent work of reference.

Quick Transit Service

On WESTERN RAILWAY
SPEEDED up



BOMBAY



WESTERN RAILWAY

The Quick Transit Service on the Western Railway is proving increasingly popular.

The basic features of the Quick Transit Service is that goods are conveyed by the Express Goods Services WITHIN A GUARANTEED PERIOD OF TIME, ON COLLECTION OF A SMALL ADDITIONAL CHARGE.

The transit time is inclusive of the date of booking and date available for delivery at destination.

6 DAYS
BELANGANJ (AGRA)

2 DAYS
JAIPUR

3 DAYS
AJMER

5 DAYS
DELHI

4 DAYS
INDORE

4 DAYS
AHMEDABAD

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

3 DAYS
SURAT

ALLAHABAD BANK

LIMITED

Established - 1865

Affiliated to
The Chartered Bank

★

HEAD OFFICE:

14, India Exchange Place, Calcutta

A branch of the Bank has been opened at
CHANDIGARH, East Punjab, on the 8th July
in Sector - 17B.

M. J. Maclaren
GENERAL MANAGER

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED Rs. 5,00,00,000
CAPITAL PAID-UP Rs. 3,00,00,000
RESERVE FUND Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA

AHMEDABAD	Sion	JUNAGADH
Bhadra	BHUJ (Kutch)	KANPUR
(Main Office)	CALCUTTA	MADRAS
Elia Bridge	23-B, Netaji	Sowcarpet
Gandhi Road	Subhas Road	NAGPUR
Manek Chowk	(Main Office)	Kingsway
Narvapura	Bara Bazar	Itwari Bazar
Station Branch	Chowringhee	NEW DELHI
AMRITSAR	Square	PALANPUR
BANGALORE	CALCUT	POONA
BANODA	COCHIN	POONA CITY
BOMBAY	COIMBATORE	RAJkot
Andhari	DELHI	GANDHIDHAM
Bandra	Colaba	SURAT
Bullion	Churchgate	SHOLAPUR
Exchange	Fort	VERAVAL
Colaba	Kalbadvi	HYDERABAD
Churchgate	Malabar Hill	(Deccan)
Post	Santa Cruz	JAMSHEDPUR
Kalbadvi		VISAKHAPATNAM
Malabar Hill		
Santa Cruz		

BRANCHES OUTSIDE INDIA:

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

DIRECTORS

SIR COWASJEE JEHLANGIR, Baronet,
G.B.E., K.C.I.E. (Chairman)
Mr. AMBALAL SARABHAI
Mr. RAMNIWAS RAMNARAIN
Mr. BHAGYANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANNIOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 2 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Share and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.

SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

Good for you.

Not so good for the producer.

Fields too far from a road.

Any road.

Too much food in one area.

Not enough in another.

Movement is the answer.

Movement from the fields

to the village market.

From village markets to the

neighbouring towns and cities.

Cheap transport.

Quick transport.

Efficient transport.

And for that you need roads.

That's why roads must have
topmost priority.

That's why everything to do
with roads is so important.

Bitumen, for example.

One of the better

road-building materials.

Inexpensive.

Easy to handle.

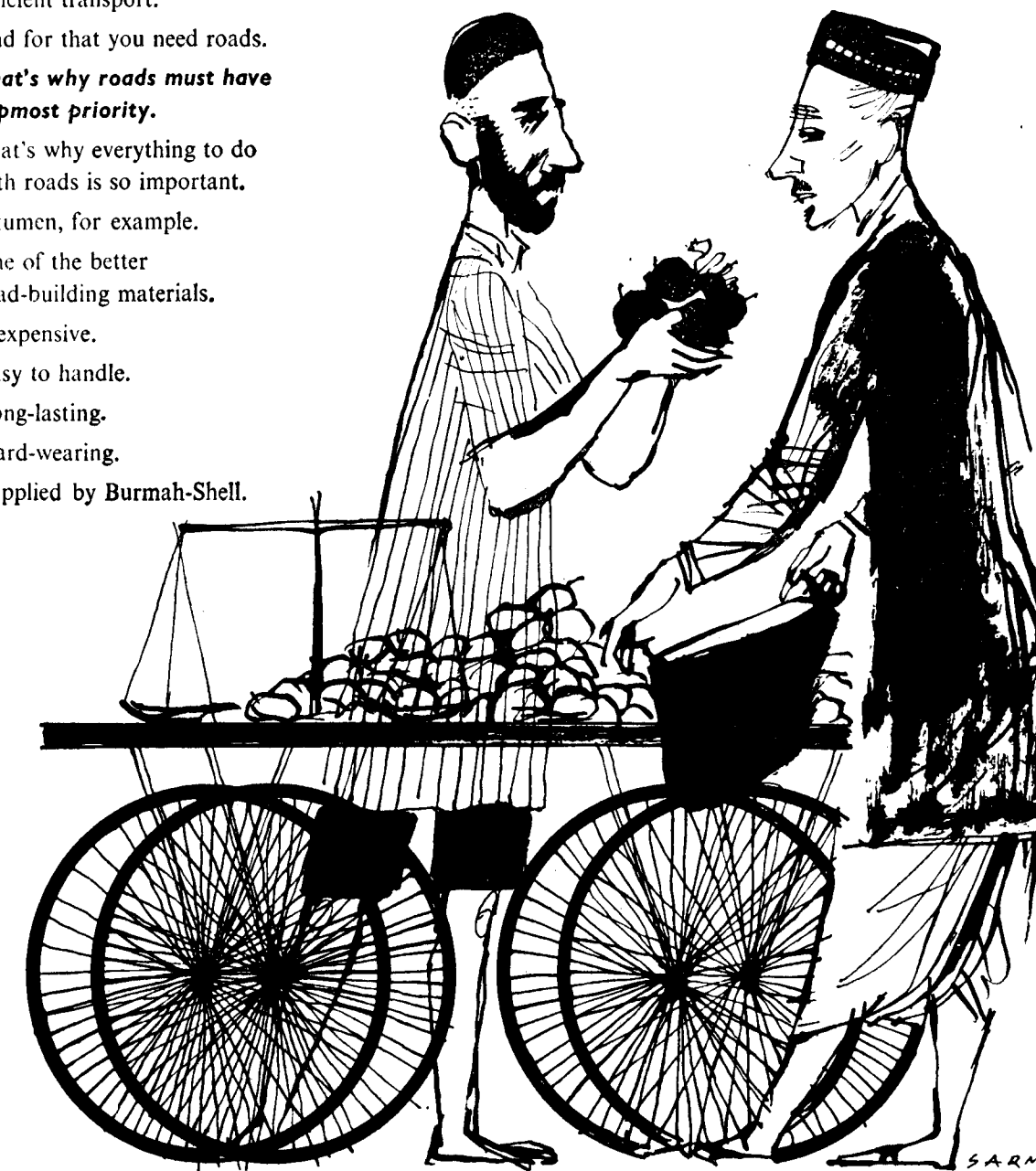
Long-lasting.

Hard-wearing.

Supplied by Burmah-Shell.

Brinjals: 100 for Rs. 2.50

Burmah-Shell Bitumen is more than an important material—it's a service. We make available the experience and advice of skilled engineers, whose job it is to assist in the construction of roads. Good roads. Cheaper roads. BURMAH-SHELL BITUMEN CAN BE SUPPLIED IN BULK. THIS DEVELOPMENT, PIONEERED BY BURMAH-SHELL, SAVES VITAL STEEL BY MAKING DRUMS UNNECESSARY. BULK BITUMEN IS PARTICULARLY SUITABLE FOR MECHANIZED ROAD CONSTRUCTION—AND IT IS MUCH CHEAPER IN ITS INITIAL COST.



BURMAH-SHELL BITUMEN FOR BETTER ROADS



Proved
best in
service

Silver
Exide

CHLORIDE & EXIDE BATTERIES
(EASTERN) PRIVATE LTD.

WAGE STRUCTURE FOR SUGAR INDUSTRY CENTRAL BOARD LIKELY TO SUBMIT REPORT SOMETIME NEXT YEAR

THE Central Wage Board for the Sugar Industry is expected to complete its findings and submit the report to the Government of India sometime next year. This was disclosed by Mr. Bind Basni Prasad, Chairman of the Board, while talking to Pressmen at Bangalore on the 1st inst. According to Mr. Prasad, the Board, after visiting Andhra Pradesh, will return to its headquarters, that is, Gorakhpur. It will then sit in Bombay for compiling the "enormous" data received and for preparing a narrative statement therefrom to find out the various trends in sugar industry. The Board, we are told, has so far visited Patna, Calcutta, Lucknow, Delhi, Chandigarh, Bombay, Madras and Mysore. It had, until the end of May, received full replies from 104 sugar factories and part replies from 34 units to the questionnaire issued by it.

Enquiry

The Board, it will be recalled, was constituted by the Union Ministry of Labour and Employment towards the end of 1957. Thus, already more than eighteen months have elapsed and the Board will still take many more months for completing its findings and submitting its report. This is doubtless a very long period but it is not surprising, considering the comprehensive nature of the terms of reference and the slow movement for which the bureaucratic wheel is wont. The Board has been asked to do many things. It has been asked to determine the categories of employees (manual, clerical, supervisory, etc.) who should be brought within the scope of the proposed wage fixation. It has to work out a wage structure for the sugar industry based on the principles of fair wages, as set forth in the report of the Committee on Fair Wages, bearing in mind the desirability of extending the system of payment by results. It has also been directed to state the principles that should govern the grant of bonus to workers.

The four important factors which the Board is specially required to take account in evolving a wage structure are the financial needs of the sugar industry in a developing economy, the special features of the industry, the requirement of social justice, and the importance of so adjusting wage differentials as to provide incentive to workers for advancing their skill. While on payment by results, the Board has been advised to keep in view the necessity of fixing a minimum (fall-back wage) and also to safeguard against overwork and undue speed. Sometime ago, the terms of reference of the Board was widened to include another issue, that covering gratuity.

Interim Relief

In view of the prolonged delay involved, the sugar mill workers requested the Board to grant interim relief pending the completion of the work. In response to this request, the Board recommended early this year an average interim rise of Rs. 3 per worker drawing up to

Rs. 500 (basic pay plus dearness allowance) per month. The Central Government directed the mills to implement the recommendation on a voluntary basis.

Workers Employed

The award of the Wage Board for Sugar Industry will be applicable to quite a sizable section of industrial workers. The number of workers directly employed in nearly 207 sugar factories that will be in existence at the end of the second Five-year Plan is estimated to be of the order of 160,000-170,000. Of this number, about 30,000-40,000 workers represent fresh recruitment resulting from the establishment of additional capacity through the setting up of 55 new mills and expansion of 68 existing units.

Whatever may be the final recommendations of the Wage Board, they will have a large bearing on the cost structure of the sugar industry which continues to be rigid, thanks to the heavy incidence of cane price and taxation. As it is, the proportion of salaries, wages and benefits to the aggregate cost of sugar production has gone up quite markedly in recent years; it stood at 9.4 per cent. in 1956, the latest year for which statistics are available, as against 8.6 per cent. in 1951. The percentage proportion as it stands now must be still higher, what with the enhanced dearness allowance paid by sugar factories following the steep rise in cost of living. The higher incidence of labour cost is due to the rise in the total earnings of workers. The annual average of these earnings in 1956 was Rs. 964, which compares very favourably with Rs. 785 in 1951. It is true that the average rate of sugar production per worker has also risen—from 11.3 tons in 1951 to 14.6 tons in 1956—but the increase must be attributed largely to the improvement in the manufacturing efficiency of several sugar mills.

Employment and Wages

The following table indicates the number of persons employed and wages, salaries, etc., distributed in the sugar industry during the year 1956 as compared with 1951:

	1956	1951
No. of factories in existence*	169	158
No. of factories from which returns were received	158	147
Percentage coverage	94	93
No. of persons employed:		
Workers	108,985	101,891
Other than workers	18,218	15,787
Total	127,203	117,678
Salaries, wages and benefits (in lakhs of Rs.):		
Workers	8,06.74	6,48.48
Other than workers	8,07.48	2,51.98
Money value of benefits and privileges	74.68	41.77
Total	11,88.90	9,42.23

* Employing 20 or more workers on any day and using power.

It will be evident from the above figures that, while the number of workers employed increased by just 2.7 per cent. over the period 1951 to 1956, the salaries, wages and money value of benefits distributed rose by no less than 26 per cent. An idea of the position

obtaining in the different States during 1956 can be had from the table given below:

	No. of persons employed	In lakhs of rupees		Total
		Salaries and wages	Money value of benefits and privileges	
Bombay	8,606	86.42	14.35	100
Madras	3,975	47.83	2.95	50
Andhra	4,714	46.20	1.95	47
U.P.	68,779	619.93	35.83	655
Bihar	27,374	219.11	15.38	234
Mysore	4,210	41.60	1.98	43
Rajasthan	1,562	10.89	0.81	11
Other States	4,053	43.22	2.33	44
All-India	123,303	11,14.20	74.68	11,88

The foregoing table shows that, during 1956 the State of Uttar Pradesh accounted for bulk of the labour force employed in the sugar industry, its actual share in the total being much as 56 per cent. Next in importance, Bihar, accounting for 22 per cent. Although Bombay sugar mills employed just 7 per cent of the total labour force, its share in the aggregate distribution of salaries, wages, etc., is higher at 8.5 per cent.

To revert to the Wage Board's deliberations. During its sitting at Bangalore last week, representative of both the employers and employees of all the seven sugar mills in Mys State seemed to agree that all workers should come under the Industrial Disputes Act, 1947, should be considered for evolving the wage structure. The reasons for the agreement would appear to be that, if this is not done, if only a few of them are considered for fixation of wages, an industrial dispute may be raised by those who are excluded. The employees drew the pointed attention of the Board to the fact that the "rigid control" by the State left the employers nothing or only a small margin to give an increase in wages to the employees. They said that the price of raw material, as fixed by the State, accounted for 40 per cent. of the cost of sugar and, of the remaining 38 per cent. went towards taxes and cesses per cent. towards manufacturing expenses, only 6 per cent. was left as profit liable to come and super taxation.

Giving evidence before the Wage Board Madras City earlier, the spokesmen of Madras sugar industry urged fixation of minimum wages only for the least skilled manual and clerical workers, leaving the different rates for other categories to be fixed by the respective mills. They also gave their calculation of the minimum wages according to the no-agreed-to-at-the-Fifteenth-Indian-Labour-Conference. The employees' representatives, however, wanted inclusion of all employees concerned under the definition "workman" in the Industrial Disputes Act and they submitted their own calculation of the minimum wages should be fixed.

The Bombay Sugar Merchants' Association decided at a meeting held on 1st July 1959 to operate with the State Government in implementing the Sugar Distribution Scheme announced by the Government on 30th June 1959. It has ther decided that members, while placing or with the mills direct, or through their appointed channels, for obtaining mill delivery sugar, should send one copy of such order to the Association. With a view to safeguarding the interests of all traders, small or big, the members of the Association have decided not to place an order with individual mills for a quantity more than 400 bags at a time.

Ship via London



Britain's Premier Port
Equipped for all types of ships and cargoes.

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply
The General Manager

PORT OF LONDON AUTHORITY, LONDON, E.C.3

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

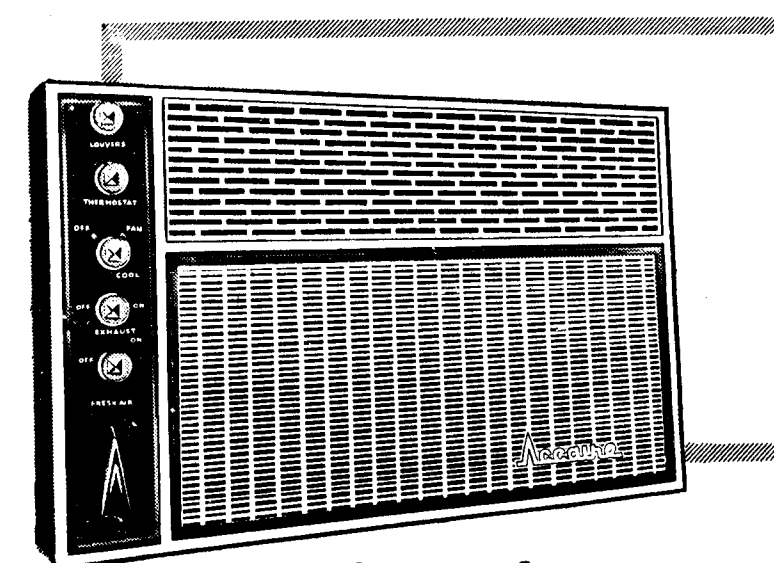
Authorised Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.



BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8



for comfort . . . and efficiency

Accaire

AW-102 (A.C.)
DW-102 (D.C.)

WINDOW-TYPE ROOM AIRCONDITIONER

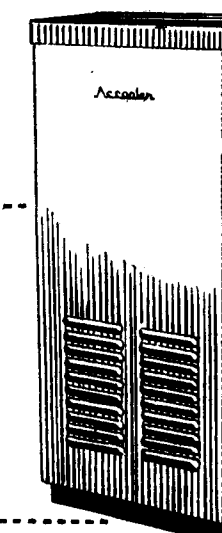
- Low upkeep cost • Silent operation
- Trouble free service • One year guarantee

acc cooler WATER COOLERS

- Constant supply of hygienically cool water
- Rust-proof cabinet • Easy to install

Storage capacity : From 10 to 300 gls.

Nominal cooling capacity : From 4 to 105 gls. per hour.



AIR CONDITIONING CORPORATION PRIVATE LTD.

Also manufacturers of Buffalo Industrial Fans

BOMBAY CALCUTTA NEW DELHI

* Bombay Garage Private Ltd., Bombay, Tel: 77121 * Parekh & Modak, Bombay, Tel: 253171 * Bombay Garage Private Ltd., Poona, Tel: 3023 * Bakubhai Ambalal Private Ltd., Ahmedabad, Tel: 51001 * Bombay Garage (C. Ltd., Nagpur, Tel: 2108 * Bombay Garage (C. P.) Private Ltd., Jabalpur, Tel: 91 * Bombay Garage (Rajk. Ltd., Rajkot, Tel: 63 * Kothari Industries Private Ltd., Rajkot, Tel: 36.

THE INDIAN BANK LTD.,

Head office: FIRST LINE BEACH, MADRAS-1.

23 LOCAL OFFICES
113 BRANCHES

LOANS AND ADVANCES

DEPOSITS

- Current accounts
- Savings Bank accounts
- Fixed Deposits
- 3-Year Cash Certificates

PURCHASE AND SALE OF SECURITIES UNDERTAKEN
FOREIGN EXCHANGE BUSINESS TRANSACTED

New York Agents:
FIRST NATIONAL CITY BANK OF NEW YORK
London Agents:
WESTMINSTER BANK LIMITED

D. P. PARTHASARATHY,
SECRETARY.

build with confidence



K.C.B.-2

A view of the Hirakud Dam

build with KONARK

Konark Cement went into the making of the mighty Hirakud Dam.

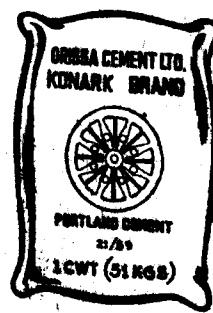
Konark Cement could now go into the making of your own home.



Konark CEMENT

ORISSA CEMENT LTD.
RAJGANGPUR, ORISSA

Managing Agents: DALMIA AGENCIES PRIVATE LTD.



NEED FOR INCREASE IN COAL PRICES EFFECT ON INDUSTRIAL COSTS WILL NOT BE SEVERE

SPEAKING at the tenth meeting of the Central Advisory Council of Industries held in New Delhi on the 6th inst., Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel, said that the Government of India's decision on revision of coal prices would be announced in a few weeks' time. This is welcome news in that it serves to remove any apprehension that the Government had put the question of revising coal prices in cold storage. Whether the increased prices, if any rise were to be granted, would prove adequate to the industry is another point. There is, however, a fear that the industry will not be fully compensated for its rise in costs. This fear is born out of the fact that the Government is wedded to a policy of keeping down inflation. How far this fear is justified will be known only when the Government actually announces the revised prices.

Meanwhile, a well reasoned case has been made out by the colliery owners for consideration of the Government before the latter takes a decision on this important issue of coal prices. This is contained in a pamphlet on *A Fair Price for Coal and Coke*, jointly issued by the Indian Mining Association, Indian Mining Federation, Indian Colliery Owners Association and the Madhya Pradesh Mining Association. The need for exploiting the vast reserves of coal, which India is fortunately endowed with, is unquestioned. This must be done in a scientific manner and as economically as possible. While a large capital is required for maintaining even the existing level of output, it goes without saying that a much larger capital will be required for enlarging the output during the Third and subsequent Five-year Plans. These large sums can only come from the ploughed back profits of collieries, provided, of course, the collieries obtain a fair margin of profit which would allow them to put by something and to provide a decent return on the capital invested. That the collieries have not been able to do so, in the face of a rising cost of production, is the sum and substance of the pamphlet issued by the colliery owners' bodies.

Tracing the history of coal prices since 1947, when the first labour award against the coal industry in India was given, the pamphlet points out that "all increases in coal prices, with one minor exception, were to cover the rise in labour costs due to the various Tribunal awards. While other industries have received price increases to cover rising costs on other accounts, the coal industry has been granted increases in the price of its product only when it has been required to implement labour awards." Following the first labour award of 1947 and a subsequent one for collieries in Madhya Pradesh, which provided for increased wages and additional amenities to workers, the Government increased coal prices by Rs. 3-3 per ton. In 1949, however, the price was cut by As. 9 per ton for steam coal and As. 10 for slack coal, with a view to preventing inflation. At that time, the industry was assured that not only would the prices of commodities which it used be reduced likewise but that it would be relieved of the responsibility of issuing food rations at concessional rates to workers which would reduce the cost of production. This assurance was never given effect to. In 1955, however, an additional As. 3 per ton was granted to collieries mining coking coal with a view to compensating the effect of pegged output. A further increase of As. 3 per ton was given to cover increased contributions to the Coal Mines Provident Fund. This was followed by an increase of Rs. 3 per ton in July 1956 for collieries in Bengal and Bihar to meet the additional cost as a result of the implementation of the award of the All-India Industrial Tribunal (Colliery Disputes). In order to enable collieries to provide the amenities to labour under the Appellate Tribunal's decision, the price of coal was further raised by Re. 1.50 per ton in July 1957. Yet another rise of 75 pP was allowed in May 1958 to cover the increased dearness allowance, but this was reduced to 34 pP per ton in October last. Thus, between 1947 and 1958, the price of coal has been raised by no more than Rs. 8.20 per ton.

This increase has not taken into account the steady rise in operating costs since 1947, due to increased prices of stores, plant and equipment, the introduction of additional mining legislation, higher electricity charges, cesses, increases in

railway freight, additional stowing costs and the effect of rising costs of rehabilitation. Next to labour, the cost of stores constitutes the largest item of production costs, accounting as it does for 10 to 15 per cent. of the total. It is computed that the average increase of "stores costs" in the total of "coal raising costs" per ton is about 75 per cent. The impact of this increase averages from As. 14 to Re. 1-4 per ton. The implementation of the Mines Rules 1955 and the Coal Mines Regulations 1957 will, it is stated, cost collieries between Re. 1-8 and Rs. 2 per ton. In some cases, it will be even more. The cost of electricity has gone up by 123 per cent., that is, from 0.60 anna in 1946-47 to As. 1.34. Besides, there has been a substantial increase in cesses and railway freight and the industry has the obligation to pay lay-off and retrenchment compensation. The industry has, no doubt, been given, after repeated representations, an increase in certain stowing costs by the Coal Board, but this has proved inadequate.

While the foregoing are the more obvious reasons for an increase in coal prices, there are two other important factors which have to be taken into account in determining coal prices. They are: rehabilitation allowance and a reasonable return on capital. On the basis of the formula accepted by the Full Bench of the Labour Appellate Tribunal in the case of the Millowners' Association, Bombay, the rehabilitation allowance for some of the units of the coal industry varied from Re. 1.04 to Re. 1.98 per ton. The adoption of the Full Bench formula alone is not sufficient for the coal industry. Special consideration should be given to the fact that mining is a wasting asset and that additional capital outlay was required to maintain production. Secondly, the depreciation allowance in

the context of rising trend of prices is inadequate. The case for a larger depreciation allowance is made out by the colliery owners thus:

(a) Much of the present plant and equipment was bought 10, 15 and more years ago. Depreciation allows reserves to be built up to the original value of the plant only and present prices are two to three times or more higher than they were during and immediately after the war years.

(b) The development rebate allowed to encourage expansion and installation of new equipment is also insufficient in that, first, the rebate is only allowed on the original cost of the asset which together with depreciation is inadequate for reasons already stated and, secondly, the benefit, if any, is offset by the heavy incidence of taxation.

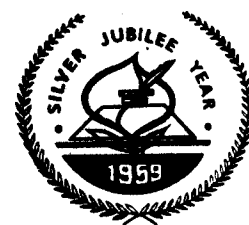
(c) Unless a margin is provided in the price structure for replacement of plant and the additional plant required to maintain production, there is a grave danger that the industry may not be able to maintain production.

(d) The importance of setting apart some portion of the profit out of the revenue each year for replacement and rehabilitation of plant, machinery and building is an immediate necessity in the case of marginal collieries and must be considered from a long-term point of view for those units which serve, but which will require considerable capital to maintain and increase production in the future.

The industry naturally expects a reasonable return on the capital invested, particularly in view of the fact that it is required to increase the output by 22 million tons during the second Plan period, which involves a heavy capital outlay. Fresh capital for this huge outlay can be secured only if attractive returns are forthcoming. In the case of cement industry, it is pointed out, an allowance was granted to provide for a return of 8 to 12 per cent. on the capital employed. The case of the coal industry is different and demands a higher return.

In this connection, the pamphlet has sought to remove a popular misunderstanding about the "high" rate of dividends declared by coal companies. It says that, in the first place, the rate of dividends is not the correct indication of the return on capital which must be based on the total capital employed, particularly in the coal industry which is undercapitalised. Even taking the rate of dividend on paid-up capital, it is

(Continued on page 65)



The story of Sulekha is that of a mission in operation. A humble beginning faced prolonged days of struggle. Research continued.

Sulekha service was widened by introducing other products. In no time, Sulekha Ink made a name for itself that out-rivalled imported brands. To-day Sulekha commands the highest sale. Quality has scored.

But Research continues. An additional unit of production is in the making. The spirit of service lives to march ahead.

25 Years of Service to the Nation

Sulekha WORKS LIMITED

CALCUTTA • DELHI • BOMBAY • MADRAS SW-28

THE METAL BOX COMPANY OF INDIA LTD. REVIEW BY THE CHAIRMAN, MR. K. C. MAHINDRA

THE Twenty-sixth Annual General Meeting of The Metal Box Company of India Limited will be held on Thursday, the 16th July, at 59C Iowringhce Road, Calcutta.

The following is a copy of the Review by the chairman, Mr. K. C. Mahindra, which has already been circulated to members:

"On this first occasion that I am addressing you it is particularly satisfying to be reviewing record performance achieved by your Company. Sales for the year increased by Rs. 85 lakhs from Rs. 612 to Rs. 697 lakhs, a 14 per cent. improvement which would not have been possible but for our success in developing the les of such of the Company's products which are not made from tinplate, a major raw material in short supply throughout the year.

"Satisfactory sales of tinplate products—mainly general line containers for a miscellany of goods—were achieved in the face of considerable difficulties which affected the high standard of performance to which we aspire. By the second half of the year the Government of India had recognised the inadequacy of the level of our tinplate stocks and enabled us to increase them. As a consequence, we were able substantially to supply our customers' requirements. During this period we increased our production and improved considerably our operational efficiency. That, with the forward tinplate situation so well assured, we have been able to announce a reduction of 2½ per cent. in our general net prices.

Open Top Can Sales

"Open top can sales have increased following the emergence of a canned prawn export trade with Europe and America and the stimulation afforded by the Ministry of Food and Agriculture's subsidy scheme for processed fruit and vegetables. Under this scheme can prices are reduced by the equivalent of Rs. 500 per ton of tinplate used in their manufacture. For the most popular size of can this means a price reduction of 26 per cent. The Union Government's esting in your Company the responsibility for ensuring that this subsidy is passed on to the anners is a significant expression of faith in us, and in response to this trust we simultaneously announced a reduction in our prices of Rs. 100 per ton of tinplate used. This, together with a further reduction in prices we were able to announce because of a fall in the cost of the special quality of tinplate imported for open top cans, amounted to a decrease in prices of 15 per cent. since 1st April 1958. In total this means that the canner now buys his cans 41 per cent. cheaper at prices which, notwithstanding the fact that open top cans are produced in the United Kingdom by thousands of millions and in the U.S.A. by tens of thousands of millions, must be comparable with the cheapest in the world.

"Though our indirect exports increased considerably, our direct exports, owing to Burma's foreign exchange difficulties, were below expectations. However, during the year we set up an export promotion unit; we undertook extensive touring in South-East and West Asia and planned an intensification of this work for the current year; we are thus well placed to make the best of our opportunities in the more promising of the export markets open to us. As a result an impressive order book has already been built up and I am confident that by next year I shall be able to report a substantial increase in our export sales. We continued to receive excellent support from the Export Promotion Directorate of the Government of India and the Export Promotion Councils.

"Demand this year remains brisk: there are signs that the market of our customers, the packers of India, is growing and that materials are being made increasingly available to meet it.

Raw Materials

"The low level of stocks of tinplate, our most important raw material, caused grave concern in the first part of the year. The possibility of increased imports in view of the critical foreign exchange position seemed unlikely. It was envisaged that the consumption of available stocks would have to be drastically rationed to avoid a major closure of our factories.

"In the second half of the year our Associates in the U.K. responded to our appeal for

assistance by offering to finance the import of a substantial tonnage of tinplate on most generous and favourable deferred payment terms. This, together with the arrangements the Government of India made for the import of tinplate under the U.S.A. Development Loan Fund, resulted in an improved forward position. Stocks are still below the desired minimum operational level, but there are now good prospects that the position will improve in the near future.

"The Tinplate Company of India Limited is maintaining a satisfactory output but has a considerable backlog of orders with which to deal. If Tata's supply of tinplate bar is sufficient to ensure the continuance of indigenous production at the present level, then the prospects of liberalised supplies of tinplate to the container industry are more encouraging than they have been for a number of years. It is to be hoped that the Government of India will be able to maintain an adequate level of imports until the substantial increase in indigenous tinplate manufacturing capacity planned for 1961 comes into production.

Prices of Tinplate

"The price of indigenous tinplate remained unchanged during the year but freight rates and sales tax were increased. A slight downward trend in price was noted in the price of imported tinplate reflecting the export drive in those countries where mills were working below capacity.

"During the year supplies of indigenous aluminium were adequate to meet the substantially increased demand on your Company for a range of non-tinplate products and it appears we will be able to cover the enhanced requirements of this raw material for the current year from the same sources.

"Steel for the manufacture of our widening range of industrial components was in short supply throughout the year. As these components were previously imported and represent a saving in foreign exchange, we believe the Government of India will not reject our present application for a licence to import part of our requirements of steel to supplement the material available to us from indigenous sources to meet demand.

"In respect of other raw materials, it was reported last year that prices had substantially increased. Unfortunately the upward trend continues.

Developments

"The new Calcutta factory was completed and the manufacturing equipment transferred from the B2 Hide Road factory. The benefits of the move have already been reflected in improved operational efficiency.

"The manufacture of industrial components remains in the old premises at B2 Hide Road, which have been reconditioned. The additional space there will be utilised for the production of plastics embracing injection moulding and polyethylene extrusion, printing and bag making. Machinery building on an increased scale will be installed there and provision is being made for the manufacture of a range of spare parts required for our production machinery and machinery sold to customers.

"Government permission was received to proceed with the new factory at Faridabad, near Delhi, and constructional work has already commenced on the site. It is expected that the new factory will be in production during the first quarter of 1960.

"A small extension to our Madras factory has been completed. An extension to our Worli factory in Bombay is being planned and as this will utilise to the full extent the vacant area on the site, negotiations are proceeding for the acquisition of a new site of approximately 12 acres near Chembur.

"Our Research Division which has hitherto confined its activities mainly to the development of indigenous materials to replace imported materials, will be expanded to include the field of plastics and to provide greater service to our customers.

"A plan is under consideration for the acquisition of additional machinery to extend our range of products manufactured from raw materials readily available in India and to meet the

demand for industrial components which are presently imported.

"In order to assist in the financing of the above new developments it is proposed to increase the ordinary share capital by means of a rights issue to shareholders. Consent has been received from the Controller of Capital Issues to a rights issue at par in the ratio of two new shares for every five shares held. It is anticipated that the issue will be made later this year.

Industrial Relations

"During the year there was considerable activity in the field of employee relations.

"In keeping with the Company's policy of reward for increased productivity, the Production Bonus Scheme, in force since 1948, was revised, offering increased incentives. It was implemented in the Bombay factory at the end of the year and already the results have been to the mutual benefit of the employees and the Company.

"A Gratuity Scheme has recently been introduced offering retirement benefits in addition to the yield from the Provident Fund Scheme.

"The Prosperity Bonus Agreement concluded in 1956 expired on the 31st March 1958 and was renewed in March 1959 for another period of three years, after consultations with eight different establishments in five States. The advantages of the scheme are clearly indicated by the results achieved. The bonus earned during the period of the previous agreement averaged 30 per cent. of basic earnings per year and in respect of 1958-59 will be at an even higher level. Unfortunately in the course of discussions relating to the disposal of the Bonus Reserve Account on the expiry of the Agreement, there were breaches of industrial peace for brief periods at the Calcutta and Madras factories, engineered by non-worker leadership of unions. These marred the otherwise very satisfactory record of our relations with our employees throughout India since May 1955.

"On the occasion of the retirement of Mr. H. Chiswell Jones, the employees of all our establishments expressed their appreciation of his 26 years' service in a manner that left no doubt as to their high regard for him and his leadership, and demonstrated the mutual respect and sense of responsibility that exist between the Company and its employees.

Larger Payments to Labour

"The rising cost of living during the year under review resulted in increased payments of dearness allowance and led to the examination of the rates of dearness allowance for the monthly rated employees which have now been linked, as is the case with our daily rated employees, to cost of living indices. The award relating to wages and dearness allowance in the engineering industry in West Bengal was implemented in December at our Calcutta establishments. Although the question of interpretation of certain ambiguous provisions resulted in another Tribunal embracing the industry as a whole, our Calcutta establishments are free from any complication on this score.

"Training continued to occupy a good deal of the attention of the Company. During the year under review ten of our Indian executives were sent to the U.K. for training under the Company's Training Scheme. In addition, advantage was taken of the various facilities for supervisory and craft training that are available in India. Recognising the importance of training, a full-time Training Officer has been appointed at our Calcutta factory and a similar appointment is contemplated for our Bombay factory.

Staff

"The officers and staff are to be congratulated on their efforts during the year, on the ability and ingenuity they showed in adapting themselves rapidly to deal with the constantly changing conditions resulting from an uncertain supply of raw materials and on maintaining cordial relations with customers who must at times have been disappointed by our inability to meet their orders as and when required. We thank them for their continued loyalty and the high sense of duty they display. The satisfactory results achieved despite the difficulties which arose during the year will, we hope, encourage them and make them feel their efforts have been really worthwhile.

"It was with regret that we said farewell to Mr. Chiswell Jones at the end of the year when he retired as Chairman of your Company.

(Continued on page 62)

RISE IN WORLD SHIPPING TONNAGE

SOME INTERESTING DEVELOPMENTS IN TRAMP TRADE

THE increase in world tonnage, the prospects for world shipbuilding yards, the recent developments in tramp trade and the progress made in the application of nuclear science to shipbuilding are among the subjects reviewed in a comprehensive report on maritime transport, containing the findings of a study undertaken by the Maritime Transport Committee of the Organisation for European Economic Co-operation (O.E.E.C.). Between mid-1957 and mid-1958, the total world fleet (excluding 100 g.r.t. and below) increased by 7.7 million g.r.t. to 114.6 million g.r.t. This represents a record increase of 7 per cent. in any one year in the post-war period. Another notable feature of the increase in world tonnage is that it is shared both by ordinary fleet and tankers, the former having increased from 77.1 million g.r.t. to 81.0 million g.r.t. and the latter from 29.7 million g.r.t. to 33.4 million g.r.t.

The following table gives the distribution of world shipping tonnage among the principal maritime countries in mid-1957 and mid-1958:

World Tonnage (In 000 g.r.t.)		Mid-1957	Mid-1958
World tonnage		106,822.0 (29,771.6)	114,556.7 (33,412.3)
Of which:			
O.E.E.C.		53,240.8 (16,407.4)	56,606.8 (18,194.4)
Of which:			
Belgium		579.4 (110.7)	601.4 (111.0)
Denmark		1,857.5 (588.3)	2,034.7 (585.7)
France		4,000.8 (1,304.2)	4,207.9 (1,565.6)
Germany		3,005.7 (922.3)	4,077.5 (1,201.0)
Italy		4,552.0 (1,342.5)	4,899.6 (1,407.9)
Netherlands		1,116.7 (338.4)	1,500.8 (459.8)
Norway		8,486.2 (4,747.0)	9,384.8 (5,853.6)
Sweden		3,047.5 (938.8)	3,303.1 (980.7)
U.K.		19,857.6 (5,585.9)	20,286.6 (5,925.6)
Rest of the world		27,083.4 (8,221.0)	32,274.9 (10,596.6)
Of which:			
Argentina		1,038.6 (341.3)	1,028.6 (336.5)
Brazil		591.5 (182.9)	911.2 (262.9)
Canada		504.1 (124.3)	544.6 (125.1)
Costa Rica		519.3 (17.0)	510.3 (17.7)
Finland		754.7 (144.1)	755.2 (156.9)
India		625.7 (16.8)	625.7 (16.8)
Japan		4,415.1 (548.3)	5,465.4 (1,038.2)
Liberia		7,496.4 (4,129.7)	10,078.8 (5,618.7)
Panama		23,428.1 (2,135.2)	25,054.6 (2,323.7)
U.S.		4,076.6 (2,708.6)	4,040.6 (2,965.8)
U.S.S.R.		2,708.6 (519.9)	2,965.8 (530.7)

N.B.—Figures in brackets show tanker tonnages which are included in total tonnages.

Age Distribution

The present age distribution of the world's fleet reflects the acquisition by the maritime countries of new fleet in post-war years. Thus, out of 31,179 ships (ships of 100 tons and over), the number under five years of age is 5,321 (18 per cent.) and the number of ships between five and ten years 4,281 (13 per cent.). Thus, nearly one-third of the fleet consists of ships below 10 years of age. The number of ships in the age group 10-15 years is 6,122 (25 per cent.) and that in the age group 15-20 years 4,507 (23 per cent.). In the last two age-groups, namely, 20-25 years and 25 years and over, there are 1,781 ships (4 per cent.) and 9,167 ships (17 per cent.) respectively. So far as tankers are concerned, the bulk of the fleet belongs to the age-group 0-10 years. The age distribution of the 4,023 tankers which make up the world tanker fleet, as at mid-1958, is: under 5 years 1,015 (38 per cent.); 5-10 years 416 (26 per cent.); 10-15 years 836 (17 per cent.); 15-20 years 505 (10 per cent.); 20-25 years 242 (4 per cent.) and 25 years and over 509 (5 per cent.).

In recent years, there has been a steep increase in the shipping tonnage built in world's shipyards. During 1958, the number of ships (of 100 tons and above) completed was 1,920, with a total tonnage of 9.1 million, as against 1,964 ships with a total tonnage of 8.1 million in 1957. The tonnages (in thousands) completed in 1958 in some leading shipbuilding countries with similar figures in brackets for 1957, are: Japan 2,224 (2,309); U.K. 1,464 (1,420); Germany 1,355 (1,230); Sweden 737 (617); Italy 556 (384); U.S. 553 (306); Netherlands 506 (529) and Norway 311 (195).

The 1958 levels of completed tonnage represents a peace-time record. It is likely that the tonnage completed in 1959 will be even higher than in 1958, in spite of cancellations. The present rate of completion, at about 9 million tons per year, is very high indeed, considering that, in inter-war years, the average rate was only about 2 million g.r.t. with a maximum of 3 million g.r.t. These figures represent the tremendous increase in shipbuilding capacity in recent years and the growth in world trade. Nevertheless, the total tonnage under construction in the world has declined from 35 million g.r.t. in mid-1957 to 31.2 million g.r.t. in mid-1958.

Prospects

Commenting on the prospects for shipbuilding, the O.E.E.C. report observes:

"Although, as a result of the collapse of the freight market the number of fresh orders is on the decline and a number of orders has been cancelled, the present order books will provide work for most of the major shipbuilding yards of the world for a considerable time. It is obvious, however, that the shipbuilding industry is moving towards a more difficult period particularly in the case of those yards not specialising in tanker tonnage and in those which are only equipped to build the smaller types of vessels."

Notwithstanding a decrease in the price of steel plates in 1958, there was a general increase in the overall price of ship construction, thanks to the increase in labour costs. The cost of construction of a ship, of course, varies from ship to ship. But a general standard for comparison is to be found in the cost of building a 9,500 d.w.t. (5,300 g.r.t.) "Fairplay" basic ship in the U.K. The cost of such a ship was reckoned at £84 5s. per ton in January 1959, as against £83 15s. in January 1958. There has been 100 per cent. increase in construction cost since January 1950, when it was £42 per ton and more than 200 per cent. increase since January 1945, when it was £26 per ton.

World Trade

The increase in world shipping tonnage reflects the overall increase that has taken place in world trade. In 1958, world seaborne trade aggregated 935 million tons (inclusive of 445 million tons of oil), as against 960 million tons (inclusive of 420 million tons of oil) in 1957. Six years earlier, that is, in 1952, world trade consisted of only 680 million tons (inclusive of 285 million tons of oil). The increase in shipping tonnage, however, has exceeded requirements, so that orders for new tonnage, as well as freight rates, have been falling. The tramp freight market has been subject to violent fluctuations. Thus, in the last three years, the coal rate from the U.S. to continental ports, which is taken as a representative of this market, has moved up from 51s. to 119s. and fallen back to 72s. per ton. The structure of the tramp industry has also been changing. In the first place, in the case of a number of important tramp commodities, notably iron ore and also to a lesser extent sugar and timber, there has been a move towards the construction of specialised tramps for particular cargoes. In the iron ore trade, for instance, little of it was carried in specialised vessels in 1945, but, in 1958, there were some 3.6 million d.w.t. of such vessels, representing a carrying capacity of 50 million tons; by 1961, there will be 6 million d.w.t. with a carrying capacity of 90 million tons annually. Secondly, tramp vessels are being increasingly used on a long-term basis, say, for a year or more, instead of voyage by voyage. It has been estimated that over 30 million tons of coal were carried by long-term tramp vessels in 1957 by long-term tramp charter from the U.S. to Europe.

Reviewing the recent developments in marine transport, the O.E.E.C. report refers to

STEARIC ACID
(Double Distilled)

Manufactured by:
THE MODI VANASPATI MFG. CO.

Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2
Phone: 39361

Branch: 695, Reid Road, Ahmedabad
Phone: 2665

Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

the construction of nuclear-powered vessels. It notes that "it appears unlikely that an economic nuclear-propelled ship will be realised in the near future." It adds: "The nuclear plants in the experimental ships now under construction are very expensive to make and uneconomic to operate. The possibility of a cheaper form of atomic propulsion is being studied, but this is still only at the pre-experimental stage." Further, the voyage of the U.S. nuclear-powered ship *Nautilus* under the North Pole, it is stated, has opened the prospects for the use of such a route for transport by nuclear-powered submarine merchant ships. In spite of formidable difficulties mainly connected with power and cost, several studies are now under consideration to develop giant nuclear submarine cargo vessels.

ATOMIC POWER IN U.K.

Britain expects to achieve at least a three-fold increase in power from uranium in the ad- being built. Speaking of this "second generation" of nuclear-power stations, Sir John Cockcroft, member for scientific research of the United Kingdom Atomic Energy Authority, said recently in Teheran, Persia, that the new stations would have but "we are now carrying out an intensive research and development programme to reduce the capital costs of nuclear-power stations. This will be achieved by raising the operating temperature of the uranium fuel elements and, by this and other technological developments, we will increase the power of 3 or 4 the amount of power which can be developed from a given amount of uranium and a given size of reactor."

Sir John, who was speaking at the opening of the Teheran nuclear centre, referred to the nuclear-power experience in the United Kingdom and said that this had shown that stations, such as Britain's Calder Hall, could generate electricity steadily for months on end, producing hundreds of thousands of kilowatts. Calder Hall had already produced well over 1,000 million units of electricity. He said: "Nuclear power has, therefore, been proved to be technically feasible, and the operation of this new type of power station has been shown to be reliable and no more difficult than that of ordinary power stations."

By 1966, according to Sir John, the United Kingdom's total electricity output would probably be between 5,000,000 kw. and 6,000,000 kw. It was impossible to say when nuclear power would be competitive with power from coal or oil-fired stations, it depended upon a number of circumstances, and the break-even dates would vary from country to country. If, however, they took a long-term view, it seemed quite obvious that nuclear power was essential if the living standards of mankind were to be steadily improved.

Sir John pointed out that for countries with ample supplies of low-cost fuels such as oil, nuclear-power was unlikely to be attractive for at least 20 years, except in special localities far from the source of fuel. In these countries, the immediate benefit of atomic energy would come from applications of radiation, using radioactive isotopes. Sir John then dealt with the many uses of radioisotopes, emphasising that the first well-tried application was in the diagnosis and treatment of disease. In Britain, most large hospitals now had radioisotope clinics.

ROAD TRANSPORT

Several specific suggestions were made by the Transport Development Council, which met recently at New Delhi, for improvement of roads and road transport. In the first place, it recommended that the use of pneumatic tyres in bullock carts should be encouraged. The cost of conversion, it sets from the U.S. would be available for Rs. 200 wheel assemblies should be procured at the first will do well to examine the use of flexible wheel recommended by the Estimates Committee in its report on National Highways. Secondly, the Council suggested that, in order to reduce the "imbalance" as between diesel oil and petrol in the country's economy, experiments should be initiated in the use of "mixed fuel" (10 per cent. gasoline and 90 per cent. high-speed diesel oil). Thirdly, it suggested that societies of educated unemployed for running goods transport services; the scheme, which will be introduced in Bombay, Madras, Kerala, W. Bengal and Delhi, will receive financial help and other forms of assistance, including training, from the Central Government. Finally, the Council recommended that permits should be given liberally for truck-trailer combinations on roads 32 ft. wide all roads other than minor roads. It may be mentioned here that, in the U.S., nearly 50 per cent. of the goods vehicles have multiple axle combinations. Experience in the U.K. suggests that there is a 30 per cent. saving in costs through the use of truck-trailer combination. Apart from this stimulate the manufacture of trailers which is relatively simpler than the manufacture of automobiles. The use of this combination will thus create new industrial potential, besides enabling fewer goods vehicles to carry more traffic.

NEW PRODUCTS AND PROCESSES

Electrolytic Production of Manganese Dioxide

AN improved process for the manufacture of electrolytic manganese dioxide has been evolved at the National Metallurgical Laboratory, Jamshedpur. The process involves production of acidic manganese sulphate solution from manganese ore and electrolysis of it to yield manganese dioxide. Low grade manganese ores available in abundance which at present find no market, can be utilised in this process to produce electrolytic manganese dioxide of 99.99 per cent. purity. Average initial as well as shelf tests have been carried out by a leading dry cell manufacturer on samples of manganese dioxide prepared by this process in comparison with the imported material and the results have been reported as satisfactory. The process has been successfully operated upon a pilot plant scale and economics have been worked out. The raw materials required such as low grade manganese ores, waste effluent or spent liquor from manganese dioxide electrolytic cells, sulphuric acid and other chemicals are available in the country. The yield of electrolytic manganese dioxide which is dependent on the manganese content of the ore treated and current efficiency is about 95 per cent. Plant and equipment required are jaw crushers, ball mills, classifiers, rotary furnaces, rectifiers, clarifiers, filter presses, etc. Most of them can be fabricated in the country. It is estimated that the capital cost of the plant and equipment will be about Rs. 34 lakhs while Rs. 4 lakhs will be needed for working expenses.

New Material for Space Vehicles

A new material that may add to the safety of future space ships and increase the speed of missiles has been developed at the University of California in the United States. The material combines the heat resistance of ceramics with the strength and flexibility of various metals. In making the material, molten metals and ceramics are sprayed in alternate thin layers on a rotating disk. This makes a "layer cake" structure consisting of many thin layers on top of each other. After cooling, the cake is crushed into tiny particles that are smaller than grains of salt. Each particle, however, retains its layercake structure. The grains are then pressed in a mould at temperatures up to 2,200 degrees Fahrenheit. The resultant material is said to be superior to any previous mixture of metals and ceramics. Materials of this type are now usually made by mixing small particles of ceramics and metals as salt and pepper can be mixed. However, they become brittle at high heat and crack or break under stress.

"Handyman"

The General Electric Company of Schenectady, New York, has built a robot that rivals a human being in the work it can do with its massive arms and hands. General Electric engineers call the robot "Handyman." This robot was designed to serve as a master mechanic on experimental atomic airplane engines. It works in radioactive areas, controlled by a human operator some distance away. The characteristic that distinguishes "Handyman" from other comparable robots is its ability to clutch objects in its steel hands. It duplicates very closely the clutching action of the human hand. To do this, it has a thumb and forefinger on each arm. Each arm and hand can perform a total of 10 types of motion. The robot duplicates the movements of the hands of its human operator. Its arms and hands are controlled by an intricate electro-hydraulic system. The operator can make the robot's fingers and thumbs bend and curl. The wrists and elbows can bend, the forearms and upper arms can twist, and there is a forward and sideward pivot in the shoulder joints. Capable of such a variety of motions, the robot can hammer a nail into a board, unscrew a bolt, or twist a hula hoop. The movements of its hands can be so delicately controlled that it can even pluck petals from a flower.

Computers for Textile Research

An analogue computer of modular construction is now being used for advanced research by British Nylon Spinner Ltd., leading manufacturers of nylon and allied fibres in the United Kingdom, at its works in Newport, Monmouthshire. The new computer will enable the firm to explore new methods of producing and processing man-made fibres without the need for building costly pilot plants, and without interfering with the actual production plant of the factory. One of its first tasks will be to investigate the precise control of yarn tension regulating and spooling, which is vital to the faster, more economic running of textile machinery. Each new technique can be tried out on the computer and positive results obtained in a very short time—often within a few hours.

Sheet Aluminium for Tropical Buildings

A new British development in aluminium sheeting will speed up industrial building. The British Aluminium Company Ltd. has produced wall-making material in foot-wide strips up to 40 ft. long which will enable unskilled workers to erect big buildings in a matter of hours. The new exterior covering, called "Rigidal Seawall," was on show for the first time at a special exhibition recently held in London. It is assembled by an easy-to-work punch machine. Aluminium building covering is said to have already proved its worth in many countries. The new material is especially suitable for the tropics, as it can be produced with an embossed surface to reduce the glare of the sun. The makers say that their product is slightly more expensive than conventional-type aluminium sheeting, but claim that this is more than offset by reduced assembly costs. The light weight of the material reduces transport charges, thus keeping the cost per sheet delivered below that of galvanised steel sheeting in many tropical areas.

SOUTH INDIAN SUGAR MILLS ASSOCIATION

MR. B. M. KRISHNAN EXPLAINS CAUSES FOR RISE IN SUGAR PRICE

ADDRESSING the members of the South Indian Sugar Mills Association at their Twenty-second Annual General Meeting held at Hotel Dasaprakash, Madras, on 22nd June 1959, Mr. B. M. Krishnan, I.A.S. (Retd.), Chairman, Mysore Sugar Company, Ltd., explained in detail the various factors which had gone to push up the retail price of sugar. So far as South India was concerned, he said, the prospects for the coming season were that there would be an increase in production which would reduce its dependence on U.P. and Bihar.

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

"GENTLEMEN,

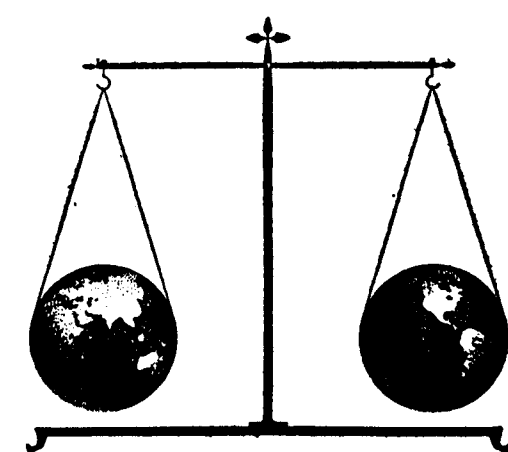
"I have great pleasure in welcoming you to this twenty-second annual general meeting of the Association.

"I doubt whether any major industry in the country has had of late so much public attention focused on it as sugar. It is unfortunate that an impression has been created in the minds of the public that the industry is a free agent and can get away with impunity with most things. Nothing is farther from the truth. It was not so long ago that Shri A. P. Jain, Minister for Food and Agriculture, Government of India, conceded in the Lok Sabha that sugar was perhaps the most regulated industry in the country.

Complete Control

"First, the price of the raw material of the industry, namely, sugarcane is fixed by the Government of India. Over and above this, many factories in the South pay an extra price for cane. Secondly, wages are governed by labour laws and awards. Thirdly, the sugar we produce is entirely at the disposal of the Government of India who alone decide how much shall be released periodically for sale and when. Thus, control over the industry is complete and is only just short of Government taking over the entire distribution themselves. In U.P., North Bihar and the Punjab, Government have fixed ex-factory prices and allot direct to dealers 25 per cent. of the production.

"It may well be asked, therefore, why the price of sugar to the consumer has not been stabilised at a reasonable level and maintained at that level. That the retail price which was



In both hemispheres . . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

81 nP. per viss in 1946-47 is today about Re. 1.63 is due to the heavy incidence of excise duty, cess on cane, increase in wages and salaries and the high cost of raw materials for processing and of plant and machinery for rehabilitation.

Delay in Quota

"Nevertheless, what happens at present is that the retail price goes up and down every few months. It comes down when adequate releases are made, but once these releases are sold out, there is a tendency for the price to rise, until the next release is made. The laws of supply and demand should rule when production is adequate and distribution even. A delay of even a week in releasing the monthly quota of sugar can affect prices and once retail prices go up, they have a way of staying high unless radical measures are taken.

"The all-India production in 1957-58 was 19.76 lakh tons. There was a carryover of 4.28 lakh tons from the previous year, so that the total supply available was 24.04 lakh tons. The internal offtake was 20.44 lakh tons. About 31,000 tons were exported. Thus, on 31st October 1958, the end of the sugar year, there was a balance of 3.29 lakh tons. In the 1958-59 season, production fell to 19.04 lakh tons, owing to various reasons outside the control of the industry not the least of which was control over ex-factory prices, *inter alia*, in U.P., the biggest sugar-producing State in India. The total supply available was thus only 22.33 lakh tons, as against 24.04 lakh tons in the previous year. The consumption, in keeping with the increase in population, is estimated to be 21 lakh tons, leaving only 1.33 lakh tons as carryover of which 19,000 tons was exported.

Fears of Scarcity

"The net carryover into 1958-59 was thus only 1.14 lakh tons against 3.29 lakh tons last year. The lower carryover has generated a psychology of shortage of sugar, although, in fact, there is just enough sugar in the country to meet the expected consumption of 21 lakh tons. The decision of the Government to export a further 25,000 tons has contributed to the fear of scarcity towards the end of this year.

"It is in the firm conviction that there is sufficient sugar to go round and to discourage speculative tendencies to exploit the situation that this Association voluntarily decided recently to sell the bulk of the releases direct to the retailers and large consumers and at the same time open fair price shops in all important towns, particularly in the deficit States of Madras and Kerala.

"Prospects are that production in the South, comprising the States of Madras, Andhra, Kerala and Mysore, in the coming season will be more than in the 1958-59 season and this should reduce considerably our dependence on U.P. and Bihar for extra sugar.

"I appeal to the trade in the South to co-operate with the industry to make the present distribution scheme a success. I can assure them that it will not be long before the industry resumes selling through the normal trade channels.

"Thank you, gentlemen."

Note: Mr. V. Ramakrishna, C.I.E., I.C.S. (Retd.), Chairman of the Association, could not attend the meeting. In his absence, Mr. B. M. Krishnan, took the chair and addressed the gathering.

Mr. V. Ramakrishna was re-elected President for the ensuing year.

SUGAR IN KANPUR

The recently-formed *Shakkur Vyapasyi Sangh*, an association of sugar merchants of Kanpur, has launched an agitation to check the movement of sugar from the city. A spokesman of the *Sangh* said recently that they would not allow sugar to go out of Kanpur till the prices were brought down. It was better for sugar dealers to impose control on its movement rather than wait till the Government was forced to step in as had been done in Delhi and Punjab, he added. A meeting of sugar dealers, merchants, commission agents and brokers, held on 30th June, decided by an overwhelming majority to intensify the agitation. Most of the speakers suggested that the interests of the local consumers would be their primary concern. Others were, however, of the opinion that it would not be proper to neglect other parts of the country.

TEXTILE MACHINERY CORPORATION LIMITED

MR. K. K. BIRLA REVIEWS PROBLEMS OF ENGINEERING INDUSTRY

NEED FOR DEVELOPMENT OF ANCILLARY INDUSTRIES STRESSED

ADDRESSING the shareholders of the Textile Machinery Corporation Limited at their Nineteenth Annual General Meeting held at Belgharia, 24 Parganas, West Bengal, on 7th July 1959, Mr. K. K. Birla, Chairman of the Company, said that the development of small-scale industries was of special importance in the engineering sector, because they supplied ancillary products to large-scale industries at a lower cost and were in a way indispensable to the latter. He added that with all the efforts now on hand, the ancillary industries would not take a long time to develop to a stage where they could be of real help to the progress of engineering industry in the country.

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

"LADIES AND GENTLEMEN,

"I have great pleasure in welcoming you to this nineteenth annual general meeting of Textile Machinery Corporation Limited. The Directors' report and the audited statement of accounts for the year ended 31st December 1958 have already been in your hands for some time and, with your permission, I shall take them as read.

"The year 1958 was a period of cautious adventure for commerce and industry. The recession in the West, though a mild one, had its echoes felt in this land too and affected our international trade adversely. Production also slowed down in certain industrial sectors and consumer resistance developed. A pruning of the second Five-year Plan became unavoidable. With a view to retrieving the situation, the Finance Minister announced certain changes in taxation in this year's budget. The removal of excess dividend tax and wealth tax on companies is a welcome step which the industry, in fact, had been urging for some time. But the increase in the incidence of wealth tax on individuals and the abolition of the system of 'grossing' in respect of dividend incomes are likely to have an adverse effect on the industrial progress of the country. The capacity of the individual to save and invest and thereby contribute to the resources needed for industrial development is bound to be reduced, owing to the rates of wealth tax having been enhanced. Such provisions for taxation are, therefore, not calculated to contribute to a favourable investment climate. Nor can such a climate be induced by austerity or under-consumption. The industrial edifice can only be built on increased demand which means an improved standard of living and additional employment. For all this a new investment climate is needed based on individual incentive and expectation of legitimate return. The importance of creating such an atmosphere is even greater today when the country is thinking of launching on an ambitious third Five-year Plan with an investment outlay of Rs. 10,000 crores.

Foreign Exchange

"Gentlemen, you might recollect that when we met last year I had referred to the shortage of foreign exchange as one of the main difficulties which stood in the way of a rapid industrial development of the country. Though on the surface the situation now seems a bit improved, we cannot discount the subterranean currents that still threaten to slow down the tempo of the Plan. In January 1957, our foreign exchange reserves stood at Rs. 511 crores. By January 1958, they came down to Rs. 283 crores and by January 1959 to Rs. 189 crores. Thus, during the year 1957, the reserves were drawn down by Rs. 228 crores and during 1958 by Rs. 94 crores. The performance of 1958 was no doubt an improvement and it continued in the early part of the current calendar year also. In April 1959, the reserves stood at Rs. 214 crores which means that not only was the drain on our reserves stopped but there was actually an increase of Rs. 25 crores during the first quarter. In the last month the situation has taken a turn for the worse. The important point to note, however, is that even the earlier improvement had been due to a decline in imports and not due to any increase in exports. Imports fell from

Rs. 1,026 crores in 1957 to Rs. 864 crores in 1958, but at the same time the exports also declined from Rs. 638 crores to Rs. 571 crores. During the early part of 1959 also India's export performance continued to be disquieting. For the first quarter of the current calendar year our exports aggregated to no more than Rs. 134 crores, as against Rs. 141 crores and Rs. 163 crores during the corresponding periods of 1958 and 1957, respectively. This indicates that, in spite of our best efforts, exports are declining. The situation could only be improved through a careful consideration of the problems of every industry individually. The engineering industry too has a great potentiality and, if properly handled, can play an important role in the export promotion drive.

"The export of engineering goods during the past three years has been as shown below:

Year	Value of exports in Rs. crores
1956	4.4
1957	4.4
1958	4.1

In the current year, too, the exports during the first quarter were about Rs. 1.1 crore. Thus, the exports continue to remain roughly at Rs. 4 crores annually. They form 1.5 per cent. of the total value of engineering goods produced which stands at Rs. 270 crores today and they form only 0.7 per cent. of the total exports which are of the order of Rs. 600 crores. This is a poor performance indeed, specially in view of the fact that India is fortunate enough to have on her borders good potential markets. In order, however, to take full advantage of these markets and to compete successfully in them against other suppliers, we must be able to establish a reputation for our quality, to reduce our cost of production and to offer reasonable credit facilities to our customers. So far as the quality is concerned I am confident the Indian engineering industry is capable of getting over the shortcomings, if any exist, and would surely build up a reputation in course of time. But the question of the cost of production is a difficult one and not entirely within the control of the industry itself. There is first the problem of insufficiency of raw materials which affected production in many industrial sectors and resulted in a higher cost of production. The availability of steel, for example, has been continuously falling over the last three years as the following figures would show:

	Availability of steel in million tons		
	1956	1957	1958
Indigenous production	1.38	1.44	1.30
Imports	1.79	1.03	1.08
Total availability	3.12	2.07	2.38

As these figures indicate, the availability of steel has been falling, whereas the requirements of the Engineering industry for this main raw material have obviously been increasing. This shortage of steel has been an important factor in rendering idle a substantial portion of the installed capacity in the engineering industry.

Price of Steel

"Apart from the shortage of steel which made it impossible to maintain an economic level of production, the prices of this main raw material have also been increased several times during the past few years. From 1952 onwards, the increases in the price of steel have been as follows:—

Year	First increase	Second increase	Third increase	Fourth increase	Fifth increase	Sixth increase	Seventh increase	Eighth increase	Ninth increase	Tenth increase	Eleventh increase	Twelfth increase	Thirteenth increase	Fourteenth increase	Fifteenth increase	Sixteenth increase	Seventeenth increase	Eighteenth increase	Nineteenth increase	Twentieth increase	Twenty-first increase	Twenty-second increase	Twenty-third increase	Twenty-fourth increase	Twenty-fifth increase	Twenty-sixth increase	Twenty-seventh increase	Twenty-eighth increase	Twenty-ninth increase	Thirtieth increase
1952	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1953	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1954	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1955	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1956	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1957	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1958	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1959	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total increase	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

"The effect of these increases on the selling price of the more common categories of steel works out as shown below:—

Category of steel	Price in 1952 in rupees per ton	Increase from 1952 in rupees per ton	Present price in rupees per ton	Percentage increase in price
1. Bars and rods	.. 836	.. 309	.. 1,145	139
2. Plates	.. 424	.. 809	.. 1,233	292
3. Structural	.. 346	.. 809	.. 1,155	333

"In order to give an idea of how the price of steel in India compares with that in the other steel-producing countries of the world, a comparative table for a common category of steel, say plates, is given below:

Name of Country	Price of steel plates in rupees per ton	
	On 31st March, 1958	On 31st March, 1959
1. U.K.	.. 561	.. 561
2. U.S.A.	.. 514	.. 565
3. Australia	.. 602	.. 602
4. Belgium	.. 500	.. 500
5. India	.. 725	.. 725

"The above prices are all internal prices. Those for India are *f.o.r.* destination prices, while in other countries they are *ex-factory* prices. These figures would show that the prices of steel in India are roughly 22 per cent. to 30 per cent. higher than those in other countries of the world. Such high prices of steel naturally make the cost of production of our engineering goods unfavourable in comparison with that in other countries and consequently reduce our competitive capacity in foreign markets.

Prospect of Steel Supplies

"It is to be hoped, that the impediment of shorter availability of steel which the indigenous engineering industry is facing today will only be short-lived now. Two out of the three steel plants in the public sector have already started functioning. Although as yet they are only producing pig iron—Bhilai about 1,000 tons and Rourkela 450 tons per day—it is expected that the manufacture of steel would commence before the end of this year. By that time the plant at Durgapur would also have gone into production. With these three plants in the public sector working at full capacity and with the completion of the expansion programmes of the steel plants in the private sector, the total production of steel by the end of the second Five-year Plan should reach something like 4.7 million tons, as against the present level of 1.3 million tons only. With that much of production it is not unreasonable to hope that the engineering industries of the country would not feel shortage of steel and would receive their full requirements of this raw material. While concluding on this subject, I should like to point out that Indian steel which used to be the cheapest a few years back is now unquestionably one of the dearest in the world. I hope, however, that after the steel plants in the public and private sectors attain their rated capacity, they would find it possible to effect reduction in cost, so that the engineering industry may be assured of supplies of steel at reasonable rates and its competitive capacity may not be impaired in any way.

"The other important factor which, besides raw material, controls the cost of production, is the productivity of labour. The per capita productivity of the Indian worker is unfortunately still very low as compared to the per capita productivity in other industrially advanced countries. If the present low level of productivity continues and if wages are increased to improve the standard of living as planned, the effect would be a further addition to the cost of production which is already high. I trust that this important aspect will not be lost sight of and that some sort of a relation would always be maintained between the rise in wages and a corresponding increase in productivity. Otherwise, our capacity, to compete in the export-markets would be further impaired.

Proud Privilege

"Last year, I had mentioned that enquiries from foreign countries for goods manufactured by your Company were being received and that there were fair prospects of sales for exports materialising in the near future. I am glad to inform you that a beginning has already been made. An order for 30 complete ring frames worth about Rs. 8 lakhs has been received this year, against which 19 ring frames have already been despatched. This is the first time in the history of the textile machinery industry in India that some exports of capital goods have been affected by the industry. I am glad to say that it is your Company who has had this proud privilege.

"Gentlemen, it is a matter of satisfaction that, in spite of difficulties, some of which I have pointed out above, the engineering industries of the country have maintained their leading position so far as development is concerned. This is a happy circumstance, particularly, in view of the fact that it is the engineering industries of a country which, more than any other industry,

reflect its general advancement. The indices of production for the various industries given below would illustrate the point:

Name of industry	Index of production (Base 1951=100)	
	1957	1958
1. Cotton textiles	.. 115.6	.. 108.9
2. Jute textiles	.. 120.5	.. 123.9
3. Cement	.. 175.3	.. 189.9
4. Iron and steel	.. 119.3	.. 119.2
5. Sugar	.. 185.5	.. 175.5
6. Paper	.. 150.3	.. 191.8
7. Engineering industries	.. 241.2	.. 252.9
8. General index	.. 137.3	.. 139.4

Production of Engineering Industries

"The above figures show that the index of production of engineering industries has been the highest during recent years. Taking the engineering industries individually, the production in some of the important ones has been as shown below:

Item	Unit	Production		
		1951	1957	1958
1. Machine tools	.. Rs. lakhs	47.3	250.0	375.9
2. Transformers	.. 000 KVA	106	1,219	1,123
3. Bicycles	.. Lakh Nos.	1.14	8.01	9.12
4. Electric fans	.. "	1.94	5.24	6.36
5. Ring frames	.. Nos.	276	1,368	876
6. Carding engines	.. "	..	1,020	1,152
7. Looms	.. "	..	2,868	3,192
8. Sewing machines	.. 000 Nos.	44.4	166.6	205.3
9. Radio receivers	.. "	49.1	190.3	193.1
10. Electric motors	.. 000 h.p.	143	469	624
11. Railway wagons	.. 000 Nos.	3.7	16.9	13.5
		(51-52)		
12. Diesel engines	.. "	7.2	16.5	25.8
13. Automobiles	.. "	22.2	31.9	26.7

"In a few industries, namely, transformers, ring frames and automobiles, the production in 1958 showed a decline, as compared with that in 1957, but the other industries have maintained their development as the above figures show. The most rapid development, as I stated last year, is mainly due to the excellent efforts made by the Hindustan Machine Tools Factory at Bangalore where not only have the targets fixed under the Second Plan been already exceeded but also the quality of production has been reported to be of a very high standard. The development of the machine tool industry is a most welcome sign, because a higher production of machine tools gives promise of the establishment of further manufacturing capacity in the country.

Targets of Capacities

"Perhaps a better measure to judge the progress of an industry is its installed capacity. Actual production in any particular year may be less due to temporary reasons like shortage of raw materials, labour troubles, etc., but the installed capacity is a permanent indication of the stage of development. Although there are still two years to complete the period of the second Five-year Plan, the targets of capacities fixed under the Plan have, in the case of a large number of engineering industries, been either already exceeded or are on the point of being exceeded. Some of these industries are mentioned below:

Name of industry	Unit	Target of capacity under the second Five-year Plan	Capacity already reached as on 31-12-1958
1. Bicycles	.. 000 Nos.	800	925
2. Complete spinning ring frames	.. Nos.	2,810	2,794
3. Dry batteries	.. Lakh Nos.	2,250	2,244
4. Electric fans	.. 000 Nos.	600	765
5. Grinding wheels	.. 000 lbs.	4,728	5,638
6. Sewing machines	.. 000 Nos.	85	81
7. Storage batteries	.. "	850	917

"Gentlemen, the development of small-scale industries side by side with that of the organised sector is also of major importance in the industrialisation of a country. Small industries play a very significant role in the industrially advanced countries of the world, their contribution to the national economy being quite substantial. In the U.S.A., for instance, it was recently estimated that the small industries contribute about 40 per cent. of the total private national income, and more than 33 per cent. of the national product. In the engineering sector, the development of small-scale industries is of special importance, because they supply ancillary products to large-scale industries at a lower cost and are, in a way, indispensable to them. Since the small-scale industries have also great potentialities for providing employment on a large scale, their development is all the more important for a country like India where the question of unemployment is one of the biggest problems of the day. In this context, it is heartening to note that there is now an all-round realisation of the necessity of developing such ancillary engineering industries in this country. Some of the major handicaps that are experienced by small entrepreneurs are a paucity of finance, lack of adequate technical guidance and non-availability of ready markets for their products. Efforts are being made to find a satisfactory

solution to all these difficulties. The National Small Industries Corporation is providing machinery to small entrepreneurs on hire-purchase basis and is also helping them to market their products, while technical guidance is being offered by the Small Industries Services Institutes. Some other schemes are also under consideration through which these entrepreneurs would receive further financial and technical assistance from the large-scale industries themselves. I have no doubt that with all these efforts, the ancillary industries will not take long to develop to a stage when they could be of real help in the progress of the engineering industries of the country.

"Gentlemen, I would now deal briefly with the developments that have taken place in the different divisions of your Company during the year under review.

Cotton Textile Machinery Division

"In my last year's address I had dealt with the factors responsible for lowering the tempo of production of cotton textile machinery. Cotton mills in India had not in the year under review recovered from the slump that started in 1957. Only those equipped with modern machinery—and they are few in number—are working without feeling the pinch, while the vast majority are carrying on in a make-shift manner. Needless to say, the impact of these adverse conditions on the machinery manufacturing industry has been severe. So far as we are concerned, our sales during the year under review were slightly better than in the previous year which, I must say, was a particularly bad year. But our production was much less. The reason for lower production was that whereas the carryover of orders from 1956 to 1957 was very large, the carryover from 1957 to 1958 was quite small and, therefore, the production had to be brought down to a lower level. We were also required to provide financial accommodation to several mills by offering medium-term credit.

"The development work in this Division during the year under review was satisfactory. By the beginning of 1959 we were able to make prototypes of the UD type of ring spinning frame and an improved type of drawing frame. Development work on Simplex fly frame and ring doubling frame is in progress. All the new items are made to the specifications of our collaborators, Messrs. Howa Machinery Ltd., Nagoya, Japan.

"Carding engine production progressed fairly satisfactorily during the year. We are now producing a higher proportion of components in our works. A good deal of progress has been made on the manufacture of special purpose machine tools which will help us in achieving production of almost all the component parts in our factory.

"In the current calendar year, the textile machinery division of your Company is expected to show better results, because the textile industry appears to have turned round the corner and its condition is improving.

Boiler and Heavy Engineering Division

"In this division, the quantum of production during the year under review was substantially higher than in the preceding year. In fact, it was one and a half times higher. Shop extensions undertaken during the previous year have

UNIVERSITY OF BOMBAY DEPARTMENT OF ECONOMICS

APPLICATIONS ARE INVITED FOR THE post of a Research Assistant in Monetary Economics in the Department of Economics in the grade of Rs. 160-15-250 plus D.A. admissible under the existing rules.

Applicants should have a good post-graduate degree in Monetary Economics and some experience of research work, particularly in Monetary Economics. They should state their research qualifications and the subject in which they have specialised. Preference will be given to those who have specialised in Monetary Economics.

Eight copies of the application in the prescribed form (to be had from the Registrar, University of Bombay, Bombay-1), should be submitted. Selected candidates will have to present themselves for interview at their own expense.

Applications should reach the undersigned on or before 30th July, 1959.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, 3rd July, 1959.

been completed and we are now preparing to install new plant and equipment for various items of manufacture.

"Due to difficulties in importing the necessary equipment, we have not been able to make as much headway as we had intended in the manufacture of water tube boilers and sugar machinery. Water tube boilers are, however, now in the process of production. Order for Lancashire vertical and locomotive Boilers also continue to be received as before.

"Manufacture of sugar machinery has progressed considerably. On the advice of the Government of India, machinery manufacturers including ourselves have formed consortia to deal with the orders that would be forthcoming for sugar plants in this country. It is estimated that under the present scheme more than 75 per cent. of the equipment required by the sugar factories in India will be made indigenously. With a number of new sugar factories proposed to be set up in future and with a large number of the existing ones requiring replacement of their plants we and the other members of the consortia expect to do quite a large volume of work in this field.

"Our structural shops continued to do a big volume of work during the year under review. You will be pleased to hear that we have already finished the work of fabrication and erection of all the radial spillway gates for the Panchet Hill Dam of the Damodar Valley Corporation. These gates were of gigantic dimensions and due to difficulties of transportation they were despatched in sections and reassembled at site. We are getting orders for dam gates for other schemes as well. This, in fact, is one of the lines we intend to develop further. Among other items of structural work upon which we were engaged during the year under review, I may mention completion of fabrication work on 2,100 tons of various items for the Bhilai Steel Plant. We still have, on hand, work on about 1,200 tons more for the same plant. This work is being done in stages.

"Railway rolling stock production during the year has been satisfactory. In the current year we shall be changing over production to the BOX type broad-gauge wagons. We have also made fair progress on the production of passenger coaching underframes.

Steel Foundry Division

"In this division, we have maintained the progress achieved during the previous years. We are making alloy steel castings, specially high manganese and nickel chrome castings for various industrial purposes. We have also developed capacity for making cast steel gear wheels for sugar machinery. Certain parts of locomotives required by the Chittaranjan Locomotive Works are also being made in our foundry. We are making efforts to develop capacity for heavy castings too.

Machine Tool Division

"The Government of India have approved the terms of our collaboration with Messrs. H. W. Ward & Co., Ltd., U.K., for the manufacture of Capstan and Turret lathes. This scheme is being pushed through with all possible speed and necessary arrangements are being made for an early import of the requisite capital equipment.

"Gentlemen, before concluding I wish to place on record my deep appreciation of the ceaseless efforts put in by the officers, members of the staff and workers in sustaining the progress of your Company."

Five leading Norwegian manufacturers of diesel engines for fishing and coastal fleet have together formed themselves into a single group, called the N.O.R.M.O. While the constituent concerns will continue as independent units, research and design, besides rationalising production by joint planning and control. Production is proposed to be concentrated on only two or three models instead of fifteen as at present. The manufacture of parts will be divided among the five companies, and one of them will constitute the assembly plant.

The number of population censuses undertaken throughout the world, particularly in Asia and Africa, has increased during the past five years, according to the *Demographic Yearbook 1958*, an annual publication of the United Nations. Much of this increased census activity is part of the 1960 world census programme recommended by the United Nations. The programme extends over the years 1955 to 1964, and the Governments have been invited to follow U.N. recommendations designed to improve the quality of the results and the comparability of the data obtained. In Asia, about 60 per cent. of the total population, that is, about 784 million persons, was enumerated between 1953 and 1958. The largest group in this figure was in mainland China where the 1953 census supplied the first modern figures on the status of population in that area.

MOTOR INSURANCE TARIFF W.I.A.A. PROTESTS AGAINST ENHANCEMENT

ECHOES of the protest against the enhancement of motor insurance tariff last year in Bombay are still being heard in automobile-owner circles. Last year, when private car and motor cycle comprehensive cover rates for risks in Bombay City and the island of Salsettee was put up by 40 per cent., by the Tariff Committee of the Insurance Association of India, motor car owners in Bombay had opposed the rise. In a memorandum submitted to the Bombay Regional Council of the Insurance Association of India, the Western India Automobile Association (W.I.A.A.) submitted that, considering the improvement in the accident position in respect of motor cars, as compared with commercial vehicles, it was unfair to raise the premium on cars while that on commercial vehicles was sought to be only slightly raised or even reduced.

At this year's annual meeting of the W.I.A.A., too, its President, Mr. P. R. Bhatt, voiced the Association's strong protest against the enhancement of the premium, Mr. Bhatt regretted that, in spite of the close association between the W.I.A.A. and the Bombay Regional Council of the Insurance Association of India, the latter did not consult his Association before the changes in the rates were decided upon nor did it pay heed to the W.I.A.A.'s suggestions in this respect. The latest instance of such unresponsiveness on the part of the Insurance Association, according to Mr. Bhatt, was the unilateral way in which it repudiated an arrangement regarding rebates which was in force for over a quarter of a century.

Mr. Bhatt observed that the rebate was introduced as a sort of encouragement to motorists to join automobile associations and thus support them in their efforts to promote safer motoring which will ultimately benefit the insurance companies. That the Association was doing useful work in this direction was evident, Mr. Bhatt pointed out, from the fact that, in almost all States, they have been given consultative status in regard to traffic problems and road safety. Expressing surprise that, at a stage when their influence for public good was increasingly felt, the Tariff Committee of the Insurance Association of India should deem it fit to cut the rebate, Mr. Bhatt observed:

"I cannot say what sort of response the Tariff Committee propose to give to the W.I.A.A.'s representation for the restoration of the status quo but assuming it is ignored or by-passed, I am afraid the W.I.A.A. will then have no option but to sit up and take notice of such flagrant floutings of undertakings of 'good faith' arrived at after very careful consideration by the two bodies. In any case, the situation is such that it will be suicidal if we fail to exercise the utmost caution and care in moulding developments."

Mr. Bhatt said that the establishment of the Federation of Indian Automobile Associations last February was a significant achievement in the history of motoring in India. He revealed that one of the very first subjects the Federation expected to tackle was its relationship with the Insurance Association of India and the steps it should take to safeguard the interest of the members in regard to rates, rebates, etc. The attitude of the Tariff Committee, according to Mr. Bhatt, had given rise to strong feelings among the automobile associations which may find shape in common action and concerted remedies. Perhaps, an indication of what the automobile associations intend to do in the matter was his hint at the possibility of motorists evolving a co-operative insurance scheme.

Business Unremunerative

The W.I.A.A. is perhaps justified in feeling uneasy over the fact that it was not consulted in the matter of enhancing the premium and cutting rebate. Prior consultation would certainly have been beneficial to both bodies. But it is not quite correct to argue that the rise in the rates was unjust or unwarranted. Motor insurance in this country is notoriously unremunerative. The hopeless conditions of roads and traffic is obvious even to a casual visitor to the City. The volume of traffic, vehicular and pedestrian, is increasing every year. To give an idea of the increase in passengers on the roads, the B.E.S.T. and the suburban services of the Western and Central Railways handle 2.8 million passengers daily; all of them are pedestrians at one time or another in Bombay City roads daily.

If the number of car miles in the City per day were to be calculated it would be equivalent

to one car going 1,250,000 miles in one day. This is equal to 50 times around the world at the equator. If the momentum of Bombay traffic were to be concentrated into the velocity of one vehicle, it would travel at over 52,000 m.p.h. which is three times the velocity of the U.S.A.'s I.G.Y. space rocket when fired. By comparison, this car would meet with a collision every 20,000 miles. It would injure a person every 80,400 miles and kill a person every 1,660,000 miles.

Transposing these figures to the average driver of a vehicle who does the average 20 miles per day in his vehicle, his chances of meeting with a collision would occur once in every two years and 10 months. He would injure one person every 11 years and would kill another every 227 years or once in three average spans of life and yet statistics show that, during 1958, every fourth private car met with an accident, every B.E.S.T. bus met with 4.5 accidents, every sixth motor cycle met with an accident, every 10th motor taxi met with nine accidents and every seven lorries met with two accidents. In money terms, nearly Rs. 4 lakhs is literally exploded into exhaust fumes daily in the City.

Insurers' Stand

Insurers point out that the enhancement of rates last year was necessitated by the mounting loss ratio. It is true that last year's rise in rates was the third in Bombay City since 1949. But, in spite of the increases, the loss ratio continued to be unfavourable and the ratio for the period 1953-55, on which last year's rate was based, averaged about 73.33 per cent. As regards the rebates given to members of recognised automobile associations, the Tariff Committee maintains that these are in the form of indirect contributions to the automobile associations in the expectation that the service rendered by these associations would ultimately lead to lower claims. It would, however, appear that the

quality of servicing is not always high and that such servicing has not resulted in any reduction of claims. It must be remembered, too, that higher cost of insurance is not a phenomenon confined to this country alone. Motor insurance rates throughout the world are mounting steadily. In the U.S., during the ten years up to the end of 1958, motor insurance rates advanced by 69 per cent. and, this year, insurance companies are asking the State Governments to sanction still higher rates. Many of the insurance companies are so dissatisfied with their motor business that they are said to be trying to sell less and less liability protection. In many States of the U.S., it is said, insurers will accept certain liability only through a type of share-the-loss plan which forcibly assigns to various companies a share of their burden.

There is no doubt that car owners in this country are called upon to carry heavier and heavier burden. The high price of petrol (the price of petrol per gallon in India is Rs. 3, as against Re. 1.79 in the U.S., Rs. 2.85 in the U.K., Re. 1.80 in Australia and Re. 2.45 in Switzerland) the mounting repair charges and replacement costs have made the possession and use of cars prohibitively costly. But there does not seem to be much that insurance companies can do in the matter. The car owner's lot can be improved only when his costs of operation are brought down through relief in tax and other burdens.

The way out of the impasse in respect of car insurance lies in minimising the number of accidents by promoting a "safety climate." This alone could ultimately make car insurance cheaper to car owners and profitable to insurance companies. The formation of a separate co-operative insurance scheme for car owners, as suggested by Mr. Bhatt, does not appear to be the solution to a problem which has its roots in the chaotic condition of traffic in the country's present fiscal system and poor standards of road maintenance.

Specified
at the blue print stage
SAHU CEMENT

THE JAIPUR UDYOG LTD.	Portland Cement	
Sawai Madhopur, Rajasthan	'Trishul' brand	
ROHTAS INDUSTRIES LTD.	'Ashoka' brand	
Dalmianagar, Bihar		
ASHOKA CEMENT LTD.	'Sahul' brand	
Dalmianagar, Bihar		

Selling Agents
ASHOKA MARKETING LTD.

Calcutta, Patna, New Delhi, Lucknow, Chandigarh, Jaipur & Bhopal

AVAILABLE THROUGH A NETWORK OF STOCKISTS

WORLD ECONOMIC TRENDS U.N. SURVEY ANTICIPATES RISE IN PRODUCTION AND STEADY CONDITIONS FOR PRIMARY PRODUCE

EARLY in 1959, business activity in industrial countries was continuing to recover from the recent recession. By March, the index of industrial production was slightly higher than the pre-recession peak and it was expected that production for the whole of the current year would be above the 1958 level. Despite this, there appeared to be grounds for some concern about the vigour of the current phase of expansion. These are some of the findings of Part II of the *World Economic Survey, 1958* which analyses current developments in the world economy and gives the outlook for 1959. Part I of the *Survey*, dealing with international commodity problems was analysed in our issue of 6th June 1959. The complete report, published in a printed edition by the United Nations, is meant to serve as the principal background document for the discussion of the world economic situation at the twenty-eighth session of the U.N. Economic and Social Council, which began in Geneva on 30th June 1959.

The prices of a number of primary products began to show signs of recovery in the second half of 1958, according to the *Survey*, but prospective developments in demand and supply seemed unlikely to induce a rapid rise in the commodity price level in 1959. Consequently, no great increase in the international trade of the primary exporting countries could be expected. In most of the centrally planned countries, plans for 1959 provide for rates of growth generally below those achieved in 1958.

Some of the more important facts that emerge from the study of trends in economic activity in 1958 and the future outlook are:

For the industrial group of countries, the year 1958 was characterised by economic decline and subsequent recovery.

The gold outflow from the United States can be explained without reference to any deterioration in the competitive power of that country or loss of confidence in the dollar.

The decline in commodity prices caused a reduction in the export earnings of the primary exporting countries. This in turn induced a cut-back in imports and the result in many cases was a slowing down in the rate of economic growth.

In the centrally planned countries, the outstanding development in 1958 was the unusually high rate of expansion reported in mainland China.

One of the main characteristics of the new long-term development programmes recently adopted by many centrally planned countries is the narrowing of the margin between the rates of growth envisaged for industry and agriculture.

Industrial Countries

The *Survey* reports that, notwithstanding a partial recovery in the second half of 1958, average production in the industrial group of countries was slightly lower in that year than in 1957. Although business activity continued to recover in 1959, the available indications were that under-utilisation of both equipment and labour was likely to persist for some time.

The most important factor which helped to overcome the recent recession in both Canada and the United States was, according to the *Survey*, the expansive behaviour of the public sector. In the United States the difference between the behaviour of the public sector in the 1953-54 and the 1957-58 recession provides much of the explanation for the relatively shorter duration of the latter downturn, despite the fact that the decline in activity in the private sector was greater and possessed a more persistent character in 1957-58.

The public sector in the U.S. continued to play a significant part in stimulating the expansion of demand and production after the upturn in production, during the first nine months of the recovery period. The support received by the economy from the public sector in the United States was not limited to Governmental action taken with the deliberate intention of arresting the downturn and promoting a higher level of activity. Certain measures taken for reasons not directly connected with economic conditions also played a significant part in stimulating economic activity both during the recession and in the first phase of recovery.

The stimulus provided to the economy by Government fiscal operations during the recession was, according to the *Survey*, sufficient to offset the depressing influence of the steep decline in fixed investment—the primary factor in the recession. Gross national product rose after

the first quarter of 1958 in line with the advance in industrial production, and, by the fourth quarter of the year, reached a level less than one per cent. lower than the pre-recession peak. For the year as a whole, however, total output was about 3 per cent. lower in volume than in 1957. The *Survey* states that one of the reasons for the present high volume of unemployment in the United States is to be sought in the relatively small rise in demand and employment during the last phase of the upswing preceding the recent recession, which extended from the end of 1955 until the third quarter of 1957.

The U.N. study draws attention to the important similarities between recent economic developments in the industrial countries of Western Europe and Japan and those in North America, particularly as regards the basic slackening of fixed investment. All of these countries experienced a drop in production of greater or lesser magnitude at some point during the period 1957-58. The fact that there had nevertheless been no general decline in economic activity in Western Europe on a scale comparable with that in the United States up to the end of 1958 was due mainly to the greater stability of total demand. Confidence did not weaken to the same extent as in North America, and inventory liquidation was much more limited, affecting only a few specific sectors. Particularly important in sustaining the level of final demand in Western Europe was the continued rapid growth in consumption of durable goods in the main producing countries.

The development of slack in their economies led a number of Governments to remove some of the restrictions on fixed investment and consumption, and, in some instances, to take specific measures to stimulate the expansion of demand. Partly as a result of these steps and a general improvement in economic climate following the recovery of North America, there was a moderate revival in economic activity in Japan and in all Western European countries, except France, in the second half of 1958, which continued into the early months of 1959.

Wages and Prices

The easing in demand pressures in the industrial group of countries during 1958 was accompanied in all countries, except France, by a slowing down in the rate of increase in wages and prices. The fact that wage rates generally rose more slowly in 1958 than in the preceding year does not mean that a similar slowdown occurred in wage costs per unit of output. The decline in the rate of increase of wages, the U.N. report states, appears to have been offset in most countries by a slower growth in labour productivity. In general, it would seem that the fall in prices of raw materials was a more important factor in the greater stability of prices of manufactured goods.

The *Survey* observes that developments in the international trade and payments of the industrial countries during 1958 seem to have been quite the opposite of what the world had come to expect in the wake of a recession in North America. United States imports did not fall significantly, but those of Western Europe did. Western European exports fell much less in value than those of North America, and it was United States foreign exchange reserves that dropped, while those of the other industrial countries increased at a rate which was almost unprecedented.

Although there have been some changes in the structure of United States trade and payments that are likely to be of an enduring nature, the *Survey* states, these changes do not go very far toward explaining the apparently paradoxical behaviour of the United States balance of payments during 1958. Of much more importance, it says, is the fact that the last recession coincided with the coming to an end of the boom in Japan and Western Europe and this had an adverse effect on United States exports to these countries.

Forecast for 1959

Commenting on the outlook for 1959, the U.N. report says that the present upturn is expected to continue, and the rate of economic expansion during the next year or so will be limited only by the level of demand. However, it is doubtful whether the rate of expansion for

the industrial group of countries will be as great in 1959 as that experienced in the early phase of the last upswing, and it is likely to be well below the level which the available labour and equipment resources permit.

One of the major elements in Governmental hesitation to provide a stronger stimulus to the expansion of demand is the fear of price increases if the recovery accelerates. What is frequently left out of account, however, is the fact that a higher rate of growth, while tending to increase the pressure of demand in the raw material and labour markets, would permit a more rapid advance in productivity.

Balance of payments considerations also continue to play an important part in the policies of Western European countries toward economic growth according to the U.N. study. Of potentially greater significance is the increasing preoccupation with balance of payments considerations of countries such as the United States which had not in the past devoted any attention to such considerations in the context of growth policy. The events of the past 18 months, although they do not constitute evidence of a loss of confidence in the dollar, may possibly indicate an increasing reluctance on the part of Governments generally to hold reserves in the form of foreign exchange.

If such reluctance should increase, preoccupation with problems of foreign exchange reserves might assume serious proportions, and Governments might be tempted to compete for scarce supplies of gold by still greater restraints on economic activity than in the past. There is little to be said, the *Survey* avers, for allowing the rate of production of new gold to impose a limit on world economic expansion. Unless the countries which have strong balances of foreign exchange are among the leaders in world economic expansion, the general environment may well become universally unfavourable to high rates of growth.

Primary Exporting Countries

The *Survey* notes that, in 1958, for the first time since 1952, the volume of exports from the primary exporting countries failed to expand. The immediate cause of this was the sharp recession in many branches of manufacturing in North America, a decline in building activity and a slowing down in the growth of several other industries in Western Europe and an almost universal cutback in the output of textiles. But this failure of exports to expand, the study points out, did not represent a sudden change so much as the culmination of a trend toward diminishing increases which had been under way since 1955.

The chief dynamic element in the growth of exports of primary producing countries in recent years has been petroleum, the volume shipped in 1958 being well over 50 per cent. above the 1953 level, whereas the volume of other products shipped from these countries increased a little more than an eighth between 1953 and 1957. During that period, the average unit value of exports remained fairly steady, and in mid-1957 it again stood at the 1953 level. In the course of the following 12 months, however, there was a rapid decline, reflecting a widespread reduction in commodity prices.

Terms of Exchange Deteriorate

The price index of primary commodities in international trade declined by more than 10 per cent. between the first quarter of 1957 and the second quarter of 1958. Since the average export unit value of manufactures continued to rise during this period, there was a sharp deterioration in the terms of exchange between primary products and manufactured goods, and, by mid-1958, this price ratio was at its lowest post-war level. Though there was a 2 per cent. improvement in these terms of exchange in the second half of 1958 as compared with the first half of the year, for 1958 as a whole they were 8 per cent. below the 1957 figure and 24 per cent. below the 1950 figure.

Not all prices were lower in 1958 than in 1957. There was an improvement in the terms of trade of countries exporting mainly cocoa, rice, meat, petroleum, fruit and copra and palm kernels. This was more than offset, however, by the worsening of the terms of trade of the exporters of wool, metals, and ores, sugar, rubber and cotton. In the aggregate, there was a deterioration of about 4 per cent. in the terms of trade and a reduction of about 6 per cent. in export proceeds.

The decline in the export proceeds of the primary exporting countries between 1957 and 1958 was not, according to the U.N. study, the

result of a large falling off in shipments to North America where the recession in industrial demand was most marked. Indeed, exports to North America were better maintained than those to other regions; in terms of value, they declined by only 3 per cent. as compared with a decline of 5 per cent. in exports to Western Europe, 7 per cent. in trade among the primary exporting countries themselves, and 14 per cent. in exports to Japan. Exports to the centrally planned countries, however, were 8 per cent. higher in 1958 than in 1957.

As the rising import bills and declining export earnings began to increase the strain on the external balance of payments in 1957, a growing number of countries turned to remedial action. There was a widespread cutback in imports, except in those few countries that were able to countenance an unhampered drawing down of their foreign exchange reserves, either because of the magnitude of their reserves or because of their expected reinforcement by inflowing capital. In several cases, adjustments in exchange rates also took place.

With the recovery beginning to get under way in the industrial countries, the demand for some of the products of the primary exporting countries also began to pick up slightly in the second half of 1958 and this process continued in the first quarter of 1959. The *Survey* adds, however, that the extent to which the upward price trends are likely to persist and be reflected in the export earnings of the primary exporting countries depends not only on the maintenance of higher rates of consumption in the industrial countries but also on demand from the centrally planned countries as well as the primary exporting countries themselves. As against these signs of probable improvement in the terms of trade of the primary exporting countries, the *Survey* mentions a number of negative factors, chief among which is the problem of longer-term maladjustment between demand and supply, particularly serious in the case of some of the agricultural commodities. On the other hand it says, the restraints on imports may well have somewhat less of an inhibitive effect on internal growth than they had in 1958 as domestic production promises to be appreciably higher—especially in the case of foodstuffs—and this should relieve the foreign trade budget of a part of the burden it bore in 1958. Moreover, present indications suggest that the flow of capital into the primary exporting countries in 1959 should be at least as great as in 1958. Concluding its review of the primary exporting countries, the *Survey* states: "If 1957 was a year of major external imbalance, and 1958 a year of downward adjustment, 1959 could be a year of levelling out, leading, in due course, to a resumption of growth in their international trade."

Centrally-planned Economies

In the Soviet Union, national product rose by 9 per cent. in 1958, as compared with a 6 per cent. increase in 1957. Changes in the rate of growth of national product between the two years were, however, of little significance in Bulgaria, Poland and Czechoslovakia. In mainland China, the changes which occurred were of an entirely different order of magnitude, and the rate of increase in national product seems to have been in the order of 50 per cent.

During 1958, says the *Survey*, the outstanding development in agriculture was the "striking increase" in output of over 60 per cent. recorded in mainland China. In the Soviet Union, the increase was about 12 per cent. In other Eastern European countries, the levels of output attained in 1958 were only moderately higher than in the preceding year, the increases ranging from 1.3 per cent. in Bulgaria to 6.7 per cent. in Eastern Germany. The U.N. study remarks that the expanded output of crops in mainland China was attained without any appreciable increase in the sown area and was mostly the result of technological improvements and more intensive methods of cultivation. The movement for the country-wide formation of communes gathered momentum in August 1958 and by mid-December 1958, it states, 740,000 collective farms, embracing 99 per cent. of all peasant households, were re-organised into 26,000 communes. Public ownership of means of production is far more extensive in the communes than it was in the collective farms. The record crops reaped in the Soviet Union were mostly the result of generally favourable weather conditions. The series of agricultural reforms introduced in 1958 were designed to secure further improvements in the utilisation of resources and to provide increased incentives for production. Compulsory delivery quotas at

lower prices were abolished, resulting in the elimination of the multiple pricing system. The State network of machine and tractor stations was also gradually transferred to the collective farms.

In the Soviet Union and Eastern Europe, industrial production continued to expand in 1958 at about the same rate as in the preceding year. Mainland China, however, reported an unusually high rate of increase, due to the maturing of a large number of investment projects initiated during the Five-year Plan for 1952-57 and to the very great expansion of small-scale production that was made possible through the employment of great numbers of people in productive activities involving little capital outlay. The expansion of output in the Soviet Union and in other Eastern European countries appears to have been fostered by the further elimination of bottlenecks and by more careful planning. In contrast to 1957, when output of consumer goods had risen in most countries at a faster rate than that of producer goods, all but one of the centrally-planned countries registered a larger increase in the producer goods sector in 1958.

Foreign Trade

The rate of expansion in foreign trade of all the centrally planned economies, except mainland China, slackened considerably in 1958. An expansion of 14 per cent. in 1957 gave way to a smaller expansion of 5 per cent. in 1958, primarily because of a sharp deceleration in trade of the Soviet Union and Eastern Germany. The foreign trade of mainland China increased by 14 per cent. in 1958 following an absolute decline in 1957. Trade with the Soviet Union increased by 18 per cent. while trade with some Western European countries more than doubled. During the period under review, imports of the centrally planned economies in their trade with the rest of the world increased more than exports.

In Yugoslavia, agricultural output which, after a decline of 12 per cent. in 1956, had increased by 35 per cent. in 1957, fell again in 1958 by about 15 per cent. As a consequence, national product remained practically at the level reached in 1957, despite the fact that industrial production increased by 11 per cent. The value of foreign trade increased by only 8 per cent. in 1958, as compared to a 32 per cent. increase in 1957.

Reviewing the plans for 1959, the U.N. Study says that the plans for mainland China and Bulgaria envisage exceedingly high rates of expansion, while those of the remaining centrally-planned countries provide for relatively moderate rates of growth, generally below the rates achieved in 1958. In most countries, the advance in industrial production would be realised mainly through increases in output per man and only to a much smaller extent through increased employment.

A special section of the *Survey* analyses the new long-term plans of economic development introduced or revised in 1958. In most countries, industrial production is planned to increase less rapidly than it has in the past, due chiefly to the increasing difficulty of maintaining the previous rate of expansion in the industrial labour supply. However, more than average rates of expansion are planned for the extractive and chemical sectors. As for agriculture, the planned rates of expansion are generally higher than those achieved in the past. Generally speaking, one of the characteristics of the new long-term plans of the centrally planned economies is a very significant narrowing of the margin between the rates of growth planned for industry and agriculture.

THE METAL BOX COMPANY OF INDIA LTD.

(Concluded from page 55)

to return to the United Kingdom. He served with your Company for nearly 26 years and for 17 of those years he was Chairman and, until March last year, Managing Director, bearing the heavy responsibility of managing the Company's affairs and guiding it along the successful path that it has followed. His leadership and energetic management have been an example to us all. Mr. Chiswell Jones continues to be a member of your Board of Directors and has also joined the Board of our Associates, The Metal Box Company Overseas Limited. I am sure you will wish to join me in placing on record the Company's appreciation of Mr. Chiswell Jones' services and our thanks for the success that he has achieved for the Company."

Notices

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on 3rd August, 1959, at 3 p.m., for the following purposes:—

- (1) To consider the Profit and Loss Account for the year ended 31st December, 1958, the Balance Sheet as at that date and the Reports of the Directors and the Auditors.
- (2) To declare a Dividend on the Ordinary Shares.
- (3) To appoint Auditors and to fix their remuneration.
- (4) To elect Directors in the places of three Directors retiring.

The Share Transfer Register of the Company's Ordinary Shares will be closed from 25th July to 3rd August, both days inclusive.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.

By Order of the Board,

D. A. HOUGHTON,

Calcutta Director & Secretary.

4, BANKSHALL STREET,
CALCUTTA, 6th July, 1959.

THE EAST INDIAN COAL COMPANY LIMITED

(Incorporated in England with Limited Liability)

NOTICE IS HEREBY GIVEN THAT AN interim dividend in respect of the year ended 30th April, 1959, at the rate of Naye Paisa Fifty per share, subject to deduction of Indian Income-tax and Super-tax at the prescribed rates, has been declared payable by the Directors and will be paid to the Registered Shareholders as on 27th July, 1959.

The Share Transfer Books of the Company will be closed from the 14th to 27th July, 1959, both days inclusive.

By Order of the Board,

JARDINE HENDERSON, LIMITED,

I. F. MORRIS,

Acting Secretary,

Managing Agents and Secretaries.

4, CLIVE ROW,
CALCUTTA, 26th June, 1959.

N.B.—Payment of the above dividend will be made only to those members whose names are registered in the Books of the Company on the 27th July, 1959 or to their mandatories. No application for Warrants will be necessary. Claims on behalf of the holders of shares on bank transfer will not be entertained.

THE MYSORE PAPER MILLS LIMITED BANGALORE 9

NOTICE

IN CONNECTION WITH THE TWENTY-fourth Ordinary General Meeting of the Shareholders of the Company to be held on Friday the 28th August 1959, at 3 p.m., at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore 9, the Share Transfer Books of the Company will be closed from 10th August 1959 to 28th August 1959, both days inclusive.

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
GANDHI NAGAR P.O.
POST BOX NO. 570,
BANGALORE 9.

FINANCE FOR SMALL AND MEDIUM INDUSTRIES IN JAPAN

CITY BANKS PLAY THE MAJOR ROLE

A UNIQUE feature of Japan's industrial structure is the preponderance of relatively small and medium enterprises. A description of these enterprises and how they are financed is given by Mr. P. Chentel Rao, Secretary of the Federation of Indian Chambers of Commerce and Industry, by way of an annexure to the report of the Goodwill Trade Mission which was reviewed in our last issue. It is worthwhile recording here the main features of Mr. Rao's note, as there is yet no clear idea in this country of the small and medium industries in Japan.

The definition of these industries varies, depending upon the purpose for which it is meant. For the purpose of finance, a small and medium business is taken as one which employs less than 300 persons and with a capital outlay of less than ten million yen. Out of the total business enterprises in the country (excluding agriculture, forestry and fishery) estimated at 3,284,000, the number of small and medium enterprises is 3,281,000, or 99.9 per cent. These enterprises account for 83.9 per cent. of all the total employees (17.62 million) in the country. Their share of total industrial production is 56 per cent. What is more, they handle 52 per cent. of the aggregate exports. Small and medium-scale industries have thus attained a pre-eminent position in the economic structure of Japan. This is not because these units could compete with the large-scale organised sector producing identical goods. Far from it. They exist because they play a strictly complementary role to the larger industries. They function as feeders to bigger industries.

Naturally, Japan's pioneering efforts in this field are looked upon with interest by many developing countries, including India, which lay stress on labour-intensive techniques of production. It is only appropriate that the Goodwill Mission should have devoted some attention to this aspect of Japanese economic development and seek to bring it to the notice of the public in this country.

Sources of Finance

Almost all the financial institutions in Japan provide the small and medium industries with finance. They do not feel that there is an element of risk in financing smaller units, because the bigger enterprises generally lend their name and weight for obtaining credit to those smaller enterprises that cater to their requirements. The bulk of people's savings in Japan is accumulated in the financial institutions. It is only natural then that these industries should depend for their credit needs on these institutions, instead of on the securities market or on individual financiers. While, in the fiscal year 1957, no less than 74.2 per cent. of the total funds to all businesses, including large business, were provided by private financial institutions and 6.7 per cent. by Government financial agencies, the contribution of the securities market was no more than 16.8 per cent. The following table shows the different sources of industrial finance in Japan as in the fiscal year 1957.

	Equipment capital		Working capital		Total	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Securities market	217.0	31.8	58.1	6.1	275.1	16.8
Corporate bonds	34.6	5.0	0.8	0.1	35.4	2.2
Stocks and shares	182.4	26.9	57.3	6.1	239.7	14.6
Private financial institutions	852.9	50.8	868.2	91.4	1,721.5	74.3
Long-term credit banks	88.3	13.0	7.1	0.8	95.4	5.8
Other financial institutions	200.0	30.8	850.1	90.6	1,050.1	68.7
Government financial agencies	85.7	12.8	23.5	2.5	109.2	6.7

The provisions of industrial finance is regulated by the loss compensation system, the credit guarantee system and credit insurance system. Under the loss compensation system, Government and the local (public) system, Government and the local (public) entities insure against the losses to a certain percentage, incurred by financial institutions from their bad loans extended to the small and medium concerns. The credit guarantee system has been devised to make it smooth to finance small and medium business concerns and people who are incapable of offering either enough personal surety or material security. On the other hand the credit insurance system broadly

insurance and the guarantee insurance. Under this scheme, automatic insurance, to a certain limit, of small loans guaranteed by the Credit Guarantee Association is made possible.

Six kinds of private, Governmental and Government-affiliated institutions are specialising in the small and medium business finance. These are:

- Private institutions (financing big and small-medium business):
 - City banks
 - Local banks
 - Trust banks
- Long-term credit banks
- Private institutions (financing small-medium business only):
 - Mutual loans and savings banks
 - Credit associations and credit co-operatives
- Semi-Governmental institutions (financing small-medium business only):
 - Central Bank for Commercial and Industrial Co-operatives
- Government institutions (financing small-medium business only):
 - Small Business Finance Corporation
 - People's Finance Corporation
 - Small Business Credit Insurance Corporation
- Government institutions (financing big and small-medium business):
 - Japan Development Bank
 - Export-Import Bank of Japan

Place of City Banks

Although there is thus a wide range of agencies providing credit to the small and medium industries, city banks, that is, ordinary banks, play the major role, accounting as they do for 55 per cent. of the total supply. The specialised banks provide about 35 per cent. and semi-Government institutions about nine per cent. The rate of interest varies from eight to twelve per cent.

A brief survey of the activities of the banks specialising in granting credits to small and medium industries is given below:

Central Bank for Commercial and Industrial Co-operatives: This Bank was established by law in December 1937. It had a paid-up capital of 2.84 billion yen at the end of 1956 of which 1.242 billion yen was invested by the Japanese Government in preference stock. Its main business is to make long-term loans without security or to discount bills for affiliated co-operatives and their members from funds received through deposits and debenture issue. The Bank is authorised to issue debenture upto 20 times the total of its paid-up capital and shareholders' reserves. The major portion of loan has been granted for working capital and a small percentage for fixed assets.

Credit Associations and Credit Co-operative Associations: These Associations are non-profit-making bodies. They accept deposits and grant loans to members and discount bills.

Mutual Loans and Savings Banks: These banks carry on the same type of functions as ordinary banks, such as accepting deposits, granting loans, discounting of bills and domestic exchange transactions. However, as small business financial institutions, certain restrictions which do not apply to other ordinary banks are applicable to them such as the maximum loan limit to borrower, regulations as to reserves and deposits, etc. These are essentially institutions for siphoning off petty deposits and savings. The amount of loan granted to a borrower is small, being about 3 lakh yen.

Small Business Finance Corporation: The Corporation has been established by Government for supplying long-term funds to small business enterprises for the purpose of fixed capital and long-term working capital. The Corporation is not authorised to accept deposits or issue debentures but can borrow from Government to supplement its resources.

THE UNITED COMMERCIAL BANK LIMITED

Head Office : CALCUTTA

Authorised Capital	Rs.	8,00,00,000
Subscribed Capital	Rs.	4,00,00,000
Paid-up Capital	Rs.	2,00,00,000
Reserve Fund	Rs.	1,48,00,000

Working Funds
(31.12.58) ... Over Rs. 114,00,000

BRANCHES ALL OVER INDIA (AND ABROAD).

AGENTS THROUGHOUT THE WORLD. PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

People's Finance Corporation: The object of this Corporation which has been set up by Government is to supply petty business funds to the general public. This Corporation is also not allowed to accept deposits or issue debentures. It may borrow from the Government through the Trust Fund Bureau, etc. The amount of average loan granted by this Corporation was of the order of 203,000 yen, as compared with the average loan granted by the Small Finance Corporation of 2.25 million yen. While in the case of the Small Business Finance Corporation about three-fourths of the loans are for fixed capital, in the case of this Corporation less than 25 per cent. of the loans are for fixed capital and the remaining for working capital.

Small Business Credit Insurance Corporation: It was established in 1958 under the credit supplementing system for the promotion of small business, with its capital wholly provided by the Japanese Government. The business of the Corporation is to insure against loss arising from the guaranteeing of obligations of small business entrepreneurs and also to lend Government funds to private Guarantee Associations.

Other Agencies for Credit

The other financial agencies seek to extend credit to both large-scale units and smaller enterprises. First come the ordinary banks, including City banks, having their head offices in big cities and branches throughout the country. Local banks with head office mostly in local towns and the branches concentrated in their respective areas, and Trust banks.

Secondly, long-term credit banks which engage principally in supplying plant and equipment funds and long-term funds. At present Japan has two banks under this category namely, the Industrial Bank of Japan and the Long-term Credit Bank of Japan. The main difference in the operations of long-term credit banks from ordinary banks is that the former can accept deposits only from the Government local public bodies and clients. The principal source of the funds of the long-term credit banks besides their capital is the proceeds obtained from debenture issues. A long-term credit bank may issue debentures up to 2 times the total of its capital and reserves.

Thirdly, the Life Insurance Companies which with ample funds at their disposal are also playing an important role in making direct loans to industry and investment in securities. Besides, Government financial institutions such as the Japan Development Bank and Export Import Bank of Japan, also provide credit to private enterprise including small and medium scale units. The purpose of the Japan Development Bank is to supply long-term loans out of Government funds and to encourage long-term financing on the part of other financial institutions. The function of the Export-Import Bank of Japan is to make loans to Japanese exporters to facilitate plant exports as well as to provide loans to Japanese importers for financing in ports of raw materials contributing to export.

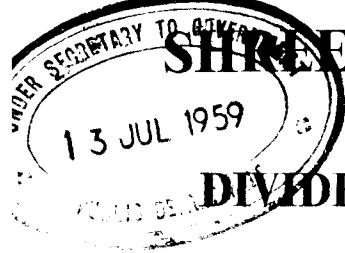
GRINDING WHEEL INDUSTRY

The grinding wheel industry has been enjoying protection for over a decade. During this period, it has made considerable progress both in terms of quantity and quality. This was reviewed by Mr. C. Ramasubban, in the course of his speech at the public inquiry into the question of continuance of protection for the industry, held on 26th June 1959, at Bombay. A notable feature of the industry's progress is that it has diversified its production lines; for all popular types of grinding wheels, except the rubber bonded ones, are now being manufactured indigenously. Further, the industry enjoys a sheltered market, thanks to the severe restriction of imports. No doubt, the industry has to face some difficulties in regard to the supply of one of the principal raw material namely, synthetic abrasive grains. These difficulties, however, will be over, when the newly licensed unit, Krishnalal Thirani & Co., Ltd., Calcutta, commences production of synthetic abrasive grains. It proposes to turn out 150 tons of aluminium oxide during the current year. Besides, it has plans to manufacture silicon carbide grains at a later stage.

The industry has pleaded for the extension of tariff protection beyond 31st December 1959, when the current term of protection expires. Grinding wheels included in the scheme of protection are presently assessed to duty of 25 per cent. ad valorem. Besides, the industry is permitted to import synthetic abrasive grains, a practice which has been followed throughout the period of protection. The industry has asked for other measures of assistance such as incentive or subsidy to promote export and testing facilities at the Government Test House. It is a welcome gesture that at least one of the major units has conceded that there is no need for continue protection. It, however, wants duty-free import of abrasive grains to be permitted.

The scope of the present inquiry covers grinding wheels and segments made of synthetic abrasive grains except the following: (i) grinding wheels of any thickness or bore out more than 1/32 inch in thickness, and (ii) diamond impregnated wheels.

The Tariff Commission, in the course of its investigation in 1957, had estimated the annual



SHREE GOPAL PAPER EARN'S BUMPER PROFIT

DIVIDEND MAINTAINED, BUT GOVERNMENT GETS MORE

THE audited accounts of the Shree Gopal Paper Mills Ltd. (Managing Agents: Messrs. Karam Chand Thapar and Bros. Private Ltd., Calcutta) for the year ended 31st December 1958 make impressive reading. There has been a substantial increase (about 20 per cent.) in the output of paper, from 14,342.21 tons to 17,181.95 tons, thanks to the successful completion of the first phase of the Mills' expansion scheme, raising the productive capacity of the existing three machines to 55 tons per day. Sales of paper and stationery (in terms of value) have risen by over 36 per cent. and gross profit has advanced by more than 62 per cent. from Rs. 60.35 lakhs to Rs. 97.81 lakhs. The main beneficiary of the improvement in profit is the Exchequer, the provision for tax liability having been stepped up from Rs. 22.75 lakhs to Rs. 43.50 lakhs. In consonance with the rise in profit, the managing agency commission also has gone up from Rs. 5.28 lakhs for 1957 to Rs. 8.97 lakhs. The provision for depreciation is, however, lower at Rs. 9.07 lakhs, as against Rs. 10.78 lakhs set aside for the previous year.

The net profit, at Rs. 36.27 lakhs, represents an increase of Rs. 14.73 lakhs over the previous year. Nearly a third of the net profit—Rs. 11.98 lakhs, to be precise—has been ploughed back to the reserves. A sum of Rs. 2.48 lakhs has been transferred to the reserve for development rebate, as compared with Rs. 6.27 lakhs added last year to the provision for development rebate. The dividend equalisation fund has been strengthened by Rs. 9.50 lakhs (as against nil). The dividend on ordinary shares has, however, been kept unchanged at 12½ per cent. for the fourth year in succession on the present capital which had been raised in 1955 by a one-for-two rights issue.

The salient features of the Company's profit and loss account for the year under review are compared with those for the previous three years in the following table:

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds of—				
Paper and stationery ..	3,80.47	2,71.39	2,33.87	2,25.01
Hydrogenated oil ..	25.39	35.03	40.68	66.68
Closing stocks ..	9.58	14.10	17.05	18.38
Raw materials and stores and spares consumed—				
Paper and stationery ..	1,25.46	92.46	92.39	—
Hydrogenated oil ..	20.57	32.09	32.85	—
Other expenses ..	1,57.27	1,23.46	95.75	—
Gross profit ..	97.81	60.38	56.32	60.86
Managing Agents' commission ..	8.97	5.28	5.32	6.06
Provision for—				
Depreciation ..	9.07	10.78	6.62	11.54
Taxation ..	43.50	22.75	19.68	18.80
Net profit ..	36.27	21.54	21.73	24.46
To bonus relating to previous years ..	1.75	—	—	—
To reserves ..	11.98	6.27	2.20	8.80
Capital expenses written off ..	1.05	0.07	1.68	0.13
Dividends ..	—	—	—	—
Preference ..	5.25	5.62	6.00	6.00
Ordinary ..	15.69	15.69	15.69	15.69
(12½%) (12½%) (12½%) (12½%)				
Carry forward ..	0.75	0.20	2.18	1.61

In addition to manufacture of paper and stationery, the Company produces hydrogenated oil. During the year under review, the Company's production of *vanaspati* suffered a substantial drop from 1,950 tons to 1,247 tons. This is probably due in part to the fall in the number of working days from 206 to 111 and partly to the regulation of production on a fixed monthly quota basis, as per agreement reached during the year among the *vanaspati* manufacturers of North India, in order to stabilise prices of *vanaspati*. Sales of *vanaspati* show a decline from 1,781 tons to 1,346 tons. The trends in output of paper and stationery and *vanaspati* are duly reflected in the value of raw materials consumed by the respective sections. In the paper section, while the prices of wood-pulp remained steady, prices of machine furnishings, indigenous chemicals and imported dyes were higher. The price of paper was raised in April 1958, but this was not approved by the Government of India. The question of fixing fair ex-mill prices was referred to the Tariff Commission, the recommendations of which have not been announced so far. Of the rise of Rs. 33.81 lakhs in "other expenses," the cost of power and fuel consumed accounts for Rs. 9.28 lakhs, salaries, wages and bonus for Rs. 5.55 lakhs and excise duty on paper for Rs. 12.22 lakhs.

The Company's latest balance-sheet shows that the paid-up capital at Rs. 207.97 lakhs is supplemented by reserves and surplus aggregating Rs. 86.96 lakhs. In addition to two debenture loans—5½ per cent. loan for Rs. 10 lakhs redeemable in 1966 or earlier and 6 per cent. loan for Rs. 30 lakhs redeemable by drawings at the rate of Rs. 6 lakhs per annum from February 1961 onwards—the Company's borrowings amount to Rs. 56.17 lakhs. The other current liabilities and provisions aggregate Rs. 138.44 lakhs. There has been an addition of Rs. 16.65 lakhs to the block account during the year, bringing the gross value at the end of the year to Rs. 193.62 lakhs. The net book value thereof is Rs. 78.89 lakhs. In other words, the cost of the fixed assets has been written down by 60 per cent. Construction-in-progress and machinery in transit amount to Rs. 222.09 lakhs. The other assets stand at Rs. 228.59 lakhs, exceeding the current liabilities and provisions by a large margin.

The Company has been successful, after considerable experimentation, in producing and marketing on commercial scale superior and special varieties of paper which are claimed to match well in quality to corresponding imported varieties. It is proposed to increase the production of these varieties, provided adequate releases of wood-pulp are made by the Government. The Company is dependent for a substantial part of its requirements of sabal grass on Nepal forests. The previous lease expired last year and a fresh lease has been obtained for a period of three years, but at a higher cost.

The Company has its factories near Ambala; it now owns three paper machines. The fourth one and the corresponding two pulp mills and soda recovery plant are under erection as part of the second phase of expansion programme. They are expected to be ready by October this year. A new turbine and a new boiler are likely to be installed by January next.

The Company's Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 17.87 *ex-div.*, at which rate and on the basis of the latest dividend, they provide a yield of 7 per cent. per annum.

OWNERSHIP IN U.S. CORPORATIONS

The share-owning population of the United States stands today at 12,490,000 individuals, according to a report just published by the New York Stock Exchange. This compares with an estimated total of 8,600,000 in 1956 and 6,490,000 in 1952. The present total is nearly double that of seven years ago and 45 per cent. higher than it was only three years ago.

One adult in eight is, thus, an owner of corporate stock, the report says, and the number of families involved in corporate ownership obviously represents a large proportion of the total. The report describes the average new shareholder as 35 years old with a median income of \$6,900 a year. Nearly one-half of the new stockowners, in fact, are in the 21-34 age group, nearly one-third are in the \$5,000-\$7,500 income bracket.

Indicative of the broadening base of stock ownership is the fact that shareholders are found not only in all income brackets but also in all occupational groups, from professional men to farm labourers. No less than 4,000,000 housewives are among shareowners.

Employee stock purchase plans, which are offered by many companies in the United States, have contributed materially to shareowner growth. Of the total number of shareowners, more than 2,500,000 first acquired stock through company plans, and an estimated 1,340,000 are investing regularly through these plans. An additional 1,230,000 individuals, four times the number in 1956, are represented in the stockholding total through their ownership of investment company shares.

The report also gives a significant breakdown of other types of investments held by shareowners, indicative of the scope of the personal security protections Americans have built up for themselves through their own efforts. Thus, 81 per cent. have life insurance policies, 80 per cent. have savings accounts, 68 per cent. own their own homes, 59 per cent. hold government bonds, and 37 per cent. are participants in private pension programmes. These are all in addition, of course, to Government social security benefits.

RAZA BULAND CUTS DIVIDEND

PROFIT DECLINES

FOR the second year in succession, the profit of the Raza Buland Sugar Company, Ltd. [Managing Agents: Messrs. Govan Bros. (Rampur) Private Ltd., Rampur], has suffered a setback. The Company had earned a bumper gross profit of Rs. 40.60 lakhs for the year ended 31st October 1958, but there was a sharp fall in it to Rs. 28.98 lakhs in the following year. This has been followed now by a further decline to Rs. 23.47 lakhs in 1957-58. The lower profit for the year under review is again due to a drop in crushing, increase in wages, control on sugar prices, the heavy burden of excise duty on white sugar, and the imposition of the Large Land Holdings Tax in U.P. In view of the lower profit, the dividend has been pruned from 15 per cent. per annum paid for the previous two years on the present capital to 12½ per cent. per annum.

The crushing in the Company's two factories was lower by 1.58 million maunds, at 859 million maunds, mainly due to a decline in the area under cultivation and partly due to diversion of cane from Company's reserve area to other factories under orders of the Cane Commissioner, U.P. The quantity of sugar produced fell from 1,027,884 maunds in 1956-57 to 885,335 maunds in the year under review, but the recovery was higher, the average for the two factories being 10.29 per cent., as against 10.10 per cent. in the previous year. The excise duty on white sugar was doubled in May 1957 and the full effect was felt by the Company only in the year under review. Thus, despite the lower quantity of sugar produced, the Company had to pay an excise duty of Rs. 84.80 lakhs in 1957-58, as compared with Rs. 56.70 lakhs in 1956-57 and no more than Rs. 39.83 lakhs in 1955-56. The price control introduced in July 1958 vitiated against the sugar factories in U.P., Punjab and North Bihar, inasmuch as, while the price fixed under it was well below that agreed to between the Indian Sugar Mills Association and the Government of India, it did not guarantee any minimum price nor did it link the price of sugar to the consumer with the ex-factory price. The U.P. Large Land Holdings Tax Act, 1957 was made retroactive from 1st July 1957 and under this legislation a tax demand of Rs. 2.44 lakhs has been made on the Company in respect of its agricultural lands, the bulk of which has been sold. And this has had to be provided for in the account. The Company has, however, challenged the vires of the Act.

The Directors have made a provision of Rs. 13.20 lakhs, based on the Company's own estimates, to meet the tax liability for the year under review and also the excess dividend tax relating to the years 1955-56 and 1956-57. In addition, they have had to provide Rs. 18.75 lakhs to meet the known shortfall in the provision for taxation up to the financial year ended October 1955. Thus, in all, the Directors have made an aggregate provision of Rs. 31.95 lakhs for tax liability, as against Rs. 12.50 lakhs in the previous year. The excess provision for tax liability has been met by transferring Rs. 20.39 lakhs from the general reserve.

The Company's results for four consecutive years are presented in the following table:

	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds ..	3,19.64	3,63.95	2,94.91	1,83.01
Closing stocks ..	29.08	37.13	65.66	84.86
Excise duty ..	84.80	56.70	39.83	18.91
Other expenses ..	2,09.27	2,30.99	2,46.21	1,59.46
Gross profit ..	28.47	28.98	40.60	25.60
Managing Agents' commission ..	1.98	1.45	3.67	2.21
Provision for—				
Depreciation ..	3.38	4.07	3.88	3.06
Taxation ..	31.95	12.50	17.00	—
Net profit (+) or loss (-) ..	-13.80	+10.06	+15.00	+13.01
Transfer from reserves ..	20.39	—	—	—
Excess provisions written back ..	0.67	—	—	—
To reserves ..	0.14	0.10	0.07	0.10
Dividend ..	7.95	6.54	8.50	4.39
Carry forward ..	0.07	0.89	0.28	0.66
Quantity of cane crushed (in maunds) ..	8,591,876	10,173,646	11,058,058	7,067,887
Quantity of sugar bagged (in maunds) ..	885,335	1,027,884	1,079,221	666,791
Recovery (per cent.) ..	10.29	10.10	9.70	9.45

* On the increased capital of Rs. 63.59 lakhs raised by a fresh issue of shares following the amalgamation.

The latest balance-sheet of the Company shows that the paid-up capital of Rs. 63.59 lakhs is supplemented by reserves and surplus aggregating Rs. 27.49 lakhs. (This is after transferring Rs. 20.39 lakhs from the general reserve to meet

the tax liability.) The current liabilities and provisions at Rs. 62 lakhs are more than adequately covered by current assets amounting to Rs. 99.98 lakhs. The gross block of the value of Rs. 87.10 lakhs stands written down to Rs. 52.97 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 14.12 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 10 per cent. per annum free of income-tax.

KAMARHATY AND KANKNARRAH JUTES FARE BETTER

The substantial improvement in the raw jute supply position, particularly of the right qualities, enabled many jute mills in West Bengal to dispose of their manufactures at a profit during 1958. The better results also reflected the industry's sustained effort to improve manufacturing efficiency and to reduce working costs. The results of the Kanknarrah Company Ltd. and the Kamarhaty Company Ltd., two of the important units under the management of Messrs. Jardine Henderson Ltd., Calcutta, for the year ended 31st December 1958, provide a notable instance of the turn in the fortunes of the industry. Both of them have earned sizable profits, in refreshing contrast to the losses suffered in the previous two years. It must, however, be noted that the losses of the two companies in 1957 were much less than those incurred in 1956, thanks to the improvement in the working of mills since March 1957.

Of the two units, the results of Kamarhaty Company are far more encouraging, in that the Company has been able not only to wipe out the accumulated losses and pay off arrears of preference dividends but also to declare a modest return to the ordinary shareholders after a lapse of two years. In the case of the Kanknarrah, the profit for the year under review is much less than that earned by the other and it had a much larger deficit to wipe out. It has been able to reduce this accumulated loss to some extent, but in view of the heavy loss still to be covered, the preference dividend for the year has again fallen in arrears and the ordinary shareholders have had to go without any dividend for the third year in succession.

Kamarhaty has earned a gross profit of Rs. 35.94 lakhs in 1958, as against a loss of Rs. 4.48 lakhs in 1957 and of Rs. 7.50 lakhs in 1956. After providing for a larger managing agency commission and depreciation and making a provision for wealth tax, the net profit of the Company amounts to Rs. 23.29 lakhs. This compares very favourably with the net losses of Rs. 9.22 lakhs and Rs. 9.34 lakhs for 1957 and 1956, respectively. After adjusting the loss of Rs. 18.02 lakhs brought in from the previous year, the Directors have transferred Rs. 20,203 to the development rebate reserve and paid off the preference dividend, at 6 per cent. per annum, for the three years 1956 to 1958. They have also recommended a dividend of 5 per cent. per annum on the ordinary shares, which is double that paid on the last occasion for 1955, as will be seen from the following comparative table:

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds ..	3,80.58	3,89.14	3,00.89	3,25.18
Stocks of finished goods and work-in-progress ..	42.95	41.20	37.11	19.85
Manufacturing and other expenses ..	3,56.32	3,46.20	3,11.48	3,17.68
Gross profit (+) or loss (-) ..	+84.94	-4.48	-7.50	+2.38
Managing Agents' commission ..	8.01	0.50	1.24	1.58
Depreciation ..	10.23	4.24	0.60	1.49
Taxation ..	0.48	—	—	0.95
Net profit (+) or loss (-) ..	+66.22	-9.22	-9.34	+4.46
Transfer from reserves ..	18.02	—	—	—
To reserves and provisions ..	0.20	—	0.88	1.11
Dividends ..	—	—	—	—
6 per cent. preference ..	2.88	—	—	0.96
Ordinary ..	2.16	—	—	0.98
(5%) (5%) (5%) (5%)				
Surplus (+) or deficit (-) ..	+40.02	-18.02	-8.80	+4.87

The Kanknarrah Company Ltd. has earned a gross profit of Rs. 19.40 lakhs. In 1956, it will be recalled, the Company made a loss of Rs. 19.39 lakhs and though it had reduced it by nearly 50 per cent. to Rs. 9.71 lakhs in the following year, between these two years its total loss had grown to Rs. 41.59 lakhs. The net profit for 1958 after providing for managing agency commission, depreciation and taxation (wealth tax) is only Rs. 9.91 lakhs, out of which the Directors have set aside Rs. 10,466 for development rebate reserve. The balance available has been utilised to reduce the aforesaid accumulated loss to Rs. 31.78 lakhs. As a result, both the preference and ordinary shareholders have had to go without a dividend for the third year in succession, as the following comparative table shows:

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds ..	8,49.40	2,95.82	2,40.97	2,71.90
Stocks of finished goods and work-in-progress ..	32.95	32.40	35.88	17.45
Manufacturing and other expenses ..	8,22.04	3,06.67	2,62.12	2,68.98
Gross profit (+) or loss (-) ..	+94.40	-42.25	-57.03	-14.53
Managing Agents' commission ..	0.50	0.50	1.05	1.34
Depreciation ..	8.78	10.61	1.75	1.25
Taxation ..	—	—	—	0.38
Net profit (+) or loss (-) ..	+85.12	-53.36	-60.83	-17.50
Transfer from reserves ..	—	—	—	—
To reserves and provisions ..	0.20	—	—	0.58
Dividends ..	—	—	—	—
6 per cent. preference ..	—	—	—	0.60
Ordinary ..	—	—	—	0.54
(5%) (5%) (5%) (5%)				
Carry forward ..	—	—	—	—
Loss (-) ..	—	—	1.37	+4.88

Both the companies worked throughout the year with 12½ per cent. of the looms sealed. On 10th August 1957, the Kamarhaty started working triple shifts on all the new machinery and double shifts in 'B' mill. This arrangement continued throughout 1958. The Kanknarrah had introduced triple-shift working on the new machinery on 17th March 1957 and this arrangement remained in force in 1958 also. Both the Companies had purchased additional loom-hours from the Reliance Jute Mills, another company under the same management—Kamarhaty taking over 20,640 loom-hours per week and Kanknarrah 19,056 loom-hours. In order to work this additional loomage, the Kamarhaty had re-started a shift on part of the old machinery from 9th September 1957. On the same date and for the same purpose, the Kanknarrah had started double shifts.

The working of both the Companies during the current year (up to the end of May) is said to have shown satisfactory results. The Directors of the Kamarhaty, however, point out that, "as a result of the exhaustion of accumulated losses, income-tax will again be chargeable on future profits." They add: "It is in these circumstances and having regard to the necessity to restore the liquid position of the Company, following the large capital expenditure of recent years, which coincided with substantial trading losses, that your Directors have felt unable to recommend any higher dividend on the Company's equity capital out of the satisfactory profits of 1958."

The Directors of the Kanknarrah are, for similar reasons and in view of the fact that there still remains a substantial debit balance on the profit and loss account in excess of the Company's reserves, unable at the present stage to give any indication of the likelihood of payment of arrears of preference dividends and the resumption of dividend on equity capital.

COAL

(Concluded from page 54)

found that the average dividend paid by the coal industry for the five years 1951-55 is no more than 7.1 per cent. and is much less than that paid by other leading industries, such as plantations, iron and steel, sugar, paper, matches, cement and cotton textiles. Further, the coal companies, with a few exceptions, have been in the unenviable position, among the industries mentioned above, of earning the lowest profit between the years 1950 and 1956. Expressed as a percentage of net worth, the profit of the coal industry in 1956 was as low as 2.9, as against 6.4 in 1955 and the average of 6.5 for the years 1951-55. Since then, the position is said to have deteriorated still further.

An analysis of the accounts of 19 units in the coal industry, which account for one-third of the total coal output, made in 1957 showed that the profit after providing for taxation worked out to no more than Re. 1.21 per ton, out of which dividends distributed accounted for 54 p p per ton. These dividends represented a return of 6.3 per cent. on the paid-up capital, which by itself is low as compared with other industries, and much less if the risk involved in mining companies is taken into account. They constituted 3.4 per cent. of the total value of the capital invested. It is found that, after providing for taxation and dividends, the amount set aside for depreciation by the 19 companies was only Rs. 57 lakhs, while the actual capital expenditure incurred by them was Rs. 88 lakhs. In other words, the internal resources of the 19 companies had to be depleted to the extent of Rs. 31 lakhs in one year alone. Taking this to be the average for the other producers, the total amount drawn out by the whole industry in one year worked out to nearly Rs. 1 crore. No industry can afford to allow this trend to continue, much less the coal industry, which by its nature has to meet heavy capital expenditure every year.

The theory that a rise in coal prices would prove inflationary, in that it would increase the cost of other industries depending upon coal, is disproved by official statistics. Thus, the cost of coal and coke, expressed as a percentage of the gross ex-factory value of the products and by-products, is 14.32 in the case of cement, 11.25 in steel, 3.13 in chemicals, 1.15 in cotton textiles, 1.02 in general and electrical engineering, and 0.70 in jute textiles. Even the All-India Industrial Tribunal (Colliery Disputes) has admitted that coal and coke account for a small percentage only of other industries' production costs.

Another ground on which the coal industry's case for a higher price has been firmly laid is that many other basic industries have been permitted to increase their prices in recent years, as an incentive for progressive expansion. But this is being denied to the coal industry. Any further delay in providing adequate increase in price to this industry at its present critical stage will not only ruin it but affect adversely the whole country's industrial development. A realistic decision on this issue by the Government at an early date will certainly be in the larger national interest.

COMPANY MEETINGS AND DIVIDENDS

RAZA BULAND SUGAR Co., LTD. Annual General Meeting, Raha-E-Raza, Rampur, 21st July 1959. Dividend: Re. 1.25 per share. Transfer books will remain closed from 13th to 25th July 1959, both days inclusive.

NEW SAMANBAGH TEA Co., LTD. Annual General Meeting, Calcutta, 23rd July 1959. Transfer books will remain closed from 13th to 23rd July 1959, both days inclusive.

JESSOP & Co., LTD. Annual General Meeting, Calcutta, 24th July 1959. Dividend: 6 per cent. or Re. 0.60 per share. Transfer books remain closed from 8th to 24th July 1959, both days inclusive.

CANNANORE SPINNING AND WEAVING MILLS LTD. Annual General Meeting, Kakkat, Cannanore, 29th July 1959. Dividend: Rs. 9.00 per share, final (the interim dividend paid was 6 per cent. or Rs. 6.00 per share), for the year ended 31st March 1959. Transfer books will remain closed from 15th to 30th July 1959, both days inclusive.

ALEMIC CHEMICAL WORKS Co., LTD. Annual General Meeting, Baroda, 30th July 1959. Dividend: Rs. 12.00 per share, payable on or after 14th August 1959. Transfer books will remain closed from 24th to 30th July 1959, both days inclusive.

SANGAMESHWAR COFFEE ESTATES LTD. Annual General Meeting, Madras, 30th July 1959. Dividend: 9 per cent. or Re. 0.18 per share. Transfer books will remain closed from 25th to 30th July 1959, both days inclusive.

BURN & Co., LTD. Annual General Meeting, Calcutta, 31st July 1959. Transfer books will remain closed from 23rd to 31st July 1959, both days inclusive.

INDIA CEMENTS LTD. Annual General Meeting, Madras, 31st July 1959. Final dividend of 5 per cent. or Re. 0.25 per share (making a total of 9 per cent. or Re. 0.45 per share), for the year ended 31st March 1959; subject to approval of Industrial Finance Corporation. Transfer books will remain closed from 18th to 31st July 1959, both days inclusive.

NEW INDIA INVESTMENT CORPORATION LTD. Annual General Meeting, Calcutta, 5th August 1959. Transfer books will remain closed from 30th July to 5th August 1959, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 6th August 1959. Dividend: Nil. Transfer books remain closed from 11th to 31st July 1959, both days inclusive.

INDIAN MANUFACTURING Co., LTD. Annual General Meeting, Bombay, 14th August 1959. Dividend: Final dividend of Rs. 1.25 per whole ordinary share and Rs. 62.50 per half ordinary share (on the increased capital), payable on and after 17th August 1959. Transfer books will remain closed from 20th July to 14th August 1959, both days inclusive.

HINDOOSTAN SPINNING AND WEAVING MILLS Co., LTD. Annual General Meeting, Bombay, 14th August 1959. Dividend: Final dividend of Rs. 275 per whole ordinary share and Rs. 68.75 per quarter ordinary share, payable on and after 17th August 1959. Transfer books will remain closed from 20th July to 14th August 1959, both days inclusive.

WESTERN INDIA SPINNING AND MANUFACTURING Co

The U.P. State wheat levy scheme is being continued, but Government purchases here are

(Continued on page 79)

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES

[1952-53=100]

Group and Sub-Group	27th June 1959	29th June 1959	30th June 1959	28th June 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
Total	100.9	100.8	100.7	99.1
Government of India	100.7	100.7	100.5	98.9
State Government	102.4	102.4	102.3	100.6
Municipal, Port Trust, etc.	99.6	99.8	99.8	98.3
DEBITURES OF JOINT STOCK COMPANIES—ALL INDIA.				
Total	101.7	101.8	101.8	99.2
PREFERENCE SHARES—ALL INDIA.				
Total	92.1	92.1	92.2	85.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
Total	151.0	150.6	149.4	133.2
Agriculture and Allied Activities	163.9	164.8	165.4	146.4
Tea Plantations	159.7	160.7	162.4	141.4
Rubber Plantations	159.7	160.7	162.4	141.4
Mineral and Quarrying	159.7	160.7	162.4	141.4
Other Mining	159.7	160.7	162.4	141.4
Processing and Manufacturing	154.1	153.3	151.4	132.3
Processing and Mfg. (Food)	141.5	140.6	138.5	123.5
Sugar	171.2	169.6	168.4	161.9
Cotton Textiles	119.1	118.4	118.8	115.9
Other Textiles	90.6	90.6	90.6	88.8
Silk and Woolen	507.0	505.9	503.0	406.9
Chemicals and Allied	177.2	176.5	174.7	142.3
Iron and Steel	107.2	107.9	107.1	107.3
Transport Equipment	129.2	129.7	129.8	129.3
Electrical Machinery	129.2	129.3	129.8	133.8
Machinery other than Trans.	198.0	198.0	198.8	156.5
Port and Electrical	151.7	151.9	151.6	120.0
Basic Industrial Chemicals	149.7	149.0	147.7	140.4
Processing and Mfg. (Other)	106.8	106.8	106.8	103.1
Other Industries	109.2	109.2	109.5	103.3
Investment Trusts	116.7	116.3	115.6	103.3
GOVERNMENT SECURITIES—REGIONAL.				
39. Bombay	154.5	154.1	152.6	136.8
40. Calcutta	144.0	144.4	143.5	128.1
41. Madras	106.6	105.9	106.3	104.0
42. Delhi	174.9	174.3	171.9	157.7

* Including 'Miscellaneous'. † Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

† Including 'Edible and Vegetable Oils'.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

Year	All India	Bombay	Calcutta	Madras	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
1952 Average	103	337	259	310	92	101	351	102	108	111
1953	106	393	275	323	95	103	349	109	104	108
1954	101	336	244	294	86	99	327	106	105	102
1955	106	338	217	246	78	99	327	106	105	102
1956	105	353	214	216	80	106	347	111	109	95
1957	111	309	250	259	94	112	364	116	108	102
1958	116	305	274	313	98	120	384	121	115	107
1959	111	362	248	329	91	115	364	120	109	96
January	110	360	248	329	89	115	364	120	108	95
February	111	361	248	329	89	115	364	120	108	95
March	111	360	248	329	89	115	364	120	108	95
April	111	360	248	329	89	115	364	120	108	95
May	111	360	248	329	89	115	364	120	108	95
June	111	360	248	329	89	115	364	120	108	95
July	111	360	248	329	89	115	364	120	108	95
August	111	360	248	329	89	115	364	120	108	95
September	111	360	248	329	89	115	364	120	108	95
October	111	360	248	329	89	115	364	120	108	95
November	111	360	248	329	89	115	364	120	108	95
December	111	360	248	329	89	115	364	120	108	95

† Provisional.

SMALL SAVINGS

(In lakhs of rupees)

Year/Month	5-Year National Savings Certificates	12-Year National Savings Certificates	Post Office Savings Bank Deposits	10-Year National Savings Certificates	10-Year Treasury Savings Deposits	15-Year Annuity Certificates	Total
1952-53	5.91	4.28	104.38	31.07	25.64	146.88	211.00
1953-54	6.91	4.28	104.38	31.07	25.64	146.88	211.00
1954-55	7.40	4.28	104.38	31.07	25.64	146.88	211.00
1955-56	8.00	4.28	104.38	31.07	25.64	146.88	211.00
1956-57	8.50	4.28	104.38	31.07	25.64	146.88	211.00
1957-58	9.00	4.28	104.38	31.07	25.64	146.88	211.00
1958-59	9.50	4.28	104.38	31.07	25.64	146.88	211.00
1959-60	10.00	4.28	104.38	31.07	25.64	146.88	211.00
1960-61	10.50	4.28	104.38	31.07	25.64	146.88	211.00
1961-62	11.00	4.28	104.38	31.07	25.64	146.88	211.00
1962-63	11.50	4.28	104.38	31.07	25.64	146.88	211.00
1963-64	12.00	4.28	104.38	31.07	25.64	146.88	211.00
1964-65	12.50	4.28	104.38	31.07	25.64	146.88	211.00
1965-66	13.00	4.28	104.38	31.07	25.64	146.88	211.00
1966-67	13.50	4.28	104.38	31.07	25.64	146.88	211.00
1967-68	14.00	4.28	104.38	31.07	25.64	146.88	211.00
1968-69	14.50	4.28	104.38	31.07	25.64	146.88	211.00
1969-70	15.00	4.28	104.38	31.07	25.64	146.88	211.00

Note:—Outstandings relate to end of period and do not include National's share of pre-partition liabilities; repayments, however, include those from the pre-partition liabilities of India. A—Discontinued from July 1957. B—Discontinued from August 1957. C—Discontinued from June 1957. D—Discontinued from July 1957. E—Discontinued from August 1957. F—Discontinued from June 1957. G—Discontinued from July 1957. H—Discontinued from August 1957. I—Discontinued from June 1957. J—Discontinued from July 1957. K—Discontinued from August 1957. L—Discontinued from June 1957. M—Discontinued from July 1957. N—Discontinued from August 1957. O—Discontinued from June 1957. P—Discontinued from July 1957. Q—Discontinued from August 1957. R—Discontinued from June 1957. S—Discontinued from July 1957. T—Discontinued from August 1957. U—Discontinued from June 1957. V—Discontinued from July 1957. W—Discontinued from August 1957. X—Discontinued from June 1957. Y—Discontinued from July 1957. Z—Discontinued from August 1957. AA—Discontinued from June 1957. AB—Discontinued from July 1957. AC—Discontinued from August 1957. AD—Discontinued from June 1957. AE—Discontinued from July 1957. AF—Discontinued from August 1957. AG—Discontinued from June 1957. AH—Discontinued from July 1957. AI—Discontinued from August 1957. AJ—Discontinued from June 1957. AK—Discontinued from July 1957. AL—Discontinued from August 1957. AM—Discontinued from June 1957. AN—Discontinued from July 1957. AO—Discontinued from August 1957. AP—Discontinued from June 1957. AQ—Discontinued from July 1957. AR—Discontinued from August 1957. AS—Discontinued from June 1957. AT—Discontinued from July 1957. AU—Discontinued from August 1957. AV—Discontinued from June 1957. AW—Discontinued from July 1957. AX—Discontinued from August 1957. AY—Discontinued from June 1957. AZ—Discontinued from July 1957. BA—Discontinued from August 1957. BB—Discontinued from June 1957. BC—Discontinued from July 1957. BD—Discontinued from August 1957. BE—Discontinued from June 1957. BF—Discontinued from July 1957. BG—Discontinued from August 1957. BH—Discontinued from June 1957. BI—Discontinued from July 1957. BJ—Discontinued from August 1957. BK—Discontinued from June 1957. BL—Discontinued from July 1957. BM—Discontinued from August 1957. BN—Discontinued from June 1957. BO—Discontinued from July 1957. BP—Discontinued from August 1957. BQ—Discontinued from June 1957. BR—Discontinued from July 1957. BS—Discontinued from August 1957. BT—Discontinued from June 1957. BU—Discontinued from July 1957. BV—Discontinued from August 1957. BV—Discontinued from June 1957. BW—Discontinued from July 1957. BX—Discontinued from August 1957. BY—Discontinued from June 1957. BZ—Discontinued from July 1957. CA—Discontinued from August 1957. CB—Discontinued from June 1957. CC—Discontinued from July 1957. CD—Discontinued from August 1957. CE—Discontinued from June 1957. CF—Discontinued from July 1957. CG—Discontinued from August 1957. CH—Discontinued from June 1957. CI—Discontinued from July 1957. CJ—Discontinued from August 1957. CK—Discontinued from June 1957. CL—Discontinued from July 1957. CM—Discontinued from August 1957. CN—Discontinued from June 1957. CO—Discontinued from July 1957. CP—Discontinued from August 1957. CQ—Discontinued from June 1957. CR—Discontinued from July 1957. CS—Discontinued from August 1957. CT—Discontinued from June 1957. CU—Discontinued from July 1957. CV—Discontinued from August 1957. CV—Discontinued from June 1957. CW—Discontinued from July 1957. CX—Discontinued from August 1957. CY—Discontinued from June 1957. CZ—Discontinued from July 1957. DA—Discontinued from August 1957. DB—Discontinued from June 1957. DC—Discontinued from July 1957. DD—Discontinued from August 1957. DE—Discontinued from June 1957. DF—Discontinued from July 1957. DG—Discontinued from August 1957. DH—Discontinued from June 1957. DI—Discontinued from July 1957. DJ—Discontinued from August 1957. DK—Discontinued from June 1957. DL—Discontinued from July 1957. DM—Discontinued from August 1957. DN—Discontinued from June 1957. DO—Discontinued from July 1957. DP—Discontinued from August 1957. DP—Discontinued from June 1957. DQ—Discontinued from July 1957. DR—Discontinued from August 1957. DS—Discontinued from June 1957. DT—Discontinued from July 1957. DU—Discontinued from August 1957. DV—Discontinued from June 1957. DV—Discontinued from July 1957. DW—Discontinued from August 1957. DX—Discontinued from June 1957. DY—Discontinued from July 1957. DZ—Discontinued from August 1957. EA—Discontinued from June 1957. EB—Discontinued from July 1957. EC—Discontinued from August 1957. ED—Discontinued from June 1957. EE—Discontinued from July 1957. EF—Discontinued from August 1957. EF—Discontinued from June 1957. EG—Discontinued from July 1957. EH—Discontinued from August 1957. EI—Discontinued from June 1957. EI—Discontinued from July 1957. EJ—Discontinued from August 1957. EK—Discontinued from June 1957. EL—Discontinued from July 1957. EM—Discontinued from August 1957. EN—Discontinued from June 1957. EO—Discontinued from July 1957. EP—Discontinued from August 1957. EP—Discontinued from June 1957. EQ—Discontinued from July 1957. ER—Discontinued from August 1957. ES—Discontinued from June 1957. ET—Discontinued from July 1957. EU—Discontinued from August 1957. EV—Discontinued from June 1957. EV—Discontinued from July 1957. EW—Discontinued from August 1957. EX—Discontinued from June 1957. EX—Discontinued from July 1957. EY—Discontinued from August 1957. EZ—Discontinued from June 1957. EZ—Discontinued from July 1957. FA—Discontinued from August 1957. FB—Discontinued from June 1957. FC—Discontinued from July 1957. FD—Discontinued from August 1957. FE—Discontinued from June 1957. FE—Discontinued from July 1957. FG—Discontinued from August 1957. FH—Discontinued from June 1957. FI—Discontinued from July 1957. FI—Discontinued from August 1957. FJ—Discontinued from June 1957. FK—Discontinued from July 1957. FL—Discontinued from August 1957. FL—Discontinued from June 1957. FM—Discontinued from July 1957. FN—Discontinued from August 1957. FO—Discontinued from June 1957. FO—Discontinued from July 1957. FP—Discontinued from August 1957. FP—Discontinued from June 1957. FQ—Discontinued from July 1957. FR—Discontinued from August 1957. FS—Discontinued from June 1957. FT—Discontinued from July 1957. FT—Discontinued from August 1957. FU—Discontinued from June 1957. FU—Discontinued from July 1957. FV—Discontinued from August 1957. FW—Discontinued from June 1957. FW—Discontinued from July 1957. FX—Discontinued from August 1957. FY—Discontinued from June 1957. FY—Discontinued from July 1957. FZ—Discontinued from August 1957. GA—Discontinued from June 1957. GB—Discontinued from July 1957. GC—Discontinued from August 1957. GD—Discontinued from June 1957. GE—Discontinued from July 1957. GE—Discontinued from August 1957. GF—Discontinued from June 1957. GF—Discontinued from July 1957. GG—Discontinued from August 1957. GH—Discontinued from June 1957. GI—Discontinued from July 1957. GI—Discontinued from August 1957. GJ—Discontinued from June 1957. GK—Discontinued from July 1957. GL—Discontinued from August 1957. GL—Discontinued from June 1957. GM—Discontinued from July 1957. GN—Discontinued from August 1957. GO—Discontinued from June 1957. GO—Discontinued from July 1957. GP—Discontinued from August 1957. GP—Discontinued from June 1957. GQ—Discontinued from July 1957. GR—Discontinued from August 1957. GS—Discontinued from June 1957. GT—Discontinued from July 1957. GT—Discontinued from August 1957. GU—Discontinued from June 1957. GU—Discontinued from July 1957. GV—Discontinued from August 1957. GV—Discontinued from June 1957. GW—Discontinued from July 1957. GX—Discontinued from August 1957. GY—Discontinued from June 1957. GY—Discontinued from July 1957. GZ—Discontinued from August 1957. HA—Discontinued from June 1957. HB—Discontinued from July 1957. HC—Discontinued from August 1957. HD—Discontinued from June 1957. HE—Discontinued from July 1957. HE—Discontinued from August 1957. HF—Discontinued from June 1957. HF—Discontinued from July 1957. HG—Discontinued from August 1957. HH—Discontinued from June 1957. HI—Discontinued from July 1957. HI—Discontinued from August 19

STOCK & SHARE QUOTATIONS

Abbreviations:—D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half yearly. Y.—Company has Preference shares. Y.—Company has Debentures. N.—Nominal quotations. S.D.—S.D. Dividend. C.D.—Cum. Dividend. I.—Interim Dividend. I.—Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the accounts were closed.

TEXTILES

Paid-up Ordinary Capital	Reserve	Gross Block	Deprecia- tion	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed		Mill	Latest avail- able Quota- tion	Paid-up Per Share	Dividend Per Ordinary Shares				Acoun- tis Closed	Re- con
						Spindles	Looms				1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.		

BOMBAY CITY AND ISLAND

50,00,000	5,37,500	67,62,245	10,40,080	4,88,855	Rajputana Text. (Agencies) Pvt. Ltd.	50,408	898	1.32	2	0.10	N/A	12	Y.P.
40,00,000	2,40,000	1,40,03,494	78,90,035	1,73,302	N. K. Wadia & Sons (Pvt.) Ltd.	50,596	1,021	1.32	2	0.10	N/A	12	Y.P.
2,50,00,000	8,45,875	4,92,04,444	78,90,035	1,73,302	Ramnarayan Sons Private Ltd.	2,23,000	4,211	1.32	2	0.10	N/A	12	Y.P.
10,00,000	3,80,000	1,89,139	45,08,521	4,881	Bhira Brothers Private Ltd.	1,20,752	2,752	1.32	2	0.10	N/A	12	Y.P.
1,22,75,000	8,26,61,468	8,11,07,923	3,12,75,392	9,83,042	Cowasji Jehangir & Co. Pvt. Ltd.	31,460	580	1.32	2	0.10	N/A	12	Y.P.
28,00,000	26,37,000	90,59,554	54,08,586	66,029	Ramnarayan Sons Private Ltd.	31,460	580	1.32	2	0.10	N/A	12	Y.P.
34,00,000	26,37,000	1,12,53,963	60,27,928	11,15,006	Purnanil Bhabha Sons	46,476	928	1.32	2	0.10	N/A	12	Y.P.
20,00,000	15,72,144	1,31,76,351	81,20,385	37,155	James Finlay & Co. Ltd.	48,700	644	1.32	2	0.10	N/A	12	Y.P.
50,00,000	63,57,852	1,81,16,805	95,84,207	1,02,533	James Finlay & Co. Ltd.	45,768	1,018	1.32	2	0.10	N/A	12	Y.P.
50,00,000	48,52,057	1,00,12,313	49,37,367	1,29,609	Agarwal & Co.	50,240	1,120	1.32	2	0.10	N/A	12	Y.P.
16,00,000	1,23,22,269	1,89,27,232	1,59,07,094	1,29,609	Agarwal & Co.	50,240	1,120	1.32	2	0.10	N/A	12	Y.P.
2,50,00,000	55,80,000	4,90,61,319	3,54,00,000	1,29,609	Agarwal & Co.	50,240	1,120	1.32	2	0.10	N/A	12	Y.P.
8,00,000	1,00,40,981	1,09,30,702	1,17,58,004	1,14,544	M. H. Brady & Co. Ltd.	57,440	1,152	1.32	2	0.10	N/A	12	Y.P.
50,00,000	47,84,649	3,32,60,641	2,39,44,707	30,411	Khatun Makani Spg. & Wvg. Co. (Pvt.) Ltd.	99,772	1,500	1.32	2	0.10	N/A	12	Y.P.
1,00,00,000	1,04,35,474	3,32,60,641	2,39,44,707	30,411	Khatun Makani Spg. & Wvg. Co. (Pvt.) Ltd.	99,772	1,500	1.32	2	0.10	N/A	12	Y.P.
47,47,350	30,04,414	1,41,23,500	70,57,714	31,568	N. Sirur & Co. Private Ltd.	48,700	1,152	1.32	2	0.10	N/A	12	Y.P.
51,75,000	42,39,800	2,75,32,726	2,00,41,588	21,003	Pinnal Sons Private Ltd.	71,604	1,652	1.32	2	0.10	N/A	12	Y.P.
1,60,62,000	1,66,72,400	10,94,32,448	4,39,00,000	97,190	Chinal & Co. Private Ltd.	1,47,193	2,400	1.32	2	0.10	N/A	12	Y.P.
64,40,000	22,76,231	82,93,080	48,70,077	8,04,758	W. H. Brady & Co. Ltd.	45,444	432	1.32	2	0.10	N/A	12	Y.P.
24,00,000	7,01,166	1,02,27,346	30,27,085	4,85,112	W. H. Brady & Co. Ltd.	45,444	432	1.32	2	0.10	N/A	12	Y.P.
80,00,000	51,53,530	1,60,40,494	1,08,77,159	8,59,718	Ramnarayan Sons Private Ltd.	69,232	1,190	1.32	2	0.10	N/A	12	Y.P.
48,00,000	40,76,554	76,33,128	27,15,672	1,10,688	Pinnal Sons Private Ltd.	32,800	930	1.32	2	0.10	N/A	12	Y.P.
10,00,000	1,18,66,143	2,51,30,351	1,47,1,903	5,485	M. G. Investment Corp. Private Ltd.	96,488	2,127	1.32	2	0.10	N/A	12	Y.P.
42,00,000	21,46,184	2,17,12,736	88,80,081	5,14,171	Forbes & Campbell Pvt. Ltd.	77,436	1,620	1.32	2	0.10	N/A	12	Y.P.
1,07,75,000	2,38,76,022	3,46,68,221	2,04,23,247	1,708	Mafatlal Ganshalbi & Sons	96,656	2,080	1.32	2	0.10	N/A	12	Y.P.
30,00,000	95,94,007	3,22,48,607	1,59,44,406	1,20,444	Tata Industries Private Ltd.	75,036	1,440	1.32	2	0.10	N/A	12	Y.P.
1,00,00,000	66,03,300	1,59,87,533	1,02,92,715	26,062	James Finlay & Co. Ltd.	40,328	540	1.32	2	0.10	N/A	12	Y.P.
30,00,000	49,27,388	2,42,06,635	91,93,651	17,925	Tata Industries Private Ltd.	70,968	1,788	1.32	2	0.10	N/A	12	Y.P.
65,57,875	61,80,857	1,75,18,092	68,81,908	27,680	Mangaldas Mahadevi & Co. Private Ltd.	54,664	1,212	1.32	2	0.10	N/A	12	Y.P.
15,00,000	1,04,98,944	1,72,88,864	1,06,61,770	20,69,771	M. ...	54,664	1,212	1.32	2	0.10	N/A	12	Y.P.

AHMEDABAD

10,00,000	27,78,612	1,89,92,978	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,018	1.32	2	0.10	N/A	12	Y.P.
10,00,000	1,02,90,525	1,91,92,387	70,95,058	12,744	P. M. Hulsheing & Co. Ltd.	44,220	920	1.32	2	0.10	N/A	12	Y.P.
26,40,000	2,86,91,444	2,34,47,711	1,24,31,342	1,27,944	Narottam Lalbhai & Co. Ltd.	66,412	1,218	1.32	2	0.10	N/A	12	Y.P.
26,40,000	45,04,840	1,25,05,018	83,06,442	58,595	Mangaldas & Brothers (Pvt.) Ltd.	37,188	802	1.32	2	0.10	N/A	12	Y.P.
26,40,000	1,31,57,122	1,17,21,151	70,40,008	89,7	Lalbahai Dalipbhai & Co. Ltd.	37,188	802	1.32	2	0.10	N/A	12	Y.P.
26,40,000	2,60,65,170	2,25,25,491	2,74,71,141	2,58,539	Karamchand Premchand Pvt. Ltd.	1,39,120	2,578	1.32	2	0.10	N/A	12	Y.P.
26,40,000	2,81,83,252	2,50,14,149	2,50,14,149	1,21,046	Latifabad Khodai & Co. Ltd.	45,838	868	1.32	2	0.10	N/A	12	Y.P.
60,00,000	1,17,29,342	1,70,38,343	1,14,51,119	1,21,046	Mafatlal Ganshalbi & Sons	2,43,440	5,724	1.32	2	0.10	N/A	12	Y.P.
16,00,000	61,29,775	60,45,065	35,66,619	499	Latifabad Khodai & Co. Ltd.	2,43,440	5,724	1.32	2	0.10	N/A	12	Y.P.
80,00,000	26,49,744	1,41,93,737	70,95,385	11,900	Rohitbhai Chaudhary & Co. (Chairman)	2,43,440	5,724	1.32	2	0.10	N/A	12	Y.P.
48,75,000	3,01,44,505	2,32,18,408	1,32,25,150	56,680	Harilalshah Kallida & Co.	2,43,440	5,724	1.32	2	0.10	N/A	12	Y.P.
26,40,000	75,75,098	1,13,51,015	75,86,864	25,810	Mafatlal Chaudhary & Co. (Chairman)	2,43,440	5,724	1.32	2	0.10	N/A	12	Y.P.
35,00,000	39,49,859	1,34,04,632	92,86,120	25,810	Haridas Acharya & Co. Ltd.	41,066	780	1.32	2	0.10	N/A	12	Y.P.

WEST BENGAL

15,00,000	8,15,002	39,15,685	25,08,002	41,532	Calcutta Agency Private Ltd.	13,044	356	1.32	2	0.10	N/A	12	Y.P.
71,280	8,35,200	38,90,977	25,08,002	22,143	D. N. Bhattacharya, Esq. (Mg. Director)	33,248	935	1.32	2	0.10	N/A	12	Y.P.
30,00,000	1,14,529	1,20,17,488	70,28,846	35,408	Kottelwell Bullen & Co. Ltd.	42,948	841	1.32	2	0.10	N/A	12	Y.P.
24,00,000	26,19,818	1,42,04,130	70,28,846	11,835	Kottelwell Bullen & Co. Ltd.	42,948	841	1.32	2	0.10	N/A	12	Y.P.
50,00,000	7,14,828	81,32,154	30,32,154	1,32,767	Bhira Brothers Private Ltd.	4,852	208	1.32	2	0.10	N/A	12	Y.P.
1,60,00,000	2,13,45,638	4,00,00,658	1,38,72,244	2,212	Bhira Brothers Private Ltd.	75,040	1,440	1.32	2	0.10	N/A	12	Y.P.
0.19,47,750	6,97,829	49,45,797	30,01,004	2,23,455	Razaresmi Heralal	23,036	795	1.32	2	0.10	N/A	12	Y.P.

SOUTH INDIA AND OTHER CENTRES

80,00,000	2,17,093	44,50,440	5,61,781	12,298	Best & Co. (Pondicherry) Pvt. Ltd.	44,880	1,001	Anglo-French Textiles Ltd.	82.00	100	N/A	6.00	8.00	
11,88,000	2,11,093	44,50,440	5,61,781	12,298	Sets & Co.	44,800	500	Ashtor Textiles Ltd.	217.00	100	N/A	15.00	12.50	6.00
72,00,000	18,19,271	1,89,74,579	68,27,068	6,822	The Industries (I.P.) Department	24,800	500	Ashtor Textiles Ltd.	217.00	100	N/A	15.00	12.50	6.00
1,21,50,000	1,55,24,679	3,67,74,488	2,92,09,588	2,98,400	Government of Andhra Pradesh	35,752	716	Asam Jalali Mills	61.00	100	5.00	8.50	N/A	12
85,00,000	74,79,507	1,41,25,225	1,10,21,274	1,04,267	Bhira Brothers Private Ltd.	39,898	1,068	Bangalore Woollen, Cotton and Silk Mills	177.50	100	30.00	10.00	10.00	9
1,78,47,800	3,04,96,190	7,83,67,196	4,50,61,659	1,25,384	Hunny & Co. (Madras) Ltd.	1,20,528	2,758	Bhira Cotton Spg. & Wvg. Divs.	18.00X	100	1.50	1.50	1.50	9
15,00,000	1,57,835	60,23,440	26,18,048	27,578	Peirce, Leale & Co. Ltd.	37,538	4	Buckingham & Carnatic.	100.00	100	1.50	1.50	1.50	9
20,00,000	5,11,600	29,91,385	12,82,968	1,08,344	Pannodan & Co. Private Ltd.	20,000	401	Cambodia Mills	9.75	100	0.50	0.50	0.50	12
30,00,000	34,62,921	80,01,226	62,87,685	12,94,192	Best Sutherland & Co. Private Ltd.	27,024	562	Danmonsee Spg. & Wvg.	10.00	100	1.50	20.00	12.50	12
30,00,000	5,31,000	61,28,094	29,80,234	9,823	R. S. Srinivasan, Esq. (Chairman)	31,200	600	Cannore Textiles	18.00	100	0.50	0.50	0.50	12
35,00,000	24,15,848	84,15,848	30,22,038	24,15,848	T. A. R. Chettiar & Sons	25,540	100	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
18,15,000	7,25,195	39,16,552	24,29,333	7,25,195	T. A. R. Chettiar & Sons	25,540	100	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
20,00,000	1,70,225	84,50,806	49,14,014	1,70,225	T. A. R. Chettiar & Sons	25,540	100	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
40,67,500	1,07,82,622	3,55,48,835	1,51,85,078	27,390	T. A. R. Chettiar & Sons	25,540	100	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
26,90,661	1,95,50,000	1,94,60,000	44,86,615	21,590	R. N. Hanumanthappa & Son	35,744	300	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
38,36,225	3,69,53,968	12,81,26,094	7,40,081	4,90,689	R. N. Hanumanthappa & Son	35,744	300	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
1,00,00,000	2,75,000	55,14,444	1,04,14,444	1,204	M. R. Chettiar & Sons	49,876	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
48,58,872	1,08,20,021	1,73,56,243	1,48,08,839	65,112	Best Sutherland & Co. Private Ltd.	49,876	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
48,58,872	40,20,962	1,72,91,953	89,68,207	4,172	Forbes, Forbes Campbell & Co. Ltd.	74,286	5	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
2,50,00,000	68,58,000	6,30,80,188	3,84,54,000	12,92,952	Bhira Gwalior Private Ltd.	1,20,000	1,198	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
50,00,000	6,64,589	1,59,70,049	1,21,32,275	11,77,234	K. L. Sekaria, Esq. (Chairman)	50,780	1,356	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
50,00,000	1,06,553	35,80,221	20,21,008	7,015	U. V. Naidu & Co. Private Ltd.	23,784	500	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
15,00,000	15,02,999	1,17,92,927	38,88,090	7,015	Mr. Bhairuram Damani (Managing Director)	20,932	512	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
4,85,86,300	3,05,67,814	4,64,48,345	3,29,32,880	8,47,453	Bhira Gwalior Private Ltd.	56,324	1,630	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
18,32,00,000	40,72,390	1,04,20,312	1,04,20,312	81,600	K. L. Sekaria & Sons	51,098	1,219	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
32,00,000	49,05,387	1,98,19,979	1,94,39,327	81,600	K. L. Sekaria & Sons	51,098	1,219	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
71,00,000	68,86,960	2,25,45,811	1,29,69,687	86,370	G. K. Naidu & Co.	1,10,800	200	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
1,75,02,480	8,75,31,193	6,59,75,129	1,47,59,406	40,07,085	A. F. Harvey Ltd.	4,58,900	603	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
2,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
29,80,884	12,88,081	98,11,180	51,99,457	17,731	N. S. S. & Co. Private Ltd.	39,898	70	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
4,94,18,500	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
4,94,18,500	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
13,61,780	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
4,00,00,000	13,00,000	71,79,976	28,66,277	3,069	K. L. Sekaria & Sons	51,098	1,219	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
15,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Channarayana Spg. & Wvg. Private Ltd.	1,00,00,000	1,000	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
33,62,400	81,21,881	1,061,1851	58,39,265	8,877	A. G. Gurusamy Naidu & Co.	59,284	300	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
18,81,200	26,88,600	89,19,007	37,47,058	1,89,711	R. B. Naidu & Sons	40,296	100	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
30,00,000	1,00,00,000	58,40,286	20,55,408	5,959	Ramco Agencies Private Ltd.	30,756	500	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
16,14,300	1,00,00,000	58,40,286	20,55,408	5,959	Ramco Agencies Private Ltd.	30,756	500	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
13,19,000	1,00,00,000	58,40,286	20,55,408	5,959	Ramco Agencies Private Ltd.	30,756	500	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
15,00,000	2,69,010	81,50,564	2,50,59,156	34,29,633	S. R. P. Ponnusamy Chetty & Sons	25,088	2,234	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
10,00,000	4,63,782	51,57,412	2,50,59,156	3,118	S. R. P. Ponnusamy Chetty & Sons	25,088	2,234	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
36,69,700	21,91,449	1,05,51,009	1,05,51,009	37,570	R. V. Viswambharani, Esq. (Mg.	49,824	816	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
15,00,000	8,63,85,415	1,06,70,180	80,23,012	1,03,282	Bhira Brothers Private Ltd.	39,898	1,068	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
17,50,00,000	2,38,28,071	52,86,193	1,97,31,347	2,64,704	Bhira Brothers Private Ltd.	39,898	1,068	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
27,50,00,000	6,60,00,000	1,42,24,233	2,30,10,881	1,97,392	Emree & Sons (Travancore) Ltd.	18,000	1,270	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
12,08,00,000	1,13,00,000	57,87,651	1,42,24,233	1,97,392	Emree & Sons (Travancore) Ltd.	18,000	1,270	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
15,00,000	38,84,274	8,74,458	50,53,212	14,81,997	R. K. Chetty & Brothers	44,824	3,363	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12
32,00,000	8,64,243	1,94,48,153	1,03,02,366	14,81,997	The Bombay Co. (Private) Ltd.	49,830	1,270	Channarayana Spg. & Wvg.	12.50	100	0.75	0.75	N/A	12

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP	Rs. nP		
PAPER														
45,00,000	37,01,841	2,14,09,657	1,80,44,697	66,840	Balmer Lawrie & Co., Ltd.	Bental Paper Mills	96.50	25	2.50	3.12	2.00	12	Y.P.T.	
65,00,000	61,32,258	1,34,26,902	88,70,418	29,471	Andrew Yule & Co., Ltd.	India Paper Mills	25.00	10	1.39-2/5	1.40	1.00	3	Y.	
25,00,000	30,54,507	1,40,62,955	87,38,459	27,196	T. Shammanna, Esq. (Chairman)	Myson Paper Mills	21.50ed	10	1.00*	1.00*	1.00	3	Y.	
1,65,42,500	2,58,74,724	8,20,10,383	1,47,17,892	1,29,325	Birla Brothers Private Ltd.	Oronit Paper	36.70	10	0.82	1.50	1.25	3	Y.P.T.	
1,35,00,000	80,20,021	1,04,10,590	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	17.87	10	1.25	1.25	1.50	3	Y.P.T.	
50,00,000	9,19,123	74,75,136	39,88,407	20,453	Bajoria & Co.	Star Paper Mills	11.31	O. 10	1.05	0.60	0.60	9	Y.P.T.	
4,00,00,000	51,23,736	3,92,55,538	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sigrap Paper Mills	13.08	A. 10	0.50	0.50	0.65	6	Y.P.	
4,00,00,000	5,85,66,722	6,08,90,434	3,73,82,529	1,10,856	F. W. Heikens & Co. Private Ltd.	Tata Paper Mills Co., Ltd.	44.37	A. 10	1.12*	2.38*	2.38*	3	Y.P.	
4,00,00,000	5,85,66,722	6,08,90,434	3,73,82,529	1,10,856	F. W. Heikens & Co. Private Ltd.	Tata Paper Mills Co., Ltd.	44.37	P.O. 24	0.12	0.24	0.24	3	Y.P.	
SAW MILLS AND TIMBER														
13,00,000	22,88,839	32,79,430	13,61,671	4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.44	3	NH	NH	NH	9	Y.	
39,25,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corp.	121.50	New 10	40.00	47.50K	22.50	5	Y.	
42,00,000	20,50,392	21,44,630	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	36.00	10	3.00	2.75	2.50	9	Y.	
SUGAR (U.P. and Bihar)														
14,00,000	16,60,406	43,47,523	32,35,804	59,415	M.	Balsampur Sugar	7.25	NH	NH	0.25	0.25	6	Y.	
12,00,000	29,80,290	55,40,831	36,32,435	12,12,000	Narangi Bros. & Co. Private Ltd.	Basti Sugar	120.00N	A. 100	10.00	1.00	1.00	4	Y.T.	
8,00,000	9,25,000	33,50,131	25,76,647	66,832	Ranpur Bros. Ltd.	Balsund Sugar	13.12	74	1.00	1.00	1.00	4	Y.T.	
15,00,000	13,08,913	22,06,567	13,84,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	12.75	10	1.50	1.50	1.00	6	Y.P.	
32,00,000	23,38,522	1,49,71,234	1,02,01,879	11,728	Chadone Lyall & Co., Ltd.	Carew & Co.	14.00	10	NH	NH	0.25	6	Y.P.	
30,00,000	83,02,947	1,84,83,531	88,50,069	22,24,008	Bagar, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.56	10	0.75	NH	NH	10	Y.P.T.	
18,00,000	38,41,544	85,45,310	62,25,089	9,822	Beeg, Sutherland & Co. Private Ltd.	Champuram Sugar	16.75	10	1.00	NH	1.00	6	Y.P.	
6,50,252	5,50,752	18,98,283	18,98,283	9,50N	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	0.50	0.50	0.60	6	Y.P.	
18,00,000	21,44,128	86,21,544	43,249	4,324	Bachraj & Co. Private Ltd.	Hindustan Sugar Mills	230.00	100	15.00	15.00	15.00	8	Y.T.	
18,00,000	13,01,626	52,18,596	52,18,596	74,885	Mr. Tuladas Kilchand (Chairman)	Kear Sugar	17.00	10	2.50	2.50	4.00	7	Y.P.	
25,80,100	25,30,224	28,80,749	28,80,749	15,365	Cotton Agents Private Ltd.	New India Sugar Mills	25.00	10	2.50	2.50	2.50	7	Y.P.	
11,00,000	4,52,841	49,08,886	29,20,520	3,047	K. C. Thapar & Bros. Private Ltd.	New Saven	4.12	10	0.37	0.37	0.25	6	Y.P.	
13,21,100	38,275	49,01,707	73,75,775	27,02,363	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	240.00N	100	20.00	20.00	20.00	6	Y.P.	
77,48,500	64,48,618	2,15,99,028	1,18,25,000	35,816	Cotton Agents Private Ltd.	Odhi Sugar	140.00	100	11.00	12.50	12.50	7	Y.P.	
19,64,141	43,88,902	82,34,228	1,50,982	1,508	Beeg, Sutherland & Co. Private Ltd.	Purabnagar Co.	12.75	10	NH	NH	NH	10	Y.P.	
9,90,000	27,42,218	87,00,558	6,985	1,403	Govan Bros. (Rampur) Private Ltd.	Raza Rolland Sugar	14.25	10	1.50	1.50	1.25	7	Y.P.	
6,50,100	16,15,171	79,19,408	40,40,255	1,403	M.	Ryan Sugar	17.00	10	1.75	1.50	1.50	6	Y.P.	
8,00,000	6,30,752	29,26,300	23,93,246	2,20,833	M.	Samastipur Central Sugar	12.81	10	1.75	NH	NH	6	Y.P.	
16,33,214	47,23,538	55,18,422	73,09,801	47,608	Sahni Jain Ltd.	Shree Krishna Gyanoddy Sugar	10.25	10	1.00	1.00	1.00	7	Y.P.T.	
80,88,800	22,68,560	1,47,99,287	73,09,801	47,608	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	6.19	10	NH	NH	NH	6	Y.P.	
10,02,115	24,660	82,42,055	14,55,208	40,666	M.	Shri Sitaram Sugar	11.82	10	1.00	0.50	0.50	6	Y.P.	
15,80,000	13,52,431	35,59,550	66,53,920	24,618	Cotton Agents Private Ltd.	Upper Ganges Sugar	35.00N	10	0.60	0.75	5.00	6	Y.P.	
8,00,000	37,71,618	33,80,335	29,751	29,751	M.	United Provinces Sugar	16.75	10	0.60	0.75	5.00	6	Y.P.	
16,00,000	4,16,589	33,80,335	29,751	29,751	M.	United Provinces Sugar	16.75	10	0.60	0.75	5.00	6	Y.P.	
Other Centres														
80,00,000	23,00,000	84,58,969	24,22,590	22,096	Rangarao & Co.	Andhra Sugars Ltd.	22.52	10	1.00	1.25	1.50	9	Y.	
70,40,650	1,33,26,508	1,63,99,065	1,08,78,700	2,88,214	W. H. Brady & Co., Ltd.	Belpur Company	821.00	80	10.00	18.00	20.00*	9	Y.	
17,50,000	13,08,913	22,06,567	13,84,440	3,957	A. H. Bhivandwalla & Co. (Bombay) Private Ltd.	Bhopal Sugar Industries Ltd.	11.50	10	1.00	2.00	2.00	9	Y.P.	
37,50,000	16,15,171	80,40,255	40,40,255	1,403	Parry & Co., Ltd.	Deccan Sugar & Akhar	12.67N	5	0.75	0.72N	0.90	9	Y.P.	
80,88,800	50,10,492	1,19,44,328	66,96,463	4,703	Parry & Co. Private Ltd.	East India Distilleries & Sugar	12.81	10	1.75	NH	NH	9	Y.P.	
48,00,000	1,308,356	1,581,707	27,88,312	9,184	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	100	6.00	10.00	10.00	10	Y.P.	
15,83,900	21,50,383	45,08,629	27,88,312	9,184	India Sugar Agencies Private Ltd.	India Sugar and Industries	15.15	10	1.12	1.00	1.00	9	Y.P.	
63,87,900	9,09,336	78,60,440	13,77,076	24,812	India Sugar Agencies Private Ltd.	Jayro Sugar	12.75	10	0.60	0.60	0.60	9	Y.P.	
23,17,770	15,76,871	37,42,487	61,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	140.00	O. 100	7.50	7.50	7.50	9	Y.P.	
10,02,200	1,09,50,000	3,87,42,487	61,70,482	83,107	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	212.00	60	100.00	100.00*	17.00*	9	Y.P.	
2,87,190	432,607	1,32,16,830	62,30,590	2,98,574	B. M. Krishnan, Esq. (Mg. Director)	Myson Sugar	61.00	10	2.00	2.00	3.00*	9	Y.P.	
67,50,000	92,73,108	1,57,31,189	96,17,873	1,44,257	Matatal, Arie and Matatal Pvt. Ltd.	Phalnan Sugar	169.00	160	15.00	15.00	10.00	9	Y.P.	
21,70,390	1,06,88,154	33,62,920	22,30,000	72,206	Anderson Wright Ltd.	Rannugger, Cane and Sugar	17.62	10	2.00	1.50	1.50	9	Y.P.	
50,00,000	53,21,430	1,16,88,154	62,30,590	2,98,574	Walchand & Co. Private Ltd.	Ravalnagar Sugar Farm	132.00	O. 60	12.00	12.00	12.00	9	Y.P.	
16,58,850	40,00,000	59,42,584	62,30,590	2,98,574	Walchand & Co. Private Ltd.	Travancore Sugars	12.20	10	1.00	1.00	1.00	7	Y.P.	
20,00,000	42,95,804	1,18,46,781	62,30,590	2,98,574	Walchand & Co. Private Ltd.	Walchandnagar Industries	332.50	100	21.00	21.00	21.00	7	Y.P.	
4,00,00,000	23,85,000	65,43,339	1,75,67,839	1,75,67,839	Walchand & Co. Private Ltd.	Walchandnagar Industries	332.50	100	21.00	21.00	21.00	7	Y.P.	
1,01,00,000	1,17,38,868	2,95,28,114	1,75,67,839	1,75,67,839	Walchand & Co. Private Ltd.	Walchandnagar Industries	332.50	100	21.00	21.00	21.00	7	Y.P.	
TRANSPORT														
20,00,000	90,30,070	1,22,58,916	20,71,765	88,927	Andrew Yule & Co., Ltd.	Benzal-Assam Steamship Co.	102.00	100	7.50	6.00	6.00	10	Y.P.	
1,00,00,000	1,37,28,000	4,10,98,641	1,62,42,552	4,06,036	Dinshaw (Private) Ltd.	Bharat Line J.	11.48	10	6.00	12.00*	1.80	12	Y.P.	
60,00,000	1,08,50,067	5,87,86,543	1,23,12,208	1,54,433	A. H. Bhivandwalla & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	14.92	5	1.00	1.50	1.80	12	Y.P.	
80,00,000	936,755	5,811,271	53,638,891	1,02,508	Kilburn & Co. Private Ltd.	India General Navigation & Ry. Co.	66.50	210	NH	NH	0.90	6	Y.P.	
2,47,50,000	2,83,86,232	10,10,10,777	3,23,97,310	8,09,413	Jonas Edwards (Private) Ltd.	India Steamship Co.	14.80	10	1.00	1.00	1.00	9	Y.P.	
11,84,19,293	10,91,45,114	30,05,96,972	6,94,73,743	6,95,069	M.	Scindia Steam Navigation Co.	18.24	20	1.00	1.25	1.25	9	Y.P.	
8,40,800	21,87,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	1.59	P.O. 1	0.14	0.14	0.14	6	Y.P.	
1,10,200	21,87,472	12,59,963	8,41,760	1,35,400	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	1.59	P.O. 1	0.12	0.12	0.12	12	Y.	
UNCLASSIFIED (Bombay)														
8,57,00,000	1,20,48,754	5,27,61,868	66,48,054	1,35,01,936	S. H. Turner (Chairman)	Hindustan Lever	29.50	10	1.25	1.40	1.50	12	Y.P.	
1,07,00,000	13,46,538	1,14,49,682	72,51,407	67,978	Birla Brothers Private Ltd.	Hind Cycles	101.50	100	3.00	12.50*	7.00	12	Y.P.	
1,48,840	1,61,906	2,05,554	1,00,000	1,00,000	Chromal Manilal Private Ltd.	Industial Investment Trust	77.00	100	6.00	6.50	6.00	8	Y.P.T.	
98,99,250	20,21,794	27,76,392	...	1,92,364	Premchand Roychand & Sons	Killick Industries	139.00	100	11.00	11.00	13.00	11	Y.	
1,00,00,000	25,34,707	45,50,246	14,45,332	9,290	K. G. Milne, Esq. (Mg. Director)	Premier Automobiles	131.00	100	8.00	8.00	4.00	11	Y.	
8,23,825	71,19,432	3,90,61,158	1,03,68,002	4,78,891	Aero-Auto Private Ltd.	Poison Agencies Private Ltd.	140.00	10	12.50	14.00	10.00	12	Y.P.	
2,20,28,525	24,05,554	65,62,511	1,76,27,418	1,62,793	Mr. A. Hydari & Mr. S. Gothberg	Western India Match Co., Ltd.	214.00	100	11.00*	11.00*	10.00	12	Y.P.	
2,75,00,000	1,57,27,188	4,45,28,662	5,89,4											

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managers, Directors or Secretaries	Area under Tea	Company	Latest Available Quotation Rs. nP	Paid-up Share Rs.	Dividend per Share 1955 1956 1957 1958	Accounts Closed	Refer- ence			
Rs.	Rs.	Rs.	Rs.	Rs.						Rs. nP Rs. nP Rs. nP Rs. nP	Rs. nP				
ASSAM															
4,45,700	10,68,102	18,89,085	6,45,732	.....	McLeod & Co., Ltd.	325	Amuluckie	32.00N	10	19.00A	5.00	1.00	1.50 ¹	12	Y.P.
2,70,600	3,01,600	12,10,619	4,33,800	2,091	.....	456	Ananda (Assam) Tea	19.50	10	1.00	2.00	1.00		12	Y.
7,00,000	6,43,260	12,60,883	3,51,119	56,268	Gillanders Arbuthnot & Co., Ltd.	490	Ananda Bag	25.25	10	1.00	1.25	0.50		12	Y.
5,50,000	18,71,541	19,07,179	8,20,191	49,880	McLeod & Co., Ltd.	573	Bachmar	24.75	10	1.00	2.60	1.50		12	Y.
5,10,000	12,33,171	18,89,143	5,88,737	44,923	Andrew Yule & Co., Ltd.	377	Basmatia	26.00	10	1.50	2.00	1.75		12	Y.
4,95,900	3,59,210	14,59,973	9,25,973	64,213	National Tea Corporation	579	Batel	19.75	5	2.50	2.00	1.80		12	Y.
6,40,000	8,40,000	11,59,588	4,11,939	1,12,913	Gillanders Arbuthnot & Co., Ltd.	581	Beigan	25.25	10	2.00	2.80	1.50		12	Y.
33,00,000	15,39,600	73,93,588	80,33,888	3,10,000	Williamson Magor & Co., Ltd.	3,987	Bishnauth	19.87	10	2.00	2.00	1.00		12	Y.
6,00,000	2,50,000	13,10,965	2,81,380	48,990	Octavius Steel & Co., Ltd.	485	Bokakhat	15.00	10	NH	0.50	NH		12	Y.
7,50,000	6,10,032	10,84,128	3,57,291	-1,11,515	McLeod & Co., Ltd.	450	Bornali Jan Tea	17.50	10	2.00	1.50	NH		12	Y.P.
85,00,000	16,33,395	81,87,373	29,08,381	5,44,800	M.	2,884	Brooke Bond	10.50	10	4.75	1.25	1.75		12	Y.
1,20,000	6,00,426	9,14,733	3,11,538	27,461	McLeod & Co., Ltd.	282	Dejoo Valley	37.00	10	3.00	3.00	2.00		12	Y.
8,40,000	7,71,230	31,03,043	18,55,811	-1,18,343	Jardine Henderson Ltd.	1,156	Dessai & Parbutia	148.00	100	10.00	10.00	NH	0.251	12	Y.P.
17,53,440	9,57,982	24,59,777	5,10,550	42,738	James Warren & Co., Ltd.	861	Debakhat	23.75	10	2.50	2.50	2.50		12	Y.P.
4,68,970	4,58,000	12,48,763	4,84,779	24,897	McLeod & Co., Ltd.	648	Drumser	15.12	10	1.00	1.25	2.00		12	Y.
4,50,000	6,75,000	11,35,031	3,08,768	30,149	McLeod & Co., Ltd.	458	Dibrugarh	32.31	10	2.00	3.00	3.00	1.001	12	Y.P.
4,73,400	6,15,000	10,05,030	6,45,530	1,80,734	Williamson Magor & Co., Ltd.	632	Dimaikul	33.25	10	2.00	3.00	3.00		12	Y.
7,00,620	10,33,300	23,48,380	13,62,738	4,50,423	Williamson Magor & Co., Ltd.	615	Dullachur	37.50	10	4.00	4.00	3.00	1.501	12	Y.
10,00,000	7,86,277	22,79,027	11,61,727	1,07,293	Williamson Magor & Co., Ltd.	1,108	East India Tea	20.25	10	1.00	1.00	0.50		12	Y.
5,03,730	6,36,175	13,30,198	5,23,090	16,110	M.	407	Gillapuri	23.50	10	3.50	2.00	5.50		12	Y.
6,75,000	3,35,700	19,45,498	10,89,579	1,65,025	Williamson Magor & Co., Ltd.	1,440	Gohpur	24.00	10	2.00	2.00	2.00		12	Y.
11,02,735	20,32,810	42,29,083	10,89,579	9,682	Octavius Steel & Co., Ltd.	1,920	Grob	17.87	5	1.25	1.82	1.25	0.501	12	Y.
5,76,000	9,55,217	4,09,523	5,596	5,596	Andrew Yule & Co., Ltd.	478	Hoogralui	29.50	10	0.50	1.80	0.50		12	Y.
7,00,000	3,02,909	25,38,023	19,51,044	1,800	Andrew Yule & Co., Ltd.	1,563	Hoodanchoore	200.00	100	7.50	15.00	12.50		12	Y.
68,56,810	53,85,792	1,63,70,458	54,70,458	91,307	Birla Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	12.75	10	1.00	1.00	1.00	1.00	12	Y.P.
9,00,000	7,35,000	16,10,603	4,48,998	51,971	Gillanders Arbuthnot & Co., Ltd.	1,999	Kingsey-Golaghat (Assam)	160.00	100	25.00	23.00	1.75		12	Y.P.
2,40,000	11,30,500	12,75,548	6,72,848	65,988	M.	1,699	Kotamullai Tea	11.75	5	NH	NH	NH		12	Y.
1,80,000	40,000	23,63,873	2,63,804	-2,63,841	Duncan Bros. & Co., Ltd.	1,699	Kotamullai Tea	11.75	5	NH	NH	NH	1.001	12	Y.
6,50,000	10,94,454	12,07,806	3,53,788	392	Duncan Bros. & Co., Ltd.	892	Methoni	24.50	10	1.75	2.00	1.50		12	Y.
11,30,000	11,23,207	6,59,481	42,813	42,813	Octavius Steel & Co., Ltd.	612	Mohema	18.12	10	NH	NH	NH		12	Y.
4,00,000	80,000	10,09,237	2,42,536	1,217	Duncan Bros. & Co., Ltd.	678	Mothola	400.00	100	50.00	60.00	40.00		12	Y.
0.1,50,000	8,20,000	9,09,708	5,17,214	67,138	Kettievel Bullen & Co., Ltd.	67,138	Murphiani	29.50	O. 10	1.25	2.00	1.75		12	Y.
2,00,000	6,98,809	10,96,678	6,08,120	40,686	Andrew Yule & Co., Ltd.	1,012	Namburadi	30.00	P.O. 10	1.75	2.50	2.25		12	Y.
5,35,000	1,75,000	11,54,794	4,54,702	-38,569	Duncan Bros. & Co., Ltd.	801	New Cinnatollah	104.00	100	NH	NH	NH		12	Y.
7,90,000	7,72,841	2,90,502	4,64,862	41,480	Andrew Yule & Co., Ltd.	370	Rajgarh	45.00	10	0.25	4.00	2.50		12	Y.
2,00,000	8,46,492	9,77,000	4,64,862	21,222	M.	928	Sapti	21.50	10	2.50	2.50	1.50		12	Y.
9,00,000	2,55,006	25,85,608	10,56,094	87,974	Williamson Magor & Co., Ltd.	482	Sasijai	28.25	10	1.50	1.50	2.25		12	Y.
1,40,000	11,48,094	6,80,794	4,64,793	78,484	McLeod & Co., Ltd.	498	Teolijai	31.25	10	2.50	3.50	3.00	1.001	12	Y.P.
5,98,000	12,48,874	12,11,400	3,86,841	498	Gillanders Arbuthnot & Co., Ltd.	498	Teopora	45.00N	10	0.75	0.50	0.50		12	Y.
9,00,000	5,35,127	12,11,400	19,46,888	36,041	Shaw Wallace & Co., Ltd.	2,222	Teopora	17.25	10	1.50	1.25	NH		12	Y.
18,82,880	18,75,000	46,07,888	19,46,888	36,041	Shaw Wallace & Co., Ltd.	2,222	Teopora	17.25	10	1.50	1.25	NH		12	Y.P.
5,00,000	21,50,250	38,57,054	14,85,804	36,044	McLeod & Co., Ltd.	1,950	Tycoon	45.75	10	3.00	4.50	5.00		12	Y.
GAOHAR															
3,00,000	....	5,10,444	1,88,505	-2,43,041	M.	862	Arentipora	6.87	10	NH	NH	NH		12	Y.
7,90,000	....	7,00,139	1,06,490	-49,151	Octavius Steel & Co., Ltd.	849	Eastern Gohar	8.37	10	NH	NH	NH		12	Y.
12,00,000	10,43,149	80,19,523	12,49,051	-1,06,851	Octavius Steel & Co., Ltd.	2,134	Haitikthira	12.89	10	0.75	0.50	NH		12	Y.
3,60,000	1,10,000	6,43,924	2,03,020	3,889	Duncan Bros. & Co., Ltd.	628	Kunshupura	8.75	10	NH	NH	NH		12	Y.
7,00,000	6,60,000	11,58,080	8,08,080	1,192	P. L. Kopyar, Esq.	1,192	North-Western Gohar	105.00	100	15.00	15.00	15.00		12	Y.
2,90,000	2,90,000	9,84,349	2,78,278	-87,588	McLeod & Co., Ltd.	638	Roopcherra	13.82	10	1.50	0.50	NH		12	Y.
5,00,000	10,53,794	15,91,899	6,14,096	15,882	Duncan Bros. & Co., Ltd.	700	Rungamtee	75.00	50	10.00	10.00	8.75		12	Y.
4,00,000	8,85,980	10,85,284	3,86,708	-31,190	M.	662	Sonal River	9.25	10	NH	NH	NH		12	Y.P.
DARJEELING															
2,79,900	1,05,000	3,98,716	74,916	23,108	Williamson Magor & Co., Ltd.	468	Chamong	11.00	10	NH	6.75	NH		12	Y.
2,00,000	1,68,558	3,99,784	1,99,389	468	M.	468	Dikra	99.00	100	NH	NH	NH		12	Y.
2,00,000	2,48,096	7,99,686	2,97,665	-87,639	Davenport & Co., Ltd.	507	Gelle	11.62	10	NH	NH	NH		12	Y.P.
1,50,000	3,23,091	4,54,947	2,07,889	-27,148	Andrew Yule & Co., Ltd.	468	Min	260.00	100	15.00	10.00	NH		12	Y.
2,00,000	1,81,446	4,74,344	1,50,568	1,50,568	Williamson Magor & Co., Ltd.	690	Harari Farm	26.00	100	8.00	25.00	7.50	1.001	12	Y.
3,00,000	1,11,500	4,70,738	2,40,237	13,044	Duncan Bros. & Co., Ltd.	505	Okayti	460.00xd	100	NH	NH	NH	32.50	12	Y.P.
3,00,000	3,500	6,12,426	2,40,910	-14,504	Duncan Bros. & Co., Ltd.	507	Podung	8.25	10	NH	NH	NH		12	Y.
3,06,000	78,860	78,860	78,860	78,860	Davenport & Co., Ltd.	570	Teambing	10.00	10	NH	NH	NH		12	Y.
1,40,000	5,01,000	4,43,690	2,07,255	23,523	Duncan Bros. & Co., Ltd.	341	Runglee Runglee	370.00xd	180	20.00	25.00	25.00	30.00	12	Y.
3,00,000	8,06,482	5,56,461	1,82,549	4,401	M.	839	Seyok	1.00	10	NH	NH	NH		12	Y.
65,000	11,55,737	2,38,713	2,38,713	2,38,713	Gonka & Co.	583	Singtom	6.00	10	0.11	0.50	0.50	0.501	12	Y.P.
3,00,000	8,87,500	7,24,110	8,71,916	1,09,219	Williamson Magor & Co., Ltd.	554	Soom	40.00	10	8.00	4.00	4.00	1.501	12	Y.
3,25,000	7,78,787	16,47,143	4,85,789	25,923	McLeod & Co., Ltd.	745	Sungma	19.12	10	NH	1.50	0.75	1.001	12	Y.
3,20,000	7,56,909	7,56,909	2,56,334	84,882	Davenport & Co., Ltd.	718	Tesia Valley	18.75	10	1.50	2.00	1.00		12	Y.
4,01,850	2,61,088	16,07,088	2,76,088	-2,94,248	Williamson Magor & Co., Ltd										

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Current Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up Share Rs. or £	Dividend per Share 1955 1956 1957 1958 Rs. nP Rs. nP Rs. nP Rs. nP	Accounts Closed Rs. or £	Reference
1,08,00,000	2,56,908	21,205	Allahabad Bank	150	100	18.00 18.00 18.00 18.00	12	Y.P.
14,50,000	17,56,970	21,205	Andhra Bank	105.50	50	9.00 9.00 9.00 9.00	6 12	H.
1,01,000	1,59,50,000	2,05,522	Bank of Baroda	105.50	100	5.50 5.50 5.50 5.50	12	Y.
40,75,300	27,00,000	1,880	Bank of Bihar	80	25	4.54 5.50 5.10 5.10	12	Y.
1,00,00,000	3,10,00,000	12,79,476	Bank of India	101.00	25	6.00 7.00 7.00 6.00	12	Y.
50,00,000	20,00,000	17,157	Bank of Madras	128.00	50	0.87 1.12 1.25 1.25	12	Y.
2,50,00,000	25,50,000	29,352	Bank of Mysore	132.50	50	3.00 4.00 4.25 4.00	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Rajasthan	132.50	50	3.00 4.00 4.25 4.00	12	Y.
35,80,820	31,24,246	37,384	Bank of Saurashtra	132.50	50	3.00 4.00 4.25 4.00	12	Y.
7,50,000	14,40,000	6,710	Bank of United Provinces	132.50	50	3.00 4.00 4.25 4.00	12	Y.
5,86,500	26,50,000	12,632	Bank of West Bengal	132.50	50	3.00 4.00 4.25 4.00	12	Y.
2,22,71,875	4,04,68,517	17,32,515	Central Bank of India Ltd.	132.50	50	3.00 4.00 4.25 4.00	12	Y.
4,52,42,375	4,00,00,000	4,46,015	Devkaran Nangal Banking Co.	132.50	50	3.00 4.00 4.25 4.00	12	Y.
1,00,00,000	2,00,00,000	10,45,412	Habib Bank (P.)	132.50	50	3.00 4.00 4.25 4.00	12	Y.
1,25,00,000	10,00,000	29,635	Hindustan Commercial Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
50,00,000	2,05,000	12,536	Hindustan Mercantile Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
44,00,000	98,91,884	60,953	Indian Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
22,40,000	52,36,660	2,93,141	Indian Overseas Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	132.50	50	3.00 4.00 4.25 4.00	12	Y.
1,25,00,000	1,27,00,000	4,46,015	Punjab National Bank—K	132.50	50	3.00 4.00 4.25 4.00	12	Y.
6,82,50,000	55,73,153	55,73,153	State Bank of India	132.50	50	3.00 4.00 4.25 4.00	12	Y.
1,00,00,000	27,52,000	19,529	Travancore Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
80,00,000	1,40,00,000	6,885	Union Bank of India	132.50	50	3.00 4.00 4.25 4.00	12	Y.
2,00,00,000	1,48,00,000	62,908	United Commercial Bank	132.50	50	3.00 4.00 4.25 4.00	12	Y.
2,69,59,596	80,80,000	1,81,542	United Bank of India	132.50	50	3.00 4.00 4.25 4.00	12	Y.

PRINCIPAL EXCHANGE BANKS

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation*	Principal Repayable
Rs. or £	per cent.				Rs. or £	
22,00,000	5 1/2	£171,884	British Bank of the Middle East	£2-15-0	£1	10 1/2 10 1/2 10 1/2 10 1/2
45,00,000	5 1/2	£455,019	Chartered Bank	£2-10-3	£1	15 1/2 15 1/2 15 1/2 15 1/2
H.K. \$50,00,000	H.K. \$128,00,000	H.K. \$2,085,475	Hongkong and Shanghai Banking Corporation	£544	H.K. \$125	5 1/2 5 1/2 5 1/2 5 1/2
£27,847,005	£18,00,000	£708,010	Lloyds Bank	£2-10-0	£1	12 1/2 12 1/2 12 1/2 12 1/2
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-6	£1	14 1/2 14 1/2 14 1/2 14 1/2
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-7-3	sh. 124	15 1/2 15 1/2 15 1/2 15 1/2

* Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. * £ per share free of tax. X—Ex-Right.
 ‡ The final dividend of £12-6 is on the increased Capital. § Dividend for 1959 is 15% less tax.
 K—Punjab National Bank—Dividends for 1955 to 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation*	Principal Repayable
Rs. or £	per cent.				Rs. or £	
19,50,000	6 1/2	1st December and 1st June	Carew & Co.	1933	96.00	1st June .. 1963
4,00,000	6 1/2	1st March and 1st September	Carew & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	6 1/2	1st August and 1st February	Ravalnagar Sugar	1942	100.25	27th December .. 1962-62
10,00,000	4 1/2	1st May and 1st November	Ravalnagar Sugar (New)	1944	87.00	1st November .. 1959-64
25,00,000	4 1/2	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1959-64
80,00,000	6 1/2	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	6 1/2	30th April and 31st October	Bharat Collieries	1944	87.00	30th June .. 1964
47,50,000	6 1/2	15th June and 15th December	Equitable Coal Co.	1944	100.00	14th December .. 1969 (a)
7,00,000	6 1/2	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	6 1/2	10th May and 10th November	Bengal-Nagpur	1947	85.00	15th November .. 1966 (a)
67,84,000	6 1/2	1st April and 1st October	Buckingham and Carnatic	1947	100.00	1st March .. 1966 (a)
40,80,000	6 1/2	1st April and 1st October	Gokak Mills	1957	100.00	1st April .. 1967-72
18,71,000	6 1/2	30th June and 31st December	Jawahar Textiles	1949	90.00	1st January .. 1965-69
39,51,000	6 1/2	1st June ..	Tata Mills	1951	93.25	1st June .. 1966-71
10,00,000	4 1/2	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90.00	31st March .. 1965 (a)
1,25,00,000	4 1/2	15th June and 15th December	Ahmedabad Electric Co. Ltd.	1940	98.50	14th June .. 1960
88,22,000	4 1/2	1st April and 1st October	Andhra Valley Power Supply Co.	1940	100.00	1st October .. 1959
12,00,000	4 1/2	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1940	90.00	31st December .. 1964 (a)
2,82,89,400	5 1/2	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January .. 1970 (a)
2,82,89,400	5 1/2	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	84.00	31st December .. 1970 (a)
13,50,000	5 1/2	1st January and 1st July	Chitaval Electric Supply Co. Ltd.	1945	90.00	30th June .. 1970 (a)
2,00,000	5 1/2	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April .. 1959-61
1,00,000	5 1/2	31st March and 30th September	South Madras Electric Supply	1940	100.00	31st December .. 1959-63
47,73,000	5 1/2	1st April and 1st October	Tata Power	1940	86.25	15th September .. 1965-70
2,50,00,000	4 1/2	1st April and 1st October	Tata Power	1940	86.25	15th September .. 1965-70
5,00,000	6 1/2	30th June and 31st December	Britannia Engineering	1945	94.00	31st December .. 1960
1,50,00,000	6 1/2	15th September and 15th March	Guest, Keen, Williams Ltd.	1945	107.50	1st July .. 1967-62
29,18,000	6 1/2	31st May and 30th November	Kumardhul Engineering Works Ltd.	1940	82.00	31st May .. 1971
10,00,000	6 1/2	1st April and 1st October	Tata Locomotive	1940	99.75	1st October .. 1965-68
40,00,000	6 1/2	31st December ..	Textile Machinery Corporation Ltd.	1950	98.00	31st December .. 1960 (a)
12,00,000	5 1/2	1st October and 1st April	Asarpara	1939	92.00	31st March .. 1960
5,00,000	5 1/2	30th June and 31st December	Alexander	1939	91.00	30th June .. 1960
15,00,000	5 1/2	30th June and 31st December	Benauli Jute Mill Co. Ltd.	1945	90.00	30th June .. 1960
10,00,000	5 1/2	31st January and 31st July	Calcutta	1945	88.00	31st July .. 1960
10,00,000	5 1/2	30th June and 31st December	Chitaval Jute Mills	1945	90.00	30th June .. 1960
30,48,000	5 1/2	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	31st March .. 1960 (a)
8,80,000	5 1/2	31st January and 31st July	Empire	1950	90.00	30th June .. 1960
80,00,000	5 1/2	31st March and 30th September	Howrah Mills Co. Ltd.	1955	94.00	31st March .. 1970
25,00,000	5 1/2	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	90.00	31st December .. 1964 (a)
25,00,000	5 1/2	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	90.00	31st December .. 1964 (a)
8,00,000	5 1/2	14th November and 14th May	Nellimar Jute Mills Co. Ltd.	1939	92.00	14th May .. 1969
20,00,000	4 1/2	30th June and 31st December	Northbrook Jute Co. Ltd.	1945	80.00	31st December .. 1964
25,00,000	4 1/2	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	80.00	30th September .. 1965 (a)
12,00,000	5 1/2	30th June and 31st December	Union	1937	95.00	31st March .. 1967
10,00,000	5 1/2	31st January and 31st July	Waverley	1925	80.00	31st July .. 1964
435,00,000	4 1/2	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 100% at any time on 6 months' notice or at par or every seventh year thereafter
189,362	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£74.10N	1st October .. 1974
6,50,000	3 1/2	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1945	85.00	31st December .. 1959 (a)
420,00,000	3 1/2	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£64N	Any time on six months' notice (a)
4,14,18,000	4 1/2	1st March and 1st September	Scindia Steam Navigation	1949	99.50	1st September .. 1963
10,00,000	6 1/2	31st March and 30th September	Nitriti Tea	1955	100.00	1st April .. 1959-69†
6,00,000	6 1/2	1st January and 1st July	Kallias Rubber Co. Ltd.	1955	100.00	1st July .. 1959-63
10,00,000	4 1/2	1st January and 1st July	Alumilum Corporation of India Ltd.	1948	92.00	31st December .. 1965
25,50,000	4 1/2	1st January and 1st July	Associated Hotels of India	1948	85.00	31st December .. 1962
8,00,00,000	5 1/2	1st March and 1st September	Burmah Shell	1954	102.50	1st September .. 1964-69(a)
2,00,00,000	5 1/2	1st April and 1st October	Calcutta Oil Refining (India) Ltd.	1955	102.25	1st October .. 1970
21,00,00,000	5 1/2	1st February and 1st August	Chowdhury Properties	1954	85.00	1st February .. 1964
19,20,000	5 1/2	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1938	82.00	1st July .. 1965
30,00,000	5 1/2	31st March and 30th September	Dalhousie Properties	1948	78.00	15th September .. 1965
7,10,00,000	4 1/2	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1946	84.00	30th September .. 1966
2,64,65,000	4 1/2	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	109.75	1st January .. 1975 (a)†
1,00,00,000	4 1/2	1st January and 1st July	East India Co. Ltd.	1954	104.00	30th June .. 1969 (a)†
1,00,00,000	4 1/2	2nd January and 2nd July	Mettur Chemical Industries	1949	83.00	30th September .. 1964
8,59,500	4 1/2	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1945	85.00	30th September .. 1976 (a)
40,00,000	4 1/2	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	410.00	31st December .. 1965 (a)
75,00,000	5 1/2	1st April and 1st October	Macmillan and Barry Ltd.	1951	85.50N	1st April .. 1971
1,50,00,000	5 1/2	30th June and 31st December	National Rayon	1955	101.00	30th June .. 1965-70
1,00,00,000	5 1/2	31st March	Orient Paper Mills Ltd.	1951	92.00	31st March .. 1961 (a)
1,00,00,000	5 1/2	30th June and 31st December	Rohit Industries Ltd.	1946	95.00	30th June .. 1969
1,00,00,000	5 1/2	1st January and 1st July	Shree Gopal Paper Mills Ltd.	1944	95.00	1st July .. 1969
32,00,000	5 1/2	15th Feb. and 15th August	Shree Gopal Paper Mills Ltd.	1955	95.00	15th February .. 1969 (a)†
4,80,00,000	5 1/2	1st May and 1st November	Standard Vacuum Refining Co. India Ltd.	1958	102.50	1st May .. 1965-65
25,00,000	5 1/2	30th June ..	Tata Chemicals Ltd.	1945	86.25	30th June .. 1965-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 5 per cent. premium.
 † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100 per cent. after 13 years. ‡ Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964.
 § From 1st May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May 1964 or on 30th September 1964 or on 31st March 1965 or on 30th June 1965 or on 30th September 1965 or on 31st December 1965 or on 31st March 1966 or on 30th June 1966 or on 30th September 1966 or on 31st December 1966 or on 31st March 1967 or on 30th June 1967 or on 30th September 1967 or on 31st December 1967 or on 31st March 1968 or on 30th June 1968 or on 30th September 1968 or on 31st December 1968 or on 31st March 1969 or on 30th June 1969 or on 30th September 1969 or on 31st December 1969 or on 31st March 1970 or on 30th June 1970 or on 30th September 1970 or on 31st December 1970 or on 31st March 1971 or on 30th June 1971 or on 30th September 1971 or on 31st December 1971 or on 31st March 1972 or on 30th June 1972 or on 30th September 1972 or on 31st December 1972 or on 31st March 1973 or on 30th June 1973 or on 30th September 1973 or on 31st December 1973 or on 31st March 1974 or on 30th June 1974 or on 30th September 1974 or on 31st December 1974 or on 31st March 1975 or on 30th June 1975 or on 30th September 1975 or on 31st December 1975 or on 31st March 1976 or on 30th June 1976 or on 30th September 1976 or on 31st December 1976 or on 31st March 1977 or on 30th June 1977 or on 30th September 1977 or on 31st December 1977 or on 31st March 1978 or on 30th June 1978 or on 30th September 1978 or on 31st December 1978 or on 31st March 1979 or on 30th June 1979 or on 30th September 1979 or on 31st December 1979 or on 31st March 1980 or on 30th June 1980 or on 30th September 1980 or on 31st December 1980 or on 31st March 1981 or on 30th June 1981 or on 30th September 1981 or on 31st December 1981 or on 31st March 1982 or on 30th June 1982 or on 30th September 1982 or on 31st December 1982 or on 31st March 1983 or on 30th June 1983 or on 30th September 1983 or on 31st December 1983 or on 31st March 1984 or on 30th June 1984 or on 30th September 1984 or on 31st December 1984 or on 31st March 1985 or on 30th June 1985 or on 30th September 1985 or on 31st December 1985 or on 31st March 1986 or on 30th June 1986 or on 30th September 1986 or on 31st December 1986 or on 31st March 1987 or on 30th June 1987 or on 30th September 1987 or on 31st December 1987 or on 31st March 1988 or on 30th June 1988 or on 30th September 1988 or on 31st December 1988 or on 31st March 1989 or on 30th June 1989 or on 30th September 1989 or on 31st December 1989 or on 31st March 1990 or on 30th June 1990 or on 30th September 1990 or on 31st December 1990 or on 31st March 1991 or on 30th June 1991 or on 30th September 1991 or on

individual. The picture of the future India is, indeed, very disturbing, when it is borne in mind that, on top of State capitalism in industries, there will be State trading in food and a variety of goods, as well as State-dominated co-operative joint-farming and marketing. What would be the fate of democracy in India if, in future, the State, with all this multifarious, mighty economic power, were to fall into the hands of persons who are less tolerant than Mr. Nehru? It is in order to prevent the emergence of such a situation that it is vitally necessary to promote economic development through private enterprise and to build up sound democratic traditions. The business men in this country will be doing a disservice not only to themselves but to the cause of democracy, in general, if they are not bold enough to fight the growing encroachment of State capitalism and State trading into the spheres of free enterprise, before it is too late. It is, of course, needless to add that, in such a fight, they have to carry the public with them and that this they can do only if they follow fair trading practices, treat their employees decently and hold themselves as the trustees of the public.

Again, when prices and profits are strictly controlled, either directly or indirectly, nationalisation of industries has no meaning and so also the assurance of no nationalisation. In such a situation, the Government holds the whip-hand and becomes the major partner of trade and industry, without holding a single share. The State can easily bring about a shrinkage in the size of the private sector or retard its growth by fixing uneconomically low prices and by delaying the upward revision of prices when production costs go up. This is already happening in coal, steel, cement, locomotive, automobile and a number of other important industries. Socialists all over the free world are now conscious of the fact that, in this latter half of the twentieth century, a democratic government can ensure the happiness of the people better through a regulated system of free enterprise than through outright State-ownership of production and distribution. It redounds to the credit of the rightist Governments in the West and in the Far East that they have effectively demonstrated this fact. It is only in India that socialists are outdated in their thinking and, what is more, are reluctant to learn from the experience of the West.

The days when mere verbal assurances of the type given by Mr. Nehru to the Committee of the Federation could enthrone the private sector to go ahead with their plans for putting up new industries or for expanding the existing ones are gone. These assurances tantamount to telling a person who is tied hand and foot that he has plenty of ground to run about and play. If they are to mean anything, they have to be followed up without any further delay by some positive actions, such as a reduction in the burden of taxation and grant of other incentives, abolition of the plans for State trading in food-grains, ceiling on land-holdings and co-operative farming, a firm declaration that ownership of private property will be respected, relaxation of bureaucratic controls, and readiness to admit private capital, both foreign and Indian, into certain key industries that are now reserved exclusively to the public sector. There is no reason to feel that, by giving these concessions to the private sector, the larger interests of the public will be adversely affected. On the contrary, the public will be greatly benefited, for the pace of economic development will be faster than under the existing policy.

L.I.C.'S VALUATION REPORT

THREE weeks have passed since the much-awaited valuation report of the Life Insurance Corporation was published. In the absence of any adverse criticisms from policyholders, in so far as one can make out from the daily Press, it would appear that the report has been generally well received by the public. There is no doubt that it was the most complicated valuation job completed anywhere in the world. It is true that there are private insurers in the West with a portfolio as large as the Corporation's. But none of them ever faced the complicated task of assessing the surplus of an ill-assorted group of 235 insurance offices. The authorities must be congratulated

on the completion of a task which, by reason of its magnitude and complexity, must have presented quite a few actuarial riddles. And to the many thousands of policyholders who had passed through a painful period of uncertainty over the shape of the bonus to come, the valuation report has come as a welcome relief. For the Corporation, the report retrieves partially at least the ground it had lost through the unfortunate "Mundhra" episode, which, coming as it did so early in its career, served to intensify public misgivings about its capacity as an instrument of social benefit.

The basis of the valuation of the Corporation's assets and liabilities, as on 31st December 1957, adopted by the authorities, is: mortality—Oriental (1925-35) ultimate; rate of interest 3½ per cent; expenses—20 per cent. for with-profits policies and 16 per cent. for without-profits policies. The valuation shows a surplus of Rs. 27.04 crores, which, together with Rs. 6 crores, being part of the tax deducted at source during the period commencing from the respective dates of the last valuations of the various insurers, makes in all Rs. 33.04 crores. The tax liability has been estimated at Rs. 4.03 crores, leaving a net surplus of Rs. 29.01 crores. In accordance with the provisions of the Life Insurance Act, 95 per cent. of the surplus (Rs. 27.56 crores) has been reserved for policyholders, the balance (Rs. 1.45 crore) representing the Government's share.

The policyholders' share of the surplus is sufficient to declare a reversionary bonus to the Corporation's policyholders at the rate of Rs. 14 per Rs. 1,000 sum assured on endowment policies and Rs. 17½ per Rs. 1,000 sum assured on whole life policies. The erstwhile private insurers have been divided into no less than seven groups and their policyholders get bonuses at different rates. To the special group belong such companies as "Oriental," "Royal," "Norwich Union" and "Gresham" with the higher rate of bonus, Rs. 21 (whole life) and Rs. 16.8 (endowment). The next group is perhaps by far the most numerous, consisting of such companies as "Bombay Mutual," "New India," and "Hindustan Co-operative." Their policyholders get the same bonuses as those given by the Corporation on its policies. Other companies come under groups which are entitled to get lower bonuses; they range from Rs. 7 to Rs. 14 for whole life policies and Rs. 5.6 to Rs. 11.2 for endowment policies. The policyholders of some companies—by far the most numerous group from the point of view of the number of companies, though not quite so significant from the point of view of the number of policyholders—get no bonus whatever.

Although a sizable surplus has been disclosed by the valuation, it may be wondered whether it is not, at least partly, due to a certain weakening of the valuation basis. Thus, the rate of interest assumed is 3½ per cent., as against the 3 per cent. or even the lower figures which private insurers used to assume in the past. The last valuation of the Oriental was done on the basis of 2.11/16 per cent. Again, the margin in respect of expenses as between "without-profits" (16 per cent.) and "with-profits" (20 per cent.) has been narrowed down to 4 per cent. This margin used to be higher in the past. Thus, it was nearly 7 per cent. in the last valuation of the Oriental and about 6.6 per cent. in the case of New India. These considerations give rise to doubts as to whether the present scale of bonuses can be maintained in future.

It may be noted that the renewal expense ratio continues to rule on the high side, as compared with the experience of several private insurers in the pre-nationalisation period. The hope that was expressed at the time of nationalisation that amalgamation of insurers and streamlining of their business operations would help bring down expenses has not been fulfilled. Now that employer-employee relations, after a period of considerable unrest, have improved, it is to be hoped that efforts will be made to increase the productivity per worker. A team of officials of the L.I.C., it is stated, is going to the U.S. to study the working of life insurance there. They will do well to examine how far India can benefit from the devices of mechanisation and rationalisation of administration which have been adopted with such great advantage in the American insurance offices. In any case, the authorities can never afford to relax efforts at observing strictest standards of economy in the administration of the Corporation.

The policyholders of the erstwhile private insurers of repute will certainly welcome the new rates of bonus which, contrary to their earlier fears, are nearer to the rates they received in the recent past. Thus, the Oriental policyholders receive Rs. 21 (whole life) and Rs. 16.8 (endowment), as against Rs. 22½ and Rs. 18 in the past, while New India's policyholders get Rs. 17½ (whole life) and Rs. 14 (endowment), as compared with Rs. 16 (whole life) and Rs. 14 (endowment) in their last valuation. But the point is whether they do not deserve to get more than they have now been given. This is certainly not the case of Oliver Twist asking for "more." After all, the accounts of these insurers are in the nature of "closed funds"—a familiar feature of the working of the insurance offices which were merged with other offices in the pre-nationalisation period. These "closed funds" used to work, and were assumed to work, on a relatively low expense ratio, thanks to the fact that they did not have to incur expenses on new business. From the point of view of the Corporation, the private insurance offices are in the nature of "closed funds." It should be possible to manage their affairs at a lower level of expenses. If their affairs were so managed, some of them should be able to disclose larger surpluses and receive higher bonuses than now. This is particularly true of certain insurance offices like the Depositors Benefit, for they possessed certain special features which enabled them to work with small expense ratio. It would seem that, under the new dispensation, the policyholders of these companies cannot hope to receive high bonuses. Why should these units be penalised merely because the Corporation is unable to work at the low expense ratio with which they were being managed? These questions are raised not necessarily because ready answers could be easily found but with a view to indicating that nationalisation does not necessarily solve all problems involving economic justice.

The principle of differential bonus, which has been observed in the present valuation, certainly unexceptionable, for the State has right to penalise those people who had chosen to entrust their savings with the really efficiently managed insurance offices. How long this system of differential bonuses to be continued? One way of eliminating it is to let the sum insured in the case of policies of the companies that were paying a bonus higher than the single rate of bonus to be decided by the Corporation. Then, there is the larger question, namely, whether the Corporation, as a nationalised institution, should continue to dangle a carrot before prospective policyholders? Is not more equitable, and also administratively more convenient, to abolish the bonus element altogether? Through suitable upgrading of face value of existing policies, it should be possible to bring them under one group of "with-profit" policies.

A promising development is the marked improvement in mortality experience and investigation into the experience of 34 insurers revealed that actual deaths in 1953 and 1954 were only about 45 per cent. of those expected on the basis of Oriental (1925-35) Mortality Table. Reduction in premiums is a more powerful stimulus to life insurance than an attractive bonus. It is, therefore, every reason to reduce premium which would reflect the improvement in mortality experience, and streamline the business issuing only "without-profit" policies. In any case, the benefit of life insurance can be extended to a larger number of deserving people. If the objection is that, in whatever way life insurance is administered, surpluses will emerge, it could be met by the suggestion that a portion of that surplus could be distributed among all policyholders without any further complications arising from differential bonus. In other words, the pure insurance element should dominate the working of the Corporation, while any surplus that may still emerge should be regarded as incidental to its working. Clearly, this is a question which requires expert examination at higher actuarial level. Since in no other country life insurance has been nationalised after nearly three-quarters of a century of private ownership, there are international precedents which India can adopt. Life insurance in this country must find its own solutions for its problems. This demands courage and vision.

BULLS IN SHARES FORESTALL THE L.I.C. AHMEDABAD MARKET—SHAREHOLDING IN U.S. CO-OPERATIVE FARMING—OUTER SEVEN

THURSDAY, 5 P.M.

THERE has been a sizable setback in the highly speculative counters on the Stock Exchange this week and a modest fall in others. Thus, the upward trend has been arrested to some extent. It will, however, be premature to infer from this reversal that the boom has come to an end. What has happened is this: some of the prominent bulls seem to have liquidated a good part of their purchases. Various reasons are mentioned in market circles for this. Two

of them, in our opinion, are important. First, the bulls got scent of the probability of the Life Insurance Corporation unloading some of its investments. Secondly, they feared that the Government might introduce some control to check excessive speculation in shares.

It is stated that the Investment Advisory Committee has recommended profit-taking by the L.I.C. in some of the shares. But it would appear that the L.I.C. has so far been able to sell only very little of what was recommended, as the speculators were ahead of it in lightening their commitments. There is good reason to feel that the L.I.C. is still amateurish in buying and selling shares and that, unless it has a competent person for carrying out its investment operations, it will be easily outwitted by the character and type of brokers it employs, for there is every possibility that a broker with large-sized clients operating in the forward section will be tempted to cover the position of his clients first before putting through the orders given to him by the L.I.C. It is only commonsense that, if he does not do so and that, if as a result of the L.I.C.'s operations his clients lose money heavily, he, too, stands the chance of suffering a loss.

As for the second factor, namely, the fear that the Government might intervene to check speculation, no definite information is available. The authorities have so far remained silent. Speculators of the undue boosting of equities by speculators. It is high time they took some steps to restrain speculation. In the last settlement, the delivery shares were as large as 582,000, as against 366,000 in the previous settlement, and these included a large number of high-priced scrips. It should not be difficult for the Reserve Bank to find out how such huge deliveries are financed and warn the banks if there are reasons to feel that they are financing budis.

Apocryphal remarks in these columns last week that stock exchange authorities in India have not even raised their little finger against speculators who have been over-riding Mr. R. V. Mehta, President of the Ahmedabad Stock Exchange, serves, in the course of a letter to us, that this generalisation is not well founded. He adds:

"This Stock Exchange had imposed restrictions on the volume of business of members by imposing heavy margins on their daily outstanding transactions, over and above the prevalent margin on the carry-over business, as from 1st May 1959. Daily returns of outstanding transactions were called for and an all-powered Committee was appointed to scrutinise the returns. The Committee held its sittings from time to time, scrutinised the returns, fined heavily those who evaded the payment of margins and called for the margins from them and even warned those found to be overtrading. This lasted for about two months, at the end of which the position was again reviewed by the Governing Board and, having satisfied that the volume of daily business was declining, that the rise in price was not due solely to speculative activity but was due also to other natural causes, it decided to abandon the new margin system as from 4th July 1959, i.e., very recently.

"You will appreciate that this Stock Exchange was always watchful of the activities of its members and the President had many a time in the past warned members of the dangers of over-speculation.

"I am to assure you that my Governing Board will not hesitate to re-impose the new margin system when the occasion calls for such a step."

We are glad to hear that the Ahmedabad Stock Exchange authorities have been quite alert and trying to keep speculation under control. Frankly speaking, when we commented last week, we did not have in mind the Ahmedabad Stock Exchange, but the major stock exchanges, especially the Bombay Stock Exchange, which has taken none of the preventive measures adopted by the Ahmedabad Stock Exchange. It is true that there is a system of margins in the Bombay share market, but it is a mild and ineffective one; it can be and, indeed, is being easily evaded.

Joint-stock companies, the profits of which are taxable in the assessment year 1960-61, that is, those whose financial year-end falls within the current fiscal year 1959-60, have already started implementing the new scheme of taxation of dividends in the hands of shareholders, introduced in the last Central Budget. Under this scheme, the process of grossing the value of dividends received by the shareholders in respect of the year 1959-60 has been abolished. Accordingly, companies will have to deduct tax at prescribed flat rates from the dividend payable to the shareholders, by way of advance recovery, and pay it to the Government.

MARKET GOSSIP

When the shareholders' assessments are made, the tax deducted at source from the dividend received by them will be made good to them either by way of a set-off against their tax liability or by way of a refund. The new system, it is computed, will result in a loss of 46 per cent. of the shareholders' income from dividend, unless the companies stepped up the dividends to compensate this loss.

A few corporate dividend announcements have been made in recent weeks in respect of the year which falls within the fiscal year 1959-60 and as such assessable in 1960-61. Some of them have raised the dividends in order to compensate, at least to some extent, the loss to the shareholders. The first dividend announcement of the season under the new system came from Dena Bank, which has raised the interim dividend for the half-year ended 30th June 1959 to Re. 1.86 (subject to tax) per share of Rs. 50 each, which is equivalent to Re. 1.30 (net) per share, from Re. 1.25, free of income-tax, paid for the corresponding six months of 1958. In fact, the dividends of all banking companies which are due to be announced for the first half of the current calendar year will come within the mischief of the new system. It remains to be seen how far banking companies will be able to oblige their shareholders with the compensatory increase in distribution. But the chances are not bright, if the example of the Bank of India is any guide. This Bank has maintained the rate of dividend at Rs. 3 per share of Rs. 50, but, since this is subject to deduction of tax at the prescribed rate, the net dividend will be substantially less than that for the corresponding half of 1958.

The grossing up of dividend, as readers will remember, was abolished in lieu of the withdrawal of wealth tax on companies and excess dividend tax. It may be noted here that, as banks were not subject to wealth tax, the abolition of this tax does not confer any benefit on them, as it does on non-banking companies. Most of the leading banks were, of course, paying excess dividend tax, but the saving on this score cannot be appreciable, as, barring one or two, the dividends were not so large as to attract the top penal rate. In view of this, therefore, the new system of corporate taxation is distinctly disadvantageous to the shareholders of banks, especially the old well-established banks.

Among the other joint-stock companies, the first one to feel the impact of the new tax system is Burn and Company Ltd., because its financial year ended in April last. Despite a slightly lower gross profit, the Directors of the Company have recommended a gross dividend of 28.5 per cent. per annum, subject to tax, for the year 1958-59, as compared with 20 per cent., free of income-tax, paid for 1957-58. The proposed dividend, it is stated, will make good the loss to the shareholders on account of the abolition of the grossing system.

The exuberant enthusiasts of the socialist pattern of society in India will do well to peruse the New York Stock Exchange's census of shareholders, a brief reference to which was made in our last issue (vide pages 45 and 64). Such a perusal will clearly show how, in the U.S. where private enterprise is accorded the maximum possible freedom and opportunity, ownership of shares in business and industry is widely spread among the whole population, instead of being dispersed among a small minority. Indeed, possession of equity securities is now a common feature of American life. How shareowning has grown in the U.S. during the last seven years is indicated in the following figures:

	1950	1956	1952
No. of individual shareholders in public corporations (in millions)	12.49	8.63	6.49
As % of adult population	11.8	8.6	6.5
No. of those owning shares listed on the New York Stock Exchange (in millions)	8.51	6.88	N.A.
Women shareholders as % of total*	52.5	51.4	49.4
Median income of shareholders	\$7,000	\$6,200	\$7,100
Median age of shareholders	49	48	51
No. of different stocks held by average shareholders	3.5	4.25	4.1

N. A.—not available.

*Leaving aside a small number of shareholders not classified by sex.

*The median divides the shareholders into two equal groups. It is not the arithmetic average.

Three striking features emerge from these figures. First, out of the 12.49 million shareholders, many, if not most, are persons of comparatively modest means, the average annual income of half the number being below \$7,000. It is, however, not known whether this group of people accounts for a small or a large proportion of the total value of shares in private hands. Secondly, distribution of shares among owners is becoming less concentrated; the average number of different stocks held by a shareholder now stands at 3.5, as against 4.25 in 1956 and 4.1 in 1952. Thirdly, more than half the shareholders are women. This makes them take keener interest in the economic affairs of the country and the Wall Street Journal, a national economic daily, has a large number of women readers.

Of the 12.5 million people listed as shareholders, over 2.5 million are believed to have first acquired stocks through employee-stock buying plans organised by the managements of companies

in which they work. About 1.34 million more persons are still in the process of purchasing shares this way. Stockholding in the U.S. has become so widespread that financial newspapers have a large circulation.

The World Bank's loan of \$10 million to the Industrial Credit and Investment Corporation of India (I.C.I.C.I.), now under the chairmanship of Mr. G. L. Mehta, has been finalised; the loan documents were signed this week. It will be recalled that a general understanding with the Bank had been reached a few weeks ago, when Mr. Mehta was in Washington. The loan is for a period of 10 years and carries the guarantee of the Government of India, as all loans of the World Bank do. Repayment of the loan, together with interest, will begin on 1st October 1962. Unlike the other loans of the Bank to India, this loan does not carry a rate of interest determined in advance; interest will be applied to each portion of the loan at the Bank's current rate of interest when such portion is committed to a project approved and underwritten by the I.C.I.C.I., which, it is noteworthy, has been given discretion to choose and sanction projects upto a specified amount without the previous approval of the World Bank. Accordingly, only projects involving large amounts will have to be referred to the Bank for its consent. This welcome departure will help the I.C.I.C.I. to function more expeditiously. Incidentally, it is an indication of the World Bank's growing confidence in the management of the Corporation.

The loan now sanctioned by the World Bank to the Corporation is the second one. The first loan also was for an identical amount. Both are being used to meet the foreign exchange requirements of projects financed by the Corporation. Of the first loan, 65 per cent. (\$6.5 million) has so far been used for six projects in the electrical, chemical, mechanical and shipping industries. The balance, we are told, will be utilised before the end of this year. It is reckoned that the new loan should satisfy the Corporation's foreign exchange needs through most of 1961.

The Corporation's resources position is as follows:

Before the new loan of the World Bank, the resources amounted to Rs. 17.3 crores (\$36.25 million equivalent), made up of Rs. 5 crores of paid-up share capital (of which Rs. 3.5 crores are held by Indian investors and the balance by British and American private interests); a long-term interest-free advance of Rs. 7.5 crores from the Indian Government; the first \$10 million (Rs. 48 crores) loan from the World Bank. Now, in addition to the second World Bank loan of \$10 million, the Indian Government is lending the Corporation an additional Rs. 10 crores from the proceeds of sales of United States agricultural commodities in India. The total resources will thus be Rs. 32.10 crores (\$67.25 million equivalent).

This should, according to Mr. Mehta, take care of the expansion of the Corporation's operations for several years.

So much for the resources of the Corporation. As regards its operations during the last four years of its existence, it has given valuable help to the private sector through investment and underwriting activities. The approvals given so far amount to Rs. 15.83 crores, made up of loans (rupee and foreign currency) Rs. 7.30 crores, underwriting Rs. 6.80 crores and direct equity participation Rs. 1.70 crore. Of the underwriting arrangements approved so far, actual placings have been Rs. 5.50 crores, spread over 18 issues and, of this amount, nearly a third—Rs. 1.80 crore—to be precise—has had to be taken up by the Corporation. These securities will, of course, be gradually disposed of in the market when the projects financed rise in the market value and their shares become easily marketable. Considering the fact that the Corporation did the underwriting for the majority of aforesaid projects at a time when the stock exchanges were passing through a crisis of confidence, this performance is quite encouraging.

Although the Congress leaders continue to swear by co-operative farming, the opinion outside the Party is becoming increasingly vocal over the folly of any move to bring all land within the co-operative fold. Many difficult issues are being raised. And they are too pertinent to be dismissed merely as the device of some grumblers, or that of vested interests to destroy a well-intentioned scheme. For one thing, it is asked whether farmers will be allowed to opt out of the scheme when they have once joined it. If this facility were denied, not many farmers would be induced to throw in their land into the co-operative fold, notwithstanding the credit and other measures of assistance they may be offered. But, if the facility to opt out of the scheme were given and some farmers exercised it, the co-operative farm would consist of sheds and patches of land, not a compact whole. Secondly, Mr. Nehru has been repeatedly saying that co-operative farming will be voluntary and no compulsion will be exercised on farmers. But he has not so far given any assurance that there will be no discrimination against those farmers who wish to remain out of the co-operatives in regard to provision of various facilities. On the contrary, he clearly stated in Parliament that he was in favour of such discrimination. In actual practice, this type of discrimination will amount to coercion or bribery to those who join the co-operatives at the cost of the public as a whole. Thirdly, it is asked how lands encumbered with debts will be treated when they become part of a co-operative farming society. Will the society assume the liability to discharge the debt? If it does, then the entire agricultural indebtedness will become the liability of the co-operative farming societies. The co-operative structure may well crumble under the weight of the debt burden.

(Continued on page 120)

SETBACK IN EQUITIES

SLIGHT RECOVERY AT CLOSE

(From Our Own Correspondents)

BOMBAY, 16th July

THE share market suffered a minor shake-out during the last three days, after displaying a hardening tendency early in the week under review. Under a wave of bull liquidation and bear selling, speculative counters gave way and prices fell steeply. Losses over the week were widespread and sizable and were even more pronounced when compared to the peak levels touched on the opening day of the new account, that is, Monday, as will be seen from the following table, giving the fluctuations as some of the leading scrips:

	Last week's closing	Highest	Lowest	Today's closing
	Rs.	Rs.	Rs.	Rs.
Tata Ordinary ..	198.00	202.50	191.50	193.75
Century ..	574.00	581.00	539.00	548.00
Bombay Dyeing ..	66.90	67.60	64.00	65.40
Kohinoor ..	292.00	301.00	284.00	290.00
National Rayon ..	332.00	373.00	343.00	351.00
Telco ..	225.50	230.50	213.50	219.50
Premier Construction ..	371.00	349.00	348.00	359.00

It would appear that some of the speculators who had committed themselves heavily in such shares as Premier Construction, T.E.L.Co., National Rayons, etc., have liquidated their heavy positions. A few of them, who had been caught badly in this wave of selling pressure, have even gone short in Tata Ordinaries in order to cover up their losses in the above counters. The selling pressure was initiated in Tata Locomotives by the disappointment over the dividend for the year ended 31st March 1959 which is being maintained at 9 per cent. Rumours of continued teething trouble in the new steel plant at Jamshedpur and heavy delivery of shares in the last clearing also affected sentiment. Towards the close, however, there was a good recovery, as will be noted from the table above.

Tata Ordinaries rallied early in the week from Rs. 198 to a peak of Rs. 202.50, but the rumours about trouble in the new plant and its effect on production brought about a heavy selling pressure, pushing the shares back to Rs. 191.50 today. At the close, however, they recovered to Rs. 193.75. There were no transactions in Tata Steels (New) from yesterday onwards. The Company has announced that after the distribution of the forthcoming dividends, the new shares will become *pari passu* in all respects with the old ones. The Stock Exchange authorities have accordingly notified that new ordinary shares can be delivered against old shares in the clearing dated 31st July and that there should be no separate transaction for these two classes of shares. Indian Irons, too, moved with the trend in Tata Steels, but the fluctuations were narrow. This was due to support from Calcutta operators. The announcement of the closure of the company's business for the purpose of payment of dividend which will be declared later on, also kept sentiment in this counter steady. After an early rise from Rs. 25.10 to Rs. 25.65, the scrips slid back to Rs. 24.88 and closed at Rs. 25.15.

In the textile group, Bombay Dyeings picked up from Rs. 66.90 to Rs. 67.60 before receding to Rs. 64.90 today. The closing was, however, better at Rs. 65.40. Centurys came down to a low of Rs. 539, after having risen from Rs. 574 to Rs. 581. Kohinoors suffered a loss of Rs. 2 on balance at Rs. 290. Central Indias were marked down by Rs. 6 to Rs. 96 and Finlays by Rs. 7 to Rs. 277. Khataus lost Rs. 11.05 to Rs. 237.50, Morarjees Rs. 6 to Rs. 255, Shree Niwas Rs. 9 to Rs. 170 and Simphor Rs. 10.50 to Rs. 184.50. Standards, however, scored a gain of Rs. 6 to Rs. 553. Svadeshis gave way from Rs. 253 to Rs. 239.25 and Tata Mills from Rs. 39 to Rs. 37.50.

Bank shares too suffered small losses, presumably due to prospect of lower dividend (net) on account of abolition of grossing of dividends and lower earnings. Bank of India, for instance, has maintained the dividend at Rs. 3 per share, but subject to tax, for the half-year ended 30th June 1959. The shares, as a result, drifted down by Rs. 7 to Rs. 120 and their new shares by Rs. 4.50 to Rs. 124.50. Centrals were a fraction lower at Rs. 53. Barodas lost a rupee to Rs. 101 and Jaipurs Rs. 1 to Rs. 41.50. United Commercials were, however, unchanged at Rs. 63.

Sugar shares were weak, in consonance with the general trend. Belapurs closed Rs. 5 lower at Rs. 318.50, after touching Rs. 327. Phaltans were marked down by Rs. 6 to Rs. 160 and Walchandnagars by Rs. 10 to Rs. 320. Cement shares were relatively featureless, but the undertone was steady. Associated Cements moved up from Rs. 154 to Rs. 159.50 before closing at Rs. 155. Digvijays were steady at Rs. 154.50 and Orissa Cements at Rs. 16.76.

In the engineering and mining group, Alcock Ashdowns were placed at Rs. 255 ex-div. (dividend: Rs. 12.50), as against Rs. 281.50 *cum-div.* Tata Locomotives lost on balance Rs. 12 to Rs. 219.50 and Premier Constructions Rs. 6 to Rs. 359. Larsen and Toubros shed 60 nP to Rs. 22.12 and Mahindras 24 nP to Rs. 21.56. Mukand Irons were 60 nP lower at Rs. 18.24 and Cooper Engineering's dipped by Rs. 8 to Rs. 15. Shivrajpur Syndicates were marked down by Rs. 2 to Rs. 80. Indian Coppers were a shade quiet at Rs. 4.14.

Scindias fluctuated between Rs. 18.72 and Rs. 17.76 before closing at Rs. 18. Great Eastern Shippings shed on balance 16 nP to Rs. 22.12. Bharat Lines were done 8 nP higher at Rs. 12.96. Premier Automobiles moved down by Rs. 2.25 to

Rs. 125, while Hindustan Motors were better by 32 nP at Rs. 10.

In the miscellaneous section, Bombay Burmahs (old) rallied early in the week from Rs. 566 to Rs. 578.50, but the wave of selling pressure dipped them down to a low of Rs. 538. At the close, however, the shares recovered to Rs. 546. National Rayons fluctuated widely before closing at Rs. 351 with a loss of Re. 1 over the week. Gwalior Rayons were done 16 nP lower at Rs. 21.72. Tata Chemicals declined by 24 nP to Rs. 18.32, while Tata Oils improved by Re. 1.50 to Rs. 69. Voltas lost Rs. 4 to Rs. 171 and Wimcos suffered a similar loss at Rs. 209. Ceat Tyres had business Rs. 10.75 lower at Rs. 178. Indian Dyestuffs were marked down by Rs. 115 to Rs. 745. I.C.I.C. changed hands at Rs. 81.50. W. H. Brady declined by Rs. 10 to Rs. 395.

Calcutta Stock Exchange

CALCUTTA, 15th July

Higher advices from Bombay underlined by rumours that Government had permitted the rights issue of the Tata Iron and Steel Company Ltd. at par brought the Calcutta Stock Exchange earlier in the week under review to almost the brink of buoyancy. Gains were recorded in the leading counters in all sections, and both genuine investors and speculative elements participated in the bullish trend. Profit-taking on Monday and Tuesday reduced earlier gains. The reported intention of the L.I.C. to book profits in some of its recently acquired holdings alerted speculators, but it was thought unlikely that the Corporation would be willing to dispose of the first-class equities among its holdings. The upward trend was also aided by Mr. Nehru's statement that there was no proposal for nationalising existing industries. The further details of the recent seminar discussions at Ooty on the Congress approach to the third Plan, available this week, contained several surprises, such as suggestions for additional taxation of Rs. 2,500 crores (of which Rs. 600 crores was said to be direct taxation), ceiling on property holding and individual income, cancellation of the development rebate, lowering of the depreciation allowance, checking rigorously speculation on commodities, etc. It was thought here that these proposals went counter to Mr. Nehru's indication of a bright future for the private sector, and as such market men did not pay attention to these reports. However, it should be said that but for the public knowledge of these highly socialistic ways of thinking at some Congress level, activity in the market should have shown further expansion. For the present, the market has again been caught up in the bull phase, and indications are that it would continue for some time in view of the changed attitude in New Delhi towards the private sector and encouraging corporate results.

Sectionwise, jutes continued to command keen attention. New Centrals touched a high of Rs. 17.89 from Rs. 16.87 to close at Rs. 17.37. Anglo-Indias stood at Rs. 256 earlier in the week but moved up to Rs. 266 on interested buying following anticipations of improved working results and diversification of activity. The Company is shortly setting up a wool-combing plant. Barnagores were lifted to Rs. 166 from Rs. 157 before declining to Rs. 163.50 on profit-taking. At Rs. 165 Budge Budge scored Rs. 4. Khardahs changed hands at Rs. 172, as against Rs. 169 previously. Ganges reached a high of Rs. 94 from Rs. 90.25 to close at Rs. 91.50, while Auchlands remained unchanged at Rs. 193. Howraths encountered support to rise to Rs. 24.62 from Rs. 23.87, but closed at Rs. 24.19. Gourepores eased to Rs. 418 from Rs. 424 and Kinnisons to Rs. 193 from Rs. 196. Nuddeas hardened to Rs. 66 from Rs. 65, but Ballys were quiet at Rs. 230.

Coals met with improved demand, but the upward movement was fractional, as it was not yet certain when the price for the commodity would be increased, albeit New Delhi rumours anticipating imminent rise. Burrakurs, after touching Rs. 18.56 closed at Rs. 18.06. From Rs. 318 Bengals scored to Rs. 322, but soon gave way to Rs. 416. East Indias at Rs. 25.75 recorded a gain of Re. 1.50 and South Karanpuras hardened to Rs. 13.62 from Rs. 13.25. New Beerbhooms were lifted to Rs. 21.44 from Rs. 196. Nuddeas hardened to Rs. 66 from Rs. 65, but Ballys were quiet at Rs. 230.

Among minings, Indian Coppers touched a high of Rs. 4.28 to give way to Rs. 4.13, following the Directors' recommendation to repeat the dividend at 18 per cent. for 1958. Burma Mines recovered to Rs. 1.68 from Rs. 1.61 to close at Rs. 1.64.

In the engineering section, Indian Irons opened at Rs. 25.10 and gradually rose to Rs. 25.56, when a recession set in on easier Bombay advices and the shares dipped to Rs. 25.06. Texmacos met with good demand and, after being higher at Rs. 26.20, were dealt with at Rs. 24.55 *ex-div.* Burn & Cos. were unchanged at Rs. 455, while Indian Standard Wagons were done at Rs. 93, as against Rs. 94.50 previously. Bhartias lost to Rs. 16 from Rs. 17.31, while Brathaythals were fractionally higher at Rs. 6.56. Jessops were quiet at Rs. 30.25.

More interest was shown in sugar shares, and the star feature of the week was provided by Ramnugger Canes with a jump to Rs. 22.12 from

Rs. 17.82 previously. Carewys were subjected to profit-taking to sag to Rs. 12.81 from Rs. 13.75. Cawnpores, on keen support, gained to Rs. 14.37 from Rs. 13.56. Champarans at Rs. 17.50 scored one point.

Indo-Burma Petroleums were an outstanding feature in the miscellaneous industrials section and, at Rs. 29, recorded a handsome gain of Rs. 2.38. Balmer Lawries regained to Rs. 220 from Rs. 218 with National Pipes commanding keen attention earlier at Rs. 18.25 to sag to Rs. 17.81 subsequently. Hindustan Motors advanced to as high as Rs. 10.34 from Rs. 9.37. Rallis advanced to as high as Rs. 79.75 from Rs. 69 to close fully steady at Rs. 76.50. Indian Aluminiums were better, at Rs. 22.94 as were Indian Cables at Rs. 33.31 before easing to Rs. 32.75. Indian Oxygens were on good demand at the slightly improved rate of Rs. 28.58. National Rollings touched a high of Rs. 17.06 from Rs. 16.69 to close at Rs. 16.81. Port Shippings, on good support, were pushed up to Rs. 14.31 from Rs. 13.37. Britannia Biscuits, at Rs. 25.37, were noted for a modest gain. Hindustan Filtingor Glass, after being higher at Rs. 18.87, were crossed at Rs. 17.50. National Carbons recovered to Rs. 35.50 from Rs. 34.87 and Dunlop Rubbers to Rs. 34.12 from Rs. 33.87, while Alkali Chemicals at Rs. 22.69 were noted for a recession.

On better auction results, a small improvement was in evidence in teas. Brooke Bonds had buyers at Rs. 21.06, as against Rs. 19.81 earlier. Banarhats rose to Rs. 305 from Rs. 304. Grobs at Rs. 18.75 added a few nP, as did Tezporos at Rs. 17.37. Bishnaths encountered support at Rs. 20, as against Rs. 19.81 earlier.

Madras Stock Exchange

MADRAS, 15th July

Equities on the Madras Stock Exchange continued to move up generally during the week under review. Although fresh investment was somewhat hesitant, even the small purchases led to rise in values, because the floating stocks, scrips, especially the popular ones, were scarce. The recent assurances of the Prime Minister regarding the role of the private sector were widely welcomed by operators. Towards the closing sessions of the week, the market developed sagging tendency on rumours of the Life Insurance Corporation selling a portion of its holdings. The fall in values, however, was negligible, so that today's closing rates, for a majority of shares were either higher than, or on a par with, those prevailing a week ago.

Activity in the sugar section was quite brisk. Cauverys spurred Rs. 3.50 to Rs. 118.50 and Kirian pudies by Rs. 2.50 to Rs. 72.50. E.I.D.s improved by 60 nP to Rs. 39.85 *cum-div.*, following the announcement of an interim dividend of 1.17 per cent. for the year ending 30th September 1959, against 5 per cent. (interim) paid last year. Mysors were marked up by 50 nP to Rs. 49.50. Travancors rose by 20 nP to Rs. 12.40.

Tea shares in the planting section were supported, thanks to reports of good demand at higher prices. Halleyburias hardened to 75 nP to Rs. 19.75. Twyford's strengthened to Rs. 17. Kalasas gained 5 nP to Rs. 4.03. Nonsuc at Rs. 20.50, Chembras at Rs. 4.28 and Peernad at Rs. 19.35. But Emerald Valleys receded by 20 nP to Rs. 6.10, reflecting disappointment of operators over the dividend of 6 per cent. announced for the year 1958, which is same as that paid in 1953. Coffee shares also enjoyed enlarged buying enquiries. Anaparaais advanced by 40 nP to Rs. 163.50. Coffee Lands rose by 10 nP to Rs. 24.42. Sangames were hardened by 10 nP to Rs. 2.86. Cangoos *ex-div.* done at Rs. 6.45 *cum-div.*, as against Rs. 6.10 last week. In sympathy with tea and coffees, rubber shares, too, elicited good support. Malankaras rallied from Rs. 19.62 to Rs. 19.10, Highlands put on 10 nP to Rs. 12.35. Valkundars were fully steady at Rs. 27.25. Rajagiris at Rs. 27.00 and Teekoys at Rs. 7.70.

In the textile section, Buckingham's registered a rise of Rs. 2 to Rs. 189. Bangalore Woollens at Rs. 178 and the latter to Rs. 152. Kotharis gained 4 nP to Rs. 10.10. Coimbatore Cottons were at Rs. 142 and Coimbatore Pioneers at Rs. 21. Many other scrips in the textile section remain unchanged at last week's level. Venkatesas were also firm at Rs. 119, notwithstanding the announcement of lower dividend of 16 per cent. for the year 1958, as compared with 20 per cent. for the year 1957.

The miscellaneous section ruled strong. Cement chemicals and paper company shares were particularly fancied. Rallis provided the bright spot, the quotation moving up by Rs. 5 to Rs. 79. Travancore Cements hardened by Rs. 5 to Rs. 10.50. Mysore Papers hardened by 70 nP to Rs. 10.50. Indian Steel Rollings improved by 62 nP to Rs. 22. Orissa Cements increased by 35 nP to Rs. 16. Indian Cements and Mettur Chemicals gathered 10 nP each to Rs. 6.55 and Rs. 13.65, respectively. Spencers 13 nP to Rs. 20.38 and Ashok Leyars 5 nP to Rs. 11.10. Andhra Cements picked up last week's level of Rs. 10.20, as also Standard selling and declined by Rs. 3 to Rs. 1. Western India Plywoods were unchanged at Rs. 17.25 *cum-div.* The directors of the Company have maintained the dividend for the year ending March 1959 at the previous year's level of 10 per cent. Travancore Chemicals were unchanged at Rs. 15 though the dividend announcement for the year ended March 1959 was lower at 6 per cent. as compared with 7 per cent. distributed

NEWS IN BRIEF

INDIA exported 8,809 sewing machines, valued at Rs. 8.72 lakhs during the first five months of 1959, as compared with 1,782 machines worth Rs. 2.77 lakhs in the corresponding period of 1958. The U.K. was the leading buyer, its actual intake being 4,705 machines worth Rs. 3.31 lakhs.

A proposal for the establishment of a plant at Bombay, to produce heavy viscosity industrial lubricating oil basics has been submitted to the Union Government by the Burma-Shell Oil Company. The average annual imports of lubricants are at present of the order of Rs. 12 crores.

A mechanised boat-building yard is proposed to be constructed shortly at Tondiarpet in Madras. The State Government has sanctioned Rs. 1.65 lakh and necessary equipment has already been secured. The initial production target is eight boats. In due course, the yard will be expanded to meet the entire requirements of the State.

The Government of India and the U.S. Atomic Energy Commission have signed an agreement for the lease of 15 tons of heavy water for use in India's atomic energy research programme. Heavy water is one of the most efficient materials available for moderating atomic reactions under controlled conditions in an atomic reactor.

The Norms Committee, constituted by the Government of Bombay, to evolve norms in respect of various industrial matters, has decided to fix certain norms for such matters as leave, holidays, retirements, benefits, etc., in 24 industries in the State. It does not, however, propose to deal with wages and dearness allowance.

It is claimed that the series of traffic test surveys conducted on the different routes of Government roadways in Uttar Pradesh have resulted in a saving of Rs. 30 lakhs by way of economy in the use of tyres, batteries and engines as well as by gaining more mileage per gallon of fuel and oil consumed. During 1958-59, about 400 such surveys were conducted in the State.

As measures of export promotion, the Government of India has now allowed drawback of customs duty paid on imported material used in the manufacture of tinned steel wire products, granted rebate of customs and Central excise duty paid on materials used in the manufacture of air conditioners and cement tiles, and revised the rates of drawback applicable to exports of galvanised iron wire products of different gauges.

The Inter-Departmental Committee on second shipbuilding yard, headed by Mr. N. R. Pillai, Secretary-General, External Affairs Ministry, recently visited Cochin with a view to making a further study of the proposed site there. The Committee is expected to submit first a report to the Union Government on the technical feasibility of the site, before it takes up a decision on the location of the second shipyard.

The National Productivity Council has undertaken an audio-visual programme to promote productivity consciousness in industries. The programme includes distribution of films dealing with various techniques and processes designed to increase productivity, in the various parts of the country through the five regional directorates of the Council and other interested institutions. It also proposes to organise a series of exhibitions.

The Government of Bombay has acquired a twenty-one-acre plot of land at Worli in the City for setting up the second milk dairy. The new plant, which is expected to function by the end of next year, will have a capacity to process about 8,000 maunds of standard whole milk. The cost of the project is estimated at Rs. 2 crores. Of this, the U.N.I.C.E.F. has given a grant of Rs. 45 lakhs in the shape of machinery and equipment.

In order to give a fillip to the marine fishing industry, the Union Government has appointed three advisory boards to review the deep sea fishing stations, one each at Bombay, Cochin and Tuticorin. The terms of reference of the Boards cover effective utilisation of assistance from the Technical Co-operation Mission by way of fishing vessels, proper working of the three fishing stations, and greater co-ordination among Central Fisheries Department, the concerned port trusts, naval authorities, trade and fisheries departments of States.

A tentative scheme to start a network of dairy development projects during the third Plan period at a total cost of Rs. 60-70 crores—about three times the allocation made in the second Plan—was recommended at a conference of Central and State Government representatives held at New Delhi recently. The object of the projects is to organise milk supply schemes for 100 cities with populations exceeding 500,000, about 30 rural creameries, two cheese factories and twelve milk product factories. A Milk Supply Board for each of the cities and Apex Milk Boards at State level were also suggested.

Up to the end of April this year, over 1,611 million pieces of decimal coins had been put into circulation all over the country. These include 240.2 million pieces of 10 nP coins, 268 million pieces of 5 nP coins, 356.7 million pieces of 2 nP coins and 746.2 million pieces of 1 nP coins. Simultaneously with the circulation of increased number of decimal coins, the withdrawal of old coins has been progressing apace. Between 1st April 1957 and 31st January 1959, 661.4 million pieces of coins in anna-piece series had been withdrawn.

PERSONAL

D.R. B. K. Madan, Principal Economic Adviser, Reserve Bank of India, has been appointed Executive Director of the Bank.

Dr. Omar Hayat Malik, High Commissioner-designate of Pakistan in India, has arrived in New Delhi.

Mr. Donald Kerr, Director-designate of British Information Services in India, vice Mr. J. T. Hughes, arrived in India on Monday this week.

Mr. William Rountree, U.S. Assistant Secretary of State for Near East and South Asian Affairs, has been appointed U.S. Ambassador to Pakistan.

Mr. Kantilal Manilal Sonawala and **Mr. Premchand Kedia** have been elected President and Vice-President, respectively, of the Bombay Bullion Association for the year 1958-60.

Mr. Khatau G. Dayal has been elected President of the Western India Automobile Association for the current year. **Mr. Babubhai M. Chinai** and **Mr. Dahyabhai V. Patel** have been elected Vice-Presidents.

Mr. W. D. C. Erskine Crum, Sales Manager of the British Overseas Air Corporation, South-East Asia, has been appointed Sales Manager in India in place of **Mr. P. A. Gillibrand**, who is leaving this country shortly to take up a senior post with British European Airways as its Manager in Germany.

the world market. Under the agreement, the STAL is to take over the Laval plant and at the same time change its name to Turbin AD de Laval Ljungstrom (TALL), while de Laval will remain largely as a holding company.

The Anglo-Egyptian Oilfields, the biggest single British concern sequestrated after the 1956 Suez crisis, has been handed back to its British parent company, the Shell-group. This is the last of the four companies to be returned under an agreement reached in April last between the Government of U.A.R. and the Company. Since the Anglo-Egyptian financial agreement was signed last February, over 50 per cent. of British property in Egypt has been dissequestrated.

Sales of West Germany's textile industry still were 5 per cent. less during this year's January-April period than in the same time last year. Though incoming orders have bettered by about 24 per cent. during the same period, the industry thinks that this might only be a temporary recovery from the heavy setback last year. The textile industry's production index (1950=100) stood at 149 in January 1959, and recovered to 157 in April, as against a high of 171 in January 1958.

The Tobacco Export Promotion Council of Rhodesia has brought out a publication intended to stimulate world-wide interest in Rhodesian tobacco. The Council proposes to circulate among cigarette factories throughout the world a documentary colour film on tobacco industry in the country. Meanwhile, the representatives of the Council are touring abroad, establishing personal contacts with foreign manufacturers and Governments to persuade them to join the list of 40-50 countries that are already buying Rhodesian tobacco.

Suggestions to amend the European Coal and Steel Community Treaty have been approved by the High Authority, which will be placed before the Council of Ministers at its meeting to be held at Luxembourg on the 23rd inst. The main amendment suggested by the Authority relates to the continuing offer of aid to marginal Belgian collieries during their reconstruction, including its contribution to the re-training and re-settlement of displaced workers. The provisions of the Treaty as stand at present put a stop to such aid after February 1960.

Tax concessions amounting to £17 million have been announced in the latest budget of the New Zealand Government. The concessions have been made possible by the improvement in the country's economy, following increased prices for its exports, which, it is said, has obviated the need for heavy overseas borrowing this year. The concessions are designed to enhance the purchasing power as more goods and services become available. The budget provides for a total Government expenditure of £317 million which is less by £100,000, as compared with the estimated revenue receipts.

President Eisenhower has asked Congress to appropriate \$1.5 million to construct the nation's first demonstration plant for the conversion of sea water to fresh water. The sum is part of a \$10 million programme to build conversion plants already authorised by the Congress. The first plant will be located on the Gulf of Mexico. Two other plants for the conversion of salt water are planned, one on the west coast and the other on the east coast. The proposed plants, when completed, will be able to produce at least one million gallons of fresh water daily.

The Pakistan Government has decided to set up an Agricultural Commission to examine the factual development for the slow progress of agricultural development and to recommend measures for boosting food output. The Commission is headed by **Mr. Malik Amir Mohammed Khan** of Kalabagh, Chairman of the Industrial Development Corporation, and consists of six other members, including three experts lent by the World Bank and the F.A.O. It will fix production targets for the various crops, besides considering the possibility of organising co-operatives in the field of food production and for the better management of land.

STEADY IMPROVEMENT IN TRADE EFFICIENCY ALSO HIGHER

From Our Own Correspondent

LONDON, 11th July

LONDON LETTER

BRITAIN'S trade figures for the month of June, though in sharp contrast to the phenomenal May results, still support the view that the tide of international trade has turned for the better. Imports in June at £331 million and exports and re-exports at £260 million gave a notional trade gap of £71 million, as compared with £11½ million in May. But the second quarter of the year as a whole shows a gap of only some £108 million, as against the £117 million for the first quarter. Moreover, the notional adverse balance for the first half-year of £225 million is 90 per cent. accounted for by freight and insurance on imports; thus nearly the whole of the country's substantial "invisible income" represents the true favourable balance of trade.

If the second quarter of the current year is compared with 1958, then imports are 6½ per cent. up, while exports are 4½ per cent. up; at the same time, exports are 7 per cent. up on the first quarter. Whichever way one looks at the picture—provided one is not unduly swayed by the results of a single month—the improvement is there.

The home production picture is equally reassuring: apart from January, the first quarter failed to show improvement over the corresponding quarter in 1958. Then April showed a 4 per cent. improvement for all industries and May has shown a 5 per cent. improvement—most of this being in the manufacturing industries.

This rise in output has considerably outstripped the fall in unemployment, showing, once again, that a period of recession is one for improving efficiency, increasing mechanisation and reducing costs—and that, after such a period, the same previous level of production is achieved, with a lower labour force.

The same pattern of improvement is visible on the spending side, in the country's retail trade. The first quarter of the year showed a rise of nearly 4 per cent. on the corresponding trading period a year before, then April and May have both shown a 6 per cent. rise on 1958. The reason for the retail trade to show a faster rate of increase than the production trend is due to the hire-purchase boom which has enabled consumption to anticipate earning power. It is estimated that the total outstanding hire-purchase debt at the end of May was some £727 million, an increase of £84 million or 13 per cent. over the past three months.

Coming back to the point about the rise in productivity, the O.E.E.C. has just published a comparative study of the output and productivity of particular industries in both Britain and the U.S.A. This shows that the same processes have been at work in the U.S.A. since their recession, so that unemployment figures in that country conceal the rate at which output has been rising without employing more workers. It is significant that, in the past decade, the U.K. has failed to narrow the gap between the average level of productivity in this country and in the U.S.: it seems that the American worker, by reason of his greater command of capital resources, still produces between two and a half to three times as much in his working week as does the British worker.

But Britain can export successfully to the U.S., because the American advantage in productivity is more than swallowed up by higher wages, i.e. labour cost is higher in the U.S. than in the U.K. But this is not a particularly good reason for British self-congratulation (especially as the British worker is trying through higher wages to increase British labour costs) and the moral of the study is that the U.K. should try a lot harder to increase its domestic productivity—or for ever go in fear of American competition reviving.—All Rights Reserved.

STEEL GIANT IN WALES CAPACITY THREE MILLION TONS A YEAR

By Sir Oscar R. Hobson

LONDON, 6th July

NEARLY 12 years ago, in October 1947, I stood on the railway embankment near Port Talbot and looked south over the desolate expanse of sand dunes separating me from the sea. That five miles by three-quarters of a mile stretch of waste land, on which no building then stood, was the site of the Margam and Abbey Works of the Steel Company of Wales.

I have visited the place many times since and watched this great plant grow. I was there in 1951, when the first plan (Scheme K, they called it) was completed and the works were turning out 1,250,000 tons a year of hot and cold rolled sheet for use in motor cars, ovens, bridges, and the whole catalogue of consumer durables, or else for conversion into tinplate for the canning and other industries.

I was there again in 1956, by which time Scheme L was complete and output was running at 2,400,000 tons a year at Margam, while two tinning works were in operation at Trostre and Velindre farther along towards Swansea.

And, finally, I was there last week and saw the major extensions called Scheme M virtually complete. Scheme M, when fully run in, will raise Abbey-Margam's output of what are none too euphoniously called "flat rolled" products to 3 million tons a year. It will raise to the highest of any steelworks in Britain the output of a plant which a dozen years ago was non-existent.

To achieve this last 25 per cent. increase in output there has had to be expansion of capacity all along the line from coke and iron production to steel melting and cold rolling. There is a new £7 million blast furnace, one of the biggest in the world, there are new coke ovens, there is a new slabbing mill. Most important of all, because most revolutionary, are the three new basic Bessemer steel furnaces, which supplement the 24 open hearth furnaces.

The Bessemer process of steel melting, invented a century ago by an Englishman but

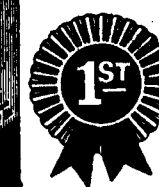
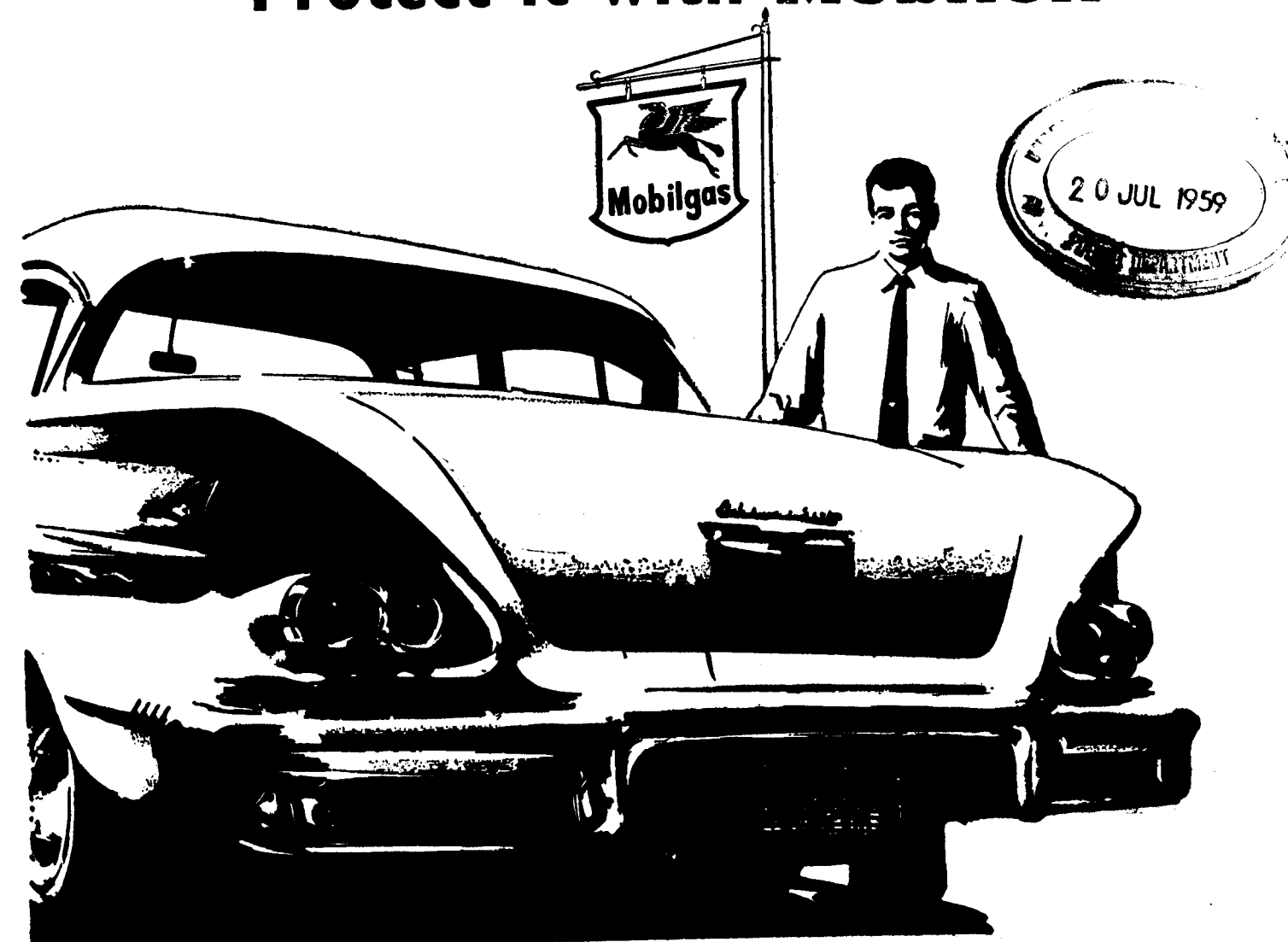
(Continued on page 117)

YOU'VE invested a lot of money in your car! All the more reason, then, that you should guard this investment by keeping your car in top condition for a long, long time!

MOBIL OIL gives your car full protection. Whether your engine is cold, or racing at high temperatures, MOBIL OIL maintains a tough, protective, unbroken film between moving parts. This film also cuts down on friction, resulting in increased power and longer engine life.

Your car is a valuable investment

Protect it with Mobiloil



Mobiloil

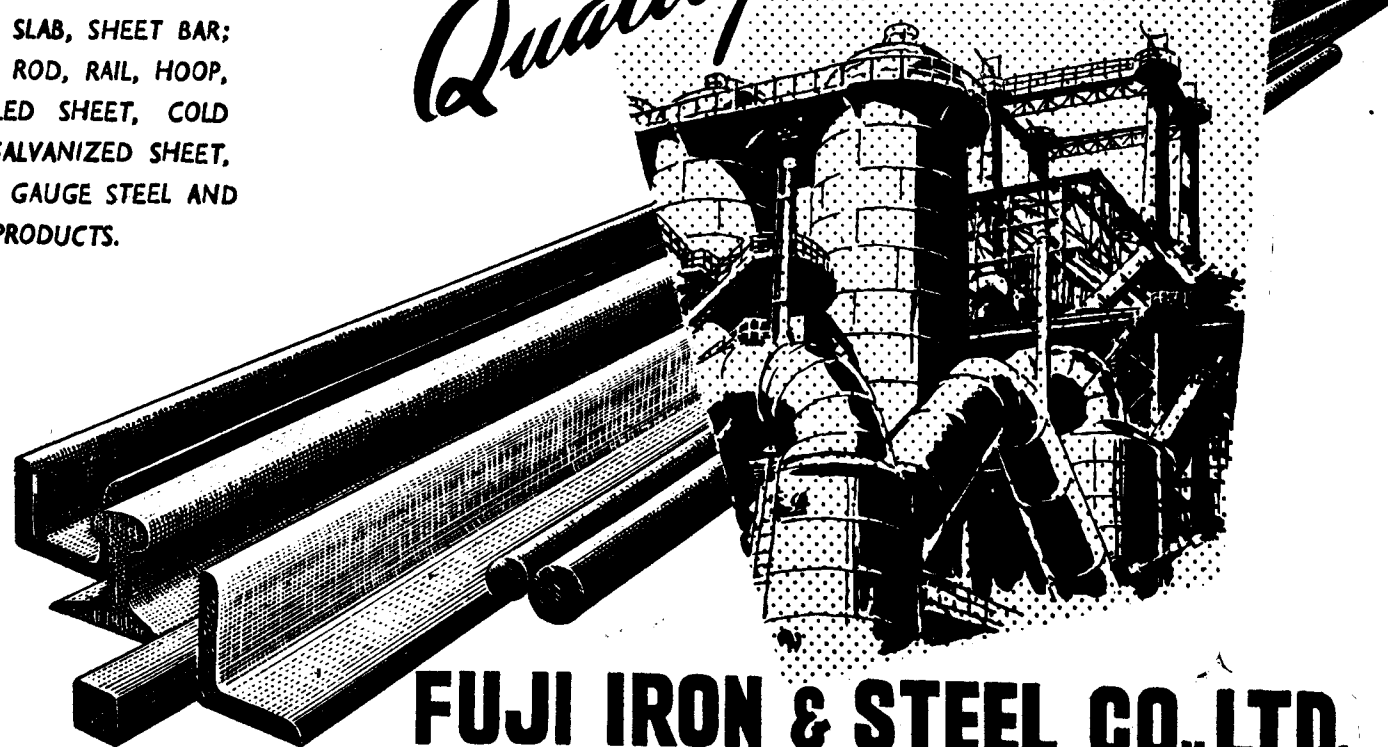
FIRST IN PROTECTION — FIRST IN WORLD SALES

STANDARD-VACUUM OIL COMPANY (Incorporated in the U.S.A. with limited liability)

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAT; BY-PRODUCTS.



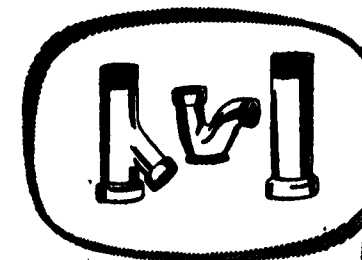
FUJI IRON & STEEL CO., LTD.

Head-Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano, Room 805, 52 Broadway, New York 4, N. Y., U. S. A.
President: Shigeo Nagano
Tel: Bowling Green 9-8675/6

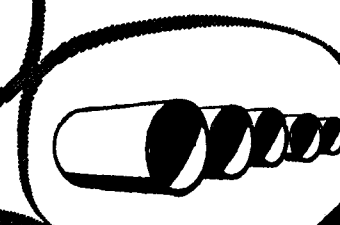
Reliability is the Keynote of

Dalmia

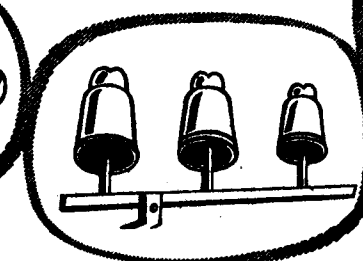
Stoneware and Porcelain Products



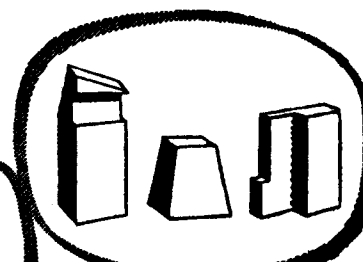
STONEWARE PIPES for underground drainage



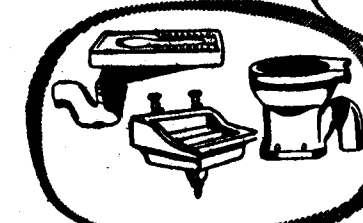
R. C. C. SPUN PIPES for culverts, water supply and drainage



INSULATORS and ACID-RESISTANT TILES



REFRACTORIES for all industrial purposes



PORCELAIN SANITARY WARES—Indian and European style closets, wash-basins, urinals etc.

DALMIA CEMENT (BHARAT) LTD.
Dalmiapuram (Tiruchirappalli)



CEMENT

BANK CREDIT AGAINST FOODGRAINS RESERVE BANK MODIFIES DIRECTIVE

THE Reserve Bank of India has again modified its earlier directives to Scheduled banks regulating bank credit against foodgrains. The latest modification, made last week-end, follows the adoption of procurement programmes by some of the State Governments recently in respect of paddy, rice or wheat, involving in some instances a reduction in stocks of these commodities with wholesalers. The procedure of procurement and methods of reimbursing wholesalers for purchases of foodgrains vary from State to State. This, in turn, calls for a suitable regulation of credit to the trade. It has become necessary, for instance, to increase the credit to the purchasing agents of the Orissa State Government, in order to assist the State Government's procurement of rice. In Madras, on the contrary, as a result of the purchases by the State Government itself, the stocks with the trade would be less. This, consequently, reduces the credit needs of traders in that State. The Reserve Bank of India has, therefore, thought it necessary to modify its earlier directives in the light of the position in the major States without affecting the seasonal requirements. The existing ban on sanction of fresh credit limits or increase in the existing limits in excess of Rs. 50,000 has been withdrawn.

The latest directive not only consolidates the earlier ones but also supersedes them, insofar as they relate to credit limits and advances against the security of paddy and rice, wheat and other foodgrains. In the case of composite credit limits, that is, credit limits sanctioned against the security of foods and against any other types of security, banks have been asked to segregate the credit limits against (1) paddy and rice, (2) wheat, and (3) other foodgrains, and follow the restraints contained in the latest directive.

The modified directive calls upon every Scheduled bank to maintain, as hitherto, a margin of not less than 40 per cent. of the value of stocks in respect of each credit limit against the security of paddy and rice, or wheat or other foodgrains. Under the new directive, the average aggregate level of credit against foodgrains has been changed to a State-wise classification and separate maximum levels of advances against paddy and rice are prescribed in respect of offices and branches of banks in (1) Andhra, (2) Madhya Pradesh, (3) Madras, (4) Orissa, and (5) other States.

Thus, in the case of branches in Andhra and Madhya Pradesh, banks have been asked to maintain each month, commencing from August 1959, an average aggregate level of credit against the security of paddy and rice which is not in excess of the level in the corresponding month of 1958. Of this level, the credit to parties other than rice mills should not exceed 33-1/3 per cent. In respect of offices in Madras State, the average level of credit should not exceed 60 per cent. of that in the corresponding month of 1958. For offices of banks in Orissa State, however, the Reserve Bank has fixed a financial limit, but this is subject to two provisos, namely, (1) not less than 80 per cent. of such credit is made available to rice mills or other parties acting as purchasing agents of the State Government, and (2) notwithstanding the overall margin limit of 40 per cent. in respect of all foodgrains, the margin on credit to purchasing agents should not be less than 25 per cent. In all other States, the average aggregate level of credit should not be in excess of 120 per cent. of that actually maintained in the corresponding month of 1958.

In the case of advances against wheat and for the purpose of keeping an average credit level each month, the States have been broadly classified into two. In the Punjab, Himachal Pradesh, Delhi and Jammu and Kashmir, the average monthly credit level should not exceed 75 per cent. of that actually maintained in the corresponding month of 1958. In the Punjab, however, banks are permitted to keep an additional average aggregate credit level equivalent to 25 per cent. if the additional credit is given to persons who have entered into storage delivery contracts with the State Government. In respect of advances to this category of borrowers, the margin has been reduced to 25 per cent., as in the case of advances to procuring agents in Orissa. For all other States, the average aggregate level of advances against wheat should not exceed that actually maintained in the corresponding month of last year.

In the case of other foodgrains, too, the States have been broadly classified into two for the purpose of fixing the average aggregate credit limit. For banks in Madhya Pradesh and Uttar Pradesh such credit level should not exceed 75 per cent. of that maintained in the corresponding month of 1958 and for those in other States, it should not exceed the level maintained a year before.

The exemption hitherto granted in favour of branches opened on or after 1st January 1958 and other exemptions are continued with slight modifications. Thus, the limits granted to branches opened on or after the above date, in a centre without banking facilities, are not to be taken into account for the purpose of computing the average

level of credit. This exemption is subject to the following provisos:

(1) The foodgrains against which advances are made should be in the possession or under the control of the branches concerned, (2) if the average aggregate level of credit against foodgrains exceeds in any month Rs. 1 lakh, such excess is taken into account for computing the average credit level, and (3) this concession will cease to be available after one year from the date of opening of a branch.

This exemption is also given to branches opened on or after 1st January 1958 in places where banking facilities are already available, provided that, if the proportion of credit granted by all such offices or branches of a bank against foodgrains to their total outstanding credit at these offices exceeds in any month three times the proportion which the credit granted by its other offices against foodgrains bears to the total outstanding credit at these offices, of 15 per cent., whichever is lower, such excess will be taken into account for computing the average aggregate level of credit.

Advances against foodgrains granted against the pledge of warehouse receipts issued by warehouses established by the Central and State Warehousing Corporations or granted by Scheduled banks to co-operative marketing and processing societies are also exempted from the aforesaid directive.

I.F.C. TO INVEST IN CHILE AND COLOMBIA

The International Finance Corporation has decided, subject to completion of the necessary legal formalities, to invest \$500,000 in Laminas, a Colombian Corporation, to finance a programme for improving and diversifying its fibre board products and \$1.5 million in Carozzi, a Chilean Corporation, for expansion of production of a variety of pasta (macaroni) products.

There is a growing demand for fibre board on account of the increasing volume of construction of low-priced housing and the rising demand for packaging, furniture and other industries. Laminas is purchasing new machinery to supplement its present facilities, improve its products and ensure greater flexibility to meet changing market requirements. The total cost of the programme is \$625,000. The I.F.C.'s investment of \$500,000 will be in U.S. dollar notes maturing by 1967 and bearing interest at 7 per cent. in dollars and additional

interest related to profits up to a maximum of 5 per cent. in Colombian pesos. In addition, the I.F.C. will receive an option to take up the shares of the Company.

The Chilean Corporation, Carozzi, owns one of the largest pasta plants in the world with a capacity of 24,000 tons per year. To supply a large and growing market for its products, the Company is building a new wheat mill and macaroni factory. The new plant will have a capacity of 12,000 tons of pasta products, bringing the total annual capacity to 36,000 tons. The I.F.C.'s investment will help finance new equipment, packaging machinery, wheat storage silos and warehouse facilities. The total cost of the new plant is estimated at \$2.5 million. The I.F.C.'s investment of \$1.5 million will be in U.S. dollar notes, maturing by 1970 and bearing interest, payable in dollars, at 6 per cent. and additional interest payable in Chilean pesos, contingent on profits. In addition, the I.F.C. will receive an option to subscribe at par to ordinary shares of the Company.

BANK OF INDIA LTD.

Notwithstanding the sharp rise in the advances of Scheduled banks during the busy season 1958-59 and the ceiling on deposit rates, the half-year ended 30th June 1959 does not seem to have been more profitable than the corresponding six months of the previous year. On the contrary, the earnings of the Bank of India Ltd. provide an instance under review amounts to Rs. 28.11 lakhs, as compared with Rs. 33.14 lakhs for the first half of 1958. After previous year, the Directors have declared a dividend of Rs. 50, subject to deduction of tax at the prescribed rates, for the first half of 1959. The rate of dividend is the same as that for the corresponding half-year of 1958, but there is a difference, in that, whereas the latter was free of tax, the dividend now announced is subject to tax. This absorbs Rs. 18 lakhs, leaving to be carried forward Rs. 22.91 lakhs, subject to taxation.

INDIAN OVERSEAS BANK

The net profit of the Indian Overseas Bank Ltd. for the half-year ended 30th June 1959, subject to audit, amounts to Rs. 14.84 lakhs, which is a shade better than that of Rs. 14.02 lakhs for the first six months of 1958.

The Directors of the Hongkong and Shanghai Banking Corporation have declared an interim dividend of £1-2-6 per share payable on 10th August 1959. The transfer books will remain closed from 24th July to 8th August, both days inclusive.

VISIT TO A U.S. COMMERCIAL BANK SOME LESSONS FOR BANKS IN INDIA

By Dr. K. C. Chacko, New York

IN order to see the actual working and operation of an American commercial bank, I visited the Chase Manhattan Bank in New York. The Chase Manhattan is one of the largest banks in the world; it has over 51,000 correspondent banks and branches and its total deposits exceed \$7,000,000,000. The Bank's headquarters, which has a staff of about 14,000, has outgrown in size and will be moving in a year or two to a new 60-storey building, costing about \$130 million. To give some idea of its size, I may add that, when completed, it will stand on a 2-acre open plaza, covering the greater part of two city blocks. The vault of the Bank is installed five floors below the ground level. The building, when completed, will add some colour to the rather dull-looking financial district of New York, namely, Wall Street.

To get a clear perspective of the Bank's operation, I spent the first three days at one of the branch offices of the Bank. Here one is able to come into personal contact with most of the employees and to discuss with them more leisurely. Here one is able to see the Bank in a miniature form. A branch office is always in close contact with the head office. Usually, transferring of funds to another State or to foreign countries, collection of bills, etc., are channelled through the head office. Unlike those in India, United States banks are allowed to have branches only within a comparatively small area, and never outside a particular State. State laws do not permit banks from one State to establish branches in another State. Thus, all the 103 branches of the Chase Manhattan Bank are in New York City, within a radius of about 20 miles. This is true of all the large bank in New York. The Chase has over 20 offices in foreign countries and correspondent relationship with hundreds of banks in other parts of the United States, and also other countries. These correspondent banks do many of the functions which branch banks do.

International Department

Coming back to the head office, after visiting the branch, I spent several days with the International Department. Since the end of the last war, there has been a tremendous increase in the scope and operation of this Department. At the conclusion of the war, there were only 284 employees in this Department, but now they number over 1,000. The Department is in the charge of an Executive Vice-President, who is assisted by several Vice-Presidents, each of whom deal with certain regions.

The International Department is almost like a bank within a bank. The Department performs for its customers practically all the banking services, i.e., loan and credit, maintaining accounts, trading, remittances and collections, which are performed by any well-established commercial bank. The customers of this Department fall mainly into two categories—banks throughout the world engaged in foreign trade and exchange; and business firms or individuals. In addition, several central banks also keep accounts with the Chase Manhattan Bank.

The Department issues over 200 commercial letters of credit in an average day. Once a proper application is received by the Bank, letters of credit are usually issued on the same day. Letters of credit may be divided into two types—import and export credits. An American importer buying goods from India may ask the Chase Manhattan Bank to open a letter of credit. The terms of this credit may be passed on through its Indian correspondent bank to the Indian exporter, usually without the Indian bank confirming the credit. Because of the prestige and reputation of the Chase, it is generally not considered necessary to have its letters of credit confirmed by a foreign bank. On the other hand, when foreign banks issue letters of credit in favour of American exporters, the Chase Manhattan Bank usually confirms such credits, thereby adding its own guarantee to that of the foreign bank.

The Department keeps a large file covering all its customers. The customers' balance-sheets are scrupulously analysed each year, and based

Dr. Chacko is the author of the *Monetary and Fiscal Policy of India*, published by Vora and Company, Bombay. Recently he spent several weeks as an observer at the Chase Manhattan Bank and the Federal Reserve Bank in New York.

on their credit and financial standing, the bank establishes a line of credit (similar to overdraft arrangement) for each customer. It is the policy of the Bank to maintain close and friendly relations with all its customers and to meet their requirements whenever possible. In some cases, the Bank has gone out of its way to help its customers in non-banking business. For example, a foreign bank requested and received help from the Chase Manhattan Bank in drawing a plan for the construction of a modern bank building in its own country.

Trade and Investment Promotion

The Chase Manhattan Bank has a department for trade and investment opportunities. An Indian businessman, who has an economically sound project for promoting foreign trade or investment, may seek its assistance; but such requests for assistance must be first made to his Indian bank, which in turn may forward it to Chase. The latter would then be able to put the Indian businessman in touch with American businessmen.

Commercial banks can do a great deal in promoting foreign trade and investments. That is the main reason why many of the important Japanese banks have their offices in New York and also in other important cities of the world. These banks do the spade-work for the businessmen in Japan. There is no reason why Indian banks should not, as in the case of Japanese banks, establish offices in all the important cities. These foreign offices need not be full-fledged branches; a small office or a representative can help in the promotion of foreign trade and investments. At the present time over 27 foreign banks have offices in New York. Their distribution is as follows:

Japan, 6; England, 6; Canada, 4; Switzerland, 3; Formosa, 2; France, 1; Italy, 1; Holland, 1; Philippines, 1; Hong Kong, 1 and Mexico 1.

I visited all the other major departments of the Bank and discussed the method of operation and policy with the respective heads of the Departments. In a short article of this nature, it is possible only to refer to some topics which I think would be of special interest to the readers of *Commerce*.

The magnitude of the operation and volume of business handled by the Bank may be estimated by the fact that, on an average day, the head office of the Bank processes over 1,500,000 cheques, the value of which sometimes exceed \$1,500,000,000. These cheques are collected free of cost to the customers with the assistance of the Federal Reserve Bank.

Trust Department

The Trust Department is an important feature of commercial banking in the United States. The Chase Manhattan has over 2,000 persons working in this Department. The functions of the Department vary from taking care of personal business of a customer to that of issuing corporate bonds of several million dollars. A well-to-do customer of a Bank may spend his time merrily travelling around the world, leaving all his personal business, including that of paying rent, bills and other routine business, in the care of the Bank. The Trust Department manages the estates of families, acts as executors of wills, provides facilities for the safekeeping of securities, manages charitable funds and pension funds of private corporations, and maintains an investment service division where a large number of specialists and research workers make a continuous study of the stock market and advise their correspondent banks and customers on investment problems. In the Corporate Trust Department, the Bank acts as trustee for corporations which issue bonds.

While loans of large amounts are usually made to corporations and businessmen, the Bank also maintains a large personal loan department for making smaller loans on instalment basis. A regular customer of the Bank can easily borrow the equivalent of Rs. 2,000 or more for one to two years without any collateral at all. Once the application for a loan is properly filled, a customer with a good credit record may expect the loan within twenty-four hours. In addition, the Bank has now started a charge plan, which enables consumer-members to show their charge

plan card and purchase their requirements from member-stores on credit up to Rs. 2,000 or more. The customer can pay the Bank for these purchases at the end of every month or over a period of time, if an instalment credit is established with the Bank.

In addition to such personal instalment loans, American banks also make large loans for purchase of houses and other types of real estate. Before the adoption of the Federal Reserve Bank Act in 1914, commercial banks in the United States were not allowed to make real estate loans, but now about 25 per cent. of all bank loans in the U.S. are real estate loans. This has been made possible by several schemes of Government guarantee of such loans.

Staff Kept Happy

The efficient operation of a huge institution like the Chase Manhattan Bank is achieved only by the ability and high calibre of its staff. The Bank takes good care of its staff and provides all facilities for self-improvement. Several kinds of indirect benefits are also offered. For example, the Bank pays the tuition fees for those members of the staff who attend college or banking institutions. It also has a special internal training programme for newly recruited college graduates and other members of the staff who have demonstrated outstanding ability. In addition to the internship in several departments, the Economic Research Department offers a course in banking theory. The Bank also provides several kinds of insurance and benefit plans, including subsidised lunches.

When an institution becomes too large, there is always a tendency for its efficiency to decline. This, however, cannot be said of a bank like the Chase Manhattan Bank. A sign posted in the Bank reads:

"What is a customer? He is the most important person ever to come into this place of business—either by person or by mail. . . . We are not doing him a favour by serving him—he is doing us a favour by giving us the opportunity to do so."

The Bank thus takes every possible measure to keep the customer well satisfied. Transfer of funds, payment of bills, establishment of letters of credit, answering enquiries—all these are done in the most efficient way. To give an example, transfer of funds in large amounts to any part of the United States is done in a few minutes. When a New York commercial bank wants to transfer funds to a San Francisco commercial bank, the New York commercial bank types a draft and runs it through an "Intrafax" facsimile machine which is connected to the Federal Reserve Bank of New York. Within three minutes a photo of the draft appears on the machine of the New York Reserve Bank, which in turn transfer the funds again through an "Intrafax" machine to the Reserve Bank in San Francisco. The San Francisco Reserve Bank immediately credits the account of the commercial bank in San Francisco under advice to them. The whole transaction is completed in a few minutes. In addition, Chase and other large banks maintain their own private wire system, telegraphically connecting hundreds of correspondent banks in various parts of the U.S.

Similarly, most of the accounting work is done by expensive electronic machines, thus saving time and adding to efficiency. Some of the Departments work 24 hours a day with three shifts of staff.

Service to the Society

A bank's income accrues mainly from its investments and loans. Investments of banks in the United States are in Government securities and first class bonds. Therefore, there is not much room for any appreciable loss in banks' investments. It is, of course, true that income from investment is also small in relation to income from loans. Thus, the major problem of any bank is how to make safe loans and at the same time earn good profit. In the United States, the banks make various kinds of loans, like commercial and industrial loans, loans for purchasing investment securities, real estate loans and consumer loans. Yet the loss arising from bad loans is negligible, and this is the key to successful banking. This is made possible partly by extensive credit reports on the bank's borrowers. The banks not only analyse the balance-sheet and credit standing of the borrowing businessman, but also study his business acumen and ability. A sound and productive loan is not only good for the borrower and the bank, but also for the country as a whole, for it adds to the total production of goods and services in the country.—All Rights Reserved.

give it a try —
it's a jolly BRIGHT buy ...

SHALIMAR SUPERLAC Synthetic Enamel
—a quick drying, hard drying, high-gloss finish
of positive durability for interior or exterior
use. Can be brush, spray or dip applied on to
almost any surface at home and in the factory.

In 38 intermixable colours
In pint and gallon tins and 5-gallon drums

SHALIMAR
SUPERLAC
Synthetic Enamel

SHALIMAR PAINT, COLOUR & VARNISH CO., PRIVATE LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI • KANPUR

TRENDS IN WOOLLEN INDUSTRY OUTPUT LOWER—PRICES TEND TO FALL

IT is, indeed, surprising that the Development Council for Woollen Industry, which met at New Delhi on the 7th inst., has not released anything to the Press indicating as to what transpired at the meeting and what decisions were taken. The only information available is from a private news agency, revealing that the Council considered a suggestion that indigenous raw wool could be utilised to better advantage, if spun on semi-worsted machinery. The two other important items on the agenda, according to this report, were (1) question of permitting installation of carpet powerlooms and (2) problems confronting the wool hosiery sector. In the absence of details of the deliberations of the Council's meeting, one is not in a position to assess the contribution made by the Council to the development of woollen industry. The Council will do well to issue a Press note at the end of its meetings at least in future.

The woollen industry would appear to be passing through difficult times, thanks to the decline in rate of production, on the one hand, and fall in prices, on the other. The total quantity of woollen-worsted fabrics woven during the first four months of 1959 was no more than 4.25 million yards, as against 6.03 million yards in the corresponding period of 1958. On this basis, the production for the whole year of 1959 will amount to just 12.75 million yards, which compares unfavourably with 19.37 million yards in 1958 and 15.79 million yards in 1957. The fall in fabrics output has followed a decline in the quantity of yarn spun which in the four months ended April 1959 was 8.78 million lbs., as against 9.06 million lbs. in the same period last year, the annual rate of output being 26.34 million lbs., as against 29.14 million lbs. and 27.84 million lbs. spun in the two preceding years, respectively. The prices of woollen goods have tended to recede. The average index of wholesale prices (base: 1952-53=100) for the week ended 20th June 1959 stood at 104.2, as against 105.9 a year before.

As a result of the low rate of output of woollen-worsted yarn and fabrics thus, there is quite a sizeable idle capacity in the industry—to the extent of as much as 70 per cent. in the weaving sector and 34 per cent. in the spinning sector. For the purpose of this calculation, the present aggregate rated capacity of the woollen textile industry has been taken as 48 million yards of fabrics and 40.39 million lbs. of yarn, on the basis of double shift of eight hours and 300 working days in a year.

The following table indicates the trend of woollen-worsted textile output during the first four months of 1959 and 1958, as well as in the whole of 1958 and 1957:

	Yarn ('000 lbs.)	Fabrics ('000 yds.)
1958—		
January	2,266	1,553
February	2,104	1,368
March	2,544	1,720
April	2,058	1,390
Total—January-April ..	9,042	6,029
1959—		
January	2,239	1,087
February	2,159	973
March	2,022	1,029
April	2,368	1,101
Total—January-April ..	8,778	4,246
Whole of 1958	29,143	19,369
Whole of 1957	27,838	15,785

In view of the low level of production and with the object of promoting exports of woollen goods (cloth, yarn, hosiery, garments, carpets and shawls), the Government of India recently announced the export incentive scheme, the details of which were given in these columns last week. It will be seen therefrom that those manufacturers who sell woollen goods abroad will be entitled to utilise a substantial part of the foreign exchange for imports of essential raw materials—raw wool, wool tops, shoddy wool, dyes and chemicals. It remains to be seen how far the scheme will prove successful. Meanwhile, some differences of view have arisen among woollen producers over the allocation of imported raw wool and wool tops. The Federation of Woollen Manufacturers of India has recommended to the Textile Commissioner a proposal to change the basis of allocation from past consumption to 50 per cent. past consumption and 15 per cent. spindleage. The revised formula has been stoutly opposed by thirteen Ludhiana spinners who are already believed to have resigned membership of the Federation. The

whole issue, it is said, will be examined by the Federation at a meeting due to be held this week-end.

A brief reference to the wool trade of India during the year 1958 may not be out of place here; detailed figures covering recent months are not available. India imported in that year 3.02 million lbs. of raw wool, 15.90 million lbs. of wool tops and 3.01 million lbs. of wool yarn. The corresponding figures (in million lbs.) for 1957 were 3.09, 16.27 and 4.54, respectively. The country-wise imports in the two years are shown below:

	1958	1957
Raw wool:		
Australia	1,610	1,346
New Zealand	1,308	1,450
United Kingdom	69	259
Other countries	29	21
Total	3,016	3,085
Wool tops:		
United Kingdom	11,156	11,323
Australia	4,474	4,089
Other countries	289	854
Total	15,899	16,266
Wool yarn:		
Italy	2,006	4,199
United Kingdom	52	190
Japan	36	81
Other countries	17	101
Total	3,011	4,541

It will be seen from the above table that imports of raw wool, wool tops and wool yarn during 1958 were lower than those in 1957. Similarly, imports of wool tissues were on a reduced scale, being just 253,000 linear yards, as against 1.21 million yards in the previous year. The reduction was accounted for by all the main categories. The breakdown figures in thousand linear yards for 1958, those in brackets covering 1957, are: woollen and worsted piecegoods 85

(708); shoddy cloth 17 (121); mixed wool piecegoods 35 (181); others 116 (203). Imports of blankets and rugs, too, declined, from 424,000 lbs. in 1957 to 37,000 lbs. in 1958.

There was a distinct setback to exports of home-grown wool from India during 1958. Total exports were 33.95 million lbs., as compared with 37.81 million lbs. in 1957 and 35.08 million lbs. in 1956. The table below indicates the trend of exports according to destination:

	1958	1957	1956
(In thousand lbs.—actual weight)			
United Kingdom	12,925	16,399	15,424
Soviet Union	8,965	8,990	4,354
United States	7,332	8,910	11,023
Belgium	1,381	1,744	1,373
France	1,222	2,110	837
W. Germany	618	1,270	751
Netherlands	510	573	532
Other countries	1,112	1,104	782
Total	33,945	37,808	35,077

The foregoing table shows that exports of Indian raw wool to the U.K., the chief buyer, were lower by 20 per cent. and those to the U.S. by 19 per cent. There was, however, a perceptible improvement in exports to the Soviet Union, the quantity actually shipped in 1958 being 8.97 million lbs., as against 5.69 million lbs. in 1957, representing a rise of 56 per cent.

TEXTILE PRODUCTIVITY TEAM GOES ABROAD

A seven-man team consisting of millowners' executives and labour leaders, led by Mr. P. V. Mehta, Director, Calico Dyeing and Printing Mills, Bombay, left New Delhi last week on a tour of Japan, the U.S., the U.K., West Germany, France and Switzerland to study productivity techniques sponsored by the U.S. Technical Co-operation Mission. The team's itinerary includes visits to plants, shops, laboratories and offices of cotton textile manufacturers in the aforesaid countries. On return, it will submit a report to the National Productivity Council; the report will later be disseminated to the industry. It is expected that three representatives of the Central Government organisations, for whom final participation arrangements have not been completed, will join the team shortly.

"Dressing up a scarecrow, Mrs Banerjee?"

This isn't a scarecrow. It's my husband. A thousand apologies. But it is obvious your husband has not heard of BINNY'S Quality Control! their production you know...

"Quality Control? Never heard of it! What does it do?"

"Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to root out defects at every stage of production. That's why BINNY'S suitings stay smart so long."

"That's wonderful news. We shall dash to the nearest BINNY'S shop the moment I can fix this tie and my husband is able to breathe again."

BINNY - a great name in textiles

• Testing the effective staple length of cotton

This apparatus measures the length and variation of all cottons that go into BINNY'S cloth. The quality of the cloth depends largely on the cotton used. Only specially selected cotton goes into BINNY'S fabrics. That's why they last so long.

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings - Khaki Drills - Bleached and Dyed Drills - Towels - Anticrease Suitings - Tussore - Union Fabrics - Silk Sarongs - Rugs etc. etc.

THE BUCKINGHAM & CARNATIC COMPANY LIMITED
THE BANGALORE WOOLLEN, COTTON & SILK MILLS COMPANY LIMITED
Managing Agents: BINNY & CO. (MADRAS) LTD.

DETAILS OF COTTON INDUSTRY SCHEME EXPECTED WITHIN A WEEK SPECULATION OVER EXACT ARRANGEMENTS

From A Special Correspondent

MANCHESTER, 7th July

UNLESS printing hold-ups intervene, the details of the long-awaited scheme for reorganising the Lancashire cotton industry should be known to all within a week. The terms of the various plans have now been accepted by the trade associations and have been submitted to the authorities, whose task it is to advise the Board of Trade on their effectiveness to meet the current and future needs of the industry.

Speculation over the conditions binding those entering the project has been heightened accordingly and, despite the call for secrecy from those "in the know," various "interpretations" of the proposed arrangements have already been put forward. It is understood that, in addition to an irrevocable time limit of 30th September, firms registering plant for scrapping before the end of August will receive slightly higher compensation. Not only this, but the Board of Trade has power to "close its books" at any time before the end of September.

Everything is clearly being done to encourage the timid to take the plunge. There is no desire to force managements into hasty decisions when so much is at stake, but it is equally imperative that "the surgical operation" should be carried out without delay. Much will depend on the exact terms of the compensation payable for redundant machinery. It is probable that the scales will vary according to the type of plant involved, whether already standing idle, or as part of a reconstruction scheme, or in a mill scheduled for complete closure.

Redundancy Outlook

Plans to participate in the Government's reorganisation scheme for the cotton industry are now being considered by practically all firms in the trade. Amongst them is the old-established Salford group of Richard Haworth and Co. (Holdings) Ltd., whose financial results in recent years have frequently been far from satisfactory. Mr. Stanley Beddow, the Chairman, in his annual report covering the year to the end of March, says that the Company's plans to make its contribution to the scheme to reduce the number of spindles and looms and subsequent re-equipment are in the embryo stage. He adds that he hopes to be in a position to say more about this at the annual meeting later this month.

In the year to 31st March 1958, the group made a trading profit for the first time since 1953. During the past year, earnings amounted to £71,899, as against £22,824 in the previous twelve months. Arrears of preference dividend have now been paid to 30th November 1955 and

the net bank overdraft has been reduced from £508,988 to £245,336.

"Throughout the year, it has been one constant effort to maintain and increase sales in each section of each unit within the group," says Mr. Beddow. A small weaving shed at Padiham was closed down early this year as a direct result of foreign cloth imports, but, in the other mills, machine activity has been maintained at around 65 per cent. except between December and February when it fell to around 55 per cent.

Better Results

In 1958, described by many reliable Lancashire critics as "one of the most difficult years in living memory for the textile industry," the Manchester manufacturing and merchant firm of Boardman, Marden Ltd., made a record net profit of £266,049. This represented an increase of £55,433 on the previous year and the dividend has been stepped up from 17½ per cent. to 27½ per cent. for the year.

Mr. K. O. Boardman, the Chairman, in his annual statement mentions the return of confidence in the industry which, he says, makes the immediate future bright, and indicates a greater autumn and spring demand than for many years past. The emergence of five factors in quick succession early in 1959 almost completely restored confidence to the distressed home industry, he continues, and could very well bring an end to the long slump. In order of importance, the factors creating this situation were the Government aid plan, the break up of the Yarn Spinners' Agreement, a warm spring, an incentive budget and the Hong Kong quota agreement.

Increased Activity

Will history repeat itself so far as production of cotton goods in the United States is concerned? That is the question posed by the latest summary of conditions issued by the Cotton Board, which observes that, in the first quarter of the current year, the gain in output in the United States was particularly pronounced. "In the past, such a rise has often preceded an increase in output in the other main producing centres," adds the review.

The first quarter's results in 1959 showed the maintenance of global cotton yarn production at around the early 1958 levels, after a period of five quarters when output was consistently below the level reached a year previously. Exports of cotton cloth, on the other hand, continued on a much lower basis, being 10 per cent. below those recorded in the corresponding period of 1958.

Since the end of March, orders for yarn and cloth in Lancashire have been much larger in total and this has brought about a welcome increase in activity, the survey declares. The

spell of warm weather in May encouraged retail sales of clothing, but the low level to which pipeline stocks had fallen and the upward movement in raw cotton prices were the main factors behind the spurt in buying. At this point, the report offers a timely warning to those who might feel unduly optimistic about prospects. "Whilst this improvement is naturally welcomed by the trade," it adds, "it would be unfortunate, if firms in the industry were to be induced by it to forget their past experiences so far as to neglect the opportunities now offered by the reorganisation proposals."

Improvement Abroad

The textile situation in the United States has lately shown a remarkable improvement. The Cotton Board comments: "Manufacturers of cotton fabrics experienced sales volumes in April and May seldom equalled at that period of the year." Mill margins widened to an average of 27.18 cents in April, as against 25.06 cents in December and 22.75 cents a year ago.

Another pointer to the more prosperous mood was the fact that, at the end of April, stocks of cotton cloth held by the mills amounted to 27 per cent. of unfilled orders as compared with 72 per cent. twelve months previously. Yet a straw in the wind affecting the import situation was the news that exports of cotton goods from India entering America in the first quarter of this year aggregated 790,000 yards. The quantity is minute, but the amount of Indian cotton cloth absorbed in the United States in the whole of last year was only 690,000 yards.

In Japan, the rate of output curtailment of cotton yarn from the figure of 30 per cent. has been cut to 27 per cent. from the current month. A distinct improvement was recorded in the position of the cotton and staple fibre branches of the textile industry in the last few months, but exports of cotton cloth fell from 331 million square yards in the first quarter last year to 291 million square yards in the same period this year.

Yarn Supplies

Monthly returns issued by the British Board of Trade do not indicate the sources of arrivals of cotton yarn, now reaching this country in larger quantities than for a very long time past. From Cotton Board figures now available, however, it can be seen that India is the main supplier and has increased her shipments substantially. During the first quarter of 1959 imports of cotton yarn from all quarters amounted to 6,230,000 lbs., as against 4,050,000 lbs., in the same period last year.

Arrivals from India at 2,940,000 lbs. were double the quantity taken in the first quarter of 1958. The other major supplier is Hong Kong and in this case also arrivals have increased, from 1,120,000 lbs. to 1,360,000 lbs. The level of Hong Kong shipments in the first quarter this year is practically the same as in the final three months of 1958. Other countries have sent only negligible supplies, except Italy which provided 960,000 lbs. The quantity of yarn secured from Pakistan, at 280,000 lbs., is similar to the amount imported in the first quarter last year, but, in subsequent quarters of 1958, arrivals from Pakistan were below 100,000 lbs.—All Rights Reserved.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
69-D Rashtrapati Road
SECUNDERABAD (Dn.)

DELHI STATE
60, Janpath
NEW DELHI

PUNJAB STATE (India)
Madan Mohan Malaviya Road
AMRITSAR

BOMBAY STATE
Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY

MADRAS STATE
Finance House
Puttas Road
MADRAS-2

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

MADHYA PRADESH
41, Tokogum Main Road
INDORE

UTTAR PRADESH
Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

MYSORE STATE
Konnur Building
Ramdeo Gali
BEOGAUM

JAWAHAR PRADESH
Jwalanagar P.O.
RAMPUR

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BARODA

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

RECENT TRENDS IN COTTON SIZABLE DROP IN CARRYOVER STOCKS

SINCE the current cotton season is drawing to a close, it will be appropriate to examine the supply and distribution of cotton during the season. An analysis of the statistical position of cotton shows that, owing to higher mill consumption, larger exports and smaller crop during the season, the carryover at the end of the season will record a sizable decline as compared with stocks at the beginning of the season. Thus, the estimated carryover at the end of the season is of the order of 1.95 million bales of 400 lbs., comprising 1.76 million bales Indian and 0.18 million bales foreign cotton. This compares with 2.2 million bales, comprising 2.04 million bales Indian and 0.16 million bales foreign cotton at the end of the previous season.

Total supply during the season aggregated 7.42 million bales, comprising a carryover of 2.2 million bales, an estimated commercial crop of 4.75 million bales and imports of 0.47 million bales of which arrivals till the middle of June were of the order of 0.35 million bales.

As regards distribution, the consumption of cotton during the first nine months of the season is tentatively placed at 3,824,611 bales, of which 3,491,282 bales were Indian and 333,329 bales foreign cotton. This is as much as 130,722 bales higher than the consumption during the corresponding period of the previous season. But it is noteworthy that this increase was entirely due to the higher consumption of Indian cotton which more than offset the slight decline in foreign cotton consumption. Thus, while Indian cotton consumption increased from 3,360,560 bales to 3,491,282 bales, that of foreign cotton declined from 430,242 bales to 333,329 bales. The table below gives the monthly break-down of figures for the period under review:

		(In bales of 400 lbs.)			
		Indian		Foreign	
		1958-59	1957-58	1958-59	1957-58
May	1959	379,044*	360,068	38,058*	46,379
April	"	382,238	348,743	36,225	42,934
March	"	380,193	354,288	34,204	47,643
February	"	376,105	350,474	31,580	43,808
January	"	413,181	392,007	34,370	48,804
December 1958	"	419,814	391,490	39,301	51,858
November	"	398,650	380,724	35,644	51,031
October	"	394,658	372,781	41,503	48,415
September	"	382,499	359,125	42,554	49,310
Total	"	3,491,282	3,360,560	333,329	430,242

* Provisional.

If the present trends in consumption were to continue, it is quite likely that aggregate mill consumption of foreign and Indian cotton for the whole season may well exceed the 5-million bales figure, as against last season's 4.9 million bales, and may well be equal to the 1956-57 consumption of 5.23 million bales.

As regards exports, though they are none too encouraging, they have been running at a higher rate than in the previous season. Shipments during the first ten months of the season aggregated about 306,680 bales, as compared with 204,245 bales in the same period last season. This improvement has been possible because of fairly good demand for Bengal Deshi, particularly from Japan. But, due to paucity of stocks, the demand could not be met fully. This has led of late to sizable business in new crop Bengal Deshi with Japan. Out of a total shipment of 306,680 bales during the first ten months of the season, Japan absorbed the bulk, 215,469 bales, to be precise.

It may be noted, in this connection, that the Goodwill Mission sponsored by the Federation of Indian Chambers of Commerce and Industry which recently visited nine countries, made certain pertinent suggestions for stimulating exports of cotton. It pointed out that, as a result of frequent changes in quota items for export made by the Government, foreign buyers were finding it difficult to depend on India for supplies. The Mission recommended that there should be continuity in export policy, timely announcement of quotas and removal of impediments in the way of exports. It also suggested that Government should consider the question of allowing a small quantity of long-staple cotton for export and import cheaper cotton from abroad.

The general expectation is that, if the present trend in exports is maintained, total shipments during the whole season will be of the order of 350,000 bales. This compares with a little more than 290,000 bales exported during the previous season.

To sum up, the distribution pattern of cotton during the present season reveals the follow-

ing picture: Out of a total supply of 7.42 million bales, mill consumption may absorb 5.12 million bales. Exports during the season are expected to be of the order of 350,000 bales, making a total of 5.47 million bales. This will leave a balance of 1.95 million bales as carryover at the end of the season with mills and trade.

PROMOTION OF COTTON CONSUMPTION

Commenting on the need for intensive promotional activities for stimulating cotton consumptions, Mr. Farid A. Moustapha, a leading cotton trader of Egypt, observed recently as follows:

"Consumption of long-staple cotton in Western countries has decreased considerably during the last two years. This is due not only to more consumption of artificial fibres and chemical products, but to a large extent to the general shifting of the consumers' habits and requirements. The demand for textiles in general has decreased in comparison to that of other goods. Production of household goods such as refrigerators, automatic washing machines and television sets has increased at a high rate. Through sales facilities and intensified sales promotion consumers have rushed to acquire such electric appliances to the detriment of textiles consumption.

"Long-staple cottons had to undergo a period of recess, manufacturers had to curtail their production and look for cheaper raw material. If this state of affairs should continue producers of high quality cottons have to revise their situation.

"If they still believe that cotton should continue to maintain its place as a leading fibre and one of the most important products—that a large proportion of the agricultural population in the world are still mainly dependent on it—then people representing cotton-growing countries have to sit together and study what should be done to restore cotton consumption to its normal level."

The problem, according to him, is to convince consumers to spend more on clothing and home decoration. The object should be to raise the percentage of consumption of goods made of cotton.

A few years ago, several countries started moves to promote sales of cotton textiles. Successful promotion campaigns have been carried out by the U.S., Egypt, Switzerland and France, but

the situation is still inadequate. Funds raised for that purpose are small in comparison to those allocated for sales promotion purposes of other goods and man-made fibres. Consequently, promotional activities in cotton producing and manufacturing countries are lagging. He suggested the formation of an international cotton centre to study ways and means of increased spending on better clothing and decorated homes should be established.

SEA-ISLAND COTTON

In spite of the various handicaps such as adverse weather and indifference of farmers, the results of the programme of Sea-island cotton development, in the first year, that is, 1957-58, though not as encouraging as was earlier expected, can be termed satisfactory considering its experimental nature. In the first year, about 25 bales of pure Sea-island cotton was marketed which fetched about Rs. 2,200 per candy.

The area under cultivation was enlarged in the present season, that is, 1958-59. The total quantity of seed available from the 1957-58 crop was sown over 1,642 acres, 1,142 acres in Kerala, 490 acres in Mysore and ten acres in other States. Only 1,049 acres, cultivated by 831 growers, were, however, available for harvest. The fall in acreage was due to the fact that some of the areas had to be reserved owing to adverse seasonal conditions while a few of the cultivators did not raise the crop over the expected area though they had purchased the seed.

Out of the current season's crop till the close of May 1959, a total quantity of about 2,51,380 lbs of seed cotton from Kerala and Mysore was pooled and it is expected that some more quantity of the monsoon in parts of Kerala and Mysore of ginning facilities in the Kerala and Mysore States, the entire quantity had to be transported to this cotton fetched a price commensurate with its quality, it was decided to auction the cotton in lots as and when pressed, at about fortnightly intervals. The auctioning was conducted with the aid of a small committee known as the 'Sea-island Cotton Disposals Committee' constituted for the purpose. A total quantity of 204 bales (inclusive of 3 per candy obtained for these bales was for Rs. 3,510 to Rs. 2,850 for 170 bales and Rs. 265 per candy for yellow lint of 30 bales which were sold by tenders. A total quantity of cleaned seed cotton of 1,69,932 lbs. has now been procured for distribution in 1959-60 for achieving the target of extension over 20,000 acres consisting of 15,000 acres in Kerala and 5,000 acres in Mysore. In the course of the year, 300,000 acres are expected to be brought under Sea-island cotton.

SUPREME COURT'S DECISIONS ON INDUSTRIAL AWARDS RESULTS AND BENEFITS ANALYSED

THE sharp increase in the number of industrial disputes going up in appeal to the Supreme Court has of late caused much concern in industrial and legal circles. An idea of this increase can be had from the fact that the number of petitions for special leave to appeal in those granted leave, which were 59 and 23, respectively, in 1953, increased to 291 and 257 in 1956 and 189 and 148 as on 1st October 1957. About 209 cases were pending before the Supreme Court as on 30th November 1958. As the Law Commission pointed out in its report, part from clogging the work of the Supreme Court, and the grave delays caused in the disposal of matters which need speedy attention, the graver aspect of it is that labour matters are being thrust upon a court which has not the means or materials for adequately informing itself about the different aspects of the questions which arise in these appeals and therefore finds it difficult to do adequate justice.

The reason for this state of affairs is to be found as much in the hasty abolition of the Labour Appellate Tribunal as in the restricted powers of the High Courts under Article 226 of the Constitution. With the abolition of the A.T., cases which would otherwise have gone to that body have naturally come before the Supreme Court for decision. Since the jurisdiction of High Courts under Article 226 of the Constitution is limited—a High Court can only quash an order of a tribunal but cannot make its own decision and substitute it for that of the tribunal—a party aggrieved by the decision of a tribunal has no alternative other than approaching the Supreme Court.

Such being the case, there is no truth in the view assiduously propagated by certain sections of trade unions that the increase in the number of appeals is due to the employers' attempt to spite unions by dragging them to the Court by going in appeal against tribunal awards on flimsy grounds. An analysis of the results of appeals filed in the Supreme Court against industrial awards during 1957 and 1958 gives the lie to this view. The analysis has been made by the Evaluation and Implementation Division of the Union Ministry of Labour to determine the advantages secured by appellants both in terms of money and by way of vindication of principles. It showed that, of the 33 cases disposed of by the Supreme Court during the period, 25 were initiated by employers, five by workers and three by State Governments. Employers were wholly successful in eighteen out of the 25 cases filed by them, that is, in about 72 per cent. cases, partly successful in one and unsuccessful in the remaining six cases. Workers succeeded in two of the five appeals filed by them—i.e., in 40 per cent. of the cases. The State Governments were partly successful in one case and unsuccessful in two.

Nature of Cases

Cases pertaining to the termination of service, wages and bonus accounted for about 85 per cent. of the appeals made to the Supreme Court. The remaining were related to miscellaneous issues, including compensation for accidents outside the works premises, the power of the Government to supersede a reference pending before a tribunal by a fresh notification, the validity of awards after a prescribed date and the scope of the term "worker."

While the monetary gains could not be precisely estimated, the analysis showed that, in a majority of cases, the monetary stake was comparatively small. For instance, in most of the 12 successful cases concerning termination of services of workmen, the total monetary gain involved was not more than Rs. 10,000. There were also some cases which involved only one or a few workmen.

Apart from the monetary stake involved, the analysis showed that certain advantages had resulted from the appeals in terms of principles upheld or enunciated by the Supreme Court. The principal advantage was that, once the principles determining a particular issue were decided by the Court, they continued to govern similar issues in future. For instance, in the appeals pertaining to the termination of service, important points of law or guiding principles were settled by the Supreme Court while deciding such cases. In cases concerning

bonus, the Supreme Court enunciated several important principles. Thus, the Court laid down that bonus was not a bounty or gratuitous payment made by the employer to his employee nor was it a deferred wage. On the other hand, it held in *Muir Mills Co., Ltd. vs. Suti Mill Mazdoor Union, Kanpur*, that "the term bonus is applied to a cash payment made in addition to wages. It generally represents the cash incentive given conditionally on certain standards of attendance and efficiency being attained. This decision is based on the view that both labour and capital contribute to the earnings of the industrial concern and so it is but fair that labour should derive some benefit if there is surplus available for that purpose. Even so, the claim for bonus cannot be effectively made, unless two conditions are satisfied; the wages paid to workmen fall short of what can be properly described as living wages; and the industry must be shown to have made profits which are partly the result of the contribution made by the workmen in increasing production."

It is clear that the majority cases arise out of some genuine grievance or the need for enunciating some points of law. Many suggestions for speedy disposal of cases have been put forward from various quarters. The Law Commission itself had recommended that the right of appeal in industrial matters should be provided either by constituting tribunals of appeal under the labour legislation itself or by conferring a right of appeal to the High Courts in suitable cases. Prof. J. H. Richardson, an I.L.O. expert on industrial relations, who recently submitted his report to the Government, had advocated that a permanent court of industrial arbitration and adjudication should be

established for adjudication of industrial disputes of national importance. Prof. Richardson's recommendation amounts to a plea for a revival of the Labour Appellate Tribunal. These suggestions are expected to be considered by the Indian Labour Conference scheduled to be held in Madras this month. It is to be hoped that some workable solution which will ensure speedy disposal of cases and dispensation of justice, will be found.

EMPLOYEE SUGGESTION SCHEME

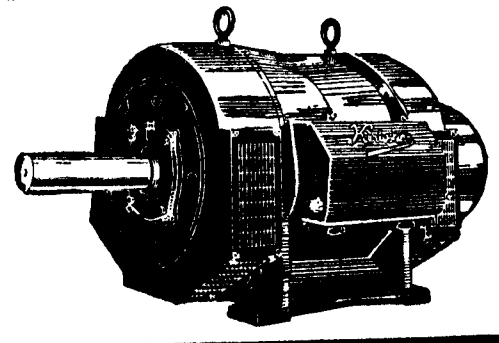
Two workers of the U.S. Steel Corporation for the past 15 years—one negro and the other white—have been awarded \$10,000 each as reward for their suggestions for improving a blast furnace operation.

The two workers, Messrs. Oscar M. Dansler, a keeper, and Salvatore Lumella, a stove tender, both employed at one of the big plants of the U.S. Steel Corporation, shared equally a \$20,000 prize awarded by the Company under the employee suggestion plan.

The idea that brought the two the largest employee cash award in the history of the steel industry concerns the separation of molten iron from slag as it is taken from the blast furnace. Under the previous method of separation, some of the iron was trapped in the slag and transported to a dump, where it was picked up as scrap material.

Messrs. Dansler and Lumella submitted a design for a basin and gate so placed as to catch the molten iron which, being heavier than the slag, drops to the bottom of the basin and is then released through the gate into a runner leading to the iron ladle for immediate use.

Presenting the awards, Mr. Thomas W. Hunter, Superintendent of the plant, said that the company viewed the event as another indication of how men closest to a job often are best able to handle improvements in working methods and operations. U.S. Steel's employee suggestion programme was initiated in 1957. It provides for awards based normally on 20 per cent. of the first year's estimated savings resulting from a suggestion, after deducting the cost of installing any new equipment. To date employees have submitted more than 12,000 suggestions, of which approximately 25 per cent. have been approved by the Company. The minimum award is \$10; the maximum, \$10,000.



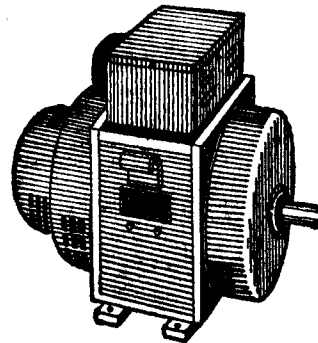
A. C. ELECTRIC MOTORS

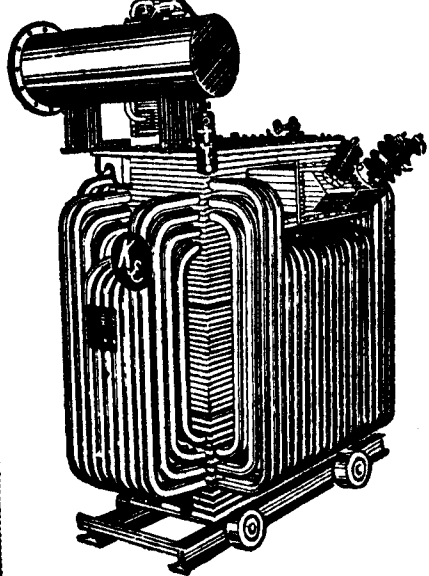
UP TO 250 HORSE POWER

For the generation, distribution and utilisation of Electric Power, these three products form the basic requirements. Kirloskar Electric Company have the unique privilege of supplying all the three products required for industry and other applications.

TRANSFORMERS

15 TO 5000 KVA, UP TO 33 KV

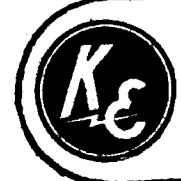




ALTERNATORS

3 KW TO 25 KW

For particulars contact either
the manufacturers or the selling agents.

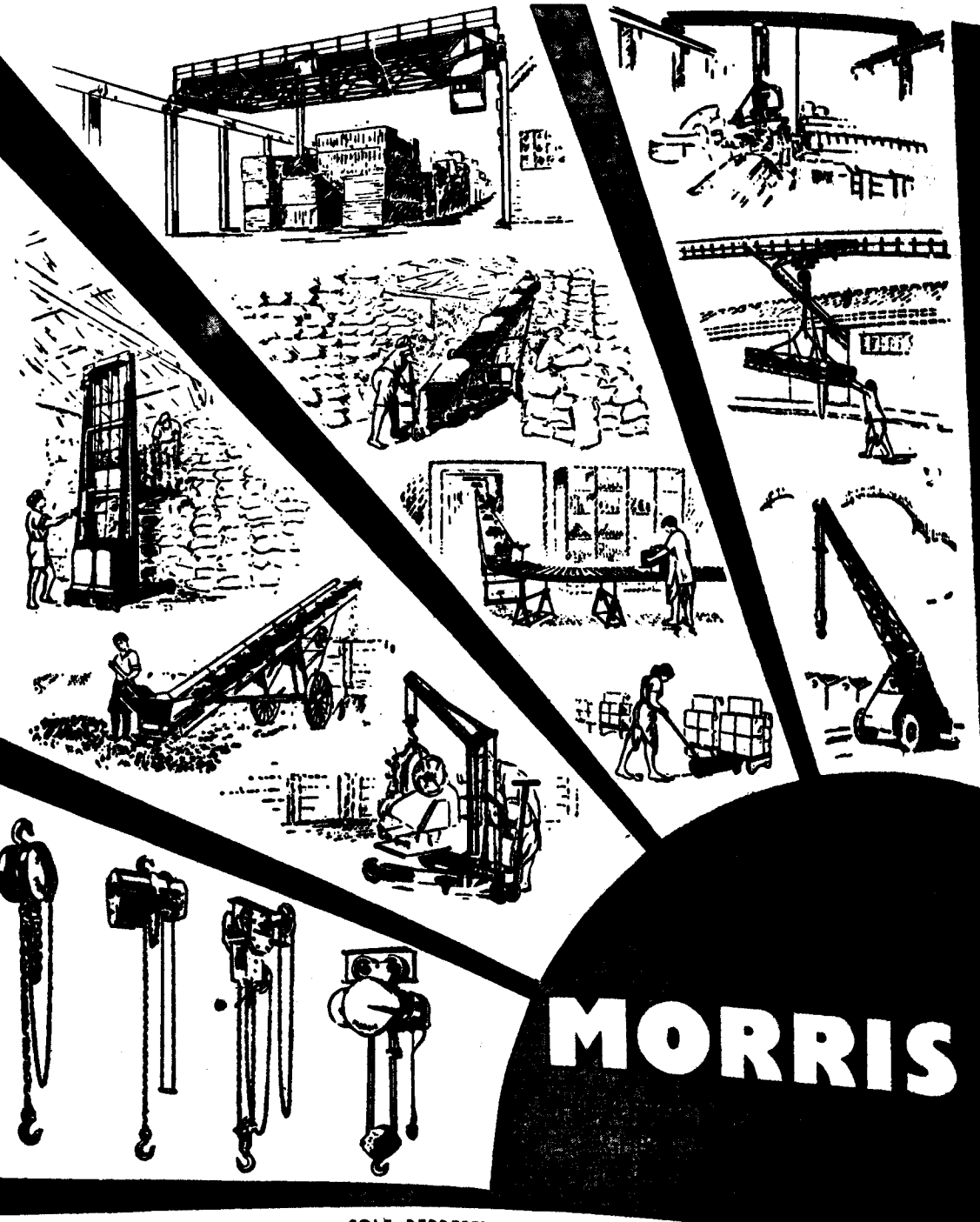


KIRLOSKAR
ELECTRIC CO. LTD.
BANGALORE-3

Selling Agents:

PARRY & CO.
LIMITED

P. O. Box No. 11, Madras-1
P. O. Box No. 504, Bombay-1
P. O. Box No. 205, Calcutta-1
P. O. Box No. 172, New Delhi



MORRIS

SOLE REPRESENTATIVES IN INDIA
W. H. BRADY & CO., LTD.
VEER NARIMAN ROAD, FORT, BOMBAY 1
Branches at: CALCUTTA MADRAS KANPUR AHMEDABAD COIMBATORE

STATISTICAL POSITION OF JUTE GOODS CONTINUES TO IMPROVE

SACKING, HOWEVER, STILL FACES COMPETITION

AFTER a spell of brisk activity and sharp rise in prices, the jute goods market has been ruling a shade quiet. Both hessian and sacking have shed a part of their earlier gains, despite the fact that the statistical position of the industry continues to improve. The price of hessian 40"×10 oz. (ready) which had gone up to a high of Rs. 41.85 per 100 yards last week has come down to Rs. 41.05 and B. twills from Rs. 98.25 to Rs. 97.20 per 100 bags. The setback, albeit slight, is mainly a corrective reaction to the earlier speculative rise due to manipulations in the futures market. To some extent, it is also attributed to rumours about the prospect of a further unsealing of looms, as a section of the trade feels that the last unsealing of 1½ per cent. with effect from 22nd June is inadequate.

Considering that this is the time of the year when foreign demand usually picks up, it is contended that the current stocks of manufactured goods with mills would prove inadequate to meet the demand. It is further argued that there is a reasonable prospect of the Argentine buying about 70,000 tons of hessian this year and, if this comes on top of the steady improvement in the offtake from the U.S., there may as well be a squeeze in hessian, unless steps are taken to increase production. It is this line of argument that has given rise to hopes of a further unsealing of looms. How far this expectation will materialise remains to be seen.

Stocks Decline

The persistent improvement in the statistical position of mills is again reflected in the figures of stocks with mills at the end of June, which show a fall of 3,500 tons to 95,900 tons. With this, stocks have maintained the downward trend for the fifth month in succession, the aggregate decline during this period being of the order of 17,900 tons. The position is even more encouraging, when compared with the peak level of 134,000 tons reached at the end of June 1958, as will be seen from the following comparative table:

	As on 30th June, 1959	As on 31st May, 1959	As on 30th April, 1959	As on 30th June, 1958
Hessian	23,700	21,400	19,600	31,000
Sacking	57,000	61,400	68,200	87,000
Others	14,300	10,600	17,600	15,100
Total	95,000	93,400	105,400	134,000

The shrinkage in stocks in June is accounted for by sacking and miscellaneous goods. The stocks of the former have dwindled by 3,500 tons to 57,000 tons, the lowest level touched since March 1958. They represent a fall of no less than 30,000 tons over the year. At this level, they constitute 60.4 per cent. of the total stocks, the corresponding proportion at the end of May being 61.7 per cent. and at the close of June 1958 65.6 per cent. There is a further fall of 2,300 tons to 14,300 tons in miscellaneous varieties, thus bringing them down by 3,300 tons from the peak of 17,600 tons touched at the end of April last. This decline has, however, been offset by an increase in hessian stocks from 21,400 tons to 23,700 tons. This is the fourth month in succession in which hessian stocks have recorded a rise, having risen from 15,500 tons at the end of February. They are, however, still lower than those a year ago by 7,300 tons. At 23,700 tons, the stocks of hessian constitute 24.7 per cent. of the total, as against 21.5 per cent. a month before and 23.1 per cent. a year ago.

Unsealing of Looms

The successive expansion in stocks of hessian in recent months is due to the switch-over of some of the looms from sacking. The unsealing of 1½ per cent. of the looms from 22nd June might have also helped the trend to some extent. The full effect of this unsealing will, however, be reflected only in the figures for the current month.

The substantial improvement in the statistical position with regard to sacking is not a thing to gloat over. For the heavy goods are still facing keen competition from Pakistan. Commenting on this aspect, the latest Jute

Bulletin for June 1959 of the Indian Central Jute Committee says:

"The better statistical position in sacking at present is more the result of reduced output and improved internal consumption than of increased foreign purchasing. Relative to hessian, sacking is taking a smaller share of total exports. Sacking-consuming countries far outnumber those taking mainly hessian. Hitherto, they have received scant attention from the Indian industry, because their dependence on it has been taken for granted. Now the situation has completely changed following the emergence of Pakistan as a rival seller for sizable exportable surplus of sacking goods. It is Pakistan's policy to woo these tiny marginal markets, usually neglected by India, and a good response has already been achieved.

Pakistan's Advantage

"Just how Pakistan has been managing to sell heavy goods cheaper than India is not quite clear, but then the industry there has been allowed a substantial subsidy on internal sales, which amount to some 50,000 to 60,000 tons of jute goods annually. Also, the huge surplus of jute cuttings in Pakistan this season has come as a blessing to local manufacturers who have been enabled to keep the batching cost low by making liberal use of the material. This, no doubt, is an advantage which India at the moment can do little to offset. If, however, it is going to be a price war, the industry here is in a stronger position to wage it and, if necessary, to the bitter end. Indian mills have certain other advantages which their Pakistani rivals have not. It is widely believed that, the high stocks of heavy goods notwithstanding, mills are not making as much hessian as they can or should, because at current prices the manufacture of sacking yields a larger margin of profit. This curious fact would seem to suggest that the price of Indian sacking is far from being the lowest at which mills can afford to sell to stay competitive and the recent unsealing of looms, which may not be the last for this year, should enable them to reduce costs further."

That the larger internal consumption has improved the lot of sacking is borne out by the fact that, in the first eleven months of the 1958-59 jute season (July to June), the despatches of heavy goods from mills for internal consumption have gone up to 155,800 tons from 141,900 tons in the corresponding period of 1957-58, while those for export purposes have dwindled from 403,200 tons to 346,800 tons. At the aforesaid level, the internal consumption of sacking is the highest since 1945-46.

Despatches of hessian for internal consumption during the eleven months under review are, however, a shade lower at 19,600 tons, as against 20,000 tons in the corresponding period of 1957-58, while those for export purposes have risen from 357,200 tons to 399,700 tons. Despatches of other varieties for both export purposes and internal consumption show a rise, the former from 26,200 tons to 38,100 tons and the latter from 22,300 tons to 28,300 tons. Summing up, the total despatches for export purposes of all varieties have suffered a fall of 2,000 tons to 784,600 tons, while those for internal consumption have improved by 19,500 tons to 203,700 tons, raising the cumulative total from 970,800 tons to 988,300 tons.

PAKISTAN JUTE ENQUIRY COMMISSION

The Jute Enquiry Commission set up by the Pakistan Government recently is expected to complete its work and submit its report by the end of the year. Its draft report is likely to be ready by November. The Commission has commenced its work by setting up two sub-committees, one of which, an eight-member body, will visit important ordination of the growers' interests with those of other sections of the trade, as well as national interest. It is expected to submit its report to the Commission by the end of August. The second sub-committee has been entrusted with the task of drawing up a detailed questionnaire, in which Finlow and Fawens Inquiries of 1933 and 1939. The questionnaire will be sent abroad also to ascertain the views of overseas interests.

Beginning with only a small machine shop in 1939, NSE expanded rapidly and today it operates three major engineering factories, each engaged in producing vital equipment, covering the gamut of the country's developmental needs. Through engineering skill and technical knowledge garnered over the past two decades, NSE has earned the confidence of the various industries it serves.

to

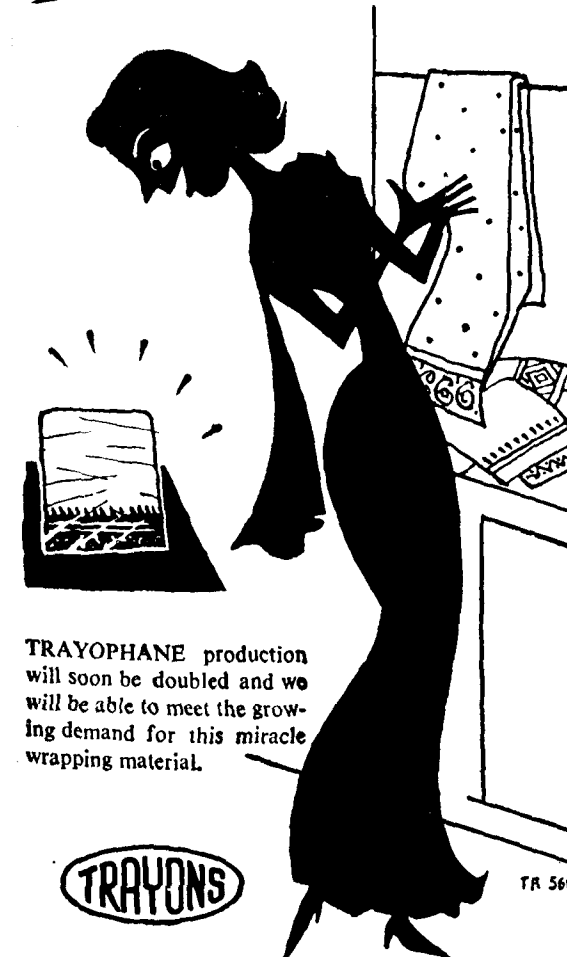
NSE

Service to Industries

NEW STANDARD ENGINEERING CO. LTD.

Structural & Mechanical Engineers, Founders, Machine Tool & Industrial Plant Manufacturers
CARROLL ROAD, BOMBAY-13
GRAMS: 'STEELBUILT'
PHONE: 62111/62164-45

People just can't help buying things wrapped in TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

*TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little.
*TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes.

THE TRAVANCORE RAYONS LIMITED

Factory Rayonpuram P. O., Kerala State
Sales Office: 216, Second Line Beach, Madras-1

Distributor:

R. Sutramdas (India) Private Limited,
United India Building, 5th Floor, Sir Pheroza Shah
Mehta Road, Bombay 1

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKACID BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS

for
Nearly Half a Century

RELIANCE FIREBRICK AND POTTERY
CO., LTD.

4, LYONS RANGE, GALUTTA 1.

Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories



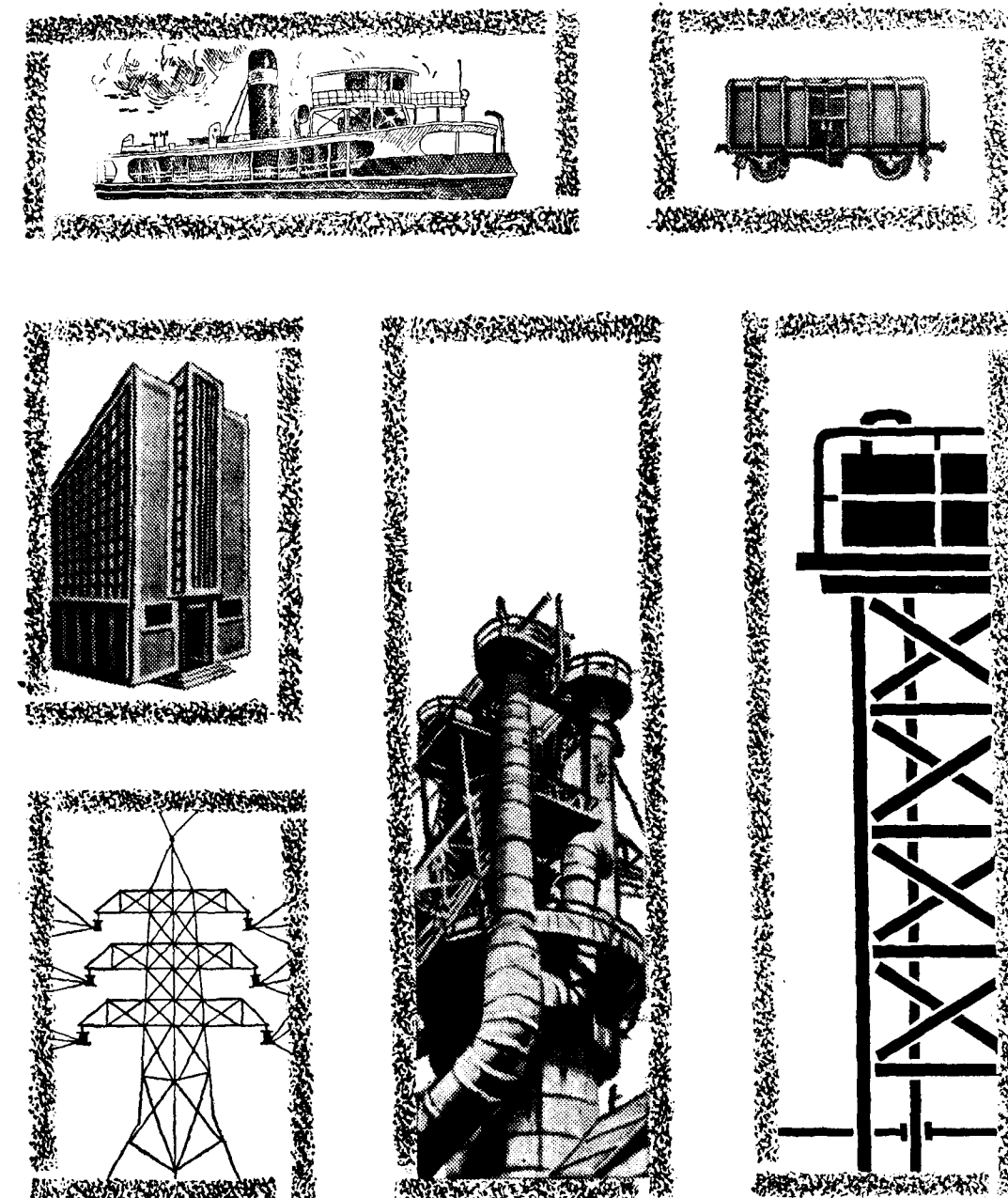
For over 35 years 'BEHAR' REFRACTORIES are being used by leading iron and steel works, cement and glass factories, paper industries, sugar and cotton mills and other industries in the country.

Phone: 22-5952
22-3101
Gram: 'BANKO'

The BEHAR FIREBRICKS & POTTERIES LTD.

22, STRAND ROAD, CALCUTTA

AIDING INDIA'S PROGRESS



IN COMMERCE AND INDUSTRY

IRON · STEEL · ENGINEERING · SHIPBUILDING
ELECTRICITY · RAILWAY WAGONS · BUILDING · MERCHANTING

MARTIN BURN LIMITED

MARTIN BURN HOUSE
Head Office: 12 MISSION ROW, CALCUTTA
Branches at NEW DELHI BOMBAY KANPUR

M86C-10

A Complete Banking Service

- * All the usual banking facilities within convenient reach
- * Foreign exchange business of all types, including remittances
- * Special Thrift Deposit Plan
- * 3-Year and 5-Year Cash Certificates in different denominations at attractive interest rates
- * Safe Deposit lockers in many branches

SBH

STATE BANK OF HYDERABAD

H. O. : Hyderabad Dn. (A.P.)

serving you through more than 50 branches in Andhra Pradesh, Bombay City & State, Mysore State and Madras City

CO-OPERATIVE FARMING—II

EMPLOYMENT ASPECTS—PRODUCTIVITY OF LAND—ADMINISTRATIVE PROBLEMS

By Dr. D. S. Chauhan

IN any discussion of the pros and cons of co-operative farming, the question of return to labour is important enough to merit careful consideration. The return will depend upon the area of land pooled and the number of persons associated with it, that is, on the land-man ratio, and the level of productivity. If the principle of "land to the landless" is applied and along with the small and big cultivators all the landless and a still larger number of those who have very tiny pieces of land and for whom agriculture is a subsidiary occupation are accommodated on the co-operative farms, there will be no increase in labour income. On the contrary, a deterioration is bound to result. Two arguments are often advanced to dispel these fears. They are closely connected. One is that economies of large-scale farming operations arising from co-operative farming may enhance labour income. Secondly, the pooling of all resources will create fresh productive employment on these farms in such developmental activities as adequate and fuller cultivation, improvements in layouts and levelling, laying out of field channels, bunding, repairing the damaged land and other soil conservation activities. It is further believed that co-operative farming will facilitate the shifting of surplus agricultural labour, at present clinging to small units and unremunerative operations, and thereby reduce the pressure on land, bring about more balanced occupational distribution, and thus account for better income and higher standard of living for those released from land.

Much careful thinking is necessary before coming to definite conclusions on these lines. Although projection into the future or forecasting has its limitations, a fairly good estimate of future outcome is possible, provided the details of the future situation are anticipated as accurately as possible. Since there is some degree of theoretical assumptions in the aforesaid arguments, their veracity sounds questionable. Further, the points in the paragraphs that follow are worth consideration.

The available evidence on the comparative economics of small and large farms and the comparative performance of individually operated and co-operative farms establishes the superiority of the former over the latter in both the cases. The specialists in Agricultural Economics are familiar with the uncomparable character of the vast mass of information available on this point. Hence care has been taken to present here only a bit of such data as are comparable.

Small Farms Yield More

The results of the four tables on this page are quite clear and speak for themselves. In addition to this, the results of the studies on farm management being carried on under R.P.C. show that the yields of food crops are higher on smaller than on larger holdings. Besides, the experience of Mexico, where co-operative farming has been extensively practised along with individual farming for over a quarter century, has shown that production per acre on land under co-operative farming is much less than on land under individual farming.

Agriculture should not be considered only in terms of cereal cultivation. The greater efficiency of small units in vegetable farming, flower culture and market gardening, and, above all, of mixed-farming units, which are the common pattern in the country, is already established. Even after imagining all the favourable and unfavourable conditions of agriculture for smaller and large farms alike, the latter do not have any inherent or peculiar advantage over the former. On the contrary, if the existing handicaps regarding the supplies of credit, seeds and manure, and of marketing of farm produce were overcome through service co-operatives, the small farms would prove superior to larger ones in matters of productivity and rate of return. It should be appreciated that the basic factors in production which hold the key for enhancing farm productivity or higher yield are irrigation, manure and seed which are not related to the scale of farming. This is true of the two other services also, namely, credit and marketing, which are also important for enhancing farm incomes in India. This contention can be supported by many evidences.

A study of the correlation between the size of holding and yield of sugarcane in U.P. at the instance of the I.C.A.R., for instance, concluded that "there is no correlation between the size of holdings and average yield of sugarcane per acre." An F.A.O. report on *Factors Affecting Rice Production* concludes: "Whereas, in general, larger holdings are conducive to higher yields, the small size of holdings in Japan, Korea, Formosa, Spain and Italy has not impeded intensification of rice cultivation with the resulting higher yields. The low yields, from comparatively large holdings in Thailand and Burma must be attributed to factors other than the size of holdings." And Dr. J. L. Buck in his Herculean study, *Chinese Farm Economy*, also concludes that the "size of farm in and of itself does not determine yields."

Not Adequate

The type of productive employment which is expected to be enlarged on co-operative farms, that is, levelling, bunding, soil conservation and laying of channels, etc. is not of such nature as to provide regular employment during an agricultural year. Some of these operations are done only once a year, some take only a few days in the year, and some are to be done once in several years. And all the possible enlargements and new openings as a result of land being pooled will be too inadequate to provide sufficient productive employment on the co-operative farm during the agricultural year. Enhancement in productive employment on farms is mostly dependent on the intensity of cultivation, which again is not related to the organisational aspect or on the scale of farming. On the contrary, intensity is generally higher on smaller farms, and will be higher still after successful service co-operation. The results of two studies, published in *The Journal of Social Sciences*, Vol. 1,

No. 1, January 1958, by D. S. Chauhan, and Vol. 1, No. II, July 1958, by A. N. Sharma, may be of interest in this connection. The Index of Crop Intensity on small farms, with an average size of 13.6 acres, was 131.7 and on large farms with an average size of 135.4 acres, 115.6 only. Besides, the experience of China (*Report of the Indian Delegation to China*, p. 140) is that, "in the last analysis, actual increase in production could be brought about mainly by technical reforms." Land reforms and co-operation were useful, because they created conditions conducive to the development of Chinese agriculture.

Accommodation of small tenants and the landless on co-operative farms will, by providing a sense of security, check mobility of labour to non-farm avenues particularly amongst those who otherwise would be the first to shift.

Unemployment Will Rise

Thus, the system of co-operative farming envisaged in the Nagpur resolution is likely to bring about a fall in labour return and farm income as compared with small-scale, independently operated farms served by efficient service co-operatives for the essential agricultural supplies. Secondly, contrary to common belief, it is likely to enhance agricultural idleness and perpetuate chronic underemployment in agriculture. Besides, attachment of a larger number of people to land is, in the process of economic growth which is taking place in the country, a backward step, and will retard the process of growth. Thirdly, there is a likelihood of deterioration in cattle wealth.

If, however, the intention is only to keep an optimum number on co-operative farms, a huge quantity of disguised and chronic underemployment will be turned into open unemployment for being absorbed in non-farm employment. One of our studies carried on in Uttar Pradesh some time back showed that, if Eastern Europe's standard of cultivation, requiring 12 workers to operate 100 acres of cultivated land, is taken into account, about two-thirds of the existing working force will be in surplus. Again, assuming that the programme for consolidation of holdings will be accomplished, that the units of production will be reorganised on optimum basis and that other technical improvements in agriculture (except tractor cultivation) will be

opted, there will be scope for gainful employment for only 30 per cent. of the existing work-force in agriculture. An important consideration that must be borne in mind is that, in order to make the co-operative farming work, simultaneous provision of avenues of non-farm employment (which should be understood as different from mere job opportunities) is to be made. It is very important to realise at the degree of success in the latter will determine the scope for the former. In view of employment and unemployment situation during the second Plan period and the anticipations which are being made in this regard for the third Plan, the situation that will exist even after three years does not appear to be promising. Implementing co-operative farming as a general pattern of our agriculture with an optimum number of operators. Expectations of equate degree of industrialisation, along with the necessary accompanying things such as rural electrification and transport to be accomplished within three years, look like wishful thinking and not a realistic and feasible anticipation.

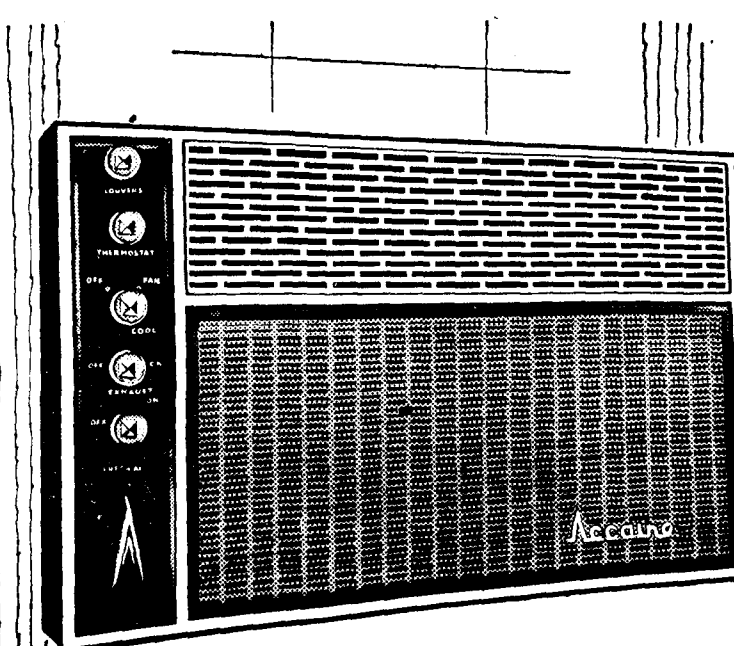
Apart from the aforesaid considerations, in discussion on economics of co-operative farming, a distinction has to be made between the comparative economics of co-operative farming and individual farming, on the one hand, and the financial results of co-operative farming, on the other. The former consideration leads us to the conclusion that co-operative farming is not the best method of improving the standard of living of farmers and of modernising agriculture. The latter (the history of the experiments of co-operative settlements, particularly the State-sponsored modern types—the Mexican Ejido, the Russian Kolkhoz, the Palestine Kvuza and the Chinese co-operative farm) leads to the conclusion that, under special circumstances, as a rehabilitation and settlement programme for the handicapped, destitute and displaced, co-operative farming is one of the tried and accepted forms, but not as a universal reform of agriculture in general.

Machinery for Implementation

Implementation of the programme of co-operative farming implies a tremendous task. Successful implementation is very much different from mere creation of an institutional set-up or formation of societies and their legal recognition. The programme for rural education is a typical illustration. In this case, many schools exist only on paper; in many cases, there are no teachers and no equipment; and, in many, there are no students, but the Government believes that the graph showing expansion of rural education expressed in terms of number of schools reflects a genuine picture. There are many rural and urban co-operative societies, too, which were hastily formed and do not function or function unsatisfactorily. The need for caution is very great, lest the same experience may be repeated with the Nagpur scheme of co-operative farming societies. It is a common experience almost the world over of many programmes of radical change; and it is a great pity that there cannot be an occasion to prove the wisdom of the alternative measures, since, in the process of change, what is done is done, and there cannot be an opportunity to show as to what would have happened had the alternative measures suggested been adopted. Even in Communist countries most of what the word "Success" connotes is only institutional setting up or organisational change; it refers to the number and not quality.

Secondly, attention has to be paid to the capacity of the different agencies which are likely to play important roles in the implementation of co-operative farming and the availability of trained personnel. In view of the immensity of the task, full reliance cannot be placed on Government departmental agencies, and it may be necessary to assign an important role to village panchayats. Considering the capacity of these latter bodies in terms of technical personnel for organisational, administrative and operational functions, and in terms of group relationships and the spirit of co-operation, one wonders whether they can shoulder the heavy responsibilities in running co-operative farms. The Congress Party, and one or two other political parties, which may take up this programme, do not have the required team of workers, possessing the four basic qualifications for successful implementation: (1) understanding of the rural situation, (2) ideological conviction, (3) technical training, and (4) organisational discipline. Besides, too much reliance on departmental agencies may lead to bureaucratic control and too much reliance on party cadres may have certain undesirable political implications.

(Continued on page 120)



The elegant New

Accaire AW-102 (A.C.) DW-102 (D.C.) WINDOW-TYPE ROOM AIRCONDITIONER

The new Accaire comes up with an impressive list of plus features. Within the elegant exterior styling, is an airconditioning unit that is engineered to give you long, efficient and trouble-free service; a minimised electric consumption; whisper-quiet operation; a constant supply of purified, dehumidified air and consequently, just the right conditions that promote good health and better living.

A.C. or D.C., I.H.P., 1 Ton Capacity • Compact Unit • Whisper-quiet in operation • One-year guarantee • Easy to install • Attractive design and shade • Low upkeep cost

Well-organised Service Department at your command

AIR CONDITIONING CORPORATION PRIVATE LTD.

Also manufacturers of Accolour Water coolers, Buffalo Industrial Fans, and Pioneers in Airconditioning engineering

CALCUTTA BOMBAY NEW DELHI
Bombay Garage Private Ltd., Bombay, Tel: 77121 • Parekh & Modak, Bombay, Tel: 253171 • Bombay Garage (Pvt) Private Ltd., Poona, Tel: 3023 • Bakubhai Ambalal Private Ltd., Ahmedabad, Tel: 51001 • Bombay Garage (C. P.) Pvt. Ltd., Nagpur, Tel: 2108 • Bombay Garage (C. P.) Private Ltd., Jabalpur, Tel: 91 • Bombay Garage (Rajkot) Pvt. Ltd., Rajkot, Tel: 63 • Ohul Reddy (Madras) Private, Madras, Tel: 84830.

Whatever the currency, the Bank of Kobe is expert at solving all foreign exchange problems. Our head office is conveniently located in Kobe, world-famous trading port. Please write us for complete information on our export-import services.

THE **BANK of KOBE** LTD.

HEAD OFFICE: KOBE, JAPAN

REPRESENTATIVE OFFICES:
LONDON • NEW YORK

TABLE I
Performance of Agriculture in relation to Scale of Farming and Systems of Farming

	Individual small farms (1)	Individual big farms (2)	Co-operative farms U.P. (3)	State mechanised farms U.P. (4)
Net cultivated area (Acre)	163.15	1,625.4	53,771	38,997.84
Average size (Acre)	13.6	135.4	NV	2,769.1
Annual gross return per acre .. (Rs.)	183.46	219.04	44.68	157.4
Net profit per acre per year (+Profit —Loss) .. (Rs.)	+24.08	+10.62	+1.88	—12.92
Rate of return (Percentage per year)	15.1	5.1	4.2	NV

1. D. S. Chauhan and D. K. Singh: *Costs and Profits in Agriculture* (Agra District, 1956-57).
2. A. N. Sharma: *The Economic Weekly* (Agra Division, 1956-57).
3. U.P. Government: *Proceedings of the Assembly* (1954-55 to 1956-57, three years).
4. U.P. Government: *Proceedings of the Assembly* (1950-51 to 1954-55, five years).

TABLE II
Performance of Agriculture in relation to the Size of the Units of Operation (Relative Indices)

Measures of efficiency	Upto 2 acres	2-5 acres	5-8 acres	8-12 acres	Above 12 acres
I. Capital efficiency (ratio of input to output) ..	100	139	108	85	104
II. Man-labour utilisation	100	124	148	179	187
III. Animal-labour utilisation	100	134	150	172	187

D. S. Chauhan: *The Indian Farming*, Vol. XI, No. 10, p. 459.

TABLE III
Crop Yields and the Scale of Farming (Maunds per acre)

Size of farms	Wheat	Sugarcane	Gram	Barley	Bajra	Jowar
I. Large farms—						
50-100 acres	13.50	380	10.5	9.0	7.6	9.1
100-200 "	10.50	375	7.5	10.0	7.8	8.9
200-300 "	11.50	300	6.0	5.0*	8.5	9.0
II. Small farms (3 to 12 acres)—						
Irrigation	18.5	15.8	12.1	10.5	18.5	15.3
Non-irrigation	12.0	..	7.9	12.0	5.1*	5.0*
					(10.0)	(9.0)

1. A. N. Sharma: *The Economic Weekly*, Vol. VIII, No. 49, December 1956.
- II. D. S. Chauhan: *Agra University Journal of Research*, Vol. VI, Part I, January 1958.

* Low because of being damaged. In brackets normal.

TABLE IV
Yield in terms of Calories per acre obtained in the Major Agricultural Regions of the World

I. Countries having comparatively smaller scale of farming	Western Europe	Asia (East)	Asia (South)	South America	North America	U.S.S.R.
	7,600	5,500	3,500	4,700	2,800	2,300
II. Countries having comparatively larger scale of farming						
	2,800	2,300	2,300	2,300	2,300	2,300

Chronica Botanica, Vol. 2, No. 4, p. 217.

COMPANY LAW AMENDMENT BILL NEED FOR CAREFUL CHECK

By F. R. Ginwalla, B.A., LL.B.

[Attention of the reader is invited to the previous article of the author which appeared in our issue dated 27th June 1959.—EDITOR.]

THE increasing diffusion of property rights in the corporation through multiple ownership of stocks and shares and the simultaneous concentration of control and management in the hands of a few as typified by the managing agency system created special problems for the State. The present legislation could not meet with these problems and came to grief. The labours of the Sastri Committee resulted in a report on the basis of which the amending legislation is introduced in Parliament. The existing Act is yet a tender plant and anything that affects its potency to bear fruits must receive our serious thought.

It is necessary to remind the reader at the outset of the lamentable confusion which the present legislation has created because of its portentous bulk and cumbersome detail, of its failure to distinguish between the essential and the unessential, and, above all, of its vagueness and obscurity. The Sastri Committee by virtue of its terms of reference was called upon to suggest changes in the form or structure of the existing Act which were necessary or desirable to simplify it. We find from the Committee's Report that it was possible to have a different layout of the present Act on the basis of a subject-wise arrangement and regrouping and recasting of its different provisions but the Committee restrained from making any recommendations for the reasons stated in its Report. One of the reasons was that "well-informed opinion" was almost unanimous against its attempting such a drastic or wholesale change. It is an irony that, after the publication of the Report, views were strongly expressed that the Committee was in error in skipping over this important issue and they have been reiterated after the introduction of the amending legislation in Parliament.

The amendment of a massive piece of legislation like the present Act is a formidable task. But probably there is no more important or more inspiring a task than this.

A Deterrent

It is significant that the operations of the companies now embrace the largest part of the economic life of nearly 400 million. The existing legislation is not enacted purely from legalistic and technical aspects but is based on a much more important factor, namely, social and economic needs of the country in the context of the directive principles in our Constitution. The root of development of public interest in this legislation is in the increasing awareness of its economic background. It is an undeniable fact that it is difficult to lead a country towards economic development, unless the provisions of its regulations are capable of being understood in their proper perspective. Vagueness and obscurity in a purposive regulation like the present one constitute a deterrent to the economic progress of the country.

Let us now see to what extent the Bill goes to cure the existing legislation of vagueness and obscurity and contributes to the economic development of the country. The amendments to the existing legislation, as included in the Bill, are to be viewed with an open mind and judged by their merits. The space here does not permit intensive discussion. But, nevertheless, I will point out a few clauses of particular importance in the Bill.

In India, today, there is much talk of collaboration between Indian and foreign companies. The root of this is in the increasing awareness that collaboration for economic advancement is needed not only in the interests of economically underdeveloped countries, but as a step forward to a better integration of the world economy as a whole. There seems to be an absence of this realisation in the proposed Section 43A which is wholly based on the philosophy that private companies, which employ public money directly or indirectly to considerable extent, should be subject to the same restrictions and limitations that apply to public companies.

Let us go further into this section which displays a valiant effort in its drafting. Sub-section (6) of this Section proposes to exempt an Indian private company if it is 100 per cent. owned by another Indian private company. In the case of foreign companies, this sub-section proposes a double exemption if such foreign

companies are 100 per cent. owned by one or more foreign bodies corporate. In other words, the sub-section proposes to exempt a foreign private company if it is 100 per cent. owned by another foreign private company or a foreign public company. The double exemption proposed to be given to foreign companies is understandable and is purely a matter of economic and financial policy of the State. It is significant that exemptions contemplated by Section 43(6) are automatic. Here again, care should be taken to avoid a possible danger of such exemptions being abused.

There is one more point to be urged with regard to this proposed section which provides that a private company in which shares to the extent of 25 per cent. or more of the paid-up capital are held by one or more bodies corporate, shall be deemed to be a public company. A question may well be asked here whether for the aforesaid purposes holdings of companies referred in sub-section 4 of Section 49 (which relates to investments of companies) should be taken into consideration. If it is so, Section 49(4) might also require a suitable amendment. The proposed amendments to Section 49 does not cover this point.

Fresh Issue of Capital

The Sastri Committee after careful consideration proposed an amendment to Section 81, because it felt that it was so worded as to make its interpretation difficult. The intention of the Legislature in enacting this section, which relates to further issue of share capital, was to exclude a possibility of directors abusing their power by allotting shares to themselves or their nominees or relatives on favourable terms or when the market became favourable. The phraseology of the draft of Section 81(1) proposed by the Committee was not satisfactory and it was feared that criticism against the section might remain smouldering. The Bill has retained the phraseology of the draft proposed by the Committee except for a few changes. This has made the interpretation of the section even more difficult. It might be considered whether the opening words "Where at any time after the expiry of one year from the allotment of shares in a company made for the first time after its formation..." bring out the meaning as envisaged in the note on clause 15 of the Bill. I am afraid the words italicised make the application of the section difficult both practically and technically.

Section 125 of the existing Act states that a charge is void against a liquidator or a creditor, unless it is registered with the Registrar of Companies in the prescribed manner within 21 days after the date of its creation. The proposed amendment empowers the Registrar to condone a delay of not more than seven days in filing the instrument creating the charge if the company satisfies him that it had sufficient cause for not filing the particulars and instrument within the prescribed period. The proposed amendment is intended to obviate inconvenience of seeking court intervention for condoning even unavoidable postal or other delays. It is pertinent to observe here that the time limit of seven days will be too short in actual practice. It is true that law does not countenance unjustifiable delay and this is purely a matter of concession to companies. But the proposed concession will not serve its purpose unless the time limit is extended to some extent, as a week is too short a period.

Managing Agent

Section 356 refers to the appointment of a managing agent or associate as selling agent of goods produced by the company. In proposing an amendment to sub-section 2(a) of this section the Sastri Committee observed:

"If a managing agent keeps an office outside India only for selling the goods of the several companies of which he is the managing agent, it could not be said that he is keeping an office for his own business or for a business not connected with that of the managed company. In that case the managing agent would be charging the managed company *pro rata* and recovering his expenses under Section 354."

In order to ensure that no commission was allowed in such a case, the Committee proposed an amendment to Section 356(2)(a). As a consequential amendment, an amendment to Sec-

tion 358(2) was also proposed. The amendments advocated by the Committee have been incorporated in the Bill. It might, however, be pointed out here that these sections even when amended thus could be made ineffective by making contracts for business with one or more companies which are not managed by the managing agents or with any firm or individual doing overseas business.

Section 372 relates to purchase by a company of shares or debentures of other companies in the same group. Clause 138 of the Bill proposes to replace this section by a new one. The implications of the proposed section need careful attention. Sub-section (2) of the proposed section provides as follows:

"The Board of directors of the investing company shall be entitled to invest in any shares or debentures of any other body corporate upto ten per cent. of the subscribed capital of such other body corporate:

Provided that the aggregate of the investments so made by the Board in all other bodies corporate shall not exceed thirty per cent. of the subscribed capital of the investing company;

Provided further that the aggregate of the investments made in all other bodies corporate in the same group shall not exceed twenty per cent. of the subscribed capital of the investing company."

The first proviso to the above Section 372(2) is new, while the second proviso is the same. It may be true that the object of the proposed addition is to extend the principles underlying the section to all inter-company investments. But it leaves one guessing as to the purpose of imposing further restrictions on the powers of companies to invest even in companies which are not in the same group. Since an underdeveloped country gives its Government much greater responsibilities than is done by developed countries, it is for the Government to consider whether the restrictions as suggested in the proposed section will be conducive to the rapid expansion of business activities in the country which is the desire of all.

A discerning student of the Bill will find that the State is anxious to improve upon the existing Act, without impairing the original objectives underlying it. The great necessity is to consider the Bill in all its aspects. Otherwise, it will distort the very purpose for which the Sastri Committee was appointed. It might be recalled here that the Joint Select Committee appointed to consider the Bill which eventually emerged as the Companies Act, 1956 had made material amendments in a hurry and what was worse, further amendments were made in Parliament without expert consideration. It need hardly be emphasised that, in amending this complex piece of legislation, there should not be a battle against time.

Positive Elements

The Bill has its positive elements which cannot be overlooked. They may be briefly stated as follows:

(1) Section 2 clause (3) is proposed to be amended so as to bring within the definition of the term "associate" in relation to a managing agent a subsidiary of a body corporate which is under the control of a managing agent.

(2) It is proposed to clarify that, for the purposes of the Act, co-operative societies do not fall within purview of Section 2(7). A further provision is proposed to be made to empower Government to exclude any other body corporate from Section 2(7) by a notification in the official Gazette.

(3) A more suitable definition of "branch office" is proposed, so that the provisions of Section 228 which relate to audit of accounts of a foreign company's branch office, may be more effective. Provide that the accounts of a branch office of a company are to be audited by a chartered accountant acting as its statutory auditor.

(4) Amendment to Section 2(26) seeks to minimise character alone will not make a director a managing director. A further provision is proposed so as to provide that the managing director is as much subject to the managing direction and control of the board of a company as other managerial personnel.

(5) Sub-section (7) is proposed to be added to existing Section 4, so as to place a private company registered in India, which is a subsidiary of a public company, at par with an Indian company registered in India. An exemption is proposed to be provided in the case of a public company registered in India which is a 100 per cent. owned subsidiary of a public company incorporated outside India.

(6) There are several sections in the Act, the pith of which either cannot be fully carried out or which serve no useful purpose in the case of public companies. Section 25 is proposed to be amended, so as to empower Government, by a general or special order, to modify the requirements of such sections in their application to bodies like clubs, trade associations, chambers of commerce, etc.

(7) An amendment to Section 31 is proposed, in order to ensure that conversion of

company into a private company is not resorted to merely with the object of evading the restrictions placed on the management of public companies.

(8) In view of the increase in the general level of prices, subscriptions payable by the members of a club, or other associations have to be raised by an amendment of the articles pursuant to a resolution of the company so as to be binding on all members. The proposed new proviso to Section 38 brings out this effect. Moreover, the proposed amendment clarifies the view taken by the Bombay High Court in *re. Royal India Turf Club Ltd.*

(9) Section 76 relates to payment of commission in respect of shares. The proposed amendment to Section 76(2) clarifies that the commission payable to a person in consideration of his having subscribed to, or having procured subscriptions to, shares and debentures should be limited to 5 per cent. or 25 per cent. of the price at which the shares or the debentures may be issued, irrespective of whether such commission is paid out of profits or capital moneys. The proposed amendment gives effect to the judgment of the Bombay High Court in *re. Changoor Sugar Mills Ltd.* [vide 60 Bom.L.R. 254; (1958) 28 Comp. Cas. 312].

Voting Rights

(10) Section 89 relates to termination of disproportionately excessive voting rights in existing companies. The changes proposed in the section seek to make provision for adjustment of voting rights attached to different categories of shares within any class, so as to bring them into conformity with the voting rights attached to equity shares under Section 87(1) and (b). This proposed amendment does not apply to preference shares issued before the commencement of the Companies Act 1956. A further provision is proposed to be made so as to empower any shareholder of a company to apply to the court for an order under Section 89, in case a company fails to equalise or adjust the voting rights.

(11) A provision is proposed to be made in Section 111 so as to require a company to disclose reasons for refusing to register a transfer or transmission of shares or debentures, even though its articles do empower it to refuse to disclose reasons.

(12) Under the present Section 159, a company could contend that, if it made default in holding the annual general meeting, it could not be penalised for not filing the annual returns and accounts. The proposed amendment seeks to remove this lacuna in Section 159.

(13) In order to avoid burdensome work of a repetitive character, it is also proposed to make a provision in Section 159 which will dispense with the filing of bulky annual returns every year.

(14) It is proposed to make a provision in Section 165, requiring auditors of a company to certify the correctness of the account of all receipts and payments of the company.

(15) Important amendments are suggested in regard to Section 166. A public company or a private company, which is a subsidiary of a public company, may by its articles fix the time for its annual general meetings and may also by a resolution passed in one annual general meeting fix the time for its subsequent annual general meetings.

So far as private companies are concerned, general meetings might be held at such times and places as may be unanimously agreed by the members. Section 166 has introduced a rigidity into the matter of convening general meetings which, in practice, is proving irksome to companies limited by guarantee such as chambers of commerce and to small companies generally. In order to remove this hardship, it is proposed to amend Section 166(2) by providing that the Central Government may exempt any class of companies from the provisions of sub-section (2) of Section 166 on such terms as it may impose.

Annual Meetings

(16) Penal provision in Section 168 is tightened up so as to make it difficult for a company and its officers to escape easily the consequences of failure to hold annual general meeting. The offence is proposed to be treated as a continuing offence punishable with fine extending to Rs. 250 for every day during which such default continues.

(17) It is proposed to amend Section 172, so that it may not be necessary for companies to publish the explanatory statements required under Section 173 along with the notices advertised in newspapers.

(18) The amendment to Section 176 seeks to clarify that a company shall not require that an instrument appointing a proxy shall be deposited with the company earlier than 48 hours before the time for holding the meeting.

(19) The amendment to Section 193 is designed to ensure the authenticity of the minutes of proceedings of general meetings and of the proceedings of the board meetings.

(20) The amendment to Section 197 is for discouraging the practice of giving publicity to the Chairman's speeches alone without indicating the trend of the discussion at the meeting on the agenda.

(21) Section 198 relates to overall maximum managerial remuneration. The changes suggested in this section are intended partly to clarify the overriding character of its substantive provisions, and partly to emphasise that the maximum managerial remuneration payable by a public company or its subsidiary to its directors, managing agent, secretaries and treasurers or manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year and that the maximum is only in respect of managerial remuneration and not payment for other services rendered in conformity with express provisions elsewhere in the Act. Moreover, it is proposed to clarify the meaning of remuneration in relation to the managerial personnel. (Attention of the reader is invited to the criticism of the Bombay High Court in *re. Ramabehn vs. Jyoti Ltd.*, 59 Bom. L.R.P. 67.)

(22) Section 205 provides for payment of dividend only out of profits. This section is proposed to be replaced by a new section which provides that dividends can be declared or paid only out of profits after providing for normal depreciation or out of profits of previous years arrived at after providing for similar depreciation.

Section 350 which relates to ascertainment of depreciation is proposed to be substituted by a new section. The proposed new section changes the concept of normal depreciation inasmuch as it now provides that normal depreciation includes the extra and multiple-shift allowances.

(23) Sub-section (2) of the proposed Section 205 provides for payment of dividends in cash, in order to discourage the practice of some companies, which pass on unremunerative shares held by them in other companies to their shareholders in lieu of dividends in cash.

(24) The proposed new section for Section 207 seeks to ensure that companies quickly comply with the statutory requirement to distribute dividends within the prescribed period. In order to eliminate the possibility of dividends payable being utilised by companies for their own current expenses the proposed section requires every company to deposit the total amount of dividend in a scheduled bank within 14 days of the declaration of a dividend.

The existing penal provision is proposed to be tightened up.

(25) Section 217 relates to the Board's report required to be attached to every balance-sheet laid before a company in its general meeting. New clauses (d) and (e) are proposed to be added to sub-section (1) of the foregoing section so as to improve the quality of the directors' reports and make them up-to-date for the benefit of the shareholders.

Inspection of Private Companies

(26) Section 220 is proposed to be amended so as to require a private company to file before the Registrar copies of its profit and loss account along with its balance-sheets. It is further proposed to provide that no person other than a member of the Company concerned shall be entitled to inspect and obtain copies of the profit and loss account of:—

- (1) a purely private company,
- (2) a private company which is 100 per cent. owned by one or more bodies corporate incorporated outside India,
- (3) a "deemed" public company to which concession has been extended by the Central Government under the section [vide proposed proviso to the existing section 220(1)].

(27) Cornering of shares by unscrupulous persons is made more difficult by the proposed amendment of Section 250. It is proposed to empower Government to impose restrictions on the transfer of shares in a company for such period not exceeding three years as may be specified in the order. The proposed amendment, however, does not bar recourse to the court.

BURMAH-SHELL REFINERIES LIMITED ACCOUNTS 1958

The Directors' Report and Accounts reveal the following items of interest.

2.27 million metric tons of crude oil were processed during the year, yielding 2.23 million metric tons of finished products.

Capital expenditure during the year amounted to Rs. 34 lacs.

As anticipated last year the profits for 1958 show a decrease compared with 1957 due mainly to the narrowing of the margin between refined products and crude oil prices and to the increased liability to taxation.

The net income for the year ended 31st December 1958 after providing for depreciation and an estimated liability for taxation amounts to Rs. 309 lacs.

To which is added the balance brought forward from last year of Rs. 42 "

From which has been appropriated—

Dividends Rs. 207 lacs

General Reserve Rs. 82 "

Tax Equalisation Reserve Rs. 8 " Rs. 297 "

Leaving to be carried forward to next year's account Rs. 54 "

The Government has accepted an offer by the Company to surrender, as from 1st July 1959, the duty protection enjoyed on Furnace Oil, High Speed Diesel, Light Diesel and Bitumen and the Government has agreed to an increase in the refinery intake to approximately 2.6 million tons per annum which will help materially to rectify the present imbalance of products and will also result in a saving of foreign exchange. The effect of this Agreement as regards the financial results for 1959 will be a reduction of income from refining.

The Company are also examining a scheme for increasing the refinery intake up to 4,000,000 tons of crude oil per annum and a plant for the manufacture of Lubricating Oils. Government have given their assurance that when these proposals are submitted with all necessary details, they will be examined by them on their merits.

(28) A private company which is a subsidiary of a public company need have at least two directors, instead of three as required by Section 252. The existing inconsistency is thus removed.

(29) Section 261 states that certain persons are not to be appointed directors, except by a special resolution. It is proposed to amend this section, so as to make it clear that the restrictions contained in the sections against the appointment of persons associated with the managing agents as directors of the managed company apply even when such persons are proposed to be appointed in a casual vacancy or as an alternate or additional director.

Associations

(30) A new section 263A is introduced so as to give statutory recognition to the practice of electing office-bearers by ballot by chambers of commerce, clubs and other associations licensed under Section 25 of the Act.

(31) Conviction by a foreign court for an offence involving moral turpitude will have the effect of debarring a person from working as a managing or whole-time director. This is the effect of the proposed amendment of Section 267 of the Act.

(32) A new Section 269 is proposed to be substituted for the existing section. It seeks to provide (with certain exceptions) that the appointment or re-appointment of a person for the first time after the enactment of the Bill as a whole-time or managing director shall be subject to approval by Government.

(33) A director may file a declaration of his having acquired his share qualification with the Registrar, instead of with the company. The proposed amendment of Section 271 brings out this effect.

(34) It is proposed to provide by a further proviso to Section 280(2) that a person elected as a director at an age below 65 years, of a public company or of a private company which is a subsidiary of a public company for a term not exceeding three years shall not be required to vacate his office merely on the ground that he has attained that age before the expiry of his term of appointment.

(35) Section 283 relates to the vacation of office by directors. The proposed amendments to this section are mostly of a clarificatory nature. A penal provision is introduced and a person who functions as a director when he knows that the office of a director held by him has become vacant on any of the disqualifications enumerated in the section renders himself liable for punishment with fine which may extend to Rs. 500 for each day on which he so functions as a director.

(36) Section 285 relates to board meetings. This section is proposed to be substituted by a new section which provides that, in the case of every company, a meeting of its board of directors shall be held at least once in every three calendar months; and not more than two calendar months shall intervene between any two meetings. Provision is proposed to be made to relax the requirements of the section in favour of those companies which do not have enough work to justify expenditure on quarterly board meetings.

(37) Section 287 is proposed to be amended so as to clarify that the presence of at least two disinterested directors is necessary to constitute a quorum for the board meeting.

Donations To Political Parties

(38) Section 293 relates to restrictions on powers of the board of directors. Several amendments on the lines suggested by the Sastri Committee are proposed in this section. One of them is with regard to donations to political parties subject to the amplification that any donation made for any political purpose to any individual or body should also be disclosed in the profit and loss account. This amendment is proposed on account of the views expressed by the High Courts of Bombay and Calcutta [vide 59 Bom. L.R. 738 A.I.R. 1958 Bom. 155; A.I.R. 1957 Cal. 234].

(39) The changes suggested in Section 294 are designed to regulate the appointment of former managing agents of companies or their associates as sole selling agents of the same companies. It is further proposed that no sole selling agents should be appointed in future in such industries as may be notified, except with Government's approval.

(40) Section 295 relates to loans, etc., to directors. It is proposed to widen the scope of Section 295(1), so as to bring within its purview loans, guarantees, etc., given indirectly by a company to any of its directors, their relatives, etc.

(41) Section 297 relates to the board's sanction for certain contracts in which directors are interested. The proposed amendments in sub-section (1) relax the restrictive provisions in emergent cases. The amendment suggested in sub-section (2) is designed to exclude contracts of insurance and services rendered by a bank to a director, etc., from the purview of Section 297. A clarification is made that a company may sell the goods it produces to any director, his relative, etc., upto Rs. 5,000 in any particular year.

(42) Section 299 relates to disclosure of interests by directors. A new sub-section (6) is proposed to be added to this section, so as to exclude from its onerous provisions contracts and arrangements between two companies where the interest of any director of the one company in the other does not exceed a shareholding of 2 per cent. of the paid-up share capital of the other.

(43) Section 303 relates to register of directors, etc. The amendment to this section is intended to make it permissible to companies to notify minor changes in the particulars contained in the register of directors, etc., only once a year.

(44) Section 309 refers to remuneration of directors. The proposed amendments clarify the scope of the provisions relating to the remuneration of directors. A new sub-section 5(A) indicates the action to be taken where a director draws re-

muneration in excess of the prescribed limits. It is proposed to make him liable to refund the excess amount to the Company on the footing of a trustee for the company. A similar provision is proposed in Section 363, so as to ensure that a managing agent does not retain any excess remuneration received by him.

(45) Section 314 refers to the holding of office or place of profit by directors. The amendments to this section serve to remove hardships experienced by companies by the operation of the present provisions of the section.

(46) While there need be no bar to a person holding more than two managing directorships in purely private companies, a person, who holds managing directorship in one public company or one private company which is a subsidiary of a public company, must not hold more than one other managing directorship in whatever type of company it may be. This intention is brought out in the proposed amendments to Sections 315 to 317 of which Section 315 is proposed to be deleted.

(47) A new Section 325A is introduced in order to provide that, after the present Bill becomes the enacted law, no company shall appoint or employ as its managing agent any body corporate which is itself a subsidiary of another body corporate.

Responsibility of Agents

(48) Section 342 refers to resignation of office by a managing agent. This section is proposed to be amended so as to clarify that resignation of a managing agent from his office will not absolve him from the liability of his acts of omission or commission during his tenure of office as a managing agent.

(49) The amendment to Section 356(2) (a) seeks to preclude a managing agent from charging commission from the company under his management if the office from which the sales are effected is maintained by other companies of which he is also acting as a managing agent.

(50) Section 369 refers to loans to a managing agent. Apart from bringing in loans given indirectly to the managing agent or his associate through intermediaries, the amendments seek to prevent camouflaging of loans or ordinary transactions in the shape of current accounts.

(51) Section 370 refers to loans, etc., to companies under the same management. Amendments are proposed to this section partly to remove drafting defects and partly to give a more definite meaning to the expression "companies under the same group."

As regards loans made before the commencement of the Companies (Amendment) Act, 1959, a provision similar to Section 295(3) is proposed, so as to require companies to enforce repayment of loans, if the loans are such as would have attracted the provisions of Sections 369 and 370, had those sections been in force at the time when the loans were made.

(52) In order to avoid the danger of managing agents getting their own nominees elected as the chairman of the board of directors, the new sub-section (1A) of Section 377 proposes to ensure that the managing agent does not assume as a matter of right the power of nominating the chairman of the board.

(53) It is proposed to extend the prohibition on the appointment of a firm or body corporate as its manager also to private companies. Section 384 is proposed to be amended to bring out this effect.

(54) Section 387 is proposed to be amended so as to clarify that the remuneration of a manager whether in the form of a monthly salary or otherwise shall not exceed 5 per cent. of the net profits of the company. The new Section 388A excludes a purely private company from the restriction.

(55) The proposed amendment to Section 388 seeks to make the appointment of a manager subject to Government approval in the same way as the appointment of a managing or whole-time

director. The new Section 388A excludes a purely private company from the application of Section 388.

(56) Section 408 refers to powers of Government to prevent oppression or mismanagement. By one of the amendments to this section, it is intended to provide that a director nominated by the Government under the section need not be a member of the company. By another amendment the number of members required to join in the application under the section is reduced to 100 from 200 at present, to make it less difficult for the members to apply to the Government.

To prevent changes in the Board that may stultify the nomination of a director by Government, the new sub-section 408(5) provides that no change in the board of directors of a company on which Government have appointed directors shall have effect, unless approved by the Government.

Changing Board of Directors

(57) Section 409 deals with the power of Government to prevent change in the board of directors likely to affect a company prejudicially. The important amendment proposed with regard to Section 409(1) (b) is to enable the Government to take action in anticipation of a change in the board of directors, brought about by a change in the ownership of shares.

(58) The proposed amendment to Section 411 seeks to enable Government to dispose of frivolous applications received by it under Sections 408 and 409, without referring them to the Advisory Commission. It is significant that, under the existing Act, it is the duty of the Company Law Advisory Commission to enquire into and advise the Government on all applications under Sections 408 and 409. These statutory duties are laid down in clause (b) of Section 411. The proposed amendment of this clause takes away the applications under Sections 408 and 409 from the purview of the Commission. Further, the proposed amendment makes it clear that it is not necessary to consult the Commission even before making interim orders under Section 409(2).

(59) Section 417 requires employees' securities to be deposited in a scheduled bank. The proposed amendment to this section gives effect to the recommendation of the Sastri Committee that, where the company receiving moneys or securities of employees is itself a scheduled bank it may be allowed to retain moneys or securities with itself but in a special account. It is also proposed to lay down a time limit for compliance with the requirements of the section.

(60) Section 418 refers to provisions applicable to the provident fund of employees. The proposed amendments are designed to relieve difficulties experienced by companies generally in regard to collections of fund contributions, and payments from provident fund trust accounts, which must retain adequate cash balance to meet immediate current needs.

General

(61) The Bill makes an attempt to bring the balance-sheet more in conformity with the accepted accountancy concepts and to ensure that profits and losses for the relevant year emerge in an intelligible shape.

(62) The Bill seeks to solve the difficulties of official liquidators. It further seeks to enlarge the powers of official liquidators and Registrars of Companies, in order to ensure the proper conduct of the liquidators' proceedings and speed up their disposal.

(63) The Bill seeks to enlarge the existing powers of the Registrars of Companies and confer additional powers of a far-reaching character. These powers may be found particularly in the following sections:

- (a) power to condone delay in filing the particulars of charge, etc. (vide proposed amendment to Section 125);

- (b) power to call for and inspect books of account, etc. (vide proposed amendment to Section 234);

- (c) power to seize documents (vide proposed amendment to Section 234A);

- (d) power to present petition for winding-up (vide proposed amendment to Section 439);

- (e) power to apply to the court for the appointment or removal of the liquidator (vide proposed amendment to Section 515).

(64) New powers are proposed to be conferred on the inspector, appointed by the Government to investigate into the affairs of a company. These powers are given by Section 240A and are similar to those proposed to be given to the Registrar under the new Section 234A in respect of seizure of documents.

(65) Penal provisions are tightened up wherever they are found inadequate. Section 629A is introduced to deal with those cases when no specific penalty for contravention has been prescribed in the Act.

(66) Powers of the court are proposed to be enlarged, by amending Sections 440 and 454.

(67) The Bill attempts to bring several provisions of the Act in line with the provisions of certain other enactments.

(68) Rates of copying fees are increased by the proposed amendments to Section 610. A higher fee is proposed as a penalty on filing documents after the prescribed time. The necessary amendments to this effect are proposed in Section 611.

Section 197 refers to inspection of minute books of general meetings. This section is proposed to be amended so as to clarify that the company would be entitled to demand advance payment of fees for supplying copies of minutes of proceeding from its members. The existing rate of 37 pP for every 100 words is proposed to be increased to one rupee.

The majority of the clauses in the Bill seek to introduce new sub-sections or new provisions. In a few cases, some sub-sections or provisions are proposed to be deleted, as they are found unnecessary on account of the proposed amendments.

The Bill proposes to delete five sections, namely, 315, 521, 622, 639 and 650, as they are otiose or unnecessary.

Nearly 15 sections in the Act are proposed to be replaced by new sections. These sections are: 6, 106, 194, 198, 205, 207, 264, 269, 285, 296, 305, 343, 350, 372 and 618.

New sections which are proposed to be added are 17, namely, 43A, 167A, 197A, 234A, 240A, 263A, 325A, 370A, 388A, 531A, 614A, 619A, 620A, 624A, 624B, 629A and 637A.

The Bill when it finally emerges from Parliament will bring the total number of sections in the Act to 670, as against 658 at present.

CABLE PROJECT

Speed has been the keynote of a new factory at Bauria (near Calcutta) which is being installed by Fort Gloster Industries Ltd. (Managing Agents: Kettiewell Bullen & Co., Ltd.) to manufacture various kinds of electrical wires and cables. The B.I.C.C. of London for technical collaboration in this project and proposes to follow what is called the C.V. (continuous vulcanisation) process, a fast rubber insulated cables and wires, for the first time in India. Some sections have already started working and the entire factory is expected to go into full production shortly. This addition to go country's production of wires and cables is expected to meet the domestic requirements to a large extent.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

**FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS**

Head Office:

Jehangir Building

133, Mahatma (Gandhi) Road

Fort, BOMBAY

SMALL SCALE INDUSTRIALISTS GET YOUR FACTORY REGISTERED

Registration entitles you to make best use of Government assistance—technical, marketing, financial and other—and helps you to develop your enterprise on scientific lines.

AT YOUR SERVICE

FOR
TECHNICAL
ASSISTANCE

MARKETING
ASSISTANCE

FINANCIAL
AND OTHER
ASSISTANCE

CONTACT:

SMALL INDUSTRIES SERVICE INSTITUTES
(New Delhi, Calcutta, Madras, Bombay, Ludhiana, Kanpur, Gauhati, Patna, Cuttack, Indore, Trivandrum, Bangalore, Hyderabad, Jaipur, Srinagar)

NATIONAL SMALL INDUSTRIES CORPORATION
(New Delhi, Bombay, Madras and Calcutta)

STATE DIRECTORS OF INDUSTRIES

For registration forms contact:

**DIRECTORATE OF INDUSTRIES OR DISTRICT INDUSTRIES OFFICERS
IN YOUR STATE**

DA 60/51



Your goods have a ready market in South East Asia

EXPORT NOW

INDIA produces the very commodities which the South East Asian countries need—jute, textiles, tea, handlooms, handicrafts, cycles, sewing machines and many other manufactured goods. Export them now—they'll buy them.

THE INDIAN OVERSEAS BANK LIMITED has made a special study of this important, growing market. Our network of overseas branches, agents and correspondents are at your service for on-the-spot advice.

**THE INDIAN OVERSEAS BANK
LIMITED, MADRAS**

Branches at: AHMEDABAD, BOMBAY, CALCUTTA, CUTTACK, HYDERABAD, MADRAS, NEW DELHI and throughout South India. Overseas Branches: BANGKOK, COLOMBO, HONGKONG, IPOM, KLANG, KUALA LUMPUR, MALACCA, PENANG, RANGOON, SINGAPORE.

Agents and Correspondents all over the world

M. C. Muthiah Chairman C. P. Doraiswami General Manager

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:
Authorised - £2,500,000
Issued and Fully Paid - £2,000,000
Published Reserves - £2,375,000

Head Office: LONDON

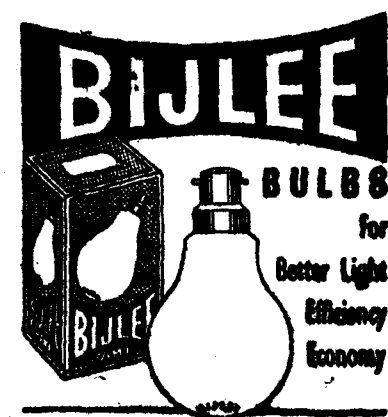
WITH OFFICES AT

ADEN (Crater)	PERSIAN GULF
INDIA	ABU DHABI
BOMBAY	BAHRAIN
IRAG	DUBAI
BAGHDAD (3 branches)	KUWAIT
BASRA	(AND AHMADI)
MUSUL	MUSCAT
JORDAN	QATAR (DOHA)
AMMAN	SHARJAH
JERUSALEM	SAUDI ARABIA
LEBANON	ALKHOSR
BEIRUT (3 branches)	(for DHAHRAN)
TRIPOLI	JEDDAH
LIBYA	U.A.R.
BENGHAZI	Syrian Region
TRIPOLI	ALEPPO
TUNIS	DAMASCUS

BOMBAY OFFICE:

314, Dr. Dadabhai Navroji Road, Fort
Telephone No: 25-2267 Cable Add: BACTRIA

Associated Bank in Iran
**THE BANK OF IRAN AND THE
MIDDLE EAST**



BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8

TACK

PERSONAL SALES TRAINING

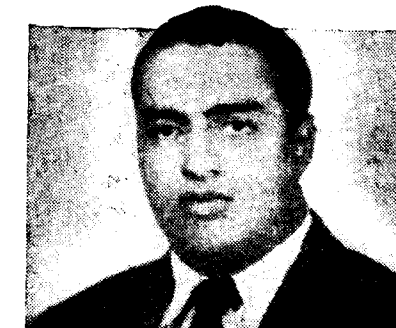
means more sales at less cost...

Sales managers of large and small companies—marketing every kind of product and service—have found that TACK Sales Training contributes positively to solving their major sales problem: How to increase turnover without raising costs...

whatever the product or service!



Mr. T. R. Shields, Sales Director of Indian Oxygen Limited, says: "Now that Tack Sales training courses are being held in India I can ensure that all our sales staff receive the benefits of this training and I am convinced that no organisation in India which has a progressive sales policy can afford to miss the opportunity of using Tack sales training now being provided through the British Institutes in Bombay."



Mr. D. K. Desai, Sales Manager of Dumex Private Limited, says: "... I found the three-day Sales Training Course a refreshing one... Your approach, technique and emphasis on courtesies and human relations are really absorbing. I have no hesitation in saying that your Course would do a world of good both to the young and old, irrespective of the line of merchandise they are in to sell."

★ Tack Course in Salesmanship and Human Relations—3 days
★ Tack Course in Sales Management—2 days

Tack Training can help your Company

Write for details to

TACK SALES TRAINING

Dept. D1, British Institutes, Petit Building, Flora Fountain, Bombay 1.
Telephone: 252538.

A POLICY ISSUED BY

THE

**BOMBAY FIRE & GENERAL
INSURANCE COMPANY, LIMITED**

(INCORPORATED IN INDIA)

YOUR SYMBOL OF SECURITY IN THE EVENT OF

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

Henley House, Graham Road, Ballard Estate
BOMBAY, 1

REPRESENTED IN

INDIA, BURMA AND PAKISTAN

PROTECTED WATER-SUPPLY FOR URBAN AREAS PROGRESS MADE UNDER NATIONAL PROGRAMME

THE importance of protected water-supply and sanitation to India's social and economic progress will be evident from the fact that, through inadequate and unhygienic system of water distribution, waterborne diseases such as cholera, typhoid and dysentery claim an annual toll of two million lives and afflict no less than 50 million people every year. Most Indian towns are even now ill-supplied with protected water. This also interferes with the development of healthy suburbs and actually encourages concentration in the already overcrowded parts of the towns. All this could be corrected only when adequate sources of supply of drinking water are located and exploited for use by urban dwellers through schemes of protected water-supply and sanitation.

Before the first Five-year Plan, each town's water-supply problem tended to be treated in isolation. Although the position remains more or less the same even today, there has been a national awareness of the importance of water-supply. Attempts have also been made to view the problem in its national context and to increase the financial allocation to urban areas. In the first Five-year Plan, provisions were made under the plans of State Governments for water-supply and sanitation projects. In 1954, the Central Government sponsored a programme on a national basis, with a view to promoting rapid development of water-supply and sanitation services. Under the national programme, the Central Government approved of 229 water-supply and 62 drainage schemes at an estimated cost of Rs. 61.5 crores in the first Plan period.

First Plan

The pace of implementation was, however, very unsatisfactory, thanks to the fact that the schemes were finalised only towards the end of the period. Actual expenditure under these schemes was only Rs. 10.3 crores, resulting in a spill-over of Rs. 51.2 crores in the second Five-year Plan. During the second Plan, the cost of the schemes had to be revised upwards because the prices of materials had gone up. Some new schemes were also added, as some of the States, which had not participated in the national programme in the first Plan period, joined the programme in the second Plan period. The total cost of the schemes, old and new, is placed at Rs. 65.5 crores. Actual expenditure on the schemes by the end of the second Plan period, it is estimated, will aggregate Rs. 56.6 crores. It may be mentioned here that, under the Indo-U.S. operational agreement, a sum of \$6.2 million has been made available by the U.S. Government for purchase of certain materials and equipment to be used in the national water-supply and sanitation programmes. Stores worth about \$5.6 million were received upto the end of March 1958 and distributed to the States for their water-supply and sanitation schemes.

A State-wise analysis of the pace of implementation of the programme shows that Andhra, Bihar, Jammu and Kashmir, West Bengal and the Union territories of Himachal Pradesh and Delhi will be able to complete all the schemes by the end of the second Plan period. Assam, Mysore, Rajasthan and Punjab are expected to have a small spill-over in their schemes into the third Plan period; they are likely to complete the schemes by the end of the first year of the third Plan. The States of Bombay, Kerala, Madhya Pradesh, Madras and Uttar Pradesh are expected to have a heavy spill-over of their schemes into the third Plan period.

Training facilities and advisory service continue to receive attention. In the second Plan, a provision of Rs. 50 lakhs was originally made for public health engineering training programme; this was subsequently reduced to Rs. 30 lakhs. During the first three years of the second Plan period, 141 engineers, 157 engineering subordinates, 76 waterworks operators and 27 sanitary inspectors were trained under this programme. The training courses for engineers and overseers has been organised at the Engineering College, Guindy, Madras, the Roorkee Engineering College, and at the All-India Institute of Hygiene and Public Health, Calcutta. The waterworks operators courses and the sanitary inspectors courses are organised at regional centres from time to time. As regards advisory service, the Government of India has set up a public health engineering organisation in the

Directorate-General of Health Services to render technical guidance and advice to the States on their water-supply and sanitation problems and also to scrutinise the schemes sponsored by the State Governments under the national water-supply and sanitation programme.

The implementation of water-supply programme depends, of course, on the availability of pipes, pumps and other equipment. The requirements of the cast iron and galvanised iron pipes for urban water-supply during the last year of the first Plan amounted to 100,000 tons. The demand for these items in the current Plan period is estimated at 125,000 tons per year. It is to be hoped that, with the implementation of the programme for the production of various types of water-supply equipment in the second Plan, the demand for such equipment will be met entirely from domestic sources of supply.

Planning

Much planning must necessarily precede the implementation of water-supply schemes. The search for water resources has often to be extended to places far away from the towns. Again, the water requirements of the towns should not be allowed to conflict with those for irrigation. Municipal bodies receive assistance from the Central and State Governments for their water-supply schemes. But it is their responsibility to see that the loans are serviced, waterworks constructed economically and funds become available for subsequent maintenance of the works. They have to educate the consumers in the practice of economy in the utilisation of water and, at the same time, provide facilities for its widest possible use by the public along right lines in the interests of national health.

ATOMIC POWER PROJECT

Details of progress in a nuclear project in which 12 European nations are collaborating in the development and construction of a new type of high-temperature tower reactor were given recently to correspondents at Britain's latest atomic-energy research establishment at Winfrith Heath, Dorset, where the reactor is to be built. Giving the history of the project, known as "Dragon," Mr. C. A. Rennie, appointed by the Organisation for European Economic Co-operation (O.E.E.C.) as its chief executive, said that in March of this year 12 O.E.E.C. countries agreed "to participate in studies and research in connection with a high-temperature, gas-cooled reactor system and in the possible design, construction and operation of a reactor experiment." Six countries—Belgium, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands—would take part through Euratom, the other partners in the enterprise being Austria, Denmark, Norway, Sweden, Switzerland and the United Kingdom.

The agreement provided for a joint project over a period of five years from April 1959. The cost might amount to £13,600,000 and the participant countries had agreed that £10,000,000 of this should be shared between them on an agreed basis, any excess up to £3,600,000 being paid by the United Kingdom alone. All installations, however, would remain the property of the United Kingdom.

It is hoped the Dragon reactor will halve the cost of the present Calder Hall-type reactor. It was intended that the ultimate development of the gas-cooled reactor would lower capital costs, double the fuel elements, and give greater efficiency. The international staff taking part would begin arriving in September or October.

Mr. Rennie said that the fuel elements for Dragon would be cylindrical and consist of an "impermeable" graphite can containing fuel inserts. A helium coolant would remove heat from the core of the reactor, and gas temperatures of 800° C. would be achieved. The United Kingdom had had its own programme of high-temperature reactor systems for the past two or three years. Among the special equipment developed was the new Zenith reactor, which would be made available to the project on a rental basis. The joint project would thus be able to take advantage of British work in this field.

Zenith is a very low-power reactor (about 100 watts) which will be used in the preliminary work for the 10 M.W. Dragon. Construction of Zenith is now virtually complete, and the testing and commissioning period has begun. It should become operational at the end of the year.

(Concluded from next column)

in mind. The Indian Airlines Corporation is stated to be anxious to replace its Dakotas by a suitable plane. If the Corporation decides to buy Avro 748, it will be enlarging the market for this type of aircraft and thereby paving the way for reduced costs of production. An advantage which the Corporation is likely to derive from such a decision is that, since the aircraft will be manufactured in India, the supply of spare parts will not present serious difficulties.

BRITISH AIRCRAFT FOR INDIA PROGRESSIVE MANUFACTURE ENVISAGED

THE agreement entered into last week by the Union Defence Ministry with the Hawker Siddley Group of the U.K. provides for the progressive manufacture in India, under licence from the group, of the Avro 748. The turbo-prop plane, which is stated to be more or less another but a slightly smaller version of the Viscount, will initially replace Dakotas in the Indian Air Force. Hailed as the vindication of the British superiority in technical excellence in aircraft manufacture, the contract between the Government of India and the U.K.'s leading aircraft firm, valued at between £20 and 25 million, opens out new vistas of aircraft manufacture in the Indian soil. It is believed that the aircraft manufactured in India with the technical collaboration of the British parent company will find a market in the neighbouring countries also.

The Avro 748, which, as stated at the outset, is expected gradually to replace Dakotas in the Indian Air Force, is described as a pressurised monoplane which will carry a payload of 10,000 lbs. and has a cruising speed of 260 m.p.h., as against the Dakotas 170 to 180 m.p.h. It can carry between 33 and 44 passengers and its normal cruising height is 20,000 ft. Its cost of production is placed at £170,000 in the U.K. The contract for the supply of Avro 748 is believed to be the second of its kind secured by the Hawker Siddley Group, for, last month, the U.K. Ministry of Supply opened negotiations for the purchase of three units of Avro 748. The Government of India has apparently found in Avro 748 a good aircraft with which to replace Dakotas from the point of view of performance, design and safety of operations.

Sir Roy Dobson, the Managing Director of the Hawker Siddley Group, who signed the agreement on behalf of the Company, observed that the contract had been won in the face of extreme competition from American, Dutch and French manufacturers. "It says a lot for India's loyalty to the Commonwealth," said Sir Roy, "to choose not only the best aeroplane but a British one." He added: "If the contract had gone to the Americans or Dutch, it would have shut us out of Indian aviation for a long time." He felt that the Avro 748 was the forerunner of many more industrial exports—"ships, railway engines and so on"—from the Hawker Siddley Group to India.

Avro 748

The Avro 748 is yet to be manufactured and tried. The first prototype of this plane, it is stated, will fly in Britain only early next year. Why has the Government decided to go in for an aircraft the efficiency of which is yet to be proved? No explanation for this question is available in the reports that have appeared in the daily Press. In an article to the *Hindu*, Wing Commander R. Vaughan-Fowler, after posing this question, observes:

"The Hawker Siddley Group is by far the largest group of aircraft manufacturers in the United Kingdom; in size, it compares with the largest in the U.S.A. It has tremendous industrial resources behind it, also a vast experience. The Anson of the last war was a masterpiece. The famous were both built to more than 11,000 units each. The Shackleton submarine hunter-killer is almost certainly the most deadly enemy of the submarine in existence. Its research and strike facilities are range is fantastic. Aeroplanes such as these are not produced by chance, they are the children of a team of experts who know the answers. This team new but it has been brought to the drawing board with the full knowledge of the weaknesses and has done everything to eliminate errors in layout, in structure and so on. Therefore, I claim that the 748 is more up-to-date and has a far better chance of fulfilling the Air Force and Army requirements than any other type."

This opinion, no doubt, comes from an expert in aviation. Even so, the selection of the Avro 748 should be adequately explained and justified in the public interest.

The Union Ministry expects the production of the first plane of the type in India by 1961. The plant at the Air Force Technical Centre at Kanpur, where the plane will be manufactured, has already started making tools and jigs. The technical assistance. The scheme envisages training of Indian technicians and engineers in the U.K. in the various aspects of the manufacture of aircraft, including its designing.

It would appear that no firm decision has yet been taken as to whether the Defence Ministry should manufacture planes of this type for civil use. But the consideration has been borne (Continued in previous column)

NEW PRODUCTS AND PROCESSES

Gas Regulators Without Gauges

INDUSTRIAL gas regulators without gauges are now available in the U.S. They are designed for use with oxygen, acetylene, or propane on cylinders, or manifolds, and are large capacity single-stage regulators having stem-type valves. They are said to have a long life because of their few exposed parts and to be valuable where subject to rough handling and frequent changing from cylinder to cylinder. Delivery pressures are calibrated on an anodised aluminium plate on the cap of the regulator and the delivery pressure is shown by an indicator movable in a slot alongside the calibrated scale. As the pressure-adjusting screw of the regulator is turned in or out, the indicators move to show the pressure setting. Cylinder pressure is shown by a sturdy metal shaft which extends one quarter of an inch from the regulator body when the cylinder is full and drops into the body as the cylinder pressure decreases. The regulator has reinforced rubber diaphragms to assure flexible operation and high sensitivity. It is claimed that it is rarely necessary to replace parts other than the stem seat or diaphragm and these parts can easily be inspected and replaced without special tools.

Millivoltmeter

A range of alternating voltage measurement of one millivolt to three hundred volts and a response in the frequency range of two cycles per second to one megacycle per second are the features of a new millivoltmeter now available in the U.K. The instrument has a low input capacity and a high input resistance, and is protected against overloading. It incorporates a stable six-stage amplifier, the output of which is rectified by a circuit including crystal diodes. The rectified output is used to operate a moving coil meter. Very good scale linearity is claimed for the instrument, which is portable and tropicalised. The amplifier can be used separately. The millivoltmeter is expected to find wide use in the acoustic and ultrasonic fields, on intermediate frequency and audio frequency amplifiers, and on carrier telephone installations. The mains supply voltage range on which the instrument will operate is 110 volts to 245 volts, and the supply frequency 40 to 100 cycles per second.

Steel Making Without Blast Furnace

An experimental process for producing strip steel without the use of blast furnaces, open hearths, coke ovens and blooming mills has been developed by the Republic Steel Corporation of the United States. In the technique, finely powdered iron ore is compressed by rollers into semi-solid strips. The strips then pass through a furnace heated to 2,200 degrees Fahrenheit and through hot-strip rolling stands where they are reduced to desired gauge and rolled into coils. About 1,800 pounds of steel have been produced in the laboratory and the steel is said to be comparable in quality to that produced by usual methods. The process is considered to be about five, or six years from the point where a commercial plant will be built. Such a plant, it is expected, would cost less than 50 per cent. as much as conventional installations. The next stage, according to officials of the company, will be to move the process from the laboratory to a continuous pilot plant.

Instant Bread

A bread that requires about 35 minutes to mix and bake, as compared to some four hours for standard methods, has been developed by the University of California for the U.S. Army Quartermaster Corps. The development stems from discovery of a way to dry the yeast flavouring component that gives bread its characteristic flavour and aroma. The dried flavouring is mixed with other ingredients for the bread, which rises from baking powder. The mix is said to make good dinner rolls and cinnamon rolls as well. The primary use of the new product is for field rations for troops, but there is a possibility, according to the University of California food technologists, that instant bread and roll mixes may be made available for home use.

Fully Automatic Mine

A 100 per cent. automated mine, claimed to be the only one of its kind in the world, is being built in the Dzhezazgan copper ore basin of the U.S.S.R. All processes there, from cutting the ore to loading it into railway cars, will be operated by one man from the control board.

A Process for Producing Oil from Coal

Research workers in the United Kingdom are continuing their efforts to develop an economic process for producing oil from coal. At the new Warren Spring laboratories of the Department of Scientific and Industrial Research near London, a pilot plant which has an output of 70 to 100 gallons a day from about two tons of fuel is in operation. The process depends on the gasification of solid fuel in the first place, and it is this gas which is converted into fuel oils by the use of suitable catalysts. One of the chief objects of the current research programme is to produce improved catalysts that will yield a higher proportion of end-products. Eventually it is hoped that it will be possible to design a full-scale plant for installation in a coal-mining area.

UNION CO-OPERATIVE INSURANCE SOCIETY LTD.

SPEECH OF THE CHAIRMAN, MR. J. L. MEHTA

THE Tenth Annual General Meeting of the Union Co-operative Insurance Society Ltd. was held in Bombay on 4th July 1959. Addressing the shareholders on the occasion, the Chairman of the Society, Mr. J. L. Mehta, observed as follows:

"GENTLEMEN,

"The report of the Directors on the working of the Society for the year ended 31st December 1958 and the revenue accounts and the balance-sheet for the year, duly audited, have been in your hands for some time now. I am sure you must have studied the same with great interest.

"During the year under review, as reported at the last annual general meeting, effort was made to expand our activities throughout the country. This, of course, has resulted in a higher premium income in all the departments, a large increase in the total reserves, maintenance of dividends at 5½ per cent. and maintenance of bonus to policyholders at 12 per cent., subject to tax.

"The gross premium income for the year 1958 amounted to Rs. 12,80,000, as against Rs. 9,30,000 for 1957. The net premium income in all the departments amounted to Rs. 8,47,000, as against Rs. 5,33,000 of the previous year. The total reserves amounted to Rs. 5,24,000, as against Rs. 3,50,000.

"The expenses during the year have gone up, but that is mainly due to the cost incurred in the new areas and I am sure it would prove to be a worthy investment in the near future and this year's working shows that this estimate will not be wrong.

"From the Directors' report to the shareholders it will be found that the Directors have proposed to maintain dividend at 5½ per cent. free of tax, and bonus to policyholders at the rate of 12 per cent., subject to tax.

"We were promised by the Central Government that payment of bonus being a return premia would not be taxed, but the said promise has not yet materialised. On the other hand, the rate of tax has considerably gone up and we had to make bonus subject to tax.

"An amount of Rs. 70,000 has been transferred to policyholders' bonus fund this year also. Adequate provision has been made for contribution to the education fund to the Bombay State Co-operative Union.

"The Society started transacting marine insurance business in the year 1958. The conservative policy of underwriting was maintained in the department, but due to heavy losses in the business of the Indian Insurance Companies' Association Pool, the Society had incurred a loss in the department.

"Our efforts to offer more types of insurance cover to both co-operative and non-co-operative clients continued and we have introduced workmen's compensation and machinery breakdown cover this year. We are also offering now comprehensive covers to banking institutions, which is popularly known as bankers' blanket policy. I have pleasure to inform you that more and more co-operative societies have come forward to take advantage of these types of varied covers.

"Out of the new branches opened during the year 1958, our branches at Nagpur, Rajkot, Calcutta and Delhi are now working satisfactorily. We have to put more energy in the branches at Ujjain, Sholapur and Bangalore.

"I have pleasure to inform you that the Registrars of Co-operative Societies, West Bengal, Madhya Pradesh, Bihar and Assam are taking active interest in our organisation and we are sure that, under their able guidance and with the valuable support of the co-operative officials and co-operators in the States concerned, we shall be able to continue our progress and accelerate the pace of development in the days to come.

"So far as the State of Bombay is concerned, the Surat, Baroda, Ahmedabad and Jalgaon branches have shown considerable progress and practically almost all the co-operative institutions in the area are insuring with us.

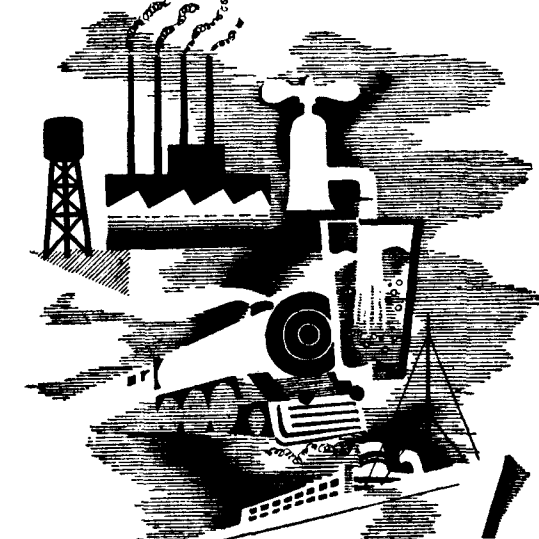
"We have maintained very cordial relations with our sister co-operative insurers abroad and we are sure that with the help of the International Co-operative Alliance we would be able to come in closer touch with more and more co-operative insurers abroad. We have also requested our sister co-operative insurers to give us guidance and help in expanding our activities in this country by providing as much of technical and other help as they could and we are sure we would be able to get material assistance from them.

"It will be also seen that our foreign reciprocity is steadily increasing and the premium received this year amounts to Rs. 2,34,000, as against Rs. 1,91,000 for last year. Arrangements have already been made to receive more business by way of reciprocation from foreign treaty offices.

"I am also pleased to inform you that sister insurers transacting business in India have extended their hearty co-operation without which it would not have been possible for us to underwrite large risk.

"A glance at the assets side of our balance-sheet will show that the assets have considerably gone up. The total investments in Government Papers and house properties now exceed Rs. 14,50,000. Over and above that there are other assets also. We have kept in mind our ultimate aim of diverting more funds in the co-operative field, but as referred to in my last speech, due to various difficulties, we have not been able to do enough justice, but we are sure that with larger availability of funds after a stage we would be able to invest our funds in the co-operative field.

"With great regret I have to draw your attention to my last year's speech which referred to the Government's policy in regard to co-operative insurance and its execution and administration. In spite of repeated requests the business of co-operative sugar factories is being handed over to the Indian Insurance Companies' Association Pool. The business of co-operative sugar factories in other States have been handed over to co-operative insurers. We are really surprised and are sorry for the decision taken by the Bombay Government as also the way in which the entire matter has been handled. I am, however, sure that the Government will reconsider its decision and give us our dues. I am also surprised that even the resolution passed at the last conference of the All-India Co-operative Congress requesting the Government to keep insurance business of co-operative societies as preserves of co-operative insurers and the suggestion to consider the question of giving a decent portion of the Government's own business has not yet been fully considered."



water treatment

WHEREVER WATER IS USED, AND FOR
WHATEVER PURPOSE, IT PAYS TO CONSULT

'Alfloc'

WATER TREATMENT SERVICE

Specialists in the treatment of industrial,
marine, railway and municipal water.

Enquiries to:
**Imperial Chemical Industries (India)
Private Limited**
Calcutta Bombay Madras New Delhi



ICG 8-8

NEW PUBLICATIONS

Economic Surveys in Underdeveloped Countries. By Dr. P. K. Mukherjee. Published by the Asia Publishing House, Contractor Building, Nicol Road, Ballard Estate, Bombay 1. Pages: 264. Price: Rs. 18.50.

THE title chosen for the publication gives one the impression that the study is devoted to the entire range of economic surveys in underdeveloped countries. But the actual contents of the book pertain only to rural surveys. Perhaps the author has felt that, since the economy of underdeveloped countries is predominantly rural in character, an analysis of the methodology for the conduct of rural surveys would be more than sufficient. Even so, the author might perhaps have chosen the title "Rural Economic Surveys," instead of such a general term as "Economic Surveys."

That apart, the chief merit of Dr. Mukherjee's study is the lucid and comprehensive way in which the different concepts used in rural economic surveys are defined, the modes of collecting data discussed, and the methods of analysis suggested. A careful perusal of the study will clearly reveal that the basis on which most of the surveys that have already been or are being carried out is defective. Thus, the exact and precise meanings of various attributes under study are not described properly, nor the methods of collecting data adequately considered in relation to their appropriateness for the purpose. Naturally, the surveys constitute nothing but a mere collection of facts and figures, rather than an analytical presentation of the integrated functioning of the different parts of the economy. This is, indeed, a fundamental defect which robs the surveys of their effectiveness and utility. The defect could certainly be overcome if the suggestions put forward by Dr. Mukherjee were adopted and implemented in conducting rural economic surveys.

The author has prefaced his study by a fairly long introduction indicating what the new approach to research in agricultural economies attempted in the study is. The approach, we are told, is three-fold: (1) It treats the problem as a whole even at the risk of covering a very wide field rather than look into different constituent parts of it in isolation; (2) it is interlinked with and conditioned by the peculiar economic and social features present in a particular area; and (3) it studies the economies with the help of the redefined concepts in their dynamic aspects. The author has sought to give methods of studying and, if possible, of measuring, the nature of transition from a primitive economy to a developed one.

The exact meaning of methodological research is explained with two extreme interpretations—one concerned with mere fact-finding and the other engaged on research on refined technique. The author rightly emphasises that the proper way lies in a "macro-analysis" of the whole economy with due examination of both the endogenous (internal) and the exogenous (external) variables. The exogenous variables, in the form of social habits and conditions and historical materials, are mentioned in Part I of the study. In Part II, the endogenous variables in the form of economic categories are discussed theoretically and also with regard to their measurability. Part III contains a discussion, through the use of a "macro-analysis" approach, of the practical aspects of statistical measurement and the methods of analysing the survey data.

It must be said to the credit of Dr. Mukherjee that the methods of collecting data he has recommended are such as would avoid the problems of hypothetical imputations and evaluation of different familiar categories. Again, the several methods of analysing the data proposed by him provide not merely for an assessment of the situation in a rural economy at a point of time but also for taking account of the changes that take place in it as the years go by. For this purpose, the author has recommended for acceptance three techniques of analysis,

namely, a statistical model depicting the inter-relationships in rural regional economy based on Leontief's input-output method, an estimate of rural consumption figures from sources other than family budget surveys, and an estimate of gross rural income with the help of a concept similar to that used in Keynes' "multiplier" approach.

There are at the end of the publication two appendices, one on problems of evaluating non-monetary income and outgoing in a farm family enterprise and the other on problems of studying the level of economic welfare in a self-subsisting economy. A model schedule for collecting data on economic transactions of households is also incorporated. In fine, the study of Dr. Mukherjee will be found useful by economic investigators not only in India but also in the several other underdeveloped countries which are striving to raise their living standards.

A History of Technology, Volume V: The Late Nineteenth Century. Edited by Messrs. Charles Singer, E. J. Holmyard, A. R. Hall and Trevor I. Williams. Published by Oxford University Press, London. Available in India at Oxford University Press, Box No. 31, Bombay. Pages: 932. Price: £8-8s. net (in U.K. only).

With the publication of this volume, the eight-year old project of Imperial Chemical Industries-Clarendon Press (Oxford) collaboration has successfully been completed. The project consisted of writing "A History of Technology" since the earliest times to the beginning of the present century. The previous four volumes covered (1) from early times to fall of ancient empires (500 B.C.); (2) Mediterranean civilisation and Middle Ages (700 B.C.-A.D. 1500); (3) from Renaissance to Industrial Revolution (1500-1750); and (4) Industrial Revolution (1750-1850). The present volume covers the late nineteenth century (1850 to 1900). The continuation of the *History* beyond this period was considered undesirable, as "it would then have been necessary to deal with events too recent to be seen in proper historical perspective."

The five volumes put together contain over 4,000 pages, illustrated with more than 2,500 line drawings and 200 pages of halftone photographs. There are 134 chapters, each written by a distinguished authority.

Like its predecessors, the latest volume is written in plain language with few specialist terms, so as to be understood by those with a minimum of technical or scientific training. Very great care has been taken with the illustrations, nearly all of which are specially drawn. No efforts have been spared to convey information graphically by maps, charts and tables. The *History* is intended for general reading and to meet the needs of people who have little knowledge of the history either of science or of man. It aims, too, at providing students of technology and applied science with a humane background for their studies and to be a useful auxiliary to the more specialised studies of historians, archaeologists and other scholars.

Viewed thus, it is hardly surprising that the *History* has earned wide popularity and won laurels the world over. Volume I, published in November 1954, has already been reprinted for the third time and later volumes, it is said, have done correspondingly well. Substantial sales are not, of course, the sole criterion of a book's success, but "they are" it must be stressed, "none the less remarkable for a work which, because of its high standards of physical production, costs forty guineas the net." Surely, there is no exaggeration whatever in the tribute paid by the *Times Science Review* that there has been nothing before like this *History*.

The Economy of Pakistan. By Messrs. Russell Andrus and Azizul Mohammod. Published by Oxford University Press, London. Pages: 512. Price: Rs. 25.

Despite the bifurcation of the Indian sub-continent into two independent countries, namely, India and Pakistan, and the political differences that exist between them, the two countries are bound by many common ties. Both are cast in the same geographic mould, have the same cultural heritage and similar social background. Economically, too, the two countries are closely complementary; at least they were till recently. An economically strong and politically stable Pakistan is as important to the prosperity and security of India as is a rich and stable India to that of Pakistan. The political and economic developments in each country are, therefore, of mutual interest.

There are many books dealing with the economy of undivided India and, after Partition, many others have appeared dealing extensively with India. But very few attempts seem to have been made to study the economy of Pakistan as an integrated whole. This deficiency is fully made up by the book under review which is an excellent treatise on the recent developments in the main branches of Pakistan's economy. It is compact, concise and, at the same time, a comprehensive review, compressing within its five hundred and odd pages a wealth of statistical data intelligibly tabulated and lucidly interpreted. Almost all aspects of the economy are adequately dealt with. Starting with land and people, the authors survey agriculture and its problems, land tenure and rural credit, co-operation and marketing, large, medium and small-scale and cottage industries, fuel and power, railways, ports and shipping, civil aviation and telecommunication, foreign trade, balance of payments, financial relations between the Federal and Provincial Governments, central and commercial banking, insurance, and capital markets, financial corporations, price trend and a host of other related subjects.

There will always be room for differences of opinion as to the adequacy or inadequacy of the treatment of different topics in a book covering such a vast field. But it must be said in fairness to the authors that, on the whole, their treatment has been balanced. One observation, however, by way of comment. The last chapter on development planning is not satisfactory. By too sketchy a treatment and its relegation to the end of the book, it has almost been reduced to a postscript.

Eternal Efficiency Epitome. By R. K. Murti. Published by Efficiency Publications, Bombay 19. Pages: 165. Price: Rs. 10.

This publication belongs to the class of self-improvement books which is finding an expanding readership at present. But it differs from others of this class in that, as against their materialistic content and approach, it represents India's traditional, spirit-based, integrated approach to efficiency. The author's conviction is that the principles propounded in the *Gita* are applicable as much to the problems of this work-a-day world as to those of the human spirit if only the true import of the *Gita*'s teachings is imbibed and its principles and maxims applied to everyday life. In fact, it is a practical guide book for self-culture.

The author gives a detailed description of a technique of living which is unique in itself. It is intended to serve as a stimulus to the initiative of the reader in devising and adopting ways and methods for meeting any situation. The book is meant for all people, but designed in particular to serve the needs of officers and supervisors at all levels in all kinds of corporate organisations, whose business it is to get work done.

The
difference
between
LAST WEEK
and
THIS WEEK
is
Amazing
HADENSA
for PILES
AVAILABLE
AT ALL CHEMISTS



THE BANK OF JAIPUR LIMITED
Treasurers to the Rajasthan Government
Chairman
Shri G. D. SOMANI, M.P.
Authorised Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000
Complete Banking Services inclusive of Foreign Exchange
S. L. KOTHARI,
General Manager.

THE UNITED COMMERCIAL BANK LIMITED
Head Office: CALCUTTA
Authorised Capital Rs. 8,00,00,000
Subscribed Capital Rs. 4,00,00,000
Paid-up Capital ... Rs. 2,00,00,000
Reserve Fund ... Rs. 1,48,00,000
Working Funds (31.12.58) ... Over Rs. 114,00,00,000
BRANCHES ALL OVER INDIA AND ABROAD.
AGENTS THROUGHOUT THE WORLD.
PROVIDES EVERY BANKING FACILITY.
G. D. BIRLA, Chairman. S. T. SADASIVAN, General Manager.

FLY SAS
THE GLOBAL AIRLINE



"And, of course, Sir—the Taj by moonlight?"

Of course.

The Taj Mahal by moonlight is a must for every tourist.

And every tourist who comes to this country brings with him foreign exchange.

That's why the tourist industry is so valuable... it earns currency as well as goodwill.

But there are many other tourist centres waiting to be developed in India... centres which can only be reached by road.

Yet another reason why road construction must have topmost priority. Everything to do with roads is important to the country as a whole.

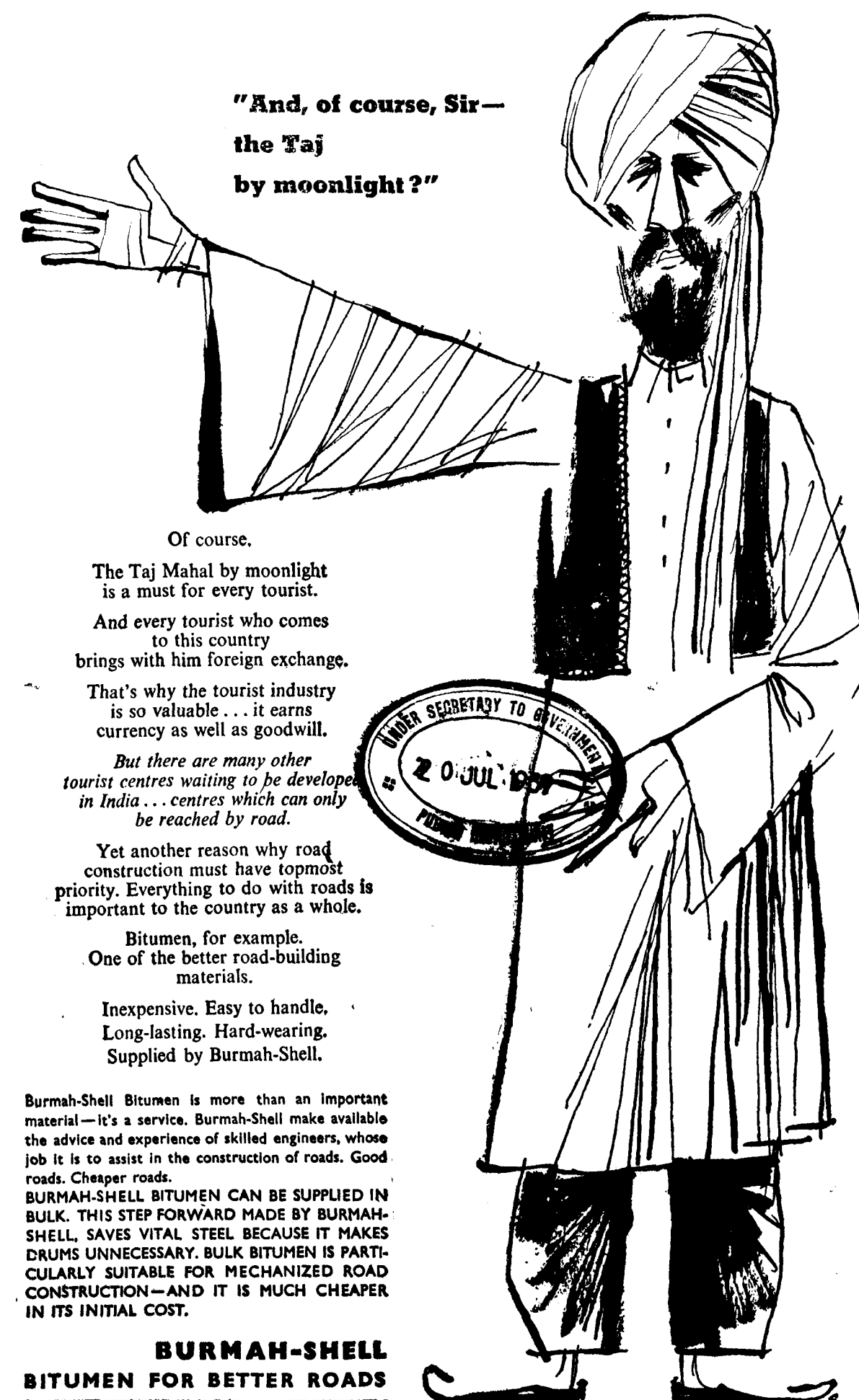
Bitumen, for example. One of the better road-building materials.

Inexpensive. Easy to handle. Long-lasting. Hard-wearing. Supplied by Burmah-Shell.

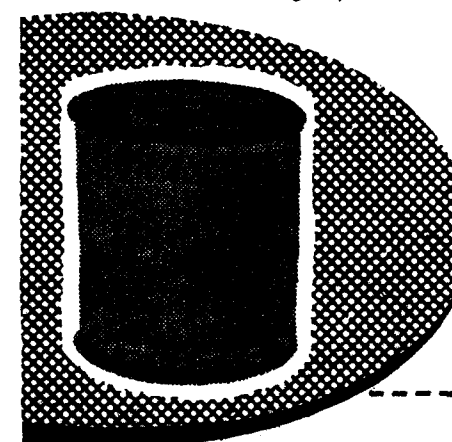
Burmah-Shell Bitumen is more than an important material—it's a service. Burmah-Shell make available the advice and experience of skilled engineers, whose job it is to assist in the construction of roads. Good roads. Cheaper roads.

BURMAH-SHELL BITUMEN CAN BE SUPPLIED IN BULK. THIS STEP FORWARD MADE BY BURMAH-SHELL, SAVES VITAL STEEL BECAUSE IT MAKES DRUMS UNNECESSARY. BULK BITUMEN IS PARTICULARLY SUITABLE FOR MECHANIZED ROAD CONSTRUCTION—AND IT IS MUCH CHEAPER IN ITS INITIAL COST.

BURMAH-SHELL BITUMEN FOR BETTER ROADS



CAUVERY BRAND STABLE BLEACHING POWDER
containing 33 1/3% available chlorine



for textile bleaching, water purification, and environmental sanitation.

THE METTUR CHEMICAL & INDUSTRIAL CORPN. LIMITED
Mettur Dam R. S. Salem Dt.
Managing Agents: SESHASAYEE BROTHERS PRIVATE LIMITED

MC-629

How do your costs compare?

How does your performance rate?

Is there wasteful or avoidable expenditure on your plant?

Let us do the worrying for questions like these...and help you find the answers. It's not just enough, if you compare current costs and performance with what these have been in the past or with what are accepted as normal. Do costs and performance compare with what these should really be? That's the acid test... and we conduct it.

acbi diagnoses and prescribes... you are not only told why wasteful expenditure occurs, but precisely what remedial action you should take.

acbi is currently assisting industries in both public and private sectors. If you have problems relating to cost control, labour-management relations, job evaluation, work study, production control, quality control, material handling, office reorganisation etc., you'll do well to

call in

acbi

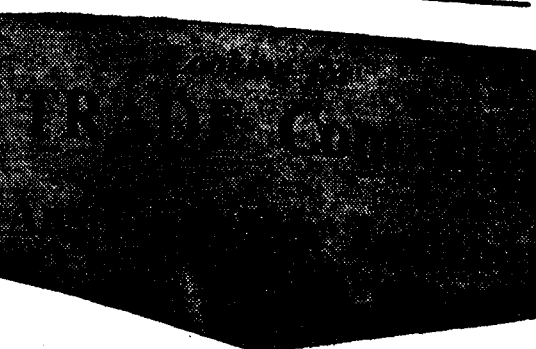
Management Consultants

Zonal Offices:

48/4 Poorvima,
Karabagh
NEW DELHI-5.

Management House,
Banawadi Road,
BANGALORE-5.

Keshpark - Pooljapura
TRIVANDRUM-6



Businessmen who are interested in developing trade with these countries are invited to use the complete banking services provided by the Bank of New South Wales.

The services include trade and industrial introductions, economic and market information, and assistance with travel requirements.

Address enquiries to:
John W. McEwen—Manager, International Division.

BANK OF NEW SOUTH WALES

HEAD OFFICE, SYDNEY, AUSTRALIA
Over 1,000 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, and three branches in London.

IMPACT OF COMMON MARKET ON INDIA'S AGRICULTURAL EXPORTS

TOBACCO AND OILS MAY SUFFER MOST

INDIA has considerable stake in the developments taking place in the economic and commercial fields in Western Europe. The formation of the Common Market of the Six (France, W. Germany, Italy, Belgium, Netherlands and Luxembourg) has naturally caused a little concern in this country. India has sizeable volume of trade with these countries. What is more, it has been running heavy deficits on its trade account with the Six. In 1957, India had an adverse balance of trade with these countries to the tune of Rs. 170 crores, exports being Rs. 46.74 crores and imports Rs. 218.74 crores. In 1958, exports fell to Rs. 38.67 crores and imports to Rs. 163.66 crores, leaving a deficit of Rs. 125.05 crores. At a time when India has huge trade deficits with these countries, it can ill-afford to suffer even a slight setback in its exports. The formation of the C.M., it is feared, will imply a preferential treatment in respect of trade among the Six and their dependent territories and discrimination against the third countries. Already, India has been facing many difficulties in the trade with these countries on account of import duties and quotas fixed by them. Against this background, an article on "European Common Market and Indian Agricultural Exports," appearing in the test issue (May 1959) of the *Agricultural Situation in India*, published by the Union Ministry of Food and Agriculture, will be read with interest. Agricultural commodities, including raw cotton, wool, tea, coffee, vegetable oils, hides and skins and spices account for as much as 43 per cent. of aggregate Indian exports to the C.M. countries. Minerals, ores and metal scraps amount to 31 per cent. and the rest consists of finished products, such as tanned leather, cotton piecegoods, jute fabrics, coconut fibre yarn and coir products. The table at the bottom of the page shows the value of India's exports of principal agricultural products to the Six in 1958.

First Step

It may be recalled that, on 1st January 1959, the Six took the first step in adjusting their tariffs towards a gradual removal of all ariffs among themselves. To sum up the measures already initiated, the tariff rates applied on 1st January 1957 among the member countries were reduced by 10 per cent. Besides, bilateral quotas granted to member States were converted into "global quotas" applied without discrimination to all member countries. Moreover, the value of the new quotas within the C.M. has been raised on an average by about 20 per cent., as compared with the preceding year.

These measures are so designed as to enable the Six countries to complete the establishment of a Customs Union of their own by 1970, or at latest by 1973. The first phase of the scheme, already in force, envisages elimination, as between member countries, of customs duties and quantitative restriction in regard to the import and export of goods, as well as other measures with the same effect. The second stage conceives the establishment of a common customs tariff and a common commercial policy towards third countries. In order to promote economic development in the dependent territories of the member countries, it is proposed to set up a

European Investment Bank and a European Social Fund. In the sphere of agriculture, a Common Marketing Organisation will be established, which will be entrusted with the task of evolving a common agricultural policy, particularly with regard to price regulations, production and disposal subsidies, stockpiling and common stabilisation arrangements for imports and exports which may extend to the creation of an agricultural guarantee fund.

Three Factors

How will the C.M. affect India's foreign trade? There are at least three ways in which it can affect India's exports:

1. The Common Market countries will no longer need compete among themselves to buy Indian raw materials to the same extent as before which in turn may affect the price secured by Indian exports.
2. According to the scheme, the external tariff of the C.M. countries will be the arithmetic average of the different tariffs now in force. Whenever the final Common tariff is higher than the previous one, the demand for Indian exports will be affected.
3. India will have to face a more severe competition than before from the overseas dependent territories of the C.M. countries. The exports of these territories will enjoy preferential treatment in the matter of tariffs in the C.M. countries. A difference in tariffs, however small, is often effective in diverting trade. Some of these countries are strong competitors of India in some of the items of its agricultural exports like cotton, coffee and vegetable oils.

Besides, the establishment of the Common Market can affect Indian exports to other countries, notably the U.K. As a result of the scheme, the U.K. may lose industrial markets in the member countries and their associated overseas territories. This can reduce its import of industrial raw materials from India.

Cotton

The article examines the extent of the danger posed by the C.M. to some of India's important agricultural export commodities. To take raw cotton first. Of the total Indian exports of raw cotton, the C.M. countries accounted for 7,000 tons in 1954-55, or 23.5 per cent., 23,700 tons in 1955-56, or 19.6 per cent. and 4,300 tons in 1956-57 or 10.4 per cent. Its cotton exports to these countries in 1958 amounted to about 6,000 tons, valued at Rs. 135.66 lakhs. The decline in Indian exports to the Six is attributed mainly to lower prices fetched for them in these countries, as compared with those elsewhere, particularly Japan. The C.M. countries, taken together, represent the largest single importer of cotton; they account for one-third of cotton entering world trade. They have well developed textile industries, but they do not cultivate cotton, except perhaps Italy, which produces cotton on a very small-scale. A part of their requirements is met by indigenous supply of synthetic fibres and the rest by imports. On an average, the Six import over 900,000 metric tons annually of which their overseas territories account for only about 80,000 metric tons.

On the whole, it would appear that the formation of the C.M. is not likely to threaten to any marked extent the competitive strength of India's exports of raw cotton. In the first place, no significant changes will occur in the tariff imposed on the entry of raw cotton from any foreign country in the C.M. countries. As

far as India is concerned, even before the C.M. came into being, its cotton exports to these countries were allowed entry free of duty, except in Italy, where a six per cent. duty was levied. Secondly, the development of cotton in the overseas territories of the member countries is not expected to render India's position worse. For the territories cultivate only those varieties of cotton found in the American continent, and not those in Asia. So, the Indian cotton exported to C.M. countries are complementary rather than competitive to the cotton offered by the French African colonies. Thirdly, as already indicated, the prices fetched in Japan for Indian cotton are higher than those in the C.M. countries. With the growing demand for Indian cotton in the Japanese market, India is not likely to face any serious problems in disposing of its raw cotton surpluses.

Another important item of Indian agricultural exports to the C.M. countries is coffee. Overseas territories of the C.M. countries now produce nearly 200,000 tons of coffee, which is hardly 8 per cent. of the total world production and is less than half of the requirements of the C.M. countries. These territories are fast developing and when the economic assistance received by them is stepped up through the proposed European Investment Bank and the European Social Fund, their pace of development will be further accelerated. In these circumstances, production of coffee may also go up. Coffee produced in these territories will get duty-free entry into the C.M. countries, whereas coffee from other countries will carry a uniform *ad valorem* duty. Against these facts, there remains the fact that the quality of Indian coffee is much superior to African or for that matter any other coffee. Arabica coffee, which forms the bulk of our coffee exports, is famous for its cup quality and blending. Further, Indian coffee meets only a fraction of the requirements of the C.M. countries and there is no real threat to it.

As far as exports of tea are concerned, no change is likely to occur. Tea is not produced in any of the C.M. countries nor in any of their dependencies.

Wool is another commodity exported from India, in which there is hardly any sign of competition from the C.M. countries or their dependencies. These countries buy about 25 per cent. of India's exports of wool. Of the total exports to these countries, 43 per cent. goes to West Germany, 25 per cent. to France, and nearly 16 per cent. each to Belgium and the Netherlands. The value of India's shipments of wool to these countries aggregated Rs. 136.31 lakhs in 1958.

Tobacco and Oils

While India's exports of such commodities as raw cotton, coffee and tea will not be affected seriously on account of the C.M., the new tariff regulations in respect of certain other items, especially tobacco, fruits and vegetables and oils, give room for some concern. The C.M. countries buy about 8 per cent. of India's total exports of unmanufactured tobacco. In 1958, the value of India's exports of tobacco to the C.M. countries amounted to about Rs. 60 lakhs. The Netherlands, Belgium and France were the major importers among the Six. The C.M. treaty provides for a higher levy of 30 per cent. *ad valorem* duty on unmanufactured tobacco. Moreover, tobacco is excluded from the general rule applied to other commodities which seeks to apply the arithmetical average of the existing tariffs. India's exports of tobacco, it is feared, will suffer considerably under the new system. The competition from overseas territories may not be too strong. Although France imports substantial quantities of tobacco from Algeria and other overseas territories, these varieties are not in demand in Germany and Benelux countries. Nevertheless, Italy will offer stiff competition to the Indian product. India's principal variety for exports is flue-coulored Virginia tobacco, which is used for cigarette and cigar manufactures. This variety is grown in Italy also. Besides, the relatively high duty on tobacco from third countries will give a fillip to domestic production in West Germany and France, besides Italy. It may be noted that the total production in these countries was no more than 152,000 tons in 1956, or 48 per cent. of the total requirements of the region. Increase in production of tobacco, now envisaged in these countries, will reduce the demand for the India than two per cent. of the total imports of tobacco into the region.

The C.M. countries apply a common tariff of 7½ per cent. *ad valorem* in respect of fruit (Continued on page 120)

BOMBAY FIRE AND GENERAL INSURANCE COMPANY

RESULTS HIGHLY ENCOURAGING

A FURTHER improvement in the business of the Bombay Fire and General Insurance Company, Ltd. (General Manager: Mr. K. K. Dastur), is reflected in the audited accounts of the Company for the year ended 31st December 1958. The combined net premium income of the three departments aggregated Rs. 20.44 lakhs, which compares favourably with the previous year's figure of Rs. 18.82 lakhs. It is noteworthy that this is the third year in succession when the combined premium income has recorded an increase.

The combined claims ratio has shown a welcome decline from 43.73 per cent. in 1957 to 39.10 per cent., though commission and expenses recorded a slight increase from 49.78 per cent. to 50.80 per cent. The profit works out to Rs. 1,77,997, as against a loss of Rs. 30,197 in the previous year. The distribution to shareholders has been stepped up to Rs. 7.25 per share on the Rs. 40 paid-up shares, as against Rs. 3 in the previous year, and to Re. 1.81 on the Rs. 10 paid-up shares, as against 75 nP in the previous year.

The increase in net premium was shared by all the three departments. The net premium in the fire department amounted to Rs. 11.54 lakhs. Claims paid and outstanding aggregated Rs. 3.13 lakhs, being 27.13 per cent. of premium. Commission and expenses of management and foreign taxes amounted to Rs. 6.72 lakhs, being 58.25 per cent. of premium income. The fire fund stands at Rs. 5.93 lakhs, being over 50 per cent. of the premium income. A sum of Rs. 1.51 lakh has been transferred to the profit and loss account.

The net premium in the miscellaneous department was Rs. 3.87 lakhs. Claims paid and outstanding amounted to Rs. 2 lakhs, being 51.85 per cent. of premium. Expenses of management, commission and foreign taxes aggregated Rs. 2.05 lakhs, being 52.02 per cent. of premium income. The miscellaneous fund, after transfer of Rs. 29,813 from the profit and loss account, stands at Rs. 1.95 lakh.

In the marine department, net premium aggregated Rs. 5.03 lakhs and claims amounted to Rs. 2.85 lakhs, being 56.78 per cent. Expenses of management, commission and foreign taxes were of the order of Rs. 1.62 lakh, being 32.21 per cent. of premium. After setting apart Rs. 5.03 lakhs to the marine fund, which is 100 per cent. of the premium, a sum of Rs. 13,715 has been transferred to the profit and loss account.

After closing the departmental accounts thus, the profit and loss account shows a credit balance of Rs. 1.78 lakh. With Rs. 1.76 lakh brought in from the previous year's account, there is a total of Rs. 3.54 lakhs. Out of this, a provision for taxation of Rs. 1.50 lakh has been made, leaving a balance of Rs. 2.04 lakhs. The dividend of Rs. 7.25 per share on the Rs. 40 paid-up shares and Re. 1.81 on the Rs. 10 paid-up shares will absorb Rs. 76,040 only, leaving a balance of Rs. 1.28 lakh to be carried forward.

Explaining why the Directors have decided to increase the dividend so markedly, rather than strengthen the reserves further out of the profits, the Chairman told the annual general meeting of shareholders held on the 16th inst. as follows:

"Although the Directors would have liked to strengthen the reserves out of the profits, the same cannot be done, as our Company comes under the clutches of Section 23A of the Indian Income-tax Act and, as our free reserves are more than our paid-up capital, we are forced to distribute to the shareholders the balance of our profits as reduced by the income-tax payable thereon by the Company."

Here is a glaring instance of the pernicious effect of Section 23A of the Income-tax Act on a risk-bearing and service-rendering business like general insurance. Insurers the world over set apart a good portion of their profits for strengthening their finances in order to offset fluctuations in business and to meet sudden losses. No insurer who has the long-term interest of the company at heart, will fritter away profits accruing in good times through inflated distribution to shareholders. It is a strange paradox that, while, on the one hand, the Government enforces on insurance companies the solvency test rules under the Code of Conduct regulations to increase their reserves as far as possible, on the other, it forces companies which try to build up such reserves, to distribute all their profits in paying dividend to the shareholders, so that it may enable Government to gather some more super-tax from the shareholders. It is high time the Government corrected this anomaly.

Are You a Small-scale Industrialist?

This will interest you

To help small-scale industries fulfil their role in the country's developing economy, the State Bank, in collaboration with other interested institutions, put into operation in 1956 a Pilot Scheme at a few selected centres to make available to them co-ordinated credit facilities.

The scheme has worked well and the Bank is now in a position to offer, at all its branches, liberalised facilities which were originally made available only at the Pilot centres.

If you require financial assistance, why not talk things over with the Agent of our nearest Branch? He will welcome the opportunity of assisting you and will be glad to forward your application, if need be, to the appropriate Governmental and other authorities.

STATE BANK OF INDIA

INDIA'S LEADING BANK

SISTA'S-5B-24

The Indian Bank Ltd.,

Head office: FIRST LINE BEACH, MADRAS-1.

23 LOCAL OFFICES 113 BRANCHES

LOANS AND ADVANCES

DEPOSITS

- Current accounts
- Savings Bank accounts
- Fixed Deposits
- 3-Year Cash Certificates

PURCHASE AND SALE OF SECURITIES UNDERTAKEN FOREIGN EXCHANGE BUSINESS TRANSACTED

New York Agents:
FIRST NATIONAL CITY BANK OF NEW YORK
London Agents:
WESTMINSTER BANK LIMITED

D. P. PARTHASARATHY,
SECRETARY.

India's Principal Agricultural Exports to European Common Market Countries in 1958
(In lakhs of rupees)

	West Germany	Netherlands	Belgium	France	Italy	Total to countries	Total Indian exports to all countries
Cotton, raw	18.59	10.15	12.88	74.90	19.14	1,35.66	15,20.00
Cotton waste	42.43	5.83	6.97	7.16	1.29	63.68	5,99.00
Wool, raw and waste	46.35	17.39	37.08	32.90	2.59	1,36.31	9,34.00
Unmanufactured tobacco	8.53	23.14	23.56	4.36	59.59	14,70.00	136,54.00
Tea	1,44.33	75.03	6.36	1.82	69.08	4,06.81	7,18.00
Coffee	2,34.21	60.96	42.56	28.15	1.13	72.66	6,55.00
Spices (black pepper and cardamom)	32.46	4.66	6.26	0.17	3.22	39.04	15,47.00
Cashew kernels	22.07	10.25	3.33	0.07	0.65	23.09	7,45.00
Vegetable oils (non-essential)	22.09	0.28	0.07	0.07	0.07	0.07	0.07
Vegetable oils (essential) sandal wood and lemon-grass	7.88	8.71	1.76	23.84	1.23	43.42	1,96.00
Lac	48.36	2.80	3.08	13.90	15.50	83.70	7,15.00
Crude materials of animal origin	27.13	22.13	42.98	13.24	37.66	1,36.41	3,88.00
Hides and skins	59.79	2.70	0.74	10.08	37.66	90.97	7,35.00
	6,94.22	2,44.03	1,81.63	2,40.58	1,58.52	15,11.98	238,76.00
India's total exports to all countries	14,69.84	6,72.38	4,63.67	7,05.95	5,49.64	38,61.48	578,96.00

TATA OIL TO PAY RECORD DIVIDEND GROSS PROFIT TOUCHES NEW HIGH, DESPITE HIGHER RAW MATERIAL PRICES

THE Tata Oil Mills Company, Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay), has had the most prosperous period in the whole forty-one years of its history, during the year ended 31st March 1959. Though turnover (in terms of value) is not at its peak, being Rs. 11.56 lakhs less than that touched in 1956-57, the gross profit has risen to a high of Rs. 54.69 lakhs, representing an increase of Rs. 19.44 lakhs or 55 per cent. over that earned in the previous year. It also exceeds the previous record of Rs. 47.32 lakhs touched in 1955-56. The main beneficiary of this prosperity is the Exchequer, the provision for taxation having been nearly doubled from Rs. 11.62 lakhs for 1957-58 to Rs. 21.75 lakhs for the year under review. This is equal to nearly 40 per cent. of the gross profit, as against 33 per cent. in the previous year and 31 per cent. in 1955-56.

The shareholders too are to be benefited by the improvement in the results of the Company. For the Directors have recommended the payment of a dividend of Rs. 3.25 per share of Rs. 25 each, or 13 per cent. on the ordinary capital, as compared with Rs. 2.50 per share or 10 per cent. paid for each of the previous two years, thus more than making good the cut made two years ago from 12 per cent. distributed for 1955-56. It may also be noted here that the dividend for the year under review is the highest so far in the history of the Company. The higher dividend, it is noteworthy, has been recommended only after ploughing back a larger sum of Rs. 5.50 lakhs to the reserves, as against Rs. 1.07 lakh added last year. The allocation to the reserves could not be raised further without paying a dividend lower than that now proposed, because the net profit (after providing for managing agency commission, depreciation and taxation), at Rs. 17.10 lakhs, is only Rs. 6.95 lakhs more than that for 1957-58 and a fraction better than that for 1955-56, on account of the substantially large provision for tax liability, as will be evident from the following comparative table:

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	6,51.08	6,14.70	6,62.64	5,63.10
Other income	12.78	8.82	13.13	10.63
Stocks-in-trade	1,09.27	79.43	1,02.17	86.93
Raw materials and stores consumed	5,96.62	5,40.73	4,57.28	3,86.33
Other expenses	2,90.97	2,42.77	2,03.98	1,90.07
Gross profit	54.69	35.25	34.50	47.32
Managing Agency commission	4.55	2.98	2.71	4.03
Provision for—				
Depreciation	11.30	10.80	10.80	11.75
Taxation	21.75	11.62	9.10	14.88
Net profit	17.10	10.15	12.39	16.68
Excess provisions written back	5.50	1.07	2.90	0.50
To reserves	1.60	1.20	1.50	1.80
Dividends—				
41 per cent. preference	0.92	0.92	0.90	0.99
Ordinary	9.11	7.01	7.01	8.41
Carry forward	(18%)	(10%)	(10%)	(12%)
	0.14	0.05	0.10	0.11

The improvement in the results for the year is attributed to: (1) judicious purchases of raw materials, (2) larger turnover of all products, excepting *vanaspathi*, (3) upward revision in prices of soaps and toilet products in August 1958, and (4) a reduction of Rs. 1.50 lakh in interest charges as a result of smaller borrowings during the greater part of the year. There was a general rise in the prices of raw materials used by the Company during the year. Thus, the average cost of coconut oil was 10 per cent. higher, despite better realisations from the sale of copra cake. A similar rise was recorded in mowra oil. The price of groundnut oil shot up by Rs. 200 per ton between the months of June and October 1958, but, thanks to the judicious purchase of groundnut and the remunerative prices realised on deoiled meal, the cost of groundnut oil was kept at a reasonable level. There was, however, a reduction in the price of palm oil, the average landed cost having been nearly 15 per cent. lower than in the previous year.

The other main features of the year's working are: (1) crushing of copra and seeds in the Company's two factories was more or less the same as in 1957-58; (2) the solvent extraction plant worked at nearly full capacity throughout the year and operated satisfactorily; (3) sales of laundry and toilet soaps recorded an increase of 9 per cent. over the year to set a fresh record; (4) the output and offtake of glycerine also rose

by the same extent; (5) the revision of selling policy in respect of *vanaspathi*, under which prices were fixed on a f.o.r. Bombay and Ernakulam basis, instead of a uniform rate throughout the country, showed satisfactory results, except in Bombay, and led to a stabilisation of prices; and (6) sales of toilet products expanded by 16 per cent. Exports of the Company's products did not show any improvement. In view, however, of the potentialities for the Company's soaps and toilets in the Middle East and African markets, efforts are being made to improve sales there.

Fresh capital expenditure to the tune of Rs. 25.14 lakhs was made during the year under review. This was more than double the sum (Rs. 12.49 lakhs) spent in the previous year, bringing the total cost of the block account to Rs. 239.11 lakhs at the end of the year. This, however, stands written down to Rs. 93.27 lakhs, the total depreciation provided being Rs. 145.84 lakhs. In addition, buildings, plant and machinery, etc., of the value of Rs. 5.74 lakhs are under erection. The other assets amount to Rs. 396.16 lakhs, of which stock-in-trade alone accounts for Rs. 214.94 lakhs. As against these assets, the current liabilities and provisions aggregate Rs. 353.71 lakhs, leaving a net asset of Rs. 141.46 lakhs. This is represented by a paid-up capital of Rs. 99.96 lakhs and reserves and surplus of Rs. 41.50 lakhs (including a share premium of Rs. 14.94 lakhs). It will be noted here that the ploughed back reserves amount to no more than Rs. 26.56 lakhs. Considering the age of the Company, its paid-up capital and the capital expenditure over these years, these reserves represent a poor performance.

The Rs. 25 fully paid-up shares of the Company are being currently quoted at Rs. 71 *cum-div.*, having risen from Rs. 52.50 at the beginning of May. Early in the year they stood at Rs. 42.75. A year ago they were at Rs. 42.25. On an *ex-div.* basis, and at the current rate of dividend, the yield on the shares is 4.8 per cent. per annum, free of income-tax.

KHANDELWAL FERRO ALLOYS

The Directors of Khandelwal Ferro Alloys Ltd. have, in consultation with the authorities of the Bombay Stock Exchange, allotted the recent new issue of shares on the following basis:

In respect of equity shares, 50 per cent. of the total number of shares available for allotment have been allotted to applicants of five and ten shares by drawing lots, so that each of them gets five shares. The remaining shares available admit of only 45 per cent. of the total number of shares applied for by the other applicants. In doing so, the broken units of over 2½ shares have been rounded off to the next higher multiple of five and those of 2½ shares and below have been dropped. As regards preference shares, all applicants for five and ten shares will get five shares each and those who had applied for more will get 75 per cent. allotment. As in the case of equity shares, broken units of over 2½ shares have been rounded off to five and those of 2½ shares and below have been dropped.

Intimations of allotment, letters of regret and refund cheques have been posted to shareholders. Share certificates are expected to be ready by the end of this month.

INDIAN RAYON CORPORATION

The allotment of shares of the Indian Rayon Corporation Ltd. has been decided upon by the Directors and the details of allotment are as follows:

Equity shares		Allotment	
No. of shares applied for:		No. of shares applied for:	
5 shares (50 per cent. of the applicants will get by drawing lots)		Full allotment	
10 to 20		60 per cent.	
25 to 50		50 per cent.	
60 to 80		50 per cent.	
100		50 per cent.	
150 to 175		50 per cent.	
200 to 250		50 per cent.	
400 to 500		50 per cent.	
600		50 per cent.	
800		50 per cent.	
2,000		50 per cent.	

Correcting a misapprehension, the Directors state that the receipts sent to applicants for money received do not represent allotments nor do they guarantee any allotment.

INDIA CEMENT DOES WELL PROFIT GOES UP THOUGH OUTPUT IS LOWER

NOTWITHSTANDING a loss of production of about 20,000 tons as a result of the closure of one unit for a period of three months due to heavy power cut, the results of working of India Cements Ltd. (Managing Agents: Messrs. Essen Private Ltd., Madras) during the year ended 31st March 1959 are encouraging. The gross profit, for instance, which had gone up from Rs. 28.91 lakhs to Rs. 39.34 lakhs in 1957-58, has staged a further rise to Rs. 44.85 lakhs, thus maintaining the upward trend since 1952-53, when the profit had stood at Rs. 14.17 lakhs. After providing Rs. 3.78 lakhs (as against Rs. 3.13 lakhs for the previous year) for managing agency commission, Rs. 11.58 lakhs (Rs. 11.90 lakhs) for depreciation and Rs. 11 lakhs (Rs. 8.82 lakhs) for taxation, the net profit amounts to Rs. 18.49 lakhs, representing an increase of Rs. 3 lakhs over that for 1957-58.

The distribution to the shareholders has been maintained at 9 per cent. per annum, but this is again on a higher capital brought about by a fresh issue of shares. The addition to the reserves, however, has been cut from Rs. 4.20 lakhs (made up of Rs. 4 lakhs to the loan redemption reserve and Rs. 20,000 to the reserve for development rebate) to a mere Rs. 21,000; this sum has been credited to the latter reserve. It is noteworthy that the higher profit has been utilised to donate a sum of Rs. 4.25 lakhs to a polytechnic institute set up at Talaiyuthu, under the auspices of the Company.

The encouraging progress made by the Company in recent years is fully reflected in the following comparative table:

	For the year ended 31st March			
	1958	1957	1956	1955
Sale proceeds	1,76.90	1,43.24	1,07.43	1,39.81
Agency commission from S.T.C.	3.78	0.00	0.00	0.00
Closing stocks of cement	0.02	0.58	2.35	0.75
Raw materials consumed	28.91	28.91	28.91	28.91
Other expenses	1,09.22	1,01.99	126.61	126.61
Gross profit	44.85	39.34	32.91	28.91
Managing Agency remuneration	3.78	3.13	3.13	3.13
Provision for—				
Depreciation	11.58	11.90	8.08	7.09
Taxation	11.00	8.82	8.82	8.82
Net profit	18.49	18.49	10.94	10.94
To reserves	0.21	4.20	10.58	13.00
Donations and other provi- sions	4.88	0.80	0.80	0.17
Dividends—				
Preference	2.24	2.24	1.40	1.40
Ordinary	11.67	9.85	6.88	6.88
Deferred	(0%)	(0%)	(0%)	(0%)
Carry forward	0.70	0.71	(0.41)	(0.41)

The Company unfortunately has not published statistics of its actual production of cement. It is, therefore, difficult to trace the progress on the production side. However, as stated above, the power shortage during the months April to June resulted in a final loss of production of 20,000 tons, despite the Company's efforts to make up the deficit during the remaining period. Despite the loss of production, sales show an increase of Rs. 33.56 lakhs. The cost of raw materials consumed has gone up by Rs. 21.87 lakhs and other expenses by Rs. 7.76 lakhs.

The Company was granted during the year under review an increase in the retention price from Rs. 54.50 to Rs. 60.50 per ton. The rise in price is effective from 1st July 1958 for a period of three years.

The Company's first expansion plan was completed by the end of 1956 to give an additional capacity of 100,000 tons. The full rated capacity of 200,000 tons was reached in 1957. The Company was also given licence for the installation of yet another additional plant of 200,000-ton capacity, so as to raise the total output to 400,000 tons per annum. The Directors were, however, successful in negotiating and procuring a plant of greater capacity of 750 tons per day than the one (of 600 tons per day) originally planned. The Government of India, too, has agreed to the installation of the larger plant. When this plant goes into full production, the annual output of the Company will be 500,000 tons. The erection of the third unit at Talaiyuthu is said to have been almost completed. The Directors expect the new unit to go into production by the end of July or early in August this year. In order to finance this expansion programme, the Company had applied to the Industrial Finance Corporation of India for a loan of Rs. 2 crores in 1957. This application is said to be still pending with the Corporation.

The Company had also programmed to set up an additional factory at Visakhapatnam but

progress regarding this has been slow, due to the delay in obtaining mining rights for lime-stone. The Directors, however, expect to get the rights shortly.

The paid-up capital of the Company is Rs. 176.01 lakhs and is supplemented by reserves and surplus amounting to Rs. 31.11 lakhs. The Company's borrowings from I.F.C.I. stand reduced from Rs. 45 lakhs to Rs. 40 lakhs, while those from banks and other sources have gone up from Rs. 17.51 lakhs to Rs. 54.85 lakhs. Outstanding dues to suppliers of machinery under deferred payment arrangement amount to Rs. 52.21 lakhs and other current liabilities and provisions to Rs. 64.80 lakhs. The gross block of the value of Rs. 223.08 lakhs stands written down to Rs. 138.28 lakhs. Besides, there is an unallocated capital expenditure on new units to the tune of Rs. 114.88 lakhs. The other current assets aggregate Rs. 165.83 lakhs.

The Rs. 5 fully paid-up shares of the Company are being currently quoted at Rs. 640 *cum-div.* On an *ex-div.* basis, they provide a yield of 7.6 per cent. per annum, free of income-tax.

JESSOP AND COMPANY RESUMES DIVIDEND

The sacrifice made by the ordinary shareholders of Jessop and Company Ltd., Calcutta, by forgoing the dividends for the years ended 31st October 1956 and 1957 has contributed to a good extent to the rehabilitation of the Company's finances—almost the entire net earnings for these two years were ploughed back—and has brought a small reward to them for the year ended October 1958. Though the year under review proved to be a difficult one for the Company, owing to shortage of steel and components, resulting in a setback in output and profit, and though it is still necessary to build up the Company's resources for its expansion scheme, the Directors have felt justified in recommending a dividend of 6 per cent., free of income-tax, on the ordinary shares for the year, as against 30 per cent. paid on the last occasion for the year 1954-55. It must, however, be noted that the proposed distribution is on a higher capital doubled in January 1956 by a rights issue. On the old capital, therefore, the distribution for 1957-58 is equal to 12 per cent.

The gross profit for the year has dropped from the record level of Rs. 87.64 lakhs touched in 1956-57 to Rs. 63.71 lakhs. The net profit, too, is lower, but by a smaller extent, at Rs. 29.72 lakhs, as against Rs. 38.83 lakhs for the previous year. The provision for taxation has been cut from Rs. 42 lakhs to Rs. 23.10 lakhs, while that for depreciation has been raised from Rs. 6.81 lakhs to Rs. 10.89 lakhs. Out of the net profit, the Directors have transferred Rs. 3.54 lakhs to the development rebate reserve and Rs. 24 lakhs to the general reserve. The balance available for distribution is not enough to pay the proposed dividend. The Directors, however, supplemented it by writing back Rs. 5.01 lakhs, being the excess provision for taxation not required.

The Company's progress during the last three years is well brought out by the following comparative table:

	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds	6,90.73	5,94.19	5,98.14	6,73.12
Other income	14.70	7.70	12.83	6.49
Closing stocks and work-in-progress	3,75.17	3,49.95	2,36.80	90.22
Expenses	5,01.70	5,13.81	4,98.87	6,29.52
Gross profit	63.71	87.64	69.09	51.39
Managing Directors' commission	6.12	6.12	6.12	6.12
Provision for—				
Depreciation	10.89	6.81	5.10	6.85
Taxation	29.72	38.83	24.34	24.57
Net profit	5.01	37.83	24.75	14.00
To reserves	27.64	0.76	0.76	0.50
Dividends—				
6 per cent. preference	1.00	1.00	0.75	0.50
Ordinary	(0%)	(0%)	(0%)	(0%)
Carry forward	0.58	0.82	0.82	0.14

As mentioned earlier, the year was a difficult one due to shortage of raw materials and components. The shortage was increasingly felt as the year progressed and became acute at the close of the year. The consequent decline in output is not, however, reflected in sales. While the agency sales fell from Rs. 60.52 lakhs to Rs. 54.63 lakhs, the Company's own works sales show a rise from Rs. 533.67 lakhs to Rs. 596.10 lakhs. This apparent anomaly is due to the fact that the Company's works sales in respect of 1956-57 do not represent the true value of goods despatched during the year. The figure of Rs. 533.67 lakhs for that year was arrived at after excluding Rs. 153 lakhs representing "on-account" payments and included in the preceding year's sales, so that the actual goods despatched or sales made, as the case may be, at Rs. 687 lakhs. The corresponding figure for 1957-58, at Rs. 506 lakhs, however, gives the correct picture of sales for the year, so that there is actually a fall in sales to the tune of Rs. 81 lakhs, thus reflecting the setback in production.

The Directors are confident that, once the supply position in respect of raw materials improves, the Company's production would rise rapidly, because the order book continues to be satisfactory. Further, the Company's manufacturing potential has been considerably strengthened by the commissioning of the new coach works towards the end of 1958. The major expansions planned for the manufacture of electric multiple unit coaches and road rollers were completed by 31st October 1958. The Company is, however, still

TRAVANCORE CEMENTS LIMITED WHITE CEMENT PRODUCTION COMMENCED MR. C. S. LOGANATHAN ON COMPANY'S PROGRESS

ADDRESSING the shareholders of the Travancore Cements Ltd. at their Twelfth Annual General Meeting held at Kottayam on 10th July 1959, Mr. C. S. Loganathan, Chairman, disclosed that the Company had commenced commercial production of white cement in May last and that the quality of the product was "better than any other white cement now available in India." The following is the full text of Mr. Loganathan's speech:

"GENTLEMEN,

"It is my proud privilege and pleasure today to extend to you a most hearty welcome to the twelfth annual general meeting of your Company.

"The balance-sheet as at 31st December 1958 and the profit and loss account for the period from 1st January 1958 to 31st December 1958, together with your Directors' report, have been already sent to you separately. With your permission, I shall take them as read.

"In my speech last year, I had mentioned that the Tariff Commission's report regarding the fixation of fair price to be paid to the cement producers was before the Government of India and that the Government's decision thereon was being awaited. The Government of India have subsequently announced increases in the retention price of cement for various units based on the recommendations of the Tariff Commission. However, these recommendations have been given effect to only from 1st July 1958 and not from 1st January 1958, the date recommended by the Tariff Commission. As mentioned in your Directors' report, the retention price for your Company has been fixed at Rs. 80.5 per ton loose which is Rs. 7.50 per ton more than the previous rate. This increased price will be in force for three years and it has given us a partial measure of relief.

"During the year 1958, your Company has been functioning economically and efficiently. The production for the year was 52,500 tons of cement, which is more than the rated capacity of the plant. We sold 53,861 tons of cement, out of which the Government share was 23,697 tons.

"With the improvement in the domestic production of cement, the supply position has eased greatly, with the result that it has been possible for the Government to relax the control over distribution to a certain extent in the interests of both the consumer and the producer. The year 1958 has been a year of consumer resistance due to various reasons, namely, non-availability of enough steel, the higher retail prices, etc. Although the domestic market conditions were difficult, your Company was able to dispose of the year's production without much accumulation of stock.

White Cement

"The erection of machinery of our white cement project was completed in March 1959 and after trial runs, commercial production was

faced with the necessity of making considerable modifications to its manufacturing facilities, in order to meet two important changes in the demands of the Railway Board. The necessary work is on hand. All these require more resources and the Directors' policy of conserving as much as possible will stand the Company in good stead. The progress of the Company's expansion programme is reflected in the growing capital expenditure. During 1957-58 alone, it spent Rs. 83.72 lakhs, as against Rs. 53.93 lakhs in 1956-57 and Rs. 22.21 lakhs in 1955-56.

The Company's investments in shares of joint-stock companies (at cost) stand as on 31st October 1958 at Rs. 76.15 lakhs, of which investments in Madras, the number of such companies was 165 and 28, respectively. Twenty-nine foreign companies had their branches in Assam, while the Union territory of Delhi had main branch offices of 28 foreign companies. A country-wise analysis of the origin of the companies shows that 442 foreign companies were of the Commonwealth origin, whereas 130 companies belonged to countries outside the Commonwealth. Continent-wise, 444 of these companies belonged to Europe and 72 to North and South America. Foreign companies of Asian origin numbered 46, whereas those belonging to Australia and Africa were 8 and 2, respectively. Taking country-wise distribution separately, 398 companies had their origin in the U.K. and 59 in the U.S.A. The number of Pakistani, French, West German and Japanese companies, was 13, 13, 12 and 10, respectively. All other countries had less than 10 companies in India.

started in May 1959. In my speech last year, I had expressed our hope to start white cement manufacture by the end of 1958. That white cement production commenced only from the beginning of this year is entirely due to the delay in the arrivals of the Danish erection engineer and later the chemical engineer, which again was due to exchange difficulties. On account of these, we were not able to keep up our programme.

"I am very much pleased to inform you that the quality of white cement, now being manufactured in your Company, is better than any other white cement now available in India. Arrangements are being finalised for the sale of the white cement throughout the country and I have no doubt that it will establish for itself a market of its own amongst discriminating consumers.

Agreement with Labour

"Shareholders will be interested to know that during the year, after long discussions and negotiations, an industrial truce has been signed between the Company and the Workers' Union, which will be in force till the end of May 1962. This agreement covers wages, annual increments, bonus, gratuity, etc. Rights and responsibilities of both the workers and the Company have been clearly defined and agreed to and it can be reasonably expected that we will have industrial peace in the years to come.

Wage Board for Cement Industry

"An important announcement made by the Government during the year was the setting up of a central Wage Board for the cement industry. The problems for their consideration, however, are very difficult, particularly as the economics of the industry differs from factory to factory and region to region. I trust the Board would tackle the problem before them with fairness and courage and lay down a wage structure giving due consideration to the finances of the industry to ensure that they are not stretched to breaking point.

Profit and Taxation

"The net profit for the year 1958 after providing for depreciation is Rs. 5,33,192 to which is added the balance brought forward from the previous year Rs. 3,24,681, making a total of Rs. 9,07,873. Another Rs. 3,00,000 from the profits has been transferred towards taxation reserves, making a total reserve of Rs. 9,00,000.

"After deducting the sum of Rs. 3,00,000 towards taxation reserves and Rs. 40,000 towards contingencies, the balance available is Rs. 5,67,873. Your Directors recommend a dividend of 6 per cent. per annum, free of income-tax, which will absorb Rs. 3,00,000, leaving a balance of Rs. 2,67,873 to be carried forward.

"I take this opportunity to express our thanks to the employees of the Company for the good co-operation rendered by them for the successful operation of the factory.

"I now move that the Directors' report and the audited accounts for the year ended 31st December 1958 be adopted."

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

FOREIGN COMPANIES IN INDIA

The total number of foreign companies having branches in India was 572 as on 31st March 1959. State-wise distribution of these companies show that more than half the number of them had their branches in the State of West Bengal, the actual number being 295. In the States of Bombay and Madras, the number of such companies was 165 and 28, respectively. Twenty-nine foreign companies had their branches in Assam, while the Union territory of Delhi had main branch offices of 28 foreign companies.

A country-wise analysis of the origin of the companies shows that 442 foreign companies were of the Commonwealth origin, whereas 130 companies belonged to countries outside the Commonwealth. Continent-wise, 444 of these companies belonged to Europe and 72 to North and South America. Foreign companies of Asian origin numbered 46, whereas those belonging to Australia and Africa were 8 and 2, respectively.

Taking country-wise distribution separately, 398 companies had their origin in the U.K. and 59 in the U.S.A. The number of Pakistani, French, West German and Japanese companies, was 13, 13, 12 and 10, respectively. All other countries had less than 10 companies in India.

PROGRESS OF LARGE CO-OPERATIVES MERITS OF NEW CO-OPERATIVE POLICY EXAMINED

By B. V. Rao

A FOREMOST exponent of the Raiffeisen system of co-operatives, Sir M. L. Darling, who undertook a brief study of the working of the Integrated Scheme of Rural Credit in 1957, at the instance of the Planning Commission, did not completely reconcile himself to the idea of large-sized co-operatives. He, however, felt that they deserved a fair trial. He also suggested that formation of large co-operatives and the revitalisation of small societies should go hand in hand; and that, after a reasonable period, an enquiry should be held into the working of the large co-operatives to ascertain whether the objectives were being realised.

The Planning Commission, however, did not seem to have been satisfied with his observations. The Programme Evaluation Organisation (P.E.O.) was asked in 1958 to study the working of the large co-operatives and report. So there was the P.E.O.'s report, which came out long after the contemplated policy changes were already effected. The P.E.O. has concluded that the large societies are no better than the small ones.

In the course of this enquiry, the P.E.O. seems to have thrown to the winds some of its usual methods of enquiry. It was on the lookout for miracles achieved by large co-operatives in a period of one or two years. No wonder it was disillusioned. It chose for the enquiry 33 societies out of as many as 4,470 large societies existing as at the end of June 1958. Of these, 9 have existed for full two years, and 14 for one year, while the rest for less than a year. Besides, as many as 15 of them were established for the first time in backward and sparsely populated areas.

Major Departures

It is common knowledge that large co-operatives and all that they stand for involve certain major departures from attitudes and practices that have been followed for decades. Forming one society where four or five were the order in the past, throwing open membership of the society to tenants and other landless people, issuing loans not against land but against anticipated crops, are some examples of such departure. Like every other major reform, this reform also has encountered opposition, especially from the trading class and the bosses of political and sectional cliques in the villages, whose supremacy is in danger.

There are other organisational and administrative difficulties. State assistance, for instance, reaches the society several months after it has been granted. The required managerial personnel have to be sent for training. Assistance for the construction of the godowns for the societies might be delayed or the formation of marketing societies might take more time than is assumed.

A godown for the society can be built faster than enlarging the membership. It is rightly said that one can make a peasant believe that the sun is ninety million miles away, but, when it is said that the paint is wet, he wants to make personal investigation! The peasant wants to assure himself before he pays in his share capital that the society is being run efficiently and soundly, and that he gains by joining it. The peasants are especially reluctant to associate themselves with an institution when Government policies pertaining to it are indefinite. The case of producers-cum-consumers societies established in Madras during the premiership of the late Mr. Prakasam may be cited here as an example. Several thousands of peasants lost their investments in these societies.

Similarly, a society which has known only too well the spending habits of its members does not readily dole out crop loans, just because it is desired by the policy-makers. Progress here is a slow process. Bombay, where the crop loan system has been in force for over a decade, has still to make great headway.

Progress Fairly Good

Notwithstanding these serious limitations, the progress made by the large societies is fairly good in several States. The data obtained from reliable sources indicate that in Madras, for example, the average paid-up share capital of a large society was, as at the end of June 1958, ten times as much as that of a small society. The

average large co-operative, however, covered 7 villages, as against slightly more than one village covered by the small society. Between the two years, June 1956 to June 1958, the average share capital per member of the large co-operative increased by more than twice as much as in the case of small ones.

Similarly, the 245 large-sized societies existing as at the end of June 1958 covered as much as 33.7 per cent. of the population of the area served by them, as against 27.2 per cent. of the population covered by as many as 8,000 small societies in their area. In the case of deposits also, a substantial improvement was shown by large societies. The total deposits increased between the two years cited above, from Rs. 2.6 lakhs to Rs. 18 lakhs. As at the end of June 1958, the deposits per small society amounted to Rs. 343, as against Rs. 7,367 in the case of a large society. Loan advanced per member, again, amounted to Rs. 66 in the case of small societies, as compared with Rs. 150 in the case of large ones. Between the two years, while the advance per member rose from Rs. 47 to Rs. 66 in the case of the small, the corresponding figure in the case of the large societies rose from Rs. 76 to Rs. 155.

In Andhra Pradesh also, similar progress was witnessed, although the large societies have been in existence for less than 2 years. As a result of converting 831 small societies into 351 large societies by 30th June 1958, the membership has increased from 134,000 to 229,000. Deposits have shot up from Rs. 20 lakhs to Rs. 66 lakhs, and loans advanced from Rs. 114 lakhs to Rs. 475 lakhs. In other words, loan per member has increased from Rs. 85 to Rs. 208. As against this, the average loan that a member of the rest of the societies was getting was only Rs. 77. At the same time, the proportion of overdues to outstandings declined from 14 per cent. to 8 per cent.

Between 1956-57 and 1957-58, in Mysore State, again, the formation of as many as 435 large societies has helped to raise the membership from 73,000 to 138,000, while paid-up share capital more than doubled from Rs. 24 lakhs to Rs. 51 lakhs. Loan per member was reported to be as high as Rs. 126, as against Rs. 70 in the rest of the societies. Besides, the total deposits also are said to have witnessed a substantial increase from Rs. 11 lakhs to Rs. 24 lakhs. On the other hand, the position of as many as 4,000 small societies has remained more or less the same during this period.

In other States, such as West Bengal, Rajasthan, Bombay, Orissa and Punjab, too, more or less similar progress has been witnessed. To State briefly, the average loan per member is said to have risen to Rs. 227 in a large society, as against Rs. 132 in the case of a small society, in Madhya Pradesh. The corresponding figures for certain other States are given below:

Orissa—Rs. 94 and Rs. 52; Punjab—Rs. 163 and Rs. 88; West Bengal—Rs. 80 and Rs. 38; and Rajasthan—Rs. 110 and Rs. 65.

A High-sounding Programme

Despite the good progress thus shown by the large co-operatives, the programme relating to them has been abandoned, not in favour of a more practicable or realistic one, but in favour of one which is more high-sounding but less practicable, and which, in essence, seems to be more "unco-operative," than the other. According to the policy circulars that are reported to have been issued to the States recently—the policy is based largely on the Working Group's Report on Co-operative Policy—a target of 20 million members has been set for 1960-61. The number of members as at the end of 1957-58 was, however, 10 million. Those who are familiar with what Sir M. L. Darling had said, namely, that the second Plan envisaged too fast a rate of expansion of co-operatives, might find this target a source of amusement. But there are other aspects of the policy that are more interesting.

There will be, generally, a society for every village. If, however, the villages are too small, a society can be formed for a group of villages upto a population of 1,000. This, of course, can be done with the consent of the people concerned. In Soviet Russia, we are told, electors

have a large choice—they have to choose either this or that communist!

How have the policy-makers arrived at this figure, it may be asked. The record of the small co-operatives during the last half century does not support this formula. Nor the considerations of economic viability. But the planners seem to have two considerations in mind. First, the need for what is called "mutual knowledge" among members. Raiffeisen insisted on this a century ago, because he wanted to raise a large part the funds necessary for production in the village itself through "mutual knowledge" and "mutual trust," and to raise the rest through collective responsibility. Our planners have failed to explain to what extent mutual knowledge is necessary among the members of a society which gets 90 per cent. of its funds from outside agencies. They also seem to believe that conditions in India which bring about contact among the rural people are no better now than they were a century ago in Europe. The second reason is that the co-operative is expected to assist the now famous village level worker and the village *panchayat* to draw up production plans for the village. (The merits of this will be considered elsewhere.)

Credit Union

However, a different pattern is proposed for the economically and co-operatively backward areas. Here, there will be a Credit Union for a group of villages. But each of these villages will have a society to look after other functions. The idea, apparently, is that the function of credit may suffer in the process of revitalising chronically weak and dormant societies in these areas.

This formula ignores several important considerations. First, supply of fertilisers, manures seed and other necessities for agriculture is as much important as the provision of credit. In fact, in the absence of these, provision of credit alone will not help. When this is conceded what is the logic in keeping this function with village societies which have no prospect of working efficiently? Second, the members in these backward areas will have to subscribe to the share capital of two societies, the Credit Union and the village society. How far this prospect will encourage the farmers, who do not have enough resources to subscribe to the shares of even one society, is an extremely doubtful proposition. Third, the inconvenience arising from having to get their needs satisfied from two different societies through cumbersome procedures will also be a disincentive to the peasants to join as members. Fourth, the problem of finding the required type of persons to manage all these societies is also not easy or solution.

The financial burden under the proposed programme is no less discouraging. Management expenses of both the village societies and Credit Unions during the first five years, at the rate of Rs. 900 per society, are proposed to be subsidised. The new small co-operatives, together with those proposed to be revitalised during the second Plan period, aggregate to 100,000 according to the Working Group. At the rate specified above, the financial outlay will amount to Rs. 1 crores for village societies alone. This is by no means a good investment, especially when it is realised that, even after five years, there is no certainty of the societies paying their way.

If, however, the same sum were to be used to give a boost to the societies in the initial stage by way of contribution to their share capital at the rate of Rs. 10,000 per society covering say, 5 to 6 villages on an average, it would help to provide efficient service functions to as many as 9,000 societies. It should be remembered moreover, that this contribution is returnable.

No State-partnership in the capital structure of the primary societies is contemplated under the new policy. It has been explained that such participation would be contrary to the principle of "self-help." Since, however, the borrowing capacity of the society depends on its financial strength, such capacity is sought to be increased in a curious way. In the first instance, the borrowing capacity of its members is proposed to be increased by effectively linking up every family participative, and also with that marketing of agricultural produce. It is stated that this method will lead to several notable results, such as prompt repayment of loans and membership of the society. Thus, the borrowing strength of the society according to the present standards is expected to increase.

The difficulties that are likely to arise in the course of the actual working of the plan and the unhappy results that it would lead to

not, however, seem to have been fully appreciated. First, to be able even to attempt this task without jeopardising normal agricultural production, the agencies on whom the responsibility for its working depends, namely, the village level worker, the co-operative and the *panchayat*, require a far higher level of organisational efficiency and competence and sense of responsibility than is normally witnessed now. Secondly, if the amount of credit made available to the cultivator is to be based entirely on his requirements, instead of on the amount of marketable surplus that is likely to be available with him, it is difficult to understand how the amount will be recovered merely by linking credit with marketing. Thirdly, assuming that there are only about 200 self-supporting agriculturists in a population of 1,000, of whom, again, no less than two-thirds are small cultivators, it passes one's comprehension how the resources of the society will be fast increased just by marketing the uncertain surpluses of the small cultivators.

In a nutshell, the scheme involves circumventing of the "owned funds" as the basis of the borrowing power of the society in the initial years. This is, perhaps, so far unknown in the history of co-operatives. Where State-partnership in co-operatives in the initial years—which is certainly more co-operative in spirit and content than this novel scheme—seeks to strengthen the borrowing capacity of the society by strengthening the owned funds of the society, the new scheme first seeks to lend more to the cultivators, and then increase the "owned funds." Where is the element of "self-help" in this arrangement? It is like putting the cart before the horse.

It is for these reasons that the Pilot Scheme recently proposed by the Union Government for providing a supplementary line of credit has been received with considerable dismay by competent observers of Co-operation. Under this scheme, it is proposed that 20 villages in each of the 200 Community Development Blocks will receive supplementary credit from the Government, in order to meet the requirements of the intensive production programmes drawn up in them. This line of credit, it is stated, is intended to fill the gap between the requirements and the normal credit limits granted to the societies concerned. The total outlay is estimated to be Rs. 8 crores.

It is feared that this system of providing credit will not only affect the normal process of building up owned funds of the societies, but will also promote increasing dependence on the supplementary line of credit. Such a development will, obviously, disturb the normal functioning of the central and apex banks also. The fact that these banks will have to bear the losses arising from non-recovery of loans under this scheme will further affect their business.

That the programme for large co-operatives which is gaining strength should have been given up in favour of a programme which is still in the elementary stage of formation and experiment, and the potentialities of which are still unknown, is amazing. Until at least the results of the new Pilot Scheme are known, the damage that is being done to the cause of food production now can be repaired in two ways. First the village society should be allowed to consist of at least 2,000 to 2,500 population and to receive capital contribution from the Government. Second, the Credit Union, as it is called, should also undertake other functions such as supply of seeds and fertilisers, etc., until the necessary conditions are created for creating smaller societies. It is to be hoped that the planners will see the logic in following a policy that shows promise of fruitful results.

The establishment of co-operative tenant farming societies has been recommended by the high power official committee appointed by the Rajasthan Government to examine the question of introducing co-operative farming on Government lands, and also on lands left over as a result of the imposition of ceilings. The proposed societies, it is suggested, will divide the lands into small units which will be leased out to individual tenant cultivators who are members of the societies. The whole area will be cultivated in accordance with the broad plans laid out by the societies, although the manner of execution will be left to the discretion of the tenants. Each tenant will pay a fixed rent for his holding. He will retain absolute ownership of the produce from his holding, but ownership of the holding will be vested not in the individual but in the society, the rights of the individual being restricted to the discretion to implement the production plan drawn up by the society concerned.

The Working Group on co-operative farming (Chairman: S. Nijalingappa) has issued a questionnaire to State Governments in order to collect detailed information on both the agricultural and co-operative aspects of the existing co-operative farming enterprises.

NEW GREAT INSURANCE CO. OF INDIA LTD.

SPEECH OF MR. AMBALAL
KILACHAND

MR. Ambalal Kilachand presided over the Sixteenth Annual General Meeting of the shareholders of the New Great Insurance Company of India Ltd. on 11th July 1959 in the unavoidable absence of the Chairman, Mr. Tulsidas Kilachand, and referred to some of the problems facing the insurance industry.

Code of Conduct

One of the most formidable problems confronting the industry was the implementation of the provisions of the Code of Conduct relating to the eradication of the so-called malpractices. Although the rules had been amended several times, with a view to making the Code perfect and to plugging the loopholes, the problem continued to defy solution. This, Mr. Ambalal Kilachand said, was not a little due to the checks and controls included in the Code which, apart from failing to take into account human nature, enjoined on all insurers—big, medium and small—to transact business under one uniform pattern of working as to rates, premium, commission, and policy conditions. He hoped that the Sub-committee appointed by the Executive Committee would take into consideration the conditions in the industry in the light of past experience and reframe the rules giving scope to all units, so that they would be able to function on healthy lines.

Premium Reduction Move

Dealing next with the proposal to reduce the fire premium rates, Mr. Ambalal referred to the dangers inherent in such precipitate move at this critical juncture, which would have the effect of crippling the entire industry. If fire rates were reduced, marine rates might have necessarily to be increased, at least to some extent, to make the insurance worthwhile on its own merits. This might result in marine business being deflected by powerful foreign competitors, thereby retarding the progress of our trade with overseas countries. He hoped that the authorities would view the entire proposal in its proper perspective and see wisdom in dropping consideration of this move altogether.

Limitation of Management Expenses and Scramble for Business

Mr. Ambalal then referred to the present provisions of Rule 17E of the Insurance Rules in regard to the limitation of management expenses of general insurance business, which were based on the gross direct premium in India, and pointed out how this resulted in a scramble for direct business amongst companies, mainly for the purpose of survival. On the one hand, there was shrinkage of funds available for investment following the nationalisation of life insurance which affected all general insurers, and on the other, small and medium-sized companies found it almost impossible to invest in new enterprises and consequently they were deprived of a share in this business. He was of the opinion that everything should be done by the authorities, including reconsideration of Rule 17E, to enable companies to work on sound underwriting principles and not go in for business at all costs, as was the case at present, and to spread out their funds in varied investments, consisting of marketable securities, so that in the event of any unforeseen occurrences, adequate funds would be immediately available for meeting losses. This would also facilitate them to play their part at a time when there was vast and rapid industrial development in the country.

Company's Accounts

Dealing last with the departmental accounts, Mr. Ambalal Kilachand stated that the gross direct premium for the year 1958 was Rs. 37,57,651 in fire, Rs. 22,22,434 in miscellaneous insurance, and Rs. 30,07,154 in marine, whilst the net premiums were Rs. 31,57,206, Rs. 22,23,445, and Rs. 19,53,082, respectively. After providing for losses and expenses and reserves at 50 per cent. in respect of fire, and miscellaneous insurance and 100 per cent. for marine, the net amount transferred to the profit and loss account in all was Rs. 1,70,678, whilst the total standing to the credit of the profit and loss appropriation account amounted to Rs. 2,80,910. The Directors proposed to transfer Rs. 40,000 to staff gratuity account and to pay the tenth dividend on ordinary shares at Rs. 2 per share, free of income-tax, amounting to Rs. 2,00,000, which was the same as last year.

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

Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Company will be closed from Monday, the 3rd August 1959, to Saturday, the 29th August 1959, both days inclusive.

Notice is also hereby given that the dividends for the year ended 31st March 1959, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company on Saturday, the 29th August 1959.

Notice is also hereby given that in the event of the Special Resolutions I and II mentioned in the Notice of the Extraordinary General Meeting of the Company, dated the 29th May 1959, being passed at the adjourned Extraordinary General Meeting of the Company to be held on Wednesday, the 2nd September 1959, and the Controller of Capital Issues giving his consent to the issue of new Ordinary and "A" Second Preference shares mentioned in Resolution II, the holders of Ordinary shares and the holders of Preference and Second Preference shares on the Register of Members of the Company on Saturday, the 29th August 1959 (being the date fixed by the Board for the purpose) will be entitled to the new Ordinary and "A" Second Preference shares in terms of the said resolutions.

Dated at Bombay this sixth day of July 1959.

By Order of the Board,
For and on behalf of
THE TATA IRON AND STEEL COMPANY LTD.,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
by their constituted attorney,
V. G. MOKASHI.

COMPANY NOTICE

INDIAN COPPER CORPORATION LIMITED

(Incorporated in England)

DIVIDEND NO. 33

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-fifth Annual General Meeting to be held in Committee Room No. 1 of the Bengal Chamber of Commerce and Industry, Royal Exchange, Calcutta, on Wednesday the 23rd September, 1959, at 11-30 a.m., the Directors will recommend payment of a Dividend (No. 33) for the year ended 31st December, 1958 of 18 per cent. (4.32 pence, i.e., 24 Naye Paise per unit of stock) free of Income Tax payable by the Company in respect of the Issued Capital of £1,371,300. Subject to confirmation of members, the dividend will be paid on the 30th September, 1959 to all members registered in the books of the Company at the close of business on the 3rd August, 1959.

The Registers of Members will be closed from the 4th August to the 29th August, 1959, both days inclusive.

The nett profit for the year ended 31st December, 1958, was £197,785 (against £252,215 for previous year), after providing £150,000 for Depreciation (£175,000 last year), £467,282 for Taxation (against £522,534), £125,000 for General Reserve (against £175,000), and £50,625 for Development Rebate Reserve (against Nil). With £120,361 brought in from 1957, there is an available balance of £318,146 (against £267,195). After providing £246,834 for proposed Dividend of 18 per cent. free of Income Tax payable by the Company (Dividend No. 32 of 18 per cent. free of Income Tax last year—£246,834) the balance carried forward is £71,312 (against £120,361 brought in from previous year).

By Order of the Board,
S. C. GLADSTONE,
Acting Secretary.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA-1, 8th July, 1959.

SYNOPSIS OF COMPANY REPORTS

Jagatjit Cotton Textile Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Karam Chand Thapar and Bros. Private Ltd. Calcutta) present the audited accounts of the Company for the year ended 31st January 1959.

Working: Production of yarn during the year under review has been higher compared to the previous year on account of larger number of spindles having worked per shift. Quality of cloth and yarn was as usual well received in the market, and the Company successfully introduced the hosiery yarn even in the distant market of Calcutta.

Trading conditions, however, remained unfavourable almost throughout the year. Poor oil-take of cloth led to the heavy accumulation of stocks with the Mills and dealers. The Government appointed a Textile Enquiry Committee to go into the problems facing the Industry and on the recommendation of the Committee, the excise duty was revised downward by way of relief from July, 1958. Notwithstanding this, there was not much relief from the burden of heavy stocks which Textile Mills were carrying. The yarn market also continued to be weak. The expectations now are that with the prospect of good crop in the coming season and consequent improvement in the food situation, there may be increased demand for cloth. The demand of yarn in recent months has improved a little due to increased demand from hand and power looms.

Rajpura: Extension of time under the Industries (D. & R.) Act for completion of this project has been obtained for another year. Steps to implement this project will be taken as soon as preliminaries are satisfactorily settled and import licences for the required foreign machinery for this project have been obtained.

The accounts for the year under review after providing for interest on debentures and other interest, managing agents' and directors' remuneration, Rs. 8,70,064 (Rs. 15,73,970) for depreciation, Rs. 2,80,422 (Rs. 6,89,548) as development rebate reserve, show a net profit of Rs. 18,81,864 as against Rs. 21,86,041 in the previous year. After setting aside Rs. 10,00,000 (Rs. 12,50,000) for taxation and Rs. 50,000 (Rs. 75,000) for wealth tax, there remains Rs. 9,18,531 (Rs. 8,67,353) including the amount brought forward from last year which the directors propose to distribute as follows:

To dividend on preference shares at 5 per cent. per annum (free of income-tax) for the year ended 31st January 1959 Rs. 77,313 (Rs. 96,550), to dividend on equity shares at 10 (10) per cent. per annum (free of income-tax) for the year Rs. 3,86,814 (Rs. 4,33,760), to amount of dividend short provided last year Rs. 969 (Rs. 376), to transfer to general reserve Rs. 2,50,000 (nil) and to carry forward Rs. 2,03,435 (Rs. 3,36,667).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	56,71,090	Gross block	1,96,05,537
Share suspense account	10,268	Less—Depreciation	1,17,88,863
Debitures	30,00,000	Net block	78,16,674
Reserves	23,93,622	Other assets	6,395
Provision for taxation	19,88,816	Work-in-progress	30,73,186
Liabilities	1,14,88,021	Advances and deposits	5,17,662
Profit	2,03,435	Stock-in-trade	31,88,524
		Stores etc.	4,95,683
		Debits and advances	61,63,214
		Investments	13,69,757
		Cash	18,19,954
			3,04,203
	Rs. 2,47,55,252		Rs. 2,47,55,252

Sangameswar Coffee Estates Ltd.

The directors of the above Company (Secretaries and Treasurers: Messrs. Patco Agencies, Madras) submit the audited accounts of the Company for the period ended 31st March 1959.

Acreage: There has been no material change since the directors' last report except that the areas under Cardamom in Karadykhan and Kondakhan have been pulled out and it is proposed to bring them under coffee cultivation in due course. The total area under coffee is 1,162½ acres and cardamom covers 10 acres.

After providing for depreciation and all charges except taxation, the accounts show a profit of Rs. 2,54,816 (Rs. 4,87,747) to which is added the balance brought forward from last year of Rs. 13,432 (nil) making a total of Rs. 2,68,248 (Rs. 4,87,747). From this amount the directors recommend a dividend of 7 per cent. without deduction of tax on 3,50,000 preference shares up to 31st March, 1959 absorbing Rs. 24,500 (Rs. 25,557), transfer to taxation reserve Rs. 85,000 (Rs. 1,80,000), transfer to development reserve Rs. 35,000 (Rs. 75,000) and recommend payment of a dividend of 9 (9) per cent. on equity shares absorbing Rs. 1,08,000 (Rs. 1,08,000) leaving a balance to be carried forward to next year's accounts of Rs. 15,748 (Rs. 13,432) after writing off Rs. 60,656 for preliminary expenses and transferring Rs. 25,000 to general reserve.

Taxation: On the provisional assessment to Mysore Agricultural Income-tax a sum of Rs. 1,68,034 has been paid out of the total provi-

sion of Rs. 1,80,000 in the accounts for the period ended 31st March 1958. It is considered that the balance in the provision for taxation made last year will adequately cover the liabilities for Central Taxes including wealth tax. For the year under report, a provision of Rs. 85,000 has been made to cover taxation under all heads.

Debentures: Debentures of the face value of Rs. 1 lakh were redeemed through a market purchase during the year under review. Since the close of the last financial year, a further purchase of debentures of the face value of Rs. 50,000 has been made reducing the outstanding liability under this head to Rs. 5½ lakhs.

The crop harvested during the year amounted to 5,343 (8,507) cwt. at a cost of Rs. 110,24 (Rs. 80,69) per cwt. and this has been delivered to the Coffee Board and valued in the accounts at Rs. 2,25 (Rs. 212) per point. Outturn statements and valuation reports in respect of this crop have been received only partially and what has been shown in the accounts as still due represents the balance on the estimated valuation of Rs. 2,25 per point mentioned above.

The cost of production during the year shows a considerable increase on that of the previous year. Apart from the substantially lower crop contributing to the increase in costs, the effect of higher wages to labour in a full year and the adoption of higher scales of pay and allowances to the staff account for this significant rise. Nevertheless, the Estate expenditure at about Rs. 500 per acre is considered reasonable under present conditions.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,50,000	Gross block	18,24,855
Debitures	6,00,000	Less—Depreciation	68,427
Reserves	1,35,000		
Provision for taxation	96,966	Net block	17,56,428
Liabilities	2,81,477	Stock-in-trade	744
Profit	15,748	Stores, spare parts and loose tools	81,300
		Other assets	5,59,129
		Loans and advances	3,942
		Cash	2,77,648
	Rs. 26,79,191		Rs. 26,79,191

Harinagar Sugar Mills Ltd.

The directors of the above Company (Chairman: Narayanaswami Bannalal, Esq., Bombay) beg to submit the audited accounts of the Company for the year ended 30th September 1958.

The accounts show a net profit of Rs. 4,83,994 (Rs. 1,77,192) which includes the profits earned by the farms. This together with the amount brought forward of Rs. 21,427 (Rs. 19,236), makes a total of Rs. 5,05,421 (Rs. 1,96,428) which the directors have appropriated as under:

To development reserve Rs. 5,507 (nil), to investment reserve Rs. 1,00,000 (nil), to provision for taxation Rs. 3,00,000 (Rs. 1,00,000), to payment of dividend at 7½ (7½) per cent. free of income-tax Rs. 75,000 (Rs. 75,000) and to reserve for bad and doubtful debts Rs. 20,000 (nil). This leaves a balance of Rs. 4,914 (Rs. 21,427) which is proposed to be carried forward to next year.

During the 1957-58 season, the factory crushed 11,83,400 (45,87,700) maunds of sugarcane and produced 1,43,957 (1,42,740) bags of sugar. The sugar recovery obtained was 9.51 (9) per cent. This season also the workers of the factory frequently resorted to illegal slow-down strikes, resulting in poor working of the factory and recovery obtained. Looking to the frequent go-slow tactics of the workers, a lockout had to be declared. After protracted negotiations and finally an undertaking given by the workers, the mill was re-started.

The Company's Cane Farm earned an income of Rs. 1,03,823 (Rs. 2,00,537) during the year. The adverse climatic conditions this year also affected the cane supplies from the Farms. The title deeds of farm lands have been transferred in the name of the Company.

The Shrangila Food Products Ltd.—a subsidiary of this Company suffered loss during the year ended 31st March 1958. Looking to the financial position of the Company, the Directors have decided to forgo the interest due to the Company on the loans advanced to the said subsidiary, for the period 1st October 1957 to 30th September 1958.

SHOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

LIABILITIES	Rs.	ASSETS	Rs.
Capital	10,00,000	Gross block	81,49,379
Reserves	19,69,168	Less—Depreciation	35,79,448
Provision for taxation	15,09,337	Net block	45,69,931
Provision for agricultural income-tax	2,05,000	Stock of sugar	41,10,962
Liabilities	1,11,00,464	Stores and spare parts	7,37,173
Profit	4,914	Crop-in-progress	8,21,250
		Debits, deposits and advances	39,30,622
		Investments	15,60,556
		Cash	58,389
	Rs. 1,57,88,883		Rs. 1,57,88,883

Pankaja Mills Ltd.

The directors of the above Company (Chairman: Mr. A. T. Krishnaswami Mudaliar, Coimbatore) present herewith the audited accounts of the Company for the year ended 31st December 1958.

The net loss sustained by the Company for the year 1958 amounts to Rs. 8,11,738 and adding this to the loss brought forward from the previous years amounting to Rs. 13,17,124 there is a total loss of Rs. 21,28,862 which is carried forward. The managing agents have waived the minimum remuneration of Rs. 36,000 due to them for the year 1958 in view of the loss incurred by the Company.

As envisaged in their last year's report, the directors regret that the working of the mills during the year under review was very unsatisfactory resulting in a heavy loss. The prices of raw materials remained high and more or less steady while the prices of yarn produced by the medium and low spinning tendency. There was also a power cut for a period of nearly four months during the year which resulted in considerable dislocation of production.

The directors regret that the question of recommendation of a dividend does not arise in view of the absence of reserves and the heavy loss carried forward by the Company.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,00,000	Gross block	37,30,104
Liabilities	38,25,088	Less—Depreciation	19,70,041
		Net block	17,60,063
		Stock-in-trade	6,20,791
		Stores and spare parts	1,51,411
		Debits, deposits and advances	6,31,641
		Investments	3,751
		Cash	28,581
		Loss	21,28,862
	Rs. 53,25,088		Rs. 53,25,088

Jaybirpara (Doors) Tea Co. Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a loss, after charging all expenses, of Rs. 34,854 (Rs. 74,517) to which has been added the debit balance brought forward from last year of Rs. 62,442 (credit of Rs. 12,075) making a total debit of Rs. 97,296 (Rs. 62,442). The amounting to Rs. 21,377 (nil) and have transferred excess tax provisions made in previous years, a balance to be carried forward of Rs. 60,915 (Rs. 62,442). The directors regret that they are unable to recommend payment of a dividend. The amount to Rs. 28,028 (Rs. 28,286).

The size of the 1958 crop was a disappointment. It is clear that the effects of the serious yet been eradicated, and remedial measures are being continued. A crop of 6,362 maunds was secured and sold at an average price of Rs. 1.85 in season 1957, sold at an average price of Rs. 1.87 per lb.

Estimates for the current season have been framed for a crop of 7,000 maunds to be cost durably and crop to the 14th June, 1959, amounted to 1,449 maunds, compared with 1,279 maunds to the same date a year ago.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	7,00,000	Gross block	11,20,425
Reserves	4,51,384	Less—Depreciation	5,11,413
Provision for taxation	2,784	Net block	6,09,012
Liabilities	3,09,530	Stock of tea	4,24,878
		Stores, tools, etc.	1,92,318
		Debits, deposits and advances	64,244
		Investments	2,100
		Cash	1,71,096
	Rs. 14,63,648		Rs. 14,63,648

*Reserves are shown after deducting Rs. 60,915 being the debit balance in the profit and loss account.

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

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 15th July

The stringent conditions which had prevailed in the short-term money market since the beginning of the current month, have eased substantially in the last few days. With the slack season well under way, the return of funds to banks has once again gathered momentum. Most of the banks have turned lenders in the inter-bank call money market. This has resulted in a drop in interest rates. The rate among the Exchange banks and Indian banks now stands at 2½ per cent., as against 3½ per cent. a week ago, and that among the smaller banks has declined from 3½-4½ per cent. to 3-3½ per cent. House money at seven days' notice is being quoted at 3½-4½ per cent. and short-term deposits for one to six months at 3½-4½ per cent.

The change in the complexion of the market also reflected in the drop in Treasury Bill rate to 2.70 per cent. to 2.74 per cent. at 3 months. The amount offered is higher at Rs. 2.60 per cent. as compared with Rs. 2.05 per cent. last week. The market for next week is still unchanged at Rs. 2.05 per cent. There were sales of Intermediate Treasury Bills for Rs. 7 lakhs between 8th and 11th July at 99.326 per cent. and they are being offered at 99.331 per cent.

The Reserve Bank of India statement for the week ended 10th July 1959 discloses no worthwhile variations in the Issue Department except a drop of 5.5 crores in foreign securities and a corresponding rise in rupee securities. Notes in circulation are higher by no more than Rs. 31 lakhs. In the banking department, balances held abroad have one up by Rs. 1,27 crore; this makes good to some extent the decline in foreign securities, so that there is a net drop of only Rs. 3.73 crores in total foreign assets. Deposits of Central Government have fallen by Rs. 7.35 crores, while those of banks have risen by Rs. 1.16 crores. Loans and advances to Governments have gone up by Rs. 2.72 crores; so also other loans and advances by Rs. 3.91 crores. Investments show a decline of Rs. 5.21 crores.

A rise of Rs. 4.09 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 3rd July 1959. Time deposits have, however, declined by Rs. 5.36 crores, as also inter-bank borrowings by Rs. 5.17 crores. Borrowings from the Reserve Bank have moved up by Rs. 7.42 crores and those from the State Bank by Rs. 1.75 crores. Advances show a sharp rise of Rs. 19.88 crores, consequent on the demand for bank credit to take up the new Central loans. Bills purchased at discount are higher by Rs. 56 lakhs. There is a rise of Rs. 6.27 crores in the investment portfolio, but this does not fully reflect the banks' investments in the new loans. Cash balances have risen by Rs. 31.15 crores and money at call and short notice by Rs. 5.89 crores.

The gilt-edged market continues to rule firm, there has been a further uptick in prices, due to persistent demand for short and medium-dated issues. The Reserve Bank's open market operations have been unchanged; the Bank continues to be a seller of the recent two Central Government issues at the same rate as a week ago, that is, at 5½ per cent. The 3 per cent. 1960 Conversion Loan has edged a sharp rise of 35 p.p. to Rs. 74.15. 3 per cent. 1970-75 has advanced by 20 p.p. to Rs. 91.90 and 3 per cent. 1966-68 by 30 p.p. to Rs. 94.85. 3 per cent. 1963-65 has advanced by 10 p.p. to Rs. 97.20 and 3 per cent. 1959-61 by 5 p.p. to Rs. 100. 2½ per cent. 1962 shows an improvement of 10 p.p. to Rs. 97.50 and 2½ per cent. 1961 a similar rise to Rs. 98.10. 3½ per cent. 1961 has provided an exception with a drop of 10 p.p. to Rs. 100.20, as also 3½ per cent. 1965 which has shed 5 p.p. to Rs. 100.05. 1 per cent. 1964 is marked up by 5 p.p. to Rs. 100.20. 1 per cent. 1967 and 1968 by 10 p.p. each to Rs. 99.50 and Rs. 99.30, respectively. 8½ per cent. 1974 has advanced by 10 p.p. to Rs. 99.40.

State loans rule steady with some enquiries for 4 and 4½ per cent. loans. The volume of business done, however, is not large, as buyers are keenly awaiting the terms of new State issues scheduled for next month.

In the foreign exchange section, the rupee is a shade weaker in terms of the U.S. dollar. This is in consonance with a similar trend in sterling broad. Banks' selling rate for U.S. dollars (T.T.) as gone up from Rs. 475.75 to Rs. 476 per \$100 and air buying rate from Rs. 472.50 to Rs. 472.75 per \$100. In New York, spot sterling has declined from 281.23-281.26 cents to 281.16-281.19 cents. Three months' forward has, however, moved up from 281.06-281.08 to 281.13-281.16 cents.

TANNED HIDES IMPROVE

(From Our Own Correspondent)

MADRAS, 13th July

There was no appreciable change in the tone of the hides and skins market during the week. Arrivals were of usual volume and shippers were bearing the stocks at firm prices. As U.K. enquiries were good, prices ruled firm in the tanned hides and raw markets were kept up in sympathy. Exporters paid higher prices on a few selected skins, but were resisting the asking prices at origin.

Tanned goat skins increased by 3d. and tanned sheep skins by 2d.

In the June tanned skins public auctions, tanned goat skins selected lots of good marks appreciated by 2s. to 2s. 6d. per lb. and sheep prime nanges 2s. to 3s. per lb. and other descriptions 1s. to 1s. 6d. on May levels. As the consignors had secured high limits on several parcels, 75 per cent. goat and 50 per cent. of sheep skins only were sold.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 15th July

The firm trend noted in the bullion market towards the closing sessions last week gathered momentum during the major part of the week under review. The market, however, developed a sagging tendency today, although a recovery ensued again at the close. The earlier firmness was engendered by persistent bull support and bearing in silver on reports that arrivals of Tibetan coins had practically stopped on account of heavy rains on tracks leading from Tibet to India. There was also good buying by uncountried interests. Further, some Calcutta operators who had sold previously turned out as buyers. Consequently, silver registered a distinct improvement. In sympathy, gold tended to move up. Today, both the metals ruled easy, as follow-up support was lacking, but the fall in prices was negligible.

July settlement in silver was well supported and gradually advanced from Rs. 194-14 at the beginning of the week to touch Rs. 197-6 yesterday. It, however, receded to Rs. 196-10 today but finished at Rs. 197. The net gain over the week is Rs. 2-2. August settlement, spurred from Rs. 194-11 to Rs. 196-15 and, after declining to Rs. 196-5, recovered to close at Rs. 196-11. The backwardation rate (buddi in favour of bulls) for July settlement widened from As. 3 last week to As. 6-6 on the 10th inst. On Saturday, the settlement was quoted at par with the August settlement. Thereafter, the backwardation rate widened and stood at As. 6 yesterday. Today, it was an anna lower.

Ready silver enjoyed good buying enquiry and moved up to touch a high of Rs. 197-3 yesterday as against Rs. 195-6 last week. After easing to Rs. 196-7 today, it finished higher at Rs. 196-13. The daily average arrivals of silver were 16 bars, while the offtake was 15 bars. The floating stocks of silver are reported to be around 350 bars.

In the gold section, July settlement opened the week at Rs. 118-12, as against Rs. 118-12-6, and improved by stages to Rs. 119-2-6 yesterday. It receded to Rs. 118-13 today before finishing at Rs. 118-14. August settlement recorded a rise of As. 8 over the week, today's closing rate being Rs. 119-8, the highest level touched during the week was Rs. 118-12 yesterday. The backwardation rate for July settlement narrowed down from As. 9-6 last week to less than As. 8 throughout the week, except on Thursday when it was As. 8, and was actually just As. 5 today. The bulls in this settlement were, therefore, not obliged to pay a margin of Rs. 10 per tola.

Ready gold, which stood at Rs. 119-4-6 last week, improved to Rs. 119-11 on the opening day. After going to Rs. 118-13 on Saturday, it recovered thereafter and touched Rs. 119-5 yesterday. Today, it was quoted at Rs. 119-2. The daily average arrivals and offtake of gold were 3,400 tolas and 2,000 tolas, respectively. The floating stocks of gold are estimated at 30,000 tolas.

Ready silver in the London bullion market rose from 78d. to 78½d. per ounce and forward silver from 77½d. to 77½d. Silver in New York, however, continued to remain unchanged at 91.375 cents per ounce. Ready gold in London moved up further during the week from 249s. 9½d. to 249s. 11d. owing to the persistent easy trend of the pound sterling vis-à-vis the dollar. The latest available dollar rate for gold in London is \$35.114-\$35.134 per ounce, as against \$35.104-\$35.124 a week before.

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

	15-7-59	Highest	Lowest	8-7-59
Rs. a. s.	Rs. a. s.	Rs. a. s.	Rs. a. s.	Rs. a. s.
Ready (99 fine Mint)	119 2 6	119 8	118 13	119 4 1/2
Forward*	119 14	119 24	118 0	118 12 1/2
Sovereign	78 2	78 6	78 0	78 4
Ready (99 fine Mint)	196 13	197 3	195 10	196 6
Forward	197 0	197 6	194 14	194 14
London Silver Ready	78 1/2	78 1/2	78 1/2	78 1/2
London Forward	77 1/2	77 1/2	77 1/2	77 1/2
London Gold	249 11 1/4	249 11 1/4	249 9 1/4	249 9 1/4
New York Silver	91 375			91 375

* 21st July settlement. † 22nd July settlement.

TRADING IN LINSEED OPTIONS

(Messrs. A. Bradley and Co.)

CALCUTTA, 13th July

Although activity in the linseed market was limited and the general condition of the market was dull, prices were maintained and there was very little movement either way. Crushers showed some interest in forward delivery but sellers were reserved. Business in oilseeds was negligible with overseas buyers pausing. Trading in the oil market was slow and buyers showed a meagre interest at lower prices only.

Trading in the linseed options market for September delivery will commence on the 15th inst., under the auspices of the Calcutta Wheat and Seeds Association. With a view to curbing possible speculative elements, margins have been fixed at Rs. 2 per maund if prices rule above Rs. 24 per maund, Rs. 4 if above Rs. 25, and Rs. 6 if above Rs. 27.

The latest available quotations are: Ready-July Rs. 22.50 and August Rs. 22.75 per maund.

COTTON FUTURES SUBDUED

(From Our Own Correspondent)

BOMBAY, 15th July

The cotton futures market was subdued during the week. Selling was not aggressive, nor was buying, as and when it emerged, brisk. Prices moved erratically in a narrow range. The overall trend was downward in both the contracts. But over the week, the fall in the price of the new crop contract, Jarilla March 1960, was more sharp than in the current crop contract, Jarilla August 1959. The tight statistical position of cotton, the shortage of supplies of good quality cotton in the ready section and the consequent steadiness of spot values discouraged heavy selling in August. Reports of favourable weather in most of the leading cotton tracts was the main factor responsible for the easiness in March.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 698 and gradually receded to Rs

Newly built dwellings in West Germany have become larger and more comfortable since 1952. Just published statistics disclose that the living space per new dwelling increased by 18.6 per cent while the number of rooms per new flat mounted by 15.5 per cent. from 1952 to 1958. Of the publicly assisted building projects last year, 104,500 were single family homes, with one or two flats as compared with 65,000 in 1957. New dwellings have been built at an average rate of half a million in recent years. For 1959, experts predict a new high of some 560,000 dwellings.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 16th July 1959.

[illegible]

Sl. No.	Name of the State	Year	Amount	Date	Particulars	Rs.		Paise		Total	Date	Particulars	Total	Date	Particulars	Total
						Rs.	Paise	Rs.	Paise							
1	Andhra	1955	6,615,000	3rd Sept. 1958	100.00				80,00,000	4	1955	1958	90.75			
2	Andhra	1956	5,00,00,000	15th July 1962	100.00				1,08,00,000	4	1956	1958	90.75			
3	Bombay	1955	5,00,00,000	15th July 1962	100.00				75,00,000	4	1955	1958	90.75			
4	Bombay	1956	2,28,50,000	31st July 1960	99.35				1,40,00,000	4	1956	1958	90.75			
5	Bombay	1957	2,67,53,000	15th July 1960	99.35				88,02,000	4	1957	1958	90.75			
6	Bombay	1958	3,45,68,000	1st Aug. 1964	100.00				90,00,000	4	1958	1958	90.75			
7	Bombay	1959	9,72,28,000	15th July 1960	100.00				1,03,00,000	4	1959	1958	90.75			
8	Bombay	1960	7,75,00,000	3rd Sept. 1970	100.23				1,03,00,000	4	1960	1958	90.75			
9	Bombay	1961	6,57,52,000	16th Sept. 1969	102.40				50,00,000	4	1961	1958	90.75			
10	Bombay	1962	8,00,00,000	15th July 1960	100.00				50,00,000	4	1962	1958	90.75			
11	Bombay	1963	8,00,00,000	15th July 1960	102.80				60,00,000	4	1963	1958	90.75			
12	Bombay	1964	1,04,00,000	1st Sept. 1967	100.00				50,00,000	4	1964	1958	90.75			
13	Bihar	1955	1,04,02,000	1st Sept. 1967	100.00				50,00,000	4	1955	1958	90.75			
14	Bihar	1956	1,15,41,000	15th July 1960	101.40				50,00,000	4	1956	1958	90.75			
15	Bihar	1957	2,60,00,000	13th Oct. 1970	101.40				50,00,000	4	1957	1958	90.75			
16	Bihar	1958	30,00,000	1st June 1956-61	98.12				1,00,00,000	4	1958	1958	90.75			
17	Cochin	1955	1,77,08,000	1956-66	94.00				50,00,000	4	1955	1958	90.75			
18	Cochin	1956	2,12,48,000	1st Sept. 1967	100.00				1,00,00,000	4	1956	1958	90.75			
19	Hyderabad	1955	1,28,94,000	31st July 1960	99.75				1,00,00,000	4	1955	1958	90.75			
20	Hyderabad	1956	1,28,94,000	31st July 1960	99.75				1,00,00,000	4	1956	1958	90.75			
21	Madras	1955	2,78,44,000	14th Sept. 1961	99.75				50,00,000	4	1955	1958	90.75			
22	Madras	1956	2,78,44,000	14th Sept. 1961	99.75				50,00,000	4	1956	1958	90.75			
23	Madras	1957	4,98,25,000	31st July 1960	99.75				50,00,000	4	1957	1958	90.75			
24	Madras	1958	1,01,49,000	31st July 1960	99.75				50,00,000	4	1958	1958	90.75			
25	Madras	1959	1,01,49,000	31st July 1960	99.75				50,00,000	4	1959	1958	90.75			
26	Madras	1960	1,01,49,000	1st Aug. 1964	100.30				77,00,000	4	1960	1958	90.75			
27	Madras	1961	1,01,49,000	15th July 1960	100.10				75,00,000	4	1961	1958	90.75			
28	Madras	1962	1,01,49,000	15th July 1960	100.10				75,00,000	4	1962	1958	90.75			
29	Madras	1963	1,01,49,000	15th July 1960	100.10				75,00,000	4	1963	1958	90.75			
30	Madras	1964	1,01,49,000	15th July 1960	100.10				75,00,000	4	1964	1958	90.75			
31	Madras	1965	1,01,49,000	15th July 1960	100.10				75,00,000	4	1965	1958	90.75			
32	Madras	1966	1,01,49,000	15th July 1960	100.10				75,00,000	4	1966	1958	90.75			
33	Madras	1967	1,01,49,000	15th July 1960	100.10				75,00,000	4	1967	1958	90.75			
34	Madras	1968	1,01,49,000	15th July 1960	100.10				75,00,000	4	1968	1958	90.75			
35	Madras	1969	1,01,49,000	15th July 1960	100.10				75,00,000	4	1969	1958	90.75			
36	Madras	1970	1,01,49,000	15th July 1960	100.10				75,00,000	4	1970	1958	90.75			
37	Madras	1971	1,01,49,000	15th July 1960	100.10				75,00,000	4	1971	1958	90.75			
38	Madras	1972	1,01,49,000	15th July 1960	100.10				75,00,000	4	1972	1958	90.75			
39	Madras	1973	1,01,49,000	15th July 1960	100.10				75,00,000	4	1973	1958	90.75			
40	Madras	1974	1,01,49,000	15th July 1960	100.10				75,00,000	4	1974	1958	90.75			
41	Madras	1975	1,01,49,000	15th July 1960	100.10				75,00,000	4	1975	1958	90.75			
42	Madras	1976	1,01,49,000	15th July 1960	100.10				75,00,000	4	1976	1958	90.75			
43	Madras	1977	1,01,49,000	15th July 1960	100.10				75,00,000	4	1977	1958	90.75			
44	Madras	1978	1,01,49,000	15th July 1960	100.10				75,00,000	4	1978	1958	90.75			
45	Madras	1979	1,01,49,000	15th July 1960	100.10				75,00,000	4	1979	1958	90.75			
46	Madras	1980	1,01,49,000	15th July 1960	100.10				75,00,000	4	1980	1958	90.75			
47	Madras	1981	1,01,49,000	15th July 1960	100.10				75,00,000	4	1981	1958	90.75			
48	Madras	1982	1,01,49,000	15th July 1960	100.10				75,00,000	4	1982	1958	90.75			
49	Madras	1983	1,01,49,000	15th July 1960	100.10				75,00,000	4	1983	1958	90.75			
50	Madras	1984	1,01,49,000	15th July 1960	100.10				75,00,000	4	1984	1958	90.75			
51	Madras	1985	1,01,49,000	15th July 1960	100.10				75,00,000	4	1985	1958	90.75			
52	Madras	1986	1,01,49,000	15th July 1960	100.10				75,00,000	4	1986	1958	90.75			
53	Madras	1987	1,01,49,000	15th July 1960	100.10				75,00,000	4	1987	1958	90.75			
54	Madras	1988	1,01,49,000	15th July 1960	100.10				75,00,000	4	1988	1958	90.75			
55	Madras	1989	1,01,49,000	15th July 1960	100.10				75,00,000	4	1989	1958	90.75			
56	Madras	1990	1,01,49,000	15th July 1960	100.10				75,00,000	4	1990	1958	90.75			
57	Madras	1991	1,01,49,000	15th July 1960	100.10				75,00,000	4	1991	1958	90.75			
58	Madras	1992	1,01,49,000	15th July 1960	100.10				75,00,000	4	1992	1958	90.75			
59	Madras	1993	1,01,49,000	15th July 1960	100.10				75,00,000	4	1993	1958	90.75			
60	Madras	1994	1,01,49,000	15th July 1960	100.10				75,00,000	4	1994	1958	90.75			
61	Madras	1995	1,01,49,000	15th July 1960	100.10				75,00,000	4	1995	1958	90.75			
62	Madras	1996	1,01,49,000	15th July 1960	100.10				75,00,000	4	1996	1958	90.75			
63	Madras	1997	1,01,49,000	15th July 1960	100.10				75,00,000	4	1997	1958	90.75			
64	Madras	1998	1,01,49,000	15th July 1960	100.10				75,00,000	4	1998	1958	90.75			
65	Madras	1999	1,01,49,000	15th July 1960	100.10				75,00,000	4	1999	1958	90.75			
66	Madras	2000	1,01,49,000	15th July 1960	100.10				75,00,000	4	2000	1958	90.75			
67	Madras	2001	1,01,49,000	15th July 1960	100.10				75,00,000	4	2001	1958	90.75			
68	Madras	2002	1,01,49,000	15th July 1960	100.10				75,00,000	4	2002	1958	90.75			
69	Madras	2003	1,01,49,000	15th July 1960	100.10				75,00,000	4	2003	1958	90.75			
70	Madras	2004	1,01,49,000	15th July 1960	100.10				75,00,000	4	2004	1958	90.75			
71	Madras	2005	1,01,49,000	15th July 1960	100.10				75,00,000	4	2005	1958	90.75			
72	Madras	2006	1,01,49,000	15th July 1960	100.10				75,00,000	4	2006	1958	90.75			
73	Madras	2007	1,01,49,000	15th July 1960	100.10				75,00,000	4	2007	1958	90.75			
74	Madras	2008	1,01,49,000	15th July 1960	100.10				75,00,000	4	2008	1958	90.75			
75	Madras	2009	1,01,49,000	15th July 1960	100.10				75,00,000	4	2009	1958	90.75			
76	Madras	2010	1,01,49,000	15th July 1960	100.10				75,00,000	4	2010	1958	90.75			
77	Madras	2011	1,01,49,000	15th July 1960	100.10				75,00,000	4	2011	1958	90.75			
78	Madras	2012	1,01,49,000	15th July 1960	100.10				75,00,000	4	2012	1958	90.75			
79	Madras	2013	1,01,49,000	15th July 1960	100.10				75,00,000	4	2013	1958	90.75			
80	Madras	2014	1,01,49,000	15th July 1960	100.10				75,00,000	4	2014	1958	90.75			
81	Madras	2015	1,01,49,000	15th July 1960	100.10				75,00,000	4	2015	1958	90.75			
82	Madras	2016	1,01,49,000	15th July 1960	100.10				75,00,000	4	2016	1958	90.75			
83	Madras	2017	1,01,49,000	15th July 1960	100.10				75,00,000	4	2017	1958	90.75			
84	Madras	2018	1,01,49,000	15th July 1960	100.10				75,00,000	4	2018	1958	90.75			
85	Madras	2019	1,01,49,000	15th July 1960	100.10				75,00,000	4	2019	1958	90.75			
86	Madras	2020	1,01,49,000	15th July 1960	100.10				75,00,000	4	2020	1958	90.75			
87	Madras	2021	1,01,49,000	15th July 1960	100.10				75,00,000	4	2021	1958	90.75			
88	Madras	2022	1,01													

[illegible]

GOVERNMENT SECURITIES		D-7-1959	Gross Yield		10-7-1959
			Earlier Redemption	Later Redemption	
	Ra.				Ra.
2 1/4	1961	88.00	3.54		96.00
2 1/4	1960	99.50		3.25	99.50
2 1/4	1962	97.40		3.57	97.40
2 1/4	1963	98.20		3.08	98.20
3	1959-61 2nd Vtd.	99.95		3.62	99.95
3	1964	97.20		3.57	97.20
3	1965	98.10	3.71	3.50	97.15
3	1966-68	94.60	8.88	6.77	94.80
3	1970-75 1st Dev.	91.70		3.67	91.90
3	1970-75 Gen. Loan.	91.70		4.06*	74.10
4	1960-70	100.00	3.81		100.00
3 1/2	1961 N.P. Bonds	100.20		3.48	100.20
3 1/2	1963 N.P. Loan.	100.15		3.47	100.35
3 1/2	1965 N.P. Bonds	100.15		3.60	100.15
3 1/2	1962	99.35		3.47	99.35
3 1/2	1967 N.P. Bonds	96.60		3.57	96.60
3 1/2	1968 N.P. Bonds	98.90		3.40	99.40
3 1/2	1967 N.P. Bonds	100.35		3.62	100.35
3 1/2	1972 Loan	101.70		3.84	101.70
3 1/2	1974	100.00		3.60	99.95
3 1/2	1983 N.P. Bonds	100.20		3.46	100.20
3 1/2	1988 N.P. Bonds	100.60		3.68	100.60

BRITISH GOVERNMENT SECURITIES			
		Closing quotation 8-7-1959 £	Closing quotation 14-7-1959 £
2½ %	Britt. Consols. . .	62½	62½
3 %	War Bonds 1945-75	77½	76½
3 %	War Loans 1955-60	77½	99½
3½ %	War Loan 1955-60	60½	67
4 %	Victory Bonds	—	—

ABBREVIATIONS. N—Normal. E—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
A—Held by Government of India. Loans held entirely by the Trustees. H—Bombay State Transport.
(1)—Income-tax free. I—Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June 1944. J—Rate of Interest reduced from 6½ to 6 per cent. with effect from 1st April, 1945.
(2)—Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June 1944. K—Ex-ak instalments but inclusive of accrued interest.
(3)—Interest free for first 7 years. L—Interest free for three months' notice.
(4)—Interest free for first 10 years. M—On September, 1946, or later at option of Government after three months' notice.
(5)—Interest free for three months' notice.

MARKET GOSSIP

(Concluded from page 83)

Above all, a pertinent question is the quantum of financial assistance the co-operative farming societies will need. As already stated, Mr. Nehru has averred that some discrimination will be permitted as between co-operative farming societies and private landowners, in that the farmer will have preferential treatment in the matter of supply of credit, fertilisers and other facilities. Only, no one seems to have calculated what such preferential treatment will mean in terms of money. Some interesting calculation of the cost of co-operative farming has been made by the Hindu. It is based on the loan (Rs. 32,125) and subsidy (Rs. 15,375) which the Government of Madras has offered to a co-operative farming society which owns in all no more than 106 acres; to this has to be added the cost of the services of a senior inspector of co-operative societies and a field assistant to be made available to the society by the Government, say, at a cost of Rs. 2,000 a year. On this basis, the financial assistance comes to the tune of Rs. 500 per acre. Given this facility, a private owner can certainly do better than a co-operative society. Be that as it may, the more interesting question is what such assistance will mean on all-India scale. There are 320 million acres of cultivated land in India. Assuming that all this land will be brought within the co-operative fold, it will, on the basis of Rs. 500 per acre, cost Rs. 16,000 crores. The area under foodgrains alone is 270 million acres; to bring it under co-operative farming, the State must make available (on the basis of Rs. 500 per acre) Rs. 13,500 crores. It is true that the advocates of co-operative farming do not visualise the immediate conversion of all private land into co-operative ownership. Even so, it is well to ask that co-operative idealists should know what it will cost to make their dreams come true. This would enable them to acquire some sense of down-to-earth realism.

Four days from now—on Monday the 20th inst.—a ministerial meeting of Austria, Britain, Denmark, Norway, Portugal, Sweden and Switzerland will commence at Stockholm to continue negotiations on the establishment of an outer seven free trade area. The discussions will centre round the plan drawn up by the Working Party of officials after deliberating at Stockholm for thirteen days early last month. The latest reports from Europe suggest that there may not be any basic changes in the plan, which provides, *inter alia*, for complete abolition of industrial tariff over a ten-year period, removal of quantitative restrictions on industrial products, special agreement on agriculture, and separate treatment for fish and other marine products. The expectation seems to be justified. Denmark, which was at one time very much hesitant to join the plan on fears that the plan involved the risk of a trade war in Europe and that its exports of agricultural products to West Germany, a Common Market country, would suffer a distinct setback, is now enthusiastic about the plan. This change in attitude has followed the assurances received by Denmark from Britain, Sweden and Switzerland to the effect that its agricultural interests would be fully safeguarded if it joined the outer seven free trade area.

Under a new agreement reached between Britain and Denmark, the former will abolish the 10 per cent. tariff on Danish bacon in two stages, the first on 1st July 1960 and the second a year later and do away with the 10 per cent. tariff on canned pork luncheon meat (5 per cent. on some types), blue cheese and canned cream on 1st July 1960. The cost of the concession on bacon, estimated at £6.6 million annually, will, it is said, be borne by the Exchequer and not by U.K. farmers.

Sweden has followed Britain in agreeing to adjust import duties on Danish bacon, canned meat, sausages, potatoes, canned milk, butter, eggs and egg products to Denmark's advantage. The adjustment will not mean abolition or reduction of duties. Only, the duties will be unchanged, but 60 per cent. of the total proceeds will be refunded to Danish producers. On the basis of the present volume of trade, this 60 per cent. will work out to about 10 million Swedish crowns (£689,000) per annum.

Switzerland also has assured Denmark that it is prepared to increase its imports of Danish agricultural products, particularly slaughter cattle, meat and butter. With the agreement reached between Denmark, on the one side, and Britain, Sweden and Switzerland, on the other, the way would appear to be now open for a general agreement among the "Seven" at the forthcoming ministerial meeting at Stockholm. And, if everything goes well, the outer seven free trade area is expected to function from 1st January 1960.

Now that the chances of the "outer seven" getting together have distinctly improved, the six Common Market countries have begun to think seriously about the impact of the new area on their external trade. Barring France, which has remained indifferent, since it feels that its exporters will not suffer, at least for many years, the general impression is that the new area will be a very lively rival grouping. In particular, West Germany and Italy have both come round to the view that a rival free trade area will damage their economic interests considerably. About ten days ago, Dr. Erhard, West German Vice-Chancellor and Economics Minister, declared that the formation of separate economic communities in Europe would increase friction. Stressing that there should be no new trade blocs in Europe, Dr. Erhard expressed the hope that the West European nations might still reach agreement on a wider free trade area. Holland also is strongly in favour of an economic association of all the seventeen O.E.E.C. countries.

The West German point of view is expected to be pressed at the special Common Market Committee meeting to be held at Brussels shortly. It remains to be seen whether West Germany will

succeed in persuading France to accept its view. The French Government is now flushed with the success which it has achieved in strengthening the economic position of France and is determined to take full advantage of its strategic role in the Atlantic alliance.

An important point widely recognised by practically all the "Seven" and the "Six" is that, whatever steps they take should not jeopardise the ultimate objective of establishing the seventeen-member European free trade area. If this objective is to be achieved, it is imperative that the two groups must refrain from antagonising each other in the months ahead. It is, therefore, gratifying to find that the fifteen-nation Council of Europe's Political Committee has asked the O.E.E.C. to mediate between the "Six" and the "Seven" for the creation of an area embracing both the blocs. The United States, too, is advising the West European Governments to patch up their economic differences through an early settlement of this question.

CO-OPERATIVE FARMING—II

(Concluded from page 99)

Thirdly, even after taking into account all the facilities for the training of gazetted officers, inspectors, block level officers, junior officers and non-officials organised by the Government, the Reserve Bank and the All-India Co-operative Union, one feels doubtful about the availability of the required trained personnel in good time.

The proposed village co-operative farms, under the Nagpur Resolution, may provide administrative convenience for collecting agricultural surpluses, since it may be easier to deal with fewer organised large units than a very large number of small, scattered cultivators. But this is likely to reduce both the market arrivals and the marketable surpluses for some time at least, that is, until a sufficiently high rate of production is attained. The ideas of higher standard of living inculcated through national Extension Services and the growing realisation of the right to at least the minimum standards of comforts to be guaranteed under popular acceptance of a State-sponsored programme, are very likely to stand in the way of the formation of marketable surpluses. What comes to the market (market arrivals) at present for urban consumption is not merely the marketable surplus (representing the excess over the requirements of farmers) but includes also a good deal of forced sales which take place because of farmers' anxiety to hold land or what appears in the guise of "land revenue as the first charge," and interest on borrowings. But when both these things are provided by the co-operatives, sales now being effected to meet them as first priority will be given a lower priority by farmers. This in turn will affect the marketable surplus and operate as a factor for higher prices. One of our studies completed a few years back in Uttar Pradesh showed that, amongst agriculturists (excluding agricultural labourers and those following agriculture as a part-time occupation) only 41.3 per cent. families were self-sufficient so far as their annual requirements were concerned; of the total amount of food consumed, 28.6 per cent. was purchased (71.4 per cent. being met by own farms); and the percentage of actual sales was 198 of real marketable surplus. There will thus be a potential hindrance to the mobilisation of surplus, as a result of introduction of co-operative farming.

Besides, there are also possibilities for the development of an organised opposition to the imposition of development levies which is very necessary for successive economic planning, especially because the third and successive Plans will need greater internal resources in the form of agricultural taxes, land revenue, water rates and other development levies. In short, the mobilisation of rural savings. The total outcome of co-operative farming may, therefore, be a slackening in the rate of economic growth, particularly at a time when an acceleration in it is urgently needed.

(To be concluded)

COMMERCE AND INDUSTRY

(Concluded from page 108)

and vegetables. With the removal of different rates of duty in these countries, the duty levied by the Benelux countries has gone up. This will adversely affect India's exports of fruits, mainly cashew kernels and walnuts, to these countries.

Some of the vegetable oils exported from India will face considerable difficulties in the C.M. countries. The region constituting the European Common Market is the largest single market for fats, oils, and oilseeds. These countries import nearly one-third of the oil entering world trade. Though domestic production is quite substantial, nearly half of the requirements are met from imports. Overseas territories supply about 22 per cent. of their total imports. The U.S.A. figures as another major

source of oils. India's share has, of late, become more or less negligible; it was no more than Rs. 66.51 lakhs in 1958. Nevertheless, India attaches much importance to the export of its vegetable oils (both essential and non-essential oils) to the C.M. countries. In respect of exports of its essential oils, including sandalwood oil and lemongrass, India enjoys a special position. Its exports of essential oils, therefore, are not likely to be affected. As regards non-essential vegetable oils, India is already facing competition from the overseas territories of C.M. countries. When assistance is made available from the European Social Fund and the European Investment Bank, these countries will be able to develop domestic production of vegetable oils. The products of overseas territories will enter the C.M. countries duty-free; this will ensure supplies to metropolitan countries and also provide export market for the territories. The C.M. countries have already entered into agreements with some countries like Tunisia, Morocco and Libya, allowing preferential entry of goods. Negotiations regarding tariffs on oil from other countries are yet to be commenced. India will do well to impress upon the C.M. countries the necessity to provide preferential treatment to oils from India. The Common Market spokesmen have stated more than once that they will give due consideration to the difficulties of primary exporting countries arising from the tariff changes made among the Six. It remains to be seen how far this assurance will be implemented.

To sum up, India exported in 1958 goods worth Rs. 39 crores to the Common Market of the Six, as against its total exports to all countries of Rs. 579 crores. About 40 per cent. of its exports to the Six consisted of agricultural commodities valued at about Rs. 15 crores. Of these, coffee, tea, cotton and wool accounted for as much as Rs. 9.75 crores, or about 65 per cent. It will be seen from the foregoing account that the competitive capacity of these goods—India's principal items of agricultural exports to the Six—will not be materially affected. Exports of unmanufactured tobacco, cashew kernels and non-essential vegetable oils, however, may have to face severe competition. But the markets for these items in the Six are relatively small, the aggregate value of their exports being no more than Rs. 1.25 crore in 1958, or about 8 per cent. of total Indian exports of agricultural commodities to the C.M. countries. Moreover, it will take considerable time for the overseas territories of C.M. countries to compete effectively with India, because their development cannot be achieved overnight. In view of all these considerations, it will be pertinent to conclude that the adverse impact of the Common Market on exports of agricultural commodities to the countries concerned will not be as serious as is generally believed. Then, there is also a positive side to it. The economic integration of the C.M. countries will naturally pave the way for their rapid industrial growth, probably ensuring for the region as efficient an economy as of the U.S.A. This will naturally increase the demand for industrial raw materials. Some benefits are bound to accrue to India from such a development, provided this country takes care to improve its economic efficiency.

Notice

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 30th July 1959 to the 14th August 1959, both days inclusive.

The Dividend, if sanctioned, will be paid on and after Monday the 24th August 1959 to those Shareholders whose names stand on the Register of the Company on the 14th August, 1959.

16,800 new Equity Shares, if approved at the Extraordinary General Meeting to be held on the 23rd July, 1959, shall be issued and offered to the holders of the existing Equity Shares as on 14th August 1959 in the ratio of one new Equity Share for every five existing Equity Shares held by such holders.

Shareholders are requested to notify immediately any change in address to the Company.

FOR THE SIMPLEX MILLS COMPANY LIMITED
FOR FORBES FORBES CAMPBELL & CO. PRIVATE LTD.,

F. H. KEMPLE,
Director,
Managing Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY No. 1, 13th July, 1959.

COMMERCE

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

VOL. XCIX. No. 2522

BOMBAY, 25th JULY 1959

PRICE: Rs. 2

CONCENTRATION OF ECONOMIC POWER

ONE of the misconceptions under which the Congress Party and other socialists are labouring hard pertains to concentration of economic power. When leftist politicians—and they are in great majority today—talk on the need for preventing concentration of such power in a few hands, they assume two things. One is that either there is already too much concentration and it should be broken up or there is anger of it happening and, therefore, steps should be taken to prevent it, or there are both. Secondly, the principle of egalitarianism should be carried to a point at which one will not have more economic power than the other has. This means that everyone should have not only equality of opportunity but also equality of ownership. Since this latter conception is 'topian, one can straightaway dismiss it as an impractical ideal. All that is necessary is to remind the reader that, although all men are born equal, all do not have the same mental and physical equipment and that there are, therefore, bound to be differences in economic status between man and man. It is an undeniable fact that these differences have existed all through the long human history and exist even today in the free and communist societies alike.

The first assumption is a gross exaggeration, not a myth. Those who complain about concentration of economic power refer to ownership and managerial control over production and distribution. A modern State has such enormous powers of intervention that it is not very much of an advantage for one to build and possess an industrial or trading empire. In India, in particular, the Government has a supreme hold over industries and trade. There is hardly anything worthwhile that a business man in this country can do without consulting the Government and securing its permission. One can freely register a company, but, thereafter, every action of the entrepreneur is subject to Government sanction. The issue of capital and its terms, change in board of directors, the type of products to be manufactured, terms and the extent of foreign capital participation, the appointment of foreign personnel, the import of raw material and stores, the price of the finished products, the amounts to be ploughed back in business and distributed to shareholders, the wages and other benefits to workers—all these aspects of a business are liable to be controlled, and are in fact being controlled in the vast majority of cases, by the Government. Consequently, if there is any concentration of economic power, it is in the hands of the Ministers, that is, the party in charge of the Government. It is, therefore, not fair for them to accuse the business community of designing and promoting concentration of economic power in a few hands.

Partly due to historical reasons and partly to force of circumstances, several industries have been in the hands of a limited number of business men. The managing agency system is a singular feature of India's industrial progress. Whatever its drawbacks, there is no doubt that it has contributed a lot to even the modest advance that India has made in this sphere. Even the biggest industrial houses are not as big as compared with the giants in the Western world. Further, there is a gradual diffusion of ownership and management control. There are hardly any family-owned big industries in this country now. The tax laws are such that partnerships and private limited companies have yielded place to public limited companies. Even the few that exist are bound to follow suit sooner or later. More and more people are beginning to appreciate the value of investing their savings in industrial securities, and their number will rapidly increase when agriculture ceases to be a source of short-term

investment to non-agricultural classes. The natural trend is thus for distribution of ownership of industries over a wide circle of the people. If the authorities are really anxious to prevent concentration of economic power, they should take positive steps to strengthen this trend, instead of merely resorting to slogan-mongering.

Unfortunately, some of the official policies are not conducive to a speedy growth of wider ownership of industries. Through taxation, individual savings, for instance, are penalised to a greater extent than corporate savings. Income from investments belonging to an individual is treated as unearned income and charged to a higher rate of tax. The Labour Law and the Company Law are such as to retard the expansion in the number of industrial entrepreneurs. Consequently, only the existing industrialists have to take on more and more of manufacturing activity. This, in turn, leads to an increase in economic power in the hands of a limited number of industrialists. Instead of establishing new companies for undertaking new lines of manufacture, the existing companies themselves take them up as separate branches of their business. The result is that a source for expanding the number of investors is denied to the community. In some cases, new lines of manufacture are entrusted to wholly-owned subsidiaries. Here, too, the result is more or less the same.

There are three partners in every business—the shareholders, the Government and the labour. Nowadays, the last of these three is as powerful as the second. It is, therefore, incorrect to say that those who own and manage a company or a series of companies have all the powers in their hands. The trade union leaders, with hardly any stake except their popularity with workers, also wield enormous powers. This aspect of industrial structure is scarcely presented to the public by the critics of the private sector.

Again, the rapid expansion of the public sector in the spheres of trade and industry is providing a new source of vast concentration of economic power. The three steel plants alone in the public sector are equal, in terms of economic power, to both Tatas and Birlas combined. After the third Plan, they will command even more power than these two topmost business houses in the private sector. And there are

Contents

LEADING ARTICLES—	PAGES
Concentration of Economic Power ...	121
U.S. Steel Strike ...	121
Inland Water Transport ...	122
Stability vs. Growth ...	122
MARKET GOSSIP ...	123
ROUND THE EXCHANGES ...	124
NEWS IN BRIEF ...	125
THIS WEEK'S SURVEY ...	126-127
SPECIAL FEATURES—	
Vested Interests ...	124
American Letter ...	128
London Letter ...	130
Co-operative Farming—III ...	131
Manchester Letter ...	133
Working of World Commodity Agreements ...	136
The Director in Soviet Industry ...	142-143
Development of Subsidiary Food—I ...	144
MONEY AND BANKING ...	129
TEXTILES ...	132
COTTON ...	134
ENGINEERING ...	140
NEW PRODUCTS AND PROCESSES ...	141
COMMERCE AND INDUSTRY ...	145
COMPANY MATTERS ...	146-147
COMPANY REPORTS ...	148
MARKET REPORTS ...	152-154
STATISTICAL INFORMATION ...	155-156
STOCK AND SHARE QUOTATIONS ...	157-162
WEEK'S STOCK EXCHANGE TRENDS ...	164

several other large enterprises in the hands of the public sector and several more will come to be possessed by it in the coming years. In the case of companies in the private sector, at least a good part of the share capital is owned by investors other than the managing agents or the directors. The Government is the sole proprietor in the case of public sector concerns, with the result that an enormous amount of economic power is concentrated in the hands of Ministers and bureaucrats. As compared with this concentration of power, the one that is supposed to exist in the private sector pales into insignificance.

Usually, the objectionable types of concentration of economic power are monopolies and the like, indulging in restrictive practices that are harmful to consumers and try to throttle new inventions which will bring immense benefit to the community in general. If there are such unhealthy combinations of power in this country, they deserve to be liquidated. There are, however, no such monopolies in this country. It is true that, due to a variety of causes stemming from the development Plans, certain enterprises are enjoying monopolistic or near-monopolistic conditions. But these are purely of an adventitious character and will lose that status in course of time; in any case, most of these enterprises are strictly controlled by the Government, in order to safeguard the interests of the public.

U.S. STEEL STRIKE

THE unique position which the U.S. occupies in the free world justifies as well as explains the world-wide interest the steel workers' strike in that country has evoked. The strike, which commenced on 15th July, affects 500,000 workers in that key industry and another 20,000 workers in other industries; an additional 50,000 workers, it is computed, are likely to be affected. It is a sequel to the refusal of the 12 major steel companies, which account for 90 per cent. of the U.S. steel output, to grant the demand for a 15-cent-an-hour increase in the workers' wages which average about \$3.10 an hour. Prolonged negotiations to reach a settlement proved abortive and the workers decided to stage the sixth major strike since the end of World War II.

A steel strike in the U.S. is by no means an unusual event. The industry negotiates long-term settlements every time and, when each settlement comes up for revision, there is nearly always some showdown or resort to strike. But what invests the present strike with a new significance is the inflationary context in which the workers' demands have been rejected. Prejudiced political observers outside the U.S. might be inclined to attribute the strike to some unjustifiable attitude on the part of the employers. But this would be contrary to facts. Actually, the U.S. steel workers are among the highest paid workers in the U.S. or elsewhere. Thus, the hourly wage rate in the U.S. steel industry averages \$3.10, as against \$1-\$1.25 in Switzerland and 80-90 cents in Germany. The U.S. steel managements are understandably apprehensive over the fact that any further rise of workers' wages will price American steel and steel manufactures out of the world markets. The workers' representatives argue that there have been significant increases in productivity which justify their demand for higher wages, though it is generally admitted that such increases are due to large investments on new equipment. They further contend that profits of steel companies are high enough to permit an increase in wages without raising the prices of steel. It is obviously difficult to estimate in their entirety the repercussions of the strike. During the first half of the current year, the U.S. steel industry produced steel ingots at a record annual rate of 10 million tons. It is believed that more than

The Bank of Baroda, Ltd., too, has earned slightly higher profit of Rs. 14.19 lakhs in the half year ended June 1956, as compared with Rs. 13.34 lakhs in the corresponding period of last year.

Directors have declared an interim dividend of Rs. 3.50 per share, against Rs. 3.00 each and Rs. 1.50 per share of Rs. 25 each and Rs. 1.50 per share, subject to deduction of tax at the prescribed rate. This works out to a net distribution of Rs. 2.25 per share of Rs. 50 and Rs. 1.50 per share of Rs. 25 each, against Rs. 2.00 and Rs. 1.50 per share, respectively, for the first half of 1955. The interim dividend payable is Rs. 8.75 lakhs, as against Rs. 7.50 lakhs in the corresponding period of 1955. Rs. 47 lakhs to be carried forward, including Rs. 3.08 lakhs brought in from last year's account.

SHARE MARKET EASY FURTHER FALL IN PRICES

(From Our Own Correspondents)

BOMBAY, 23rd July

FOR the second week in succession, the share market displayed an easy tone. There was a further marking down of prices all round this week, though the losses were less pronounced than in the previous week in most of the leading counters. There was constant bull liquidation due to uncertainty over the dividend of Tata Iron and Steel Company, Ltd., which is expected to be announced this evening. Rumours about the prospect of extending the margin system, which is now confined only to two scrips, namely, Tata Ordinaries and Indian Irons, to a few other speculative counters also prompted selling. Renewed fears about the L.I.C. coming out to unload a part of its investments in equities and the uncertainty about the terms of the T.I.S.Co. issue also restrained buyers. The technical position of the market is now said to be good, thanks to the large corrective liquidation by bulls.

Tata Ordinaries retreated from Rs. 193.75 to Rs. 190 before staging a short-lived recovery to Rs. 193 yesterday. The proximity of dividend announcement and anxiety over the quantum of distribution caused liquidation at the above level, bringing the shares down to Rs. 190.75 at the close of business today. Indian Irons dropped from Rs. 25.15 to Rs. 24.72 and, after an improvement to Rs. 25.05, gave way to Rs. 24.68 at the close.

Textiles were erratically lower. In the absence of any encouraging factors, they followed the lead of steel shares. Bombay Dyeings staged an early spurt from Rs. 65.40 to Rs. 65.90, but soon reacted to a low of Rs. 64.50. After a recovery to Rs. 65.60, they closed at Rs. 65.20. Centurys came to be done at a high of Rs. 55.50, as against last week's closing of Rs. 54.8, but the earlier gain was more than wiped out today when the shares finished at Rs. 54.50. Kohinoors provided an exception to the general trend with a rise of Rs. 6 over the week to Rs. 296. The shares were done early in the week at Rs. 302. Central Indias too gained Rs. 1 to Rs. 97, while Finlays suffered a loss of Rs. 1.50 to Rs. 272.50. Khatas were done Rs. 3.75 lower at Rs. 233.75 and New Greats Rs. 6 down at Rs. 184. Shree Nivras Cottons put on a rupee to Rs. 171 and Standards Rs. 5 to Rs. 558. Simplex were marked down by Rs. 4.50 to Rs. 180 and Svadeshis by Rs. 1.25 to Rs. 238, while Tata Mills staged a spurt from Rs. 37.50 to Rs. 42 on interested buying from some quarters.

Bank shares were easy, presumably due to cut in dividends of some banks and prospect of more banks following suit. Central Banks which had reduced the interim dividend from Re. 1.50 per share, subject to tax (or Re. 1.33 net), dropped by Rs. 3.30 to Rs. 49.70 and their new shares by Rs. 3 to Rs. 50. Bank of Indias lost Rs. 2.50 to Rs. 117.50 and their new shares Rs. 2 to Rs. 122.50. Union Banks were 20 nP lower at Rs. 6.72 and United Commercial Rs. 1.50 lower at Rs. 61.50.

Electricity shares presented a mixed trend. Ahmedabad Electrics gained 20 nP to Rs. 91.70. Bombay Suburbans, too, were marked up by Rs. 1.25 to Rs. 107.75 and Surat Electrics by 25 nP to Rs. 107.50. Andhra Valleys moved up by Rs. 6.25 to Rs. 1,172.50 while Tata Hydros shed 50 nP to Rs. 120 and Tata Powers Rs. 2.50 to Rs. 1,242.50.

Sugar shares were subdued, under the lead of Belapur, which declined from Rs. 318.50 to Rs. 312. Bhopals changed hands 20 nP lower at Rs. 24.24 and Chandgoes Rs. 1.25 down at Rs. 28.25. Walchandnagars dipped by Rs. 10 to Rs. 310, while Phaltans were a shade better at Rs. 160.50. Cement shares too were featureless. Associated Cements were a little erratic. After gaining from Rs. 155 to Rs. 156, they fell back to Rs. 152.75 on Tuesday. After an improvement to Rs. 154.75, they gave way to Rs. 153 at the close. Digvijays lost on balance Rs. 1.50 to Rs. 153. Orissa Cements were a fraction lower at Rs. 16.88 and Jaipur Udyogs at Rs. 11.08.

In the Engineering and mining group, Alcock Ashdowns recorded a gain of Rs. 2 to Rs. 257, while Tata Locomotives fluctuated widely between Rs. 220.00 and Rs. 211.50 before closing at Rs. 216.25 with a loss of Rs. 3.25 over the week. Premier Constructions were pushed down from Rs. 359 to Rs. 348. Mahindras were 20 nP lower at Rs. 213.8. Larsen and Toubros were, however, picked up 25 nP higher at Rs. 22.80 and Cooper Engineering gathered Rs. 2.50 to Rs. 153.50. Shivrajputs put on Re. 1.50 to Rs. 81.50, while Indian Coppers lost 6 nP to Rs. 4.08.

Shipping shares were listless. Scindias moved between Rs. 18.16 and Rs. 17.84 before finishing 16 nP lower on balance at Rs. 17.84. Great Eastern Shippings suffered a similar loss at Rs. 21.96. Bharat Lines, however, provided an exception with a gain of 44 nP to Rs. 13.40. On the announcement of a maiden dividend of 5 per cent. for the year ended March 1959, Hindustan Motors hardened from Rs. 10 to Rs. 10.80 before finishing at Rs. 10.68. Premier Automobiles staged a sharp rise of Rs. 3 to Rs. 128.

In the miscellaneous group, Bombay Burmahs (old) drifted down from Rs. 546 to Rs. 531.50, but gained partially to close at Rs. 537. The Partly-paid shares were, however, unchanged at Rs. 190. National Rayons slipped back from Rs. 351 to Rs. 338.50 and after recovering to Rs. 331.50 again dropped to Rs. 344.50. Gwalior Rayons shed 42 nP

to Rs. 21.24. Tata Chemicals lost 48 nP to Rs. 17.81 and Ta a Oils Re. 1 to Rs. 68, while Poly-Chems shot up by Rs. 9.50 to Rs. 108. Voltas declined by Rs. 2.50 to Rs. 168.50 and Wincos by a similar extent to Rs. 206.50. Killick Industries gained Re. 1 to Rs. 149. Indian Dyestuffs rose sharply from Rs. 745 to Rs. 925, while W. H. Bradys were further marked down by Rs. 9 to Rs. 386. Ceat Tyres lost Rs. 2 to Rs. 176.

Madras Stock Exchange

MADRAS, 22nd July

The Madras Stock Exchange ruled easy during the week under review, with values of many scrips drifting lower. The easiness was due to bearish advices from other markets and lack of fresh buying support. Tea shares encountered selling, despite reports of good demand for export tea at higher prices at the recent Cochin auctions. For operators would appear to be concerned over the continuing rise in cost of production. In sympathy with teas, rubbers and coffees were subdued. Textiles were generally dull. Even reports that Burma had bought a sizable quantity of cotton yarn (about 10 million lbs.) and that Indonesia had concluded a deal with the State Trading Corporation for the purchase of 5 million lbs. of yarn failed to impart strength. The miscellaneous section was devoid of any special features, the general tendency of prices being downward. A few selected counters, especially in the sugar section, however, tended to move up on enlarged buying enquiries.

Among sugar shares, United Breweries advanced Rs. 7.00 to Rs. 457.00. Kirlampudis spurred by Rs. 4.50 to Rs. 77.00. Indias and Travancore picked up 10 nP each to Rs. 12.20 and Rs. 12.50, respectively. Mysore were fully maintained at Rs. 49.50. Cauverys, however, came in for selling and dropped Re. 1.50 to Rs. 117.00. Decans lost 10 nP to Rs. 12.45. E.I.D.s eased by a like amount to Rs. 39.75. E.I.D.s inter dividend announced last week, was 7.1/7 per cent. taxable, which is equivalent to 5 per cent. tax-free. The cash value of the previous year's dividend is thus maintained this year too.

In the tea group, Haileyburias fell by 60 nP to Rs. 19.15. Balanors shed 25 nP to Rs. 20.25. Ouchterlony declined by 15 nP to Rs. 5.50 and Periakaramalis by 4 nP to Rs. 4.12. Chembras and Kalasas lost a naya paisa each to Rs. 4.27 and Rs. 4.02, respectively. Kili Kotagiris were neglected at Rs. 8.30, as also Twyfordis at Rs. 17.00 and Peermades at Rs. 19.35. But Nonsuch Teas elicited special support and improved by 72 nP to Rs. 27.50. United Nilgiris gathered 5 nP to Rs. 20.50. Among coffee shares, Coffee Lands dropped 17 nP to Rs. 24.25. Consolidated Coffees decreased by 15 nP to Rs. 22.10. Oosoor declined by 10 nP to Rs. 3.77. Wartyhullis lost a similar sum to Rs. 3.65. Babuddins were quiet at Rs. 18.50 and Cowcoodys at Rs. 6.45. Among rubbers, Highlanders suffered a loss of 15 nP over the week, today's closing rate being Rs. 12.20. Cochin Malabars receded by 10 nP to Rs. 6.70. Valundams were dull at Rs. 27.25. Malankaras at Rs. 19.75. Rajagiris at Rs. 18.00. Kaipettas at Rs. 12.60 and Teekoyis at Rs. 7.70.

In the textiles section, Ranga Vilas were subjected to selling pressure and closed lower by Rs. 2.00 at Rs. 52. Radhakrishnas declined by Re. 1.25 to Rs. 122.50. Madura Mills fell from Rs. 30.50 to Rs. 29.85 early in the week, but recovered to Rs. 30.10 today, following news of settlement of the dispute between the management and the workers. Kotharis lost 10 nP to Rs. 10.10. Coimbatore Cottons were quiet at Rs. 142.00. Coimbatore Pioneers at Rs. 280. Dhanaalakshmis at Rs. 197.50. Rajalakshmis at Rs. 62.00. Trichinopolys at Rs. 11.05 and Vasantis at Rs. 211.00. Premiers failed to attract attention, although the dividend for the year ended March 1959 is higher at 12 per cent., as against 9 per cent. distributed in the previous year; today's closing rate for the scrip is Rs. 165.50, same as last week. Venkatesas, however, rallied from Rs. 119 to Rs. 121 on special support. Bangalore Woollens rose by a rupee to Rs. 179. Buckinghams gathered a similar amount to Rs. 190. Cannanores were higher by 60 nP at Rs. 152.60. Metturs were done, at Rs. 371.50 ex-div., as against Rs. 396 cum-div. last week. Krishna Rajendras were dull at Rs. 74. The directors of the Company have declared a final dividend of 8 per cent., making a total of 12 per cent. for the year ended March 1959, as against 9 per cent. for the previous year.

In the miscellaneous section, Rallis and Textols declined by a rupee each to Rs. 74.00 and Rs. 184, respectively. Standard Motors fell by 50 nP to Rs. 16.00 and Mysore Papers by 47 nP to Rs. 21.90. Orissa Cements dropped 27 nP to Rs. 16.60. F.A.C.T.s eased by 25 nP to Rs. 9.75. Ashok Leylands declined by 22 nP to Rs. 7.45. Spencers lost 13 nP to Rs. 20.25 and Parrys sagged 12 nP to Rs. 4.20. Metallur Chemicals and Indian Cements were lower by 10 nP each, the former at Rs. 13.55 and the latter at Rs. 6.45. Andhra Cements at Rs. 11.10. Mysore Chemical Fertilisers at Rs. 10.85 and Western India Plywoods at Rs. 172.50. But Travancore Chemical Manufacturers were marked up by 25 nP to Rs. 15.25. Indian Steel Rolling Mills by 15 nP to Rs. 15.75 and Travancore Cements by 10 nP to Rs. 10.60.

VESTED INTERESTS WHO ARE THEY?

By S. Narayanaswamy

ONE of the most overworked phrases in our public life is "vested interests." In proportion to the degree of its over-use, it has ceased to have much meaning and when such misfortunes overtake words and phrases, they are elevated to the standing of slogans—and you are rarely called upon to explain slogans or symbols. For instance, recently one Central Minister has chosen to dismiss the newly formed Swatantra Party as a party of "vested interests."

What are "vested interests"? The harried clerk in the business house that has, by pinching and scraping, put by Rs. 500 in his savings bank account alongside of the rich man that has a lakh of rupees in fixed deposit with the same bank as the clerk have both a vested interest in the solvency and strength of the bank that holds their money and pays them interest—and in the purchasing power of their stored savings remaining unimpaired by inflation. Probably the clerk is far more worried about his five hundred rupees than the plutocrat is about his lakh—for the five hundred rupees symbolise to him years of hard work and self-denying ordinances, while the plutocrat's money is probably merely unearned inheritance.

The public sector today derives its economic sustenance from taxation and borrowing. The taxes come from "vested interests." Taxes on income which are a fairly sizable part of the Central Government's revenue are derived from less than one million assesses in a country that has a population of 390 million. Borrowing programmes depend for their success (a) on banks that hold the savings of the people; (b) on the Life Insurance Corporation of India which mobilises the savings of millions of people through premia income that flow in annual or half-yearly dribbles, and (c) directly on the savings of the people and those of corporate units.

The small savings wing of the borrowing programme depends on men of small means to subscribe for certificates of 7- or 12-year currency, who again subscribe in the hope that, at the end of the period, they will not confront a serious decline in the real value of their money. All these have a "vested interest" in the security of their investment, in the quantum of interest they get and in the unimpaired purchasing power of their savings.

Vested interests are not merely the unfortunate milch cows that are called upon to yield copious pails of good milk when electioneering is on and are held up to ridicule in the rest of the five-year cycle; but those who hold small bits of cultivated land, those who have small urban or rural properties or interests of any kind and the men who participate in promotion of trade and industries in small and unobtrusive ways. These constitute a large number in India and are less easy to dismiss than the moneybags and merchant princes who are already given round-the-clock sponge-baths by the tax pattern—the Income and Super taxes, the Wealth tax, the Expenditure tax, the Capital Gains tax and the Estate Duty, during their lifetime and beyond.

It will not profit the ministers to talk of "vested interests" and make it appear that any new approach to economic problems that does not look rabidly leftist and that does not constitute a stealing of some other party's clothes is reactionary. The tragedy of the last 15 years of legislative effort has been that the tenant has been set up against the landlord, the borrower against the lender, the factory worker against the industrialist, the white collar worker against the top saw-tive in business houses. The constitution of economic battlefields has been among the infelicitous major by-products of the uncoordinated efforts of the powers-that-be to rear an egalitarian edifice; and all this needless bitterness, bickering and deep rancour has been produced to a degree that will be difficult to eradicate in the strenuous days that await us.

Every time the favourite war-whoop has been that "vested interests" were obstructing this or that measure. Surely, when increased production is the aim of the Government and towards this aim we are called upon to make so many sacrifices, the Government cannot hope to secure the desired increase in production by setting up one group against another in any unit of economic activity and call it "social justice." Such promotion of "social justice" has been costing the country dear, very dear indeed, in terms of man-hours lost, in both rural and urban production sectors, in strikes and lockouts.

Those who took the trouble to establish instruments of production in India gave in helpless and silent bewilderment at the Government asking people to go and build up industrial units and augment production capacity, on the one side, and simultaneously encouraging the workers to demand through the party's trade union wing, in the Central Government, that the Government should provide financial assistance through the Industrial Finance Corporation, on the one hand, which it does after examining the profitability of the enterprise, and on the other hand, State Labour Ministers asking possible of implementation awards that are impracticable working of the industry concerned. This the Centre and the States, on the one hand, and between two Ministries of one State Government, invested their resources and energies in industry a Procrustean bed on which to lie.

The Labour Ministry is an important vote-getting wing of the Government and has, therefore, (Continued on page 163)

NEWS IN BRIEF

THE ceiling on land holdings in Madras is proposed to be fixed by the State Government at 30 acres of irrigated land or 100 acres of dry land.

A payment made as compensation for loss of employment is a capital payment which is not liable to income-tax. This was the judgment given recently by the Bombay High Court while disposing of a reference petition concerning a former employee of a textile mill situated in Orissa.

The share of India in the latest grants announced by the Ford Foundation, U.S., is \$636,734. The major part of this amount, namely, \$415,000, represents grants to the Government of India for continued training and demonstration assistance in village and small-scale industries.

On the recommendation of the State Family Planning Board, the Government of Bombay has appointed a five-member sub-committee, with the Deputy Minister for Health as the Chairman, to suggest ways and means for propagating family planning in the State.

India exported more than 4,000 tons of pepper during the first half of 1959. Of this quantity, the U.S. alone accounted for as much as 1,087 tons. The U.S.S.R. and Canada took 475 tons and 343 tons, respectively. The total quantity exported to Europe, including the communist bloc, was 1,800 tons. Internal consumption of pepper during the same period is estimated at about 5,000-6,000 tons.

The Ship Repair Committee (Chairman: Mr. O. V. Alagesan), set up by the Government of India, has recommended the construction of new dry docks, the provision of twelve fully equipped berths for Bombay and Calcutta and the formation of all-India organisation of ship repairers and shipbuilders. The Committee has also urged the adoption of a policy for progressive manufacture in India of ship repair materials and shipping stores.

The two-month-old labour dispute in the Madura Mills, Madras, has been settled with the signing of an agreement between the management and the representatives of the workers' unions, except the A.I.T.U.C. affiliated union, on the 21st inst. The agreement, according to the Labour Commissioner, will lead to the reopening of mills at Madurai and Ambasamudram, which has remained closed since 19th May last.

The Government of India has approved of a scheme proposed by a U.K. concern, Isaac Holden and Sons, to set up a 38 wool comb plant at Jagatdel in W. Bengal. A new company, called Isaac Holdens (India) Private Ltd., will be formed in collaboration with Duncan Bros. and the Anglo-India Jute Mills Co., Ltd., Calcutta. It will commence operations by the end of this year, and work on a "commission-combing" basis only. The plant will sort out and process wool consigned to it by the U.K. top makers and deliver the finished wool tops according to their instructions.

The Government of India, on the recommendation of the Forward Markets Commission, has granted recognition to the Hyderabad Oils and Seeds Exchange Ltd., Hyderabad, for a period of one year in respect of forward contracts in groundnut oil. The hedge contract to be traded under the auspices of this Exchange will have pure raw groundnut oil as its basis. There will be six deliveries in each calendar year, namely, February, April, June, August, October and December, and the unit of trading will be 100 oil maunds. The trading is subject to a graded system of margins. The Commission has accorded permission to the Exchange to commence trading in December 1959 delivery with effect from the 15th inst.

The design for an open cast coal mining plant to be set-up in Madhya Pradesh has now been completed by the Techno-Export (Russia), under a contract concluded with the National Coal Development Corporation Ltd., of India. The proposed plant will be located at the site of the Korba deposits in Madhya Pradesh, where a 30 metre thick coal seam lies at a depth ranging from 5 to 180 metres. The known coal reserves in the Korba deposits aggregate 80 million tons. Mining of coal will be done in two sites at various levels. The production process is so mechanised as to secure a turnover of 400 tons per worker per month. Coal will be delivered to a concentration plant also designed by Soviet experts.

A seminar on management of public enterprises in Asia and the Far East will be held at New Delhi from 1st to 11th December 1959. Organised by the United Nations in co-operation with the Government of India, the seminar will bring together the working managers of public industrial enterprises in the sixteen countries of the E.C.A.F.E. region for an exchange of views on the procedures and problems of these enterprises from the managerial standpoint. Special emphasis is proposed to be laid in the seminar on the peculiar position of these enterprises vis-à-vis private industrial concerns on the one hand and regular departmental activities of the Government on the other.

The Government of India has set up a central advisory council, the Export Risk Insurance Corporation, in order to make available to the Corporation the benefit of advice of experienced persons connected with the export trade. The Council consists of the Chairman of the Corporation, its Managing Director, Mr. T. C. Kapur, who also functions as the Secretary, Messrs. S. L. Kiroloskar, T. Abdul Wahid of Madras, L. C. Kenol of Calcutta, S. P. Puri, Managing Director of the State Bank of India, Bombay, F. E. H.

PERSONAL

MR. G. D. Birla, who had been on a business tour of Europe and the U.S., returned to Bombay on Sunday the 19th inst.

Mr. Gordon Davidson, B.O.A.C. Manager, Bombay, will be leaving India shortly to take up his new post of B.O.A.C. Sales Manager, South-East Asia, Singapore.

Mr. K. D. Mathur, Member, Railway Board (Transportation), has been appointed Chairman of the Board vice Mr. P. C. Mukerjee who has proceeded on leave preparatory to retirement.

Dr. Omar Hayat Malik, High Commissioner of Pakistan in India, presented his credentials to President Rajendra Prasad at New Delhi on the 21st inst.

Mr. Jayant S. Dalal and Mr. T. M. Telang have been elected Chairman and Vice-Chairman, respectively, of the Indian Insurance Companies Association, Bombay, for the year 1959.

Mr. K. C. Neogy, a former member of the Planning Commission in charge of industries and transport, has accepted the chairmanship to the Rail-Road Co-ordination Committee.

Mr. M. Ananthasayanam Ayyangar, Speaker of the Lok Sabha, who led the Indian Parliamentary delegation to some countries on the Continent, returned to this country on Tuesday this week.

(motives) to private ownership, according to the Minister for Federal-owned Property, Dr. Hermann Lindrath. The Government plans to sell the shares of these industries to the average citizens by offering price discounts.

The 26-member lines of the Atlantic Passenger Steamship Conference have decided to increase their basic fare rates in 1960 by about 7½ per cent., generally, and up to 10 per cent. in some cases. The effects of the increases is, however, proposed to be offset to some extent by a reduction of 10 per cent. in round-trip tickets and the introduction of a new low emigrant class fare.

The Council of the International Civil Aviation Organisation will undertake an immediate study of the prospects for supersonic civil airliners, which are expected to become available within the next decade. The proposed study will cover the probable important technical, economic and social consequences of such aircraft, the problems in relation to noise, the size of airports and the various factors relating to the adoption of a co-ordinated policy by the Governments concerned.

A new official Bill, introduced in the Belgium Senate, seeks to set up a national investment company and a network of regional investment companies. The share capital of the company will be subscribed equally by the Government and private investors. These companies are expected to reinforce the activities of the various para-State credit bodies by subscribing risk-bearing capital to new industries as well as to the existing ones which want to expand.

The total of British investments in the U.S. and Canada at present is estimated at \$4,500 million and \$3,000 million, as against \$4,000 million and \$2,550 million, respectively, in 1939. Of the investments in the U.S., about \$2,100 million are accounted for by direct investment in plant, equipment and other business assets, the balance representing portfolio investments in securities. In Canada, direct investments are of the order of \$1,300 million and the rest is portfolio investment.

The U.S. General Electric Company has reduced the prices of its large steam turbo-generators substantially with a view to competing more effectively with overseas manufacturing firms which have recently captured a large part of the American market. The reduction in prices which range from \$200,000 to 200,000 kw. units to \$2.4 million on those of 600,000 kw. capacity has been linked to the new automated processes introduced at its Schenectady (New York) plant.

The aggregate world rice production during 1958-59 touched the all-time peak level of 135 million tons which represents an increase of 9 million tons, as compared with 1957-58, according to the U.N. Food and Agriculture Organisation. Importing countries accounted for the larger part of the increase in world production. There was, however, a setback to rice output in several exporting countries. More rice was grown in every Asian country, except Pakistan and Cambodia. The shipments of rice from the seven main exporting countries, namely, Burma, Thailand, Vietnam, the U.A.R., the U.S., Italy and Cambodia, which together with overseas demand account for four-fifths of world trade in rice, were substantially lower in 1958-59; they were just one-third of the quantity exported in 1957-58.

The Government of France has announced some tax reform proposals which are expected to be discussed at the autumn session of Parliament and incorporated in the Finance Bill towards the year-end. One of the proposals seeks to raise the starting rate for submission to income-tax to £300 for bachelors and £900 for married men with two children. The other proposals cover reduction in death duties in cases of direct succession and increase in duties on indirect succession, abolition of tax exemption on proceeds of stock revaluation (instituted to protect companies from the effects of currency depreciation) and removal of 'local taxes' on retail sales which were used to finance local governments. Another important provision relates to the amalgamation of the two existing forms of income-tax. This measure will not, however, come into operation until 1962.

Goddard, Manager of the Chartered Bank and N. M. Choksi, General Manager of the Bank of Baroda. For the present, the term of the Council is one year.

An agreement for the avoidance of double taxation of income between India and Norway was signed at New Delhi on the 20th inst. The agreement now requires to be ratified after which it will become effective in India from the assessment year 1959-60. The agreement follows talks between the two Governments at official level in February this year when a draft agreement was initiated. An agreement with Sweden has already been ratified and is now in force. An agreement with Switzerland, limited to the profits of air transport, is also in force. India has also signed an agreement with West Germany and another is to be signed shortly with Denmark. A similar agreement with the U.S.A. has been initiated at the official level and is awaiting approval by the respective Governments.

The Government of India has decided to take over the Model Mills of Nagpur and entrust to the Government of Bombay the task of making arrangements for its running as an unemployment relief scheme. The possession of the Mills is expected to be taken by the State Government in the first week of next month and will begin production within a month thereafter. While the State Government will be responsible for the running of the Mills, the profit or loss will go to the Company in contrast to the arrangement made in respect of Narsingijri Mills at Sholapur and Seksaria Mills under which the profit or loss goes to the Government. It is estimated that the Mills will require a working capital of Rs. 75 lakhs. It has about 49,000 spindles and 950 looms. The number of workers in the Mills, when it closed on 6th April, stood at 6,700.

Steps to accelerate the tempo of productivity movement in the country will be discussed at a two-day conference of productivity experts to be held at New Delhi under the auspices of the National Productivity Council on the 30th and 31st inst. Mr. Manubhai Shah, Union Minister for Industry, will inaugurate the conference. The conference, which will be attended by about 300 productivity experts from all over India, will review the programme of activities of the N.P.C. and local productivity councils and devise ways and means of securing the co-operation of industrial productivity experts in the productivity drive. During the deliberations, special attention will be paid to the Council's training programmes, advisory services for introducing productivity techniques in plants, audio-visual programmes, the scheme for organising productivity teams within the country and other methods of increasing productivity.

From Abroad

The U.S.S.R. has granted a long-term low interest-bearing loan of 400 million roubles (about Rs. 43.7 crores) to Ethiopia.

The number of employed persons in the U.S. rose from 92 million in May 1958 to a record figure of 97.342 million in June 1959.

The U.S. Senate and the House of Representatives have approved of a compromise figure of \$3,556.20 million for foreign aid during the current fiscal year (July 1959-June 1960).

A proposal to place a contract for the detailed design work on a supersonic long-range airliner capable of covering 1,300 miles an hour—twice the speed of sound—is under the consideration of the U.K. Government.

The total consumer expenditure on food in the U.K. has almost doubled in the past seven years, from £2,949 million in 1951 to £4,672 million in 1958. A part of this rise—about 25 per cent.—is accounted for by an increase in prices.

The unemployment situation in Australia showed signs of further improvement during the month of June 1959 when the number of persons registered for employment fell by 1,913 to 65,000 and the number of persons receiving unemployment pensions was lower by 398 at 27,000.

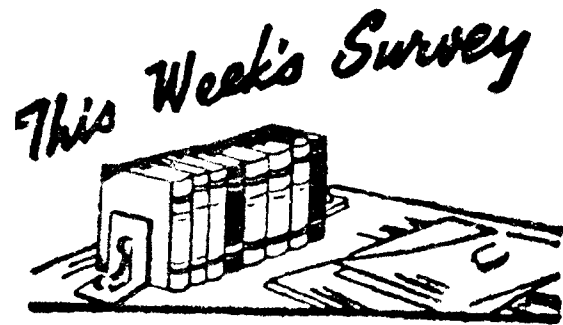
The Governments of Malaya and Singapore have decided to do away with all restrictions on direct import of U.S. dollar goods with effect from 1st August next. Thereafter, dollar goods will receive the same licensing treatment as that accorded to goods imported from the O.E.E.C. countries.

It is reported that China has plans to produce about five million jin (one jin=1,023 lb.) of wild jute in 1959 from what is believed to be barren land in the Tarim basin, off Takla Makan desert in Sinkiang-Uighur autonomous region. The jute will be used to manufacture high-grade fabrics, fishing nets and rope.

The British Petroleum Trading Company and the Shell International Petroleum have reduced the bunker prices for marine diesel oil by 4s. a ton and light diesel oil and gas oil by 5s. a ton in ports east of Suez, namely, Suez, Aden, Basra, Aden, and Red Sea, Persian Gulf, Pakistan, India, Ceylon, Burma, Australia and New Zealand.

New Zealand has ratified the fourth International Wheat Agreement. Accordingly, it will buy a fixed percentage of its actual requirements from India, namely, 50 per cent. of wheat ranging from \$1.50 to \$1.90 per bushel. Under the previous agreement, New Zealand had to take a fixed quantity when world prices were between \$1.50 and \$2.00.

The West German Government has decided to hand over the remaining State-controlled industries (including aluminium, coal, petroleum and auto-



LABOUR PROBLEMS

IN the course of his address at the annual meeting of the All-India Organisation of Industrial Employers, held at New Delhi this week, the Union Minister for Labour and employment, Mr. Gulzarilal Nanda, declared that, whereas he found in Europe "a rising wave of prosperity" which was being shared very widely, he found in India not so much a sense of achievement as a "sense of grievance everywhere, a sense of discontent all round." This, indeed, the crux of the labour problem. Why does Indian labour, despite the anxious care bestowed upon it by the Government and the beneficial legislation enacted by the Indian Parliament, still labour under a sense of neglect? Mr. Nanda, on his part, did not answer the question he did so well to raise. But it is worth all the time and energy that one could spare in an effort to find an answer to the question. For not day passes without some vociferous demonstration of their discontentment by one or other of the numerous sections of Indian workers.

Although the judgment may seem harsh, it is undeniable that Indian labour is more conscious of grievances than appreciative of benefits readily provided. Not infrequently, it behaves like some spoiled child in a none too prosperous family which cannot always afford the things it wants. Seldom does industrial labour in this country realise that there are other sections of the population and that it cannot claim exclusive monopoly of benefits and attention. As Mr. Lakshminipat Singhania, President of the employers' body pointed out, "it is well to remember that the number of industrial workers total only about seven million out of the total labour force of 154 million in our country." By international as well as national standards, Indian labour can have little justification for pursuing a great sense of grievance. Mr. Singhania stressed how "the most striking thing to be noticed is that the disparity between India and other countries in respect of industrial wages is much less than in national incomes." Thus, although the national incomes of the U.K. and the U.S.A. were more than 15 times and 34 times, respectively, India's national income, industrial wages there were only five times and 15 times the average wages in this country. If a comparison were instituted in respect of the wages of different classes of workers in India itself, the industrial workers would come off very well indeed. Mr. Singhania pointed out that, in 1951-52, the average daily wages of agricultural workers was only Rs. 17.5, as compared with Rs. 54.5 earned by industrial workers. This disparity could not have varied greatly since 1951-52.

It should thus be clear that India's industrial labour has little reason to feel despondent over its position. At the same time, it would be idle to aver that all its grievances are illusory. For it is undeniable that there are employers who have not yet learnt the art of granting gracefully what they must give anyway. Nor can it be denied that soaring prices continue to erode the benefits that are given. Inflation is still labour's enemy No. 1. There is little hope of any improvement in labour's position in Indian economy so long as inflationary forces are not held in check. Indian labour, even more than any other section of the population, has a special responsibility to safeguard the value of the rupee. An effective means of ensuring it is to recognise that, generally speaking, all increase in wages should be related to increase in productivity. As Mr. Singhania pointed out, "the old saying that the labourer must be worthy of his hire is indeed very true."

Among the measures which have been adopted or suggested in order to maintain peaceful industrial relations, mention must be made of the Code of Discipline, the adjudication machinery and workers' participation in management. Mr. Nanda insisted that the Code was an indispensable element in industrial relations and was a move in the right direction. What is, of course, necessary is that labour unions should have a healthy respect for the Code. Mr. Nanda revealed that the machinery

which had been set up to take note of the breaches of the Code had brought redress in a large number of cases.

As regards adjudication machinery, Mr. Singhania suggested that, in its higher levels, it should be manned by High Court judges or men with similar ability and status. He also suggested that consideration should be given to the question of restoring the Labour Appellate Tribunal. It is to be feared that its abolition without the safeguard of a set of all-India norms which could govern industrial disputes has done considerable harm to the country's industrial progress. On the larger question of the relative merits of adjudication and collective bargaining, Mr. Singhania felt that "it may not be possible to do away with the existing adjudication machinery and depend entirely on collective bargaining in the existing set of circumstances." This view is, by and large, correct in the context of the present situation in the country. But it should not be allowed to prevent all experiments in collective bargaining which, it may be noted, have never been tried seriously in the country. No experiment in collective bargaining can succeed unless the Government is prepared to encourage it actively.

Mr. Nanda reiterated his plea for expediting schemes for workers' participation in management on a voluntary basis. He recalled that workers' organisations had pleaded for legislation on the matter but had agreed to his view that the scheme should be introduced on a voluntary basis. He added: "My hands will be very greatly weakened if we do not move on a voluntary basis." But one would like to know from the Union Labour Minister as to what type of employee participation he has in mind and as to what the workers themselves want. If our memory is right, the talks on this subject have all along been on vague lines. How could there be any response from employers to his appeal, unless the idea of employee participation is clearly spelled out?

BOMBAY PORT

Bombay Port is the largest major port of India through which passes the bulk of the country's overseas trade. The Port accounts for as much as 47 per cent. of the aggregate annual imports of about 20 million tons and 34 per cent. of exports amounting to 11 million tons passing through the principal ports. The volume of goods and commodities handled by the Port is bound to increase considerably in the coming years, what with the accelerated tempo of economic development envisaged in the Five-year Plans. It is, therefore, of the utmost importance that the facilities available at the Port must keep pace with the expanding cargo traffic needs. Viewed thus, the warning given by the Bombay Chamber of Commerce and Industry, in the course of a communication addressed to the Chairman of the National Harbour Board, that, if action is not taken in the near future, it will be found—too late—that the docks are obsolete and unable to cope satisfactorily with the ships which will be on the seas at that time, is quite timely and pertinent. The Chamber has rightly urged the inclusion of the "Minimum Scheme" in the third Five-year Plan.

What is the "Minimum Scheme"? It is a group of works for the improvement of the Princes and Victoria Docks, which originally formed part of a larger plan of development. The purpose of the improvements is to permit ships of deeper draught to be admitted to these Docks at all states of the tide. The scheme envisages construction of an entrance lock, the closing of the existing dock entrance gates, the widening of the communication passage between the docks, and the lengthening of certain berths in the Victoria Docks. The scheme was prepared by the Bombay Port Trust's Consulting Engineers and approved as early as in 1949. As the full project was estimated to cost Rs. 13.15 crores, the Trustees decided to concentrate attention on the minimum improvements necessary to remove the handicaps to vessels using the obsolete Princes and Victoria Docks. Recently, when the question arose as to whether provision should be made in the third Plan for the implementation of the scheme, the Government raised objections, financial and otherwise.

Whatever may be the objections, the importance of the scheme cannot be stressed too strongly. The Princes and Victoria Docks, now over 70 years old, are already obsolete. The Government may ask as to why the Bombay Port Trust itself cannot implement the scheme out of its own resources. It is true that the

annual revenue receipts of the Port are quite large, the budget estimate for 1959-60 being Rs. 10.37 crores. But the expenditure side of its budget is equally large, so that external assistance is necessary for undertaking large-scale capital works. The Bombay Chamber has drawn attention to this aspect and emphasised that to finance the scheme at present costs by the Port Trust itself would probably mean raising the existing surcharge of 33½ per cent. on dry cargo wharfage to about 125 per cent. and even to 150 per cent. "Such an increase in wharfage charges," to quote it, "is too high to be seriously considered.... There is a point at which Government's offer of loan facilities and the capacity of the traffic through the Port of Bombay to bear additional charges such as will not divert trade elsewhere may be made to meet."

The Chamber is of the view that any decision to develop the Port should not be based necessarily on whether the developments will be productive of immediate revenue. For it says: "The improvements and developments of an obsolete dock inevitably take several years to plan and finance. Moreover, as the demand for the limited supply of technical knowledge and experience increases as each underdeveloped country seeks to improve the facilities of its ports, so the cost of the improvement increases." This has already been the bitter experience of the Trustees of Bombay Port. And it is gratifying to note that the Chamber has highlighted this aspect and urged the advisability of action in the near future. When so many schemes based on highly ideological considerations and involving crores of rupees of expenditure are proposed to be covered by the third Plan, the inclusion of such an important project as the "Minimum Scheme" of the Bombay Port will surely not entail any strain on the Central Exchequer.

GOVERNMENT ADVERTISING

It is deplorable that the Central Government should have reversed its policy, enunciated only four months ago, in regard to its advertisements. It stated then that "increased use is being made of Indian advertising agencies for the release of Government display advertisements" (vide page 41 of the Information and Broadcasting Ministry's Annual Report, 1958-59). But hereafter, all Government advertising, Central and State, as well as autonomous corporations, is proposed to be gathered into the hands of the Directorate of Advertising and Visual Publicity. The implications of this proposal are threefold; 1. The Directorate will seek from newspapers a concession or discount in rate equal to 15 per cent. commission now received by the recognised advertising agencies. 2. The State Governments and autonomous corporations will be offered, in addition to the grant of a part of the concession, free art work and services for which the normal commercial agencies usually make a small charge. 3. The policy matters concerning Government advertising will be dealt with directly with individual newspapers (and periodicals) and agencies rather than with associations of either.

The aforesaid decision of the Government is sought to be justified under the cloak of economy in expenditure. But the real objective behind the decision may be far from this. It to establish virtually a monopoly of Government's publicity business by encroaching upon the profession of advertising agents and consultants in Government work. How disquieting out by Mr. S. Natarajan, in the course of an article, contributed to the *Hindu* of Madras. He says:

"The first can be regarded as an extension of seen at work in profits' policy which we have a difference which is sinister. While there, the and excise duties, here, the Government proposes venue of private enterprise. The second involves because it is interested in killing competition out-right. The third is a blatant attempt to build up ment department, while breaking down the cohesion have to deal."

There is no exaggeration whatever in these remarks. Indeed, the Government's decision is fraught with a danger to the freedom of the Press and the growth of advertising in India. The Indian and Eastern Newspaper Society has done well to voice its criticism of the Government's decision. At a meeting held at New Delhi recently, the Society pointed out that the decision ran counter to the practice hitherto

followed and that it enjoined upon the Government to deal in policy matters with the Society and not deal directly with individual papers. Drawing attention to the complaints from member-newspapers of undue pressure being applied on them for reduction in their established commercial rate structure, it reiterated that this structure should not be disturbed by the Directorate of Advertising and Visual Publicity. It is to be hoped that the special committee, set up by the Society jointly with the Advertising Agencies Association of India to represent matters of common interest to the Government of India in relation to the advertising policy, will succeed in impressing upon the Ministry of Information and Broadcasting the need for revising the decision.

If, however, the Government were to stick to its decision, it would indicate its determination to reduce advertising to the level of patronage. Such a policy is bound to tell on the quality of advertising.

The "economy" argument is also untenable. After all, the total expenditure incurred by the Directorate of Advertising and Visual Publicity on display advertisements and classified advertisements in newspapers and publications is not more than Rs. 36 lakhs per annum (worked out on the basis of the figures for the first nine months of the financial year 1958-59). The commission and discounts (average of 15 per cent.) will result in a saving of just Rs. 5 lakhs. This amount will certainly be more when all the advertisements of the public sector are centralised and distributed through the Directorate of Advertising. But even if the commission thus saved were Rs. 50 lakhs, it would still be a mere drop in the ocean, as compared with the revenue budgets of both the Central and State Governments aggregating Rs. 1,615 crores. In its anxiety to save this small amount, the Directorate will have to set up an elaborate machinery to handle the advertisement business directly which will more than neutralise the saving anticipated, not to speak of the red-tape and inefficiency that are usually associated with a bureaucratic organisation. In view of all these considerations, is it not advisable for the Government to use the existing agencies, strengthen them singly and in association "by calling on their assistance in really national, emergency campaigns and help them to build up better standards and practices in the profession"?

GENERAL INSURANCE

The stimulating address delivered by Mr. M. S. Dastur, Chairman of the Indian Insurance Companies Association, at the thirty-first annual general meeting of the Association held at Bombay this week, deserves to be read to a wider audience. Mr. Dastur raised certain points of criticism on some aspects of insurance in the country, highlighted the problems of insurers and made quite a few suggestions for their solution. He preferred to call them his personal viewpoints but there is no doubt that they will be shared by the vast majority of his colleagues in the insurance world.

Mr. Dastur regretted that certain restrictive practices of banks and other financing institutions like the Industrial Finance Corporation continued to cause considerable difficulties to insurers. While certain banks have laid down conditions of their own for the inclusion of Indian insurers on the approved list—some insisting that insurance companies lodge with them Government and other securities or alternatively, get policies issued by them guaranteed by another insurance company of repute acceptable to them—the I.F.C. requires insurers to obtain letters from their Treaty and Reinsurance offices to the effect that, in the event of a claim arising, these offices would pay the amount direct to the Corporation. These conditions, Mr. Dastur pointed out, were a needless reflection on the companies which should be deprecated as derogatory to Indian insurance as a whole.

There is no doubt that insurance companies and banks and other financing institutions are highly complementary. If insurance is to develop into an important adjunct of the national economy these should move in unison. Banks and other financing institutions should, therefore, endeavour to be as accommodating as possible consistent with their interest, and see that their actions do not hinder the growth of insurance.

Whether the Code of Conduct adopted by insurers has been a success or not is a question on which there are wide differences of opinion among insurers. Mr. Dastur did not agree with

those who maintain that, barring the provision for advance payment of premium before the assumption of risk, the Code of Conduct has failed to achieve any of its objectives. He felt that, on the whole, the Code had achieved reasonable success and that, if it were given a fair trial, in the long run, it would bear fruit. He thought it was not advisable to make frequent changes in the Code, nor to make the Code elaborate, complicated and expensive. It was, according to him, necessary to formulate a well-planned balanced scheme and to give it a good trial.

The proposed revision of fire tariff rates has attracted much attention of late. Proposals for reduction in fire rate are under consideration at present. Mr. Dastur had some sage counsel to offer in this respect. He stated, in effect, that a reduction in rates was not justified. According to him the criticism that fire rates in India were too high was not supported by any concrete evidence, except that the Indian fire claims ratio was low. If it meant that the total premiums were high, such figures as were available showed, according to him, that the contention was not correct. If, on the other hand, it meant that the expenses were high, it must be said that these expenses were justified for the service rendered to the insured. He maintained that to judge the claims ratio in the fire department as a whole, that is, including the premium derived under other sub-sections such as riot, earthquake and other extraneous risks, was unscientific. If the premiums on these accounts were excluded, the net premium on the pure fire section would be lower by at least 15 per cent. As regards expenses, while the rise in premium income in the fire department during the period 1946-56 was only 16.99 per cent., as against 78.21 per cent. in marine and 122.61 per cent. in accident departments, the general expenses of conducting the business as a whole had gone up considerably during the period.

Mr. Dastur underlined the need for building up free reserves to meet unforeseen circumstances. Free reserves of Indian insurers till recently had been insignificant. It was only after the adoption of the Code of Conduct that 10 per cent. of the net premium was set aside as free reserves. The other 40 per cent. reserves on net premium might be termed reserves for unexpired risks. It was the duty of the powers-that-be, he averred, to see that insurers were financially strong and such strength could be built up only from the rate structure.

The Chairman had some suggestions to offer for making the notoriously unremunerative motor insurance profitable. He thought that constant increase in rates, making insurance costly, was no remedy. What was required was to find out where and how the claims were arising and the way such claims were settled. The best method to improve the claims ratio for this class of accident business, according to him, was either for all insurers to agree not to give comprehensive cover to motorists whose claims experience was not good or to revise the no-claim bonus by giving higher no-claim bonus to cautious motorists. The revision in no-claim bonus to a higher level, he rightly pointed out, would not only tend to reduce the claims but would also meet to some extent, the non-tariff competition.

THE BANK OF MAHARASHTRA LIMITED

ESTD. 1935
SCHEDULED BANK
CAPITAL

Paid-up Capital	Rs. 30,00,000
Reserves	Rs. 13,00,000
Total Working Funds exceed ..	Rs. 13 Crores

BOARD OF DIRECTORS

Shri V. P. Varde (Chairman)	Shri N. G. Pawar (Vice-Chairman)
" D. K. Sathe	" F. G. Padumjee
" M. V. Shah	" B. M. Gupta
" M. B. Jambhakar	" M. S. Parakh
" V. S. Shirgaonkar	" J. K. Rege
[Shri R. B. Benthia]	

The Bank of Maharashtra Ltd. has subscribed the recent issue of 3½% Government of India Loan (1959) to the extent of Rs. One crore and more and has thus supported the progressive plans before the nation.

Head Office: **C. V. JOAG**
Bajirao Road, Poona-2. **Manager.**

PROGRAMME FOR CO-OPERATIVES

The broad contours of a new co-operative policy were indicated by the National Development Council in November 1958. The Council decided to organise co-operatives on the basis of the village community as the primary unit. Besides, it emphasised the need for entrusting the village co-operative and panchayat with the entire responsibility and initiative for social and economic development at the village level. A Working Group constituted by the Ministry of Food and Agriculture examined the administrative and organisational arrangements necessary for implementing the decision of the Council. It submitted its report early this year. The stage has thus been set for carrying the experiment in co-operative development further. The Government of India has already drawn up a preliminary schedule in such a way as to enable all the rural families to be brought under the purview of co-operatives before the end of the third Five-year Plan. Incidentally, it is said that the policy on co-operative farming will be finally decided only after the Working Group, now studying the question, submits its report.

Since the development of co-operative movement is a State subject, the Centre has only a minor role to play in the actual execution of the programme. The present schedule is, therefore, intended to ensure speedy implementation of the prescribed policy in the various States. One of the most important provisions of the new policy relates to the removal of restrictive features of the existing legislation, particularly in the administrative and procedural spheres. The States have now been asked to appoint committees to consider this issue and report back in three months. The resulting Bills are to be put on the Statute Book before the end of March 1960. Meanwhile, the States are expected to complete a review of the position of personnel and work out in a couple of months the likely requirements during the next three to five years. The States have further been asked to give high priority to the scheme for organising "supervising unions" at the block equivalent levels and for federating them into district and State unions. The primary object of the schedule is to lay the basic structure of village co-operatives everywhere in the country by the end of 1962.

The expansion of marketing and processing facilities is to be given special attention. The State Governments have been directed to implement the programme already approved for the current year as also the supplementary programme. Each State has been asked to draw up a definite scheme for enabling the marketing co-operatives to take up State trading in food-grains. Meanwhile, the Bill which seeks to separate the Central Warehousing Corporation and the National Co-operative Development and Warehousing Board is expected to be introduced in the forthcoming session of Parliament. The provisions of the Bill, it is expected, will be put into operation by November next.

The proposed measures for co-operative development call for additional finance, necessary for the larger membership envisaged. Provision of finance will require careful study by the Reserve Bank, the State Governments and State Co-operative banks. The pilot project scheme launched in this connection will also take some more time in getting under way. At any rate, some definite measures of policy in this regard are proposed to be drawn up by the end of the current year.

A notable desideratum in the working of the co-operatives is scarcity of adequate number of well qualified and competent personnel. The Centre has, therefore, asked for a review of the existing facilities and possibilities for expansion. The Central Committee for Co-operative Training is expected to complete the collection of necessary data sometime next March. Further, it has been suggested that intensive instruction on the principles of co-operation should be given in schools and colleges. Besides seeking to attract talents to the sphere of rural reconstruction, these schemes are designed to make the country co-operative-conscious.

Even so, it is to be feared that the Government is putting the "co-operative" cart before the "training" horse. Further the mere increase in co-operative training facilities will not ensure the success of co-operation. The required level of organisational maturity can be acquired only through experience. By pushing ahead with the co-operative programme in great haste, the Government is sacrificing even the slender chances of success which the movement may otherwise be expected to yield. The result may well be that many organisational sins, including financial misdeeds, will be safely covered under the banner of co-operative idealism.

AMERICAN LETTER

MR. KOZLOV CARED NOT TO MINGLE
WITH WORKERS

INTEREST RATES HIGH—NEW NUCLEAR SHIP

From Our Special Correspondent

New York, 17th July

SOVIET First Deputy Premier, Mr. Frol R. Kozlov, has completed his visit to the United States after opening the Russian exhibit here and after a tour of the country. There are a number of things worth recording for readers in India, trivial as they may seem on the surface.

At no time during his visit here did Mr. Kozlov find it convenient and proper to look into American workers' housing and living conditions. He did not accept an invitation, extended by trade union officials, to visit trade union headquarters and have an exchange of opinion with ordinary workers, or with union officials. Instead, Mr. Kozlov preferred to be wined and dined almost exclusively by Government officials and by leaders of big business and finance. The *New York Times* said editorially that "it was a curious performance for a leader of the proletariat."

The Soviet exhibition in New York has attracted many visitors, who were provided with books to voice their opinions about the things they saw. Quite a few Americans were sceptical. They liked some of the Russian goods, but they pointed out that no price tags were attached to them. They also raised questions as to the availability of such goods. The Moscow Press distorted these stories immediately. It said that hoodlums were belittling the Soviet exhibits, without stating that random visitors were registering their opinions in plain language as they are used to every day. It must, however, be said that the Soviet exhibition is impressive, as most of their fairs are; there is no question about it.

As a final sidelight to Mr. Kozlov's visit, it may be emphasised that the Lord Mayor of Detroit, the home of one of the strongest trade unions, the Automobile Workers of America, refused to receive the Soviet First Deputy Premier, against the wishes of the State Department.

U.S. Business Conditions

The gross national product, or the total of goods and services produced, registered a record of \$479,000 million in the second quarter of this year. Government economists predict that this figure will break through the \$500,000 million mark before mid-1960. God and inflation permitting.

In this context, it must be reported that Washington D.C. wound up the fiscal year ended 30th June, with an estimated Budget deficit of \$12,500 million which is a record for a peacetime year. As a result, Congress passed a Bill and President Eisenhower signed the law, raising the national debt limit, temporarily, to \$295,000 million. With revenues booming, the

Administration now counts on a balanced budget for the fiscal year beginning from 1st July 1959. There are many other hopeful signs in the American economy. Building activity is at a peak. Automobile sales have been beyond expectations. They may reach 6.5 million units this year. The retail sales for the first half of the year fetched \$102,500 million, as compared with \$95,000 million in the same period of 1958.

But so confident is the American public in the future that consumer credit, hire-purchase, or instalment credit, as it is called in the U.S., charge accounts, bank loans, mortgages and so on, now amount to about \$44,000 million. In other words, considerable family income has been committed. Nobody knows what the proper proportion of credit is under given circumstances, but there must be question marks.

In fact, consumers increased their outstanding hire-purchase debt by \$443 million in May, reflecting the spending mood as personal income mounted. Total hire-purchase credit outstanding was a record \$35,000 million at the end of May.

At the same time, it may be reported that savings have not diminished. Individuals added \$5,500 million to their nest eggs in the first quarter of 1959, the same as a year earlier.

Interest rates are still rising. In one of the recent offerings, the U.S. Treasury had to pay 4.728 per cent. for a 366-day bill issue, the highest in 38 years. In keeping with this, all rates are going up.

Corporate Pension Funds

Total assets of public and private pension funds were about \$88,800 million on 31st December last. They now exceed the assets of Government social security programmes. Receipts of corporate pension funds aggregated about \$3,500 million in 1958, or 5 per cent. more than in 1957.

Investments of these funds are rather interesting. About 53 per cent. went into corporate bonds; about 30 per cent. into corporate stocks; 2 per cent. into mortgages; 9 per cent. into Government securities and 6 per cent. into miscellaneous assets.

The Nuclear Ship "Savannah"

Private industry, the U.S. Commerce Department, the Maritime Administration and other Federal agencies have devoted a good deal of activity into making the nuclear ship *Savannah*, a reality for peaceful purposes.

Many new and exotic metals have been employed in the construction of the ship, including hafnium, zirconium, boron, thorium and so on.

Materials are the most pivotal items to establish criteria. But educating and training crews for nuclear ships is a necessary part of the programme. The training schedule for the

Savannah is intended to produce operating personnel who can cope with any situation. In due course, it will visit India.

The captain and 16 engineering officers for operation of the *Savannah* were selected. These men are undergoing intensified and specialised training.

Weight and space requirements are as important in nuclear ships as they were to the development of steamships. The advantage in nuclear ships is that fuel, as it is known today, is needed no longer.

Qualified engineers claim that the new *Savannah* will be a safer ship than any conventional vessel. No seaport need be concerned about nuclear contamination from this ship, since adequate precautions have been taken, should this nuclear ship be involved in a collision, or sinking.

All radiological safety measures are being taken. A steel housing cylinder provides for protection against any instantaneous rupture of the reactor. The protective housing is designed to prevent any radioactive matter from reaching other parts of the ship in the worst conceivable accident.

With regard to disposal of radioactive waste, the method used on the *Savannah* provides for the complete retention of all liquid and solid wastes until the ship returns to a port equipped with special facilities for safe removal and shipment to a waste disposal area.

General acceptance of nuclear-powered ships by the many ports and authorities throughout the world is mandatory to successful operation. —All Rights Reserved.

NEW JET PLANE

The U.S.'s second passenger jet airliner, the huge DC-8, which will carry 176 passengers in the most streamlined luxury and nearly seven tons of cargo, is scheduled to enter commercial passenger service late in 1959. Built by the Douglas Aircraft Company, the jet airliner will include some remarkable features, new innovations ever made in large aircraft design and will point to some of the latest engineering advances in the field of aviation. The 152-ton DC-8 is 150 feet long and its wing span is nearly as great, measuring 140 feet. A unique characteristic of these wings is their virtual elasticity which permits them considerable up-and-down movement. This cushions air turbulence as if the wings were giant springs. These great hollow wings store more than 57 tons of kerosene, the fuel that jet planes burn. Yet these fuel tanks can be filled in 15 to 20 minutes.

The first DC-8s will have four Pratt and Whitney JT3 engines developing a total of 24,000 horsepower. They will drive the plane at a speed of about 560 miles an hour. Eighteen electronic systems, including a weather radar, will guide the plane and keep it in touch with the ground 35,000 to 40,000 feet below. The air-conditioning system's four compressors are each one-quarter as big as an average home refrigerator's cooling unit, but 100 times more powerful.

The air in the plane's cabin, completely changed every three minutes, is kept at a passenger-comfortable temperature of 70 degrees Fahrenheit though outside temperatures may range from 100 degrees Fahrenheit above zero to 100 degrees Fahrenheit below zero. The cabin is pressurised so that sea-level atmosphere is maintained up to 23,000 feet. At 34,000 feet, cabin pressure equals that of 5,000 feet; and at 40,000 feet that of 4,700 feet. The plane's huge tail towers more than 42 feet. Hot air from the engines is circulated through ducts along the leading edges of the wings, tail surfaces and engine pylons to prevent icing.

PROFITS OF SCHEDULED BANKS DECLINE
BY NEARLY A QUARTER IN 1958
CHEAP CREDIT ONE OF THE CHIEF CAUSES

THE year 1958 proved to be one of steady growth for Scheduled banks in India, inasmuch as they were able to extend their banking services by opening more branches than in any previous year and to enlarge their deposit resources by a greater extent than before, though such growth has not been remunerative to all the units. In fact, the earnings of almost all banks suffered a setback, for the first time since 1953. This was due to the large accretion of high-interest bearing time deposits, without a corresponding increase in advances and the rate of interest thereon, and the mounting level of establishment expenses. A closer study of the problem of bank profits shows that credit facilities are being made available at a comparatively cheaper cost to the borrowers. A brief analysis of the trend of earnings and expenses of twenty-five large Scheduled banks was recently made by the Reserve Bank of India and published in its annual publication, *The Trend and Progress of Banking During 1958*. A more detailed analysis of the earnings and expenses of all commercial banks (Indian Scheduled banks, foreign scheduled banks and Non-scheduled banks) in India is now available. This is published in the *Statistical Tables Relating to Commercial Banks in India* for the year 1958 brought out by the Reserve Bank of India and made public this week.

Before proceeding to analyse bank earnings and expenses, it will be worthwhile to make a brief reference to the changes in the main assets and liabilities of Scheduled banks as at the end of 1958. The most striking feature of the year's working, as already pointed out, was the further accretion to Scheduled banks' deposits, which recorded a rise of Rs. 226 crores to Rs. 1,684 crores, on top of an increase of Rs. 280 crores in 1957. Thus, in the course of two years, the Scheduled banks' deposits have grown by 44 per cent. Deposits of Indian Scheduled banks alone rose by Rs. 234 crores during 1958, while those of foreign Scheduled banks actually declined by Rs. 8 crores. Nearly 50 per cent. (Rs. 112 crores) of the rise in deposits of Indian Scheduled banks was accounted for by the State Bank, the bulk of which is attributed to the accruals of counterpart rupee funds under P.L. 180. Nearly nine-tenths of the deposit expansion took place under time deposits which increased from Rs. 518 crores to Rs. 722 crores. Even after making allowance for P.L. 480 funds, the rise in time deposits was surely considerable.

As against the rise of Rs. 226 crores in deposits, the advances (including bills purchased and discounted) of Scheduled banks rose by only Rs. 7 crores in 1958 (to Rs. 901 crores), as compared with an increase of Rs. 74 crores in 1957 and of Rs. 155 crores in 1956. The slowing down of the expansion in bank credit was due to (1) the slackening of the rate of investment in the private sector and (2) credit curb by the Reserve Bank of India to check inflationary tendency. This moderate growth in bank credit, coupled with the impressive growth in deposits, left banks with large liquid funds which they invested in Government securities. As a result, investments of Scheduled banks in Government securities rose sharply by Rs. 201 crores (to Rs. 634 crores) in 1958, as against Rs. 70 crores in the previous year and a decrease of Rs. 18 crores in 1956.

The aforesaid changes in the asset structure of banks had an adverse effect on their earnings. Thus, the aggregate net profit of all Scheduled banks (Indian and foreign) declined by Rs. 3.14 crores (or 24.7 per cent.) to Rs. 12.70 crores, as against a rise of Rs. 2.21 crores in the previous year. To take the Indian Scheduled banks first, their current operating earnings rose by Rs. 9.99 crores to Rs. 71.80 crores, thus keeping up the consistently upward trend noted since 1953. The current operating expenses, however, rose more sharply by Rs. 12.27 crores to Rs. 61.13 crores. This rise compares unfavourably with that of Rs. 10.10 crores in 1957 and of Rs. 5.14 crores in 1956. As a result, the profit of Indian Scheduled banks suffered a fall of Rs. 2 crores to Rs. 10.50 crores during the year under review, as against a rise of Rs. 2.42 crores in 1957 and of Rs. 2.72 crores in 1956.

As regards foreign Scheduled banks, their current operating earnings actually declined by Rs. 77 lakhs to Rs. 16.18 crores, as compared with the rise of Rs. 1.42 crore in 1957. At the same time, their current operating expenses continued

to maintain the upward trend, with a further rise of Rs. 44 lakhs to Rs. 14.08 crores. Consequently, there was a shrinkage of Rs. 1.14 crore in net profit to Rs. 2.19 crores, the lowest level since 1949, the earliest year for which figures are available.

A detailed analysis of the profit and loss accounts of the Indian and foreign Scheduled banks for the past five years, as compiled by the Reserve Bank of India, reveals the following additional features:

(1) The share of income from the main asset (advances and bills) in the current operating earnings has declined from 63.5 per cent. (in 1957) to 60.5 per cent. in the case of Indian Scheduled banks and from 75.8 per cent. to 75 per cent. among foreign banks.

(2) The interest paid on deposits was 42.4 per cent. of the current operating earnings in 1958, as against 34.5 per cent. in 1957 and 26.8 per cent. in 1954.

(3) The outgo by way of interest paid on deposits, which formed 47 per cent. of the interest earned on advances and bills in 1954 in the case of Indian banks, was as high as 70 per cent. of the latter in 1958.

(4) The rise in the quantum of establishment expenses in 1958, as compared with 1957, was in consonance with the increase in total earnings, the ratio of these expenses to current operating earnings being unchanged at 31.8 per cent. In 1955, it was higher still at 39 per cent.

(5) The allocations to reserves from the net profit (before taxation) have been reduced over the year from 15.1 per cent. to 14.9 per cent., but the shares of shareholders and employees (bonus) in the net profit have both gone up, the former from 25.4 per cent. in 1957 to 31.3 per cent. in 1958 and the latter from 12.9 per cent. to 17.2 per cent. In 1954, it may be noted, 9 per cent. of the net profit went to general reserve, 37.2 per cent. to shareholders and 15.1 per cent. to employees.

(6) The share of tax provision in net profit in 1958 was 22.4 per cent., as against 32.6 per cent. in 1957 and 24.9 per cent. in 1954.

The setback in banks' earnings could have been offset, if not more than made good, if the banks had raised their rates of interest on advances, loans and bills purchased and discounted. No convincing explanation has so far been heard as to why the banks did not pass on a part of the rise in the cost of their operations to whom they lend. An analysis of the rates of interest charged by them shows that the bulk of their advances is being made at less than 6 per cent. and, if any increase was made in 1958, it was only in the group of credit given at 4-5 per cent.

The margin between the average rate of interest earned on bulk of the advances and that paid on time deposits and call deposits is, if anything, thin. It is most unprofitable, nay, unwise, to do banking business at such slender margin of profit. No wonder the banks are unable to have a contented staff and to strengthen their reserves.

WORLD BANK LOAN TO INDIAN RAILWAYS

The World Bank granted last week a loan equivalent to \$50 million to India for modernisation and expansion of Indian railways. The loan is for a period of 20 years and will bear interest at the rate of 6 per cent. per annum, including the usual commission of 1 per cent. Amortisation of the loan will begin on 15th January 1963.

Seven private banks are participating in the loan, without the World Bank's guarantee, for an aggregate sum equivalent to \$3,762,000, representing all of the first three maturities and parts of the fourth, fifth and sixth maturities falling due between January 1963 and January 1965. All the banks, except Lloyds Bank Ltd., participate in U.S. dollars, while the latter alone participates in pound sterling. The participating banks are: Lloyds Bank Ltd., London, the Chartered Bank (New York agency), the Chase Manhattan, the Bank of America, the Irving Trust, the Hanover Bank and the Riggs National Bank of Washington.

The total expenditure called for by the railway programme during the second Plan period is estimated at Rs. 1,121.5 crores (about \$2,355 million), of which Rs. 385 crores (\$809 million) are in foreign currencies. The foreign exchange part of the expenditure during the last two years of the Plan period is estimated at \$276 million. A part of this amount has already been covered by foreign exchange credits other than the latest World Bank loan.

The latest loan brings the total amount of World Bank lending to India for the current railway programme to \$225 million and will be applied mainly to expenditures for imported equipment, materials and services during the current year of the Plan ending 31st March 1960.

NATIONAL AGRICULTURAL CREDIT FUND

The Reserve Bank of India had, in terms of Sections 46A and 46B of the Reserve Bank of India Act, established in 1956, two funds, namely, the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund. The amounts standing to their credit as on 30th June 1959 were Rs. 30 crores and Rs. 4 crores, respectively. During the year 1958-59, a sum of Rs. 592.37 lakhs was sanctioned out of the Long-term Operations Fund to the State Governments for contribution to the share capital of co-operative credit institutions and Rs. 452.05 lakhs to the State Co-operative Banks as medium-term loans, as compared with Rs. 603.68 lakhs and Rs. 772.00 lakhs, respectively, sanctioned during the year 1957-58. During the year, a loan of Rs. 16.47 lakhs was also sanctioned to one central land mortgage bank out of the Long-term Operations Fund.

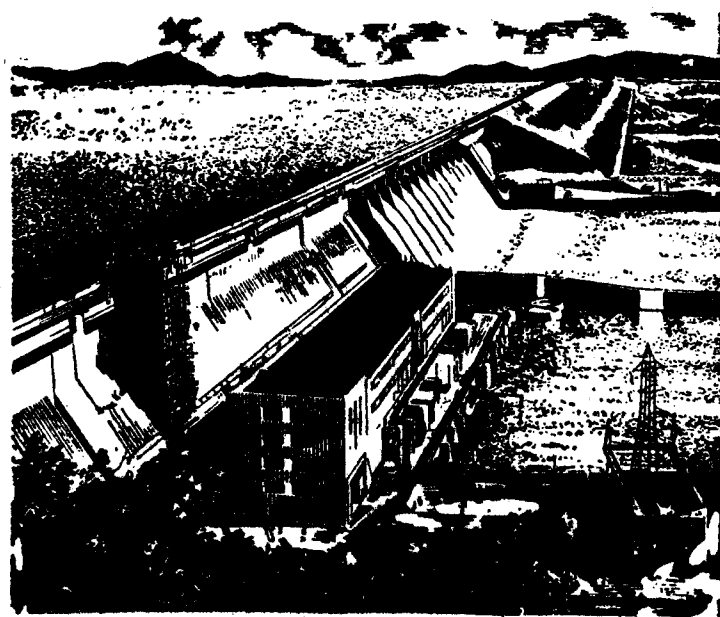
The State Governments have drawn during the year Rs. 574.49 lakhs against the amount sanctioned to them and the total amount outstanding as on 30th June 1959 stood at Rs. 1,317.86 lakhs. Medium-term loans have been drawn by State Co-operative Banks to the extent of Rs. 399.54 lakhs, the outstanding as on 30th June 1959 being Rs. 577.18 lakhs.

No occasion has so far arisen for operating upon the National Agricultural Credit (Stabilisation) Fund.

Trend of Earnings and Expenses of Scheduled Banks
(In lakhs of rupees)

	Indian Scheduled Banks					Foreign Scheduled Banks				
	1954	1955	1956	1957	1958	1954	1955	1956	1957	1958
Number of banks	70	80	70	72	76	16	17	17	17	16
Earnings:										
Interest, dividend, commission and exchange earned on—										
(a) Bills purchased and discounted	889.1	364.5	467.7	667.7	649.8	383.5	425.4	380.8	424.8	314.3
(b) Loans and advances	1,782.4	1,050.3	2,388.6	3,268.4	3,606.0	508.1	746.9	860.5	860.5	900.0
(c) Investments—										
(i) Government securities (Central and States)	800.5	900.9	938.1	960.0	1,379.1	118.6	126.4	118.8	107.7	105.0
(ii) Others	107.0	118.0	95.8	114.3	160.4	2.6	3.1	1.2	3.1	8.3
(d) Other sources	696.4	792.0	1,024.6	1,180.3	1,294.5	142.6	191.3	205.1	296.1	295.9
Total current operating earnings	3,707.3	4,129.7	4,914.8	6,180.7	7,179.8	1,150.8	1,344.3	1,563.5	1,606.2	1,618.5
Other income	11.4	21.7	17.0	18.8	55.4	8.6	8.0	3.9	14.1	24.0
Total earnings	3,718.7	4,145.4	4,931.8	6,199.5	7,235.2	1,159.4	1,352.3	1,567.4	1,700.3	1,642.5
Expenses:										
Interest, commission and brokerage paid on—										
Deposits	992.2	1,178.1	1,421.3	2,130.6	3,047.6	185.5	228.0	257.3	284.9	404.4
Borrowings	90.5	62.4	149.0	137.5	44.1	73.7	102.2	201.0	233.7	242.0
Other accounts	21.6	24.5	35.2	35.4	42.1	74.7	80.2	74.7	86.2	45.2
Establishment expenses	1,409.3	1,008.4	1,720.0	2,284.6	2,984.6	998.9	427.4	454.1	455.0	492.7
Other expenses	456.4	489.1	550.5	618.3	694.9	163.2	191.9	204.7	218.1	216.3
Total current operating expenses	2,972.0	3,362.5	3,876.0	4,885.7	6,113.3	690.4	1,034.1	1,184.3	1,364.3	1,408.2
Depreciation written off and loss incurred on sale of assets	43.1	46.3	47.5	63.0	71.6	14.1	10.8	18.8	11.6	14.8
Total expenses	3,015.1	3,408.8	3,923.5	4,948.7	6,184.9	704.5	1,044.9	1,203.1	1,375.9	1,423.0
Balance of net profit or loss before taxes	703.6	786.6	1,008.3	1,250.3	1,050.3	245.9	307.4	354.3	324.4	219.5
Surplus or deficit brought forward from preceding year	70.0	86.6	84.7	105.3	98.5	4.6	3.6	5.8	1.9	8.2
Surplus or deficit brought forward from preceding year	20.5	7.6	8.1	0.2	1.6	8.1	..	..	7.5	2.3
Taken from reserves	..	..	..	..	..	..	..	..	..	..
Total	794.1	880.8	1,101.1	1,355.8	1,150.4	258.6	311.0	360.1	342.8	230.0
Allocation of sums made available:										
Provision for taxes on profits	175.2	174.6	296.7	407.4	235.6	99.8	124.1	103.6	154.3	102.3
Carried to reserves	63.3	81.7	143.1	189.0	158.8	9.2	1.9	10.9	2.4	0.8
Dividend, bonus, etc., to shareholders	224.0	274.5	292.6	317.2	328.6	..	..	..	..	..
Employees' share in the profit	108.5	114.7	143.2	161.1	180.5	25.7	27.7	27.8	29.6	31.2
Allocated to other special purposes	100.7	101.2	120.0	163.3	187.6	6.7	7.1	14.3	6.0	14.6
For payment of gratuity in future years	..	..	..	..	..	..	..	..	..	..
Balance carried forward to next year's account	86.4	83.8	105.6	104.8	89.8	112.2	150.2	143.5	140.5	80.7
Total	794.1	880.8	1,101.1	1,355.8	1,150.4	258.6	311.0	360.1	342.8	230.0

build with confidence



A view of the Hirakud Dam

build with KONARK

Konark Cement went into
the making of the mighty
Hirakud Dam.Konark Cement could now
go into the making of your
own home.ORISSA CEMENT LTD.
RAJGANPUR, ORISSA

Managing Agents: DALMIA AGENCIES PRIVATE LTD.



TAKE-OVERS RUN RIOT EVEN NEWSPAPERS ARE INVOLVED

From Our Own Correspondent

LONDON, 17th July

WHAT is the matter with the City these days? It is less than a year ago that one thought that all the worthwhile take-overs had been exhausted and yet here they are, once again, providing the main topic in the City and controversy in the backwaters of the Parliamentary parties.

LONDON LETTER

It will be recalled that the take-overs which have made City headlines in the past few years have been essentially the raiding by a go-ahead organisation of the hidden reserves of old-established, substantial property-owning, conservatively-managed firms. The cardinal feature of these latter firms was that they owned assets, particularly land and buildings, which were valued either at pre-war rates or in any case far below current market prices. The take-over was achieved, either by the quiet buying up of controlling shares or by the making of an offer to shareholders to buy their shares at a price which gave a very substantial capital profit. The successful bidder then sold the properties to an insurance company or a finance house, from which he then rented them back. The substantial volume of cash accruing enabled capital costs to be paid to the original shareholders as well as giving the bidder large liquid funds—with which he could then go on to make further bids.

Parallel to the liquefaction of the assets would usually go a progressive business policy throughout the usage of the firm in a way calculated to make more profits for the shareholders.

But some of the recent bids did not seem to conform to these basic principles of capitalisation of undervalued and underdeveloped assets. Take, for instance, the take-over, which is creating most interest at present, for the large London departmental store of Harrods—which in turn controls retail stores in other parts of the country. The bidders consist of other departmental store groups and the objective appears to be to enlarge the empire of the latter. A bid in such a case is more in the nature of an amalgamation. It is unlikely that there are any underdeveloped assets, while the bidders have declared they do not propose to change the nature of the business. As one bidder after another has gone into the field offering the shareholders better and better terms (the Directors meantime advising shareholders to sit tight until the top of the market had been reached) one begins to wonder whether this kind of exercise makes economic sense. It seems that the bidders are out to enlarge their trading empires without any hope of making a capital gain and indeed with the risk that their price may be beyond the potential earning capacity of their new acquisition.

Similarly, the Kemsley newspaper group is being bid for by a Canadian newspaper owner, and it seems that both sides are prepared to do business, although it is not yet clear whether the main London dailies will be left out of the bid—though it is presumed that they will. In this case, the newspaper empire covers, besides the London dailies, important Sunday papers and provincial papers. Now, the price of the shares of the group doubled as soon as news of the negotiations leaked out. But from where would the extra earning capacity come? If the Sunday papers and the provincial papers are hived off into a new empire, there would be a larger concentration of papers in one pair of hands, but the additional dividend can only come if new management should result in increased circulation.

It is not surprising that, with an Election coming near, the Opposition should see in this type of transaction a manipulation of share values without economic significance and a good talking point—however insubstantial—against a capitalist system which enables share jugglery to go on and ownership to change regardless of the effect on the consumer.—All Rights Reserved.

THE CHLORIDE ELECTRICAL STORAGE CO. LIMITED

ONE OF THE WORLD'S LEADING BATTERY MANUFACTURERS

EXTRACTS FROM CHAIRMAN'S REPORT FOR 1958

Expressing satisfaction with the continued progress of The Chloride Electrical Storage Company Limited, the Chairman, Mr. A. W. Browne, O.B.E., M.I.E.E., disclosed striking developments in the Company's research, manufacturing and sales resources.

Competition in world battery markets was intensifying, particularly in the markets for automotive batteries and batteries for electric factory trucks. In some countries battery producing capacity had outstripped foreseeable demand, and manufacturers who were not efficient and well-equipped were likely to find themselves in difficulties.

"We are meeting this challenge," said Mr. Browne, "in two principal ways:

"First, we continue to devote much of our effort and financial resources to technical research and development. This has resulted, and will result, not only in the continued improvement of our batteries, but also in increased efficiency of the plant to produce them. The new Research Laboratories are nearing completion and will make a substantial contribution to our technical progress.

"It must also be remembered that in addition to the highly competitive battery markets to which I have already referred, there is an important demand for many other types of batteries for literally hundreds of different applications. In many of these the degree of technical skill and know-how required is of a high order.

"An important result of our efforts is that leading battery manufacturers in other countries welcome technical arrangements with us. We are also able to provide for the receipt of a useful income by way of royalty.

"I am therefore able to state with confidence that we are well placed technically to retain our traditional position as one of the leading battery manufacturers of the world.

"Our second answer to the challenge is by concentration and the streamlining of our manufacturing, selling and service facilities.

"Last year I mentioned certain rationalisation schemes that were taking place in this country. These are now nearing completion and it is clear that the expected benefits to our economy will be forthcoming.

"Our preoccupation with the matters which I have just outlined has not distracted us from our day-to-day business of supplying high-quality batteries throughout the Commonwealth and in many other countries. Whilst the outstanding performance of our friends in the motor industry has played an important part in our success, our other battery business continues to be satisfactory, and the overall profits are ahead of last year."

THE CHLORIDE ELECTRICAL STORAGE CO. LTD.
50, GROSVENOR GARDENS, LONDON, S.W.1, ENGLAND

THE CENTRAL BANK OF INDIA, LIMITED

(Established December, 1911)

Head Office: Mahatma Gandhi Road, Fort, BOMBAY-1

Authorised Capital	..	..	..	..	Rs.	6,30,00,000
Subscribed Capital	..	..	..	..	Rs.	5,76,66,125
Paid-up Capital	..	..	..	..	Rs.	3,14,54,250
Reserve Fund and Other Reserves	..	..	..	..	Rs.	4,04,68,516
Deposits as at 31-12-1958	..	..	..	..	Rs.	1,62,32,43,651

DIRECTORS

SIR HOMI MODY, K.B.E. (Chairman)
COOVERJI HORMUSHI BHABHA, Esq. (Vice-Chairman)
DINSHAW D. ROMER, Esq.
DHARAMSEY MULRAJ KHATAU, Esq.
C. P. WADIA, Esq.
CHIMANLAL BAPALAL PARIKH, Esq.

FRAMROZE J. GUZDAR, Esq.
SIR JAMSETJEE JEJEEBHAI, Esq.
His Highness SIR JIJAJIRAO MADHAVRAO SCINDIA,
G.C.S.I., G.C.I.E., Maharaja of Gwalior
JAYKRISHNA HARIVALLABHDAS, Esq.
SHIVAX SORABJI KHAMBATA, Esq.

Branches and Pay Offices in all important Commercial Centres of India, Pakistan and Burma.

LONDON BRANCH: 159, Fenchurch Street, London, E.C.3.

NEW YORK AGENTS: The Guaranty Trust Co. of New York, The Chase Manhattan Bank.

M. K. BANJIA,
General Manager.

CO-OPERATIVE FARMING—III PEOPLE ARE UNPREPARED FOR THIS REFORM

By Dr. D. S. Chauhan

THE Nagpur Resolution of the Congress Party envisages the establishment of co-operative socialism in agriculture. For proper functioning of any system of economic and social organisation, uniformity is an essential element. Different systems of economic organisation in different sectors of national economy (co-operative socialism in agriculture and mixed economy in industry, for instance) may create some confusion regarding the institution and forms of private property and cause shifting of resources and administration. Although the ideal of co-operative socialism is nothing new, for its proper conception considerable imaginative projection is yet needed, which only a few are in a position to do. Hence, a big psychological gap between the leaders of this idea and those who are expected to follow them is quite natural. This situation is also termed as the psychological unpreparedness of the people. The present opposition may, to some extent, be a manifestation of it. By trying to hammer the point again and again in a heated atmosphere, the protagonists are only inviting more opposition. Practical wisdom, therefore, demands time for things to cool down. It is possible that, after a few years' working of the service co-operatives, the social and economic climate may ripen for the adoption of a modified form of co-operative farming, for some farmers, on some lands, and for some enterprises in agriculture, though not for the one presumed in the Nagpur Resolution. And it is also possible that many of those who are over-enthusiastic about co-operative farming today may themselves be inclined to believe that there is a better alternative. In this context, one is reminded of Goldsmith's lines in *The Deserted Village*:

"Princes and lords may flourish or may fade,
A breath can make them as a breath has made;
But bold peasantry, their country's pride,
When once destroyed, can never be supplied."

Dynamism Vs. Conservatism

Opinions generally swing to extremes, while realism demands balancing, reconciling and harmonising the two. The Congress, as a political party, wishes to be too dynamic with agrarian reforms and the rate of economic growth. There are, however, several (some of them are in the Congress also) who are supposed to be conservative in this regard. Really speaking, in some cases, the differences are not so much ideological as in regard to the speed and the extent of change from the point of view of practicability. One group gives more weight to caution, slow and steady progress, consolidation and safety and security. The dynamic section is characterised by high ambition, radical ideas, adventure, preparedness for big risk, and, perhaps, has a faith in the nature of surgical treatment of the social ills. It is realised by both that agrarian reforms should be comprehensive, and that, in order to avoid suspense, indecision and uncertainty, they should be speedily implemented. But there is a limit to dynamism.

Making a choice and judgment is quite a delicate and difficult function. One set of criteria for sound judgment is the personal psychological factors that influence the individual outlook. The second set is quality and capacity of the people, for whom the change is intended, to adapt and adjust themselves. And the third is the concept of the ideal. Our goal is broadly defined in the Constitution as the guarantee to all of social, economic, and political justice, equality of status and opportunity, and freedom of thought, expression, belief, faith, worship, vocation and action. The Congress has decided to achieve this goal through a socialist pattern of society, and is trying to double the per capita income by the early seventies. These are fixed goals. Hence attention towards the second set of criteria is very necessary. Experience so far shows that many radical measures tried by the Congress Party have failed because of their impracticability, resulting from the economic, social, psychological and emotional unpreparedness of the people, even though the measures were backed by sincerity of effort and honesty of purpose.

Too much of dynamism may result in emotional disintegration, institutional imbalance and social disorganisation, and, instead of leading to social and economic vigour and vitality, it may start a process of decay. At the time when stabilisation of democracy is very necessary (parti-

cularly in view of its tumbling down in several neighbouring countries), experimentation with too many, too radical and too fast measures may fail by their own speed and weight, irrespective of their inherent merits. They may prove to be premature and very wide of the technical tradition, social heritage and cultural moorings.

Lack of Tolerance

Since the Congress President has given a choice to all those Congressmen, who are unable to reconcile themselves to the dynamism of the Nagpur Resolution on co-operative farming, to leave the Congress Party, and the Prime Minister, in his characteristic vein of flamboyancy, categorises all opposition to co-operation as stemming from "vested interests," one wishes a toning down in this super-dynamism. One does not know for certain whether Mr. Jawaharlal Nehru does not really "see any logic and sense" in the arguments of those who are opposed to the Nagpur Resolution or he simply does not want to tolerate any opposition or criticism. There is likewise a possibility that the nation is not able to catch up with Mr. Nehru's imaginations on socialism and the implications of the socialist pattern of society. In a situation of sharp differences of opinion, it is really very difficult to say as to which side is right. In such a situation, the guiding factor should be the nation's pulse. If for social, psychological and emotional reasons, the nation refuses to accept a reform, even if it is supposed to be economically good, it should not be introduced. Challenges are likely to generate reaction and to be followed by counter-challenges by political parties and organised groups. And, at a time when the nation requires constructive efforts by all sections and parties, nothing should be imposed or insisted upon which is likely to precipitate divisions and widen differences.

Scope for Application

A basic consideration is whether co-operative farming is intended to be the general pattern of agricultural production, covering the entire agricultural resources and the entire agricultural population, or whether it is intended to be a partial application, covering some sections and some lands whose improvement is supposed to be accomplished best through group action. Total co-operation in the agricultural sector alone (with other sectors remaining without it) is an impossible situation. Hence the choice is between complete or overall co-operation covering all sectors and partial co-operation. In the latter case, however, it is possible to have co-operation only in agriculture, but in actual practice it has already been extended to non-agricultural productive activities. In this choice of complete or partial co-operation, that is, in the determination of area or scope of co-operation, another consideration is whether it has to remain confined to production alone or has to be extended to consumption and living.

In deciding these broad questions, the ultimate goal is taken as an important criterion. On the ultimate goal of human society, opinions are unanimously in favour of establishing a community of peace, prosperity, brotherhood and individual liberty. But, as regards the practical form of it and the methods for achieving it, there has been considerable divergence of opinion amongst the different societies for historical reasons. The question whether an action is right or wrong is connected with spiritual, moral and social values of a society; it therefore becomes relative to different societies and cannot be decided by one standard. Accordingly, in any situation, the right action is that which is in congruence with social consensus, that is, an action which is in accordance with the social, moral, ethical and spiritual values of the particular society.

Co-operative commonwealth or co-operative socialism of the highest type (overall approach) has been tried in Russia. In view of its origin and the methods of extension (indirect compulsion through political power), I believe that democratic societies cannot do so. And, in view of the need for preserving individual liberty (which is a basic consideration in regard to the relationship of the individual and the society), no country should attempt that model. Since a system of overall co-operation has an inherent tendency to degenerate into collectivisation, and since, under collectivisation, the experience is that individual liberty and individual incentive,

which are the most valuable things, cannot be maintained, the country should not be made to go through the same painful process. There may be some truth in the statement that the validity of co-operative living should not be judged wholly on past experience and that one should also take into account the potentialities of co-operative action for human welfare. Yet, in view of the basic diversity of human nature, we have no sure ground for faith in it.

Apart from the consideration of economic performance of the co-operatives, there is the question whether group action for a nation of matured and traditional individual farmers of at least a thousand years' standing is desirable. In the evolution of agriculture, individual farming is a later stage development than group farming (which was practised in different forms). Surely, man has passed the stage of group farming a long time back.

To sum up. (1) Co-operation is not the only method for improving the standard of living of farmers and for modernising agriculture. (2) It is not the best method either. And (3) the history of co-operative settlements and communities shows that economic success has proved to be as important a threat to co-operative endeavour as economic failure. There is a limit to the subordination of individual behaviour and individual interest to social interest both in terms of degree and direction, in practical daily life and also as an ultimate goal. This is a crucial point. And, lastly, the members of co-operative farms who have failed to cope with their problems in a competitive society form a weak foundation. Those who have failed for personal reasons (incapacities) can hardly succeed co-operatively, and those who have failed not because of personal inadequacies or incapacities but because of handicaps arising out of economic and social framework, will break away from the co-operative society as soon as they feel strong enough to stand on their own feet, or as soon as that handicap is over or they find more remunerative employment outside agriculture.

Need for a Stimulating Motive

The history of co-operative communities shows that the basic motives which led to their origin and establishment were amongst the factors which determined most decisively their fate. The history of the co-operative movement in India also shows that, amongst the factors which are mostly responsible for its failure, the lack of spirit of co-operation is an important factor. Hence, for the formation of co-operatives, for knitting the group together and for its survival and success, a vital motivation is necessary.

The relationship between the nature of motives and the life of co-operative communities has an important lesson. The older experiments, which were motivated by religious creeds or by socio-reformist zeal, proved to be rather short-lived, and the life of the more intellectual experiments was still shorter. Data compiled by L. E. Deets—*Data From Utopia*, Sociology, Vol. 3, New York, Dec. 1940—about 130 settlements show that 32 lasted less than one year, 50 less than two years, 59 less than five years, 91 less than a decade, and only thirty-nine more than a decade. *Jewish Encyclopedia* mentions that, of the 20 colonies formed after 1880, 12 lasted less than one year, seven for 2-5 years and one nine years.) The modern co-operative settlements are a kind of socio-economic organisation for improving rural conditions. Whether they aim at total reorganisation as in Russia and China, or at rehabilitation of low income farmers as in Mexico and U.S.A., or at occupational redistribution of the unemployed as in England, or at the solution of any crucial problem, the basic motive has been predominantly economic. In our economic planning also, this is an important motivation. But it should be appreciated that any irrational motivation, as of the Utopian Communities, is not applicable to modern conditions (even to a country like India which is a predominantly religious country); and the purely rational, modern types of co-operatives have achieved their aims best only where the political system of the country is favourable to the idea as in China and Russia. Therefore, wherever co-operation is intended to be a voluntary growth, a stimulating motive is needed for carrying conviction, for activating individual action, for overcoming inertia and for creating thinking in terms of the community. For the formation of motives, special circumstances or problem situations, such as rehabilitation of handicapped and destitute farmers and colonisation and settlement of newly opened areas, provide favourable conditions. But purely economic motives may prove inadequate for sustaining the system even for a reasonable period of time.

(Concluded)

BOMBAY GOVERNMENT TO RESCUE COTTON MILLS IN DISTRESS LOANS FROM BANKS TO BE GUARANTEED

THE latest move of the Government of Bombay to help cotton mills in distress is, indeed, commendable, assuming that it will be implemented prudently and without any loss of money to the exchequer. The details of the aid scheme were announced by Mr. Shantilal Shah, the State's Labour Minister, at a Press conference on Thursday last week. The scheme envisages grant of financial assistance to those mills which, in the opinion of the Government, can be made profitable if working capital is given and if they are properly managed. The Government itself will not, of course, lend money to the mills. But it will arrange with commercial banks for loans to be given to all economically viable units as working capital. The loans will be backed by Government guarantee. Further, the Government will also help the mills to rehabilitate, renovate or change their machinery over a period of ten years, by standing guarantee for any additional money that the units may require other than what they have received from the National Industrial Development Corporation.

The scheme is applicable to the entire State. But for the present the benefit of the scheme is restricted to cotton mills situated in North Gujarat, Saurashtra, Khandesh, Sholapur and Vidarbha regions. It is gratifying to hear from the Minister that the mills which are mismanaged or which have hopelessly outmoded equipment will not be covered by the scheme.

Assessment of Creditworthiness

The Government guarantee, it is clearly stated, will be given only after a thorough assessment of the creditworthiness of the mills in financial difficulties, so that the State does not suffer any financial losses. When the Government receives an application for assistance from a mill, it will depute a committee of experts to examine the mill's fixed assets such as land, buildings and machinery, and other accounts, with a view to finding out whether the assets are in proper condition and the mills are being run properly. On the basis of this Committee's report, the Government will decide the total amount that should be guaranteed and then advise banks accordingly. It is proposed to constitute a small non-official committee to advise the Government whether, with the new machinery, the capacity of mills to earn can be sufficiently re-established to enable them to repay the loans and stand on their own feet thereafter. It is also proposed to create a machinery under a Deputy Secretary (Textiles) in the Industries Department to keep a check on the working of such mills.

The mills receiving assistance on the aforesaid lines will have either a resident director or a resident manager nominated by the Government. His duty will be to report to the Government every week about the happenings in the mills; in short, he will be a kind of "watch dog" in the mills on behalf of the Government. The report of this person will be scrutinised by the aforesaid small non-official committee which is expected to meet every week. If any mill is reported to be not functioning properly, the Government will ask it to remedy the defects and, if it fails to follow the directive, the Government will not renew its guarantee.

According to Mr. Shah, about twelve cotton mills in the State are in need of immediate financial assistance. The Government may have to stand guarantee for a sum of Rs. 3 to 5 crores annually.

Anxiety To Prevent Closure

The Bombay Government's decision to help the cotton mills in distress has evidently been prompted by the anxiety to prevent their closure which will create unemployment as well as bring in its train several other disquieting economic consequences. Analysing the financial difficulties experienced by some of the units producing coarse and medium cloth, Mr. Shah rightly pointed out that the heavy excise duty on cloth and the shift in consumers' preference from coarse and medium counts to finer varieties had adversely affected such mills. Consequently, there was, he said, shortage of working capital which forced several units to buy cotton on credit at high prices and resort to distress sales of cloth in order to pay their workers. In fact, everybody tried to exploit the financial difficulties of these mills. It was with a view to helping such mills that the Government, Mr. Shah

stated, had come out with the new scheme. And he expressed his confidence that, as a result of the scheme, the mills would, within the next five or seven years, be in a position to install new machinery to produce finer and superfine categories of cloth.

Bold Policy Wanted

The Bombay Government's scheme will certainly help many cotton mills which have suffered losses continuously for some years, owing to the fact that they have become economically weak because of old machinery. In particular, the mills manufacturing coarse yarn and cloth "have become exhausted," as coarse cloth does not have a good market at its present cost structure. The new scheme will keep these units alive, but it will not, as Mr. Ramnath A. Podar, Chairman of the Millowners Association, Bombay, feels, provide a permanent cure for their ills. In his opinion, what is required is a bold policy to reduce the cost of production.

By "bold policy" Mr. Podar means modernisation of equipment and rationalisation of the methods of production in mills. The former, as readers are aware, involves huge capital outlay and will take a long time. As regards rationalisation, there is stiff opposition from labour which fears that there will be widespread unemployment and reduction in wages. The fears are clearly exaggerated. As Mr. Podar has indicated, rationalisation affects just 5 per cent. of workers in a mill employing, say, 1,000 workers, whereas, if the mill were to close down, all the workers would lose their jobs. Why should there be any objection to the mills maintaining just as much labour force as they need, so long as the workers displaced as a result of rationalisation are not denied the compensation due to them? What is more, rationalisation is bound to lead to higher earnings for workers.

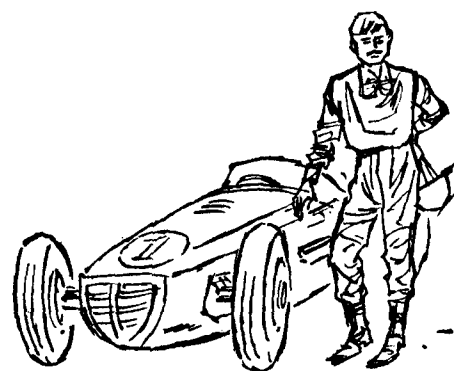
NEW SHUTTLELESS LOOM

The problem of designing a shuttleless loom has been one on which engineers have been working for years. Several fairly acceptable designs have seen the light, but the only one that is stated to be capable of weaving full-size cloth (35-45 wide) with dry yarn is the Maxbo loom, invented by an Estonian living in Sweden, Mr. Max Paabo. With economic assistance for his experiments by the foresighted management of the Swedish Co-operative Union, Mr. Paabo has step by step perfected his invention. A small, practical unit is now in series production. It is used in Swedish mills as well as in some mills abroad. A pioneer installation of 40 looms for bulk production is in operation at the Varberg plant of the Swedish firm Malmö Yllefabrik and was recently shown to the Press.

The Maxbo loom, which is designed on the jet principle, is reported to have a number of advantages over conventional weaving machines. It can work with very high-twist yarns which produce a hard-wear dirt-repelling cloth; its capacity of speed is 60-75 per cent. higher than that of other looms; it is simple in design and has 50 per cent. fewer parts than a conventional loom. Further, it is more silent and practically vibrationless. The latest models are small, light and compact and require no anchoring foundation. The weft of the Maxbo machine is blown through the shed by means of compressed air. The pick of weft passes cleanly through the shed to a suction tube located at the opposite end, whereupon a cutter (located at either end of the warp) cuts off the weft. The speed prevents the weft yarn from untwisting and a twist factor as high as five can be used, improving the quality.

The cloth woven on a Maxbo machine differs from other cloth in that it has an unconventional selvage. The selvage proper is of the continuous twisting type, two bobbins at either end of the warp rotating continuously about each other, while the narrow fringe (about 1/4 inch long) which protrudes from it gives it a different look. As selvages are but rarely used for hemming, this fringe is of little importance in making clothes, which is the main use to which the Maxbo-produced materials are put at present—mainly working clothes.

A set-up of Maxbo looms has been delivered to Israel, and single units are at present being tested at other places abroad. Production on licence has recently been started in several countries. The Maxbo machine, introduced at the Manchester Fair last autumn where it gained considerable attention, will be shown at the textile machine fair in Milan to be held in September next.

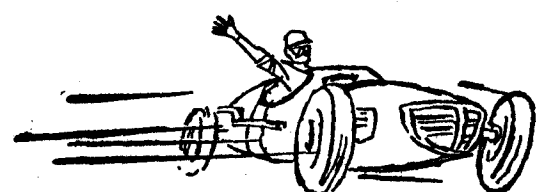


WORLD CHAMPIONS CHOOSE Firestone ..SO SHOULD YOU

because — In the world's foremost racing events, Firestone tyres prove their safety year after year in standing up to the tortuous twisting, pounding and heat without a single tyre failure. You, too, can have this same safety and dependability because the Firestone tyres for your car are built with the same safety construction features as racing tyres. Firestone tyres are Safety-Proved by performance.

To the ever growing list of Firestone racing champions, comes Mickey Thompson who recorded an average speed of over 266 miles an hour at Bonneville Salt Flats in Utah.

Firestone
New DeLuxe Champion
TUBELESS OR WITH TUBE



COTTON INDUSTRY SCHEME DETAILS MINIMUM TARGETS SET FOR EACH SECTIONAL REDUNDANCY PLAN

From A Special Correspondent

MANCHESTER, 14th July

ONE topic has dominated all discussions in the Lancashire cotton industry during the past week—the reorganisation plan for scrapping large quantities of redundant machinery followed by a modernisation scheme for the remaining plant. The first three schemes involving the spinning, doubling and weaving sections in the industry have been submitted to Parliament.

If there is adequate justification for their introduction, similar programmes for the finishing branch of the trade will be prepared in the autumn. The object of the scheme is to eliminate excess capacity to an extent which will really benefit the section of the industry concerned, but at a cost which will not involve undue expenditure of public funds.

Minimum targets have been set for each sectional redundancy plan and, if these are not reached, the schemes will not become operative. In spinning, at least six million mule equivalent spindles must be scrapped, in weaving 45,000 looms and in doubling 400,000 spindles. Each scheme will operate independently and it is, therefore, possible for one or other section to proceed with a scrapping plan without the rest being necessarily involved.

Three Categories of Compensation

Three categories of compensation are proposed, a standard rate for firms closing down complete mills or plant, a premium rate for those going out of business altogether and a discount rate for units already closed down or plant standing idle on 24th April, the date on which the Government approval of the plan was first announced. The final date for acceptances under the arrangements will be 30th September and, to encourage early entry into the schemes, a bonus of 5 per cent. will be paid to those applying before the end of August.

Variations occur within the different sections, although the schemes in general are closely in line. The actual rates to be paid in compensation for scrapped machinery have been worked out with great care by the Cotton Board in consultation with each branch. Standard rates range from 8s. per mule equivalent spindle to £250 per carding engine; from 10s. to 14s. per doubling spindle and from £45 to £80 per loom, according to a variety of factors.

All machinery involved will have to be destroyed or made unfit for further use. This must be completed by the end of March 1960 unless special permission is obtained for an extension. Some plant may be excluded from the scrapping clause, if the Cotton Board consider it to be in the interest of the trade for it to remain in existence. In this case, permission to sell the plant second-hand would be given, but no compensation would be available and

foreign buyers would be debarred from purchasing such machines.

Two Levies

To finance the schemes, the Cotton Board will raise two levies. One will be to defray the one-third cost of compensation for the elimination of excess capacity being met by the industry and will cover the administrative expense of the schemes. The other will meet the cost of compensation for displaced workers. Individual mills will not pay the operatives who lose their jobs under the reconstruction and payment will be from a central fund. The amount of the levies and the period over which they are raised cannot be settled until the response to the schemes is known.

A maximum of eleven weeks of decision now lies before the producing sections of the Lancashire cotton industry. Within this relatively short period, millowners must weigh up the terms offered and consider the outcome, if, through lack of support, the redundancy schemes are allowed to fail by default.

Throughout the discussions which have gone on for nearly three months already, the accent has been consistently on the need for speed; the latest developments still emphasise the importance of putting the plans into operation as quickly as possible.

The Most Vital Part

Perhaps the most vital part of the overall project is the minimum volume of machinery which must be registered for scrapping before each scheme can be unconditionally approved. The White Paper omitted any reference to such a basic idea; now it is clear that one or other sectional scheme can go through without necessarily involving the rest. This has its dangers which those firms now on the brink of decisions would do well to ponder. Without sufficient support from the spinning branch, for example, a position could arise where the number of customers for yarn might be seriously reduced, leaving the mills high and dry with even more surplus plant than at present.

Leading members of the industry welcomed the schemes on their announcement. Mr. Michael Grey, Chairman of the Cotton Manufacturers' Association, said:

"The purpose of the scheme is to get rid quickly of remaining surplus capacity which, in spite of persistent shrinkage in recent years, still undermines the stability of the industry and is also a discouragement to reorganisation and re-equipment by those firms intending to remain in it. This reshaping is urgently needed, preferably by the removal of whole productive units but also by partial elimination of loomage in firms which have excess capacity. It is no time for half measures, and it is essential that the incentives should be adequate to attain their objectives.

"The decisions now lie with individual firms themselves and we hope the scheme will attract the wide response needed to bring it and the re-equipment grant into operation. Every effort must be made to take this opportunity, as it seems most unlikely that there could be any repetition in future."

Mr. Philip Lees, President of the Master Spinners' Federation, said that the scheme was recommended for the urgent attention of all spinning firms in the confidence that fair terms of compensation for scrapping of machinery were offered. "A good opportunity is now available for firms to go out of business, if their mill structures and equipment are not suited to modern requirements; firms continuing in business should also be able to shed surplus capacity and to concentrate production on their most economic units," he added.

Freer Trading in Textiles

An aspect governing the response to the reorganisation plan is the recent freer trading in yarn and cloth which has allowed many firms in the industry to secure better order books and gain some ground. Commenting on this situation, the Cotton Yarn Doublers' Association said: "It is hoped that the temporary improvement in the offtake of doubled yarns will not blind firms in the doubling section of the industry to the necessity for such a scheme. The improvement in trade may prove to be only temporary and everyone must realise that this is probably the last opportunity the industry will have to put its house in order. If advantage is not taken of the scheme within the next few weeks the opportunity will be lost for ever."

Meanwhile, the Directors of Fine Spinners and Doublers Ltd., one of the biggest mill groups in the Lancashire cotton industry, intend to do everything possible to get the maximum possible aid from the scheme. Announcing this in his annual report, the Chairman, Mr. William T. Winterbottom, said that, when the industry was reorganised, extensive shift working on modern machinery would be called for. He said that the group was pressing on with its policy of streamlining production into the more efficient units in buildings suitable for re-equipment. Ten spinning and doubling mills had been closed down during the year. At Burnley, round-the-clock working was planned in a weaving mill now being entirely re-equipped with automatic looms.

More Cotton Supplies

World production of raw cotton in the 1959-60 season, which opens at the beginning of next month, should be the highest for several years. This situation is by no means unexpected in view of the much larger acreage planted in the United States which will probably be responsible for raising the output in that country by some 2,500,000 bales as compared with the season just ending.

The first estimate of the area planted to cotton in the United States gave a total of 15,890,000 acres, as compared with 12,379,000 acres in the previous season. Over the growing belt as a whole, favourable conditions have been encountered, despite some storm damage early in June. Average estimates of the crop indicate output of around 14 million bales, as against the production of between 11 and 11½ million bales over the past two seasons.

Latest developments in the raw cotton situation are mainly concerned with a probable rise in consumption during the forthcoming season as compared with the low levels to which the use of the raw material dwindled in the past twelve months. Exports from the United States showed a remarkable drop to only 2,800,000 bales in the current season, nearly three million bales

(Continued on next page)

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4316

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
69-D Rashtrapati Road
SECUNDERABAD (Dn.)

BOMBAY STATE
Hongkong Bank Building
Veer Narayan Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

Sir Chinnabhai Building
Redvi Bazar, Cross Lane
AHMEDABAD
Dhanvatey Chambers
Geeta Ground
Sitabdi, NAGPUR
Dewan Park Road
BHAVNAGAR
Gandhi Road
BARODA

DELHI STATE
60, Janpath
NEW DELHI

MADRAS STATE
Finance House
Puttalos Road
MADRAS-2

MADHYA PRADESH
41, Tokogun Main Road
INDORE

MYSORE STATE
Konnur Building
Ramdeo Gali
BELGAUM

PUNJAB STATE (India)
Madan Mohan Malviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moons Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Jwalanagar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

U.S. TEXTILE MILLS TO BE HELPED WITH CHEAP COTTON

BID TO RECAPTURE "FAIR SHARE" OF WORLD MARKET

[N a bid to recapture what is called a "fair share" of the world textile market, the U.S. Senate has passed a Bill by a voice vote. The Bill, now sent to the House of Representatives for consideration, has been sponsored by Republican Senator Margaret Chase Smith. It directs the Secretary of Agriculture to sell 3.75 million bales of Government-owned surplus cotton to U.S. textile mills over the next five years at prices which will permit the textile manufacturers to regain the export level of cotton textiles obtaining during the years 1947-52. The Bill lays down that sales should not exceed 50,000 bales in any one year and that mills should guarantee that the cotton would be used only for the manufacture of textiles for export. According to Senator Smith, a return to the export level of 1947-52 would give the U.S. its fair and historical share of the world markets. It may be noted here that exports of cotton textiles from the U.S. during the period 1947-52 averaged about 899 million yards per annum. Exports have progressively declined since then. They were 506 million yards in 1956, 548 million yards in 1957 and 510 million yards in 1958.

This measure is likely to spark sharp reactions in other textile exporting countries. Last year, when the U.S. Department of Agriculture announced its decision to attempt to regain for it a fair share of the world cotton market, cotton producing and exporting countries the world over stoutly opposed it on the ground that it would disrupt world markets. In spite of the repeated assurances of the U.S. Administration that it would not take any measures that would undermine the stability of the market or harm the interest of other friendly countries, the fears were not allayed. At this year's meeting of the International Cotton Advisory Committee, Washington, some delegates even disputed the theory of the fair and historical share of U.S. cotton in world markets. For instance, Dr. Kroese, President of the International Federation of Cotton and Allied Textile Industries, contended that, in view of the structural changes that had come over the textile industries of the world, this U.S. concept of fair and historical share of the world market had to be given clear consideration. Some of the delegates insisted on a definition of the fair share in terms of bales.

Rejecting the aforesaid contention, Mr. McClain, U.S. Assistant Secretary for Agriculture, pointed out that it was difficult to give a rigid definition in terms of bales to a concept which was flexible. He observed:

"The term 'fair historical share' is naturally a general and flexible concept. We believe that it is

a variable dependent, to a large extent, upon total world trade. It would be unrealistic to attempt to fix an absolute bale figure as the fair historical share of the world market for United States cotton. In 1956-57, we exported 7.6 million bales, without causing any decline in prices, while other exporting countries were able to sell all of their export availabilities. The United States exported 5.7 million bales in 1957-58 without seriously interfering with the exports of other producing countries. On the other hand, our exports during the current season will probably be less than three million bales; and, if we attempted to force five million bales into the market this season, world prices would probably be seriously disrupted. It is, therefore, obvious that periods of good demand should be permitted to offset periods of weak demand.

"For these reasons, it does not appear feasible for the United States to announce a firm bale figure to be exported from the United States in any given period. If that figure could be exceeded without interfering with the normal exports of other countries, it would be unwise for the United States to embargo exports when they reached such a figure. On the other hand, in a period when the export of such a quantity would cause serious disruption to world prices, the United States certainly would not attempt to force the announced quantity into the export market."

Cotton exporting countries still feared that the U.S. exports would adversely affect them and some countries of Latin and Central America have joined together and formed an Inter-American Cotton Federation with the object of finding out on a regional basis the best ways of ensuring stable prices for cotton in international markets. It is needless to add that what applies to cotton applies to cotton textiles also.

Realising this, perhaps, the U.S. Department of Agriculture opposed the Bill, but the Senate has rejected the opposition. The Department's opposition is said to have been based on three considerations. First, the Bill is unsound in principle. Second, its cost to the Department will be very high. Third, other textile producing countries will strongly oppose it. Senator Smith's contention that a return to the 1947-52 level of exports would give the U.S. a fair and historical share of the world cotton textile market has been disputed by the Department. Mr. Ezra Taft Benson, Secretary of Agriculture, in a report on the Bill submitted to the Senate Committee, points out that his Department does not feel that direct Government subsidisation of the domestic textile industry for the express purpose of increasing exports to the level prevailing in the period 1947-52 can be justified. Textile exports from the U.S. during that six-year period, according to him, were the highest in history. Government subsidisation of the domestic textile industry in an attempt to restore and perpetuate these abnormal conditions

would, according to him, be clearly uneconomic and difficult to justify.

Mr. Benson estimated that such sales of cotton to domestic mills would cost his Department \$37.5 million. The current export programme for cotton products operated by the Department, he maintained was a better solution to the problem of smaller U.S. cotton textile exports. In any case, it seems clear that any system of subsidies for exports runs counter to the whole concept of free multilateral trade which the U.S. has been advocating all along as the ideal goal.

MANCHESTER LETTER

(Concluded from previous page)

down on the previous year and five million bales lower than in the 1956-57 season. On the other hand, shipments from other competing countries were a million bales higher at eight million bales.

According to the latest review of the position issued by the International Cotton Advisory Committee: "Everything hinges on consumption. A rise in the use of the raw material would create much more favourable conditions for the cotton trade as a whole and prices. An increase in total trade, together with at least the possibility of some decline in production outside the United States, should pave the way for substantially increased exports of American cotton without adversely affecting the trade of other countries," observes the report. "All this should tend to react favourably on the cotton price level."

Recent signs of improvement in textile business in Western Europe have raised hopes concerning the future trend of cotton consumption, and a better offtake of goods in the United States has lately been freely reported. A keen demand has been encountered for a wide range of fabrics and the American textile industry appears to be in a much stronger position than for some time back. Mill margins are stated to be at their highest level for over two years.—All Rights Reserved.

NYLON CARPET CENTRE IN LONDON

A nylon carpet centre—claimed to be the first in Europe—was officially opened in London recently by Sir Gordon Russell, Director of the Council of Industrial Design. The centre is the idea of Mr. Alfred Morris, Managing Director of British carpet firm, whose aim was to provide a showroom where buyers and the public alike might see at leisure the vast range of pure nylon carpet and rugs which are designed to match any colour scheme or any style of decor. Mr. Morris said in an interview that he hoped eventually to export as much as a quarter of total production.

The opening of the new centre reflects the growing popularity of man-made fibres as a carpet material. In one month this year, 1,300,000 lbs. of man-made fibres were used in carpet manufacture, out of a total of 5,800,000 lbs. In Britain nine years earlier, the total amount of fibres used was just over 4,800,000 lbs., but man-made fibres share of this was only 16,000 lbs. Moreover, this increase has been attained in a pioneering period fraught with the usual troubles and setbacks of a infant industry.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Re-established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

**ALIND
KER-AL-LITE**

For all house and factory wiring applications, use ALIND KER-AL-LITE... the new polythene-insulated, polyvinyl chloride (PVC) sheathed building wire.

ALIND KER-AL-LITE is manufactured to BS 2791: 1956 for aluminium conductors and BS 1557: 1954 for polythene insulation and PVC sheathing.

Approved by the Directorate General of Supplies and Disposals, also by Kerala, Madras, Andhra and Orissa States and project authorities and electricity undertakings in various States.

**THE ALUMINIUM
INDUSTRIES LIMITED**
KUNDARA KERALA
HIRAKUD ORISSA
Managing Agents:
Sethanayee Bros. (Trav.) Private Ltd.

Authorised Dealers for Covered Conductors:

Bombay City:
VIVIN & COMPANY,
Bank of Baroda Building, (IV floor),
Apollo Street, Fort, Bombay-1.
Rajasthan, Delhi & Madhya Pradesh:
THE ALLIED ENGINEERING CORPN.,
Post Box No. 280, New Delhi.
Phone: 51641 Grams: 'Alliedalids'

Bengal & Assam:
N. S. KRISHNAMURTHI,
35, Chittaranjan Avenue, Calcutta-12.
Phone: 23-1244 Grams: 'Adaptable'
Bihar State:
OCTAVIUS STEEL & CO.,
14, Old Court House Street, Calcutta-1.
Phone: 23-1146 Grams: 'Lapizando'

RONUK

- For
- Polishing & buffing compositions
- Prepared plating salts for all metals, Metal bronzes.
- Alkali metal cleaners, Anodes.
- Fibre & wire wheels, Calico mops.
- Design fabrication & erection of complete plants for

ELECTROPLATING

& ANODISING

RONUK INDUSTRIES LTD.,
11A, Worli sea face, Bombay 18.

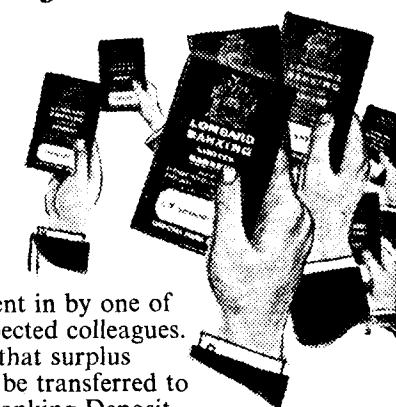
SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

All in favour— say "AYE"



"Ladies and Gentlemen, there is a very good suggestion. It has been sent in by one of our most respected colleagues. He proposes that surplus funds should be transferred to a Lombard Banking Deposit Account. This means that added to firm security we shall be guaranteed an increased income. Lombard Banking pay 5%." "All in favour say AYE." "That, I am pleased to say, is carried unanimously! A capital decision!" Lombard Banking Deposit Accounts offer the finest investment for companies, associations and individuals.

Interest paid without deduction of United Kingdom income tax.

Write today for your copy of "Bank Deposit Account" Booklet No. A091 from General Manager

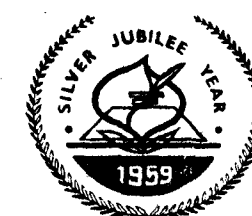
LOMBARD BANKING
LIMITED
BANKERS

Head Office: LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GPO 4111 (30 lines).
East Africa: MERCANTILE HOUSE, SADLER STREET, P. O. BOX No. 5669, NAIROBI. NAIROBI 25547.



THE SULEKHA STORY

IN SPIRIT OF SERVICE



Sulekha service was widened by introducing other products. In no time, Sulekha Ink made a name for itself that out-rivalled imported brands. To-day Sulekha commands the highest sale. Quality has scored.

But Research continues. An additional unit of production is in the making. The spirit of service lives to march ahead.

The story of Sulekha is that of a mission in operation. A humble beginning faced prolonged days of struggle. Research continued.

25 Years of Service to the Nation

Sulekha WORKS
LIMITED

CALCUTTA • DELHI • BOMBAY • MADRAS SW. 28

SMALL SCALE INDUSTRIALISTS

GET YOUR FACTORY REGISTERED

Registration entitles you to make best use of Government assistance—technical, marketing, financial and other—and helps you to develop your enterprise on scientific lines.

AT YOUR SERVICE

FOR
TECHNICAL
ASSISTANCE

CONTACT:

SMALL INDUSTRIES SERVICE INSTITUTES

(New Delhi, Calcutta, Madras, Bombay, Ludhiana, Kanpur, Gauhati, Patna, Cuttack, Indore, Trivandrum, Bangalore, Hyderabad, Jaipur, Srinagar)

MARKETING
ASSISTANCE

NATIONAL SMALL INDUSTRIES CORPORATION

(New Delhi, Bombay, Madras and Calcutta)

FINANCIAL
AND OTHER
ASSISTANCE

STATE DIRECTORS OF INDUSTRIES

For registration forms contact:

**DIRECTORATE OF INDUSTRIES OR DISTRICT INDUSTRIES OFFICERS
IN YOUR STATE**

WORKING OF WORLD COMMODITY AGREEMENTS

U.N. SURVEY URGES REALISTIC AND WORKABLE PROGRAMME OF ACTION

ONE of the striking aspects of international economic co-operation since the second world War relates to the persistent attempts at abolishing the free world commodity markets. Though these attempts have not met with complete success, they have at least served admirably to indicate the futility and the imprudence of cyclical "beggar-my-neighbour policies" which predominantly characterised world economy before the war. One such attempt has been through the mechanism of international commodity agreements. Now that more than a decade is elapsed since this mechanism was first introduced, it would be appropriate to review the actual working of the agreements. The three questions that immediately rise in one's mind are: What exactly are the implications of the agreements for national policies? Have the agreements had any effect on price or income stability? And have they dealt successfully with structural problems? For the answers to these questions, one has only to peruse that illuminating *World Economic Survey 1958*, published by the United Nations, New York (Price: \$3.00).

The world commodity agreements, it will be recalled, usually stipulate a set of definite terms which the participants are pledged to observe and implement, the operating principles falling into three main types—the export quota, the buffer stock, and the multilateral contract for purchase and sale. Four commodities have been made the subject of agreement on a broad multilateral basis comprising both exporters and importers. These are: wheat, sugar, tin and olive oil. The functions of the olive oil agreement are rather limited, resembling those of a study group, and it has in any case not yet come into force. The other three are of wider interest, because their operations illustrate the working of broad principles, especially the export quota principle in sugar, the buffer stock principle in tin and the multilateral contract principle in wheat.

Price Mechanism

A common feature of the agreements covering the aforesaid commodities is their reliance on the price mechanism as the critical indicator or action, as is indicated below:

Sugar: Revisions of export quotas become mandatory when the market price reaches certain critical levels: minimum and maximum levels per lb. fixed for Cuban raw sugar at New York (i.e. Cuba) are 3.12 cents and 4.00 cents, respectively.

Wheat: Importers are committed to take delivery of an agreed quantity when prices reach the floor (\$1.50 per bushel), while exporters are obliged to supply an agreed amount when prices reach the ceiling (\$2.00 per bushel).

Tin: The buying and selling operations of the Buffer Stock Manager are also guided by minimum (£730 per ton on the London Metal Exchange) and maximum (£890 per ton) prices, although there is some freedom of action when prices lie within certain ranges.

In all the aforesaid commodity agreements, there are implications for national policy which are not made explicit in their provisions. Mention, for instance, may be made of payment of subsidy in respect of wheat exports by a national Government, a pooling arrangement between two countries and adoption of some equalisation scheme in importing countries. The Sugar and Tin Agreements explicitly or implicitly require certain adjustments in exports, stocks and production to be made. While an export quota scheme does not in itself necessarily give rise to a dual price system, such a system is formally recognised by the Sugar Agreement. A special provision in this Agreement discourages subsidies, but it does not appear to have actually been enforced. In the case of the Tin Agreement, it is necessary to ensure that there is a relatively free market in which the Buffer Stock Manager may buy or sell.

The *Survey* has drawn special attention to a basic weakness of the existing international arrangements, namely, conflict between world commodity agreements and national policies. There is, according to it, a general presumption that, if world agreements are to be effective, the Governments of the member-countries must be prepared to adjust their national policies accordingly.

Assessing the impact of commodity agreements on price or income stability, the *Survey*

points to the asymmetry between upward and downward movements of prices which is more evident in the Sugar and Tin Agreements than in the Wheat Agreement. To quote it: "In an export quota arrangement, it is at least theoretically possible to cut exports drastically enough to support a given price level, but it may be much more difficult to assure a level of exports adequate to prevent a rise in prices." In the case of sugar, as readers are aware, the Agreement has not been entirely effective of late in arresting a fall in prices, thanks to the severe restrictions imposed in the Agreement on the range within which export quotas may be cut. As regards tin, one form of asymmetry in buffer stock operations lies in the fact that no stabilising release of stocks is possible when a buffer stock is first established during a period of rising prices, since the Buffer Stock Manager has no stocks to operate with. Moreover, the suspension of buffer stock operations in tin in September 1958 points to the difficulty of arresting a downward movement of prices, if financial resources are limited. The commodity agreements have also not helped to stabilise incomes or export proceeds, since these depend not only on the volume of exports but also on the prices prevailing and since all exporting countries are not covered by agreements.

Structural Adjustment

The *Survey* then alludes to the problem of the relationship between commodity stabilisation and structural adjustment. This problem is considered to be common to both wheat and sugar and, to a lesser extent, tin. Posing the question whether the international agreements tend to promote or hinder its solution, the *Survey* makes the following interesting observations:

"While the measure of success achieved thus far in dealing with the surplus problem through restrictive measures in sugar and tin offers a significant contrast with the failure in wheat, it needs to be noted that restrictive measures also give rise to long-term problems in so far as they tend to freeze the pattern of production among the participants and to encourage expansion of production by non-participants. International agreements involving quotas have a bias towards freezing production patterns on the basis of past experience or of relative bargaining strength rather than of considerations of cost or efficiency. Rationalisation schemes for the orderly elimination of high-cost producers are lacking. Indeed, there is a strong tendency to protect high-cost producers who might find it difficult to retain the same share of the market under more competitive conditions. True, the pattern of production is subject to revisions and a number of participating countries have actually succeeded in enhancing their share in the total market. Nevertheless, these concessions are made by the other participants mainly to prevent a deadlock in negotiations for an agreement rather than to achieve a more rational distribution of resources from the point of view of resource allocation. This situation contrasts with that prevailing in buffer stock or multilateral contract arrangements, which do not tend to freeze the pattern of production but are, at the same time, ineffective in bringing about a more rational allocation of resources."

The ineffectiveness of the Wheat and Sugar Agreements is also due to shortcomings caused by omissions rather than of commission in some respects. Thus, in the operation of the Wheat Agreement, the danger, according to the *Survey*, is to be found not so much in any tendency to freeze the existing pattern of production as in the ability of some major exporter to increase its production, both absolutely and relatively, a commodity in surplus supply. In the case of sugar, aside from the tendency to freeze the pattern of production among exporters, it is, perhaps, the conspicuous inability to do anything about subsidised high-cost sugar production in importing countries that seems to be open to the most serious objections from an international point of view. Because of the outstanding example of uneconomic resource allocation that it provides.

It is against this background that the *Survey* has examined the various schemes of a more comprehensive character designed to ensure stability in world commodity markets. Two major types of approach are distinguished, involving, first, overall measures which do not deal with particular commodities as such and, secondly, measures dealing directly with groups of commodities. Under the former, special stress is laid on the need for attacking the commodity problem at the root by promoting growth

and stability and by progressive liberalisation of trade. The *Survey* no doubt admits that this aspect has received international support but feels that some measure of relief from the impact of the commodity problem on underdeveloped countries can be derived from general economic aid and from overall increases in international liquidity.

Commodity-oriented Proposals

The attempts to give special emphasis to the commodity problem in overall economic schemes have yielded several comprehensive proposals which are clearly commodity-oriented. The U.N. *Survey* has briefly examined these proposals and brought out certain conclusions which may be summed up thus:

International co-ordination of national stabilisation schemes: The scope for the application of this method may be limited, since existing stocks which may be regarded as operating according to buffer stock principles are relatively few in number and tend to be concentrated in a few hands such as wheat in the U.S. and coffee in Brazil.

Multilateralisation of commodity agreements: There are great "mechanical" difficulties in setting up such complex negotiations among a large number of countries. There is also some doubt as to how far the interests of primary producing countries in the one or two commodities which dominate their exports will really be modified by considerations relating to the less important commodities. Further, the link between concessions made and benefits obtained in multi-commodity stabilisation schemes will be exceedingly difficult to establish.

International buffer stock scheme: The main difficulty will be that of maintaining contact with market realities by providing adequate means of adjusting the average stabilised level of prices as required; failure to do so will cause the ultimate breakdown of the scheme. There is danger in over-reliance on automaticity.

Composite index stabilisation scheme: A decisive drawback of the scheme is that the benefit of, say, a price support operation may be largely concentrated in a particular group of commodities and countries.

Commodity reserve currency scheme: It is open to question whether the underdeveloped countries can afford to lock up large resources for the purpose of international stabilisation. A huge social cost is involved in accumulating commodities on a large scale to serve as currency backing. The scheme is inherently asymmetrical in that it provides an unlimited market for commodities but does not necessarily guarantee that commodities will always be available at the net prices.

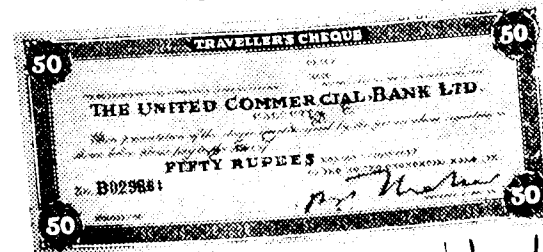
Multi-commodity insurance scheme: Since the scheme does no more than pool the resources of participants over time, its interest may be limited, especially since some commodity producers would appear to be subsidising others on account of fluctuations in the pattern and periodicity of fluctuations. The latter consideration may make it particularly difficult to secure agreement on a scale of premiums.

The difficulties surrounding world commodity stabilisation policy noted above certainly focus attention anew on proposals for strengthening the liquidity position of the underdeveloped countries. The International Monetary Fund has no doubt been playing a prominent role in this direction, but its activities have only a marginal, rather than central, bearing on the problem of commodity instability. The *Survey*, therefore, points out that the time has, perhaps, come to consider seriously measures for mitigating the impact of commodity instability per se on underdeveloped countries—be it through suitable world arrangements to assist underdeveloped countries to strengthen their national liquidity reserves or through some form of world commodity insurance to provide partial compensation for fluctuations in foreign exchange earnings. The *Survey* pertinently remarks that the problem of commodity instability must be viewed not in a narrow context of price haggling between producer and consumer interests but in the perspective of the need to place economic development on a more stable footing.

INTER-STATE WATER DISPUTES

The Government of India has framed a set of rules governing inter-State water disputes under Section 13 of Inter-State Water Disputes Act 1956. Details regarding the form and manner in which a complaint relating to a water dispute between two or more States, as well as the procedure for solving them, including the method of appointing officers for a tribunal, have been prescribed. The Act stipulates that a serving or retired judge of the Supreme Court or a serving judge of the high court can be appointed by the Chief Justice of India to form a one-member tribunal in case of dispute between two or more States. In the rules, it is laid down that, where the Government of a State desires to refer any water dispute to a tribunal for adjudication, it should address its communication to the Secretary to the Government of India Ministry of Irrigation and Power, New Delhi giving particulars of the dispute.

UCOBANK'S RUPEE TRAVELLERS' CHEQUES



SAFE AND CONVENIENT MEANS OF CARRYING YOUR TRAVEL FUNDS

- ★ Instantly accepted
 - ★ Refunded if lost or stolen
 - ★ Spendable like cash
 - ★ Issued in convenient denominations
- STERLING AND DOLLAR TRAVELLERS' CHEQUES ALSO SOLD AND ENCASHED.

THE UNITED COMMERCIAL BANK LTD.

Head Office: CALCUTTA

G. D. BIRLA
Chairman

S. T. SADASIVAN
General Manager

FOR
INTERNATIONAL
AND
DOMESTIC
BANKING SERVICE

THE BANK OF TOKYO LIMITED

(Incorporated in Japan under the special law)

30 Overseas branches and representative offices and

1 Affiliate Bank 1 Trust Company
All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

K. Hashimoto
Manager
Bombay Office

Bombay Office:

"Jeevan Prakash", Sir Phiroozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

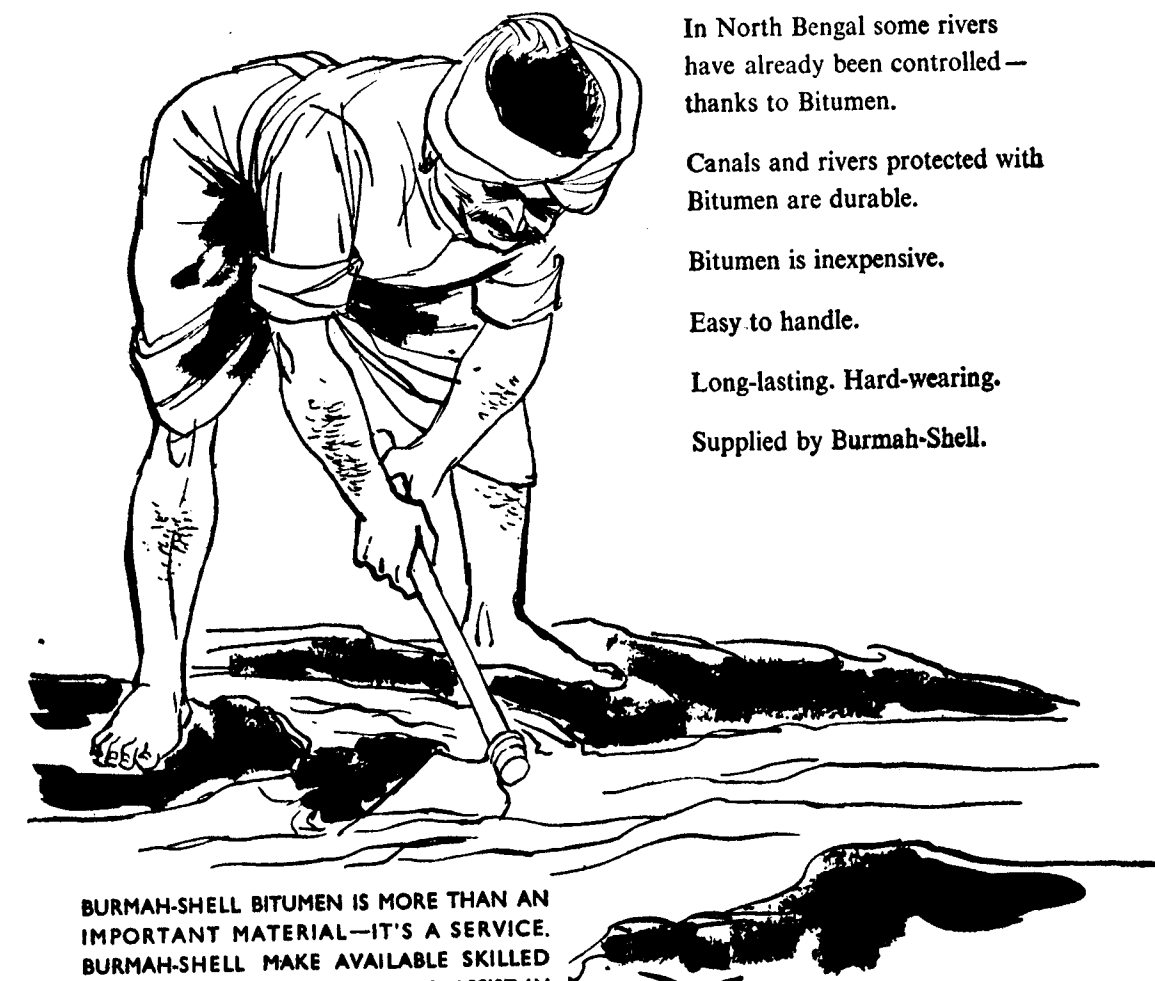
THE YORKSHIRE INSURANCE COMPANY LTD.

(Incorporated in England)
(Established 1824)
(The liability of the members of the Company is Limited)

FIRE, ACCIDENT
LIVESTOCK, AVIATION
Etc.

8, Clive Row - CALCUTTA

Telephone: 22-4315
Telegrams: "YULINSURE"



BURMAH-SHELL BITUMEN IS MORE THAN AN IMPORTANT MATERIAL—IT'S A SERVICE. BURMAH-SHELL MAKE AVAILABLE SKILLED ENGINEERS, WHOSE JOB IT IS TO ASSIST IN THE CORRECT APPLICATION OF BITUMEN FOR HYDRAULIC WORKS, AND IN THE CONSTRUCTION OF ROADS.

BURMAH-SHELL BITUMEN FOR BETTER ROADS

TO LONDON

Fly the Finest...

FLY TWA

(VIA PARIS)

TWA/8/51

Canals and rivers are water roads.

Water roads to progress.

They irrigate the land.

Bring power to the village.

Canals and rivers spell prosperity.

But the great dangers are seepage and erosion.

Water must be kept under control.

Water is useful *only* in the places where it is wanted.

That's where Bitumen comes in.

Bitumen is one of the most useful and most flexible waterproofing materials known to man.

In North Bengal some rivers have already been controlled—thanks to Bitumen.

Canals and rivers protected with Bitumen are durable.

Bitumen is inexpensive.

Easy to handle.

Long-lasting. Hard-wearing.

Supplied by Burmah-Shell.

INDIAN INSURANCE COMPANIES' ASSOCIATION

MR. M. S. DASTUR ENVISAGES A BRIGHT FUTURE FOR GENERAL INSURANCE

ADDRESSING the members of the Indian Insurance Companies' Association at their Thirty-first Annual General Meeting held in Bombay on Tuesday, 21st July 1959, Mr. M. S. Dastur, Chairman of the Association, envisaged a bright future for general insurance business in India. Proceeding, he observed:

"With the progressive implementation of the various schemes for the economic development of the country, there will be a considerable scope in the years to come for insurance companies to develop new lines of business to meet the many and varied requirements of industry." He, however, felt that it would be necessary for certain conditions to be fulfilled and certain handicaps removed, if the vast potential was to be realised in practice. Examining at some length the proposal to reduce fire tariff rates, he urged the authorities to take into account the various factors which go to determine the fire premiums, including rising costs of management and the need for building up adequate reserves to meet unforeseen contingencies, like conflagration, which occurred at long intervals.

Acceptance of Policies

After prefacing his speech with a brief reference to world economic conditions and the general prospects for insurance, Mr. Dastur went on to refer to the onerous conditions imposed by financing institutions in their dealings with insurance companies. In this connection, he cited the example of the Industrial Finance Corporation which insisted on some insurers to obtain letters of credit from their treaty and re-insurance offices to the effect that, in the event of a claim arising, these offices would pay the claim direct. He also mentioned other industrial investment corporations which required companies to participate in the share capital of the corporations in order to ensure acceptance of their policies. Continuing, he added that some banks also insisted on special conditions, requiring insurers to lodge with them Government or other securities of certain value or, in the alternative, provide for the policies issued by them to be guaranteed by another insurance company of repute, acceptable to the banks. He deplored the insistence on these conditions, as derogatory to Indian insurance as a whole and emphasised how it was essential, in the interests of trade and industry, that the two important adjuncts to national economy, banking and insurance, should work in close co-operation.

Formula for Expenses

Adverting to the problem of expenses of management of insurance companies, Mr. Dastur said that the expenses had risen more steeply than the premium income during recent years. He referred, in this context, to the formula for expenses provided under Section 40C of the Insurance Act, read with Rule 17E, which was framed as far back as 1950 and suggested that, inasmuch as economic conditions had changed since then, the formula should be revised so as to reflect the requirements of the trade in the altered circumstances.

Code of Conduct

The code of conduct for general insurers, according to Mr. Dastur, had achieved reasonable success. Given a fair trial, it should yield good dividends in the long run. He expressed the hope that the sub-committee of the Executive Committee, which had been appointed to take stock of the present position in the trade and recommend on the future course, would evolve a satisfactory solution acceptable to all sections of the trade. He also appealed to the authorities not to change the code frequently nor to make it too elaborate, complicated or expensive, but to formulate a compact and balanced scheme. Further, he stressed the need for such stringent measures as enforcement of a uniform pattern for maintenance of account books and appointment of inspectors. He made a fervent plea to insurers to adopt a policy of "live and let live" and evince a sense of mutual co-operation, based on tolerance and goodwill.

Reserves

The Chairman regretted that the Indian insurers' plea for facilities designed to encourage the building up of ample reserves continued to be ignored by the Government. He felt that heavy taxation and failure to take into

account the special features of the industry would tend to weaken insurers. He strongly urged the Government to allow the industry to build up tax-free reserves to enable it to provide still better and more efficient service to the community.

Fire Tariff Rates

Proceeding, Mr. Dastur subjected the move to reduce fire tariff rates to critical scrutiny. He observed how fire insurance rates, in the aggregate, must be sufficient to cover (1) losses, (2) expenses of management, (3) ample free reserves to withstand unforeseen calamities and (4) fair and reasonable profits to shareholders. He, however, said that only the first of these factors was now being taken into consideration for the purpose of revision of rates. The fire department underwriting, on the other hand, really consisted of several sub-sections, such as (1) fire, (2) riot, (3) earthquake and (4) other extraneous risks. Fortunately, insurers had not faced in recent years losses under (2) and (3) and there had been very little losses under (4). He, therefore, pointed out that it would not be proper to revise the premium rates on the basis of a claims ratio which, while taking into account premiums derived from all sub-sections, was in effect based on the actual occurrence of losses in one sub-section alone, ignoring the possibility of losses in the other sub-sections. He also emphasised that, in deciding the case for the revision of fire tariff, the relatively limited increase in fire premium income, the increase in expenses of management and the need for building free reserves to meet unforeseen contingencies should all be taken into account. Again, it was necessary to bear in mind that it was easier to reduce the rates than to raise them

again when circumstances so warranted. Nor would their reduction eliminate malpractices.

Marine Insurance

Discussing the trends in marine insurance, Mr. Dastur observed that the market continued to be erratic, because of the reduction in rates. He hoped that the market would stabilise itself. The loss ratio in the department had risen due to theft, pilferage and non-delivery of goods. Inadequate packing and rough handling at destinations had contributed to the large number of claims. He thought that, if the marine market hoped to make reasonable profit, it should have obligatory tariff for business.

Miscellaneous Account

Turning to miscellaneous account, Mr. Dastur said that the motor section of the account was in a bad shape; the claims ratio in this section was as high as 65 to 70 per cent. Continuous rise in repair costs, increase in accidents, insufficient road sense and overloading of vehicles were among the factors responsible for high claims ratio in the motor section. He felt that frequent increases in motor premium rates was not the remedy. Instead, insurers could agree not to give comprehensive cover to motorists with bad claims record or, in the alternative, they could give higher "no claim" bonus to cautious motorists. Incidentally, such concessions would help meet non-tariff competition.

In conclusion, Mr. Dastur referred to the difficulties arising out of the operation of the Companies Act, particularly from Sections 299 and 301 of the Act; these sections required companies to maintain separate registers of contracts with their Directors. Since insurance policy came under the definition of "contract," insurers were compelled to maintain registers of policies issued to their Directors or to their firms and partners and to the concerns of which their Directors were also Directors. Since no useful purpose was served by the maintenance of such records, he felt that insurers should be exempted from the operation of these and other sections of the Act which gave rise to practical difficulties in the day-to-day working of insurance offices.



GLOBAL NAILBITINGS

Selling in export markets is always a tough job, it is more so now when competition is fierce. All over the world experts are doing a lot of nailbiting to develop export markets.

Nearness to the Afro-Asian markets and familiarity with conditions and needs there, are India's clear advantages over her competitors.

With quality products and competitive prices, Indian engineering products could keep on feeding the Afro-Asian markets for decades to come.

E.E.P.C. can help you in your export drive.

ENGINEERING EXPORT PROMOTION COUNCIL



India Exchange (7th Floor), India Exchange Place, Calcutta-1

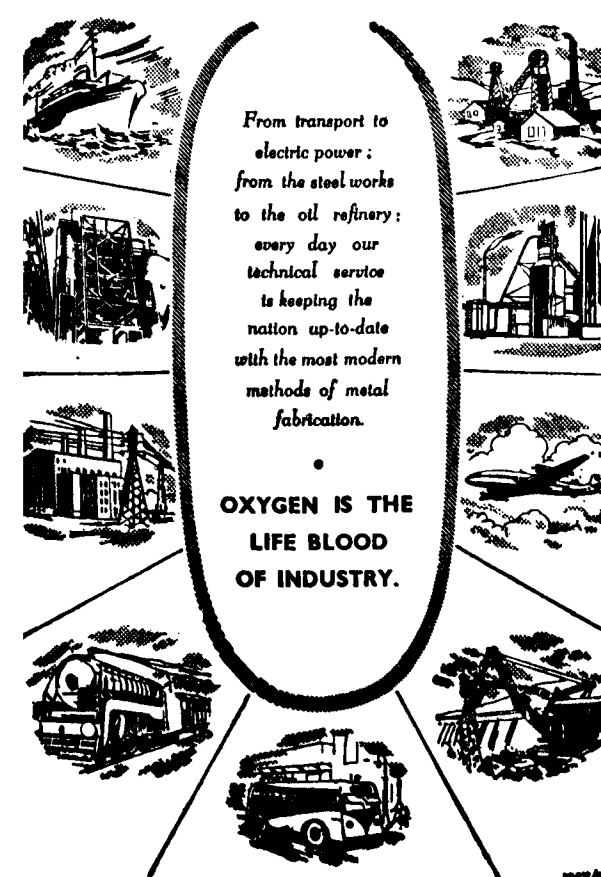
EEPC-35

INDUSTRY EVERYWHERE

is served by

INDIAN OXYGEN

LIMITED



THE BANK OF INDORE LIMITED

(Incorporated in India 1920)
 Authorised Capital Rs. 50,00,000
 Subscribed Capital " 30,60,750
 Paid-up Capital " 15,30,375
 Reserve Fund " 29,00,000

Head Office:
 1, Prince Yeshwant Road, Indore City
 Bombay Office: 44, Hamam Street, Fort and
 Jal Hind Estate, Bhuleswar.
 Branch Offices: Cloth Market, Stryaganj and
 Sanyogitaganj (Indore City).
 Branches: Anjad, Bhopal, Dhar, Kargone,
 Mhow, Ratlam, Sanawad, Shujapur Mandi,
 Tarana and Ujjain.

Pay Office: Jaora and Sandhwa (Madhya Pradesh)
 Safe Deposit Lockers are available at
 Head Office, Stryaganj and Cloth Market Indore; Branches at
 Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujapur Mandi,
 Tarana, Dhar and Pay Office at Jaora and Sandhwa on favourable terms.
 BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
 N. D. JOSHI, Manager.

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman
 Shri G. D. SOMANI, M.P.

Authorised Capital - . . Rs. 2,00,00,000
 Issued and Subscribed Capital - . . Rs. 1,00,00,000
 Paid-up Capital - . . Rs. 50,00,000
 Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of
 Foreign Exchange
 S. L. KOTHARI,
 General Manager.



THE GLOBAL AIRLINE

646-9-2



The FIRST NATIONAL CITY BANK of New York

(Inc. with Limited Liability in the U.S.A.)

First in
 World Wide
 Banking

Serving India Since 1903 at Bombay and Calcutta

INC. 9.2

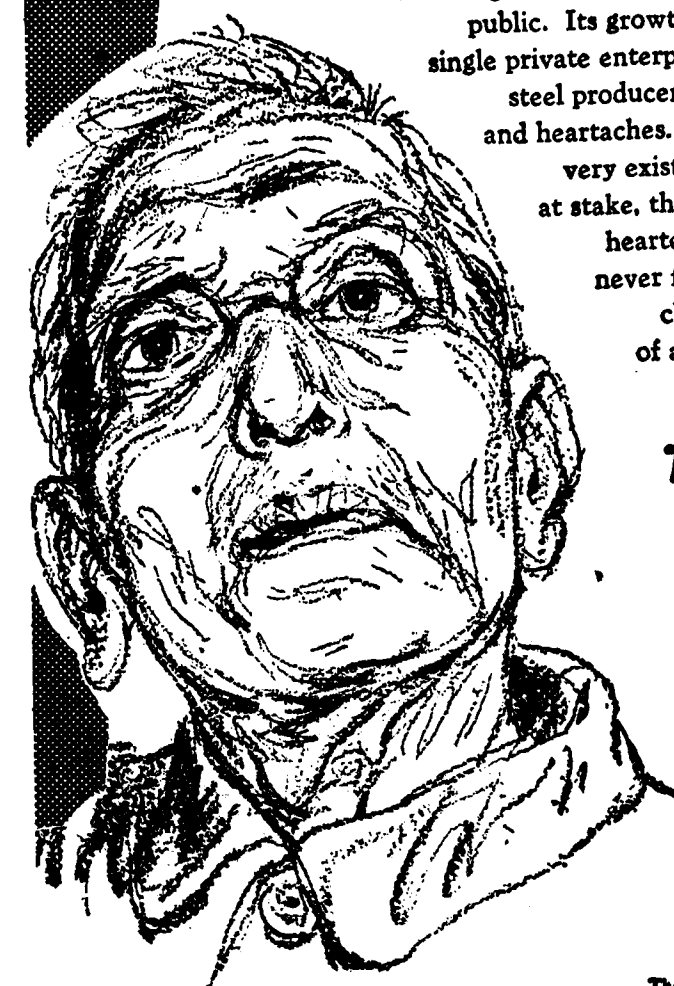
men of faith

"From early morning till late at night the Tata offices in Bombay were besieged by an eager crowd of investors. Old and young, rich and poor, men and women, they came offering their mites; and, at the end of three weeks, the entire capital required for the construction requirements, £ 1,630,000 (over Rs. 2 crores), was secured, every penny contributed by some 8,000 Indians."

— Azal Sahlin

India's first venture into heavy industry. The Tata Iron & Steel Company, was thus launched on 26th August, 1907, with overwhelming support from investors and the public. Its growth into the country's largest single private enterprise and the principal steel producer was not without struggles and heartaches. In the 1920's when the very existence of the Company was at stake, there were many stout-hearted investors whose faith never faltered, and who cheerfully accepted the risks of a pioneering enterprise.

TATA STEEL



79-year old
 Mr. Rash Behari Lal
 of 13-B Cornwallis
 Street, Calcutta-6, one
 of the first shareholders,
 who still holds stock
 in the Company.

The Tata Iron and Steel Company Limited

TN 3726

JAPAN'S ELECTRICITY INDUSTRY

EQUAL EMPHASIS PLACED ON HYDRO-ELECTRIC AND THERMAL POWER GENERATION

NO country outside North America and Europe has a more extensive electric power industry than Japan. Whether from the point of view of *per capita* consumption or from that of extensive application of power to industries, Japan ranks very high among the world's leading industrial powers. It has now enhanced its reputation as an industrial nation by becoming an important producer of a wide range of electrical equipment. It produces not only such consumer goods as electric irons, fans, washing machines and refrigerators, but also heavy and light electrical equipment of almost every description. All this has been made possible through the widest possible use of electricity, the *per capita* consumption of which is over 800 kwh. as against a mere 26 units in India. Although Japan lags behind the U.K. and the U.S.A., the *per capita* consumption of which is 1,702 kwh. and 3,800 kwh., respectively, it is well above the *per capita* consumption in India, or for that matter in China, which consumes per person a little over 30 kwh.

Large Funds

Japan had a relatively later start in power generation. It had no power industry before 1883. But it has made rapid progress in the last 50 or 60 years. It now produces about 14.34 million kw. annually. A feature of the industry is that power production is heavily concentrated in a few leading power enterprises, of which nine leading companies account for over 90 per cent. of the total power output. However, Japan, like other countries, knows that it must undertake large programmes of expansion in the coming years if it must successfully meet the demand for power. It also knows that large funds will be necessary to implement a vast expansion programme. This problem is being tackled in two ways. In the first place, the nine electric power companies have taken in hand a co-ordinated operational system to effect an overall rationalisation of management of the power industry as well as streamline the supply organisation in the nine regions to which they cater. Presumably, this will result in cutting down costs of operations. Secondly, since the availability of funds for expansion depends ultimately on an equitable rates structure, beneficial to the producer and not burdensome to the consumer, the Japanese Government has established a body, entitled Electric Rate Survey Council, which will study the measures for evolving a sound schedule of rates. It will be interesting to find out what solutions this body will suggest for the complicated financial problems involved in the expansion of electric power resources. Japan, like other countries, realises that the element representing capital outlay in the cost of electricity increases as new production plans are implemented. It would appear that the power companies are convinced that it is imperative that the "Government should decide on appropriate and fair charges, considering the rise in generation costs." Meanwhile, the Government-sponsored Electric Power Development Company, Ltd., is engaged in large-scale development of power resources.

Demand

A large increase in the demand for power facilities is anticipated in the next few years. The demand for electric power for industrial use is increasing every year, thanks to the expansion of Japan's economy. A rise of 12 per cent. over the preceding year was witnessed in 1955, while the increase in each of the years 1956 and 1957 was 19 per cent. The household consumption of electricity has also witnessed a steady increase in the past several years due to the rise in the people's standard of living. In addition to the increase in demand for lighting purposes the household use of electricity for heating and electric appliances has also witnessed a large increase. At the present rate of increase in demand for electric power, it is estimated that the demand in 1962 will be 50 per cent. larger than in 1957. During the seven years since their inception in May 1951, the nine power companies completed construction of hydro-electric and thermal generation plants, aggregating 4,552,000 kw. or 53 per cent. of the 8,571,000 kw. generation capacity at the time they were established. However, if the power industry is to cope with the annual increase in power demand and maintain the balance between supply and demand, it is estimated

that the construction of hydro-electric and thermal power plants aggregating 7,223,000 kw. or 56 per cent. of the present capacity is necessary by the end of fiscal year 1962.

The past policy of giving priority to the construction of hydro-electric plants has changed recently because thermo-electric generation has become more economical. This is attributed to the technical progress witnessed in this type of generation. New high efficiency thermal plants have been installed. Equal emphasis is now being placed on hydro-electric and thermal development projects.

Funds invested by the nine power companies for the expansion of their generation facilities since their inception in 1951 have aggregated 838,400,000 million yen. An additional outlay of some 639,400,000 million yen is necessary for the construction of new power plants by the end of fiscal year 1962. However, together with the cost for the purchase of other equipment and facilities, including those for transmission, transformation and distribution purposes, a total of 1,186,800,000 million yen in expenditures would be required by the end of fiscal year 1962. This would amount to an annual average outlay of 237,400 million yen or about twice as much as the average annual spending of 119,800 million yen witnessed in the past seven years. Total fixed assets of the nine power companies as at the end of March 1958 were 1,125,600,000 million yen. This was approximately 30 per cent. of the combined fixed assets held by all industries in Japan.

Nuclear Power

A notable development in Japan in the last year or two is that efforts are being made to harness atomic energy to peaceful purposes. It may be noted here that, for several years after the war, Japan was forbidden to undertake nuclear research and generation of atomic energy. However, since 1954, Japan has been taking great interest in the development of nuclear power. Five major groups, each with a nucleus of some important electric equipment manufacturer, are engaged in the development and application of atomic power. They are: Daiichi Atomic Energy Industrial Group, Mitsubishi Atomic Energy Industrial Company,

Ltd., Nippon Atomic Energy Enterprises Company, Ltd., Tokyo Atomic Energy Industrial Association, and Sumitomo Atomic Energy Industrial Association. These organisations will assist in the construction of experimental reactors in universities and research institutes. But the major task in which they are engaged is participation in the construction of the improved Calder Hall type reactor (natural uranium fuelled, gas cooled reactor with 150,000 k.v.a. output) which is being imported from the U.K. by Japan's Atomic Energy Power Generation Company.

U.N. HELPS DEVELOP WATER RESOURCES

Indifference to water resources planning cost a country much in terms of wealth and human life. Proper measures for the utilisation of water resources can be an effective insurance against devastating floods, drought and scarcity of power. Harnessing the turbulent waters in the service of man, however, calls for huge financial commitment and technical know-how. The less developed countries are not always in a position to meet these demands themselves. It is, therefore, gratifying to note that the United Nations and its specialised agencies have come to the aid of these countries for developing their water resources. The project aided by the U.N. include, among others, survey of resources, river-basin development, drilling of wells, construction of dams for hydro-electric power and irrigation, water purification and sanitation, pilot projects in watershed management and drainage and experiments in new irrigation practices. Many of the projects are receiving financial aid from the Expanded Programme of Technical Assistance. Five projects have received allocations from the first operational fund of the U.N. Special Fund approved in May last.

One of the pioneering undertakings under the U.N. aid is the Lower Mekong River Basin Project, which will benefit Laos, Cambodia, Thailand and Vietnam. A multi-purpose programme for the development of irrigation, flood control, hydro-electric power and navigation, the project is expected to benefit a population of 17 million. A present, work is progressing on a five-year programme of data-collection and planning, estimate to cost \$9.2 million, as recommended by a U.N. survey mission in January 1958. In addition, plans have been approved for several relatively small pilot projects on Mekong tributaries, expected to bring almost immediate benefits.

As part of the overall programme, an aerial survey of the main stem of the river will be made by Canada at a cost of 1.3 million Canadian dollars. The U.S. is contributing \$2.2 million for investigations on the ground, including river measurements; Japan is providing ground reconnaissance of Mekong tributaries, estimated to cost up to \$240,000; New Zealand has contributed \$100,000 for river survey work; and will supply 366 rain gauges at a cost of \$32,000. France has announced contribution amounting to \$320,000 and Australia \$225,000. The U.K. has provided \$56,000 for a launch at meteorological equipment.

Besides, technical assistance is being provided by the U.N. to quite a few projects. Last year the U.N. experts worked on assignments ranging from the extraction of salt from sea water in Iceland, by means of geo-thermic (hot springs) energy to investigation of ground water in the western coastal belt of Malaya.

The first operational programme of the U.N. Special Fund, although it was approved only a couple of months ago, has allocated \$1,770,000 for five projects, one each in Ghana, Greece, Israel, Thailand and the United Arab Republic.

The F.A.O. has been assisting various countries in assessing their water resources and requirements, protection of land against flood irrigation and drainage and rural water-supply. The largest project undertaken by the F.A.O. is the Rufiji Basin Survey in Tanganyika, where eleven experts are helping the Government carrying out investigations on the territory's potentials for economic development. The basin covering about 68,500 sq. miles represents virtually 20 per cent. of Tanganyika's area. Further, mention may be made of the assistance being rendered by F.A.O. forestry experts, since 1952, in conducting surveys and studies for timber production and industrialisation in Brazil. The F.A.O., in collaboration with the U.N. Educational Scientific and Cultural Organisation, has sponsored some schemes for research on certain problems related to arid zones, including demineralisation of salt water. The U.N.E.S.C.O., with the aid of Advisory Committee on Arid Zone Research, is organising seminars, granting subsidies national research bodies for studies in hydrology and geophysics.

Among some of the other schemes organised by the other specialised agencies of the U.N. particular mention need be made of India's Dardar Valley Project, Yankee project in Ceylon, Thailand, Voltwino and Tavolere schemes in Italy all of which are receiving financial assistance from the World Bank. Another loan granted by the World Bank will aid in the construction of a large-scale experiment in the irrigation of land in the Aichi region of Honshu Island.

Above all, the four regional economic commissions of the U.N. are also making every effort to foster water resources development activity within their respective regions. Besides, a World Resources Development Centre has been set up in the U.N. headquarters. It is expected to serve as a focal point for promoting concerted and coordinated action among the U.N. and the regional agencies and services in the field of water resources.

NEW PRODUCTS AND PROCESSES

Bacterial Diastase for Desizing

BACTERIAL diastases or amylases find extensive use in the desizing of textile fabrics. They are more stable to heat than diastases from other sources and are preferred for desizing purposes. Bacterial diastases are not at present manufactured in India and almost the entire requirements of desizing agents are met by imports. Conditions have been worked out at the National Chemical Laboratory for the production of bacterial diastase. Selected strains of bacteria, *B. subtilis* or *B. mesentericus*, are grown in submerged culture in media favourable for the production of diastase in high yields. The diastase is then isolated from the filtered medium by low temperature evaporation, precipitation and drying. All the raw materials required for the process, such as groundnut cake, wheat bran and salts, are readily available in the country. The diastase has been found to be stable on storage. The process has been studied with reproducible results in a pilot plant for the production of highly concentrated material on a 2-lb. scale, which is equivalent to several times the weight of commonly used commercial desizing agents. The cost estimates have been prepared for a commercial plant producing about 33 lbs. of concentrate per day, which is expected to meet the requirements of the country. Precise figures for the annual requirements of desizing agents are not available, but a commercial plant of this capacity is expected to meet the requirements of the country. The material has been tested in some of the leading textile mills and compare favourably with imported desizing agents.

Liquid Seed Dressings

Two liquid seed dressings for use with cereal, sugar beet and other agricultural seeds are to be introduced for commercial U.K. use by the Shell Chemical Company. This is said to be the first time liquid seed dressings have been used commercially in the U.K. One of the dressings, called Panogen, is a mercury-based fungicidal dressing which has been used successfully for many years in Sweden, other European countries and America. The second, called Astex, is a new insecticidal one which is said to give control of wire-worm and other soil pests. A new highly efficient liquid seed dressing machine has also been developed and is being made available. It is capable of applying Panogen alone, which will give, it is claimed, an effective replacement for the standard mercury dust seed dressings, or a mixture of Panogen and Astex together, which will give a "dual purpose" protection to cereal and sugar beet. A feature of the machine is the simplicity with which it is possible to change from single to dual-purpose dressing, or from one variety of seed to another. Checking of the dressing rate is easily and quickly carried out. One of the chief advantages of using liquid dressings instead of powders is that they eliminate the danger of harmful mercury-laden dust being in the atmosphere or contaminating the mill. They can be applied also to seed with greater accuracy, and eliminate the risk of subsequent loss of dressing from the seed prior to drilling. The costs of the two liquid dressings, per bushel of seed treated, are similar to the costs of equivalent dust dressings. The seed-dressing machines are available to merchants on loan, and will be serviced by Shell.

New Ejection Seat

The U.S. Air Force F-104s are to be equipped with a new upward ejection seat system developed by the Lockheed Aircraft Corporation. This advanced emergency escape system—designated C-2—incorporates rocket-catapult devices and techniques not available when the Company's interceptor was first introduced. The first aircraft with the new seat installed will fly within the next few weeks and all the U.S. Air Force F-104s now in service, as well as those on the assembly line, will be equipped with the system. Lockheed officials disclosed that full recovery (safe escape) capabilities of the seat span a speed range from 115 m.p.h. up to 630 m.p.h. and from zero altitude up to 30,000 feet. In the pre-ejection phase, completed in just three-tenths of a second, (1) metal stirrups, attached by cable to a spring-loaded reel on the bottom of the seat, pull the feet close to the body and hold them securely until time of man-seat separation, (2) knee guards rotate into position to hold legs in place and to counteract the effects of outward airloads, and (3) arm-support webbing flaps up to prevent outward movement of arms. Upon completion of these split-second actions, the seat moves up guide rails and a single striker initiates the post-ejection functions which occur one second later. The post-ejection phase includes (1) release of the automatic seat belt, (2) cutting of the foot restraints cables by a guillotine-type device and (3) pilot-seat separation.

New Light Sources

Blue, green, yellow and orange light sources which require no electric current are now available in the U.K. in the form of lamps, markers, signs and torches, and for illuminating instrument dials. The sources are said to give years of service without maintenance and rely on special phosphors which are activated by the radioactive gaseous isotope Krypton 85. The luminosity of the sources ranges from 50 microlamberts for a disc marker, for example, up to 2,000 microlamberts for a five-inch diameter lamp. The radiation emanating from the sources is said to be as low as to come well within the most stringent safety limits likely to be imposed by the authorities. A further safety factor is that, in the event of accidental breakage of the lamp or sign, the Krypton 85 gas which is biologically and chemically inert is readily and immediately dispersed so that the excitation of the phosphors is stopped.

MARINE AND GENERAL INSURANCE COMPANY, LIMITED

CHAIRMAN, MR. R. N. BANGUR, EXPRESSES CONCERN OVER JUTE FIRES

THE Fifteenth Annual General Meeting of the Marine and General Insurance Company, Ltd., was held in Calcutta on 23rd July 1959. In the course of his statement to the shareholders made at the meeting, Mr. R. N. Bangur, Chairman, disclosed that the incidence of fires in jute industry had increased this year and hoped that the combined investigation being made now by insurance and jute interests to solve the problem would meet with early success.

The following is the full text of Mr. Bangur's statement:

"I have pleasure in presenting to you the Directors' report, audited accounts and balance-sheet for the year ended 31st December 1958.

"Although 1958 has been difficult for industry generally, I am pleased to report the continued progress of your Company and our total net premium income amounted to Rs. 6,72,426, an increase of Rs. 42,706 as compared with 1957. Commission and expenses of management amounted to Rs. 2,46,538 (36.7 per cent.) and incurred losses to Rs. 3,11,251 (46.3 per cent.).

Fire Department

"In the fire department, there was an increase over the previous year's total of Rs. 14,955, producing a premium income of Rs. 4,39,811. Net losses were Rs. 1,50,986 and commission and expenses of management Rs. 1,70,952. I am pleased to report that, as a result of the improvement in our claims experience, our profit in this department shows an improvement of Rs. 56,121 compared with the previous year and, as a result, a profit of Rs. 1,10,680 has been transferred to the profit and loss account.

"You will, no doubt, recollect that last year I mentioned the high incidence of jute fires and the loss as a result thereof to the national economy, and I regret to have to report that 1958 showed no improvement. Indeed, the position has deteriorated and this year again we have seen numerous jute fires causing considerable anxiety to the jute industry. It is to be hoped that the combined investigation at present being made by insurance and jute interests to solve the problem of these jute fires will meet with early success.

"The net premium income of the miscellaneous department, at Rs. 1,11,467, showed an increase of Rs. 14,435 over the previous year and after taking into consideration net losses at Rs. 50,192 (45 per cent.) and commission and expenses of management at Rs. 46,914 (42.1 per cent.), there is a profit of Rs. 7,144 transferred to the profit and loss account.

Marine Department

"In the marine department, despite the severe restriction on imports, the premium income also showed an increase to Rs. 1,21,148 compared with Rs. 1,07,832 for 1957, but I regret that the experience has been far from satisfactory and after taking into consideration net losses at Rs. 1,10,073 and commission and expenses at Rs. 13,177, there is a loss of Rs. 15,418 transferred to the profit and loss account. This loss has arisen as the result of the adverse experience of imported materials and here again I feel that I must call attention to the effect of such losses on our national economy. Losses can be reduced considerably by co-operation between all parties in seeing that these materials which have been brought many miles from overseas are carefully handled and cleared from the dock areas without delay, thus saving foreign exchange of which our country is, unfortunately, so short.

Profit

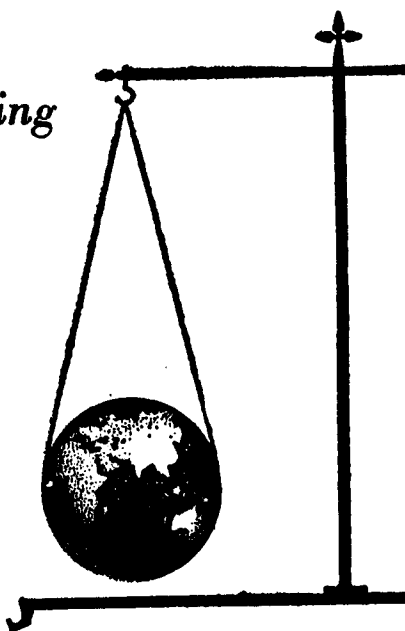
"After making the departmental transfers to the profit and loss account and taking into consideration non-underwriting expenses, interest and other income, I have pleasure in reporting a profit of Rs. 1,42,217 (21.2 per cent.).

"In the later part of 1958 two new branches were opened, one at Bombay and the other at Ujjain which have produced satisfactory results and in accordance with the policy of the Company further branches will be opened as circumstances warrant.

"Finally, I would like to thank our agents and policyholders for their continued support and also the staff for their work during the year under review."

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

Weighing
the
world
up...



... even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

THE CENTRAL BANK OF INDIA LIMITED

PROFITS FOR THE HALF-YEAR ENDED 30TH JUNE, 1959.

The Net Profit of the Central Bank of India, Limited, for the half-year ended 30th June, 1959, subject to audit, including the sum of Rs. 17,32,515.29 brought forward from the last year's account, amounts to Rs. 60,85,726.52 which the Directors have resolved to dispose of as follows:—

To pay an <i>ad-interim</i> dividend at the rate of Rs. 1.90 per share, subject to tax (i.e., Rs. 1.33 net) for the half-year ended 30th June, 1959, as against Rs. 1.50 per share tax-free paid for the corresponding period last year	Rs. 23,94,000.00
---	------------------

To carry forward to next half-year's account subject to provision for taxation	36,91,726.52
	Rs. 60,85,726.52

THE DIRECTOR IN SOVIET INDUSTRY

By Alec Nove

READER IN SOVIET ECONOMIC STUDIES, UNIVERSITY OF LONDON

[What is it like to be an industrialist under a Communist system? The writer, who recently accompanied the British Trade Mission to Moscow, discusses the powers of the Russian director, his relations with Government, Trade Union and Party officials, and his problems in fulfilling the Plan.]

THE object of this article is to discuss the position and powers of the Soviet director. To begin with, it is necessary to define his legal status and that of the enterprise which he runs. The director is the top manager, the commander-in-chief, responsible to superior authority for all operations. There is no board of directors. The enterprise and its funds are State property, and so the director is an official appointed to manage the property, in accordance with the desire of the owners. In some respects, his position is similar to that of a manager of a factory in this country (the U.K.), in relation to a large company which owns and operates many factories. The Soviet enterprise is endowed with a legal personality and operates on a profit-and-loss basis, but this is essentially a matter of convenience. There is no subject on which the enterprise's hierarchical superior cannot issue instructions, and a factory may be ordered to transfer, without payment, any of its assets to another enterprise. Nonetheless, this very subordinate legal status co-exists, as we shall see, with considerable *de facto* autonomy.

Until 1957, the director was appointed by, and was responsible to, the economic ministry responsible for the given sector of the economy. Thus, for example, the director of a cotton mill was appointed by the Ministry of Textile Industry (in practice by the division—*glavok*—of the ministry covering that sector of the industry). However, in 1957, nearly all industrial ministries were abolished, and enterprises were henceforward subordinated to Regional Councils of the National Economy (C.N.E.), of which there are 103. There is such a Council for the province of Ivanovo, which is a major centre of cotton textiles. If the factory is there, the C.N.E. of Ivanovo—or rather its appropriate functional division—would appoint the director. However, the post of director of any important enterprise was and is treated as a political appointment. We know from documentary evidence* that such jobs appear on the appointments list (*nomenklatura*) of provincial or more senior committees of the Communist party. This does not necessarily mean that their view is decisive in the process of choice, still less that they appoint technically unskilled party men on political grounds, but they certainly have the right of veto. Conflict with his superiors in the State or party hierarchy, or dissatisfaction with his work, could lead to dismissal at any time.

The most senior of his colleagues, notably the chief engineer (who acts as deputy director) and the chief accountant, are also appointed by superior authority. More junior appointments are made by the director.

Plan is the Primary Objective

The director's primary duty is to fulfil the output plan, which is handed down to him from the C.N.E., though, of course, the latter must conform in its turn to the plans and instructions of superior authority. However, this does not mean that the director has no say in what the plan is. It is his duty to begin the entire process by submitting his own plan to his superiors, and he can and does argue with them if he feels that they ask for the impossible. The plan is expressed where feasible in quantitative terms, such as metres of cloth or tons of coal, though for some commodities gross value of output in roubles has to be used. The director who fulfils the plan is liberally rewarded. The financial reward varies in different industries, but it is generally a large sum for achieving 100 per cent. of the plan, plus a percentage addition to his basic salary for every per cent. of overfulfilment. These and other bonuses can frequently double the basic salary of a director. In addition, he basks in the sunshine of official and party approval. Underfulfilment of the plan is followed by searching inquiries into the reasons, and an ambitious director does his utmost to avoid such a contingency.

It is the director's duty to fulfil the plan while minimising costs, and he is rewarded for doing this. A small percentage of the planned profits, and a larger share of overplan profits, is paid into a so-called "enterprise fund," which

the director can use to finance various amenities (housing, canteens, etc.) or to issue as special bonuses to his colleagues or outstanding workers. However, the director cannot change the prices of his product or of the materials purchased by him from other enterprises. In many cases, he is tied to one disposals agency, which handles all he produces. Prices are (with minor exceptions) fixed by the State, and are printed and published in enormous schedules. Since these prices are generally related to average costs in the given industry, it follows that many enterprises inevitably make losses. In such cases, there is a reward for achieving less than the "planned loss." Thus, the director's job is so to manoeuvre, in the operation of his plant, as to fulfil the plan, with due regard to economy. However, his primary duty is to fulfil the plan, and this takes priority over profit-making when the two aims conflict.

Allocation of Materials

The director is subject to severe restrictions to his freedom to purchase materials. Basic materials are, in most cases, subject to allocation by superior State authority. He is only entitled to buy these if he possesses an allocation certificate. Sometimes, the supplying enterprise is specified by the superior authority, but, often, it is the director's duty to seek out a supplier. This must also be done in the many instances in which no allocation certificate is necessary. Because plans throughout the economy are made on the assumption of full employment of resources, there is a chronic tendency for shortages to develop.

Failure of supplies to arrive is a constant directorial nightmare. He guards against it to the best of his ability, by accumulating excessive (and often unreported) stocks, by over-indenting, by mustering any available political influence and also by the employment of professional supply agents ("pushers," *tolkachi*), some of whom do not scruple to use bribery. It

would be wrong to suggest that the Soviet supply organisation is based on a series of informal rackets, since the allocation system does by and large, generally work. But an efficient director must countenance many departures from prescribed procedures, and must be something of a diplomat into the bargain, since he may well find that the authority which approves his output plan has failed to co-ordinate its activities with the (often different) authorities which allocate materials and place orders for the final product.

In assessing the *de facto* powers of director it should also be borne in mind that many decisions, ostensibly made by his superiors, originate with the director. He submits indents, he gives information on the productive capacity of his enterprise, and applies for investment funds. He often has very considerable powers over the assortment of the final product, since it is physically impossible to cover all variants in the plan. Indeed, as part of the struggle against overcentralisation and bureaucracy, there has been a tendency to make State plans less precise.

Directorial Initiative

The results of directorial initiatives are often unsatisfactory, and are the subject of extensive criticism in the Soviet Press, because the incentives system to which they respond runs counter to the requirements of the superiors and to economic rationality. For example, it is in the interest of the director to conceal his production possibilities, to have a modest plan target, because then his "overfulfilment" bonus is easier to earn. It is in his interest to adjust his output assortment to whatever is the measure of plan fulfilment, rather than to the requirements of his customers. Many examples can be cited of a tendency to produce narrow goods when the plan is pressed in length, too many of the dearest type if the plan is in terms of gross value (i.e., robes), unnecessarily heavy articles if the plan is in terms of square metres, and so on. The reaction of directors to new ideas, or new designs, is greatly influenced by whether or not they "fit" the measuring-rod used for fulfilment.

Of course, the freedom of choice of a director in these respects is not unlimited. The plan may specify the assortment in some detail. He must not distort the product mix to an extent

which might bring on him the wrath of his superiors, though it must be borne in mind that they too are interested in being able to report plan fulfilment. Nonetheless, the difficulties which have been caused by managerial "deviations" have repeatedly attracted the critical attention of Soviet planners and economists, and so these problems are serious, even though directorial freedom of choice is further limited by certain other controls, which it is now necessary to consider.

Labour Questions

The director is subject to a number of limitations in dealing with labour questions. So far as his salaried staff are concerned, there are elaborate precautions designed to prevent Parkinson's Law from operating; the establishment is laid down from above, as are the basic salaries for each post. There is more freedom of manoeuvre in respect of the workers proper, but the director is bound to follow the wage schedules laid down centrally for each grade of job and must not exceed the "wages fund" approved by his superiors, unless he exceeds the output plan. The local branch of the State Bank, where the enterprise's funds must be kept, is under instructions to refuse to pay out wages in excess of levels permitted under the regulations. (The Bank has other control powers, too, particularly if the enterprise is financially unsuccessful.)

In reality, these rules do not prevent a chronic tendency towards "overspending of the wages fund." Thus, piecework rates and other bonuses have to be settled very largely on the spot, and the actual wages are substantially above the tariff rates laid down by the central authorities. Informal bargains, based on the supply and demand situation for labour, have a great *de facto* influence. The piecework "norm" can be deliberately set low, workers are often overgraded in relation to their skill. The resistance of the Bank can generally be overcome by appeals to higher authority, so long as the management is successful in fulfilling the plan. There is, therefore, more room for manoeuvre than might appear at first sight.

In dealing with individual workers, however, there are severe limits on managerial discretion. A worker cannot be dismissed without proper cause, and there are many instances in which the management has been compelled by the courts to reinstate an unjustly dismissed worker. Arguments over pay, grading and other labour disputes are referred to a conflicts commission, on which the trade union branch officials have great influence. Overtime requires the approval of the trade union branch, which also has a statutory right to interfere in the disposal of welfare funds, in housing allocations, safety and health regulations, and so on. Since 1958, in addition, enterprises have a so-called "permanent production council," elected by the employees, to which the management must refer many important operational and planning decisions.

Relations with the Trade Unions

The full catalogue of the powers of these bodies would lead the unsuspecting observer to suppose that the director is subject to extremely thorough "workers' control." However, these limitations are not as serious as they appear. This is, above all, because the union officials are not representative of the workers, but are nominated by the Communist party to carry out its policy among the workers. The basic task of the trade unions, as has been repeatedly stated by their leaders, is to help the party to fulfil the aims embodied in the economic resolutions of the party congress, which means, in the context of the enterprise, mobilising the workers to fulfil and overfulfil the plan.* This is also the principal aim of the management. Consequently, though conflicts can and do arise over minor issues, the director and the trade union secretary generally pull together. Nonetheless, the fact remains that a range of decisions do require the co-operation of the trade union branch. This co-operation might not be forthcoming if the director wishes to act in ways inconsistent with the desire of the local party organisations, under whose leadership the trade union operates.

Authority of the Party

The party has, of course, other means of exerting influence. There would certainly be a branch of the party within the enterprise. The director would probably be a member of it, but would not be its chief. The branch takes its orders from the local party secretary, who is the boss of the town or district and with whom it is (Continued on page 163)

*Anyone who doubts this should read the section on trade union tasks in Pravda, 29th March 1959.

Excellent
cutting
performance



HACKSAW
BLADES

Manufactured from high quality
steel. They can be used for cutting
all types of steel, brass,
copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.
6, OLD POST OFFICE STREET, CALCUTTA-1

Sole Selling Agents:

VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI



YES, it's thrice a week to lovely TOKYO

—by splendid Super Constellation.

Stopovers at Bangkok

and Hong Kong if you wish.

The choice of Tourist or First Class,
with every First Class seat a Slumberette.

Our hostesses speak Japanese and Chinese;
our service is renowned.

Every Tuesday, Thursday and Sunday
via BANGKOK and HONG KONG.

Easy connections to cities
all over the Far East

AIR-INDIA

Trade Promotion is our Specialty

The **FUJI BANK, LTD.**

Head Office: Chiyoda-ku, Tokyo

184 Branches throughout Japan

London Branch:
Salisbury House, Finsbury Circus, London, E.C.2

New York Agency: 42 Broadway, New York, N.Y.

Calcutta Representative Office:
Mookerjee House, 17 Brabourne Road, Calcutta-1

DEVELOPMENT OF SUBSIDIARY FOODS NEED FOR HIGH PRIORITY IN THIRD PLAN

IT is rightly claimed that each Five-year Plan of India has brought about a revolution by itself. The revolutionary aspect of the first Plan lay in breaking the barrier of decades-old stagnation in the agricultural sector. The second Plan has caused a revolution by ushering in an expansion of the producer goods industries. The third Plan, now on the anvil, would naturally envisage several revolutionary developments. One of these, in the agricultural sector, should be much greater emphasis on subsidiary foods.

Bulk of the energy and protein requirements of an average Indian diet being met from foodgrains (cereals and pulses), all other articles of food play a subsidiary role and are termed as subsidiary foods. In common parlance, however, only root crops, including potatoes, sweet potatoes and tapioca, and fruits like bananas and papaya, which are rich sources of energy (calories), are called subsidiary foods. These may be distinguished from protein-rich foods like milk, meat, fish and eggs, and from fruits and vegetables in general which primarily serve to protect the body from various ailments and diseases and are called protective foods. The availability of subsidiary and protective foods at present is much smaller than what it should be, as would be seen from the following comparative figures of actual availability of different foods and the requirements of a balanced diet laid down by the Nutrition Advisory Committee:

(Ozs. per adult per day)

Foodstuff	Standard diet as recommended by the Nutrition Advisory Committee	Availability in 1956-57
Cereals	14	15.4
Pulses	3	2.9
Root/vegetables	3	0.9
Leafy and other vegetables	7	2.5 to 3.0
Fruits	3	1.0*
Milk and milk products	10	4.5*
Vegetable oils and ghee	2	0.5*
Meat, fish and eggs	4	0.5*
Sugar and jaggery	2	1.7

* Rough estimate.

The development of subsidiary and protective foods is a wide subject, and the present discussion would be confined to more important among the subsidiary foods, namely, potatoes, sweet potatoes, tapioca, bananas and papaya. The significance of these foods lies in the fact that a given area under these crops can support a much larger number of people than the same land under cereals. This is clear from a comparison of the nutritive value of per acre output of cereals and the subsidiary foods as given in Table I.

Among cereals, the highest calorific value per acre is obtainable from rice. In comparison with rice, potatoes provide 1.7 times as much calorific value per acre. Similarly, the calorific value per acre of sweet potatoes is 3.2 times, of papaya 2.9 times and of tapioca 3.2 times that of rice. The banana crop has even greater advantage. An acre under banana yields about 4.5 times the number of calories yielded by an acre under rice. While having this tremendous advantage in terms of calorific value, these subsidiary crops also compare favourably with rice in their protein and mineral content per acre of output.

The high-yielding character of the energy-giving subsidiary foods and their ability to support, as compared with cereals, a larger number of people on the same acre of land greatly enhances their importance and usefulness in a country like India where the pressure of population on land is heavy and is increasing every year, progressively reducing the per capita area available for cultivation. During the first Plan period, a part of the increase in the production of cereals was achieved through an increase in the area under them, which went up by about 10 per cent. In the first three years of the second Plan period, there has been little increase in the area and almost the entire improvement in production has been realised through higher yields per acre. The scope for an increase in area hereafter is highly limited. It is but logical, therefore, that the country should secure as much food as possible from these land-saving subsidiary foods, so that the land thus released is used for producing protein foods and commercial crops

like jute and cotton, the requirements for which are increasing rapidly. In fact, the expansion of the high-yielding subsidiary food crops may be regarded as one of the most important developments in the history of human effort to keep food production apace with population growth.

Another advantage of these crops is that they can be grown as rotation crops with cereals and can also be cultivated in sub-marginal and newly-reclaimed lands. While capable of saving land considerably, these crops do not make any heavier demands on other scarce factors of production (except, perhaps, organic manure) than rice does. Thus, the subsidiary food crops are important for augmenting the total food supplies from the same area of land; for diversifying the average diet and making it better balanced by partial replacement of cereals which at present dominate the average Indian diet heavily; and for promoting intensive use of land by cultivating subsidiary food crops in rotation with cereal crops.

The Subsidiary Food Production Committee, 1949, recommended increased cultivation of subsidiary foods, which would strengthen the general economy of the country by making a larger net quantity of food available from less land and labour. The Foodgrains Enquiry Committee, 1957, also stressed the importance of these foods in the following words:

"We must recognise that our population is increasing faster and requires the maximum efforts to step up the food production potential of the

country, including non-cereal foods. One way of getting a more balanced diet that what we are having today would be to get the carbohydrate requirements of our diets from such crops as would require smaller acreage to produce the same calories as compared with cereals and use the area thus saved for the production of protein and other essential items for a balanced diet."

Area and Production

The trends in area, production and per acre yield of the subsidiary foods in recent years in this country would be evident from the figures in Table II.

In the case of bananas, production has suffered a setback due largely to a decline in the average yield per acre. Papaya has shown an increasing trend in per acre yield, but this has been offset by a decline in area so that production has shown no improvement. Root crops have recorded an increase in production, due more to increase in per acre yield in the case of sweet potatoes and tapioca and to increase in area in the case of potatoes.

Despite some overall improvement in their production in recent years, the subsidiary food crops still play a very insignificant role in the cropping pattern in India. But, in many parts of the world, these crops occupy an important position. A comparative picture of the importance of root crops vis-a-vis cereals in India and a number of other important countries of the world as of 1956 is given in Table III.

The area under root crops constitutes about 0.8 per cent. of the acreage under total cereals in India, whereas this percentage is more than 20 per cent. in many other countries and even more than 30 per cent. in some countries. The figures of production reveal a rather startling

(Continued on page 163)

TABLE I

Nutritive value of per acre output of Cereals and Subsidiary Foods

Foodstuff	Yield per acre (lbs.)	Seed requirements (lbs.)	Inedible portion (lbs.)	Food value of remaining part			
				Carbo-hydrate (lbs.)	Protein (lbs.)	Minerals (lbs.)	Calories (millions)
Rice	770	49	..	559	53	7.9	1.1
Wheat	657	82.3	..	418	87	6.3	0.9
Tapioca	6,436	..	1,609	1,854	34	53.1	3.5
Potato	5,728	859	818	928	73	28.4	1.8
Sweet Potato	6,817	..	974	1,911	64	64.3	3.5
Banana	10,674	..	3,568	2,583	100	49.8	4.9
Papaya	26,677	..	8,892	1,690	71	71.1	3.1

Average of three years ending 1956-57.

TABLE II

Area, Production and per acre yield of Subsidiary Foods
Area=000 acres. Production=000 tons. Yield=000 lbs.

Crop	Area (average of triennium ending)			Production (average of triennium ending)			Yield (average of triennium ending)		
	1950-51	1953-54	1956-57	1950-51	1953-54	1956-57	1950-51	1953-54	1956-57
Potatoes	558	627	684	1,486	1,857	1,747	5.9	6.6	5.7
Sweet potatoes	337	423	415	1,151	1,272	1,272	5.2	6.1	6.4
Tapioca	580	615	615	1,323	1,621	1,768	4.8	5.9	6.4
Bananas	349	333	356	2,085	1,752	1,698	13.4	11.7	10.7
Papaya	16	13	11	149	127	129	20.5	21.6	26.7
Total	1,840	2,011	2,081	5,731	6,508	6,614	..	..	..

TABLE III

Country-wise Comparative Picture of Importance of Root Crops

Country	Area			Production		
	Root crops ('000 hectares)	Cereals ('000 hectares)	Percentage of root crops to cereals	Root crops ('000 metric tons)	Cereals ('000 metric tons)	Percentage of root crops to cereals
Austria	181	872	20.8	3,226	1,908	169.1
Belgium	86	510	16.9	2,034	1,578	128.9
Czechoslovakia	630	2,664	23.6	9,635	5,487	175.6
Denmark	96	1,078	8.9	2,140	3,811	56.2
Finland	93	878	10.6	1,693	1,268	133.5
E. Germany (including E. Berlin)	783	2,262	34.6	14,941	5,835	278.2
W. Germany	1,135	4,445	25.5	28,766	12,004	222.9
Italy	387	7,012	5.5	3,406	13,628	25.1
Netherlands	144	488	29.5	3,402	1,566	217.2
Norway	58	196	29.6	1,392	537	259.2
Poland	2,714	8,894	30.5	38,052	12,214	311.5
Spain	374	7,564	4.9	4,428	7,825	56.6
U.K.	373	2,917	12.8	7,654	8,287	92.4
Yugoslavia	268	5,300	5.2	2,180	5,888	37.2
Canada	130	17,779	0.7	1,916	30,467	6.3
U.S.	676	74,715	0.9	11,823	1,48,206	8.0
Brazil	1,474	9,937	14.8	4,781	13,148	182.0
India	692	86,167	0.8	9,822	71,964	6.8
Japan	594	4,945	12.0	2,659	17,141	57.3
China Taiwan	241	818	29.5	1,161	2,272	118.4
Indonesia	1,466	8,868	16.5	1,077	13,329	88.6
Philippines	244	4,555	5.4	993	4,259	25.3
Ghana	126	478	26.6	370	308	298.4
Ruanda-Urundi	311	845	36.7	3,847	308	973.9
Belgian Congo Villages	687	594	115.7	7,863	543	1,448.1

Source:—F.A.O. Year Book, 1957.

SETTLING DISPUTES IN EXPORT TRADE SOME EFFECTIVE AUTHORITY REQUIRED

By Chinoobhai C. Javeri

SETTLEMENT of disputes in our foreign trade has become an important factor for promoting exports, since any such dispute affects not only the trade relationship between individuals but also the overall exports and the prestige of the country. The grounds of disputes commonly relate to quality, delivery and non-fulfilment of the contract which are usually resolved by litigation, arbitration or amicable settlement. Disputes often arise also on account of non-payment of dues by the importer to the exporter. So long as a contract exists between the parties, disputes could be settled by referring them to a Court of Law or Arbitration in accordance with the terms of the contract. The question of arbitration can also arise when there is some lacuna in the contract or the parties concerned agree to such a method of settlement. It is common knowledge that the trade, by and large, would prefer amicable settlement rather than have recourse to litigation or arbitration. The chambers of commerce can render yeoman service in settling disputes amicably by arbitration in a just and equitable manner and, if need be, to bring pressure and exercise their influence on the parties concerned to enforce the arbitral award in case of non-compliance.

In recent years, the pattern, the composition and the distribution of trade in India have undergone a vast change in keeping with the times. The country, being free to shape and foster its own plans and policies, has made much headway towards industrialisation. Although raw materials constitute the bulk of our country's exports, there is a continuous stress on the need for export of our manufactured goods which, in consequence, is on the increase.

Burning Problem

Commercial disputes are inevitable, but, with us, it has become a burning problem, because of the peculiar circumstances under which our export trade developed during the war followed by a period of scarcity and boom. Looking to new trends, in this context, and the need for developing the export of manufactured goods, it is imperative to organise the export trade of the country on healthy lines. This alone can create confidence and goodwill for Indian products among foreign buyers. Unless foreign buyers are assured of adequate service and proper supply of goods, there can be no hope of maintaining, not to speak of increasing, our exports in the future. All these emphasise the necessity for striking at the root of disputes by boldly grappling with the problem of eradicating the causes of complaints.

The various Export Promotion Councils, which cover among them a large number of important items, must lay down the minimum standards of quality for their products. Ad hoc inspection and quality control at the source of supply or manufacture may be introduced. A Standard Contract for export in respect of sales between manufacturers and exporters buying for export may also be formulated, making its use obligatory. The Export Promotion Councils, being composed of exporters and based commoditywise, have sufficient knowledge and understanding of the intricacies and problems of the export trade in that particular commodity. Naturally, they are more competent and better qualified than others to deal with such disputes. Besides, they are recognised and backed by the Government. The existing practice and the basis of settling disputes with foreign buyers may, therefore, be carefully studied by them and their findings incorporated in formulating the Standard Contract between the exporter and the local manufacturer.

As a natural corollary, the drawing up of a Standard Contract between the exporter and the foreign buyer will arise. But the suggestion is out of court, because trading conditions vary from country to country. That being so, the contractual obligations and the terms of these transactions may be better left for negotiation to the parties concerned depending upon their personal relations. Incidentally, in most items, only a sale note is exchanged at present and there is no regular contract specifying terms and conditions.

Usually, the difficulty arises in deciding the place of arbitration. Invariably, the buyer and the seller prefer to have the arbitration conducted in one's own country and by an agency better known to him. To tide over the difficulty, it is politic that the trade associations of

the two countries should arrive at an agreement of mutual benefit. So far as India is concerned, the Federation of Indian Chambers of Commerce and Industry has come to certain agreements with the arbitration-associations of the U.S.A. and Japan.

Manufacturers' Liability

The liability of manufacturers to pay claims to exporters when their fault is proved will make them cautious and deter them from supplying sub-standard goods or goods which are not in accordance with the contract. Consequently, care will also be exercised in complying strictly with the terms of the contract. This liability on the part of manufacturers or suppliers is essential, because the bulk of our export trade is handled by exporters. Thus, it is not the manufacturer but the exporter who is liable to the foreign buyer for the proper execution of the contract. That is the reason why "Local Standard" contract forms in respect of export-goods are necessary to protect the interest of exporters which alone can embolden and encourage them to take risks and make vigorous efforts to sell our goods in foreign markets.

The Cotton Textiles Export Promotion Council has evolved for export a Standard Contract between mills and exporters buying for export. The use of the Standard Contract both by the mills and the exporters is made obligatory. Their names are being registered with the Council. Only those whose names are registered with the Council are entitled to the prescribed incentives.

The Cotton Textiles Export Promotion Council has also set up a Complaint Committee and formed Panels comprising manufacturers and exporters for hearing disputes and settling them amicably. This Committee is functioning successfully and satisfactorily, rendering fruitful service which is greatly appreciated by foreign buyers.

While the use of a local Standard Contract will standardise trade transactions on the one hand, the fair and impartial arbitration carried out by various Councils will make the settlement of disputes easier on the other. Foreign buyers might also avail themselves of arbitration by these councils.

A New Device

In order to make the scheme effective, some sort of authority or sanction is necessary to ensure that the awards of the Complaint Committee will be respected; otherwise, the object underlying the settlement of disputes would be defeated. Practical difficulties are no doubt encountered in providing sanctions. The purpose, nevertheless, could be served by withholding incentives from the defaulting parties. This measure will have a deterrent effect upon

the contracting parties. Its scope, it is agreed, will be limited, since there are not many Export Promotion Councils, but these councils cover a wide range of the main and important items of our exports.

An alternative scheme of registration of exporters and manufacturers selling for export subject to annual renewal may also be introduced in respect of those items for which there are Export Promotion Councils. The renewal of registration may be refused to defaulting parties or their names be struck off in case of default. It is true that annual renewal of registration will give the defaulting parties a year's lease for trading. Even then the fear of non-registration will hang like the Sword of Damocles over the contracting parties, warning them to avoid disputes in their own interest.

In view of the urgency for maximising exports, it is high time that our export trade was organised on healthy lines, so that foreign buyers could have confidence in the quality and deliveries of Indian goods so vitally needed today. Once the causes for disputes are reduced to the minimum and confidence is restored, exports of Indian goods will improve and realise better prices.

INDIA'S FOREIGN TRADE

India had a larger adverse balance of trade of Rs. 113.41 crores during the five months ended May 1959, as against Rs. 96.27 crores during the corresponding period of 1958. While the total imports rose from Rs. 326.09 crores to Rs. 338.51 crores, exports (including re-exports) declined from Rs. 229.82 crores to Rs. 225.10 crores.

In the month of May last, the latest month for which figures are now available, India's exports of merchandise fell short of imports by Rs. 21.61 crores, as against Rs. 35.28 crores in the previous month and Rs. 18.58 crores in the corresponding month in 1958. Imports at Rs. 68.11 crores were lower by Rs. 14.31 crores, as compared with the previous month, but higher by about Rs. 3 crores, as compared with May 1958. Exports were lower at Rs. 44.50 crores, as against Rs. 45.14 crores in April 1959 and Rs. 44.71 crores in May 1958.

The following table shows the trend of trade, month by month, during the five months ended May 1959, as compared with that in the corresponding period of 1958.

(Value: In crores of rupees)

	Imports	Exports (including re-exports)	Balance of trade
January 1959	66.68	45.34	-21.24
February	59.79	42.90	-16.89
March	65.81	47.22	-18.59
April	80.42	45.14	-35.28
May	66.11	44.50	-21.61
	338.51	225.10	-113.41
January 1958	66.05	54.77	-11.28
February	66.21	41.98	-24.23
March	70.56	46.68	-23.88
April	61.98	41.73	-20.25
May	63.29	44.71	-18.58
	326.09	229.82	-96.27

AUTOMATION IN THE U.S.

The National Planning Association of the U.S. has called for a comprehensive industry by industry study of the economic and social aspects of automation in order to better understand it. "Automation is needed as the key to the survival of our way of life," says the N.P.A. report titled *Automation: Its Impact on Business and Labour* prepared by Mr. John Diebold, an automation expert and business consultant. It adds: "There is no doubt that the new technology and machines of automation... will have a very great social and economic effect," and therefore, "before either the opponents or proponents of automation go too far, we must have the facts on which to base and evaluate ideas and policies."

For the present and next few years, Mr. Diebold looks for automation's biggest and most immediate impact to take place in the office rather than in the factory or plant. However, he says, there still exists a wide gap between engineering development of automotive office equipment and business understanding of how the equipment can best be used. "Automation" to quote him "is more than a series of new machines and more basic than any particular hardware. It is a way of thinking as much as it is a way of doing and so far management has not been altogether successful in a full realisation of the present possibilities of automation." Since automation is a long-term process, to better understand its possible future impact, an industry-by-industry study of what automation has meant so far is recommended. The author suggests a detailed case-by-case approach to a number of specific industries that are representative of several types of applications of automation practised today.

SALT MANUFACTURERS TO BE LICENSED

An important decision taken by the Central Advisory Board for Salt, at its recent meeting at New Delhi, was to utilise the proceeds of the salt cess levied under the Salt Cess Act in such a way as to benefit the maximum number of salt manufacturers. The meeting, which was presided over by Mr. Nagesh Bahadur, Chairman of the Board, further decided to formulate a scheme for the welfare of labour employed in the industry. Another decision taken at the meeting was that all manufacturers of salt should be licensed, for the purpose of obtaining complete statistical information about the industry.

Union Bank of India Limited.

(ESTD: 1919)

Head Office:
Union Bank Building
Apollo Street
BOMBAY-1

★

OUR CUMULATIVE DEPOSIT SCHEME
HELPS YOU ACCUMULATE SAVINGS
IN EASY MONTHLY INSTALLMENTS
EARNING 4% COMPOUND INTEREST

CALL AND FIXED DEPOSITS
ARE ACCEPTED AT ATTRACTIVE
RATES

F. K. F. Nazim, General Manager

SHORTAGE OF STEEL AFFECTS BURN AND COMPANY GROSS PROFIT DECLINES AGAIN—WORK ON MAGNESITE PROJECT BRISK

A SETBACK in earnings, for the second year in succession, is disclosed by the accounts of Burn and Company Ltd. (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) for the year ended 30th April 1959. The gross profit of the Company, which had dropped from Rs. 1.52 crore earned in 1956-57 to Rs. 1.41 crore in the following year, has further shrunk to Rs. 1.33 crore in the year under review. This decline in profit is attributed mainly to the enforced restriction on work owing to shortage of steel culminating in the closure of the wagon shops at the Company's Howrah works for four months, August-December 1958. The Company's performance would have been worse but for the fact that the loss of profit on wagon work was offset to a large extent by the improved working of the Company's three trading departments and the several refractory works.

The shortage of matched steel and the prospect of closure of the Company's wagon works were not unanticipated and, in fact, the Company had made representations to the Railway Board to this effect. The planning of imports of steel to produce, with indigenous supplies, the matched stocks which must be available to carry out a wagon building programme is, as the Directors of the Company point out in their latest report, the responsibility of the Railway Board and Iron and Steel Control. It is, therefore, a matter entirely outside the control of the Company. It is, however, gratifying to hear that the quantity of steel delivered has increased, but it remains to be seen whether there has been any improvement in the planning and supply of matched steel, so that there may not be a repetition of enforced idleness for the Company's works.

The net profit is, however, a fraction better at Rs. 52.95 lakhs, as compared with Rs. 52.09 lakhs for the previous year. The provision for taxation has been reduced from Rs. 59 lakhs to Rs. 50 lakhs, consequent on the decline in profit and the reduction in income taxation from 51.5 per cent. to 45 per cent. Last year's provision, it may be noted, includes a sum of Rs. 2.10 lakhs for wealth tax, while this year's allocation does not include any provision for wealth tax on companies in the last Central Budget. The Company is liable to pay excess dividend tax on last year's dividend and this liability absorbs Rs. 5.04 lakhs. There is, however, no such liability in respect of the dividend for 1958-59, consequent on the abolition of this tax in the last Budget. The provision for depreciation has been raised slightly from Rs. 17.36 lakhs to Rs. 18.31 lakhs. In tune with the lower gross profit, the managing agency commission also has suffered a cut from Rs. 12.83 lakhs to Rs. 11.76 lakhs. The transfer to the reserves has been reduced from Rs. 33.27 lakhs to Rs. 26.88 lakhs. This includes a sum of Rs. 20 lakhs (same as in the previous year) added to the reserve for Salem magnesite project, Rs. 1 lakh (as against Rs. 6 lakhs) to the reserve for Niwar project, Rs. 3.63 lakhs to the reserve for works reconstruction expansion and Rs. 2.07 lakhs to the development rebate reserve.

The salient features of the Company's profit and loss accounts for the last four years are compared in the following table:

	For the year ended 30th April			
	1956	1957	1958	1959
Sale proceeds	10,16.81	9,55.68	8,49.81	8,82.01
Other income	65.64	64.96	76.78	76.88
Closing stocks of finished goods and work-in-process ..	5,60.51	4,31.41	4,87.24	5,29.46
Raw materials consumed ..	5,11.62	5,56.94	5,77.55	5,85.97
Other expenses	8,66.91	8,46.56	8,04.92	7,88.67
Gross profit	1,23.94	1,41.29	1,51.24	1,30.99
Managing Agency commission ..	11.76	12.83	14.06	13.48
Provision for—				
Depreciation	18.31	17.36	18.34	12.84
Taxation	50.00	50.00	70.95	40.00
Net profit	52.95	52.09	53.79	55.09
To reserves	26.88	33.27	35.21	36.81
Dividends—				
Preference	2.07	1.81	1.81	1.81
Ordinary	28.81	31.46	33.40	35.00
Carry forward	1.87	1.80	1.10	1.13

The saving on wealth tax and excess dividend tax, which together works out to Rs. 7.14 lakhs, as pointed out earlier, is to be utilised by the Directors to make good the loss to the ordi-

nary shareholders on account of the abolition of the system of grossing dividend. They have, accordingly, recommended a gross dividend of 28½ per cent. (subject to tax), as against 20 per cent., free of income-tax, paid for each of the previous three years. This has been done after engrossing the final dividends on the 6 per cent. and 7 per cent. preference shares at 30 per cent. under the Finance Act 1959.

The progress on the Company's project at Niwar (Madhya Pradesh) for setting up a silica brick works is not at the rate originally contemplated, on account of the fact that the refractory technical staff is busy on the Salem magnesite project. Steady progress continues in the expansion work at the other refractory works and at the Howrah works. After frustrating delays in the plan for acquiring magnesite mines in Salem, Madras State, and building a factory there, the management was successful in completing, on 31st July 1958, the purchase of all the assets in India of the Magnesite Syndicate Ltd. of the U.K. Shortly after taking possession of the mining properties at Salem, the Directors appointed a well known London engineering consultant to advise upon and supervise the construction of a complete works for the manufacture of magnesite shapes by the most modern methods. Work at site is said to have commenced and steady progress is being made.

The progress of the expansion plans is reflected in a capital expenditure of Rs. 39.42 lakhs during the year under review, bringing the total value of the block account as at the end of the year to Rs. 478.18 lakhs. The net value of the fixed assets is Rs. 191.81 lakhs. Besides, a sum of Rs. 16.97 lakhs has been spent on incomplete work. The other assets aggregate Rs. 762.03 lakhs. As against these assets, the current liabilities and provisions aggregate Rs. 631.28 lakhs, leaving a net asset of Rs. 339.53 lakhs. This is made up of a paid-up capital of Rs. 112 lakhs and reserves and surplus amounting to Rs. 227.53 lakhs.

The Rs. 100 paid-up shares of the Company are being currently quoted at Rs. 453 cum-div. On an ex-div. basis and at the current rate of dividend, the shares provide a yield of 6.7 per cent. per annum, subject to tax.

RESULTS OF STANVAC REFINERY

An increase in the volume of crude oil processed, larger sales of refined products and a higher profit are the main features of the results of working of the Standard-Vacuum Refining Company of India Ltd. during the year ended 31st December 1958. The quantity of crude oil processed during the year averaged 33,890 barrels per day, as compared with 31,638 barrels per day in 1957. Sales of refined products show a rise from 384.77 million Imperial gallons to 409.27 million gallons. The gross profit for the year amounts to Rs. 292.64 lakhs, representing an increase of Rs. 21.26 lakhs over that for 1957.

The net profit, however, shows a decline from Rs. 191.12 lakhs to Rs. 135.10 lakhs, on account of the substantially larger provision of Rs. 81.15 lakhs for taxation, as against Rs. 42.7 lakhs set aside last year. The provision for depreciation, too, has been slightly raised from Rs. 75.99 lakhs to Rs. 76.39 lakhs. The estimated liability for taxation, it may be noted, is still higher at Rs. 93.10 lakhs (including Rs. 5.04 lakhs for wealth tax), but a part of this—Rs. 11.95 lakhs to be precise—is being met from reserve for deferred taxation. After writing off debenture issue expenses to the extent of Rs. 52,712, the entire net profit available has been ploughed back, as in the previous year. The Directors have not recommended the payment of any dividend on the ordinary shares for yet another year, as they consider it essential at this stage to retain the earnings in the business.

Of the total sales of refined products during the year under review, as much as 311.79 million gallons were made in India and the balance, namely, 97.48 million gallons, consisting of motor gasoline and furnace oil, which was surplus to the country's requirements, was exported to Australia, New Zealand, British East Africa, Ceylon and Japan. The sales within the country represent an increase of 27.04 million gallons over 1957, while exports were slightly lower by 2.54 million gallons.

The Directors observe that all phases of the refinery expansion programme, approved by the Government last year, will be completed by the middle of 1959 and will supply the asphalt and other additional products required in India. This will result in additional saving of foreign exchange to India.

PROFIT OF CALICO MILLS RISES SHARPLY SPECIAL VARIETIES FOR EXPORT TO BE PRODUCED

NOTWITHSTANDING the acute shortage of foreign cotton and other raw materials, due to import restrictions, and the high prices of superior varieties of Indian cotton, the performance of the Ahmedabad Manufacturing and Calico Printing Company, Ltd. (Calico Mills, in short), during the year ended 31st March 1959, is impressive. The gross profit of the Company for the year under review amounts to Rs. 1.59 crore, representing an increase of Rs. 31 lakhs over that for 1958. This has offset to a good extent the drop of Rs. 58 lakhs, that is from Rs. 1.86 crore to Rs. 1.28 crore, suffered in the previous year. The effect of the cut in imports of Egyptian and Sudanese varieties of cotton was more severely felt by the Company, being a manufacturer of superfine cloth, and upset the established pattern of the Company's production. The replanning of the production programme was also rendered difficult, as the cotton import policy was not announced sufficiently in advance. Nevertheless, the Company has been able to do well, thanks mainly to the success of its efforts in pushing up the internal offtake of its cloth through such promotional methods as organising travelling Domes with fashion shows displaying the latest "Calicloth" styles in the principal cities of India. They have helped the Company in getting some indication of consumer preference and in introducing new varieties of cloth such as "Miniron" wash and wear poplins and printed dress materials.

The coming into production of the Company's alkali plant at Bombay towards the close of the previous year with an initial monthly output of 180 tons of caustic soda, which was subsequently raised to 300 tons in July 1958, has also helped the Company earn a higher profit in 1958-59.

The net profit, at Rs. 67.34 lakhs, shows a rise of only Rs. 3.07 lakhs, on account of the substantially larger provisions for depreciation and taxation. The allocation to the former has been raised from Rs. 18.63 lakhs to Rs. 30.17 lakhs and that to the latter from Rs. 36.37 lakhs to Rs. 50.75 lakhs. The transfer to the various reserves has been reduced by 50 per cent. to Rs. 14.60 lakhs, as will be noted from the following comparative table:

	For the year ended 31st March			Fifteen months ended 31st Mar. 1956
	1956	1957	1958	
Sale proceeds	9,15.05	8,49.67	8,52.65	8,44.80
Other income	4.23	4.80	4.92	8.88
Closing stocks of finished goods and work-in-process ..	1,48.90	1,51.71	1,72.55	1,65.35
Raw materials consumed ..	2,94.18	3,22.52	3,23.02	3,82.95
Other expenses	4,41.87	4,08.25	3,48.32	2,93.58
Gross profit	1,69.14	1,26.20	1,59.23	1,71.35
Managing Agents' remuneration ..	10.88	8.98	14.87	27.38
Provision for—				
Depreciation	30.17	18.63	17.40	28.15
Taxation	60.75	36.37	68.32	37.00
Net profit	67.34	64.27	66.84	88.80
Transfer from reserves	30.00	30.00	30.00	30.00
To reserves	14.60	20.34	39.84	67.91
Dividends—				
Preference	21.09*	20.00	20.10	—
Ordinary	1.82	1.32	1.82	1.82
Carry forward	8.14	9.28	1.18	2.32

* Includes Rs. 1.09 lakh relating to previous year.

While last year's allocation to the reserves was entirely added to the rehabilitation and development reserve, this year's allocation is to be distributed thus: Rs. 8.70 lakhs to the development rebate reserve, Rs. 2.90 lakhs to the rehabilitation and development reserve and Rs. 3 lakhs to the general reserve. The pattern of distribution to ordinary shareholders is also slightly different from that for 1957-58. The whole dividend for the year under review (interim: Rs. 10 per share and final: Rs. 12 per share of Rs. 125) or 17.5 per cent., is on the increased capital of Rs. 206.25 lakhs raised in March 1958 by a one-for-two scrip bonus, whereas, in the previous year, the final dividend of Rs. 14 per share alone was on the higher capital, the interim one of Rs. 11 per share being on the old capital of Rs. 137.50 lakhs.

On the export front, while the country's shipments abroad mainly consist of unbleached coarse and medium varieties, the off-take of fine and superfine cloth is not much. As the Company specialises in the manufacture of fine and superfine varieties that are bleached, dyed, printed or processed to give special finishes, the Company's sales abroad are not

such. In order, however, to push up exports, the Company has drawn up a phased programme. Negotiations for the purchase of a plant suitable for manufacture of export varieties were also started during the later part of the year. An agreement was concluded in April last for the purchase of No. 1 Mill of Bharat Vijay Mills Ltd. at Kalol, comprising 8,824 spindles and 320 looms, for a sum of Rs. 11.50 lakhs. The machinery of this mill is said to be in good condition and the spinning plant is equipped with high drafting system. The acquisition of this mill, along with the efforts made to promote the export of specially dyed goods for foreign markets," according to the Directors, "are expected to result in satisfactory exports by the Company during the coming years."

The Company's application for raising the capacity of its alkali plant at Bombay to 600 tons per month has been sanctioned by the Government of India. As part of the scheme to develop its chemical division, the Company has decided to set up Polyvinyl chloride and calcium carbide plants at Bombay. The necessary import licences for the plants have been obtained and orders have been placed therefor. The total foreign exchange sanctioned for these two plants is Rs. 1.52 crore, of which about Rs. 60 lakhs, in relevant foreign currencies, will come from the I.C.I.C. and the balance from instalment payments to be made by the Company between 1961 and 1963 in accordance with the plan of foreign exchange remittances approved by the Reserve Bank.

That the Company's financial position is quite sound will be evident from the following synopsis of its latest balance-sheet:

LIABILITIES		ASSETS	
Capital	2,35.58	Gross block	6,88.44
Reserves and surplus ..	2,87.44	Less—Depreciation ..	3,04.88
Secured loans	2,54.55	Net block	3,83.56
Current liabilities and provisions ..	2,58.04	Stock-in-trade, shares, etc., deposits and advances ..	3,30.24
		Investments	17.70
		Cash balances	—
Total	10,36.61	Total	10,36.61

Of the gross block of Rs. 6.88 crores, more than half—Rs. 3.52 crores to be precise—represents additions made during the past two years alone, that is, Rs. 2.15 crores in 1957-58 and Rs. 1.37 crore in 1958-59.

The Rs. 125 paid-up ordinary shares of the Company are currently quoted at Rs. 624.50, at which rate the yield works out to 3.6 per cent.

SIMPLEX CARRIES OVER LOSS

The difficult trading conditions in the textile industry during the past year have affected the earnings of many units, particularly the coarse and medium count mills. One of the victims of such adverse circumstances is the Simplex Mills Company, Ltd. (Managing Agents: Messrs. Forbes, Forbes, Campbell & Co., Private Ltd., Bombay). The Company's gross profit, which had dwindled from a high of Rs. 30.20 lakhs earned in the year ended March 1956 to Rs. 13.30 lakhs in 1957-58 and further to Rs. 11.80 lakhs in the following year, has suffered yet another setback in 1958-59 to Rs. 5.06 lakhs. It will thus be seen that the profit has shrunk almost to a sixth in the course of three years (taking it to the lowest level for many years).

In spite of the fall in earnings the Company is obliged to provide a larger sum for depreciation; this has been raised from Rs. 3.43 lakhs to Rs. 9.02 lakhs. The provision for taxation has, however, been reduced from Rs. 1.58 lakh to Rs. 54,800 and the managing agency commission from Rs. 82,900 to Rs. 25,000. A small addition of Rs. 45,875 has been made to gratuity reserve (nil), leaving a net loss of Rs. 5.96 lakhs for the previous year. While last year the Directors had transferred the whole of the net profit to the reserves—Rs. 2.70 lakhs to the development rebate reserve and Rs. 3.26 lakhs to the general reserve No. 2—and paid a dividend of 17 per cent. out of the general reserve No. 1, for the year under review they have recommended the distribution of a dividend of 10 per cent. by drawing a further sum of Rs. 4.20 lakhs from the same reserve. After adjusting the small surplus of Rs. 8,089 brought in from the previous year, a net deficit of Rs. 5.14 lakhs is to be carried forward to the next year.

The Company's rehabilitation and expansion programme is said to be progressing satisfactorily. In accordance with this programme, the Company has made a capital expenditure of Rs. 21.59 lakhs during the year under review; this is on top of Rs. 75.95 lakhs spent in the previous year, bringing the gross value of the block account to Rs. 217.13 lakhs. The depreciation provided so far amounts to Rs. 88.86 lakhs, so that the net block stands at Rs. 128.27 lakhs. The other assets aggregate Rs. 115.33 lakhs. As against these assets, the current liabilities and provisions amount to as much as Rs. 176.58 lakhs. The net assets thus left (Rs. 63.46 lakhs) are represented by a paid-up capital of Rs. 42 lakhs and reserves amounting to Rs. 21.46 lakhs.

For some time past, the Company has been borrowing large sums from banks in order to meet the heavy capital expenditure on its rehabilitation

and expansion programme, as also to provide the working capital for the Company. These borrowings are far in excess of the paid-up share capital of the Company. Consequently, there is a wide disparity between the block account, in which such borrowings have been largely invested, and the paid-up capital. As an instance in point, it may be noted that the Company's borrowings from banks as at the end of the year under review stand at Rs. 132.40 lakhs, as against a paid-up capital of Rs. 42 lakhs and a gross block of Rs. 217.13 lakhs (net Rs. 128.27 lakhs). The Directors, therefore, propose to reduce this wide disparity and repay a part of the bank borrowings by issuing 16,800 new equity shares of Rs. 50 each and raising a 6½ per cent. (taxable) debenture loan of Rs. 60 lakhs. The new equity shares are to be issued at par, in the first instance, to the existing shareholders in the ratio of one share for every five shares held now. While the proposed issue of fresh equity shares is yet to receive the consent of the Controller of Capital Issues, the latter has given sanction for issue of debentures to the extent of Rs. 75 lakhs, though for the present the Directors propose to raise only Rs. 60 lakhs. The debentures will be secured by a first mortgage on the fixed assets of the Company and will be redeemed at par within a period of 10 to 15 years. They are to be underwritten by the Investment Corporation of India Ltd. and the United Commercial Bank Ltd. for Rs. 30 lakhs each. The terms of underwriting are a commission of 2 per cent. and a brokerage of ½ per cent., besides a fee of Rs. 1,000 per annum to each of the two debenture trustees.

The Rs. 50 paid-up shares of the Company are being currently quoted at Rs. 183 cum-div. On an ex-div. basis, the yield on the shares works out to a low of 2.8 per cent. per annum, free of income-tax.

NEW GREAT INSURANCE CO. OF INDIA LTD.

A handsome improvement in the premium income of the New Great Insurance Company of India Ltd. (General Manager: Mr. M. G. Mody) is disclosed by the results of the Company for the year ended 31st December 1958. The combined net premium in the three departments amounted to Rs. 73.34 lakhs, as against Rs. 65.90 lakhs in the previous year, representing a rise of over 11 per cent. All the three departments shared in the increase, but the largest percentage increase was in the marine department, where premiums rose from Rs. 15.52 lakhs in 1957 to Rs. 19.53 lakhs in 1958, a rise of over 25 per cent. Nevertheless, the adverse claims experience in this department and also in the miscellaneous department resulted in an underwriting loss of Rs. 3.16 lakhs in the former and Rs. 38.958 in the latter. This, however, has been more than made good by the profit in the fire department which amounted to Rs. 5.26 lakhs. The dividend to shareholders has been maintained at the previous year's level of Rs. 2 per share of Rs. 20 paid-up (free of income-tax).

The following table indicates the salient features of the working of the Company during the three-years in 1956, 1957 and 1958.

(In lakhs of rupees)		1956	1957	1958
Fire—				
Net premium	31.57	28.89	31.00	31.00
Claims paid and outstanding ..	17.79	10.77	10.28	10.28
Commission, expenses, etc. ..	14.49	15.84	13.94	13.94
Fire fund	15.78	14.44	15.50	15.50
Miscellaneous—				
Net premium	22.28	21.49	20.69	20.69
Claims paid and outstanding ..	12.40	11.86	11.50	11.50
Commission, expenses, etc. ..	10.09	9.87	9.26	9.26
Miscellaneous fund	11.12	10.74	10.34	10.34
Marine—				
Net premium	19.53	15.52	15.34	15.34
Claims paid and outstanding ..	14.48	13.81	14.20	14.20
Commission, expenses, etc. ..	14.55	2.03	3.33	3.33
Marine fund	19.53	15.52	15.34	15.34

After crediting the revenue accounts with the approximate interest earned by the respective departmental funds, the remaining interest, net gain on sale of investment, sundry receipts and transfer fee amounting to Rs. 3.46 lakhs has been credited to the profit and loss account. To this has been added Rs. 5.26 lakhs being the profit transferred from the fire department. Expenses of management, not applicable to any particular fund or account, amounted to Rs. 16,905. After setting apart a sum of Rs. 2.5 lakhs as provision for taxation and having made up the loss of Rs. 3,16,617 in the marine department and Rs. 38,958 in the miscellaneous department, a balance of Rs. 2,49,934 is transferred to the profit and loss appropriation account. This, together with Rs. 10,976 brought forward from last year's account, gives in all Rs. 2,60,910. Out of this Rs. 40,000 has been transferred to staff gratuity account. The dividend of Rs. 2 per share, free of income-tax, absorbs Rs. 2 lakhs, leaving a balance of Rs. 20,910 to be carried forward.

UNION CO-OPERATIVE INSURANCE SOCIETY

A remarkable feature of the working of the Union Co-operative Insurance Society Ltd. (Manager: Mr. D. N. Desai) in recent years has been the steady improvement in premium income, especially since 1954. From a modest figure of Rs. 1.39 lakh in 1954, the net premium income rose steadily year by year to reach Rs. 5.33 lakhs in 1957 and then spurted to as much as Rs. 8.47 lakhs in 1958. Thus, during the five years, the premium income has increased more than sixfold. This impressive record has been the result of the expansion of the Company's activities and more vigorous canvassing of business. During the year under review, the Company intensified its efforts to attract more types of insurance cover to both co-operative and non-co-operative clients. It has introduced Workmen's Compensation and Machinery Break-down Covers. It is also now offering comprehensive covers for banking institutions, popularly known as Banker's Blanket Policy. Another noteworthy development is that, during

the year under review, the Company commenced transacting marine insurance business, thus offering its clients service in every department of general insurance.

Along with the rise in premium income, the expenses too have gone up, mainly because of the high cost incidental to the opening of new branches. Nevertheless, the net profit has shown a modest rise to Rs. 1.86 lakh from Rs. 1.81 lakh in the previous year. The dividend has been maintained at the preceding year's level of 5½ per cent., free of tax. Bonus to policyholders has also been maintained at 12 per cent., subject to tax.

Net premium aggregated Rs. 7.45 lakhs in the fire department, Rs. 93,000 in the miscellaneous department and Rs. 8,946 in the marine department. Claims paid and outstanding amounted to Rs. 1.35 lakh in the fire department, being 18 per cent. of premium, and Rs. 14,794 in the miscellaneous department, being 16 per cent. of premium. As compared with this highly satisfactory performance, the claims experience in the newly started marine business has been adverse, the percentage of claims being as high as 140 per cent. of the premium income. This is due mainly to the very bad results of the business of the Pool. Expenses of management, at Rs. 6.5 lakhs, though well within the statutory limits, is still high, thanks to reasons mentioned above.

Net profits transferred to the profit and loss appropriation account aggregate Rs. 1.86 lakhs, which, together with Rs. 2,213 brought in from last year, makes in all Rs. 1,88 lakh. Out of this, Rs. 65,000 has been set apart as provision for taxation; Rs. 12,100 transferred to the general reserve fund; Rs. 1,850 to education fund, and Rs. 5,000 as reserve for bad and doubtful debts. Shareholders' dividend at 5½ per cent. will absorb Rs. 32,000 and bonus for policyholders Rs. 70,000, leaving a balance of Rs. 1,893 to be carried forward.

MARINE AND GENERAL INSURANCE CO. LTD.

Although the past year was a difficult one for insurers generally, the accounts of the Marine and General Insurance Company, Ltd. (General Manager: Mr. H. Norington) for the year ended 31st December 1958 disclose, that the Company made steady progress during the year. The combined net premium income of the three departments increased by Rs. 42,706 to Rs. 6.72 lakhs over the previous year's figure. Commission and expenses of management recorded a slight decline to 36.7 per cent. of premium from 36.9 per cent. in the previous year. Claims ratio was, however, a shade higher at 46.3 per cent., as against 45.1 per cent. in 1957. The dividend has been maintained at Rs. 5 per share of Rs. 50 paid-up; that is, at 10 per cent. per annum. The following table summarises the salient features of the working of the Company during the three years ended 1958:

(In lakhs of rupees)		1956	1957	1958
Fire—				
Net premium	4.39	4.25	4.02	
Claims paid and outstanding ..	1.51	2.16	1.37	
Commission, expenses, etc. ..	1.71	1.64	1.79	
Fire fund	2.70	2.62	2.61	
Miscellaneous—				
Net premium	1.11	0.97	0.99	
Claims paid and outstanding ..	0.50	0.37	0.24	
Commission, expenses, etc. ..	0.47	0.35	0.35	
Miscellaneous fund	0.56	0.48	0.19	
Marine—				
Net premium	1.21	1.07	1.09	
Claims paid and outstanding ..	1.10	0.70	0.40	
Commission, expenses, etc. ..	0.13	0.21	0.23	
Marine fund	1.46	1.38	1.09	
Profit				
Net premium	1.42	1.23	1.09	
Other income	0.46	0.14	0.07	
Provision for taxation	1.00	0.66	0.47	
Transfer to reserves	0.45	0.25	1.20	
Dividend	0.50	0.50	0.50	
	(10%)	(10%)	(10%)	
	0.88	0.69	0.99	

SYNOPSIS OF COMPANY REPORTS

New India Fisheries Ltd.

THE directors of the above Company [The Fisheries (Agency) Private Ltd., Bombay] present the audited accounts of the Company for the year ended 31st March 1959.

The year's working after meeting all expenses of operation and management and after allowing for depreciation shows a loss of Rs. 1,11,136 (profit of Rs. 2,26,124). Adding to this the credit balance brought forward from the previous year of Rs. 16,849 (Rs. 1,41,976), the amount transferred from reserve for repairs of Rs. 91,000 (nil) and the amount transferred from general reserve of Rs. 50,000 (nil) the amount available for disposal comes to Rs. 46,713 (Rs. 3,68,100). The directors recommended that this amount be disposed of as under:—

By payment of a dividend on 1,912 6 per cent. tax free cumulative preference shares absorbing Rs. 11,472 (Rs. 11,472) and by payment of a dividend on 5.738 ordinary shares at Rs. 6 (Rs. 7) per share free of tax absorbing Rs. 34,428 (Rs. 40,166) leaving a balance to be carried forward of Rs. 813 (Rs. 16,849 after paying Rs. 11,022 as dividend on deferred preference shares, free of tax; Rs. 38,591 as dividend on deferred ordinary shares free of tax and transferring Rs. 2,00,000 to reserve for repairs and Rs. 50,000 to general reserve.

Company's working.—Operation of the trawlers during the year was satisfactory as was evident from the bigger catch of fish and the quicker turnover of the Company's vessels. Despite the higher catches, the Company suffered a net loss of Rs. 1,11,136, due to somewhat lower price of fish realised, higher cost of stores and fishing gear resulting from restrictions on foreign exchange and unduly heavy expenditure on repairs to trawlers. The expenditure on repairs was unavoidable as the repair docks in Bombay are few and are meant, moreover, for merchantmen. Spares needed for replacement are not readily available and their manufacture involves much time and heavy expenditure.

An increase in the wage bill and the expenditure incurred on repatriation of thirteen members of Japanese crew also absorbed a large part of the Company's earnings.

Other difficulties confronting the Company are lack of ice and cold storage space, inadequate marketing facilities and unsatisfactory arrangements for transport on the railways. As the repair charges in India were found to be about thrice the cost of similar repairs in Japan the directors decided to send the trawlers to Japan for the purpose and to import stores and fishing gear on their return journey.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,00,000	Gross block	13,41,911
Reserves	1,09,000	Less—Depreciation	3,03,297
Liabilities	1,65,962		
Profit	813		
		Net block	10,38,614
		Stock-in-trade	93,271
		Stores, etc.	1,69,616
		Other assets	25,706
		Debits, deposits and advances	1,26,215
		Cash	3,22,353
	Rs. 17,75,775		Rs. 17,75,775

Clive Buildings (Calcutta) Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

As anticipated in the directors' last report, the results for the year under review show an improvement and may be considered satisfactory.

All available space in the building is let and no difficulty is anticipated in maintaining this position in the future.

The gross receipts amounted to Rs. 6,43,115 as compared with Rs. 6,37,378 last year. The gross profit for the year amounted to Rs. 3,63,771 (Rs. 3,06,477). After meeting the usual charges for managing agents' remuneration, debenture interest, depreciation, sinking fund, etc., there remains a net balance of Rs. 2,25,497 (Rs. 1,92,193).

To this is added the credit balance brought forward from the previous year of Rs. 1,41,669 (Rs. 2,08,478) making a total profit before taxation of Rs. 3,67,166 (Rs. 4,00,669). The provision for taxation absorbs Rs. 1,99,009 (Rs. 2,15,000) leaving a balance of Rs. 1,68,157 (Rs. 1,85,669). The directors recommend that this should be disposed of as follows:—

In paying a dividend on the 10,000 ordinary shares of Rs. 150 each at Rs. 4.60 (Rs. 4.60) per share, without any deduction in respect of income-tax payable by the Company absorbing Rs. 46,000 (Rs. 46,000) and on the 1,000 management shares of Rs. 15 each at Rs. 4.60 (Rs. 4.00) per share, without any deduction in respect of income-tax payable, by the Company absorbing Rs. 4,600 (Rs. 4,000) leaving to be carried forward to next year Rs. 1,17,557 (Rs. 1,41,669).

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,15,000	Gross block	48,86,977
Debentures	15,98,000	Less—Depreciation	7,94,961
Reserves	12,21,962		
Provision for taxation	2,53,898	Net block	40,92,016
Liabilities	2,82,088	Investments	4,19,216
Profit	1,17,557	Debits, deposits and advances	47,692
		Cash	4,29,582
	Rs. 49,88,506		Rs. 49,88,506

Palani Andavar Mills Ltd.

The directors of the above Company (Managing Agents Messrs. Baghyalakshmi & Co., Udumalpet) present the audited accounts of the Company for the year ended 31st December 1958.

The year's trading has resulted in a net profit of Rs. 69,950 (Rs. 3,72,545) after meeting all expenses and providing a sum of Rs. 3,30,650 (Rs. 3,65,076) towards depreciation. This together with the surplus brought forward from the previous year amounting to Rs. 8,909 (Rs. 8,529) and the transfer from contingency reserve amounting to Rs. 1,37,557 (nil) along with the sum of Rs. 1,17,661 (nil) representing the credit balance in the provision for taxes account and tax refunds together make up a sum of Rs. 3,34,077 (Rs. 3,81,074). Setting off against this a sum of Rs. 1,20,077 made up of the bonus paid for the year 1956 amounting to Rs. 1,07,927 Rs. 1,07,637) and charity and donations paid amounting to Rs. 12,150 (Rs. 2,985), the balance of amount available for distribution is Rs. 2,14,000 (Rs. 1,94,000) which the directors recommend for appropriation as under.

To pay a dividend of 7 per cent. on cumulative preference shares for the year 1958 absorbing Rs. 14,000 (Rs. 14,000) and to pay a dividend of 20 (18) per cent. on equity shares for the year 1958 absorbing Rs. 2,00,000 (Rs. 1,80,000).

The trading conditions during the year covered by the report were none too bright as the prices of cotton remained high and the prices of yarn were fluctuating. There was a considerable dislocation in production of account of the power cut for a period of 54 months from the middle of January upto the end of June 1958 ranging from 25 per cent. to 75 per cent. necessitating the working of the generator, which is uneconomical, to supplement the power requirements of the mills.

The installed capacity of the mills as at the end of the year 1958 stood at 47,000 spindles.

LIABILITIES	Rs.	ASSETS	Rs.
Capital	12,00,000	Gross block	76,28,149
Reserves	11,62,443	Less—Depreciation	31,96,927
Liabilities	44,14,378		
		Net block	44,32,221
		Stock-in-trade	15,31,099
		Stores and spare parts	2,98,376
		Debits, deposits and advances	3,48,269
		Investments	16,000
		Cash	1,50,855
	Rs. 67,76,821		Rs. 67,76,821

Virudhunagar Textile Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Thiagaraja Chetty & Sons Private Ltd., Sulakral, Virudhunagar) submit the audited accounts of the Company for the year ended 31st December 1958.

The year's working has resulted in a net profit of Rs. 9,09,238 after paying an excise duty of Rs. 3,33,312 and after providing for depreciation and development rebate for the year of Rs. 1,66,124, wealth tax of Rs. 5,105 and arrears of initial depreciation and development rebate for the years 1951 to 1956 amounting to Rs. 3,12,859.

The directors recommend dividend of 5 per cent. tax-free on preference shares and a tax-free dividend of 6 per cent. on equity and deferred shares, amounting in all to Rs. 85,457 and to set of the balance of profit of Rs. 23,779 against previous years' losses.

LIABILITIES	Rs.	ASSETS	Rs.
Capital	17,58,965	Gross block	24,85,206
Reserves	5,080	Less—Depreciation	12,54,272
Liabilities	8,95,173		
		Net block	12,30,934
		Stock-in-trade	5,56,877
		Stores, loose tools, etc.	3,39,473
		Debits, deposits and advances	65,865
		Cash	4,02,325
		Loss	63,744
	Rs. 26,59,218		Rs. 26,59,218

Lukwah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tania Brothers (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

Tea crop weighed out at 12,21,280 lbs. against the estimated figures of 12,00,000 lbs. and were disposed off at an average price of Rs. 2.37 nP per lb. for graded tea and at the rate of 0.56 nP per lb. for stalky and broken teas.

After allowing depreciation, managing agents commission and providing for bonus of Rs. 73,720 (Rs. 85,000) there remains a profit of Rs. 4,89,948 (Rs. 5,99,746) to which is added the balance brought forward from last year of Rs. 1,44,612 (Rs. 1,06,618) making a total of Rs. 6,34,560 (Rs. 7,06,362). The directors recommend to deal with this amount as follows:—

To reserve for taxation Rs. 2,50,000 (Rs. 3,00,000) to development rebate reserve Rs. 19,500 (Rs. 38,000), to interim dividend on 47,500 preference shares at 5 per cent. (free of income-tax) Rs. 23,750 (Rs. 23,750) and to interim dividend on 80,000 ordinary shares at Rs. 1.00 (Rs. 2.00) per share (free of income-tax) Rs. 80,000 (Rs. 1,60,000). The directors recommend to pay a final dividend on 80,000 ordinary shares at Rs. 1.50 (Rs. 0.50) per share (free of income-tax) absorbing Rs. 1,20,000 (Rs. 40,000) leaving a balance to be carried forward to next year of Rs. 1,41,310

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	12,75,000	Gross block	16,64,157
Reserves	9,91,487	Less—Depreciation	4,92,848
Provision for taxation	11,72,848	Net block	11,71,309
Liabilities	9,35,021	Stock of tea	9,02,044
Profit	2,61,310	Stores, etc.	2,38,181
		Debits, deposits and advances	3,04,414
		Investments	19,81,195
		Cash	38,521
	Rs. 46,35,666		Rs. 46,35,666

Enago Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a loss, after charging all expenses of Rs. 1,961 (Rs. 37,721) to which has to be added the debit balance brought forward from last year of Rs. 63,469 (Rs. 39,748) making a total debit balance of Rs. 65,430 (Rs. 88,469). The directors have forfeited unclaimed dividends in accordance with Article 158 Rs. 5,905 (Rs. 5,000) being excess tax provisions in previous years transferred to profit and loss account leaving a debit balance to be carried forward of Rs. 59,525 (Rs. 63,469). The directors regret that they are unable to recommend the payment of a dividend.

Although generally the prices obtained for 1958 season's teas were somewhat better than those for the previous season's crop, they were still unsatisfactory. The year's working however would have shown a small profit, had it not been for the burden of Rs. 13,049 levied in respect of West Bengal Entry Tax.

A crop of 3,348 maunds was secured and sold at an average price of Rs. 1.89 per lb. This compares with a crop of 2,944 maunds manufactured in season 1957 which sold at an average price of Rs. 1.67 per lb.

Estimates for the current season have been framed for a crop of 3,250 maunds to cost Rs. 47,729. This is considered a conservative crop forecast and, provided normal conditions prevail, it is likely that a larger crop will be secured.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,20,000	Gross block	4,99,213
Reserves	2,04,475	Less—Depreciation	2,85,581
Provision for taxation	19,042	Net block	2,13,632
Liabilities	2,95,870	Stock of tea	2,57,792
		Stores, tools, etc.	68,239
		Debits, deposits and advances	63,194
		Investments	2,001
		Cash	34,529
	Rs. 6,39,387		Rs. 6,39,387

Naxos Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tania Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

After allowing for managing agents commission and depreciation there remains a profit of Rs. 44,651 (Rs. 1,50,741) to which is added the balance brought forward from last year of Rs. 55,358 (Rs. 37,673) and the excess provision of taxes in respect of assessment year 1957-58 (year ending 31st December 1958) Rs. 5,455 (Rs. 3,061) making a total sum available of Rs. 1,05,464 (Rs. 1,91,475). The directors recommend to deal with this amount as follows:—

To reserve for taxation Rs. 25,000 (Rs. 80,000) and to payment of dividend on 74,124 shares of Rs. 10 each at 75 (75) nP per share (i.e., 7½ (7½) per cent. free of income-tax) absorbing Rs. 56,118 (Rs. 56,118) leaving a balance to be carried forward to next year of Rs. 24,346 (Rs. 55,358).

Output and despatches for the last three accounting years were as follows:—

Year ended	Raising in Tons	Despatches in Tons
31-12-56	16,817-5	16,476-10
31-12-57	22,463-0	21,783-10
31-12-58	13,795-17	14,854-19

The Company has passed through a difficult year and this is reflected by the substantial fall in stoppage of underground workings of the Waktung Mine since 17th June 1958. This point was dealt with in directors' last report. Since then the management made efforts to resume the workings and the Company was ordered by the Government to resume underground workings from 31st January 1959 and consequently workings have actually started and raisings are now normal.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	7,48,240	Gross block	13,72,629
Reserves	2,30,000	Less—Depreciation	10,20,509
Provision for taxation	1,35,444	Net block	3,52,123
Liabilities	3,45,789	Stock of coal	67
Profit	80,464	Spare parts	63,439
		Book debts	4,06,589
		Investments	7,01,106
		Cash	16,618
	Rs. 15,39,947		Rs. 15,39,947

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

NEW INDIA ASSURANCE COMPANY, LIMITED

MR. A. D. SHROFF ADVOCATES AN OBLIGATORY MARINE TARIFF

THE Fortieth Annual General Meeting of the shareholders of the New India Assurance Company, Limited, was held at Bombay on 22nd July 1959. Presiding over the meeting, Mr. A. D. Shroff, Chairman of the Company, drew attention to the continuing drift in international affairs and made a fervent plea for peaceful co-existence. In the economic field, Mr. Shroff analysed the broad trends in the developed and underdeveloped countries and said that the recessionary trends of the previous year have tended to peter out and a cautious re-expansion of economic activity was well under way in a number of countries. Referring to the establishment of common markets or regional groups in the sphere of trade, he expressed his apprehension that these might degenerate into rival blocks indulging in economic wars, and exploiting and weakening the underdeveloped countries, instead of becoming reservoirs of strength for their uplift. He was gratified to note that more emphasis was now placed on economic rather than military aspects of aid to underdeveloped countries.

After reviewing the trends in the Indian economy, Mr. Shroff stated that our national policies called for a fundamental reorientation and readjustment so as to make them consistent with our paramount need to maximise production. In this connection, he pleaded for Government policies which were free from ideological or doctrinaire inhibitions. In the industrial sphere, Mr. Shroff favoured the establishment of industrial nuclei of key and basic industries around which small clusters of ancillary cottage industry units are organised and developed. This would not only solve the problems of technical know-how, credit facilities and marketing, etc., but also evolve a diversified and integrated industrial structure. In this connection, he advocated the establishment of special types of institutions for hire-purchase financing, central marketing and technical services. He recommended the promotion of institutions like the Unit Trusts to promote savings on a larger scale.

General Insurance

Turning to general insurance, Mr. Shroff stated that 1958 continued to be a difficult one for general insurers the world over. Alluding to the Code of Conduct and its administrative machinery, he said that, though results had not yet been adequate, a more effective organisation of the administrative machinery and observance of the Code by the insurers, both in letter and spirit, could improve matters a great deal. He expressed the hope that the adjustments in fire rates proposed by the Tariff Committee would be a significant step forward in achieving the ultimate objective of a rate structure equitable to the insurer and the insured. Analysing the problems of the industry, Mr. Shroff said that insurers should build up an efficient claims organisation to investigate into claims and render prompt service to the insured with the same zeal which they now display for the procurement of business. He strongly advocated an obligatory marine tariff in so far as India was concerned, in order to avoid wasteful and un-economic competition. Mr. Shroff very much regretted that his appeal to the Government for an equitable and just deal to private enterprise in the matter of placing the insurance business of Government-owned or aided industries had so far gone unheeded. He emphasised the need for a spirit of healthy co-operation between the public and private sectors of the industry to eradicate common maladies.

Company's Funds Rise

Reviewing the results of New India's operations during 1958, Mr. Shroff stated that the total premium income for the year amounted to Rs. 7.54 crores, as against Rs. 6.30 crores in 1957. Profit transferred to the profit and loss account amounted to Rs. 55.90 lakhs, as against Rs. 32.7 lakhs in 1957. As a result of the year's operations, the Company's total funds increased by Rs. 61.4 lakhs to Rs. 9.11 crores.

Mr. Shroff concluded by saying that the Directors were confident of the continued expansion of the Company's activities.

(This does not purport to be a record of the proceedings of the Meeting.)

AMAR DYE-CHEM LIMITED
CHAIRMAN, SHRI A. K. DOSHI, REVIEWS
PROGRESS AND EXPANSION PLANS

THE Fifth Annual General Meeting of Amar Dye-Chem Limited was held in Bombay on 16th July 1959. In the course of his address to the shareholders on the occasion, Shri A. K. Doshi, Chairman, outlined the progress made by the Company during 1958 and gave an account of the expansion plans on hand.

The following are extracts from Shri Doshi's speech:—

"Accounts as revealed in the balance-sheet and profit and loss account of the Company for the year 1958 show a profit of Rs. 16,75,378, as against the meagre profit of Rs. 86,945 for the year 1957. The satisfactory financial results has not only enabled your Directors to provide for normal and extra shift depreciation for the year 1958 but also for arrears of accumulated depreciation in respect of previous years which have been wiped off in part. Your Directors have gone a step further and have recommended dividend on preference shares up to the year under review. This is no mean achievement during such a short period, as the Company has started production only in the latter part of 1956.

Production

"There has been an increase in production during the year under review compared to 1957. In 1959, the production has picked up very satisfactorily including that of BON acid. The Company's manufacturing activities are progressing as per schedule. The Company is at present manufacturing 12 Amarthols and 16 Fast Bases. Your Directors intend to manufacture all the important Amarthols and Fast Bases in the very near future.

"You might be aware that during the year under review the dyes market experienced an acute shortage of Amarthol AS-G. A scare was created and prices rocketed higher and higher. Various factors contributed to this scare. Uptil now the country's requirement of AS-G was estimated at 50 tons a year and production was planned accordingly. The country's consumption went up and the present estimate is about 125 tons. The Company decided to meet the challenge as best it could in the circumstances it was and produced 159,850 lbs. in 1958. Every effort was made to increase the production of AS-G even at the cost of other items. Priority was given to the demands of genuine consumers. The Company saw that all legitimate demands of genuine consumers for AS-G were met and goods reached their hands at scheduled prices. The Company has produced 139,528 lbs. of AS-G in the first six months of this year and a separate plant for this item is under construction and

shall be of sufficient capacity to meet the full demand of the country.

Sales

"The sales front has shown assuring results. The sales have increased both in quantity as well as in value. During the year 1957, the overall sales of the Company's products amounted to Rs. 46.26 lakhs; as against this, the sales during the year under review have amounted to Rs. 1.06 crores.

"The sales are maintaining the same upward trend during the current year.

Expansion

"The Company has before it plans of manufacturing other ranges of dyestuffs, namely, acid and basic colours. Negotiations with Messrs. A.C.N.A., a subsidiary of Montecatini, our present Technical Consultants, are in a state of finalisation for the manufacture of these ranges with their technical collaboration. All the expansion programme would require a capital outlay on a conservative estimate of Rs. 50 lakhs. Your Directors have decided to raise the sum of Rs. 20 lakhs by issue of fresh capital, for which an application to the Controller of Capital Issues was made and to which consent has been accorded recently.

Managing Agents

"The Managing Agents, taking into account the heavy liabilities the Company had to fulfil in respect of depreciation, development rebate and accumulated dividend on preference shares, have conveyed their decision to forgo the managing agency commission for the year 1958 too. I am sure, you will agree with me in appreciating this gesture of the Managing Agents to look into the Company's interests first and foremost.

"In conclusion, I refer to the difficulties experienced by the Company in procuring the services of trained technical personnel, who can be relied upon to shoulder the responsibilities of running the plants. The Company's efforts to find suitable personnel to build up the development and research department have not yet materialised. This department has, however, been started with the help of some of the members of the present staff and all efforts are being made to expand this very important branch of the industry. Chemical industry is fast growing and it is high time that the Government and industrialists join hands and devise ways and means to solve the paucity of trained personnel."

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

THE MYSORE PAPER MILLS, LTD., BANGALORE

NOTICE

NOTICE is hereby given that the TWENTY-FOURTH ORDINARY GENERAL MEETING of the Company will be held on Friday the 28th August 1959 at the Mysore Chamber of Commerce Buildings, Kempegowda Road, Bangalore City, at 3 p.m., to transact the following business:—

- To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1959 and the reports of the Directors and Auditors.
- To declare a Dividend.
- To elect Directors:
 - To appoint a Director in place of Sri M. Ct. Muthiah, who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
 - To appoint a Director in place of Sri G. Sivappa, who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
 - To appoint a Director in place of Sri N. Narayanappa, who retires under Article 109 of the Articles of Association of the Company and being eligible offers himself for re-election.
- To appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th August 1959 to 28th August 1959, both days inclusive.

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

By Order of the Board,
C. V. RAMACHANDRA RAO,
Secretary.

ASIATIC BUILDINGS,
KEMPEGOWDA ROAD,
POST BOX NO. 570,
GANDHI NAGAR P.O.,
BANGALORE, 9.
Dated: 29th June 1959.

N.B.—The Board of Directors have recommended payment of dividend at 10 per cent. plus bonus of 2½ per

FERTILISERS & CHEMICALS, TRAVANCORE LTD.

GOOD PROGRESS OF FIRST STAGE OF EXPANSION SCHEME

DR. JOHN MATTHAI'S SPEECH AT ANNUAL GENERAL MEETING

CONSIDERABLE progress has been achieved in the execution of the first stage of expansion scheme of the Fertilisers and Chemicals, Travancore Ltd. The expanded plant is expected to go into full production in the second quarter of 1960, if not earlier. The second stage of expansion is likely to be completed in the second half of 1961, if orders for plants are placed without any further delay. This was disclosed by Dr. John Matthai, Chairman, in the course of his speech at the Fifteenth Annual General Meeting of the Company held at Alwaye on 15th July 1959.

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

GENTLEMEN,

"I have pleasure in welcoming you to this, the fifteenth annual general meeting of the company, and in presenting to you the accounts of the Company and the report of the directors for the year ended 31st December 1958. As these have been circulated to all the shareholders, I presume they may be taken as read.

"As the last annual general meeting was held towards the end of December 1958 I was able to give you in my speech a forecast of the working results for the year under review. From the audited accounts now before you it will be seen that my anticipations have been more than fulfilled. Production of superphosphate and ammonium chloride reached new high levels, and sales of our products. From the profits earned for the year we have not only been able to wipe off the previous losses completely but also to recommend a dividend of 4 per cent. After setting apart Rs. 11.26 lakhs as reserve towards development rebate, and Rs. 4.38 lakhs towards general reserve. I hope you will agree that this indicates a satisfactory state of affairs so far as the Company is concerned.

Labour Relation

"The year 1958 has been satisfactory from the point of view of labour as well. The result of their co-operative attitude has been reflected in the profits of the Company and has, in turn, secured for them a substantial return in the form of bonus. The provision made in the accounts will give every employee 96 days' salary inclusive of D.A., as against 284 days for the year 1955 which was the highest bonus so far earned in any previous year. I am glad to say that my observation last year that improved industrial relations will pave the way for making labour realise that it is in their own interests to maximise production stands justified.

"Another achievement that I feel deserves special mention is the settlement that we were able to negotiate with the F.A.C.T. Employees' Association for a period of three years. The most important feature of this agreement is that the Association and the Company have agreed not to resort to strikes and lockouts for solving any dispute. This is a great step forward in the history of this Company and I have no doubt that the mutual confidence now created by this agreement would result in maximising production and bringing in better dividends to the shareholders. Under the provisions of this agreement a Joint Council of Management and Labour has been formed. Although most of its functions are only advisory, I have no doubt it will instil in labour a real sense of participation in the management and thus bring out the best in them for the prosperity of this industry.

First Stage of Expansion

"As regards the first stage of the expansion scheme, considerable progress has been achieved in its execution. However, owing to the extension of the delivery dates of certain items of equipment by foreign suppliers and difficulties experienced in the procurement of steel, I feel that a delay of about three to six months may become inevitable for the completion of the project. From the present indications I expect the expanded plant to go into full production in the second quarter of 1960 if not earlier. The above expectation is on the assumption that the State Electricity Board will be able to supply us the required electric power

according to the schedule of requirement already furnished to them. I would like to remind the State Government of their promise to supply power in time and would appeal to them to see that the promise is kept. I am diverting to this because of the power rationing that the Government introduced early this year, in spite of their previous assurances to the contrary.

"In my speech last year I referred to the advantages in adopting gasification of oil for the second stage of expansion. I am glad to say that approval of the Government of India has since been received on the technical aspects of the scheme. Detailed discussions with the experts of the firm that submitted the lowest tender have now been completed and the approval of the Industrial Finance Corporation of India is awaited. It is hoped that we shall be able to place final orders for the plant soon. This scheme of expansion which will increase the ammonia capacity to 120 tons per day in place of the existing 40 tons, or 80 tons after the first stage of expansion, is also expected to make the cost of production of our ammonium sulphate sufficiently low to enable us to sell our product to the Pool at the same price as the product from Sindhri. From the calculation made by our staff it is seen that even that selling price should leave sufficient margin of profit to enable this Company to discharge its obligations to its shareholders in a fair manner. The formalities connected with the implementation of this scheme have taken much longer time than I had anticipated and as such the hope that I expressed of having this stage of expansion completed by the end of 1960 requires to be modified. If orders are placed without further delay we can expect the plant to go into production early in the second half of 1961.

Prospects for Current Year

"At the last two annual meetings I dealt in fair detail with the anticipations for the succeeding year. This was possible because each such meeting was held towards the end of the succeeding year. The production of ammonia, ammonium chloride and ammonium sulphate during the first half of the current year could not be maintained at the same level as we achieved during the corresponding period last year. This lower production was necessitated by the power cut imposed on the Company from 23rd March to 24th May 1959, and also owing to the excessive number of power interruptions during the period. I am, however, glad to say that we were able to step up the production of superphosphate to 16,000 tons during the period, as against 6,436 tons produced during the corresponding period last year. As regards the production during the rest of the current year, I am convinced that we can easily achieve the figures reached during the second half of 1958. However, I do not propose to deal with the prospects in further detail, as I shall be laying down my office as Chairman and Director of this Company from the end of this month.

"I would like to take this opportunity to make it clear that my resignation has not been prompted by any lack of faith in the potentialities of this concern or the future of the industry. I decided to sever my connection with the Company, because of the differences I have had with the Government of Kerala in their approach to certain problems connected with the running of this industry, an approach which, in my judgment, is immature and unsound and not in the best interests of the industry.

Managing Agents

"In view of the criticisms recently made regarding the Managing Agents of the Company, I feel it necessary to state that much of the criticism overlooks the inherent difficulties of an industry like this in the conditions prevailing in this part of the country. If the adoption of wood as raw material led to difficulties, it must be remembered that it would have been impossible to make a beginning at all otherwise, as neither the alternative of using coal nor the adoption of the electrolytic process was feasible then. The gasification of oil now

being considered for the second stage of expansion was also not then available as an alternative as the process itself was developed only much later. The Managing Agents, therefore, took a risk in starting with wood and they were, in my opinion, justified in doing so. The failure of the Company to make any profits in the earlier years was explained by me in detail in my speech of December 1957. In the light of the many adverse circumstances against which the Company was struggling, the attempt to put the blame on the Managing Agents is neither fair nor justified by facts. It is my considered opinion, looking over the years, that they have worked loyally for the Company and have rendered good service to it. I believe that the industry has now turned the corner and provided the tendency to amateurish and bureaucratic handling by the State Government is held in check, there is no reason why it should not continue to prosper.

"Before I conclude, I wish to express my gratitude to the Government of India, the Governments of Kerala and Madras and to my colleagues on the Board for the valuable assistance rendered by them. My thanks are also due to the Managing Agents, the staff and all other employees who have, by their loyalty, enthusiasm and keenness contributed towards the success achieved during the year 1958."

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

Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

12, MISSION ROW, CALCUTTA

NOTICE

THE BOARD OF DIRECTORS OF THE Indian Iron and Steel Company, Limited, in meeting held today, has decided that the Ordinary Share Register and Transfer Books of the Company will remain closed from Thursday the 20th August, 1959, to Thursday the 3rd September, 1959, both dates inclusive, for the purpose of payment in due course of dividend for the year ended 31st March, 1959, on the Ordinary Shares ranking for such dividend, that is to say, exclusive of the Bonus Shares issued in February, 1959. The dividend when declared will be paid to those shareholders entitled thereto whose names appear on the Company's Register of Members for Ordinary Shares on the 3rd September, 1959, or to their mandatories.

Announcement of the Directors' recommendation of the dividend for the year ended 31st March, 1959, will be made in due course.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

14th July, 1959.

THE BENGAL PAPER MILL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the above-named Company that the Annual General Meeting (being the One-hundred and thirty-fifth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 21, Netaji Subhas Road, Calcutta, on Friday, 7th August, 1959, at noon, to consider the Accounts of the Company for the year ended 31st December 1958, and to transact other ordinary business.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 24th July, 1959 to 7th August, 1959, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., Ltd.,
D. MANSON,
Secretary,
Secretaries & Treasurers,
21, NETAJI SUBHAS ROAD,
CALCUTTA, 10th July, 1959.

Note:—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

notice.

THE TATA OIL MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-FIRST ANNUAL GENERAL MEETING OF THE TATA OIL MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, on Monday, the 3rd August, 1959, at 4-30 p.m. (S.T.), to transact the following business:—

- (1) To receive and adopt the Directors' Report and audited Profit and Loss Account and Balance Sheet for the year ended 31st March 1959.
- (2) To declare dividends on Preference and Ordinary Shares.
- (3) To appoint a Director in place of Sir Chunilal V. Mehta, who has attained the age of 78 years and who retires by rotation and to consider and, if thought fit, to pass the following resolution of which a special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:

"RESOLVED that pursuant to the provisions of Section 281 and other applicable provisions (if any) of the Companies Act, 1956, Sir Chunilal V. Mehta, who has attained the age of 78 years and who retires by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the said Act shall not apply to him."

- (4) To appoint a Director in place of Mr. D. R. D. Tata, who retires by rotation and is eligible for re-appointment, and to consider and, if thought fit, to pass the following resolution as a Special Resolution in respect of which a special notice as required by Sections 190 and 261 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto, as prescribed by Section 173 of the said Act:

"RESOLVED that pursuant to the provisions of Section 261 and other applicable provisions (if any) of the Companies Act, 1956, Mr. D. R. D. Tata, who retires by rotation and is eligible for re-appointment, and who is a director, officer, member and an associate of Tata Industries Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an ex-officio and a special director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make the above resolution necessary are more fully set out in the Explanatory Statement referred to above which Explanatory Statement for the purpose of Section 261 shall be deemed to be incorporated in this Notice.

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

"RESOLVED that pursuant to Section 380 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and The Associated Building Company Private Ltd. (associates of the Managing Agents, Tata Industries Private Ltd.) for letting to the Company on a monthly tenancy office space and storage space in Bombay House, Bruce Street, Bombay, owned by The Associated Build-

ing Company Private Ltd and for facilities of air conditioning, board and conference rooms and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of Rs. 1,591 per month, plus a varying charge for air conditioning facilities not exceeding Rs. 22,500 per annum with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."

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

"RESOLVED that pursuant to Section 360 and other applicable provisions (if any) of the Companies Act, 1956, the Company hereby approves of, confirms and consents to the arrangement between the Company and Tata Sons Private Ltd. (associates of the Managing Agents, Tata Industries Private Ltd.) for letting to the Company on a monthly tenancy office, shop and storage space in the Army and Navy Building, Mahatma Gandhi Road, Bombay, owned by Tata Sons Private Ltd. and general facilities and services appertaining to the said building or for the benefit of the Company at an inclusive rent and charges of Rs. 2,103 per month with liberty to the Directors of the Company to agree to any additions, reductions and alterations in office, shop or storage space or in regard to such facilities and services as may be deemed necessary or desirable, subject to such increases and reductions in rent and service charges as may be agreed to between the Directors and the landlords."

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

Note.—(a) The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under items Nos. (3), (4), (5) and (6) set out above are annexed hereto.

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

(c) The Transfer Books of the Company will be closed from Monday, the 6th July 1959, to Friday, the 31st July 1959, both days inclusive.

(d) If dividends on shares as recommended by the Directors are passed at the meeting, payment of such dividends will be made at the State Bank of India, on and after 4th August 1959, to those members whose names are on the Company's Register on 31st July 1959.

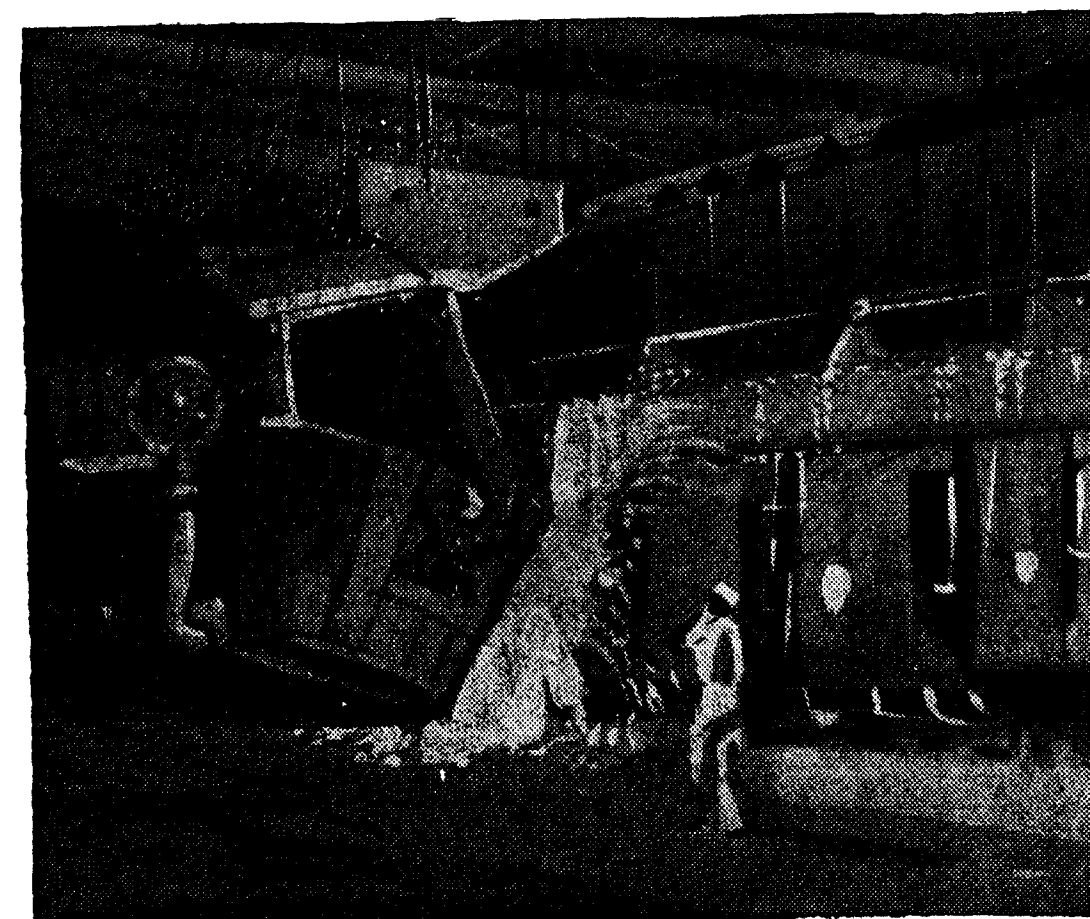
By Order of the Board of Directors,

TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents.

P. A. NARIELWALA,
Director.

BOMBAY, 29th June, 1959.

(The Explanatory Statements referred to in Note (a) above are annexed to the Notice of the Annual General Meeting posted to all shareholders individually.)



Charging Giant Open Hearth Furnace at the Burnpur works of The Indian Iron & Steel Company Limited

The great ladle tilts, disgorging its cargo of molten metal into the open hearth. Here is the last stage in the ordeal by fire which transforms iron into the master metal—Steel.

STEEL, the starting point of all industries.

MONEY DISTINCTLY EASY

(From Our Own Correspondent)

BOMBAY, 22nd July

Conditions in the short-term money market are quite comfortable. With the growing seasonal influx of funds, deposits of the public with banks and banks' own funds with the Reserve Bank have swelled further. There are few borrowers in the inter-bank call money section; even the rate of interest has been lowered. Inter-bank call money is being offered at 1½ per cent, among the Exchange banks and big Indian banks and at 2 per cent, among the smaller banks. House money at seven days' notice is quoted at 3½-3½ per cent, and one to six months' deposits at 3¼-4 per cent.

The comfortable conditions in the short-term money market are reflected in the results of the sale of 91-day Treasury Bills held this week and the larger volume of Intermediate Bills sold last week. As against the invitation for Rs. 2 crores, the amount tendered aggregated Rs. 3.90 crores. Tenders at Rs. 99.325 and above were accepted in full and those at Rs. 99.320 allotted approximately 71 per cent. The average rate of accepted tenders, consequently, declined from 2.748 per cent. to 2.717 per cent, per annum. Tenders for next week's sale have been raised to Rs. 2 crores. Sales of Intermediate Bills during the period 15th to 18th July aggregated Rs. 1.19 crore. Further sales of these bills will be held this week between 22nd and 25th July.

The Reserve Bank of India statement for the week ended 17th July 1959 discloses a contraction of Rs. 16.63 crores in notes in circulation and a rise of Rs. 3.09 crores in notes held in the Banking Department. The consequent fall of Rs. 13.54 crores in total notes issued is covered by a decline of Rs. 14.98 crores in rupee securities and a rise of Rs. 1.44 crore in rupee coin. Foreign securities in the Issue Department show no change, but balances held abroad in the Banking Department have dropped further by Rs. 3.63 crores, so that the total foreign assets stand at no more than Rs. 182.93 crores. The deposits of the Central Government are lower by Rs. 2.13 crores, while those of other Governments and banks have risen by Rs. 25.30 crores and Rs. 14.65 crores, respectively. Loans and advances to Governments have advanced by Rs. 8.24 crores and other loans and advances by Rs. 7.08 crores. Investments have swelled by Rs. 54.55 crores, apparently reflecting the Bank's investment in the new loans of the Central Government.

The main feature of the Scheduled banks' statement for the week ended 10th July 1959 is the rise of Rs. 37.49 crores in time deposits of banks lifting them to Rs. 1,030.62 crores. This is the first time in the history of Scheduled banks in India that their time deposits have crossed the Rs. 1,000-crore mark. The rise in time deposits has been offset to a large extent by the decline of Rs. 28.19 crores in demand deposits to Rs. 712.71 crores. Inter-bank borrowings are higher by Rs. 1.12 crores, while banks' borrowings from the Reserve Bank stand reduced by Rs. 3.44 crores and those from the State Bank by Rs. 2.63 crores. There has been a decline of Rs. 19.37 crores in advances and of Rs. 3.35 crores in inland bills purchased and discounted. Foreign bills, however, show a rise of Rs. 3.02 crores. Investments have risen by Rs. 30.37 crores, which with the rise of Rs. 6.27 crores, give an indication of the extent of banks' subscription balances are higher by Rs. 6.76 crores and money at call and short notice by Rs. 3.82 crores.

The gilt-edged market continues to rule firm. The stepping up of the Reserve Bank's buying prices for the short-dated issues—an action reflecting the scarcity of offerings in these counters—coupled with the persistent keen demand for short and medium-dated issues, has strengthened sentiment, though this is not reflected in prices, most of which are unchanged over the week. The Reserve Bank is still offering the new loans at the same rates as last week, namely, 3½ per cent, 1969 at Rs. 98.90 and 4 per cent, 1979 at Rs. 100.05. 3 per cent, 1966 Conversion loan has, however, dropped by 15 nP to Rs. 74. 3 per cent, 1970-75 has hardened by 10 nP to Rs. 92 and 3 per cent, 1966-68 by 5 nP to Rs. 94.90. All 3½ per cent, 3½ per cent and 4 per cent issues are well held at previous week's rates, except 4 per cent, 1973 which has shed 5 nP to Rs. 101.50. State loans are featureless, though the demand for 4 and 4½ per cent issues continues.

In the foreign exchange section, the rupee rules steady in terms of the U.S. dollar. The banks' selling rate for U.S. T.T. is unchanged at Rs. 476 per \$100, and their buying rate at Rs. 472.75 despite the erratically lower trend displayed by the pound sterling abroad. In New York, spot sterling has, after improving from 281.16-281.19 cents to 281.20-281.23 cents, declined to 281.14-281.17 cents. Three months' forward, too, has fallen over the week from 281.13-281.16 cents to 281.08-281.11 cents.

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 21st July

The metal market ruled steady during the week under review, following better advices from abroad. Copper spot opened at £2094 on the London Metal Exchange and soon recovered to £2215. By the week-end, the price rose further to £2245, thus completely wiping out the decline of a week ago. Locally, copper scrap prices were unchanged. Clean-wire scrap was quoted at Rs. 235. However, local demand for scrap was insignificant. There was no demand from upcountry. This was due to availability of the virgin metal through the permit system.

Little interest was shown in tin which was quiet at Rs. 573. In London, the price improved by £1 to £792. Lead was unchanged but steady at Rs. 75. As was electrolytic zinc at Rs. 101.

SILVER FIRM, GOLD EASY

(From Our Own Correspondent)

BOMBAY, 22nd July

An irregular trend was in evidence in the bullion market during the week under review. Thus, silver ruled firm practically throughout the week, while gold was subdued. The firmness of the white metal was due to fresh buying by upcountry traders and bullish advices from Calcutta side. Even reports that large import duty on Tibetan coins had been paid and prospects of sizable arrivals were distinct failed to have any significant effect on prices. With bulls having a strong grip on the July settlement, the backwardation rate (budli in favour of bulls) for this settlement widened considerably from As. 5 last week-end to as high as Re. 1-5 yesterday, so that they were obliged to pay a margin of Rs. 1,000 per bar. This did not deter the bulls from having their way and the backwardation rate widened further to Re. 1-14 today when the settlement went off the board.

In contrast to silver, gold encountered selling on reports of a marked rise in the floating stocks in the City of late, following increased arrivals of contraband gold from China through Ceylon, Calcutta and other East Coast points. There were also large offerings by Madras operators in the ready section. The selling was so pronounced that the carryforward rate for the maturing July settlement, which was for a long time in favour of bulls, turned against them to the extent of As. 6 at one time yesterday, although it was As. 2 lower at the close when the settlement terminated.

July settlement in silver opened the week at Rs. 196-13, as against the previous closing of Rs. 197, and firm set up on persistent support to touch a high of Rs. 198-8 today before running off the board at Rs. 198. August settlement, too, advanced from Rs. 196-11 to Rs. 197-5 on Saturday and, after declining to Rs. 195-10 yesterday, recovered to Rs. 196-7 today. It, however, closed As. 5 lower. Business in September settlement commenced at Rs. 195-13½ on Monday. Today's closing rate for this distant settlement was Rs. 195-14.

Ready silver rallied from Rs. 196-13 to Rs. 198-8 on Monday. At high levels, profit-taking set in and the quotation receded to Rs. 196-12 yesterday. Opening firm at Rs. 197-14 today, it spurted to Rs. 198-2 but, as follow-up support was lacking, wound up easy at Rs. 197-10. The net gain over the week was As. 13. The daily average arrivals and offake of silver were 17 bars and 13 bars, respectively. The floating stocks of silver are estimated at 300 bars.

July settlement in gold came in for selling and moved down in the course of the week from Rs. 118-14 to Rs. 118 yesterday, at which rate business in this settlement came to an end. August settlement eased from Rs. 118-9 to Rs. 117-14 on the 17th inst. and, after recovering to Rs. 118-10 on Monday, declined again thereafter to close at Rs. 118-4 today.

Ready gold, which stood at Rs. 119-2 last week-end, receded gradually and touched Rs. 118-2 today. The daily average arrivals of gold were 3,500 tolas, while the offake was 2,500 tolas. The floating stocks of gold are reported to be around 35,000 tolas.

There was a further rise of 1d. in both ready and forward silver in the London bullion market during the week under review, yesterday's closing rates (per ounce) being 78½d. and 78d., respectively. Silver in New York, however, was unchanged at 91.375 cents per ounce. Ready gold in London, which was maintained throughout the week at the last week's level of £249. 11d., firmed up to 249s. 11½d. yesterday, owing to the persistently easy trend of the pound sterling vis-a-vis the dollar. The latest available dollar rate for gold in London is \$35-13-\$35-15, as against \$35-11-\$35-13½ a week before.

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

	22-7-59	Highest	Lowest	15-7-59
GOLD				
Ready (99 fine Mint)	118 2	118 15½	118 2	119 2
Forward	118	118 15½	117 15	118 14
SILVER				
Ready (999 fine Mint)	197 10	198 2	196 9	196 13
Forward	198 0	198 8	196 8	197 0
London Silver Ready	78½	78½	78½	78½
London Forward	78½	78½	77½	77½
London 14-28-17	249 11½	249 11½	249 11½	249 11½
New York Silver	91 37½			91 37½

* 21st July settlement.

† 22nd July settlement.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 20th July

The kip market remained firm, as demand kept pace with arrivals. Shipment business continued to be difficult, because importers did not accept the asking prices at origin without a struggle. Higher prices were established on several items, and the tone was bullish.

There were large inquiries for tanned goat skins and the market was firmer. Middle class sheep skins were also in demand and prices locally improved by 19 nP per lb.

E. I. tanners were active in the raw markets and prices ruled firm.

COTTON FUTURES CHEERFUL

(From Our Own Correspondent)

BOMBAY, 22nd July

In contrast to the subdued note evident last week, the cotton futures market put on a cheerful appearance during the week under review. Values firmed up on extensive buying by upcountry interest and local mill support. Investors also lent a helping hand. The centre of attraction was the maturing August contract which smartly rallied to Rs. 703.50 on Saturday and further to Rs. 705.50 yesterday. With paucity of supplies of good quality cotton in the ready market, it was feared that there would be acute shortage of tenebrous cotton. This, together with firm spot advices, prompted heavy buying in the August contract. New crop contract Jarilla March 1960 recorded a sympathetic rise. Pending a clearer picture of new crop development, traders were hesitant to enter into large commitments. Price movements in new crop contract were mainly influenced by weather in the growing areas. Profit-realising led to a mild recession in value today. But the market closed fully steady.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 696.50, as against the previous day's close of Rs. 695.75, and firmed up to Rs. 705.50 yesterday before closing at Rs. 703.50. Commencing at Rs. 702 today, the contract improved fractionally. Profit-taking resulted in the contract declining to Rs. 699. But the finish was higher at Rs. 701.25.

I.C.C. Moglai Jarilla March 1960 started the week at Rs. 662.50 and gradually rose to Rs. 698.50 yesterday. Opening at Rs. 668 today, the contract gathered fresh support and closed at Rs. 677. I.C.C. Moglai Jarilla at close and finished higher at Rs. 668.50. The following table indicates the trend of prices of the contract during the week:

	22-7-59	High	Low	15-7-59
I.C.C. Moglai Jarilla August 1959	701.25	705.50	695.00	695.75
I.C.C. Moglai Jarilla March 1960	668.50	669.25	661.50	663.75

The spot section was active. Kalyan and spinnings, especially Ahmedabad mills and also some Bombay mills, purchased fairly large quantities of Laxmi cotton. Southern mills were particularly interested in higher grade Co2.

Export demand for Bengal Deshi was fairly good. Japan continued to show interest in this cotton. Zoda and yellow pickings evoked inquiries. Mill interest in foreign cotton was lacking. Inquiries in Sindh styles were in demand. Sudan G2S was done at prices ranging from Rs. 1,405 to Rs. 1,410. Most mills have now utilised their allotments. The clarification of the payments procedure for import of Egyptian cotton is eagerly awaited. The follow-up per candy of 784 lbs.—from the spot market at Searvi.

Bengal Deshi 705; Berar Jarilla 730; Khandesi 865; Laxmi 990; Jaydhar 925.

Listless conditions continued to prevail in Karachi cotton market during the week. Mill interest in spot cotton tended to flag. Export demand was slack. Growing areas reported favourable weather. Nevertheless, values ruled fully steady, thanks to the tight supply position and paucity of stocks. The following are the latest available quotations—in rupees per maund of 42 lbs.—for at Karachi:

Sind Deshi 83; Punjab Deshi 72-8; 4R Punjab Roller 79-8; S.G. 75; L.S. 75; Punjab Roller 76; S.G. 78; S.T. Roller 77-8; S.G. 78; 280P Punjab Roller 78; S.G. 80.

Cotton futures values in Alexandria market ruled fully steady during the week. The steadiness was influenced by speculative support prompted by hopes of better export demand. West German was said to be keenly interested in Egyptian cotton. The textile industry in that country was reported to be seeking a ten per cent share in Egypt's long staple cotton exports. Demand from Indian buyer last week was also expected to revive. The following are the latest available quotations—in tallars per lb.—from Alexandria:

Karnak: July 74.15; October 75.00. Ash moum: August 67.90; November 68.90.

Quiet conditions prevailed in the Liverpool cotton futures market during the week. In the absence of fresh incentives, trading interest was American and Sudan cotton contracts were practically unchanged from last week's levels. The quotations showed improvement, thanks to short-covering in pence per lb.—from Liverpool:

American cotton one-inch staple contract: July August 22.65; October-November 21.30; December January 21.15; March-April 21.05.

American cotton mixed growth contract: July August 22.80; October-November 21.80; December January 21.45; March-April 21.40. Sudan: August, September-October, November-December 29.25.

Cotton futures in New York depicted a mixed trend. Near deliveries improved on scattered trade, reflecting the prospect of a large cotton crop and crop progress satisfactory. Spot values to were easy.

The Agriculture Department has announced the export sale of 2,025 bales of U.S. Government-owned cotton at 28.47 cents per lb. basis Midland last July. The department sold 4,903 bales at 28.4 as the Department now changes entirely to dollars under the payment-in-kind programme. Under this plan U.S. exporters will receive a subsidy in the form of a credit of 8 cents per lb. for cotton sold abroad. They can apply these credits to the purchase of additional cotton from Government stocks.

Net sales of this short-staple cotton since the 1958-59 disposal programme began on 12th May, 1958 aggregated 2,357,781 bales.

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

	(In cents per lb.)	21-7-59	14-7-59	7-7-59
Spot	...	34.40	34.95	35.60
July	...	34.40	34.95	34.82
October	...	32.32	32.17	32.28
December	...	32.32	32.22	32.33
March	...	32.58		

MORE ABOUT EXPORT SCHEME FOR ART SILK FABRICS

(From Our Own Correspondent)

BOMBAY, 22nd July

The Textile Commissioner has announced specifications of the different varieties of fabrics which would enable mills to get import licences for art silk yarns under the Export Promotion Scheme or any other benefits under the Scheme during the licensing period April-September 1959. The fabrics selected have been classified under six categories, namely, synthetic yarn, viscose yarn, acetate yarn, cupronium (Bamberg) yarn, staple fibre yarn, and synthetic-rayon-staple fibre yarn mixed fabrics. All the varieties in any of these categories have been further classified according to the description of the fabrics. The maximum f.o.b. value for the approved variety of fabrics on the basis of which the admissible incentives will be calculated have been laid down by the Textile Commissioner. The manufacturers will, of course, not be allowed to import during the Scheme in excess of Rs. 6,000 per loom per annum or Rs. 1,500 per loom per quarter. Accumulations or adjustments of quarterly licences may be allowed up to six months.

The exporters would appear to be not satisfied with the revised scheme of the Government. They feel that a lot of discrimination has been made by the Government between the incentives granted to them and those given to manufacturers. It is stated that the incentives given to exporters are very negligible, as a result of which any large-scale shipment business is not possible. The exporters have represented to the Government, drawing its attention to the injustice done to them. Hopes are expressed that the Government may revise the Scheme, so that exporters will put on a par with the manufacturers. It is these hopes which have imparted considerable strength to art silk yarns. Prices of many deniers have registered a handsome improvement. In sympathy with art silk yarns and on renewed reports of enlarged offtake from consuming centres, staple fibre yarns also have too, are ruling distinctly firm on expectations of enlarged export business. The expectations are based on reports that the State Trading Corporation of India has concluded a Rs. 80-lakh deal with Indonesia for the sale of 5.0 million lbs. of yarn during August-October quarter, on the basis of about Rs. 60 per pound of 20 counts yarn. It is said that several spinning units in Bombay and Coimbatore may participate in this order.

Meanwhile, the Civil Supplies Management Board of India is reported to have purchased from India about 10 million lbs. of cotton yarn. Shipments of this quantity are scheduled to be completed before November next.

Cupressa Bamberg yarn (60X2) October contract forged ahead from Rs. 1,705 to Rs. 1,735. August contract registered a rise of Rs. 22 over the week, today's closing rate being Rs. 1,702. Spot Cupressa rallied from Rs. 7.40 to Rs. 7.50. Among imported art silk yarns, 150 Japan hardened by 7 nP to Rs. 4.78. 120 Japan picked up 4 nP to Rs. 4.81. 150 Italy gathered 3 nP to Rs. 4.71. 120 Italy was fully maintained at Rs. 4.96. Among indigenous yarns, National Rayons 150 bright cones first grade gained a naya paise to Rs. 4.25. 120 bright cones first grade were done at Rs. 4.75, same as last week.

Staple fibre yarn (40X2) August contract advanced by Rs. 11 to Rs. 674. October contract strengthened by Rs. 10 to Rs. 673. Spot Centurys moved up by 15 nP to Rs. 3.62. Kohinoors rose by 7 nP to Rs. 3.66 and Citys by 6 nP to Rs. 3.53. Among imported yarns (80X2), Paramounts were keenly bid, the quotation spurring from Rs. 7.37 to Rs. 7.81. Fujis climbed up by 37 nP to Rs. 8.31.

Cotton yarns, as already stated, were firm. Ten counts Podars advanced by 25 nP to Rs. 13. Moderns were fully steady at Rs. 13.75. Twenty counts Moderns recorded a rise of 13 nP to Rs. 17. Hinds were unchanged at Rs. 16.62. Forty counts Moderns put on 13 nP to Rs. 26. Minaxis, however, eased by 7 nP to Rs. 26.2. Sixty counts Finlays were firm at Rs. 63. Eighty counts Moderns gathered 50 nP to Rs. 77. Mahendras increased by a like amount to Rs. 72.50. Finlays and Citys were fully maintained at the last week's levels of Rs. 81 and Rs. 66.50, respectively.

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

	22-7-59	15-7-59
Art silk yarns—		
60 Cupressa Bamberg August (100 Ks.)	Rs. 1,735	Rs. 1,705
60 Cupressa Bamberg spot (per lb.)	7.50	7.40
120 Japan (per lb.)	4.78	4.71
150 Japan (per lb.)	4.81	4.78
120 Italy (per lb.)	4.71	4.68
150 Italy (per lb.)	4.71	4.68
Staple fibre yarns—		
40 X 2 August (per case of 200 lbs.)	674.00	668.00
40 X 2 October (per lb.)	673.00	668.00
40 X 2 Kohinoor (per lb.)	8.31	8.31
Cotton yarns (per bundle of 10 lbs.)—		
10s Podar	13.00	12.75
20s Moderns	17.00	16.87
40s Hinds	16.62	16.19
80s Finlay	63.00	63.00
80s Mahendra	72.50	72.00

SMART RECOVERY IN SEEDS

(From Our Own Correspondent)

BOMBAY, 22nd July

The oilseeds market, although it ruled dull during the earlier sessions, staged a smart recovery at the close of the week under review on heavy short-covering and replacement buying. The earlier weakness was mainly the result of bearish crop reports. Besides, there were sizable offerings, but fresh support was lacking. The tables were turned around Tuesday on good upcountry support. There were some overseas enquiries for oils as well. The pronounced strength in oilseeds further pushed up the values.

Groundnut was in the limelight with the August contract gaining as much as Rs. 3.50 over the week. The low levels were, however, touched in the initial sessions, particularly on reports of satisfactory rains in the producing areas. Saurashtra was a persistent seller. At lower levels, groundnut witnessed a fresh bout of buying support. Shippers, who had sold groundnut oil to Burma, covered their sales in Saurashtra. Heavy rains in the producing areas led to reductions in the arrivals of seeds. August 1959 contract which wound up last week at Rs. 191.50 rallied to Rs. 194.00 today, after touching Rs. 189.50 by Thursday last. February 1960 contract hardened from Rs. 167.25 to Rs. 168.50 today, which had touched a low of Rs. 166 in the initial sessions of the week. Bold ready picked up 50 nP over the week to Rs. 41, after fluctuating between Rs. 39.50 and Rs. 39.75. Oil ex-mill improved by 25 nP to Rs. 21.50.

The castorseed section, too, witnessed a rally in prices at the close of the week. The earlier slump in prices was mainly on account of lack of any fresh support. There was no encouraging enquiry for oil from abroad. Pressure of supplies dampened the market. September 1959 contract which had wound up last week at Rs. 156.62, after moving both ways within a narrow range, closed firm at Rs. 157.75. Ready Madras gathered 13 nP to close at Rs. 31 today. Oil B.S.S. improved from Rs. 16.69 to Rs. 16.81.

The linseed section was listless. In the face of comfortable supply position and absence of any signs of export demand, linseed yielded ground. By the close of the week it, however, picked up strength in sympathy with other seeds. The September 1959 contract hardened by 12 nP to Rs. 31.81, after witnessing narrow fluctuations over the week. Bold ready, however, shed 17 nP to finish at Rs. 32.50. Oil, however, was marked up by over 30 nP to Rs. 16.00.

The firmness in raw cotton induced strength in cottonseeds. The September 1959 contract and February 1960 contract, which had closed at Rs. 138 and Rs. 135, respectively, last Wednesday, improved to finish at Rs. 137 and Rs. 136.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	22-7-1959	15-7-1959	8-7-1959
Groundnut			
August 1959	194.00	191.50	191.50
February 1960	168.50	167.25	167.25
Bold ready	41.00	40.50	42.25
Groundnut ready	41.00	40.50	42.25
Oil ex-mill ready	21.50	21.25	21.75
Oil ex-mill ready	21.50	21.25	21.75
Oil ex-mill ready	21.50	21.25	21.75
Oil ex-mill ready	21.50	21.25	21.75
Castorseed			
September 1959	157.75	156.62	159.50
February 1960	158.37	156.62	158.62
Ready Madras	31.81	30.87	31.00
Ready Madras	31.81	30.87	31.00
Oil B.S.S.	16.81	16.69	16.87
Oil commercial	16.81	16.69	16.87
Linseed			
September 1959	32.50	32.60	32.25
February 1960	32.50	32.60	32.25
Bold ready	32.50	32.60	32.25
Oil ready	16.00	15.90	16.00
Cotton seed			
September 1959	137.00	136.00	137.50
February 1960	119.00	118.00	118.50
Wagon seed	81.00	81.25	81.50
Kard seed	23.75	23.75	24.00

* Rates include excise duty but exclude sales tax.
Sales include both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in owt. A candy is 500 lbs., except in the case of cotton seed, for which it is 700 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

NEW SUGAR RELEASE EXPECTED SOON

(From Our Own Correspondents)

BOMBAY, 22nd July

The Union Food Ministry is expected to announce the normal monthly sugar release before the end of the current week. With this release, arrivals of sugar into the City by road and rail will be quite substantial. The quantity that actually arrived during the week under review was less than that in the previous week, being 14,800 bags, as against 20,000 bags. Despite the reduction in arrivals, no difficulty is reported to have been experienced by consumers in getting their requirements of sugar at the Government fixed price of 51 nP per lb.

The wholesale rates per bag for the different grades of sugar prevailing today were the same as those prevailing a week before. They were: A grade, Rs. 115.61; B Grade, Rs. 114.08; C grade, Rs. 112.02; D Grade, Rs. 111.

The Government of India issued a notification on the 16th inst. reading as under:

"Control is now being exercised on the prices that can be charged by dealers to whom direct allocations of sugar are made by the Government of India. The decision is a sequel to the recent introduction of the system of licensing genuine dealers in sugar. It was announced at the end of

last month that allotments hereafter would be made only to licensed dealers. Under the order, District Magistrates have been given power to fix prices at which sugar can be sold by allottees. These prices are to be fixed within the limit specified in the order. According to the notification, every dealer who is allotted sugar by the Government is required to sell at a price not exceeding the aggregate sum

PREFERENCE SHARES

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.	
JUTE—Continued.							
Kelvin T.F.C.	10,00,000	1907	7	Mar.	Sept.	110.00	100
Sharia T.F.C.	9,00,000	1905-09	6	May	Novr.	93.00	100
Kinnison T.F.C.	15,00,000	1900-18	7	May	Novr.	108.00	100
Landsdowne T.F.C.	15,00,000	1907	7	May	Novr.	110.50	100
Lawrence (A) T.F.C.	5,00,000	1907	7	May	Novr.	105.00	100
Do. (B) T.F.C.	10,00,000	1907	5½	Dec.	Novr.	83.00	100
Nallath T.F.C.	10,50,000	1905	7	May	Novr.	96.00	100
Do. (2nd) (J) T.F.C.R.	10,00,000	1945	4½	Jan.	Dec.	68.00	100
National T.F.C.	5,00,000	May	May	Novr.	103.00	100	
Nellamra T.F.C.	5,00,000	1930	6	Apr.	Oct.	94.00	100
New Central T.F.C.R.	33,00,000	1905-18	7	Jan.	July	110.00	100
Northing T.F.C.	30,00,000	1900	7½	May	Novr.	84.00	100
Reliance T.F.C.	20,00,000	1908-12	7	May	Novr.	83.00	100
Sammugur C.	2,150,000	1901	7	Feb.	Aug.	104.00	100
Shah T.F.C.	10,00,000	1920	7	Feb.	Aug.	21.50	41
Shree Ambika T.F.C.	11,70,000	1927	7½	Mar.	Sept.	164.00	100
Siachang T.F.C.	2,150,000	1907	7	Feb.	Aug.	104.00	100
Union T.F.C.	6,00,000	1901-08	7	May	Novr.	107.00	100
Victoria C.	4,150,000	1938	8	Mar.	Sept.	45.00	50
Wather T.F.C.F.	7,50,000	1918	6	Feb.	Aug.	84.00	100

RAILWAYS: STEAMSHIP AND TRAMWAYS

Bengal-Assam Steamship Co. ..	3,00,000	1883	7	Nov.	61.00	60
Calcutta Tramways T.F.C.	250,000	1908	6	Apr.	82.50	81
Great Eastern Shipping T.F.C.	25,00,000	1888	8	Oct.	77.00	100
Indian General Nav. & Riv. T.C.	2,544,030	1899	5	Nov.	90.00	110
India Steamship (w) T.F.C.R.	25,00,000	1928	5	..	95.00	100

Amherst Tea T.F.C.	75,000	1892-03	7	May	Nov.	37.50	10
***Banarhat Tea T.F.C.	4,00,000	1890-02	6 1/2	Jan.	July	110.00	100
Bihar Tea T.F.C.	1,00,000	1900-08	6	Jan.	July	110.00	100
Chonabutti T.F.C.	1,00,000	1914	6	Jan.	July	110.00	100
Chele C.	2,00,000	1884	6	Sept.	..	70.00	100
Hastapur Tea T.F.C.	80,000	1801	8	Jan.	..	111.00	100
Madras T.F.C.	3,00,000	1904	7	Mar.	..	111.00	100
Kingsey Golahat T.F.	2,40,000	1897	6	Dec.	..	95.00	100
Moheena T.F.C.	3,20,000	1928	8	Jan.	..	110.00	100
New Dooer C.	1,00,000	1907	10	Jan.	July	100.00	100
New Samabhat T.F.C.	1,00,000	1908	8	Nov.	..	100.00	100
***Tokayil T.F.C.	50,000	1908	10	Dec.	..	100.00	100
Punjab Tea T.F.C.	2,00,000	1916	7	Jan.	..	100.00	100
Souai River T.F.C.	1,00,000	1899	8	May	..	100.00	100
Tea River T.F.C.	2,00,000	1922	8	Jan.	..	110.00	100
***Tempore C.	1,00,000	1922	10	May	Nov.	14.00	100

ELECTRICAL

PLANTING									
Be Be Rubber N.R.O.T.	..	1,43,000	1944	6	..	..	3.03	5	10
Do.	H.C.T.	2,31,470	1944	6	..	..	8.44	..	..
Cosbin Malabar C.T.F.	..	1,13,800	1933	6	June	..	49.50	80	100
Cooffee Lands C.T.F.	..	10,40,800	..	..	..	..	79.00	..	..
Coonor Tees C.T.F.	..	1,50,000	1936	6	Apr.	..	85.95	100	100
Cottand C.T.F.	..	1,00,000	1937	7	Nov.	..	10.75	100	100
Devon Tees C.T.F.	..	2,00,000	1936	7	July	..	98.50	100	100
Highland Produce C.T.F.	..	3,00,000	..	..	..	..	8.45	10	10
Neelamalai C.T.F.	..	18,00,000	1943	5	Jan.	July	7.22	100	100
Nighai Tees C.T.F.	..	2,31,250	1943	6	July	..	8.55	100	100
Pullangudi C.T.F.	..	1,50,000	1943	6	..	..	8.85	100	100
Teokor Rubber C.T.F.	..	6,00,000	..	6	Mar.	Sept.	8.00	100	100
T. B. & Co. C.T.F.	..	15,00,000	..	7	..	Dec.	7.92	100	100
T. B. & Co. C.T.F.	..	15,00,000	1943	6	Nov.	..	9.00	100	100

.....

MISCELLANEOUS						
Alentico Chemicals (Int.) T.F.B.C.O.	5,000,000	1957	51	June	86.00	100
Do. do. (Ind.) T.F.B.C.O.	5,000,000	1957	5	Apr.	85.50	100
Adair & Chemicals T.F.C.O.	200,000,000	1958	5 (4)	Feb. June	103.00	100
Aluminium Corp'n. (Int.) C.P.M.	200,000,000	1958	6	Feb. June	101.00	100
Andhra Cement Works T.F.C.O.	1,00,00,000	1957	6	Mar.	104.00	100
Associated Hirdle of India T.F.C.O.	1,17,00,000	1958	7	Mar. Sept.	54.00	100
Banga Chemicals T.F.C.O.	5,00,000	1953	71	Aug.	57.00	100
Bengal Paper Mills T.F.C.O.	4,00,000	1952	71	Mar. Sept.	112.00	100
Do. do. A.T.F.C.O.	30,00,000	1943	6	Apr. Oct.	69.00	100
Do. do. B.T.F.C.O.	30,00,000	1943	6	Apr. Oct.	20.00N	100
Bonga Timber Trading T.F.C.O.	10,00,000	1958	8	Aug.	15.50	100
Bretania Resalt T.F.C.O.	14,450,120	1957	8	Feb. Aug.	106.00	100
British Ceylon Corporation T.F.C.	17,50,000	1916	8	Feb. Aug.	104.00	100
British India Corporation T.F.C.	31,00,000	1920	8	Mar.	9.40	100
Dalmia Cement (Bihar) C.T.F.	9,58,210	1957	8	Sept.	81.50	100
Dharamdas Chemicals T.F.C.O.	1,00,00,000	1958	8	Dec.	93.50	100
Durga Purday Cement T.F.B.C.O.	79,38,75	1958	6	Apr.	118.00	100
East Rubber Co. (Int.) T.F.C.	80,00,000	1958	6	Apr.	56.00	100
Dunlop Rubber (Ind.) T.F.C.	1,00,000	1946	5	Feb. Aug.	67.75	100
General Latex Prod'n (Int.) T.F.C.	25,00,000	1958	5	Apr. Oct.	82.00	100
Do. do. (Ind.) T.F.C.	1,00,000	1946	5	Apr. Oct.	8.75	100
Ghoshdas Athaboth T.F.C.O.	25,00,000	1958	6	Mar.	85.50	100
Hindustan Motors T.F.C.O.	1,80,67,250	1950	6	Mar.	95.50	100
Himayat Properties T.F.C.O.	1,50,00,000	1946	71	Oct.	95.00N	100
India Cement Co. T.F.C.O.	39,38,000	1958	5	Jan. July	98.00	100
Indian Aluminium Co. (T.C.R.)	40,00,00,000	1958	5	June	92.50	100
Indo-Burma Petroleum T.F.C.	50,00,000	1951	5	Jan.	98.00	100
Indian Cable (Int.) T.F.C.	12,97,750	1953	7	June Dec.	29.50	100
Indira Barber Mfrs. (Int.) T.F.C.	8,25,000	1948	5	Apr.	77.00	100
Jain Handwritten T.F.C.O.	40,00,000	1948	5	Apr.	63.00	100
Kastlewood and Rubber (Int.) T.F.C.	30,00,000	1958	5	May	63.00	100
Do. do. (Ind.) T.F.C.	10,00,000	1958	5	May	63.00	100
Kumardhiti Freckley & Silica T.F.C.	10,00,000	1915	6	June	63.00 N	100
Martin Horn (Int.) T.F.C.	30,00,000	1948	5	Apr. Oct.	102.00	100
McLeod and Co. (Int.) T.F.C.	10,00,000	1950	5	July Jan.	69.00	100
Metal Box Co. T.F.C.O.	20,00,000	1948	5	July Jan.	74.50	100
Mettler Chemicals (O.K.) C.T.F.	20,00,000	1950-51	6		88.00	100
Meyers Chemicals (O.K.) C.T.F.	20,00,000	1950-51	6	Feb. Sept.	101.00	100
Meyers Chemicals (O.K.) C.T.F.	20,00,000	1950-51	6	Feb. Sept.	7.70	100
Meyers Lamps R.O.T.	2,50,000	1958	6	Mar. Sept.	74.00	100
Monnet Chemicals (O.K.) C.T.F.	25,00,000	1958	6	Mar. Sept.	63.00	100
Original Tobacco (O.K.) (p) T.F.C.	18,98,000	1958	6	Jan. Oct.	94.00	100
Do. do. (New) (p) T.F.C.	20,00,000	1958	6	Jan. Oct.	65.00	100
Do. do. (New) T.F.C.	80,04,700	1958	7-9	Apr.	119.00	100
Rohas Industries (O.K.) T.F.C.	30,00,000	1950	6	Apr.	83.00	100
Do. do. (New) T.F.C.	30,00,000	1950	6	Apr.	73.00	100
Smith Standard & Co. T.F.	23,25,000	1958	6	Jan. July	8.62N	100
Spencer & Co. A.C.T.	88,80,000	1958	6	Jan. July	120.00	100
Do. do. B.C.T.	88,80,000	1958	6	Jan. July	78.00	100
Standard Chemicals T.F.C.	20,00,000	1958	6	Jan.	99.50	100
Star Paper T.F.C.R.	10,00,000	1958	6	Mar. Sept.	78.00	100
Tata Chemicals T.F.C.	99,97,000	1958	6	Jan.	99.50	100
Tata Oil & Chemicals T.F.C.	2,00,00,000	1946	6	Jan.	88.75	100
Tiagar Paper Mills T.F.C.	11,80,000	1958	6	Jan. July	140.00	100
Do. do. (Ind.) T.F.C.	15,90,000	1958	6	Jan.	88.75	100

[illegible]

STOCK & SHARE QUOTATIONS

Abbreviations: D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Company has Preference shares. H.—Accounts published half-yearly. N.—Nominal quotations. L.—Lm. Dividend. I.—Interim Dividend. P.—Dividend for first half of the year.

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

Accounts.—Figures in the "Accounts Closed" column represent the months of the year in which the

respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and all other funds, which a company may have at its disposal for the purpose of providing for its liability and providing fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed	Latest available Quotation	Paid-up Share	Dividend Per Ordinary Shares	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.		Spindles Looms	Rs.	Rs.	Rs. p.p. Rs. p.p. Rs. p.p. Rs. p.p.		
BOMBAY CITY AND ISLAND											
50,00,000	5,87,000	67,22,450	10,40,000	4,58,555	Rajputana Text. (Agency) Pvt. Ltd.	56,488	898	1.22	2	0.19	NH
40,00,000	24,00,000	1,40,93,494	78,09,035	17,302	R. K. Cotton Mills	1,021	1,021	1.00	10	0.19	NH
2,60,00,000	8,45,87,988	6,01,40,933	4,42,94,600	50,887	Norrosjee Wadia & Sons (Pvt.) Ltd.	2,33,097	4,211	0.25	25	2.50	2.50
10,00,000	6,00,015	71,89,139	45,08,521	4,831	Kannanarai Sons Private Ltd.	44,784	880	1.44	50	20.00	15.00
1,22,15,000	3,26,81,403	6,11,07,933	4,79,75,392	9,53,042	Bhira Brothers Private Ltd.	51,27,392	22	0.22	10	10.00	10.00
26,00,000	28,31,920	1,13,39,799	67,79,535	88,237	Cowasji & Sons, Pvt. Ltd.	31,460	680	0.68	100	12.50	12.50
28,00,000	28,37,709	90,59,554	54,08,596	66,029	Kannanarai Sons Private Ltd.	43,969	37	0.37	50	2.50	5.00
34,00,000	29,38,380	1,12,09,983	69,29,723	44,478	Paranall Duba Sons	46,478	220	0.22	200	15.00	15.00
29,98,000	15,72,144	1,31,70,951	81,20,935	46,820	Edwards Textiles	46,820	34	0.34	50	15.00	NH
60,00,000	63,57,852	1,81,16,885	95,24,207	37,155	James Finlay & Co., Ltd.	63,212	784	0.78	100	20.00	20.00
60,00,000	48,62,027	1,00,12,912	64,07,387	10,293	James Finlay & Co., Ltd.	10,293	1,018	1.01	100	20.00	20.00
18,00,000	1,23,22,229	1,89,27,232	1,29,07,094	—6,87,028	M.	50,240	1,120	1.12	100	350.00	350.00
2,50,00,000	55,18,800	4,90,81,319	3,54,00,000	1,29,969	Agarwal & Co.	2,44,512	6,214	0.62	1,000	0.92	NH
8,55,000	1,09,49,981	1,69,30,792	1,17,58,004	—11,45,641	M.	57,440	1,152	1.15	100	0.18	NH
50,00,000	47,84,946	3,32,80,941	2,39,44,370	41,141	Khanat Maknaji & Co. (Pvt.) Ltd.	90,772	1,500	1.50	100	18.00	18.00
1,00,00,000	1,04,56,757	3,75,32,474	2,40,25,380	67,773	Kilik Industries Ltd.	1,20,694	1,846	1.84	100	18.00	18.00
40,00,000	30,04,414	1,41,23,500	70,07,174	31,558	N. Sirur & Co. Private Ltd.	48,700	64	0.64	100	15.00	15.00
41,00,00,000	42,96,890	7,59,32,735	2,90,41,688	21,893	Pirani Sons Private Ltd.	71,804	1,622	1.62	100	14.00	14.00
1,60,62,000	1,66,72,400	10,94,32,434	4,26,00,000	97,190	Chinai & Co. Private Ltd.	347,500	100	1.00	14,000	14.00	14.00
64,00,000	24,00,000	3,23,03,000	48,70,077	—2,04,756	W. H. Brady & Co., Ltd.	45,944	432	0.43	100	6.00	NH
24,00,000	7,01,166	1,09,27,346	63,37,035	—4,831	W. H. Brady & Co., Ltd.	48,012	979	0.97	100	10.00	NH
48,00,000	56,51,590	1,09,40,494	1,04,77,156	3,737	Ramnarain Sons Private Ltd.	68,232	1,180	1.18	100	12.00	12.00
40,00,000	40,76,584	78,38,108	27,15,072	20,271	Fadar Sons Private Ltd.	82,600	890	0.89	100	12.00	12.00
10,00,000	1,16,06,149	2,51,80,851	1,49,71,808	—11,089	M. O. Investment Corp. Private Ltd.	96,488	2,127	2.12	100	2.00	2.00
87,70,100	49,04,458	1,47,58,756	70,05,050	23,207	Marwar Textiles (Agency) Pvt. Ltd.	74,436	1,620	1.62	100	8.00	8.00
40,00,000	21,46,184	2,17,12,738	88,80,081	5,141	Forbes F. Campbell & Co. Pvt. Ltd.	48,840	1,258	1.25	100	22.50	22.50
1,00,75,000	2,39,76,405	3,49,08,221	2,04,25,247	1,708	Matani Gajulhai & Sons	2,409	1,820	1.82	100	2.00	2.00
1,00,00,000	95,94,067	3,02,49,607	1,05,40,406	20,124	Tata Industries Private Ltd.	75,098	2,000	2.00	100	14.00	9.00
86,00,000	25,48,744	1,41,19,837	79,09,385	11,960	James Finlay & Co., Ltd.	70,988	1,788	1.78	100	3.00	3.00
46,87,870	8,01,44,608	2,32,18,408	1,32,32,160	66,960	Harvalal Chandra Lal & Co.	94,128	1,790	1.79	100	30.00	30.00
29,25,000	75,75,008	1,12,51,013	77,65,692	23,871	Matani Gajulhai & Co.	36,448	720	0.72	100	30.00	22.00
35,00,000	43,85,860	1,34,04,638	92,66,120	25,817	Harvalal Chandra Lal & Co.	41,066	780	0.78	100	50.00	40.00

AHMEDABAD

40,00,000	27,78,612	1,89,92,976	69,55,118	11,156	Tata Industries Private Ltd.	49,144	1,016	1.01	100	12.00	6.00
15,00,000	1,02,99,525	1,90,92,887	79,55,503	44,220	P. M. Huthwaite & Co., Ltd.	44,220	920	0.92	100	25.00	25.00
80,00,000	2,86,91,444	2,34,45,771	1,24,21,342	1,27,946	Narotam Lalbhai & Co.	37,188	912	0.91	100	30.00	25.00
28,40,000	48,04,540	1,24,06,918	83,06,462	64,509	Kamaldas & Brothers (Pvt.) Ltd.	37,388	912	0.91	100	30.00	25.00
20,00,000	1,81,57,262	1,17,23,154	70,00,009	957	Lalbahai Dalpatbhai & Co.	37,388	912	0.91	100	30.00	25.00
2,06,25,000	2,34,29,731	1,24,06,918	83,06,462	64,509	Kamaldas & Brothers (Pvt.) Ltd.	37,388	912	0.91	100	30.00	25.00
68,00,000	3,27,25,258	1,47,84,907	1,06,56,148	2,095	Trilokhi Bhai & Co., Ltd.	45,386	966	0.96	100	25.00	27.00
25,00,000	1,17,29,342	1,79,38,243	1,14,51,119	1,21,046	Matani Gajulhai & Co., Ltd.	50,428	966	0.96	100	20.00	20.00
18,00,000	2,54,06,337	1,24,06,918	83,06,462	64,509	Kamaldas & Brothers (Pvt.) Ltd.	37,388	912	0.91	100	30.00	25.00
80,00,000	96,00,738	1,21,92,432	71,71,703	11,960	Lalbahai Dalpatbhai & Co.	32,828	640	0.64	100	35.00	25.00
75,75,000	25,48,744	1,41,19,837	79,09,385	11,960	Khalil Chandra Lal & Co.	94,128	1,790	1.79	100	30.00	30.00
46,87,870	8,01,44,608	2,32,18,408	1,32,32,160	66,960	Harvalal Chandra Lal & Co.	94,128	1,790	1.79	100	30.00	30.00
29,25,000	75,75,008	1,12,51,013	77,65,692	23,871	Matani Gajulhai & Co.	36,448	720	0.72	100	30.00	22.00
35,00,000	43,85,860	1,34,04,638	92,66,120	25,817	Harvalal Chandra Lal & Co.	41,066	780	0.78	100	50.00	40.00

WEST BENGAL

15,00,000	8,15,002	39,15,685	25,08,902	41,632	Calcutta Agency Private Ltd.	13,044	356	0.35	10	0.60	0.60
7,11,280	8,63,200	39,15,685	25,08,902	22,148	D. N. Bhattacharya, Esq. (Mg. Director)	33,248	935	0.93	100	4.00	NH
8,00,820	8,63,200	39,15,685	25,08,902	22,148	Kettwell Bullen & Co., Esq.	42,928	84	0.84	100	4.00	NH
24,00,000	1,14,520	1,20,17,488	47,02,024	35,408	Kettwell Bullen & Co., Esq.	42,928	84	0.84	100	4.00	NH
10,00,000	1,18,816	1,42,04,130	70,98,124	11,832	Kettwell Bullen & Co., Esq.	42,928	84	0.84	100	4.00	NH
1,00,00,000	7,14,828	1,82,15,154	30,82,154	4,852	Bhira Brothers Private Ltd.	75,040	1,992	1.99	100	0.37	0.65
10,00,000	2,13,45,520	4,06,00,565	1,38,72,244	5,212	Bhira Brothers Private Ltd.	75,040	1,992	1.99	100	1.00	0.85
10,14,730	6,97,829	40,45,797	30,61,005	23,455	Hazareemul Hoeralal	25,088	795	0.79	100	1.00	0.15

SOUTH INDIA AND OTHER CENTRES

12,298	Best & Co. (Pondicherry) Pvt. Ltd.	44,386	1,001	1.00	100	6.00	6.00	12	Y. P.		
6,822	Seina & Co.	24,800						6	Y. P.		
72,00,000	The Industries (L.P.) Department Government of Andhra Pradesh	36,752	716	0.71	100	15.00	12.50	12	Y. P.		
11,88,600	Hinny & Co. (Madras), Ltd.	42,540	1,157	1.15	100	6.00	3.50	12	Y. P.		
1,21,50,000	Bhira Brothers Private Ltd.	38,896	1,058	1.05	100	10.00	10.00	12	Y. P.		
35,00,000	Harvalal Chandra Lal & Co.	120,258	2,768	2.76	100	10.00	10.00	12	Y. P.		
17,87,480	Harvalal Chandra Lal & Co.	37,636	4	0.04	100	10.00	10.00	12	Y. P.		
20,00,000	Harvalal Chandra Lal & Co.	20,000			100	15.00	20.00	12	Y. P.		
15,00,000	Harvalal Chandra Lal & Co.	27,622	501	0.50	100	9.25	0.25	12	Y. P.		
80,00,000	R. K. Srinivasan, Esq. (Chairman)	4,800	1	0.01	100	0.90	0.90	12	Y. P.		
36,50,000	Harvalal Chandra Lal & Co.	34,884			100	25.00	6.00	0.90	3	Y. P.	
35,00,000	A. R. Chatterjee Sons & Co.	23,340	100	1.00	100	13.00			12	Y. P.	
18,15,000	Forbes, Forbes Campbell & Co., Ltd.	74,256	6	0.06	100	20.00	20.00		12	Y. P.	
20,75,000	R. G. S. Naidu & Co.	72,188	407	0.40	100	10.00			12	Y. P.	
50,00,000	Tata Industries Private Ltd.	75,580	1,707	1.70	100	18.00	18.00		12	Y. P.	
5,00,000	G. V. Naidu & Co., Ltd.	25,764	300	0.30	100	8.00	8.00	1.00	12	Y. P.	
15,54,000	R. R. Charat Ram & Co. Private Ltd.	1,16,836	2,833	2.83	100	2.00	2.00		12	Y. P.	
1,204	M. N. Chatterjee & Sons	40,872	201	0.20	100	25.00	10.00		6	Y. P.	
65,112	Forbes, Forbes Campbell & Co., Ltd.	45,452	1,198	1.19	100	13.25	10.75		9	Y. P.	
11,72,254	K. L. Sekaria, Esq. (Chairman)	60,780	1,856	1.85	100	11.00	8.00		12	Y. P.	
5,00,000	G. V. Naidu & Co., Ltd.	25,764	300	0.30	100	8.00	8.00		12	Y. P.	
7,012	M. Bhairappa Damani (Managing Director)	20,882	612	0.61	1,000	40.00	0.85	0.25	6	Y. P.	
8,47,458	Bhira Brothers Private Ltd.	55,852	1,630	1.63	100	6.00	0.85	0.25	6	Y. P.	
31,924	Kothari & Sons	41,066	780	0.78	100	15.00	15.00	8.00	6	Y. P.	
86,870	G. K. Naidu & Co.	1,10,800	2,219	2.21	100	12.50	10.00	6.00	8	Y. P.	
40,07,085	A. F. Harvey Ltd.	1,483,000			100	2.25	2.25	8.00	8	Y. P.	
12,406	A. W. Beardsell & Co. (Private) Ltd.	28,856	608	0.60	100	42.50	20.00		23.00	12	Y. P.
1,25,083	M. Sriniv & Co. (Private) Ltd.	40,886	704	0.70	100	10.00	10.00		12	Y. P.	
27,671	N. S. Sriniv & Co. (Private) Ltd.	55,408	962	0.96	100	7.50			12	Y. P.	
8,299	P. S. Sriniv & Co. (Private) Ltd.	40,400	800	0.80	100	9.00	9.00		6	Y. P.	
10,70,571	Bansal Biochemicals Pvt. Ltd.	6,900	902	0.90	100	3.00			12	Y. P.	
	Bhagyalakshmi & Co.	87,788			100	12.00	12.00		12	Y. P.	
21,28,692		45,600	57,980			15.00	1.20	1.50	12	Y. P.	
3,407	G. G. Gurusamy Naidu & Co.	29,294				10.00	6.00	3.90	12	Y. P.	
1,89,711	R. R. Naidu & Sons	40,296				6.00	7.50	4.50	12	Y. P.	
5,956	Rameo Achiary Private Ltd.	30,735				12.00	12.00	8.00	12	Y. P.	
84,29,635	Rayasamma Development Co.	21,300				10.00	10.00		13	Y. P.	
8,118	S. R. P. Ponnuswamy Chetty & Sons	86,048	2,234	2.23	100	4.00			3	Y. P.	
37,570	R. R. Viswantharajah, Esq. (Mg. Director)	25,088				1.20	1.20	1.50	3	Y. P.	
80,16,282	Bhira Brothers Private Ltd.	49,924	816	0.81	100	7.00	7.00	4.50	8	Y. P.	
2,64,970	M. V.	86,212	1,216	1.21	100	6.00	6.00	4.50	2.00	8	Y. P.
1,97,892	Emmett & Sons (Travancore) Ltd.	15,216	2,068	2.06	100	0.75	0.75		12	Y. P.	
71	Moolji Ramdas	12,000				1.00	1.00	1.25	12	Y. P.	
	R. K. Chetty & Brothers	44,424	270	0.27	100	12.00	9.00	0.75	12	Y. P.	
14,91,097	The Bombay Co. (Private) Ltd.	49,480	1,363	1.36	100	8.00	8.00	15.00	12	Y. P.	

MISCELLANEOUS COMPANIES—Continued.

aid-up Share Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up Share	Dividend per Share				Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	1956	1957	1958	1959	Rs. nP	Rs. nP
PAPER														
5,00,000	41,25,866	2,20,02,160	1,63,34,160	92,500	Balmer Lawrie & Co. Ltd.	Bengal Paper Mills	98.50	25	2.50	3.12	5.50		12	Y.P.T.
3,00,000	61,52,258	1,94,26,002	88,79,418	20,471	Andrew Yule & Co. Ltd.	India Paper Mills	25.00	10	1.39-2/5	1.40	1.00		3	Y.
5,00,000	30,54,597	1,40,02,955	87,38,459	27,136	T. Shanmuga, Esq. (Chairman)	Mysoor Paper Mills	21.90	10	1.00*	1.00*	1.00		3	Y.
4,50,000	2,63,724	8,20,10,735	1,07,17,332	120,328	Birla Brothers Private Ltd.	Orissa Paper	38.80	10	0.62	1.50	1.50		3	Y.P.T.
5,50,000	86,20,921	1,94,16,399	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Mills	18.00	10	1.25	1.25	1.25		12	Y.P.
5,00,000	9,10,123	74,75,136	39,88,407	20,483	Bajoria & Co.	Star Paper Mills	11.87	10	0.10	0.60	0.60		9	Y.P.
5,00,000	51,23,786	8,78,55,636	1,10,65,130	18,704	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.64	10	0.60	0.60	0.60		9	Y.P.
4,80,000	8,86,072	6,86,934	8,73,82,529	1,16,856	F. W. Huggers & Co. Private Ltd.	Titagarh Paper Mills Co. Ltd.	44.00	10	1.12*	2.38*	2.38*		3	Y.P.
5,00,000	8,86,072	6,86,934	8,73,82,529	1,16,856	F. W. Huggers & Co. Private Ltd.	Titagarh Paper Mills Co. Ltd.	3.94	P.O. 24	0.12	0.24	0.24		3	Y.P.
SAW MILLS AND TIMBER														
3,90,998	22,88,880	82,79,450	18,51,671	4,90,132	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.53	8	NU	NU	NU		9	Y.
2,20,000	8,44,84,732	5,28,19,225	2,30,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corp.	142.75	10	40.00	47.50	22.50		9	Y.
5,00,000	20,50,362	21,44,638	16,60,639	1,05,936	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	35.75	10	3.00	2.75	2.50		9	Y.
SUGAR (U.P. and Bihar)														
4,00,000	16,50,406	43,47,828	82,85,804	59,415	M.	Balampur Sugar	7.12	A.100	NU	0.25	0.25		4	Y.
5,00,000	29,80,260	56,40,831	84,32,435	12,10,000	Narain Bros. & Co. Private Ltd.	Basti Sugar	120.00	B.10	1.00	1.00	1.00		4	Y.
4,40,000	9,25,000	83,56,131	25,76,447	66,832	Bangur Bros. Ltd.	Beland Sugar	1.00	10	1.00	1.00	1.00		9	Y.T.
5,00,000	18,08,818	22,66,507	13,89,440	9,587	Cotton Agents Private Ltd.	Bharat Sugar	12.75	10	1.50	1.50	1.00		9	Y.
5,00,000	14,91,234	1,02,01,879	1,02,01,879	1,17,728	Gladstone Lyrall & Co. Ltd.	Shree Chandee Sugar	12.75	10	1.50	1.50	1.00		9	Y.P.T.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland & Co. Private Ltd.	Campore Sugar	18.00	10	1.00	1.00	1.00		10	Y.P.
5,00,000	84,02,927	1,04,02,927	1,04,02,927	1,04,02,927	Beaz, Sutherland &ore									

TEA AND OTHER PLANTING COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share					Accounts Closed
Ra.	Ra.	Ra.	Ra.	Ra.			Ra. n.P.	Ra.	1956	1957	1958	1959	Ra. n.P.	
3,00,000	2,10,000	3,02,505	34,197	15,099	Planting Agencies (Private) Ltd...	Balmadies Plantations	3.25	2	0.21	0.45				
20,91,779	17,00,000	56,58,212	7,68,584	29,944	Petree, Leslie & Co., Ltd.	Cochin Malabar	6.70cd	3	0.75	0.82	0.80%			
22,50,000	26,50,000	54,05,344	9,61,054	1,32,298	Cons. Coffee Estates (Secretaries).	Cons. Coffee Estates and Industries	24.25	1	0.20	0.25				
71,55,000	67,89,000	1,42,78,181	80,95,427	75,345	R. C. Patterson, Esq.	Consolidated Coffee	22.10	10	2.00	4.00				
1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	Associated Planters Private Ltd...	Cottaniam Plantations	1.00	10	1.50	1.75				
13,00,000	9,34,043	10,33,121	6,39,976	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	12.20	10	1.50	1.75				
1,00,000	6,92,899	10,66,900	3,06,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12.60	10	1.50	1.75	1.50			
1,00,000	23,40,000	23,40,000	23,40,000	23,40,000	R. T. Thomas & Rubber, Esq.	K. T. Thomas Rubber	10.00	10	2.00	2.00	1.00%			
40,80,000	29,09,139	86,11,082	10,30,522	2,581	A. V. Thomas & Co., Ltd.	Midland Rubber	11.90	10	1.50	2.25	1.70%			
45,15,000	15,45,150	15,45,150	2,30,015	2,30,015	V. V. G. Goenka & Co., Ltd.	Monney Rubber	1.00	10	1.50	1.50	1.00%			
2,00,000	3,06,500	4,64,297	1,14,758	2,437	Associated Planters Private Ltd...	Nilambur Rubber Co.	15.85	10	1.50	1.75				
18,28,123	28,19,225	46,95,521	15,75,046	9,912	Petree, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5.00	2	0.20	0.90				
18,50,000	46,40,000	46,40,000	46,40,000	46,40,000	R. T. Thomas & Rubber, Esq.	Palankar Estate	19.75	10	1.50	1.75	0.20			
5,50,170	24,40,000	80,80,567	1,07,498	6,986	Petree, Leslie & Co., Ltd.	Savarnali Estates Ltd.	3.94cd	2	1.50	0.80	0.80			
1,00,000	1,00,000	1,00,000	1,00,000	1,00,000	Associated Agencies	Cottaniam Plantations	1.00	2	1.50	0.80	0.18			
10,00,000	2,74,418	22,50,914	1,70,646	13,695	East India Agencies Private Ltd.	Teekay Rubber (India) Ltd.	7.70	10	0.90	0.60	0.60	0.18		
2,80,000	27,68,000	57,13,150	38,399	53,647	A. V. George & Co., Ltd.	Thamarapally Rubber	28.50cd	10	0.80	0.80	0.60			
2,00,15,300	23,43,925	23,43,925	23,43,925	23,43,925	R. T. Thomas & Rubber, Esq.	Thamarapally Rubber, Co., Ltd.	23.92	10	0.80	0.80	0.60			
6,00,000	46,742	11,45,990	4,92,700	1,299	Rapen Thomas Esq. (Mg. Director)	Travancore Rubber	14.00	10	2.00	0.05				
1,00,000	80,616	16,67,130	23,941	16,67,130	Animalal & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	16.00	10	0.75	1.00	1.00			
20,00,000	96,000	1,33,163	8,27,272	0,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20.00	25	0.75	0.40	0.50			
2,20,000	4,59,690	5,26,785	85,552		A. V. George & Co., Ltd.	Udayapuri Rubber Co., Ltd.	11.50cd	10	0.50	0.60	1.50			
6,00,000	2,80,000	2,80,000	2,80,000	2,80,000	M. K. Thomas, Esq. (Mg. Director)	Valukudam (Travancore) Rubber	27.21	10	1.50	1.50	1.50			
1,00,000	1,94,567	1,41,507	60,561	872		Woodland Estates	8.22	10	1.25	3.50	1.25			

* Includes box

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Rs.	Depreciation Rs.	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs. n.P.	Paid-up per Share	Dividend per Share					Accounts Closed
										1966	1967	1968	1969		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.P.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.		
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	M. N. Pillai & Co. Private Ltd.	..	Agarpara	12. 37	10	0.25	0.25	0.25	1		
10,81,000	10,81,000	1,25,16,110	40,53,745	1,64,951	McLeod & Co. Ltd.	..	Andhra Pradesh	100	100	10.00	10.00	10.00	1		
80,00,000	5,25,000	1,25,16,110	97,60,831	8,46,190	McLeod & Co. Ltd.	..	Alliance	128	100	10.00	10.00	10.00	1		
48,20,700	72,21,900	1,25,16,110	81,50,487	2,38,742	Duncan Brothers & Co. Ltd.	..	Anglo-India	238	100	1.50	7.00	10.00	1		
35,00,000	35,00,000	1,25,16,110	1,40,56,454	1,40,56,454	Bird & Co. Private Ltd.	..	Bird & Co. Private Ltd.	311	100	5.00	5.00	5.00	1		
80,00,000	24,84,715	96,56,961	67,55,861	13,223	Birla Brothers Private Ltd.	..	Bally	228	100	2.00	2.00	2.00	1		
62,75,000	6681,082	61,640,294	6,967,467	217,567	Mr John H. Bunder (Chairman)	..	Bangalore	161	65	2.00	2.00	2.00	1		
10,00,000	97,49,400	1,25,16,110	74,82,557	1,40,56,454	Andrew Yule & Co. Ltd.	..	Bombay	100	100	2.00	2.00	2.00	1		
45,00,000	23,71,745	88,64,991	35,42,933	73,255	Socaramul Narsimulu	..	Bengal	12	100	1.00	1.00	1.00	1		
91,25,000	1,30,26,124	4,00,10,117	1,64,74,107	24,135	Birla Brothers Private Ltd.	..	Bombay-Budge	100	100	1.00	1.00	1.00	1		
10,00,000	1,25,16,110	1,25,16,110	70,50,453	4,60,602	Andrew Yule & Co. Ltd.	..	Bombay-Budge	100	100	1.00	1.00	1.00	1		
74,78,800	26,46,225	4,48,10,103	32,72,652	2,12,291	Dayaram & Sons	..	Calcutta Tea Mfg.	100	100	1.00	1.00	1.00	1		
18,00,000	1,30,26,124	1,25,16,110	70,50,453	4,60,602	Andrew Yule & Co. Ltd.	..	Calcutta Tea Mfg.	100	100	1.00	1.00	1.00	1		
16,10,400	75,85,462	2,31,96,752	1,27,96,065	5,46,950	James Finlay & Co. Ltd.	..	Chennai	137	100	1.00	1.00	1.00	1		
15,95,000	21,34,670	61,01,584	56,61,109	18,020	Andrew Yule & Co. Ltd.	..	Chennai	137	100	1.00	1.00	1.00	1		
10,00,000	1,25,16,110	1,25,16,110	70,50,453	4,60,602	Andrew Yule & Co. Ltd.	..	Chennai	137	100	1.00	1.00	1.00	1		
24,00,000	9,00,000	81,80,984	67,13,337	1,11,818	Shree Krishna Investment Co. Ltd	..	Chennai	137	100	1.00	1.00	1.00	1		
31,49,800	1,48,56,786	1,73,13,669	54,08,218	12,02,387	Bird & Co. Private Ltd.	..	Dalhousie	137	100	1.00	1.00	1.00	1		
10,00,000	1,25,16,110	1,25,16,110	70,50,453	4,60,602	Andrew Yule & Co. Ltd.	..	Dalhousie	137	100	1.00	1.00	1.00	1		
15,00,000	86,03,450	1,01,67,786	65,39,232	26,123	McLeod & Co. Ltd.	..	Empire	18	100	0.50	0.50	0.50	1		
21,00,000	74,32,810	2,36,16,629	1,50,45,058	1,94,564	Kettwell Bullen & Co. Ltd.	..	Fort Gloster Industries	355	100	10.00	10.00	20.00	1		
1,00,00,000	18,00,000	1,25,79,766	85,50,852	1,96,479	Bangor Bros. Ltd.	..	Fort William	85	10	0.75	1.50	10.00	1		
34,82,100	1,25,79,766	1,25,79,766	1,25,79,766	2,97,452	M. N. Pillai & Co. Private Ltd.	..	Ganges Mfg.	23	100	1.00	1.00	1.00	1		
10,80,000	70,00,000	1,25,79,766	96,96,855	39,411	General Ind. Society Ltd.	..	General Ind. Society Ltd.	100	100	60.00	60.00	60.00	1		
94,00,000	82,08,494	2,35,37,322	1,00,44,832	47,260	Macnelli & Barry Ltd.	..	Gungroore	401	100	2.50	2.50	2.50	1		
60,00,000	60,00,000	1,25,16,110	1,25,16,110	1,25,16,110	Bangor Bros. Ltd.	..	Hastings	107	100	5.00	5.00	5.00	1		
18,80,000	1,81,949	6,67,731	47,79,916	2,05,253	Bajinath Bajaria	..	Hoshiy	13	100	2.00	2.00	2.00	1		
56,62,800	26,09,105	2,34,85,488	1,24,24,411	82,775	Jardine Henderson Ltd.	..	Howrah	24	100	0.25	0.25	0.25	1		
80,58,700	9,88,55,016	1,99,462	87,84,013	64,575	Raudutt Ramkumdas	..	Tukumchand	272	100	7.50	7.50	7.50	1		
78,90,000	1,99,967	1,81,58,695	87,84,013	64,575	M. N. Pillai & Co. Private Ltd.	..	Howrah	18	100	1.50	1.50	1.50	1		
54,00,000	21,11,227	1,77,82,650	2,24,02,441	2,520	Jardine Henderson Ltd.	..	Kamrathatty	704	100	1.00	1.00	1.00	1		
79,19,30,000	1,97,71,800	1,97,71,800	1,97,71,800	1,97,71,800	Jardine Henderson Ltd.	..	Kamrathatty	704	100	1.00	1.00	1.00	1		
80,00,000	9,88,279	1,78,672,559	1,05,04,210	31,781,747	Jardine Henderson Ltd.	..	Kamrathatty	704	100	1.00	1.00	1.00	1		
50,00,000	51,00,000	1,41,36,235	98,87,828	1,18,689	McLeod & Co. Ltd.	..	Kelvin	100	100	1.00	1.00	1.00	1		
34,00,000	23,97,741	1,26,02,835	1,26,02,835	46,888	Anderson Wright Ltd.	..	Kharidar	1,530	100	0.00	0.00	12.50	1		
77,00,000	38,36,477	1,08,51,190	38,36,477	35,580	P. W. Hellen & Co. Private Ltd.	..	Kinnelon	115	100	6.00	6.00	6.00	1		
24,48,000	37,77,381	1,28,67,077	98,30,647	35,580	Bird & Co. Private Ltd.	..	Lamotte	80	100	1.00	1.00	1.00	1		
40,00,000	1,49,98,968	1,49,98,968	70,67,920	31,631	Bird & Co. Private Ltd.	..	Lawrence	84	100	1.00	1.00	1.00	1		
28,65,000	28,65,000	1,25,16,110	1,25,16,110	1,25,16,110	McLeod & Co. Ltd.	..	Meerut	25	100	1.00	1.00	1.00	1		
39,96,800	1,64,125	1,65,70,565	86,70,900	10,86,719	M. N. Pillai & Co. Private Ltd.	..	Nahati	85	100	3.75	5.00	17.50	1		
80,00,000	13,55,000	26,02,550	21,34,087	1,05,266	Howrah Trading Co. Ltd.	..	Nakapara	11	100	1.00	1.00	1.00	1		
80,00,000	48,49,737	1,25,16,110	1,25,16,110	1,25,16,110	Andrew Yule & Co. Ltd.	..	National Ind.	121	100	1.00	1.00	1.00	1		
28,75,000	29,10,672	87,85,256	22,84,177	60,760	McLeod & Co. Ltd.	..	Nellimarua Tea	18	100	0.75	0.75	0.75	1		
55,50,000	1,12,88,100	1,25,16,110	1,25,16,110	1,25,16,110	Bahul Jain Ltd.	..	New Central	14	100	1.00	1.00	1.00	1		
44,79,000	44,79,000	1,25,16,110	1,25,16,110	1,25,16,110	Bird & Co. Private Ltd.	..	Northbrook	2	100	1.00	1.00	1.00	1		
70,79,800	17,81,398	2,20,00,780	1,11,72,061	79,151	Macnelli & Barry Ltd.	..	Orissa	69	75	1.00	1.00	1.00	1		
54,91,400	22,84,224	76,67,180	58,98,980	20,257	Andrew Yule & Co. Ltd.	..	Orissa	69	75	1.00	1.00	1.00	1		
10,00,000	48,02,843	90,04,077	78,87,785	30,040	McLeod & Co. Ltd.	..	Prenceton	100	100	2.00	2.00	2.00	1		
20,00,000	10,824	29,80,939	9,24,705	7,17,557	Birla Brothers Private Ltd.	..	Rameshwaram	805	100	0.80	0.80	0.80	1		
20,00,000	2,50,000	1,24,49,800	1,24,49,800	1,24,49,800	Jardine Henderson Ltd.	..	Reliance	8	100	1.00	1.00	1.00	1		
54,64,285	61,477,132	1,41,48,002	1,41,48,002	1,41,48,002	Thomas Duff & Co. (India) Pvt. Ltd.	..	Sammargur	2,013	100	1.00	1.00	1.00	1		
80,00,000	13,14,910	1,21,72,882	90,21,532	48,082	Bazaria Moh & Co. Ltd.	..	Shree Ambica	911	100	1.00	1.00	1.00	1		
11,00,000	1,24,49,800	1,24,49,800	1,24,49,800	1,24,49,800	Thomas Duff & Co. (India) Pvt. Ltd.	..	Tatasaheb	1,794	100	1.00	1.00	1.00	1		
5,000,000	2,886,778	6,703,019	5,294,248	11,785	Thomas Duff & Co. (India) Pvt. Ltd.	..	Titasaheb	1,794	100	1.00	1.00	1.00	1		
85,86,800	43,88,641	1,08,33,816	45,21,594	56,587	Bird & Co. Private Ltd.	..	Union	1,326	100	1.00	1.00	1.00	1		
429,00,000	1,01,876,338	2,541,728	2,541,728	2,541,728	Thomas Duff & Co. (India) Pvt. Ltd.	..	Thomas Duff & Co. (India) Pvt. Ltd.	3,211	100	1.00	1.00	1.00	1		
2,50,000	5,20,000	83,18,769	45,35,621	11,785	McLeod & Co. Ltd.	..	Waverley	8	100	1.00	1.00	1.00	1		

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Ordinary Share					Accounts closed
									1955	1956	1957	1958	1959	
25,50,000	27,25,680	1,04,15,086	75,57,686	40,698	Shaw Wallace & Co. Ltd.	Almalanekated Coalfields	25 87	10	1 37					
15,00,000	4,45,800	55,18,891	38,84,943	57,244	Jardine Henderson Ltd.	Baranese Coke	12 82	10	1 46					
4,40,000	9,30,600	8,25,119	8,25,119	8,25,119	Bengal Coalfields	Bengal Coalfields	10 00	10	1 00					
1,00,00,000	1,70,15,086	6,68,04,379	4,57,51,483	1,40,48,780	Andrew Uyle & Co. Ltd.	Bengal Coal	812 00	100	35 00					
1,00,00,000	24,41,502	24,41,502	17,70,145	-1,05,738	Shaw Wallace & Co. Ltd.	Bengal Coal	17 50	10	1 75					
10,26,290	1,44,58,407	77,99,407	17,70,145	-1,05,738	Saha Jain Ltd.	Bharat Collieries	6 87	10	0 87					
71,10,000	10,15,172	49,90,946	84,94,101	-4,92,535	M. V. W. Heliars & Co. Private Ltd.	Bhulanbararee	10 00	10	1 00					
24,50,000	7,50,000	27,13,139	27,13,139	27,13,139	Bird & Co. Private Ltd.	Boroo	2 12	10	0 21					
99,92,480	7,27,37,108	9,41,73,129	2,08,53,739	10,769	Hindustan Investment Corp. Ltd.	Burrakar	17 94	10	0 62					
49,97,000	5,60,000	55,20,477	17,60,581	10,769	Hindustan Investment Corp. Ltd.	Central India	10 25	10	0 25					
12,00,000	12,00,000	98,14,145	98,14,145	98,14,145	M. V. W. Heliars & Co. Private Ltd.	Central India	10 25	10	0 25					
8,00,000	1,49,222	1,79,959(6)	10,887	10,887	M. V. W. Heliars & Co. Private Ltd.	Churita	4 00	4	0 00					
16,00,000	1,49,222	1,79,959(6)	32,76,328	32,76,328	Macmillan & Barry Ltd.	Dhomo Mala	22 52	10	2 25					
1,23,81,125	1,23,81,125	47,74,837	47,74,837	47,74,837	Jardine Henderson Ltd.	East India	22 52	10	2 25					
99,98,760	1,02,32,671	4,59,53,374	3,22,76,059	38,005	Macmillan & Barry Ltd.	Routledge	31 10	10	1 50					
10,00,000	1,40,499	14,24,422	4,88,226	45,369	Shaw Wallace & Co. Ltd.	Ghosek and Mulla	14 00	10	0 25					
2,50,000	48,95,791	48,95,791	10,84,168	18,671	Hindustan Investment Corp. Ltd.	Hindustan Investment Corp. Ltd.	10 00	10	1 00					
8,00,000	2,45,7,888	2,45,7,888	19,66,774	163	Macmillan & Barry Ltd.	Burialidhi	14 81	10	2 50					
8,50,000	14,76,613	7,56,154	10,84,168	-1,70,852	Andrew Uyle & Co. Ltd.	Kaapahat	11 00	10	1 10					
2,50,000	1,40,15,307	1,40,15,307	32,76,328	32,76,328	Karara Coalfields Ltd.	Karara Coalfields	10 00	10	2 00					
20,00,000	8,26,875	16,96,967	39,04,335	1,08,572	Andrew Uyle & Co. Ltd.	Karara Coalfields	75 00	10	6 50					
5,00,000	10,96,031	10,96,031	10,84,168	18,671	B. V. Low & Co. (Private) Ltd.	Karara Coalfields	2 75	10	0 12					
11,02,240	88,356	28,99,712	28,99,712	2,44,8	Andrew Uyle & Co. Ltd.	Karara Coalfields	15 50	10	0 15					
9,00,000	10,22,762	18,72,682	10,20,500	24,848	Tantia Brothers Private Ltd.	Nasir	25 25	10	0 12					
7,48,240	230,000	18,72,682	10,20,500	24,848	Tantia Brothers Private Ltd.	Nasir	25 25	10	0 12					
17,75,015	19,40,615	1,40,15,307	32,76,328	32,76,328	New Hambrook	New Hambrook	20 70	10	1 70					
4,00,000	76,179	33,16,876	22,81,014	1,84,222	Octavious Steel & Co. Ltd.	New Hambrook	14 12	10	0 75					
1,18,000					Andrew Uyle & Co. Ltd.	North West	22 00	10	1 87					
1,87,400	8,85,824	18,06,599	24,38,1	26,548	Shaw Wallace & Co. Ltd.	North West	22 00	10	1 87					
7,50,000	15,99,485	3,97,665	6,46,96	41,941	M. V. W. Heliars & Co. Private Ltd.	Ondal	12 00	10	1 00					
8,84,000	91,888	55,29,109	10,56,566	7,674	Deepchand Kishanlal	Parnass	17 55	10	1 00					
1,10,000	1,10,000	1,10,000	1,10,000	91,888	Shaw Wallace & Co. Ltd.	French Valley	31 25	10	0 75					
29,99,500	28,79,585	1,48,19,956	96,99,289	8,808	R. N. Eliaz & Co. Private Ltd.	Raneengunge	17 57	10	0 62					
13,90,000	6,38,365	62,17,417	62,17,417	24,549	Shaw Wallace & Co. Ltd.	Rera	19 00	10	2 07					
37,14,000	97,14,000	97,14,000	97,14,000	27,162	Banial Collieries	Banial Collieries	8 80	10	0 80					
5,50,000	60,000	14,29,679	10,67,635	8,802	M. V. W. Heliars & Co. Ltd.	Seasrole	8 00	10	0 80					
8,50,000	9,64,442	20,85,200	12,91,218	43,961	Andrew Uyle & Co. Ltd.	Seasrole	8 00	10	0 80					
1,00,00,000	52,481,299	52,481,299	52,481,299	52,481,299	D. L. V. Rowe & Co. (Chairman)	Sensole	2 50	2 50	2 50					
63,31,460	1,04,28,838	5,68,10,811	2,61,92,610		Departments (L. F.)	Sensole	2 50	2 50	2 50					
					(Govt. of Andhra Pradesh)									
17,50,000	70,47,851	45,52,233	18,53,639	14,006	Bird & Co. Private Ltd.	South Kanarapa	18 19	10	0 12					
5,00,000	15,61,511	1,09,750	29,310	14,798	M. V. W. Heliars & Co. Private Ltd.	Standard	17 50	10	1 00					
10,00,000	31,92,594	31,92,594	16,45,802	-8,86,907	Shaw Wallace & Co. Ltd.	Standard	31 25	10	1 00					
2,00,000	18,17,718	17,84,690	17,84,690	1,78,642	Williamson Major & Co. Ltd.	Union	14 12	10	0 75					
49,98,000	89,284	70,81,423	27,14,232	7,981	Hindustan Investment Corp. Ltd.	Western Bengal	10 00	10	0 50					
7,00,000	59,74,151	29,16,009		-4,86,709	Macmillan & Barry Ltd.	West Jamunia	6 25	10	0 50					

M—Managed by the Board of Directors. * Less income-tax. * Olyve Mills have paid dividend at \$a. 101 on bonus shares for the year 1965. * Incentive bonus. * N—Central Jute Mills—Dividend for 1965 is on shares of Ra. 10 each. The African and Luthien Jute companies have been amalgamated with New Central Jute Co. with effect from 1st December 1964. (On dividend) * P—Wangal Coal Co. Dividend for 1965 is on shares of Ra. 10 each. * On increased capital. * R—Fort William Jute Co. has sub-divided ordinary shares of Ra. 100 into shares of Ra. 10 each. * In investments. * S—For 1965 the dividend of Ra. 17.50 includes an interim dividend of Ra. 7.50 per share. In 1966 the shares of Ra. 300 were split into shares of Ra. 100 each.

VESTED INTERESTS

(Concluded from page 124)

fore, an eye for what rival labour unions of more leftist persuasion are doing, to wean away labour from its unions and not for what will make for the long-term prosperity of industry, with which the prosperity of its labour force is inevitably linked. All the time, therefore, the main preoccupation of labour leaders has been to steal the thunder of the more extreme labour unions and make it impossible for the latter to promise more. In all these contexts, when concern is expressed over the unworshipful nature of these compromises, those that express anxiety are held up in contumely as vested interests, conservatives, reactionaries or outmoded thinkers steeped in the nineteenth century doctrines.

The time has now arrived in our nation's economic affairs when production has to be stepped up on the foodgrain front, on the industrial front and in all production sectors that meet the basic needs of the people—if only to catch up with the terrific rate of population increase. A decline in heart-breaking death rates which should normally be hailed as a triumph, has compelled us today to find ways and means of giving a curb on our high birth rate. But meanwhile, we are closing our eyes to the fact that those that constitute the current population of India. In this task, "vested interests," which phrase embraces all those that have small or large stakes in the country, have to be harnessed to the massive output of production, for the formidable horsepower they can contribute, and should not be treated as hostages to be tied to the wheels of that chariot.

The Prime Minister has latterly been telling the free enterprise sector to take from the public sector lessons in economy, efficiency and speed. The private sector has fortunately the humility to learn from any quarter, even from those that might have undergone their probation in the private sector, but have since moved over to the public sector, because of the larger opportunities available to unfold their talent with the more formidable plant and machinery which the public sector, with its enormous resources and its super-priorities, has been able to command.

One hopes the Prime Minister who twists the private sector for going to the Government for loans will, being a diligent student of history, pause to find out why. He would find, he will realise how the unfortunate industrialist, who knows the value of his capital, whose flow the dramatic changes in the pattern of taxation has arrested; how he is unable to get his plant and machinery easily from abroad because of external delays; is often unable to get the electric power and transportation he needs and frequently finds it difficult to get licences for machinery parts; that all that often results in prolonged shut-downs; that he is unable to deal with labour, educated into exaggerated notions of what wages the industry could afford: all of which put up the consumer prices of articles produced— independent of excise duties, where such are levied.

In the meantime, it would be poor political strategy for the party bosses and ministers to talk of "vested interests," as though they are a biological species that must be exterminated in non-election seasons, because it is as inconvenient to have them around.

Years ago, I heard a doggerel about patriots that appeared to me wicked and acrimonious. It described a patriot as one who

"Asks for money from the rich and votes from the poor
And promises to protect each from the other"

Sometimes, when you hear these odious platitudes about "vested interests" from the votaries of latter-day leftism and observe what all they really mean to forget, in their anxiety to throw away "vested interests" like flattened tubes of toothpaste, you begin to wonder whether a new generation of patriots, instead of making nonsense of this unedifying doggerel, are trying to live down to it. I hope they will do the former and not the latter.

INVESTOR'S INDIA YEAR-BOOK 1959

The debacle in share markets during the years 1956 and 1957 had considerably shaken the confidence of investors to its roots. The general view was that they had put in their savings in bullion which was the only safe investment. The bullish trend since 1952, instead of in shares. They had reason to feel disappointed, because they saw over 25 per cent. of their savings wiped out within the span of those two years. Further, the sharp decline of the change that was to come in the following months. During the last year and half, equity values have regained a good part of the losses suffered in the previous two years, though there was a lull in the economic situation that justified the change. The general sentiment is, therefore, a natural anxiety among investors whether the present bullish trend will persist or whether, from a long-term point of view, equity investments are quite safe. Such a view will be greatly reinforced by the fact that the compilers of the *Investor's Index Year-Book 1957* are of the view that "equity investments are the best way to share in the benefits of economic growth."

Discussing the outlook for 1959 in their above edition of the Year-Book, Messrs. Place, Siddons and Gough observe: "An appraisal of the investment outlook for 1959 shows the usual interlarding of light and shade, but perhaps on balance would be correct to say that it shows more light than shade. The economy is developing, productive capacity is expanding, a whole range of new industries has come into existence and the structure of the economy, on which all development must depend, is being strengthened. The pace of advance may appear disappointingly

gress there is and in the space of another Five-year Plan or two, more steel, coal, power and machine-building capacity will transform a stagnant underdeveloped economy into a modern industrialised one. This element of dynamism is perhaps the most hopeful feature of the situation."

The above edition of the *Year-Book*, which is the forty-fifth in its series, contains the usual features, such as summary of last year's balance-sheets of companies, the salient features of the profit and loss accounts for ten years and details of companies' history and capital changes. The general introduction under the caption "More Light than Shade" makes interesting reading. It gives a factual account of the country's economy. This is followed by a brief review of important industries. The edition is priced at Rs. 20 and published by Orient Longmans Private Ltd., Calcutta. The book of reference is invaluable to all well known and well established that it is unnecessary to commend it to them. It would be trite to say that the *Year-Book* is an invaluable guide to investors, but it is so in actual fact.

THE DIRECTOR IN SOVIET INDUSTRY

(Concluded from page 143)

unhealthy to quarrel. The party organisation is apt quite frequently to interfere in the detailed running of the factory, as well as acting as a kind of inspectorate on all kinds of matters regarded as important by the party leadership. It is true that the director is in command, and the party branch in the factory cannot give him orders. In fact, party periodicals often accuse some secretaries of party branches in factories of being too much under the thumb of the director. However, they can invoke higher party authority and could make serious difficulties for directors who choose to disregard advice received. This has been particularly true since the abolition of central ministries, because the regional Councils of National Economy are themselves largely dominated by "their" provincial party secretary.

Here again, the director's situation is mitigated by the party secretary's own interest in plan fulfillment. It was Khrushchev himself who went so far to suggest party officials' salaries be made dependent on plan fulfillment in their area of responsibility. All too often, judging from official reports, they, therefore, connive at a variety of evasions and sharp practice on the part of the director.

This by no means exhausts the list of possible controllers and inspectors. For instance, there exists a State Committee of Soviet Contractors (formerly Ministry of State Control), whose local inspectors are liable to pounce on breaches of regulations. Then the Ministry of Finance's officials are directly interested in the enterprises' financial situation, because the largest part of the budgetary revenues consists of payments by enterprises, and they have local inspectors too.

Directors, as has already been stated, are under the orders of their regional C.N.E.* However, they also enter into contracts with a large number of other enterprises (industrial, transport, trade, etc.) and disputes over these contracts are extremely common. One enterprise alone (the Moscow "Hammer and Sickle" works) was involved in 2,119 cases in the one year 1957. Most cases of this sort are heard by special arbitration tribunals. These tribunals take into account not only the provisions of the contract, but also the plan and the economic policy of the authorities. Enterprises have a legal department

ment, which is busy dealing with such cases. Too busy, indeed, according to one critic: seems that the legal department's "output" measured by the number of cases in which it is involved, thereby encouraging needless litigation.

Thus, the Soviet director requires great skill in energy and many *entrepreneurial* qualities, to negotiate the complex physical and institutional obstacles which stand between him and plan fulfillment. There is much discussion in the Soviet Union today about the need for more initiative at the ground level, with increased initiative at the top level of the enterprise and more rights for directors. In particular, they have far too little control over investment funds, and too many of their rational decisions require the permission of higher hierarchical superiors. However, an inelastic and often irrational price system, with no true market, does not provide a sound basis for decentralisation of decision-making to enterprises. One cannot rely on the profit motive, unless there is a tie-in between prices and the pattern of demand, and no such tie-in exists at present. Therefore, there are arguments, so far inconclusive, about a change in the price system.

* Directors of large enterprises may sometimes be on the board of their region's C.N.E.

† *Kommunist*, No. 3/1959, p. 52. This seems to be exceptionally large!

However, let us not forget that the existing system of incentives, despite its defects, does encourage directors to produce more, as the remarkable rate of growth of Soviet industrial output bears witness.—*Courtesy: F. B. I. Review, the Journal of the Federation of British Industries, London.*

DEVELOPMENT OF SUBSIDIARY FOODS

(Concluded from page 144)

picture. In India, production of root crops is about 6.6 per cent. of the total cereals production. But in a large number of other countries, output of root crops exceeds, in many cases, by several times, the output of cereals. Part of the root crops grown in several other countries are fed to animals. But in human consumption also, these crops play a very significant role—many times more significant—than in India.

Many European countries, faced with the pressure of population on food resources, have tried to rely to a large extent on root crops so as to reduce their dependence on imports. India is also in the same position and steps are urgently called for to promote greater production and consumption of these crops.

As already stated, the present production of subsidiary foods in India is much short of even the requirements of the balanced diet. The availability of root crops (potatoes, sweet potatoes, and tapioca) is 0.9 oz. per adult per day, as against 3 ozs. provided for in the balanced diets. In view of the high yielding character of these crops, their production should be expanded to bridge, by the end of third Five-year Plan, the gap between availability and what is necessary for the standard diet. An additional production of about 14 million tons of these crops would be

needed for this purpose. Over and above this, the subsidiary foods including root crops, bananas and papaya should be utilised to reduce dependence on cereals to some extent. The present consumption of cereals per adult per day is more than 15 ozs. In the third Five-year Plan, a target of 110 million tons of foodgrains (cereals+ pulses) has been suggested by the Ford Foundation, which would give daily consumption of about 17.5 ozs. of cereals and about 35 ozs. of

of about 150 gms. of cereals and about 350 gms. of pulses per adult per day. Thus, the per capita availability of cereals which is already some 10% below what in excess of the requirement of the balanced diet is required to be augmented further during the third Five-year Plan to meet the deficiency of other foods. Certain sections of population in rural areas depend much more on cereals. It is desirable to reduce this dependence of the average Indian diet partly by substituting energy-giving subsidiary foods for

cereals. Nutrition experts are of the view that these subsidiary foods can safely replace cereals to the extent of 25 per cent. Mixed with certain protein foods such as oilseed meals, gram, etc., these crops can play an even more important role. The objective of the third Five-year Plan should, therefore, be that, in addition to meeting the requirements of the balanced diet, the energy-giving subsidiary foods should replace cereals to the extent of at least 1 oz. of cereals per adult per day. This additional production of subsidiary foods should stand in good stead in the event of production of cereals lagging behind.

the country's requirements. The additional production of subsidiary foods required for replacing 1 oz. of cereals would be about 28 million tons. The total target of additional production for the third Five-year Plan should, therefore, be 42 million tons of subsidiary crops.

This target, which means a sixfold increase over the present production of subsidiary foods, may appear colossal. But, in terms of the additional acrea required, it would come to a modest figure. As part of the additional production would be achieved through improvement in present yields. If the yield per acre of these crops which at present is low, is doubled in the Third Five-year Plan then the additional acreage required to achieve the target of production would be about five million acres. If the yield per acre goes up by 50 per cent., the additional acreage needed would be about seven million acres. This is hardly 2 per cent. of the cropping area in the country. There is a large possibility for growing subsidiary foods as second crop after cereals, rather than in place of cereals. There is also the possibility of planting such of them as kitchen garden crops. In view of these factors, the additional production of the

crops need not involve much diversion of acreage from other crops. All the same, since the foods are partly to replace cereals in human consumption, some transfer of land to them is

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Share Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1956 Rs. or £	1957 Rs. or £	1958 Rs. or £	1959 Rs. or £	Account Closed	Reference
16,00,000	1,08,00,000	3,57,958	Alhabad Bank	176.50	100	18.00	18.00	18.00	18.00	12	Y.P.
14,50,000	1,08,00,000	2,42,005	Andhra Bank	176.50	100	18.00	18.00	18.00	18.00	6,12	H.
1,01,00,000	1,59,50,000	3,07,522	Bank of Baroda	101.50	50	5.58	5.10	5.10	5.10	12	Y.
40,75,300	27,00,000	1,880	Bank of Bikaner	101.50	50	7.00	7.00	7.00	7.00	12	Y.
1,00,00,000	1,59,50,000	12,79,476	Bank of India	101.50	50	1.12	1.25	1.25	1.25	6,12	R.L.Y.
25,00,000	20,00,000	47,153	Bank of Mysore	101.50	50	3.00	3.00	3.00	3.00	12	Y.
50,00,000	25,00,000	20,356	Bank of Panaji	101.50	50	4.00	4.25	4.00	4.00	12	Y.
50,00,000	25,00,000	4,70,232	Bank of Punjab	101.50	50	2.50	3.00	N/A	N/A	12	Y.
35,80,820	14,40,000	37,384	Bank of Rajasthan	101.50	50	16.00	16.00	16.00	16.00	12	Y.
7,50,000	28,50,000	12,632	Bank of Sindh	101.50	50	5.00	5.00	5.00	5.00	12	Y.P.
5,86,880	28,50,000	12,632	Bank of Sind and Baluchistan	101.50	50	5.00	5.00	5.00	5.00	12	Y.P.
25,78,700	4,04,68,517	17,32,515	Central Bank of India Ltd.	101.50	50	15.00	15.00	15.00	15.00	12	Y.
2,83,11,875	4,04,68,517	17,32,515	Devkaran Nanyoo Banking Co.	101.50	50	3.50	3.50	3.50	3.50	12	R.L.Y.
4,52,42,375	4,04,68,517	17,32,515	Habib Bank (P.)	101.50	50	3.00	3.00	3.00	3.00	12	Y.
50,00,000	2,00,00,000	29,955	Hindustan Commercial Bank	101.50	50	N/A	N/A	N/A	N/A	12	Y.
2,00,00,000	2,00,00,000	12,536	Hindustan Mercantile Bank	101.50	50	N/A	N/A	N/A	N/A	12	Y.
1,25,00,000	2,00,00,000	60,933	Indian Bank	101.50	50	13.00	13.00	13.00	13.00	6,12	R.L.Y.
41,00,000	2,00,00,000	2,03,141	Indian Overseas Bank	101.50	50	10.00	10.00	10.00	10.00	12	Y.
22,40,000	2,00,00,000	30,428	Pandyan Bank Ltd.	101.50	50	1.87	1.87	2.50	2.50	12	Y.
50,00,000	2,00,00,000	4,48,690	Punjab National Bank—K	101.50	50	4.00	5.00	5.00	5.00	12	Y.
1,25,00,000	2,00,00,000	5,48,123	State Bank of India	101.50	50	16.00	16.00	16.00	16.00	12	Y.
6,82,50,000	2,00,00,000	19,529	Travancore Bank	101.50	50	1.00	1.25	1.25	1.25	12	Y.
1,00,00,000	2,00,00,000	1,45,552	United Bank Ltd.	101.50	50	3.50	3.50	3.75	3.75	12	H.
60,00,000	2,00,00,000	62,008	United Commercial Bank	101.50	50	3.00	3.00	3.00	3.00	12	R.L.Y.
2,68,03,596	2,00,00,000	1,51,542	United Bank of India	101.50	50	0.36	0.30	0.20	0.20	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Share (per hundred)	Principal Repayable
22,00,00,000	22.00	17,74,888	British Bank of the Middle East	1953-5	101	101
55,00,00,000	22.00	4,55,019	Chartered Bank	1953-5	101	101
2,87,847,805	22.00	2,08,000	Hongkong and Shanghai Banking Corporation	1953-5	101	101
2,87,847,805	22.00	2,08,000	Lloyds Bank	1953-5	101	101
2,87,847,805	22.00	2,08,000	Mercantile Bank Ltd.	1953-5	101	101
2,87,847,805	22.00	2,08,000	National and Grindlays Bank Ltd.	1953-5	101	101

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Share (per hundred)	Principal Repayable
10,50,000	6	1st December and 1st June	Carew & Co. (2nd mortgage)	1953	98.00	1st June 1953
4,50,000	6	1st March and 1st September	Carew & Co. (2nd mortgage)	1953	98.00	1st June 1953
10,00,000	6	1st August and 1st February	Ravagolam Sugar	1942	100.25	27th February 1950
10,00,000	6	1st May and 1st November	Ravagolam Sugar (New)	1944	87.00	1st November 1950-54
23,00,000	6	1st April and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November 1950-54
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June 1950
20,00,000	6	30th June and 31st December	Bharat Collieries	1944	90.00	30th June 1950
47,84,000	6	16th June and 16th December	Equitable Coal Co.	1953	100.00	14th December 1950 (a)
7,00,000	6	30th June and 31st December	Rasanti Cotton Mills Ltd.	1942	85.00	30th April 1950
1,00,00,000	6	1st January and 1st July	Bengal Paper Mills Ltd.	1942	85.00	1st January 1950
67,94,000	6	1st April and 1st October	Buckingham and Carnarvon	1942	100.00	1st January 1950
4,00,000	6	1st April and 1st October	Gokak Mills	1942	100.00	1st April 1950
13,71,000	6	30th June and 31st December	Jaybhav Textiles	1942	85.00	30th September 1950
39,51,000	6	1st June	Tata Mills	1942	85.00	1st June 1950
10,00,000	4	1st March and 30th September	Agro Electric Supply Co. Ltd.	1950	90.00	1st March 1950
1,25,00,000	4	1st June and 1st December	Andhra Valley Power Supply Co.	1940	85.00	1st June 1950
2,25,00,000	4	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1949	90.00	31st December 1950
1,25,00,000	4	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1949	90.00	1st January 1950
2,25,00,000	4	30th June and 31st December	Chowringhee Electric Supply Co. Ltd.	1949	90.00	31st December 1950
1,25,00,000	4	1st January and 1st July	Silva (Herrish) Electric Supply Co. Ltd.	1951	91.00	30th June 1950
2,00,00,000	4	1st January and 1st July	South Madras Electric Supply Co. Ltd.	1950	91.00	1st April 1950
1,00,00,000	4	30th April and 30th October	Tata Power	1940	100.00	30th September 1950
47,73,000	4	1st April and 1st October	Tata Power	1940	100.00	1st July 1950
2,50,00,000	4	1st April and 1st October	Tata Power	1940	85.25	15th September 1950-70
5,00,00,000	5	30th June and 31st December	Britannia Engineering	1945	94.00	1st January 1950
1,00,00,000	5	1st January and 1st July	Guest, Keen, Williams Ltd.	1945	107.50	1st January 1950
1,00,00,000	5	15th September and 15th March	Indian Hume Pipe (Beares)	1942	85.00	1st July 1950
1,00,00,000	5	1st May and 30th November	Kanchari Engineering Works Ltd.	1942	85.00	1st July 1950
1,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	99.75	1st October 1950
40,00,000	5	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December 1950
12,00,00,000	5	1st October and 1st April	Azarpars	1959	92.00	1st March 1959
8,00,00,000	5	1st June and 1st December	Alexander Jute Co. Ltd.	1945	92.00	1st June 1959
10,00,00,000	5	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	90.00	30th June 1959
8,00,00,000	5	1st January and 1st July	Calcutta Jute Co. Ltd.	1945	90.00	1st January 1959
10,00,00,000	5	30th June and 31st December	Chitaval Jute Co. Ltd.	1945	85.00	30th June 1959
20,48,000	5	31st March and 30th September	Dalhousie Jute Co.	1954	90.00	1st March 1959
8,54,000	5	15th January and 15th July	Empire Jute Co.	1954	90.00	1st March 1959
20,48,000	5	31st March and 30th September	Empire Jute Co. Ltd.	1954	90.00	1st March 1959
20,48,000	5	30th June and 31st December	Empire Jute Mills Co. Ltd.	1949	90.00	31st December 1959
20,48,000	5	30th June and 31st December	Empire Jute Mills Co. Ltd.	1949	90.00	31st December 1959
5,00,00,000	5	14th November and 14th May	Northbrook Jute Co. Ltd.	1948	92.00	14th May 1959
20,00,00,000	5	30th June and 31st December	Northbrook Jute Co. Ltd.	1948	90.00	31st December 1959
25,00,00,000	5	31st March and 31st September	Northbrook Jute Co. Ltd.	1948	90.00	31st September 1959
12,00,00,000	5	30th June and 31st December	Union	1957	95.00	31st March 1959
10,00,00,000	5	31st January and 31st July	Waverley	1955	90.00	31st July 1959

RAILWAYS; STEAMSHIP AND TRAMWAYS

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Share (per hundred)	Principal Repayable
4325,280	4	1st January and 1st July	Calcutta Tramways	1900	568.10N	At 100% at any time on or at par or every seventh year thereafter
4187,788	5	1st April and 1st October	Calcutta Tramways	1933	574.10N	1st October 1974
5,50,00,000	5	30th June and 31st December	Kolkata-Lahore Railway	1945	85.00	30th June 1959
2,00,00,000	5	30th June and 31st December	Kolkata-Lahore Railway	1945	85.00	30th June 1959
4,14,13,000	4	1st March and 1st September	Sindia Steam Navigation	1949	99.25	1st September 1959

PLANTING

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Share (per hundred)	Principal Repayable
10,00,00,000	5	31st March and 30th September	Nitri Tea	1955	100.00	1st April 1959
6,00,00,000	5	1st January and 1st July	Kalasa Rubber Co. Ltd.	1955	100.00	1st July 1959

MISCELLANEOUS

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Share (per hundred)	Principal Repayable
10,00,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	1st December 1959
8,00,00,000	5	1st January and 1st July	Burmah Shell	1948	92.00	1st December 1959
8,00,00,000	5	1st January and 1st July	Calcutta Oil Refining (India) Ltd.	1948	102.50	1st September 1959
21,00,00,000	5	1st February and 1st August	Chowringhee Properties	1948	102.50	1st October 1959
15,88,000	5	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1958	82.00	1st July 1959
1,00,00,000	5	1st January and 1st July	Dalhousie Properties	1948	90.00	1st January 1959
1,00,00,000	5	1st January and 1st July	Dalhousie Properties (Bharat) Ltd.	1948	90.00	1st January 1959
2,04,56,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1948	110.25	1st January 1959
1,00,00,000	5	1st January and 1st July	Indian Cable Co. Ltd.	1948	102.00	30th September 1959
1,00,00,000	5	2nd January and 2nd July	Mettur Chemical Industries	1949	102.00	30th September 1959
8,54,000	4	31st March and 30th September	Mettur Chemical Industries	1949	102.00	30th September 1959
40,00,00,000	5	30th June and 31st December	Mettur Chemical Industries	1949	102.00	30th September 1959
78,00,00,000	5	1st April and 1st October	Macmillan and Barry Ltd.	1951	101.60	1st April 1959
1,00,00,00,000	5	30th June and 31st December	National Rayon	1948	85.50N	30th June 1959
1,00,00,00,000	5	30th June and 31st December	Orient Paper Mills Ltd.	1951	101.60	30th June 1959
1,00,00,00,000	5	30th June and 31st December	Rohas Industries Ltd.	1948	92.00	31st December 1959
1,00,00,00,000	5	30th June and 31st December	Shree Gopal Paper Mills Ltd.	1948	92.00	31st December 1959
20,00,00,000	5	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	95.00	16th February 1959
4,00,00,00,000	5	1st May and 1st November	Standard Vacuum Refining Co. India Ltd.	1953	102.25	1st May 1959
25,00,00,000	5	30th June	Tata Chemicals Ltd.	1945	85.25	30th June 1959

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 8 months' notice at any time at 8 per cent. premium. (c) With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. (d) With option to redeem at Rs. 101 per cent. on 1-1-1964. (e) With option to redeem at Rs. 101 per cent. on 1-1-1964. (f) With option to redeem at Rs. 101 per cent. on 1-1-1964. (g) With option to redeem at Rs. 101 per cent. on 1-1-1964. (h) With option to redeem at Rs. 101 per cent. on 1-1-1964. (i) With option to redeem at Rs. 101 per cent. on 1-1-1964. (j) With option to redeem at Rs. 101 per cent. on 1-1-1964. (k) With option to redeem at Rs. 101 per cent. on 1-1-1964. (l) With option to redeem at Rs. 101 per cent. on 1-1-1964. (m) With option to redeem at Rs. 101 per cent. on 1-1-1964. (n) With option to redeem at Rs. 101 per cent. on 1-1-1964. (o) With option to redeem at Rs. 101 per cent. on 1-1-1964. (p) With option to redeem at Rs. 101 per cent. on 1-1-1964. (q) With option to redeem at Rs. 101 per cent. on 1-1-1964. (r) With option to redeem at Rs. 101 per cent. on 1-1-1964. (s) With option to redeem at Rs. 101 per cent. on 1-1-1964. (t) With option to redeem at Rs. 101 per cent. on 1-1-1964. (u) With option to redeem at Rs. 101 per cent. on 1-1-1964. (v) With option to redeem at Rs. 101 per cent. on 1-1-1964. (w) With option to redeem at Rs. 101 per cent. on 1-1-1964. (x) With option to redeem at Rs. 101 per cent. on 1-1-1964. (y) With option to redeem at Rs. 101 per cent. on 1-1-1964. (z) With option to redeem at Rs. 101 per cent. on 1-1-1964. (aa) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ab) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ac) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ad) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ae) With option to redeem at Rs. 101 per cent. on 1-1-1964. (af) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ag) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ah) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ai) With option to redeem at Rs. 101 per cent. on 1-1-1964. (aj) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ak) With option to redeem at Rs. 101 per cent. on 1-1-1964. (al) With option to redeem at Rs. 101 per cent. on 1-1-1964. (am) With option to redeem at Rs. 101 per cent. on 1-1-1964. (an) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ao) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ap) With option to redeem at Rs. 101 per cent. on 1-1-1964. (aq) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ar) With option to redeem at Rs. 101 per cent. on 1-1-1964. (as) With option to redeem at Rs. 101 per cent. on 1-1-1964. (at) With option to redeem at Rs. 101 per cent. on 1-1-1964. (au) With option to redeem at Rs. 101 per cent. on 1-1-1964. (av) With option to redeem at Rs. 101 per cent. on 1-1-1964. (aw) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ax) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ay) With option to redeem at Rs. 101 per cent. on 1-1-1964. (az) With option to redeem at Rs. 101 per cent. on 1-1-1964. (ba) With option to redeem at Rs. 101 per cent. on 1-

Considering that the code was finalised only in May 1958, it is certainly encouraging to be told that the branches of the code are not too many. Mr. Nanda revealed that, as far as he could judge from the reports from the State Governments and the Implementation Division of the Centre, the code had worked satisfactorily; 17 out of court settlements of industrial disputes have been brought about. The central organisations of employers and workers have already set up machinery for screening appeals to High Courts and the Supreme Court. All this augurs well for the success of the code.

If the code continues to work satisfactorily, it will have gradually prepared the ground for voluntary settlement of disputes. Mr. Nanda did well to stress that the parties should be encouraged to "settle practically every dispute without outside intervention." He agreed that, if recourse to tribunals and courts became the rule, rather than the exception, the conflict would really shift to the arena of the courts and the skill of the lawyers would take the place of trial of strength between parties. It is gratifying to note that the Conference has responded to Mr. Nanda's call for settlement of disputes through arbitration and mediation, rather than through adjudication. The Conference suggested that a panel of arbitrators should be maintained in order to help the parties choose suitable arbitrators for the settlement of disputes and the principles and norms enumerated in awards should be compiled and published for the guidance of arbitrators. It urged the Central Government to examine afresh the provisions of the Industrial Arbitration Act, with a view to determining the extent to which it could be made applicable to the arbitration procedure laid down in the Industrial Disputes Act. These decisions are certainly commendable. For there is no doubt that arbitration is nearer to collective bargaining than adjudication. Nevertheless, it would be folly to overlook the inherent advantages of collective bargaining which alone can bring the much-needed sense of realism into industrial relations and can help labour achieve a certain degree of maturity in its relations with employers. It will be to their ultimate benefit if the employers themselves try their best and encourage conciliation rather than yield to the temptation of resorting to industrial courts and other tribunals.

It is not clear whether the Conference discussed the issues arising out of the political lines of approach consistently adopted by labour organisations wedded to extremist ideologies, especially the issues thrown up by the ruling party in Kerala. It may be recalled that the Kerala Pradesh Congress Committee, in its memorandum submitted to the President, has drawn attention to the partisan attitude of the Communist Government in Kerala, the State Government's refusal of protection to life and property of employers and other matters of grave importance to industrial relations. To the extent these issues stem from the existence of an extremist political party in a democratic set-up, it may be difficult for a purely tripartite organisation, like the Labour Conference, to give a correct lead to the country. However, since they arise partly from inter-union rivalry, the Conference has done well to agree to certain specific proposals relating to union organisation. Thus, it accepted the proposal to prescribe a minimum subscription of As. 4 a month for union membership. As regards recognition of unions, where there is only one union, the union may be recognised even if it has less than 15 per cent. membership, and where there are more unions, each of which commands only less than 15 per cent. membership, none of them will be recognised. These decisions are sensible and should settle many a thorny controversy in the organisation and recognition of unions.

INDO-PAKISTAN TRADE

IT is hard to make out precisely the achievements of the Indo-Pak Conference held at New Delhi at the Secretariat level from the brief official communiqué published on Monday last. The Conference lasted for five days and all that seems to have happened is an exchange of sweet words and nice platitudes on both sides. The object of the Conference was not to negotiate a new trade agreement, but to review the working of the pact concluded early in 1957 for a period of three years, to examine the causes for the fall in the trade between the two countries despite the pact, and to decide the measures required for reversing this trend and promoting a larger volume of trade between them. The Conference thus had a limited objective, but it does not seem to have succeeded in fulfilling even that. The Press note says, *inter alia*, that "the review took place in a cordial atmosphere

and covered the main items under the agreement," that "certain concrete proposals intended to reverse this (downward) trend have been discussed" and that "the delegations hope that, as a result, some expansion of trade to the mutual advantage of both the countries will take place." If the Press note is carefully studied, it will be seen that its contents are more negative than positive and that it concludes with a pious hope. It will be noted that certain concrete proposals were only discussed and not concluded. In the absence of any agreement on these proposals, what is the point in merely expressing the hope that, in future, Indo-Pak trade would improve to the mutual benefit of both the countries? What is worse, the communiqué says nothing as to what these concrete proposals are. One cannot understand this secrecy.

Apparently, the truth is that there is nothing much to be said. The trade between this country and Pakistan has been steadily declining ever since the Partition, notwithstanding the several trade agreements concluded between the Governments of the two countries, as the following figures will testify:

	India's exports to Pakistan	India's imports from Pakistan	Balance of trade
Fiscal year			
1948-49	77.00	109.30	-32.30
1951-52	45.29	87.48	-42.19
1952-53	32.12	21.86	+10.26
Calendar year			
1953	7.62	19.41	-11.79
1954	10.09	17.82	-7.73
1955	8.71	25.08	-16.37
1956	8.08	20.91	-12.83
1957	6.77	13.40	-6.63
1958	7.16	6.27	+0.89

It may be noted here that there was a trade agreement in August 1952 for a year. This was followed by a limited type of agreement, covering only jute and coal, again for one year. Prolonged talks in 1955 led to the signing of another trade pact, again for only one year, which came into force on 1st September of that year. After a short gap, the agreement currently in force was signed on 15th January 1957 and brought into effect from 1st February of that year. This was undoubtedly a more comprehensive agreement than all the previous ones, covering all aspects of trade, including the border trade. What led to this understanding was the Suez episode. The closure of the Suez Canal induced the authorities in Pakistan to realise the advantage of depending on India for its requirements rather than on distant countries. But even this agreement has not brought about any improvement in the trade between these two countries. It is true that both 1957 and 1958 were years of severe foreign exchange hardship for both the countries and both of them had to cut their imports drastically. Additionally, the political instability in Pakistan increased during these years, with frequent changes in ministries finally culminating in military dictatorship in October last. Further, India was fortunate enough to have a bumper jute crop in the 1958-59 season just ended. This enabled it to reduce imports of Pakistan jute from 636,000 bales in the previous year to a mere 175,000 bales. This explains the small favourable balance of trade of a few lakhs of rupees with Pakistan for the calendar year 1958. But for the political revolution in the last quarter of that year which disturbed the flow of goods from Pakistan, even this nominal surplus in favour of India would not have emerged.

It is not with the trend of trade in the two immediately preceding years, however, that one is concerned, but with the trend over a period of years. During the last ten years, imports of both India and Pakistan have expanded markedly, and yet the trade between the two have actually shrunk. This is the result of each country trying to be independent of the other. And the fall in the trade between them clearly shows that they have succeeded in their attempts to a very considerable extent. It is no longer true to say that the economies of India and Pakistan are complementary and interdependent. They were so at the time of Partition, but not now. Whether they will be so in future will depend on the state of political relations between the two countries, as well as on the ability of Indian heavy industries and consumer durables to compete effectively with others in Pakistan markets. Unlike India, Pakistan does not possess the natural resources necessary for the establishment of heavy industries. It should, therefore, be possible for India to develop its trade with Pakistan in the products of these industries, but this is a future possibility.

The complementary character of economy that existed between India and Pakistan shortly

after Partition was bound to disappear, because of the extreme sense of nationalistic feelings. It would be unrealistic to assume that Pakistan would have been content to produce food and raw materials and export them to India in return for manufactured goods. Surely, India would not have done that were it to be in Pakistan's position. What has hastened the economic separation of the two countries is the political animosity between them. The credit goes mainly to this rapid transformation such a discriminatory trade policy towards India self-sufficiency in raw jute and raw cotton and were being imported from both West and East end in these spheres during the past ten years, it seems to us that all that was a blessing in disguise and that neither country need be sorry for it, for it is inconceivable that India could afford to go on importing raw jute and raw cotton worth Rs. 50 or 60 crores of foreign exchange or that Pakistan would be in a position to import cloth and other consumer goods of equivalent value. The plans for the economic development of both these sovereign independent countries would simply not permit the continuation of such a situation.

Instead of being complementary, the economies of India and Pakistan have become independent and competitive. Pakistan does not need any of India's principal exports, namely, tea, cotton textiles and jute manufactures. On the contrary, it has a surplus of all these goods and it is challenging India in the foreign markets with them. Similarly, India does not require any of Pakistan's principal export commodities, namely, raw jute, raw cotton, raw wool, cotton and jute manufactures and tea. It is an exporter of all these items of merchandise, even including raw jute. Pakistan, of course, needs India's coal and India requires some of Pakistan's fine raw jute. There is some scope for expanding the trade in these two items, more for exporting coal to Pakistan than for importing any sizable quantity of fine raw jute from it. But even this trade is unlikely to expand to a marked extent. Pakistan is still expanding its jute goods industry and has succeeded in establishing markets abroad for the bulk of its raw of India's jute manufacturing industry. As for exports of coal to Pakistan, the prospects only with other coal exporting countries but also with oil, which is a more convenient fuel. The trend all over the world is to switch over from coal to fuel and Pakistan is unlikely to be so old-fashioned as not to copy the rest of the world.

Some seem to think that there is good scope for export of stone boulders, limestone, timber, pig iron, cement and chemicals to Pakistan. That may be so, but even if all of them is put together, the foreign exchange to be earned will not be appreciable. Rocks and stones do not yield much. In any case, Pakistan officials who came to New Delhi are reported to have said that they do not need India's pig iron nor its chemicals. As for consumer goods, Pakistan is still following a policy of strict import controls, because its foreign exchange position is not yet comfortable, though distinctly better than six or nine months ago. In any case, it is the policy of Pakistan to achieve self-sufficiency in present Government has given a series of concessions to promote domestic savings and their investment in industries. It was only the Mr. Bhutto, described the import trade as a "dying business." Then, there remains the border trade, especially between East Pakistan and Assam-West Bengal. But the Pakistan Government has already nullified the carefully worked out provisions of the 1957 agreement pertaining to this trade and, with border frictions which it has been encouraging for for such trade. It is significant that the 'to India's suggestion for reviving the border summation as milk, fruits, vegetables, eggs, kerosene, betel leaves, fodder and firewood, the denial of which must be a serious hardship to the population living on both sides of the border. This shows a deplorable lack of human consideration on the part of the Pakistan Government, a bent of mind not conducive to happy trade relations. Thus, taking all things into consideration, it is clear that there is not much room for any stable improvement in Indo-Pakistan trade for some years.

MARKET GOSSIP

AFTER the shock administered by the T.I.S.Co.'s dividend announcement, the share markets have tended to steady up. Tata Ordinaries touched a low of Rs. 172.8 early this week; they have now improved a little to stand at Rs. 174. Indian Irons are showing resistance to selling pressure at Rs. 24, though, following the T.I.S.Co.'s lower dividend, some doubt has now arisen whether this Company too would be able to repeat last year's dividend. Knowledgeable circles, however, do not attach much credence to this doubt. Textile scrips have evoked good response at lower levels and several of them have scored quite a few points. This, coupled with the fact that most of the investment shares have been able to hold their ground without any appreciable setback, shows that the basic bullish sentiment of share markets has not been seriously impaired. The shake-out during the last three weeks has given the markets the much needed correction and made them look a little healthy.

It will not be fair to put all the blame for the drop in equity values during the past week on the T.I.S.Co. dividend. If the fall has been precipitous, it mainly reflects the extent to which speculators had pushed them up in their anxiety to get rich quick. There is no doubt that the market had been rigged up by them, taking advantage of the absence of selling by investors. Even the strong probability of the Government insisting on the new issue of the T.I.S.Co. being at a premium was ignored by them. Among other factors responsible for the retreat of equities are profit-taking by the Life Insurance Corporation in some selected, albeit leading, counters and the Communists' threat to disturb peace in Bombay and Calcutta in the event of their Government in Kerala being dismissed by the Centre. The fall in prices would, perhaps, have continued but for the extremely easy money conditions and the bankers' move to lower the ceilings for interest rates on deposits fixed under the inter-bank agreement.

T.I.S.Co. Dividend

A delegation of shareholders of the T.I.S.Co. is reported to have met the management of the Company in order to express the disappointment caused by the marked reduction in the dividend and to plead for restoration of at least a part of the cut. It is, however, extremely unlikely that the Directors and the management will change their decision. It is common knowledge that ordinary dividends are liable to fluctuations and no genuine investor will unduly bother himself about such changes, provided the companies in which he has invested are soundly managed and their future is bright. Now, the T.I.S.Co. is undoubtedly one such company. It has just completed the doubling of its productive capacity from a million to two million ingot tons. If, in the implementation of such a large expansion programme, there are more teething troubles than had been bargained for, it is nothing unusual. Those investors who have patience will find themselves well rewarded in course of time. Be that as it may, it is strange that some shareholders should have gone on a deputation to the management of the Company to ventilate their grievance, when the appropriate forum for it is the forthcoming annual general meeting of the Company. They have themselves to thank if the public associates them in its mind with the speculators who were badly caught by the dividend announcement.

It is also a moot point whether it was prudent and necessary for the management of the T.I.S.Co. to have received such a delegation, especially as the directors' report and statement of accounts of the Company for 1958-59 had not been circulated to the shareholders and are not out even at the time of writing. It will be pertinent to recall, in this connection, that, at the last extraordinary general meeting of shareholders called for approving the proposed increase in the capital of the Company, some shareholders voiced their misgivings about special meetings held by the management of the Company with the so-called representative shareholders.

State Loans

The terms of the loans announced by a dozen State Governments, details of which are recorded elsewhere in this issue, fully reflect the prevailing comfortable conditions in the money market and the gradual fall that has taken place in yields on Government securities over the year. As will be seen from the table below, the interest amount sought to be raised by these States is higher than those a year ago, though it is not the highest raised so far.

(Amount in crores of rupees)					
Year	No. of States	Amount of issue	Amount antedated	Cash	Conversion
1958	15	64.00	74.23	66.63	2.18
1957	2	9.00	12.62	8.88	1.33
1956	11	80.90	65.84	49.18	6.34
1955	12	57.50	...	...	...

As in the past, the States have reserved to themselves the right to retain subscriptions upto 10 per cent. in excess of the notified amount. Since most of them have invariably exercised this option in the previous years and since the state excellent money and gilt-edged markets suggest a good response to the loans now offered, it is quite on the cards that the total borrowings will amount to Rs. 63.25 crores, which will fall short of the record of Rs. 63.25 crores, which was raised by 15 States by indeed, that record would

have been broken had the Kerala Government not decided to postpone its programme by a few months. It is strange that the Communists should have so easily been carried away by the decision of banks in their State to boycott its loan. This is a strategic blunder. They should have actually tried and seen whether at least the Reserve Bank, the State Bank, and the L.I.C. would take up the Kerala loan or not. By deciding to stay away from the market, the Kerala Government has obliged these Central-Government-owned institutions and saved them from an embarrassing situation.

Of the 12 States that have approached the capital market now, eleven had borrowed last year, the additional State being Assam. Mysore is borrowing the same amount as last year, while Bombay has substantially reduced its offer. All the others are raising more than they did last year, with Madras and Uttar Pradesh offering as much as Rs. 8 crores each.

All the loans are of uniform maturity—12 years, which is the same as last year. The rate of interest is 4 per cent. less at 4 per cent., as against 4½ per cent. last year. The issue prices, however, are unchanged, except in the case of Bombay which is offering only one type of loan at par (12 years), instead of two types (12 years at par and 13 years at Rs. 99.75) as in 1958. Excepting Bombay, all the other States are issuing their loans at a slight discount, ranging from eight annas to one rupee. As compared with the existing 4½ per cent. loans maturing in 1970, the yields available on the 1971 loans now offered are uniformly favourable to the lender. And, to make them even more attractive, the Reserve Bank has pushed up the prices of most of the State loans by the Central Government loans through appropriate open market operations.

Larsen & Toubro

The ordinary shares of Larsen and Toubro are ruling steady, in the face of a general setback in the share market. After a drop from Rs. 22.80 to Rs. 22.12 on Friday last, they have now recovered to touch Rs. 21.20 ex-div. (dividend: Re. 1.25 per share). This is due to the optimistic note struck by the Chairman of the Company, Mr. H. Holck-Larsen, at the annual general meeting of the Company held last week. As pointed out in the review of the Company's affairs in our issue dated 27th June 1959, the Company is vigorously developing its manufacturing facilities in various directions. It has already added new lines of engineering products, notably within the material handling field, to its production schedule and encouraging orders have been secured. One of the major schemes pertains to the manufacture of electrical switchgear and motor starters. The Company has obtained the necessary manufacturing licence as well as import licence for the machine tools required. Production is expected to commence towards the end of the current year. Good progress is reported in the implementation of the scheme for the assembly and progressive manufacture of petrol dispensing and metering pumps in collaboration with one of the leading U.S. manufacturers. Under licence from and in agreement with a British firm, the Company will shortly commence manufacturing a special design of industrial cooling towers. Orders for the first of these large towers have been received and are under execution. In addition, the Company has submitted applications to the Government of India for various other manufacturing schemes. When these schemes materialise, they will add substantially to the Company's earning capacity.

The Company has a number of contract jobs also on hand, some of which are making good progress. The erection of the complete blast furnace plant and the steel structures for the rolling mill plant at the Rourkela steel works is going ahead satisfactorily and is expected to be completed within the next twelve months. The Company is participating in the work of extending the Madras Harbour, a job of considerable magnitude, which will extend over a period of two to three years. It has also secured a valuable contract from the Mangalore Fertilisers for the construction of a water treatment plant. Tenders have also been submitted for a few other major contract jobs.

Referring to the outlook, Mr. Holck-Larsen said:

"The Company believes that its future is closely linked with the indigenous production of engineering goods and that, within a foreseeable future, this will become the mainstay of the Company's business. It is an indication of the Company's good reputation that many foreign machinery manufacturers are approaching the Company with suggestions for collaboration in the manufacture of their products in India. There is naturally a limit to the number and to the variety of manufacturing schemes which the Company can take on, but, as mentioned previously in this speech, we have plans for adding several new products to our production schedule.

"The present development of projects and industries in this country has created an important field for large-scale contracting work. The Company is capable of carrying out such contracting work and intends to take advantage of the present opportunities to the greatest possible extent. We have already satisfactorily completed the execution of various major erection and construction contracts and the Company has acquired a good reputation as a reliable and efficient contractor."

The further development of the Company's manufacturing activities requires additional finance and, as is already well known, the Directors propose to issue new shares to the tune of Rs. 20 lakhs within the next few weeks.

Pak Cotton

If the reduction in export duty on Pakistani cotton by Rs. 10 on Deshi varieties and Rs. 5 on staple styles, announced this week, did not cause the customary stir in export circles in this country, it is because, in the context of the price and trade pattern and supply and demand position presently obtaining in both the countries, this move is considered as unlikely to have any effect on exports of the corresponding varieties of Indian cotton. Even after the reduction, the rate of duty in Pakistan is considerably higher than in India. As against Rs. 40 per bale on Deshi and Rs. 35 per bale on staple cotton in Pakistan, the duty in this country is only Rs. 25 per bale on all permissible export varieties.

It can, of course, be argued that the cut will make Pakistan cotton more competitive than would otherwise have been the case and that, to that extent, India is at a disadvantage. But even this probable advantage seems to have been offset by the rise in price by Rs. 15 to Rs. 20 per candy which immediately followed the announcement, so that India can still compete effectively with Pakistan. Further, as stocks in that country are small—and that is the reason why prices there have gone up—the spur the duty reduction may give to exports of Pakistani cotton is unlikely to be appreciable. Moreover, the cotton trade in Pakistan is completely disorganised, with the futures market still remaining closed at normal commercial practices yet to be restored. India is therefore in a favourable position vis-à-vis Pakistan.

Thus, although Indian cotton stands in the danger of any immediate serious competition from Pakistan, some exporters feel that the duty change has implications for the future. These circles point out that reduction in duty has been met with an eye on the new crop and that it is a subtle move to boost exports in the season commencing September next. Even so, it is, however, felt that, unless trading is brought back to normalcy and that country is blessed with a bumper crop, Pakistan may not pose any serious threat to our exports. Nevertheless, export circles urge the Government of India should make an early announcement of the export quota for the coming season, so that the trade will be in a position to make forward sales of cotton whenever conditions are favourable for doing so.

Cotton Imports

There is welcome news for importers of foreign cotton. The Cotton Textiles Consultative Board which met in the City yesterday under the chairmanship of Mr. Kanungo, Union Minister for Commerce, has recommended that, considering the trend of production, stocks, exports and prices of made-up cotton cloth, the annual import of 600,000 bales (of 400 lbs. each) of foreign cotton should be permitted for the next three years. The Board is also understood to have suggested that a quota for the balance of 140,000 bales, required to bring up the overall quota for the present season to 600,000 bales, should be released forthwith. This quantity, it has been suggested, should comprise 80,000 bales of 1 1/16" staple and 60,000 bales of 1 1/16" and above but below 1 3/16" staple. The trade and industry are quite pleased with these recommendations and it is hoped that the Government of India will readily accept them. The hardship caused to the mills and trade as a result of the way in which import quotas have been issued and allocation made in the past are well known. These have little relation to the needs of mills, the trend of prices abroad and the movement of the crop. To cite only one instance of the haphazard way in which import policy is handled, the authorities have not so far been in a position to clarify the payments procedure in respect of import of Egyptian cotton. The whole question is still steeped in a maze of confusion.

Forward Trading

Yet another unique conference on the regulation of forward trading, sponsored by the Forward Markets Commission, was held in the City this week. The conference brought together for the first time the nominated Directors of a recognised associations concerned with forward trading in different commodities in the country to discuss questions of mutual interest. It may be recalled that, early last May, the Commission convened a similar meeting of the Presidents of recognised associations, with the same objective in view. Such meetings enable not only exchange of views and experiences but also promotion of better understanding and a healthy spirit of co-operation between those who are directly engaged in forward trading and those who are responsible for its regulation. The Commission, particularly its Chairman, Mr. W. R. Natu, deserves to be complimented for organising such conferences which can yield nothing but beneficial results.

Mr. Natu, in his welcome speech, explained why the Government thought it necessary to nominate Directors to the Boards of the recognised associations conducting forward trading. The object was to ensure a hearing in the boards of directors of such associations for the views of consumers, growers and other sections of the community which would otherwise have gone unheard. Since the nominated Directors are drawn from three fields, namely, universities, banks, and the technical departments of State Governments and since they have no immediate personal interest at stake, they are in a position to take an impartial view of things and look beyond the immediate situation in the market. Commenting on the role played by the nominated Directors during the last five years, the Chairman said:

"Nominated Directors have rendered distinct service not only by giving impartial and wise counsel on the items coming before them for discussion but also by their presence in the market."

(Continued on page 200)

EQUITIES DROP HEAVILY

TEXTILES, HOWEVER, RECOVER

(From Our Own Correspondents)

BOMBAY, 30th July

THERE was a debacle in the share market early in the week under review, initiated by the disappointing dividend announcement late on Thursday last week by the Tata Iron and Steel Company, Ltd., for the year ended March 1959. The Directors have recommended a distribution of Rs. 6.80 per share on the old and new shares, as against Rs. 8.25 per share paid for the previous year on the old shares and Rs. 7.56 on the new ones. As the proposed distribution fell below even the worst expectations of the market, prices collapsed headlong on Friday. Fears that the present margin rules might be made stringent gained strength, following the notification by the Stock Exchange authorities asking members to submit their daily outstanding positions in some leading scrips like Bombay Dyeing, Century, Kohinoor, National Rayon, Bombay Burmah, Hindustan Motor, Premier Automobile, Tata Locomotive and Premier Construction. This, together with settlement considerations, also affected sentiment. There was a further setback on Monday, when the new account opened. The market, however, ruled steady during the last three days on support at lower levels and prices staged a recovery. The improvement was more marked in textile counters and, in fact, many of them disclosed gains over the week. This was due to reports that the cloth position had improved considerably. The highlight of the week's trading was, however, provided by automobile shares (with the exception of Telcos), which continued to attract good attention.

The representatives of the Bombay Shareholders' Association have made a representation to the management of the Tata Iron and Steel Company, expressing the shareholders' discontent over the dividend and requesting a reconsideration of the dividend policy.

In the steel section, Tata Ordinaries slumped from Rs. 190.75 to Rs. 172.50 before closing at Rs. 174. Despite the proximity of dividend announcement, Indian Irons crept down from Rs. 24.08 to Rs. 23.96, after recovering to Rs. 24.20, they closed lower at Rs. 24.08.

Among textiles, Bombay Dyeings drifted lower early in the week from Rs. 65.20 to Rs. 64.20, but subsequently gathered strength to close at Rs. 65.60. Centurys gave way from Rs. 546.50 to Rs. 531.50 before recovering to Rs. 543. Contrary to the general trend, Kohinoors shot up early in the week from Rs. 296 to Rs. 307. Subsequently, reports that L.I.C. had sold a sizable part of its holdings of these shares brought them down to Rs. 291. Towards the close, however, they recovered to Rs. 298.25 and finished at Rs. 295. Central Indias gained over the week Rs. 2 to Rs. 99 and Finlays Rs. 6.50 to Rs. 280. Indu Ordinaries were marked up by 72 p.p. to Rs. 8.24. Despite a cut in the dividend for the year 1959 from Rs. 6 to Rs. 5, Indore Malwas put on Rs. 1.50 to Rs. 92. Morarjee Mills improved by Rs. 2 to Rs. 257, while Podars shed Rs. 4 to Rs. 148. Shree Niwas Cottons gathered Rs. 5 to Rs. 176. Simplex were placed at Rs. 162.50 ex-right, as against Rs. 180 cum-right a week ago. Standards advanced by Rs. 12 to Rs. 570. Svadeshis by Rs. 5 to Rs. 243 and Tata Mills by Rs. 2.50 to Rs. 44.50.

A sharp rise in Killick group shares were a feature of trading in the electricity section. Ahmedabad Electrics shot up by Rs. 2.40 to Rs. 94.10, Bombay Suburbans by Rs. 4.25 to Rs. 112 and Surat Electrics by Rs. 2.25 to Rs. 109.75. Tata Hydros were a shade quiet at Rs. 119.50. Andhra Valleys were steady at Rs. 117.75. Tata Powers recorded a rise of Rs. 2.50 to Rs. 1,245. Poona Electrics, however, suffered a fall of Rs. 9 to Rs. 111.

Bank shares were featureless, but steady. State Banks had business at Rs. 386.25. Barodas (B) changed hands a fraction higher at Rs. 49.25. Central Banks gained 30 p.p. to Rs. 50 and their 'A' shares Rs. 1.50 to Rs. 53. Bank of India were steady at Rs. 118, while their 'A' shares lost Rs. 3.50 to Rs. 119. United Commercial were, however, unchanged at Rs. 61.50.

In the insurance section, New Indias dropped heavily from Rs. 61.50 cum-div. (dividend, Rs. 2 per share) to Rs. 56.50 ex-div. and their 'A' shares from Rs. 62 cum-div. to Rs. 57.30 ex-div. Industrial and Prudentials, however, gained Re. 1.50 to Rs. 29.75.

Sugar shares ruled quiet. Belapurs dropped from Rs. 312 to Rs. 304.50, before recovering to Rs. 308. Bhopals lost 20 p.p. to Rs. 24.04 and Phaltans 25 p.p. to Rs. 100.25. Walchandnagars moved down by Re. 1.25 to Rs. 308.75. Cement shares fared no better. Associated Cements receded from Rs. 153 to Rs. 151.25. Digvijays lost Re. 1 to Rs. 152 and Orissa Cements 20 p.p. to Rs. 16.48.

In the engineering and mining group, Alcock Ashdowns were marked down by Rs. 4 to Rs. 253. Tata Locomotives gave way from Rs. 216.25 to Rs. 204.50. Premier Construction were, however, conspicuous with a rise of Rs. 3 to Rs. 351. Larsen and Toubros were done at Rs. 21.20 ex-div. (dividend, Re. 1.25), as against Rs. 22.80 cum-div. a

week ago. Mahindras were placed 58 p.p. lower at Rs. 21, while Coppers Engineers rose by Rs. 6 to Rs. 139.90 and Brady Engineers by Re. 1 to Rs. 85. Shivrapurs picked up Rs. 2.50 to Rs. 84. Indian Coppers were better at Rs. 4.12.

Scindias were erratic, moving between Rs. 17.96 and Rs. 17.52. The closing was done at Rs. 17.76. Great Easterns were marked down by 36 p.p. to Rs. 21.60. Bharat Lines, however, picked up 72 p.p. to Rs. 14.12. Premier Automobiles maintained their upward trend with a further gain of Rs. 3 to Rs. 131, as also Hindustan Motors which rose by 28 p.p. to Rs. 10.96.

In the miscellaneous section, Bombay Burmahs (old) suffered an early setback from Rs. 537 to Rs. 519.50, but soon gained ground to Rs. 528.50. The closing was, however, done at Rs. 526. The partly-paid lost over the week Rs. 7.50 to Rs. 182.50. National Rayons gave way from Rs. 341.50 to Rs. 335. After improving to Rs. 347.50, they finished lower at Rs. 342.50. Gwalior Rayons picked up 28 p.p. to Rs. 21.52. Tata Chemicals shed 52 p.p. to Rs. 17.32. There was a sharp fall of Rs. 9 to Rs. 104 in Dhrangadhra Chemicals. Polychems lost Rs. 2 to Rs. 106, while Amar Dyes were unchanged at Rs. 170. Tata Oils were steady at Rs. 68.50, but Voltas were a shade quiet at Rs. 167.75. Wincos lost Rs. 2.50 to Rs. 204 and W. H. Bradys Re. 1 to Rs. 385. Ceat Tyres dropped by Rs. 8 to Rs. 168.

Calcutta Stock Exchange

CALCUTTA, 29th July

Lower advices from Bombay in the wake of the announcement of a lower dividend of Rs. 6.80 per share for the year 1958-59, as against Rs. 8.50 for 1957-58 for Tata Ordinaries, and fears about the financial loss that shareholders were likely to suffer on account of the abolition of the "grossing" of dividends as from the current financial year led to selling pressure on the Calcutta Stock Exchange during the week under review, and widespread losses were recorded. It was realised in market circles that shareholders stand to lose 46 per cent. of their income. Dividends could be raised to compensate this loss, at least partially, in view of the abolition of the wealth tax on companies and the excess dividend tax, and of the reduction of corporation tax from 51 per cent. to 45 per cent. However, some of the dividends announced by banking companies have been disappointing. Among the non-banking companies, Burn & Co. has announced a dividend of 28.5 per cent, subject to tax, as against 20 per cent. for the previous year, tax free. This was considered satisfactory, as the increase would make up the loss of shareholders. For the moment, however, investors are keenly awaiting further dividend announcements. All the same it is feared that not all companies would be able to compensate the shareholders for the tax they would have to pay on dividends. Investors have, therefore, become extremely cautious, and it is stated that a good portion of this week's selling was due to the fear of reduction in their returns. In sympathy with the weaker trend, speculative Indian Irons moved down; and there was an eagerness to await the forthcoming dividend announcement. Although production in Indian Irons had been interrupted due to the progress of expansion plans, output was still of such a scale as to maintain a dividend of 10 per cent.

Coals were neglected, and the decline in prices followed fears if New Delhi would after all sanction the increase of Rs. 3.50 a ton in coal prices asked for by mining companies to make up the loss in output costs and to provide the incentive for collieries to increase production. There were some good corporate reports this week. The bright future as painted by Mr. B. P. Singh Roy at the annual meeting of Jessop & Co. was noted. The highly satisfactory results of Bengal Papers and the increase in dividend to 22 per cent. from 12.5 per cent. contributed to improved sentiment in shares of paper mills for a time. Jutes were about firm following the good business done in the export goods market.

Textiles tended extremely quiet this week. Kesorams after fluctuating between Rs. 15.94 and Rs. 15.25 closed at Rs. 15.37. Dumbars changed hands at Rs. 166, as against Rs. 167 previously. Elgin Mills declined from Rs. 14.12 to Rs. 13.62.

Coals searched lower levels for the reason mentioned earlier. At Rs. 24.62, Amalgamated Coals lost by more than one point. From Rs. 18, Burrakurs moved down to Rs. 17.37. New Beerblooms declined to Rs. 20.69. Raneeguns declined to Rs. 17.56 from Rs. 18.12. Equibales at Rs. 31.75 were, however, fractionally better.

Among jutes, Howrabs were weak at Rs. 23.12, as against Rs. 24 earlier, despite the announcement of a dividend of 50 p.p. (against nil previously), because it fell below market expectation. Birlas were earlier steady at Rs. 22.19 following maintenance of dividend at 10 per cent. Anglo-India lost Rs. 17.56 from Rs. 18.12. Equibales at Rs. 31.75 were, however, fractionally better.

In sugars, Carews recovered to Rs. 12.44 from Rs. 12.06, while Belunds declined to Rs. 13.25 from

Rs. 13.31 and Ramnugger Canes to Rs. 20 from Rs. 21.87.

Among papers, Bengals were earlier steady at Rs. 96.50, India Pulp, after realising Rs. 24.75, gave way to Rs. 23.12. Titaghurs receded to Rs. 42.75 from Rs. 44.

Indian Irons, in engineering, opened at Rs. 24.97 and after hardening to Rs. 25.03, closed 28 p.p. to Rs. 21.60. Bharat Lines, however, picked up 72 p.p. to Rs. 14.12. Premier Automobiles maintained their upward trend with a further gain of Rs. 3 to Rs. 131, as also Hindustan Motors which rose by 28 p.p. to Rs. 10.96.

A weaker tendency was recorded in miscellaneous shares. Rohas Industries were at one time as low as Rs. 21.09, but closed better at Rs. 21.69. Indian Coppers were quiet at Rs. 4.05. Phillips moved down to Rs. 21.50 from Rs. 23.44 previously, following news of recommendation of dividend of 81 per cent., as against 10 per cent. paid previously. Hindustan Motors closed at Rs. 10.70 after being lower at Rs. 10.31. Indian Cables were quiet at Rs. 31.44, as against Rs. 32.31 earlier. National Rollings were lower at Rs. 15.87.

Madras Stock Exchange

MADRAS, 29th July

The easy trend noted on the Madras Stock Exchange last week continued unabated during the week under review. Selling was quite persistent, while fresh buying support was lacking. The Life Insurance Corporation was reported to have sold certain shares held by it. Advices from the Bombay market were discouraging, following the sharp cut in dividend of the Tata Iron and Steel Company, announced on Thursday last. Plantation shares suffered a distinct setback. Tea shares were particularly depressed on reports that Indian tea was losing ground in overseas markets as a result of competition from Ceylon and East Africa. In sympathy with teas, coffees were dull. Rubbers too, encountered selling, despite rumours regarding an early announcement of the upward revision in prices of raw rubber. Textiles failed to evoke enquiries, although offtake of yarn and piecegoods was said to be quite large. Sugar and miscellaneous industrial rules easy, barring a few select counters which firmed up on investment support.

In the sugar section, Cauverys dropped Rs. 1 to Rs. 114. E.I.D.s fell by Rs. 1.38 to Rs. 38.30. Decans receded by 10 p.p. to Rs. 11.85. Travancore declined by 40 p.p. to Rs. 12.10. Mysore were dull at Rs. 49.50. Kiriampudis, however, were well favoured and gained Rs. 3 to Rs. 80. United Breveries advanced by Rs. 2 to Rs. 459. Indias picked up 5 p.p. to Rs. 12.25.

Among tea shares, Kil Kotagiris and Unites Nilgiris lost 15 p.p. each to Rs. 8 and Rs. 20.35 respectively. Oucherlonys were marked down by 14 p.p. to Rs. 5.38. Twyford's shed 10 p.p. to Rs. 16.90. Halieburys eased by 5 p.p. to Rs. 19.10. Peermades shed a little, amount to Rs. 19.10. Chembras softened by 1 p.p. to Rs. 19.40. They were unchanged at Rs. 4, as also Nonsuch Teas at Rs. 27.50 and Balanors at Rs. 18.75 ex-div. against Rs. 20.25 cum-div. In the coffee group, Cauverys were pushed down by 30 p.p. to Rs. 6.00. Consolidated Coffees reacted by 40 p.p. to Rs. 21.80. Coffee Lands dropped 15 p.p. to Rs. 23.95. Oosoor to Rs. 3.67 and the latter to Rs. 3.53. Annaparai were quiet at Rs. 3.55 cum-div. and Babudins at Rs. 18.50. Among rubbers, Rajagiris came in for selling and receded by Rs. 10 to Rs. 17.40. Valukaras declined by 15 p.p. to Rs. 27.40. Valukaras to Rs. 19.50. Highlands and Teekoy's lost 10 p.p. each to Rs. 12 and Rs. 7.60, respectively. Thirumbadals shed 9 p.p. to Rs. 1.93 and Cochi Malabars 8 p.p. to Rs. 6.70 cum-div. Kalpetta were neglected at Rs. 12.60. Valukandas, however, gathered 15 p.p. to Rs. 27.40 on special support.

In the textile section, Radhakrishnas retreated by Rs. 3.50 to Rs. 119. Buckinghams fell by Re. 1 to Rs. 188.50. Rajalakshmis lost Re. 1 to Rs. 6. Virudhnagars 50 p.p. to Rs. 42 and Trichinopolis Rs. 179. Cannanores at Rs. 152 cum-div. were quiet. Cottons at Rs. 142, Coimbatore Pioneers at Rs. 28, Dhanalakshmis at Rs. 197.50 and Venkatas support, although a higher dividend of 6 per cent. for the year ended March 1959 has been a year, as against 8 per cent. has been a year. The quotation for this scrip stood by Re. 1.50 to Rs. 373. Premiers rallied from Rs. 165.50 to Rs. 169.50 cum-div.

In the miscellaneous section, Textools slumped by Rs. 6 to Rs. 178. Aluminium Industries creased by 65 p.p. to Rs. 21.20. Dalmia Cement by 30 p.p. to Rs. 16.30. Standard Motors suffered a similar loss to close at Rs. 15.70 today. Ash Leylands, F.A.C.T.s and Parrys dropped 20. Ash each to Rs. 7.25, Rs. 9.55 and Rs. 4.05, respectively. India Cements were unchanged at Rs. 6.45 cum-div. Indian Steel Rollings at Rs. 15.75 and Myx Chemical Manufacturings at Rs. 20.25. Rail Western India Plywoods rose by Rs. 4 to Rs. 173.50. Andhra Cements gathered 5 p.p. to Rs. 10.15. Mettur Chemicals were unchanged at Rs. 13.45. The Directors of the Company announced the final dividend of 4.40 per cent. making a total of 8.80 per cent. for the year and March 1959, as against 8.75 per cent. for the previous year.

NEWS IN BRIEF

FRESH export quota of 10,000 tons of linseed oilcake has been released, without any restriction on maximum shipment by individual shippers.

The Government of India has granted recognition to the Kanpur Oils and Oilseeds Exchange to deduct futures trading in rapeseed and mustard seed at Kanpur for a period of three years.

The Geological Department of the Madras Government has commenced a comprehensive investigation into the occurrence of iron ore in the oonoor area of the Nilgiris.

The management and the workers' union of a National and Grindlays Bank have accepted the nomination of Mr. V. K. R. Menon, Director, International Labour Office, India Branch, to mediate in a dispute between the two parties.

The Central Government has decided to send six-member team of experts to China (leader: r. K. Ramiah, Special Officer, Rice Development, Bangalore) for an on-the-spot study tour of agricultural techniques, particularly in relation to rice.

Ten Soviet experts have arrived in New Delhi to discuss with the Government of India and the heavy Engineering Corporation the project report already submitted on the erection of the coal-lining machinery plant at Durgapur.

A cotton centre to publicise Egyptian cotton to Indian and other Asian buyers is proposed to be set up in Bombay by the Government of the United Arab Republic. The Centre is expected to exhibit films on the growth and production of Egyptian cotton and its qualities.

The annual requirements of technical personnel during the third Plan period is roughly estimated at 15,000 degree holders and 30,000 diploma holders. The Government of India proposes to increase the intake capacity of the existing engineering colleges and polytechnics to meet this growing demand for technical personnel.

The view that there is scope for setting up some small steel plants with modern small-scale blast furnaces and side-blown converters in India has been expressed by the Indian steel delegation which visited China for about three weeks in March-April 1959 in its report submitted to the Government.

The Hindustan Machine Tools Factory, Bangalore, has started manufacturing a low-priced lathes in technical collaboration with Batignolles of France. The prices of these lathes range from Rs. 13,250 to Rs. 29,000, as against Rs. 15,000 to Rs. 31,000 for imported ones. The factory claims to be in a position to manufacture 74 types of machine tools.

The Government of Bombay has decided to give subsidy to the Central financing agencies which sanction loans from their own funds to industrial co-operatives for the development of small-scale and cottage industries. The proposed subsidy will be equal to the difference between the rate of interest at which the agencies borrow funds and other industrial co-operatives, subject to the maximum of 3 per cent.

A scheme to guarantee minimum prices to agriculturists in respect of important foodgrains, namely, wheat, rice, jowar and bajra, is being worked this, Mr. S. G. Kazi, Minister for Civil Supplies, stated the other day that the producers of foodgrains would be asked not to sell their produce at a rate below what had been laid down in the price structure and that, if the usual trade channels did not purchase the foodgrains at the prescribed price, the Government would purchase the same.

The production target for jute under the third Plan has been fixed at 6.6 million bales, as against 5.5 million bales in the second Plan. The decision was taken at a meeting of the representatives of the various jute growing States, except Assam, held at New Delhi last week. The meeting emphasised the need for introducing intensive cultivation of jute. A review of the progress so far revealed that only West Bengal had attained the target of 2.6 million bales.

An assessment of the requirements of craftsmen and technicians for the Third Plan will be made by the Committee on Craftsmen Training and Technical Education at Secondary Education Level, set up by the Planning Commission's Working Group on Technical Education. The Committee will also draw up a programme for craftsmen-training during the third Plan which will be later considered by the Working Group on Technical Education. The Working Group is expected to finalise its report by the middle of this month.

Under the Industrial Disputes Act, the Conciliation Officer, in disputes arising in non-public utility concerns, has the discretionary power to admit or not a dispute for conciliation. A ruling on this effect was given by the Bombay High Court on 23rd July while dismissing a petition filed by the East Asiatic and Allied Companies' Bombay Staff Union, challenging an order of the Conciliation Officer that the dispute between the Union and Dumex Private Ltd. was a fit dispute for conciliation.

The Committee of Direction on Land Reforms (President: Prof. D. R. Gadgil) constituted by the Planning Commission, is expected to finalise two comprehensive schemes for the evaluation of the progress of land reforms at its meeting in New Delhi on the 11th inst. One of them seeks to conduct an

PERSONAL

MR. P. N. Kaul of the External Affairs Ministry has been appointed India's Consul-General at Lhasa.

Mr. Muller, U.S. Under-Secretary of Commerce, has been nominated by President Eisenhower to succeed Mr. Strauss as Secretary of Commerce.

Prof. Humayun Kabir, Minister for Scientific Research and Cultural Affairs, returned to New Delhi on Thursday after a three-week tour of the U.S.S.R.

Mr. L. S. Lulla, I.A.S., has assumed charge as the General Manager of the Bombay State Road Transport Corporation in place of Mr. N. D. Dattary.

Sir Edwin McCarthy of Australia and Mr. G. S. Bishop of Britain have been elected Chairman and Vice-Chairman, respectively, of the International Wheat Agreement for the crop year 1959-60.

Mr. Vendor Oord, an E.C.A.F.E. expert, has arrived in Jaipur to advise the Government of Rajasthan on the possibility of navigation in the Rajasthan Canal, now under construction.

Mr. R. G. Lund, a member of the International Wool Secretariat, representing Australian Wool Bureau, and New Zealand and South African Wool Boards, has been appointed Chairman of the Secretariat for the ensuing year.

Mr. K. T. Satarawala, Joint Secretary (Foreign Trade), Ministry of Commerce and Industry, has been appointed Chief Controller of Imports and Exports vice Mr. Bilgrami, who has been appointed Joint Secretary in charge of Export Promotion.

with \$3,472 million. In terms of total assets, however, the largest company was, as in 1957, Standard Oil of New Jersey.

The world's first atomic-powered passenger-cargo ship, the *Savannah*, was launched last week in the U.S. by Mrs. Eisenhower. The ship is, however, not expected to go into full service until 1961. The 9,990-deadweight tons ship will carry 80 passengers and 9,500 tons of cargo at a speed of 20 knots. One charge of uranium fuel will last three years and will propel the ship for over 300,000 miles. Heat to generate the turbines will be provided by an atomic reactor housed in a large containment vessel built into the ship.

The Government of Pakistan has decided to retain the minimum export price for long jute on the basis of £90 per ton for export first c.i.f., the U.K. and the Continent. But the minimum export prices for all varieties of cuttings as well as the export of long jute cuttings have been discontinued with effect from 1st July 1959. The present rates of export duty on jute and jute cuttings, however, remain unaltered. The current season's jute crop is estimated at 5.8 million bales, together with the carryover of 900,000 bales, gives a total supply of 6.7 million bales.

A simple and inexpensive method of plastic-coating galvanised sheet metal, claimed to be the first of its kind in the world, has been evolved by a Swedish firm, Messrs. Gavle Verken, Gavle, and the Stockholm paint and lacquer specialists, AB Wihl. Becker. The product is primarily intended for roofing purposes, and is available in three standard colours. The new product has not been tested long enough to ascertain its length of life, whereas the plastic-coating has been exposed to severe outdoor tests for six years without showing any signs of deterioration. Messrs. Gavle Verken has recently opened an automated mill where the coated metal is rolled in strips 60 metres (200 ft.) long. The entire plant is operated by one man alone. The output is worth Kr.1,500,000 (£98,500) per annum.

A third American Trade Mission is coming to India to tour the principal cities in the South. Like the two earlier missions, this one also will participate in the U.S. Trade Exhibition and Agricultural Fair, to be opened in Madras in September. The first mission, it may be recalled, toured the Delhi area and Northern India; the second, Calcutta and Eastern India. There will be a fourth mission next spring which will tour the Bombay area and Western India. The group coming to South India has already left Washington. It is composed of five business men and industrialists with wide experience in foreign trade and American markets. With them will be an international trade expert from the U.S. Department of Commerce.

It was announced jointly by the heads of the Canadian and Indian delegations to the Commonwealth Education Conference, at Oxford, last week, that agreement had been reached between the two countries to approve, in principle, the use, for educational purposes, of counterpart funds generated under the Colombo Plan. These funds, up to the value of Canadian \$10 million, or approximately Rs. 5 crores, are to be used for the development in India of higher technological institutes and polytechnic schools. While final approval of the proposal will be subject to detailed agreement being reached between the two countries on individual projects in this field that are being put forward by the Indian authorities, the agreement nevertheless represents an example of the way in which Commonwealth countries can co-operate for the achievement of practical results in the field of education, and suggests also the effectiveness of direct bilateral agreements among Commonwealth members. The counterpart funds were generated through the disposal by the Government of India, of gifts of Canadian wheat and other commodities, including non-ferrous metals, under the Colombo Plan.

From Abroad

An official trade delegation from the United Arab Republic, led by Mr. K. T. Diab, Director of the Economic Department Organisation, is on a tour of Ceylon, exploring the possibilities of purchasing tea.

The first synthetic rubber plant to begin production in Japan has been formally opened. Kawasaki by the officials of the B. F. Goodrich Company and Japan Geon, Tokyo. Set up at a capital outlay of \$1.3 million, the plant has a capacity to produce 8,400 tons of synthetic rubber per annum.

Raw jute exports from Pakistan declined by 178,468 bales to 4,384 bales during the jute season ended June 1959. This decline is attributed mainly to the fall in purchases made by India from 638,351 bales to 174,938 bales. Shipment of raw jute to other overseas buyers, however, was higher by 282,945 bales at 4,219,452 bales.

The British House of Commons has approved of the Government motions authorising the three schemes for reorganising the cotton industry. The schemes are part of the Government's £30-million plan to modernise the industry over a period of five years by cutting down surplus capacity and putting new equipment into the remaining mills.

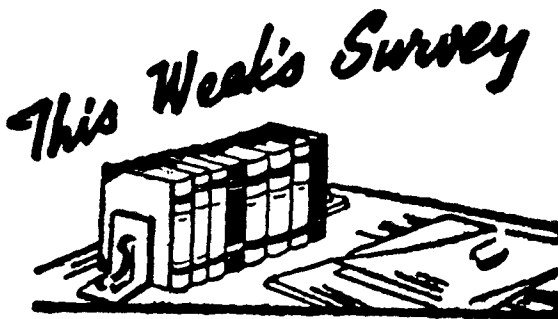
Thirty-four foreign countries spent \$7,605,263 in the U.S. last year to operate 55 information and tourist offices. This was an increase of about \$300,000 over the preceding year. The U.K. continued to hold the first place in tourist promotion work in the U.S., with an expenditure of \$2,091,179. France came next, spending \$1,054,955.

There is at present too large a supply of uranium in the world, and the oversupply is likely to last for some years, according to the U.K. Atomic Energy Authority. The uranium requirements of the free world's current military and civil programmes, it is felt, can be met by mines already in production and adequate orders may not be available to keep all the existing producers in operation during this period.

The Agricultural Development Corporation and the Industrial Development Corporation of Ghana propose to erect a sugar factory in the country. Experts from Holland are making a general survey. The preliminary investigation of cane cultivation has already indicated favourable prospects for the factory. The two corporations will be investing \$2½ million in agricultural machinery, an industrial processing plant and the refinery.

The British Atomic Energy Authority has decided to replace Zeta—the atom fusion machine designed to harness the H-bomb for peaceful purposes—by a new machine, more expensive and only one of its kind in the world. The new machine, known as I.C.S.E. (the intermediate current stability experiment), will be an experimental apparatus, on which basic scientific principles could be established and which would help the scientists understand better the working of Zeta.

General Motors retained its place as the largest corporation in the U.S. last year with total sales amounting to \$9,920 million. The Standard Oil of New Jersey retained second place with \$7,544 million and the Ford Motor third with \$4,130 million. The General Electric rose from fifth to fourth place with sales of \$4,121 million. The U.S. Steel slipped from fourth to fifth place



SUGAR SITUATION

MR. S. K. Somaiya, the retiring President of the Deccan Sugar Factories Association, certainly did not cry "wolf" when he declared, in his speech at the Association's annual meeting held in the City on Monday last, that the sugar situation during the coming season (November 1959-October 1960) would be even worse than that in the current season. The current season will end with a carryover of no more than 80,000 tons which will be just sufficient to meet the domestic consumption requirements for a fortnight. Before the new season's sugar output begins to flow freely into all markets, many parts of the country may experience an acute scarcity of supply, resulting in an appreciable rise in prices. The authorities will, therefore, do well to be prepared to meet a more difficult situation. Stressing this aspect, Mr. Somaiya urged the Government (1) to remove price control on sugar in Northern India, or enhance minimum cane price to at least Re. 1.75 per maund, as an alternative, (2) to take vigorous steps to discourage diversion of cane supplies to *gur* and *khandasari* manufacture, and (3) to give incentives to factories, in the form of rebate of excise duty and cane cess, in order to induce them to commence production earlier than the usual date; he wanted this concession to be confined only to the production undertaken prior to 15th November 1959.

While the adoption of the measures indicated above will bring about an increase in the production of sugar, the actual extent of the increase will depend on the size and quality of the sugarcane crop; it is rather premature to estimate the crop now. In fact, indications point to the possibility of a shortage. Even if it is assumed that sugar output during the coming season will be 2.1 million tons (1.90 million tons in 1958-59), the total supply available (production+carryover stocks) will be only about 2.19 million tons, as against the estimated requirements of 2.23 million tons. The prospects thus are far demand to outstrip supply.

In view of this tight supply position, Mr. Somaiya did well to call upon the Government to ban further exports. This is a belated suggestion; in any case, the Government has already stopped all exports, except the small quantity to which this country is firmly committed. Mr. Somaiya should have opposed exports even when the idea was mooted for the first time. Not only did he not do so; he now advocates an import of 150,000 tons of sugar. This suggestion will hardly commend itself to the authorities. The foreign exchange situation continues to be disquieting and the country can ill-afford to spend precious external finance on sugar imports, especially when several industries are experiencing considerable difficulty in procuring adequate supplies of raw materials and spare parts for want of exchange. If the consumption requirements of sugar are higher than the supply available, the solution lies not in imports but in keeping down consumption through a country-wide system of rationing, if need be, till such time as output expands sufficiently. The choice is between rationing of sugar and buying something more vital for the country's economy—say, for instance, ships—this journal would certainly prefer the latter. There is, of course, the danger of consumers being compelled to pay much higher prices for sugar, but the danger can be averted if the authorities, particularly at the State level, are vigilant enough to see that no section of sugar industry and trade indulges in unsocial activity such as hoarding and blackmarketing.

Another ill-conceived advice of Mr. Somaiya pertains to the price of sugarcane. With great difficulty and for very sound reasons, the Centre has resisted the pressure from U.P. and Bihar for a higher sugarcane price. But the erstwhile President of the Deccan Sugar Factories Association wants the price to be raised. Nothing can be more retrograde than this suggestion. He is also not on firm ground when he argues that failure to pay a higher price for cane will divert land to other crops. There are several ways in which a larger supply of sugarcane can be ensured, if only the authorities have the will to enforce them. In any case, to offer a

higher price for sugarcane without relating it to recovery is to perpetuate inefficiency in sugarcane cultivation.

A permanent solution to the problem of sugar shortage is higher production which cannot be achieved, unless energetic steps are taken, alongside of expansion of existing factories and establishment of new ones, to augment productivity of cane-growing fields. It is, indeed, ironical, as Mr. Somaiya remarked, that, notwithstanding the work of such august bodies as the Development Council, the Central Sugarcane Committee, the State Sugarcane Committees and the National Sugar Institute, the per-acre yield of sugar has not only not improved but actually tended to decline. The explanation for this phenomenon lies in the fact that the authorities have failed to provide sufficient irrigation facilities and fertilisers. No amount of research work on paper and in model farms or appointment of committees will be of any avail, if there is no proper planning for translating the experiments and advice into actual practice. If more water, more fertilisers and more of improved types of seed cane were supplied, there would certainly be a marked increase in sugarcane production.

FOUNDRY INDUSTRY

The Institute of Indian Foundrymen, the annual meeting of which was held in Calcutta last week, continues to render great service to the foundry industry. Guided by India's leading metallurgical scientist, Dr. B. R. Nijhawan, the Institute, which is the premier professional body of foundry technologists, has done significant work in dissemination of technical knowledge and also started a training centre for foundry. There is no doubt that the Institute will be called upon to play an increasingly important role in future, thanks to the development programmes for heavy engineering, foundry and iron and steel industry which are contemplated under the successive Five-year Plans.

In his address at the annual meeting of the Institute, the Union Minister of Steel, Mines and Fuel, Sardar Swaran Singh, reviewed the progress of steel industry. He pointed out how the existing iron and steel works in Jamshedpur, Burnpur and Bhadravati were being expanded, in order to reach a target of three million tons of ingots, while the three new steel plants in Rourkela, Bhilai and Durgapur would produce a million tons each; the first blast furnaces of Rourkela and Bhilai had gone into production and, by the end of this year, three more blast furnaces would have commenced production, one each in Rourkela, Bhilai and Durgapur. The Minister said that India was already self-sufficient in foundry pig iron and some pig iron had actually been exported. The Government, as is well known, is engaged in a study of the expansion programmes under the third Five-year Plan. Sardar Swaran Singh revealed that "current thinking is in favour of production of ten million tons of steel and 1,500,000 tons of pig iron by the end of the third Five-year Plan."

The importance of castings to general engineering industry arises from the fact that they are the most economic way of producing a component, whether it is only a few ounces in weight or as heavy as 200 tons per single piece. The Union Minister stated that, while private enterprise had been allowed to have its own iron and steel foundries, the Government had felt it necessary to establish foundry capacity to meet certain specialised needs. In Ranchi, the Government, in collaboration with Czechoslovakia, is establishing a foundry, capable of producing, at the first stage, 25,000 tons of iron castings and 30,000 tons of steel castings; it will ultimately be capable of casting single grey iron pieces of 100 tons and steel castings of 150 tons. Referring to this project, the Minister said: "This foundry and forge is really a part of the heavy machine building complex which is being created at Ranchi. This complex will go to make the country independent, as far as possible, of imports of plant and equipment for the maintenance requirements of the existing steel works and for the construction of our new steel works."

In conclusion, Sardar Swaran Singh emphasised the importance of continuous research in the field of metallurgy. He paid a well-deserved tribute to the National Metallurgical Laboratory for its research efforts, in general, and its invention of nickel-free stainless steel, in particular. The Laboratory has made significant contributions towards the solution of problems of foundry sands and hard coke. It would appear that steady progress is being made in the direction of building a good design organisation. Design sections are being developed as part of

the manufacturing complexes at Ranchi and Bhopal. A design section is also being organised in the Hindustan Steel Limited, with a nucleus of thirty men. This section is expected to be able to design, in course of time, steel works, using plant and equipment made within the country. The Central Fuel Research Institute is engaged in developing blends of coal to produce metallurgical coke. The success of this research effort, as the Minister himself pointed out, will serve to reduce the strain on the limited reserves of metallurgical coal in India.

SALES TAX IN BOMBAY

Much prodigious effort and painstaking enquiry have gone into the Bombay Sales Tax Bill which will come up for discussion in the Bombay Legislature, scheduled to meet next week. Few States have faced greater difficulties in fiscal integration than Bombay. On the reorganisation of States, Bombay inherited no less than five sales tax systems. Besides the system which prevailed in the original Bombay State, the State Government had to administer the sales tax systems in areas like the merged Indian States, Saurashtra, the merged areas of the C.P. and Marathawada region. The task of integrating them into a new system which would also take into account the numerous complaints against the rigour and complexity of the original system fell to the Sales Tax Enquiry Committee (Chairman: Mr. Babubhai J. Patel). The Committee, which submitted its report to the Government last year, brought to bear upon the question much practical insight into the commercial problems of this premier industrial and commercial State. It is noteworthy that the new Bill is substantially based on the recommendations of the Committee.

The system now proposed under the Bill is an eclectic one, combining single-point system and double-point system and exempted categories. The exempted items include, among others, fertilisers, kerosene, products of village industries defined under the Khadi and Village Industries Commission Act, cattle, ready-made garments costing not more than Rs. 5 each, sugar, sugarcane, tobacco and newspapers. A single-point levy is proposed at the first stage of sale of 75 items, some of which are generally classified as luxury goods, such as motor cars and iron and steel furniture, and some of which have domestic and industrial uses like soaps, machinery. The rate of tax varies from 1 per cent. leviable on cotton yarn to 45 per cent. leviable on liquors. A single-point tax at the goods, including gold and silver articles, cotton and cloth waste, hides and skins, jute, oilseeds, raw wool and *gur*. The rate of tax varies from 1 per cent. to 6 per cent. Other goods will be taxed at two stages of sale. These include cakes, biscuits, floor and wall tiles, suit cases, saris and other personal wear and stainless steel. The rate of tax is 3 per cent. (except in certain cases for which the rate ranges from 4 to 8 per cent.) on first sale, and a uniform levy of 2 per cent. on the last sale.

It is noteworthy that the rates of tax generally follow the recommendations of the Enquiry Committee. A departure from the Committee's suggestions has, however, been made in respect of lubricants which will carry a levy of 2 per cent. and of solvent oil (10 per cent.), as against the levy of 5 per cent. for all petroleum products as the Committee suggested. Again, where, cent. on X-ray apparatus and jewellery, the Bill imposes only 7 per cent. and 6 per cent. respectively. A retail tax at the rate of 1 per cent. has been imposed on the sale of goods which are liable to the levy of tax at both the first and last stages of a sale. A dealer who does not hold a licence will alone be liable for this levy. The minimum limits of turnover of sales or purchases laid down in the Bill for attracting in the case of importers and manufacturers and Rs. 30,000 in the case of other dealers.

A welcome innovation under the Bill is the provision for a commission agent's permit. Commission agents, who have a turnover of more than Rs. 30,000, are eligible for such a permit on the strength of which they, acting on behalf of their principals inside or outside the State, can effect purchases free of tax or at reduced rates as the case may be. This is a provision which deserves to be built into the sales tax statutes in all States.

As regards the administration of sales tax, the Commissioner of Sales Tax will be assisted by Deputy and Assistant Commissioners and Sales Tax Officers. Provision has been made for enlarging the membership of the Sales Tax

Tribunal. The powers of search of premises and seizure of documents which are contained in the present law have been retained. A slight change in the appellate procedure has been made in that an aggrieved party can, instead of following the normal procedure of appeals to the next higher authority, make an appeal to the Commissioner or the Tribunal direct; if the party chooses to go to the Commissioner, they will have no further remedy in proceeding under the sales tax law. A commendable provision is the one which places chartered accountants on a par with legal practitioners in the matter of appearance in sales tax proceedings.

WAREHOUSING

Ever since the Royal Commission on Agricultural storage and warehousing facilities as an integral part of organised agricultural marketing, the problem has commanded a good deal of attention. A concerted and co-ordinated attempt to tackle the problem, however, was not made until 1954, when the All-India Rural Credit Survey Committee recommended the establishment of Central and State Warehousing Corporations. These suggestions were designed not only to ensure storage facilities to farmers, but to render these institutions as the virtual link between co-operative credit and marketing. In order to give effect to these recommendations, the Agricultural Produce (Development and Warehousing) Corporations Act was passed in 1956 and the National Co-operative Development and Warehousing Board came into existence in November 1956. The Central Warehousing Corporation set up subsequently works under the policies framed by this Board.

The scope for warehousing corporations in this country is now fast expanding, probably in directions which were never dreamt of by the Rural Credit Survey Committee. The Government now proposes to separate the Central Warehousing Corporation from the National Co-operative Development Organisation. A Bill is expected to be introduced in the coming session of Parliament in this connection. The introduction of State Trading in foodgrains and the proposals to develop co-operatives as the exclusive channel for routing the marketable surplus are bound to influence the nature and progress of warehousing organisations in the country. This point was stressed by Mr. B. B. Ghosh, Secretary, Department of Food, Union Ministry of Food and Agriculture, who is also Chairman of the Central Warehousing Corporation, in his address at the annual general meeting of the Corporation at New Delhi last weekend. As a result of the new policies for the development of rural areas, the demand for warehousing facilities by the Central and State Governments and co-operative societies will increase, while that by individual producers will tend to decline. Some of the State Governments have already been taking advantage of the State Warehousing Corporations for undertaking storage of grains procured by the Government.

Although the Central Warehousing Corporation is still in its infancy, it has acquired itself satisfactory. Mr. Ghosh pointed that the stocks of agricultural commodities stored in the nine Central Warehouses which were functioning during 1958-59 increased over the year from 13,000 maunds to 163,000 maunds. Since then, stocks have gone up further to about 329,000 maunds. The warehouses have accepted for storage, besides cereals, pulses and oilseeds, such commodities as turmeric, *gur*, ginger and pepper which require special care for preservation. The Corporation, we are told, proposes to open warehouses at new centres in almost every State.

The State Warehousing Corporations have also been making steady progress. Although the year under review was practically the first year of the working of most of the State Corporations, they have already set up as many as 42 State Warehouses. Mr. Ghosh recognised the important role of the Central Warehousing Corporation, not only in setting up its own warehouses and raising its resources thereupon, but in extending maximum support to the programme of the State Warehousing Corporations.

CONSUMER PRICES

The demonstration that greeted Mr. S. G. Kazi, Bombay's Minister for Civil Supplies, when he visited Ahmedabad this week is an understandable, if crude, exhibition of the growing discontent among the common people caused by the mounting prices of essential items of consumption. The cost of living in Bombay City, for instance, soared to a record high in June last, with the working class cost of living

index (base: 1934=100) shooting up by seven points from 406 in May to 413 in June, as compared with 395 in June last year. The index has risen during the first half of the year by 17 points, representing a rise of almost 4.3 per cent. From a peak of 407 in July 1958, the index had progressively declined to 398 in December. Since then, barring the month of April, the index has been rising. The trend gathered momentum in May and June, as noted above.

Higher consumer prices are not a phenomenon confined to Bombay alone. Other industrial centres in the State and the major cities of the country, for which figures are available, disclose a similar trend. The all-India consumer price index (Base: 1949=100) for the month of May, the latest month for which figures are available, was 119 which is two points higher than the previous month's figure and compares with 113 reached in the same month of the previous year. But this is in striking contrast to the trend in some of the foreign countries such as the U.K., the U.S., Canada and Japan. In these countries, the consumer price index during the four-month period January to April, for which figures are available, has either declined or been stationary. Thus, the index (Base: 1949=100) declined from 153 to 152 and 126 to 125 in the U.K. and Canada respectively whereas in the U.S. and Japan it was unchanged at 122 and 132, respectively.

The rise in the index is due to the rise in price of food and miscellaneous items. Mr. Kazi attributes the higher prices of food in Bombay to five causes: (1) faulty zonal system, (2) inadequate import of foodgrains by the Centre, (3) increase in population, (4) improved health, and (5) changing dietary habits. It may appear strange that prices should go up at a time when a bumper foodgrains crop is expected. It only shows that, however good the crop, the demand still outstrips supply. It is imperative that effective measures should be taken to curb the rise in price by augmenting supplies and keeping down inflation. Increased prices will not only affect the standard of living but also have deleterious consequences on industry and exports. In Bombay City, the rise in index in June will boost the dearness allowance bill of the textile mills alone by Rs. 10 lakhs to Rs. 1.80 crore. This will naturally push up the cost of production of yarn and cloth which means that the domestic consumer will have to pay higher prices and the industry's competitive capacity in foreign markets will be further adversely affected. As is common knowledge, it is difficult to sell the products of a high-cost economy in foreign markets.

"OUTER SEVEN"

Everything seems to be going well with regard to the formation of the "Outer Seven" free trade area, comprising the United Kingdom and six other West European countries, namely, Austria, Denmark, Norway, Portugal, Sweden and Switzerland. The Ministerial Conference of the "Outer Seven" held at Saltsjoebadan (near Stockholm) on 20th and 21st July 1959 approved, with scarcely any amendment, the draft plan drawn up by the Working Party of officials early in June last. The Conference also instructed the senior officials of the member-countries to draft a convention using the draft plan as the basis and to present a text at the meeting of Ministers scheduled to be held on 31st October next. The officials, it was decided, should be constituted as an official committee to advise Governments on questions regarding other countries arising from the establishment of the "Outer Seven" free trade area and, in particular, to study the problem of future negotiations for the setting up of the 17-member European Economic Community. In order to facilitate relations with the Common Market, all the countries expressed their desire to accredit representatives to the Market; Denmark has already taken action to this effect.

The salient features of the draft plan as approved by the Ministerial Conference are given below:

In respect of industrial products, the plan includes rules for abolishing tariffs and quantitative restrictions, ensuring fair competition, and identifying the goods which should move freely between the members. The immediate objective is to reduce tariffs by 20 per cent. on 1st July 1960.

There should be a special agreement on agriculture. This will set out agreed objectives of agricultural and food policy, provide, where appropriate, for consultation, and facilitate expansion of trade between members, having regard to the need to achieve a sufficient degree of reciprocity between them.

Fish and other marine products will be treated as an independent problem, separately from agriculture. Proposals for a special agreement to achieve freer and increased trade in these products

have been made, and these will be given careful consideration. There will be a further discussion of this problem between the Governments.

The institutional arrangements should be as simple as possible. The governing body will be a Council of Ministers. All decisions involving new obligations will be taken by unanimity. Provisions for majority decisions in certain defined cases not involving new obligations are envisaged.

The Stockholm conference was unanimously of the view that the object of the "Outer Seven" free trade area would be to strengthen the economies of its members by promoting expansion of economic activity, full employment, a rising standard of living and financial stability. Nevertheless, it assured that "it would be their purpose to facilitate early negotiations both with the European Economic Community (the Common Market) and also with the other members of the Organisation for European Economic Co-operation, who have particular problems calling for special solutions." The negotiations, it was clearly stated, would have as their object removal of trade barriers and establishment of a multilateral association, embracing all the members of the O.E.E.C.

The reaffirmation by the "Outer Seven" countries of their faith in the enlarged European free trade area and the public pronouncements made openly by the official spokesmen in West Germany, Italy and Holland, the three Common Market countries, have revived hopes of an early resumption of talks for an economic association of all the seventeen O.E.E.C. countries. It remains to be seen whether the hopes will materialise and the enlarged European free trade area will, in fact, come into existence, what with the stiff attitude of France. This much, however, can be said: For sometime at least, the six-member Common Market and the "Outer Seven" free trade area will be functioning side by side simultaneously. The following table gives an idea of the total value of trade covered by the two economic blocs:

(In million \$)			
	Common Market	Outer Seven	Total
Common Market:			
Imports	6,784	3,637	22,044
Exports	6,963	4,048	22,783
Outer Seven:			
Imports	5,207	3,084	18,862
Exports	5,692	2,622	10,240

Note.—The figures relate to the calendar year 1958.

The foregoing figures indicate that the six Common Market countries together enjoy a favourable balance of trade with the "Outer Seven." This position may undergo a change after the "Outer Seven" free trade area actually begins functioning. Some fear that a part of the Common Market export trade with the "Outer Seven" will be hit, following an expansion in the trade between the seven countries. It is, therefore, felt that the Common Market may be forced to come to terms with the "Outer Seven." It may be mentioned here that, while both the blocs aim at freeing trade by eventually eliminating tariffs and quotas within their own areas, there is one fundamental difference between the two: The Common Market countries will have a common tariff against the outside world, whereas the "Outer Seven" will keep their own tariffs against outsiders.

Meanwhile, speculation has arisen as to the attitude of Finland with regard to the "Outer Seven" scheme. This country did send a representative to the Stockholm Conference (Mr. Ahti Karjalainen, Minister for Trade Industry). When invited to make a statement, Mr. Karjalainen referred to Finland's participation in the Nordic plan for close economic co-operation and also drew attention to the economic interest and significance for Finland of the free trade association plan. He pointed out that his country would, in this connection, only make agreements on tariffs and trade in a way consistent with its declared foreign policy based on existing international agreements and with its traditional trade relations, including trade based on bilateral agreements.

The negotiations for a common Nordic union, comprising Finland, Norway and Sweden (the position of Denmark in this union is not clear) have already reached an advanced stage. The draft plan was submitted to the ministerial meeting held at Kungälv (Sweden) on 11th and 12th July. The meeting was of the opinion that the plans for Nordic economic co-operation ought to be adapted to the proposed "Outer Seven" area.

It is evident from the above review that there will be three trading blocs in Western Europe—the Common Market, the "Outer Seven" and the Nordic Union. It will be interesting to watch as to how these three blocs will ultimately be integrated into a single free trade area.

PATTERN OF EXPANDING TRADE

EXPORTS TO STERLING AREA DECLINE

From Our Own Correspondent

LONDON, 24th July

WITH the publication by the Board of Trade this week of the details of Britain's external trade in the month of June, it is possible to study a complete and clear picture of the pattern, whereby Britain's overseas trade has been expanding in the first half of this year. Imports in the first half of 1959 totalled £1,924 million, an increase over a year ago of 5 per cent. (there was a dock strike last year and, if allowance is made for this, the increase is assessed at only 4 per cent.) for the period. Import prices which were falling in the first four months of this year, though they have since turned upwards, were about 14 per cent. less than in the first half of 1958, so that the volume of goods coming into the U.K. certainly rose by not less than 5 per cent. This rise was well spread through the different categories of trade: food imports went up by 6 per cent. (evidence of increased purchasing power) and petrol and manufactured goods both rose by 17 per cent.—only raw materials were down by 6 per cent.

Exports

Exports f.o.b. in the first half-year totalled £1,636 million, which was 3½ per cent. over those for the first half of 1958, though less after allowing for the dock strike, since export prices have been stabilised throughout the period, the rise entirely represents a rise in volume. The table which follows compares the first half of this year with the first half of last, by the principal categories of goods:

Monthly Averages

(In million £'s)

	1958	1959	1958	1959
Food, drink, tobacco	118½	126	14½	14
Raw materials	74½	72	9	11
Fuel (oil)	34½	40½	11	10
Manufactures	75	82	228½	227½
Total	304½	320½	263	272½

In addition, re-exports have averaged £12 million a month in the first half of 1958, falling slightly to £11 million a month this year. The overall picture, therefore, is of an excess of imports of £37 million a month, as against £29 million in 1958; that is, the total deficit this year was £223 million against £175 million last year. As the Board of Trade notes, "in view of the exceptionally favourable conditions of last year, the increase is a comparatively small one. A deficit... running at anything below £40 million a month implies, with the usual net invisible earnings, a substantial surplus on the balance of payments current account."

Area-wise

If one now turns to the movements of trade by area, the deterioration in the visible trade deficit of £8 million per month is accounted for oddly enough by a deterioration of £15½ million in the deficit with the sterling area, offset by an improvement of £7½ million in the deficit with the non-sterling world. The table which follows shows how exports and re-exports were divided in the first half of this year, as compared with the first half of last year:

Monthly Averages

(In million £'s)

	1958	1959
North America	39	48
Latin America	13	13
Europe	81	85
Other	21	23
Non-sterling	154	170
Sterling	122	114
Total	276	284

Thus, exports to the sterling area dropped 6½ per cent. in 1959, as compared with the first half of 1958, although they increased to India (6½ per cent.), Pakistan (15 per cent.) and Ceylon (25 per cent.). Nearly everywhere else throughout the Commonwealth and the Sterling Middle East, other than Ghana, exports suffered a reduction.

Among the exports to non-sterling area, there was a large increase in shipments to North America (25 per cent.) and indeed total exports to the U.S.A. were 3 per cent. higher than in the first half of 1958, mainly as a result

of increased exports of cars and commercial vehicles. On the import side, imports from the sterling area were 6½ per cent. higher this year. The increase included India (3 per cent.) and Pakistan (41 per cent.), but there was a reduction in imports from Ceylon (5 per cent.).—All Rights Reserved.

ENGINEERING MATERIALS AND DESIGN EXHIBITION

Engineering materials and design, embracing practically every industry in the world, is the subject of an exhibition to be held early next year in London (Earls Court, 22nd to 26th February). The first of its kind in Britain, it will be devoted solely to materials and components in engineering design, and is expected to attract thousands of engineering designers from every industry at home and abroad. It will have the largest and most varied selection of materials and components ever assembled for engineering designers in every sphere of constructional activity.

Engineering materials today include minerals, plastics, textiles, inorganic materials, rubber, adhesives, refractories, ceramics, and numerous sintered products and compositions, as well as timber, cement, and metals and alloys of all kinds, many of which are new or under active development. Associated with the Engineering Materials and Design Exhibition will be a conference for engineering designers held at the same time and in the same building.

ALUMINIUM TRUNKS FOR AIR-FREIGHTING FISH

Fish trunks of aluminium produced by a British firm (Heston Equipment Company, Ltd., London, S.W. 1) are helping delivery of fresh sea fish to dinner tables in the African tropics a thousand miles from the sea. Watertight, lightweight, and almost everlasting, the trunks were developed by the Heston Equipment Company to enable an African company to fly fish at economic rates to markets far inland in the Belgian Congo. This has resulted in sales of 60 tons in 1951 going up to nearly 5,000 tons in 1957.

Lacking the necessary chain of freezing-plants across the country, it was impossible to freeze the fish for the slow rail journey inland in the tropical climate. The alternative was air-freighting, but the handicap here was the high cost using conventional packing, and the need for trunks that were watertight. Heston Equipment produced the answer by manufacturing a trial shipment of the aluminium trunks so light that they added little to the freight charges. Now the African company uses 2,000 of the trunks to fly the fish as far as

1,000 miles into the Belgian Congo. Heston has since sent 10,000 of the trunks to Uruguay, 3,000 to Newfoundland, and others to South Africa and Iceland.

NYLON CONVEYOR BELTS FOR COLLIERIES

Nylon figures prominently in new types of conveyor belt which are now being bought by Britain's National Coal Board. Under a new scheme designed to encourage the development of belts incorporating man-made fibres, the Board has started to grant "limited approval" to selected types of belts. The majority of the belts in the first batch are made partly from nylon.

As a result of work carried out during the past two or three years, the Board believes that judicious use of man-made fibres will make it possible to increase the service life of conveyor belting by 50 per cent. or even more. In order to provide manufacturers with incentive to produce such belts, the Board has introduced a limited-approval scheme under which quantities of about 50,000 ft. to 100,000 ft. of promising-looking belts will be bought and tried. After operational experience has been obtained, the new belts will be considered for full approval.

MAKING STOCKINGS OF CONSTANT SIZE

A simple automatic control which will enable circular hose machines to produce stockings with Britain's Hosiery and Allied Trades Research Association in Nottingham. Without control, stocking lengths vary considerably and have to be hand-sorted into matching pairs before they can be sold. The new unit, known as the positive-feed system, ensures that exactly the same length of yarn is knitted into every stitch.

On circular hose machines, variations in length are usually the result of yarn, knitting, or finishing influences, with the major irregularities arising during knitting. The control unit eliminates this factor, leaving only the minor causes. Setting does not depend on board measurements, counting of courses, etc., but on a single mechanical setting of the control mechanism.

The U.K. Government has agreed to lend £15 million to Nigeria for financing its current development programmes. The programmes call for a total expenditure by the Federal and Regional Governments of £153 million for the period ending 1962. The U.K. loan of £15 million will help close the gap of some £32 million remaining after taking into account the revenue from local resources, £10 million from the World Bank and some £6 million representing the balance of Colonial and Welfare grants.

Only YOU can cash your Bank of Baroda Travellers Cheques



Even if you lose your Bank of Baroda Travellers Cheques, your money is safe because only you can cash your cheques! That's why Bank of Baroda Travellers Cheques are the safest, most handy way of carrying money when travelling. When you make your next trip, buy Bank of Baroda Travellers Cheques... from any of our many offices throughout the country. For complete information, write in for our FREE booklet.

Don't carry cash—carry
BANK OF BARODA
Travellers Cheques!

THE BANK OF BARODA LIMITED

Est'd 1908

Head Office: Baroda

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906
CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED .. Rs. 5,50,00,000
CAPITAL PAID-UP .. Rs. 3,00,00,000
RESERVE FUND .. Rs. 3,10,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA:
AHMEDABAD Sion JUNAGADH
Bhadra (Main Office) BHUJ (Kutch) KANPUR
Ellis Bridge CALCUTTA MADRAS
Gandhi Road Subhas Road Sowcarpet
Manek Chowk (Main Office) NAGPUR
Navrangpura Bara Bazar Itwari Bazar
Station Branch Chowringhee NEW DELHI
BANGALORE Square PALANPUR
BARODA BOMBAY COIMBATORE POONA CITY
Bullion Exchange DELHI RAJKOT
Calaba Churchgate GANDHIDHAM SURAT
Fort HYDERABAD SHOLAPUR
Kalladeri (Deccan) VERAVAL
Malabar Hill JAMSHEDPUR VISAKHAPATNAM
Santa Cruz

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

DIRECTORS
SIR COWASJEE JEHLANGIR, Baronet,
G.B.E., K.C.I.E. (Chairman)
Mr. A. D. SHROFF (Vice-Chairman)
Mr. AMBALAL SARABHAI
Mr. RAMJIWAS RAHIMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNAJI M. D. THACKERSEY
Mr. A. D. SHROFF
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.

ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited
Incorporated in England

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Dongall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

ASK

RELIANCE

FOR
● ACID-PROOF BRICKS & CEMENT
● SEMI-VITRIFIED BRICKS & CEMENT
● INSULATING BRICKS & MORTAR
● ALKALIC BRICKS & CEMENT
● FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY
CO., LTD.
4, LYONS RANGE, CALCUTTA 1.

Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.



COMETS for speed TOURIST for economy to COLOMBO SINGAPORE RANGOON BANGKOK HONG KONG TOKYO

See your local BOAC Appointed Travel Agent or BOAC at Bombay, Delhi, Calcutta and Madras

ALL OVER THE WORLD

B.O.A.C.

TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION

THIS IS A YOUNG FIRM

but with some of the oldest business houses for its clients!

Four years ago, acbi was founded upon two ideals; first, absolute sincerity with our clients; second, absolute objectivity in our approach to problems, including those of labour-management relations.

Surprisingly, if significantly enough, we found that this approach was welcome to managements. Indeed our forthrightness has made more friends for our firm than we thought it possible!

Well, we have grown—not spectacularly, perhaps—but, then, we are still growing! And we are proud of the fact that our roster of clients includes some of the best and oldest business houses in the country.

acbi is currently assisting reorganisation of industries in both the public and private sectors.

Let acbi assist you in finding answers to your problems. We specialise in problems relating to labour-management mediation; job evaluation; work study; office reorganisation; production control; waste control; stores control; incentive schemes; layout and material handling; and budgetary control.

call in acbi

Management Consultants
Keshpark - Poojapura
TRIVANDRUM - 6

Zonal Offices:
48/4 Poorvimag, Karalbagh
NEW DELHI - 5.

Management House,
Banawadi Road,
BANGALORE - 5

FEDERAL RESERVE BANK OF NEW YORK SOME IMPRESSIONS OF A BRIEF VISIT

By Dr. K. C. Chacko, New York

AFTER visiting one of the leading commercial banks in New York City, which was discussed in my last article, I undertook a similar study of the Federal Reserve Bank of New York. As soon as you enter the Liberty Street building of the Reserve Bank you notice a distinct difference from that of a commercial bank. In the main lobby, you see armed guards in uniform. In fact, you see the guards all over and outsiders cannot enter many departments without permission. Although they are dressed in uniform, they are friendly and polite. One soon realises that the presence of the guards is necessitated by the fact that the Bank keeps in its vaults over \$8,000,000,000 worth of gold bars, most of which belong to foreign central banks, and many billion dollars worth of securities, currency and coin.

The Reserve Bank, by the very nature of its functions, is different from a commercial bank; it is a bank for bankers and also for the Government, but not for the general public. Naturally, its objectives and operations are very different from those of a commercial bank.

Foreign Department

As a foreigner, my first interest was to know more about the Foreign Department, and I spent several days there. It is this department that maintains the gold, dollar and investment accounts of foreign central banks free of charge. The advantage of foreign central banks keeping gold with the Federal Reserve Bank is that when one foreign central bank wants to sell or transfer gold to another foreign central bank, all it has to do is to request the Federal Reserve Bank of New York to make the transfer in its vaults. This avoids the problems of shipping gold whenever a central bank wants to transfer it to another country. Similarly, when a foreign central bank wants to make payment to another central bank, the Federal Reserve Bank can easily do it by debiting the account of one bank and crediting that of the other. Although these foreign accounts are maintained with the Federal Reserve Bank of New York, the other eleven Reserve Banks in the United States also participate in such accounts.

The foreign central banks keep only a limited amount of dollar balance in cash with the Federal Reserve Bank, and the size of this varies according to the importance of the country and its foreign trade. Whenever the balance of a foreign bank exceeds a certain amount, it is invested in short-term U.S. Government securities or bankers' acceptance, thus enabling the foreign bank to earn some interest on its excess balance.

The Reserve Bank also acts as a banker to the World Bank, the Monetary Fund, and the International Finance Corporation. When new dollar bonds are sold by the World Bank, they are issued through the Federal Reserve Bank.

Centre of World Finance

The expanding activities in the Foreign Department are a reflection of the rapidly increasing importance of New York as the centre of international finance. The Federal Reserve Bank is not only a central bank to the domestic commercial banks, but is becoming more and more a banker to foreign central banks. At present, it has correspondent relationships with about 78 foreign central banks or Governments.

When commercial banks maintain accounts with the central bank of the country, the latter provides loan facilities to the commercial banks. The same is true when small country banks keep accounts with large city banks. The question is, therefore, raised as to why not the Federal Reserve Bank, acting as a banker to foreign central banks, provide similar overdraft and loan facilities, if needed. Only then can the Federal Reserve Bank be called a real "central bank" to central banks. Perhaps the answer to this is that it is the function of the International Monetary Fund to make such loans to

Dr. Chacko is the author of the *Monetary and Fiscal Policy of India*, published by Vora and Company, Bombay. Recently he spent several weeks at the Chase Manhattan Bank and the Federal Reserve Bank of New York. Here he offers some comments on the central banking in the United States as reflected in the Federal Reserve Bank of New York. A similar article on his visit to the Chase Manhattan Bank was published in the 18th July issue of this journal.

foreign central banks. Also, the foreign business of the Federal Reserve Bank is still only a small part of its total activity.

Banker to Commercial Banks

The Primary function of the Federal Reserve Bank is to act as a banker to domestic commercial banks. Unlike in India, there are twelve independently chartered Reserve Banks in the U.S., each having jurisdiction over a designated territory. Thus, the Federal Reserve Bank of New York, which is the most important of the twelve banks, acts as a banker to 531 commercial banks in the New York district. The Board of Governors of the Federal Reserve System in Washington, D.C., consisting of seven members appointed by the President of the United States for 14-year terms, is the supreme monetary authority of the country. The Board not only formulates policies, but also supervises and co-ordinates the activities of the twelve Reserve Banks.

Of the more than 13,000 commercial banks in the United States, about 6,300 are members of the Federal Reserve System, but deposits in such member-banks constitute about 85 per cent. of total deposits of all commercial banks.

In the United States, both the Federal Government and the State Governments can issue charters of incorporation to establish commercial banks. All national banks (with charters issued by the Federal Government) are required to be members of the Reserve System, while State banks may or may not become members. All member-banks have to keep with the Reserve Bank of their district a legal reserve, and thus, maintain a deposit account with it. However, non-member banks may also maintain a small clearing balance with the Reserve Bank for making use of Reserve Bank's cheque clearing facilities.

Clearing of cheques is one of the major functions of the Reserve Bank. Cheques drawn on any part of the U.S. may be cleared through the Reserve Bank free of charge. The cheque clearing department works 24 hours a day and handles about \$1,500,000,000 worth of cheques on an average day. The free cheque clearing system has stimulated greatly the cheque-using habits of the people. It is estimated that more than 90 per cent. of all transactions in the U.S. in dollar value are handled by cheques, and only less than 10 per cent. by cash. This large-scale use of cheques has reduced greatly the "external drain" on reserves, enabling the banks to make greater use of their resources.

Lender to Banks

As a central bank, the Federal Reserve Bank of New York makes loans and discounts to member-banks within its district. There are many kinds of commercial paper which commercial banks may rediscount with the Reserve Bank. The concept of eligibility for purpose of rediscounting has been so liberalised that now most of the commercial paper which banks usually carry in their portfolio is acceptable to the Reserve Bank. In spite of this, there is practically no rediscounting of commercial paper at the present time. The commercial banks prefer loans to rediscounting, for it is much more convenient to borrow from the Reserve Bank against Government securities as collateral rather than rediscount commercial paper. Most country banks keep a large share of their Government bonds and other securities in the Reserve Bank vault for safekeeping. Large city banks also keep some Government securities with the Reserve Bank. Therefore, if a member-bank wants to borrow from the Reserve Bank, it can use these securities held by the Reserve Bank for safekeeping as collateral, and arrange a loan within a few minutes. These loans are usually given for a period of 15 days, but may be renewed, if necessary, or repaid before the 15-day limit. The large city banks prefer not to borrow from the Reserve Bank, if they can possibly meet their requirements by borrowing federal funds in the money market. If, however, the market is tight, they do borrow from the Reserve Bank using Government securities as collateral.

Open Market Operations

The most fascinating section of the Reserve Bank is the one dealing with the open market operations—buying and selling of securities with

a view to influencing the reserves of the commercial banks and thereby the money supply. The supreme authority on open market policy is the Federal Open Market Committee, which meets in Washington once every three weeks. However, the daily open market operations are left to a small team of experts, headed by the Manager of the System Open Market Account at the Federal Reserve Bank of New York. It is in the "Trading Room" of the Bank, to which only a small number of the staff has access, that the decision to buy or sell securities is arrived at every day. The Trading Room has a 'U'-shaped desk which has direct wire connections with security dealers. From 9.00 in the morning till about 3 p.m., the telephones are always busy, trying to keep in touch with the latest development in the money market.

As soon as the Manager comes into the Trading Room in the morning, he and his staff study the latest money market statistical data and projections on factors affecting bank's reserves prepared by the Research Department. They analyse the Treasury balance, the reserve position of commercial banks, the quotation for federal funds, price trend of Government and corporate securities, etc., and discuss with representatives of security dealers in New York, and the Treasury and Board of Governors in Washington, the latest money market developments. Usually by noon, after talking with Washington on the phone, the Manager would have decided on the day's policy. At present, buying and selling is restricted to short-term securities, mainly treasury bills, and, to a very limited extent, to bankers' acceptance.

In this technical operation, the open market authorities study the available statistical data, which may be several days behind, and also projections prepared by the research staff. However well prepared these projections may be, the Manager and his team cannot take action based on projections alone, because there are several variable factors which cannot be anticipated with accuracy. Thus the "feel" of the market, based on years of past experience of the staff, their exposure to the very latest money market developments, and their keen observation of market developments as reflected in the Trading Room, play an important part in arriving at a decision. It is actually the combination of both—the projections as modified or confirmed by the "feel" of the market—which provides the basis for the operation of the open market team. This seems to support the familiar observation that central banking is an art rather than a science.

The major objective of the daily open market operations is to assure that the commercial banks have sufficient funds to meet the productive requirements of a growing economy in keeping with a sound monetary policy.

Bank Relations Department

The effectiveness of a central bank depends, to a great extent, on its relations with the commercial banks. Realising this, the Federal Reserve Bank of New York has set up a strong Bank Relations Department, the purpose of which is to promote harmonious relations with member-banks and to help them when necessary. The Reserve Bank periodically sends out representatives to inform member-banks on Reserve Bank policies and operations. These representatives, when they return to the Reserve Bank, report to the higher officers the current economic trend and financial problems of member-banks, thus establishing a two-way contact between the Reserve Bank and its members.

The member-banks can seek the help of the Technical Assistance Division of the Reserve Bank in finding out ways and means of improving the efficiency and operation of the banks. These services are usually rendered free of charge by the Reserve Bank and are in great demand, especially by the smaller banks who cannot afford to maintain the services of costly specialists.

Thus, the Reserve Bank, in the true sense of the term, is a banker's bank. It makes loans to member-banks when needed, and that without any charge, it clears cheques and transmits U.S.; collects bills on behalf of the member-banks; safekeeps securities for the member-banks and collects interest on them; renders technical assistance, particularly to the smaller banks; supplies the banks with currency and coins when needed. In general, the relation between the Reserve Bank and member-bank is friendly and cordial.

In addition to all this, the Federal Reserve Bank also performs the important function of being a banker to the Government.—All Rights Reserved.

SPAIN DEVALUES ITS CURRENCY BRAZIL DEFIES INTERNATIONAL MONETARY FUND

TWO developments of importance to the economy of Spain took place last week. First, the country fixed a new exchange rate for its currency, peseta, at 60 per U.S. dollar, as against the basic rate of 42 per \$ which had prevailed since April 1957 for all commercial and private transactions. This amounts to a devaluation of about 43 per cent. It may be noted here that Spain had not fixed any par value for its currency, though it has been a member of the I.M.F. for the last one year. The second development is its admission as a full member of the O.E.E.C., thus bringing the total membership of this organisation to eighteen.

In terms of sterling, the new exchange rate of Spain is 168 pesetas to the £. The new rate also works out to 12.60 pesetas to the rupee, as compared with 8.82 pesetas hitherto. This is the second time in the last twenty-seven months that Spain has had to devalue its currency; the previous occasion was in April 1957, when the basic exchange rate in terms of the U.S. dollar was changed to 42 pesetas to the \$ from 30.42 pesetas, a rate which had remained unchanged since 1952. The net rate of 60 pesetas per U.S. dollar has also been declared as the par value under the I.M.F. regulations. It also marks the unification of Spain's foreign exchange structure which hitherto embodied a multiplicity of rates. They were:

For principal exports ...	42 pesetas to the \$
" other exports ...	31 to 50 "
" principal imports ...	42.27 "
" other imports ...	52.27 to 126.27 "

The new par value has been approved by the I.M.F.

The latest devaluation of the Spanish currency has not come as a surprise; it was being expected for some time past. For the last two years, the economy of the country has been under a severe strain. It became evident towards the close of last year that at the then exchange rate of 42 pesetas to the U.S. dollar, the Spanish currency was highly overvalued and needed a drastic correction. This was the result of the inflationary pressure brought about by the ambitious capital development programme launched by the Government a few years ago when the country was brought within the scope of American aid. The country's exports were being priced out of the world markets and consequently the foreign exchange earnings began to dwindle. Thus, the index number of export prices (base 1953=100) rose from 96 in 1954 to 286 in 1958, while the index of import prices moved up from 98 to only 115 between these years. While the earnings from exports increased only slightly from \$482 million in 1953 to \$486 million in 1958, imports shot up from \$596 million to \$849 million. The growing adverse balance of payments position could not be corrected by the aid received from the U.S. There was, therefore, a rapid depletion of the foreign reserves. The data relating to the reserves for 1958 are not available, but the figures for 1957 show that the foreign reserves had dwindled from \$224.55 million at the end of 1955 to \$105.80 million.

The Spanish Government knew full well that the extreme step of devaluation was inevitable, but it had been postponing this drastic measure for sometime past. Presumably, it wanted to adopt it as part of the general reform of the economy, which it had to undertake if it were to receive substantial aid from the I.M.F. and other countries. In fact, when the country sought the help of the Fund and applied for membership of the O.E.E.C., a probe into its economy was made and among the measures suggested to retrieve the country's position was the adoption of a more realistic parity for the peseta. This step was made conditional for any aid from the Fund and the member-countries of the O.E.E.C.

Following this advice, the Government of Spain undertook a comprehensive economic stabilisation programme, which includes internal fiscal and credit measures, trade liberalisation, membership in the O.E.E.C., a reform of foreign exchange system and the establishment, in agreement with the I.M.F., of an initial par value of the Spanish peseta. It is in keeping with this undertaking that the aforesaid change in the foreign exchange value of the peseta has been effected.

The devaluation of the peseta, it is needless to add, would help stimulate Spain's trade with others by making its products cheaper abroad and by restraining excessive imports.

\$200 million. Of this amount, \$130 million will come from the U.S. Government and the balance from private banks. It is expected that some more aid will be given by the U.S.

The liberalisation of trade will involve a relaxation of Spanish restrictions, with a reduction in the degree of discrimination in trade and payments. Quantitative restrictions will be removed from the import of most raw materials and foodstuffs, and certain semi-processed goods, capital equipment and spare parts. Bilateral payments arrangements with the member-countries of the O.E.E.C. will be discontinued and Spain will participate in the European Monetary Agreement. To promote the country's economic development, the Spanish Government is preparing legislation that will relax current restrictions on participation of private foreign capital, including provisions for the remittance of profits and repatriation of the capital invested. A basic travel allowance for Spanish tourists will be introduced.

The domestic part of the Spanish Government's programme is intended to eliminate inflationary pressures and to give greater flexibility to the economy. This will entail, among other things, measures to increase tax revenue, to curtail Government expenditures, and to restrain the expansion of bank credit; effective use will be made of interest rate changes as an instrument of credit policy. In

(Continued on page 200)

4 PER CENT. STATE GOVERNMENTS LOANS 1971

Name of State	Amount	Issue Price per cent.
(1) Andhra Pradesh	Rs. 600 lakhs	Rs. 99.50
(2) Assam	Rs. 250 lakhs	Rs. 99.00
(3) Bihar	Rs. 300 lakhs	Rs. 99.50
(4) Bombay	Rs. 600 lakhs	Rs. 100.00
(5) Madhya Pradesh	Rs. 300 lakhs	Rs. 99.00
(6) Madras	Rs. 800 lakhs	Rs. 99.50
(7) Mysore	Rs. 500 lakhs	Rs. 99.50
(8) Orissa	Rs. 350 lakhs	Rs. 99.00
(9) Punjab	Rs. 200 lakhs	Rs. 99.00
(10) Rajasthan	Rs. 350 lakhs	Rs. 99.50
(11) Uttar Pradesh	Rs. 800 lakhs	Rs. 99.50
(12) West Bengal	Rs. 700 lakhs	Rs. 99.50

All the State Governments reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

All the above loans will be repaid at par on 19th August 1971.

The loans will open for subscription on 19th August 1959 and close on 25th August 1959 or earlier without notice as soon as subscriptions approximate to the amount of each issue.

All the loans will bear interest from 19th August 1959.

Subscriptions may be in the form of CASH/CHEQUE in respect of all the loans.

3 per cent. Madras Government Loan 1959 will be accepted AT PAR for conversion into the new loan of that Government; interest at the rate of 4 per cent from 21st June 1959 upto and including 18th August 1959 will be paid on the securities of the 3 per cent Madras Government Loan 1958 tendered for conversion.

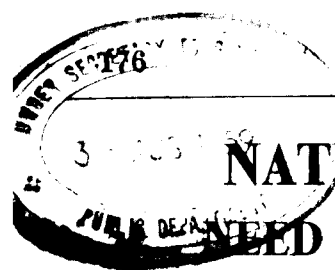
Applications for all the loans will be received at the Offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras and New Delhi.

Applications will also be received at places within the respective States as follows :—

- At the office of the Reserve Bank of India at Nagpur in the case of the Bombay loan.
- At the branches of the State Bank of India and at Treasuries and Sub-treasuries in the case of Andhra Pradesh, Bihar, Bombay, Madhya Pradesh, Madras, Orissa, Punjab, Rajasthan and Uttar Pradesh loans.
- At the branches of the State Bank of India in the case of Assam and West Bengal loans.
- At the branches and Treasury Pay Offices of the State Bank of Hyderabad in the case of Andhra Pradesh and Bombay loans.
- At the branches of the Bank of Mysore Ltd. (except at Bangalore), the State Bank of India, the State Bank of Hyderabad and at Government Taluk treasuries in the case of Mysore loan.

Copies of Notifications and Application Forms may be obtained at any Receiving Office.

Applicants tendering their applications at the offices of the Reserve Bank of India, Bangalore, Bombay, Calcutta, New Delhi and Madras will, in the event of oversubscription, be given the option of transferring their cash refunds to any of the other State Government loans which may not be fully subscribed provided they complete the SPECIAL OPTION FORM copies of which are obtainable on application from any of the abovementioned offices of the Reserve Bank of India.



NATURE OF MODERN INFLATION FOR ENCOURAGING CONSERVATIVE POLICIES BY CENTRAL BANKS

[In the context of the ever-mounting inflationary pressure in many countries, the following illuminating article on the long-range threat of inflation by Dr. Alfred Schaefer, Chief General Manager, Union Bank of Switzerland, will be read with interest. The author, who sounds a warning against the dangers of modern inflation, argues that sound money, full employment and ever-increasing wages cannot go together. He emphasises the need for conservative and courageous policies by central banks, free of all political pressures—Ed.]

THE inflationary consequences of the French Revolution and of the First World War were destructive but short, and could be cured by appropriate drastic measures. The creeping inflation of our days is more dangerous, because the economic power of the State and the volume of circulating money have increased enormously. Modern inflation is not only an ethical and social problem—it seems to be embedded in the free economy, like a managerial disease. Like a sick organ in the human body, there is in the economy an organ which shows this cancer: the weakening money. No solution can be based only on technical measures. The reconciliation of stable money and full employment is an unsolved problem, and full employment with perpetually rising wages is certainly the most risky experiment of our so-called free economy.

Possible Remedies

The public is unorganised, inadequately informed, generally apathetic, confused by the disputes of economists and advisers (Prof. Slichter). It could elect to public office men recognising the value of stable money, ready to fight for it—but this is a pious hope. Everybody agrees on the social, individual and international perils of too rapid an inflation. But too many believe that inflation is here to stay as part of modern life, that a 2 per cent. annual loss in the purchasing power of money is not so bad, forgetting that this means 50 per cent. in one generation and that sooner or later business will have to pay a correspondingly higher rate of interest. It is true that until now long-term bond financing has gone on, that through custom and inertia "wolf" has been cried so often that when the real "wolf" appears few take any notice. This dangerous acceptance of slow inflation helps to create or intensifies the very consequences it fears. Sooner or later the little man will realise these consequences, and then we could have accelerated currency troubles. The signs are increasing—even in the U.S.A.—and we are all under warning: Soaring prices for shares, stock options as the only incentive to management, buying "growth" instead of "yield", interest for South African gold mine stocks, high interest rates for bonds, preference for index-based bonds, flight into seemingly more stable money. Investors, pension funds, trust funds are all investing 30 per cent. and more of their capital in stocks and other property—often regardless of the price. Soon there could be too little real saving or more negative saving through instalment credits and higher taxation.

No buying strike of the unorganised public against high prices for consumer goods seems possible, not even against the probably politically necessary, but economically scandalous world-wide agricultural price supports through subsidies and stockpiling.

Slow Inflation

There is too much lip service paid to the goal of monetary stability. Management partly accepts slow inflation and adjusts its plans accordingly. A slow increase in prices, i.e., a fall-off in the value of money, seems the best attainable result in the long run for many producers. Increased costs are corrected by increasing prices or avoided by labour-saving machinery, but too quickly increasing capital expenditures create more inflation.

Like the public, management is not much frightened any more about a slump—the welfare Governments will help. During the last recession nobody dared to let the slump ride itself out, to accept a really corrective shake-out of the weaklings or a strike of the labour unions—everybody asked for subsidies, relief, Government orders, cheap money, tax reductions, credit injections. We are therefore already half-way between a pure market economy and a centrally planned economy, in an economy which depends on the decisions of the State, of large-scale firms, groups and other economic units.

We are all sinners against the very roots of our capitalistic society. We psychologically expect and accept the annual round of wage increases as our fate, we would consider ourselves as Shylocks if we did not grant a little increase

in salary or in fringe benefits to everybody every new year. Kindness is a human quality, softness is an economic mistake.

Wages are the most important, the crucial problem of the capitalistic world of free enterprise. Wages are linked to retail prices, industrial prices to wages, farm prices to industrial prices, retail prices to farm prices—a rigid circular viciousness of prices and earnings making true the saying of Fréd. Bastiat a hundred years ago: "La grande fiction à travers laquelle tout le monde s'efforce de vivre aux dépens de tout le monde." ("The great fiction through which everybody tries to live at the expense of everybody else.") The responsibility for inflation is passed from one interested group to another, from employers to labour, and vice versa.

The compensation of workers in money has increased in the last ten years at least twice as much as productivity. Wages resisted even recessions. It should be borne in mind that, generally speaking, wage increases cannot reasonably be based on increases in the productivity of particular industries. Rather, they must be limited, at the most, to the average rise in productivity of the economy as a whole. In estimating the latter, it is well to remember that both agriculture and the service industries, particularly the latter, in the last ten years have had average productivity growth rates of some 4-1 per cent. only.

Wages and Productivity

Even in an especially progressive industry, wages paid should not be geared to changes in productivity of that industry. Such practices would almost force other industries, whose productivity has risen less, to grant similar wage boosts lest they lose workers lured away by the higher incomes earned in the rapidly advancing industry. Escalator clauses in contracts—introduced on a large scale by the biggest industrial company in the world—set the pace for seemingly sacrosanct increases following every possible increase in the index of living costs, regardless of productivity. Nobody therefore is much interested in fighting inflation, because he will soon catch up with higher prices. High and prolonged unemployment compensation relieves the pressure on the individual to find another job or on the unions to reduce their excessive demands. The labour unions are in danger of pricing their members out of the market, especially in the U.S.A. (hourly wage rate of steel workers \$3, vs. \$1-1.25 in Switzerland, 80-90 cents in Germany). Results: rationalisation speeded up too quickly; more people out of work; more productivity and boom begets recession.

Too much political power is in the hands of union leaders, but partly because management did not dare to resist the excessive wage demands which set in motion the whole inflation-

ary spiral—from fear of losing out to the competition of other firms—nobody dared to face a real showdown, to accept a prolonged strike.

State and the Central Banks

In the long run no help from outside can re-establish a sound monetary balance. Higher taxes mean compulsory saving and are no remedy, because they will be spent by Governments and finally passed on to the consumer in the form of higher prices—but the consumer will not accept a lower standard of living. Since the war, Government expenses have everywhere increased through programmes for housing, social security, highways, armament, atomic science, etc. Pressure groups push the expansion of their own plans. Everywhere there is a super-state with a super-budget, super-taxation, super-welfare—we cannot increase it without approaching dangerously near the Russian system.

Tax reforms are needed. The fiscal elephantiasis has partly destroyed the efficiency of the interest rate as an essential weapon for securing an equilibrium between money and goods. The interest rate as a factor in cost is less important than the tax burden. It is an absurdity that the tax angle is very often more important than any other consideration. The consequence is a progressive enfeeblement of the efficiency of central bank discount policy. Every increase of the rate hurts Government because it has too great an amount of Treasury Bills in the market which cannot be consolidated easily—one more important possible factor for inflation.

The policies of the central banks are necessarily, but perhaps too much, influenced by political pressure groups. A serious restriction of money and credit and an increase of rates are immediately criticised—one has only to remember the accusations during the last few years, when the tightening of the money supply was in reality a very appropriate but feeble measure against an exaggerated credit expansion. And in order to make the policy effective, money must be made not only dear, but also short.

Conclusions

It is bad form to use the word "deflation." Economists call it "disinflation." Since the thirties, the fear of unemployment haunts everybody. But full employment gave the labour unions their exaggerated bargaining power, brought the wage inflation as a new and real seat of danger. The war-time dams against inflation broke and only courageous measures of the State, the central banks, and self-discipline of economic groups and labour unions could help. The direct cause of inflation, the continuous increase in the supply of money and the credit, the swelling of the stream of money and a rate faster than that of the stream of goods and services must be stopped. Individual savings and insurance, which produce the bulk of much needed investment capital, must be based on the confidence that the value of money will remain more constant than it has been in the last 15 years. Otherwise inflation will strike at the roots of the economy of the free world, and our grandchildren perhaps could go hat in hand to Moscow.

What is the best immediately necessary measure? Switzerland has not relied on the printing press, has no great surplus in the balance of payments, no budget deficit, no big raise the question why of all nations Switzerland, whose large foreign trade strongly exposes her economy to price developments abroad, in her cost-of-living index got away with a relatively modest rise to 106 (1953=100), while in Germany, 121 in England, and 128 in France. It is practically beyond doubt that this favourable development must primarily be ascribed to moderation on the part of labour unions, many of whose leaders—and sometimes even rank-and-file members—often possess a remarkable understanding for the needs of the economy as a whole. What small inflation Switzerland has had, has been the consequence of higher-priced import goods and of a world-wide softening of the will to resist, of a tendency to work less and earn more.

We must make up our mind: Sound money and full employment and ever-increasing wages cannot go together. We can count on and policy of the central banks, free of all political pressures. We must accept eventually a period of higher interest rates—dictated by the market—and we must insist on a balanced Government budget. But most of all should we frankly and

(Continued on page 200)

COTTON INDUSTRY PLAN ACTIVELY DEBATED BY MANagements

COMPENSATION TO SMALL UNITS TO BE GENEROUS

From A Special Correspondent

MANCHESTER, 21st July

DEVELOPMENTS in the Lancashire cotton industry have followed each other thick and fast within the past year; so much so that readers have never been short of talking points. None of the topics, however, has caught the imagination to the same extent as the current discussions on the reorganisation plans which are now being actively debated by mill managements in every centre where cotton and the synthetic fibres are spun or woven. In the week

MANCHESTER LETTER

since the terms of the schemes applying to the spinning, doubling and weaving sections were announced, all concerned have had time to digest the implications of the highly complicated documents which have been in their possession. Accountants and others with a technical knowledge of taxation procedure and the legal aspect have been busily at work indicating to individual millowners their position in the event of a decision to close completely or partially their plant.

Some aspects of the schemes, as now presented, have only become apparent on a closer perusal of the terms and conditions. For instance, it has been established that the combines, and any other firm which controls more than one producing unit, cannot obtain the premium rate of compensation for scrapped machinery, unless they take the somewhat unlikely step of withdrawing completely from the industry. There is no means of shutting down a subsidiary and describing it as a firm in order to secure these more favourable terms. Every incentive is certainly being given to the small unit to wind-up by offering generous compensation. A major factor is that such a payment will not only be at the premium rate, but will be free of tax, whereas those firms which retain a stake in the industry will not only have to pay a levy on their remaining plant, but will be subject to tax on the compensation they obtain according to the written-down value of the machinery which is to be scrapped or dismantled.

Stopped Plant Payment

Surprise have been expressed in some quarters at the facilities offered to firms which have had machinery standing idle for a length of time to obtain compensation for plant which must be largely obsolete. The eligibility to compensation under this clause rests on whether the machines could be brought back into production "without undue difficulty and expense." Otherwise, it has been pointed out, machinery now in use could be scrapped at the standard rate of compensation and idle plant could be re-employed.

Opinions must obviously differ widely as to whether the schemes are generous in their

various rates of compensation. At first sight, many traders contend that the terms provided for the weaving section are more favourable than in the other branches, but the complication arising from the disposal of preparatory machinery in spinning makes it difficult to assess the situation without reference to a particular case. In any event, the sponsors of the proposals probably realised that the elimination of a substantial number of small weaving units could only be accomplished by offering a real inducement to encourage their owners to close down completely.

The draft orders having been laid before Parliament, the schemes do not actually come into operation until later this week. Applications will then be received and considered by the special committee of the Cotton Board, established to carry out the detailed organisation of the plan. At this crucial early stage in the schemes, the large combines have a very important part to play. It has already been explained that the groups cannot secure the premium rate of compensation, but, unless they set a smart example by notifying the authorities of substantial quantities of plant they intend to register as redundant, the smaller firms may not be eager to join in. Despite some rather dismal forecasts, the minimum targets for disposal should be secured, but the sooner the Cotton Board can make an announcement to this effect the sooner a stimulus will be added to encourage "the small man" to take part in the scheme.

The dilemma of an individual firm can be imagined. If a decision is made to close down, however closely guarded is the secret, some news invariably leaks out locally. The work-people inevitably drift away and customers are deterred from putting down fresh business. If, by the end of September, the particular sectional scheme has not gone through, the firm has no recompense and would be in serious plight. Such thoughts must be going through the heads of many concerned who are accustomed to trade on fairly small resources. All this uncertainty can be removed if sufficient machinery is put down for dismantling as soon as possible. Once the schemes are declared unconditional, the response from the waverers can be expected to increase enormously.

Who Shall Decide?

How far these important decisions should rest on the management or on the shareholders is a point being widely discussed at the moment. There are numerous cases where those at the top are in a highly invidious position. The unit where the chairman, managing director, salesman and secretary are all actively engaged in the day-to-day operation of the mill and have a proprietary interest in keeping the firm in being is liable to create an anomaly, if, from the general trade viewpoint, it would be better if

the machinery was scrapped and the assets distributed to the shareholders. In such cases, there is ample justification for the calling of a meeting of members for open discussion on which course it would be best for the company to adopt.

Two central funds will be administered by the Cotton Board for the separate payment of compensation to the firms which register redundant plant and the operatives who are displaced as a result of the schemes. To finance the projects, the Government is, of course, providing two-thirds of the cost of the elimination of surplus capacity, but the remainder will be supplied by the firms still in the trade, on the basis of the spindles and looms in place at the date of the imposition of the levies. It is, as yet, impossible to assess the extent of this payment and the period during which it will be raised. Both will be settled when the response to the schemes can be accurately gauged.

In spite of the uncertainty surrounding this point, it is being suggested in some quarters that the addition to overhead costs will mean an increase of up to 1d. per lb. on medium yarns. Recognising this probable rise in selling rates, certain influential consumers have lately purchased bigger supplies than might have been anticipated. The spurt of business which took place some weeks ago cannot be directly attributed to such foresight, but anticipatory orders had a bearing on the offtake. Eventually, if all goes well, the elimination of obsolete and redundant plant should enable producers to operate more efficiently and thereby prune their costs, but for the time being a firmer trend in prices, disregarding movements in raw cotton values, must be expected.

In Japan Too

To the man in Lancashire at the moment, there is only one reorganisation scheme, coupling the problem of redundancy with the subsequent phase of re-equipment which should follow the concentration of output within the industry. Abroad, however, rival producers are facing similar situations and are adopting not dissimilar measures for coping with their own over-capacity. Lancashire's plan is on a voluntary basis, dependent for its success on the response from millowners in each section. In Japan, the Minister of International Trade and Industry has instructed spinners to take action under the Textile Industry Equipment Law, with a view to removing about 1,280,000 idle spindles off the production line. Reference to this project was made at the annual meeting of the All Japan Cotton Spinners' Association by the retiring President, Mr. Kojiro Abe, well known in the international textile sphere. "Existence of redundant capacity has always been a daunting threat to the stability of the industry," he told the meeting. "The existing capacity of 9,020,000 spindles, combined with the recent improvement in production per spindle, is obviously excessive as compared with reasonably foreseeable demand for cotton goods for several years to come."

The Japanese programme aims at storing unwanted machinery for the first time in the history of this expanding industry. The major difference between this scheme and Lancashire's plan is that, in Japan, a programme of "moth balling" cotton spindles is to be adopted, while

(Continued on page 194)

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINBURE

BRANCH OFFICES:

ANDHRA PRADESH
60 D. Rameswari Road
SECUNDERABAD (D.L.)

BOMBAY STATE
Hopkings Bank Building
Veer Nariman Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

Sir Chinnabai Building
Redvi Bazar, Cross Lane
AHMEDABAD
Dhargavey Chambers
Gesta Ground
Sibabuldi, NAGPUR
Dixons Para Road
BHAYNAGAR
Gandhi Road
BARODA

DELHI STATE
60, Jaipur
NEW DELHI

MADRAS STATE
Finance House
Puttalis Road
MADRAS-2

MADHYA PRADESH
41, Tokogum Main Road
INDORE

MYSORE STATE
Konnur Building
Ramdeo Gali
BEOGAUM

PUNJAB STATE (India)
Madan Mohan Malviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moona Lai & Sons Bldg.
Mahatma Gandhi Road
KANPUR

JWALANAGAR P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAIXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

CHINESE COMPETITION IN MALAYAN TEXTILE MARKET

INDIA, THE WORST SUFFERER

THE Chinese trade offensive in South-East Asian countries has been so pronounced in recent years that it has seriously affected the prospects for Indian cotton textile exports to this region. The two countries where such a disquieting situation is in marked evidence are Malaya and Indonesia, which were for a long time among the principal markets for India's cotton goods. The two markets are complementary, in that Singapore still acts as an entrepot port for much of the Indonesian Republic. The quantity of cotton fabrics actually exported by India to Pan-Malaya during the calendar year 1958 was no more than 24.5 million yards, as against 45.2 million yards in 1956, while that shipped by China was substantially higher at 36.8 million yards, as against 15.9 million yards. Similarly, exports to Indonesia in 1958 were worth just 24 million rupiahs (Indonesian currency), as compared with 178.4 million rupiahs in 1955, whereas Chinese exports were of the order of 94 million rupiahs (221 million rupiahs in 1957), as against Rs. 70.6 million rupiahs in 1955. An attempt is made here to examine in some detail the inroads made by Chinese textiles in Pan-Malaya. The review of the Indonesian market will be made in our next issue.

Over the past three years, China has nearly trebled its share of the Pan-Malayan cotton fabrics market at the expense mainly of India but also to a lesser extent of Japan and "others," as the following table shows:

(In million square yards)				
	1958	1957	1956	
India	24.5 (19)	40.8 (24)	45.2 (27)	
China	36.8 (25)	22.5 (13)	15.9 (9)	
Japan	71.9 (47)	82.4 (49)	86.9 (51)	
Others	17.9 (12)	23.2 (14)	25.4 (15)	
Total	150.2 (100)	169.2 (100)	178.1 (100)	

Figures in brackets relate to percentage share in the total.

The Chinese entry in the fabrics market has been emphatically on the lower-quality, lower-priced side. The table below gives the percentage of the Malayan market (in terms of value) held by the principal suppliers:

	1958	1958
	Per cent.	Per cent.
India	12	82
China	25	17
Japan	40	27
U.K.	7	2
Hong Kong ..	4	2
U.S.	2	2
Others	5	16
Total	100	100

Since 1953, China has increased its earnings in Malaya by nearly M\$20 million (about U.S. \$7 million), though the total value of the market itself fell by more than that amount. In contrast with this gain, India has lost \$26 million in the same period.

Varieties Exported

An idea of the different varieties of cotton fabrics exported from India and China to Malaya during the year 1958 as compared with 1957 can be had from the table given below:

Items	Quantity ('000 sq. yards)		Value (M\$ '000)	
	1958	1957	1958	1957
Woven, dyed—				
India	5,255	8,040	8,880	6,443
China	14,041	9,880	9,077	6,541
Dyed, dyed—				
India	390	382	468	483
China	..	..	..	..
Woven, printed—				
India	661	8,099	365	1,412
China	11,553	1,671	5,989	1,080
Woven, unbleached—				
India	735	8,112	826	1,447
China	1,890	61	712	88
Dyed, grey—				
India	911	489	814	474
China	14	28	26	61
Woven, unbleached—				
India	5,918	9,947	1,994	8,870
China	2,508	1,731	1,288	811
Dyed, white—				
India	58	218	67	217
China	..	..	..	..
Woven, bleached—				
India	10,448	10,048	4,180	8,090
China	6,908	2,732	3,431	1,266

Cotton fabrics are thus the most successful field for China's textile offensive in Malaya. During the period 1953-58, its financial share of the total textile market rose from a mere 2 per cent. to 9 per cent., while its share of the important cotton fabrics market went up from less than one per cent. to as much as 21 per cent. Out

of every four square yards of fabrics purchased by Malaya in 1958, one square yard was Chinese; in 1956, one square yard in ten square yards was Chinese. It is in this field that India has lost the most ground, its percentage share of earnings from fabrics exported to Malaya declining from 32 to 12, as against the percentage fall in earnings from all textiles from 23 to 16.

Here is a full description of the position of the principal types of woven fabrics in the Malayan textile market and the advance made by China in this branch of cotton textile business:

(1) **Dyed woven fabrics:** China for the first time topped the list of suppliers to Malaya last year, with 34 per cent. of the physical market and 27 per cent. of the earnings. During the three years, its exports rose steadily from 9.3 million square yards to 14.0 million square yards (from \$6.5 million to \$9.1 million). Japan—now relegated to the second place—and Hong Kong were the only other major suppliers to increase their share of the market over this period. India dropped 10.7 per cent. of its share of the physical market, 9 per cent. of its share of the earnings, although it remained in its place as the third supplier. Czechoslovakia, the U.S. and the U.K. each lost substantially, although they were never more than minor players.

The significant thing is that, in the two years 1957 and 1958, only two suppliers consistently and substantially reduced their prices—Hong Kong and China, each by about 8 to 10 per cent. In the result, with a small increase in the Indian price and a larger one in the Japanese price, the average Chinese cloth in this category was last year selling at 89 per cent. of the Indian, 71 per cent. of the Japanese and only 41 per cent. of the U.K. product. This, of course, does not mean that these prices correspond to identical qualities. They almost certainly do not. They merely show the extent to which China (and Hong Kong) have displaced other countries in supplying the low-quality end of the market.

(2) **Printed woven fabrics:** China has not succeeded, interestingly enough, in toppling Japan from its place as the leading supplier of printed woven fabrics, although these are cheaper than its share of the market. In the past three years, from 3 per cent. (volume and value) to 22 per cent. (volume) and 18 per cent. (value). During a period when the total Pan-Malayan imports dropped by over 15 million square yards, China sold a further 10 million yards and replaced India as the second supplier. The Indian share by volume dropped from 5 per cent. to 1 per cent. and the Japanese from 82 per cent. to 67 per cent. The price comparison table shows, curiously, that the Russian product (fourth most popular last year after Japan, China and the U.K.) is the cheapest by a long way. In 1958, the Chinese price was only one cent a yard below Hong Kong and 2 cents below India. But the pattern of the Chinese price over the last three years is significant. In 1956, it was the highest of the "cheap" suppliers outside Europe and North America, and only just below the average price for all suppliers.

(3) **Bleached woven fabrics:** Cheaper yet is the bleached woven fabrics, where China's progress has not been so spectacular, though this is a market worth some \$20 million to \$25 million annually. In the past three years, Peking has increased its share only from 6 per cent. to 7 per cent. by volume. Ironically, China's modest promotion from the third to fourth place in the suppliers' list was at the expense of Czechoslovakia. India, with 26 per cent. of the physical market (against 39 per cent. in 1956), has the cheapest average price, identical with the Russian (which has 2 per cent. of the market, making the U.S.S.R. fifth supplier). The Chinese average price last year was 17 per cent. higher than the Indo-Russian level but 2 per cent. below Hong Kong, 16 per cent. below Czechoslovakia. Throughout the three years, it remained around 13 per cent. lower than the average for all suppliers.

To sum up, of the rise of 21 million square yards (\$10 million) in the exports of Chinese woven fabrics to Malaya between 1956 and 1958, printed cloth accounted for 10 million square yards (\$5 million), dyed fabrics for 5 million square yards (\$3 million) and bleached varieties for 4 million square yards (\$2 million). The share of coloured and unbleached piecegoods was 1 million square yards each. In other words, the greatest advance of China was in a field (printed woven fabrics) which is relatively unimportant for India and its second major success, namely, in dyed fabrics, was in a sector in which India's earnings dropped slightly less than throughout the whole cotton fabrics field (from 45 per cent. to 40 per cent.). Commenting on this trend, a report says:

"Nevertheless, in spite of these indications that, some of the time at least, Peking is beating India to the post in newly expanding markets rather than simply replacing India in a static market, it cannot be gainsaid that, under normal free trade—and assuming continuance of Peking's export volumes and prices—India must resign herself to taking third place below Japan and China in cotton fabrics. But Japan and other former suppliers will be almost as resentful as India of the Chinese expansion in this market (Malaya)."

With regard to cotton clothing (underwear, nightwear and outer wear), exports from India to Malaya receded from 35 million dozen units in 1953 to 26 million dozen units in 1958, while those from China went up from 6 million dozen units to 124 million dozen units. The bulk of Malaya's clothing imports comes from Hong Kong, amounting to as much as 1,465 million dozen units, representing 85 per cent. of the total. In terms of value, the aggregate value of imports during 1958 was \$53 million, of which Hongkong alone accounted for 40 per cent., the percentage share of India, Japan, and China being 20, 15 and 7, respectively.

Cotton Clothing

Although China has made a relatively small inroad into Malaya's market for cotton clothing, it has risen to the position of second biggest supplier, overtaking Japan, India and others. Its advance which brought it an additional \$1 million over the five-year period 1953-58, was almost entirely in underwear and nightwear; the average price of these in 1958 was the cheapest of the competitors, 17 per cent. lower as compared with the next cheapest source, Japan. China reduced the prices of unknitted underwear and nightwear considerably last year, but the average of the reduced price was twice the Japanese price. In outerwear, China made little advance, though it established itself as the second largest supplier of knitted garments in 1958, with 180,000 units.

Cotton handkerchiefs are an important area of Chinese success; the number actually exported moved up from a bare 108,000 in 1956 to 823 million (worth \$3 million) in 1958, increasing its share of the market from 1 per cent. to 46 per cent., beating Japan which was the leading supplier.

China has also been offering stiff competition in the Malayan "other" textiles market. It was, for instance, the largest supplier of impregnated fabrics and felts (excluding linoleum) as well as household linen, its percentage share of the total being 36 and 62, as against 10 and 43, respectively, in 1956. China has made great strides with tulle fabrics, cornering 22 per cent. of the total yardage in 1958, as against just one per cent. in 1956. It may be noted here that India does not export any tulle fabrics to Malaya. In the case of yarn and thread, the percentage share of China in the total imports into Malaya advanced from 3 in 1953 to 13 in 1958, whereas that of India fell from 13 to 5, the value of exports declining by \$1.1 million. Taking cotton yarn and thread alone, China doubled its share of the Malayan physical market from 7 per cent. in 1956 to 15 per cent. in 1958 at the expense more or less equally of India, Pakistan and the U.K.

In the field of silk and fabrics, China replaced Japan as the leading supplier to Malaya in 1957, its percentage share in the total being 42, as against 31 in 1956. Japan's share dropped from 38 per cent. to 24 per cent. Exports of Chinese synthetic fabrics to Malaya in 1958 were negligible being 1.8 million yards, as against 174.6 million yards from Japan, 15.87 million yards from India, 8.10 million yards from the U.S. and 4.35 million yards from W. Germany.

THIRD PLAN TARGETS FOR WOOLLEN INDUSTRY

At its meeting held on 7th July, the Development Council for the Woollen Industry agreed that the third Plan target for wool cloth should be set at 30 million yards a year. Present production is over 19 million yards and it was considered possible that the second Plan target of 20 million increased exports of wool cloth were still to run, as well as a greater consumption within the country carpets—was expected to reach 45 million lbs. as lion. The meeting thought that it would not be necessary to install more looms or spindles to now running on wool would have to be worked for cloth. At present, there are 192,000 spindles of Indian woollen and worsted mills. By running target, it was felt, would be reached.

3,000 ADDITIONAL AUTOMATIC LOOMS

The Government of India has decided to permit the installation of 3,000 additional automatic as an export promotion measure. Broadly, the conditions for allotment of such automatic looms will be as under:

(1) The entire production of the automatic looms will be exported. (2) 50 per cent. of the exports in any of the three calendar years, 1954, 1955 and 1956, should be maintained in addition. (3) These two conditions will be enforced by a simple bond.

The mills which wish to install such additional automatic looms, are requested to apply immediately in the prescribed form to the Textile Commissioner on or before 31st August 1958.

PROGRESS OF CONTROL ON SUGAR

U.P. GOVERNMENT INTRODUCES RATIONING

IT looks as though sugar will soon become a commodity subject to full-fledged control, from the producer to the consumer, all over the country. Indeed, it is already so in some parts of India. Close on the heels of the assumption of powers by the Union Food Ministry to allocate the entire sugar production of mills directly to dealers and the introduction of the system of licensing genuine dealers in sugar by the State Governments, the Central Government has announced (vide notification dated 16th July 1959, referred to in our sugar market report last week) that control is now being exercised on the prices that can be charged by dealers to whom direct allocations of sugar are made by the Central Government. According to the notification, every dealer who is allotted sugar by the Government is required to sell at a price not exceeding the aggregate sum of (1) the fixed ex-factory price, (2) the transport charges incurred by him, (3) any octroi or other tax paid or payable by him, and (4) a sum not exceeding Re. 1 per maund for his profit and any incidental charges; the actual price is, of course, to be fixed by the District Magistrates. The margin of Re. 1 per maund allowed to wholesalers works out to about 2½ per cent. This is quite liberal, as compared with only Re. 1 per bag (or about 1 per cent.) allowed by the Government of Bombay to wholesalers in this State. Since wholesale merchants voluntarily agreed to this figure, they must be quite content with it.

Just a week after the above notification was issued—on Friday the 24th inst.—the Government of Uttar Pradesh, which accounts for nearly 50 per cent. of sugar produced in India, assumed "full control" over the distribution of sugar throughout the State, as against the previous arrangement of sales not only through fair-price shops at controlled prices but also through the "free" market without any check on the retail prices. As a result of this decision, card-holders in all the major towns of the State where partial rationing was in force are now assured of a supply of 1½ seer per unit each month at the fixed rate of 97 nP per seer.

Uttar Pradesh and Punjab

The State's entire monthly quota of 25,000 tons is being turned over by the Centre to the State Government for distribution through its chosen wholesalers and retailers; nothing is left for the "free" market. Out of this quantity, 8,495 tons are to be distributed in 31 towns which have a population of more than 50,000. While the wholesale distribution will be done through the Provincial Co-operative Federation, the main retailers will function as the fair price shops. The small towns, rural areas, bakers, confectioners, hotels, hostels, and restaurants will be given a monthly sugar quota of 2,500 tons (representing 10 per cent. of the Central quota allotted); the District Magistrates will decide who should be the retailers in these areas. The quota for the small towns will also be released to licensed wholesale dealers by the Centre on the recommendations of the District Magistrates. The Government's decision was announced by Mr. Jagmohan Singh Negi, the U.P. Minister for Food and Civil Supplies. The justification given in support of the decision is this: The price of sugar in the State rose sharply, apparently without any reason, in May last from the officially fixed price of Rs. 36 a maund to Rs. 50. Efforts to reduce this price have yielded so far almost negligible results. At the State capital, sugar sells at Re. 1.19 a seer.

U.P., a surplus State, has thus fallen in line with the Punjab, a deficit State, where the State Government had taken over the distribution of sugar and introduced rationing a few days earlier. It is significant that, even though U.P. produces 50 per cent. of the all-India production, in the matter of distribution, it is treated like all other States. This is undoubtedly one of the benefits of industries, unlike agriculture, being under Central control. In the case of foodgrains, each State tries to secure its full requirements first and only the surplus is made available for distribution elsewhere. It is common knowledge that, in the past, U.P. used to charge high rates for the surplus foodgrains sold to Madras, thereby creating some ill-feeling between the two. This state of affairs prevails even today in regard to certain other States and its absence is a refreshing feature in sugar.

The Punjab Government, it will be recalled, has fixed not only the retail price of sugar sold through fair-price shops at Re. 1 per seer but

buy at one seer per head (infant, child or adult) per month. The distribution of sugar in urban areas is on the basis of grain distribution cards and, in villages, it is sold through co-operative societies in association with village *panchayats*. The Centre has agreed not to supply sugar to any dealer.

Bombay

The Bombay Government also has imposed practically full control on sugar, with the exception of stipulating the maximum quantity that can be purchased by an individual at any given period of time. Thus, the ex-mill price has been fixed at Rs. 111 per bag in Greater Bombay (a slightly higher price is allowed for other areas) and retail price at 51 nP per lb. for the City (and 52 nP per lb. for other areas). Movement of sugar outside the State is banned, while that outside the City of Greater Bombay is regulated.

The industry and the wholesale trade in Bombay are working in close collaboration with the State Government. The movement of sugar has so far been smooth. The initial scare of shortage which was prevalent early this month has disappeared, thanks to the commendable efforts of the trade and the mills. Despite the slender margin of profit allowed to them, the principal wholesale dealers gave wide publicity, through advertisements in the daily papers at their own cost, to the fair ex-mill, wholesale and retail prices and assured the public and retail dealers that adequate sugar was available for all. The mills also co-operated with them in this publicity campaign. These voluntary efforts are clear proof of the anxiety of the trade and industry, as well as of the State Government, to avoid rationing.

South India

With the aforesaid moves of the Governments of Uttar Pradesh, Punjab and Bombay, extensive controls have now come to be imposed on as much as 68 per cent. of the total quantity of sugar produced in India. The balance, too, is subject to some sort of control. Thus, through a private arrangement by the South Indian Sugar Mills' Association (S.I.S.M.A.), sugar is controlled in the States of Andhra Pradesh, Madras, Mysore, Kerala and Orissa which together account for about 15 per cent. of the aggregate output. The total annual consumption requirements of the five States are estimated at 330,000 tons. Mysore is more or less self-sufficient and Andhra Pradesh has surplus sugar, while Madras and Kerala are deficit. It is in these two States that the S.I.S.M.A. has taken steps to make sugar available to consumers at a fixed price. These steps are summed up below:

The normal sugar consumption requirement of each district is taken into account on the basis of which each month's release is apportioned. The quota thus fixed is sent in one or more lots to the distributor or distributors in the district. On the basis of an allotment of one to five bags per week per fair-price shop, the required number of retailers is selected for each district in consultation with the distributor. In order to qualify for running a fair price shop, the retailer must have dealt in sugar regularly in the past and he must give a written undertaking that he will sell at Re. 1.63 per viss or 53 nP per lb. and display a 12"×18" board to this effect. The list of approved fair-price

shops is sent to the distributor who should issue sugar according to the cards and make entries therein. The distributor's selling price is fixed at not more than Rs. 114 per bag of 2 cwts. at the shop, which works out to a commission at the rate of 87 nP per Rs. 100. The existing number of fair-price shops is 1,618 in Madras State and 765 in Kerala State. More such shops are being opened; the ultimate target in the two States is 2,000 and 1,500, respectively.

A separate quota is reserved for supply from the distributor direct to hotels, restaurants, mill canteens, co-operative stores, etc. Cards have been or are being issued to these consumers also. Bulk allotments of sugar are made direct from factories to certain district co-operative marketing societies or Central stores which undertake distribution through their primary stores and retail dealers of their own choice.

In certain districts, small wholesalers are given 50 to 150 bags lots at Rs. 113 per bag, but, at the same time, they are given a list of retailers among whom they should distribute the entire allotment at Rs. 114. These retailers have given an undertaking to sell at 52 nP per lb.

Politicians to Note

It will thus be seen that, as in Bombay, so also in the South, the mills and the trade are doing their best, in co-operation with the authorities, to ensure that the consumer gets sugar at fair prices. It is to be hoped that the politicians who miss no opportunity to malign the business community, in general, and the middlemen, in particular, will take note of this wholehearted co-operation from that community. They will also do well to reflect a little and find out for themselves as to who has been responsible for the emergence of a shortage in sugar. In order to help them, we may recall, even at the cost of repetition, the events leading to the present situation. It was the Central Government which first made the mistake of interfering with the normal market forces of supply and demand by fixing the ex-factory prices of sugar for North India, reserving a fairly large part of the current season's output for distribution through official agencies and trying to increase sugar exports. On their part, the State Governments, particularly the U.P. Government, failed to take any timely steps to regulate manufacture of *khandasari* and *gur*, with the result that the producers of these commodities competed with the sugar mills for sugarcane.

Thanks to the bungling of the Centre and the States thus, sugar production in the current season (1958-59) has suffered a distinct setback. The quantity actually produced is no more than 1,904,000 tons, as against 1,979,000 tons in 1957-58. This, together with the reduced carryover stock of 336,000 tons (as against 435,000 tons), brings the total supply to 2,240,000 tons. Excluding the frozen export quota of 25,000 tons, the quantity available for internal consumption comes to 2,215,000 tons, which compares very unfavourably with 2,378,000 tons in 1957-58 and 2,418,000 tons in 1956-57. While the supply is less, the consumption requirements of the country have gone up, the estimate for 1958-59 being 2.12 million tons. Even this, in our opinion, is an underestimate. Consequently, the stocks of sugar with mills at the end of the current season (31st October 1959) are expected to be negligible.

Considering the tight statistical position of sugar and the all-round increase in commodity prices as a result of inflation, sugar prices, too, naturally tend to rise. Instead of appreciating this position and taking steps to help sugar mills maximise output, the Central Government adopted a negative policy as was indicated before, under the pretext that the millowners and wholesalers were profiteering greatly by putting up prices. This was certainly a wrong judgment and the consumers of sugar in many parts of the country are now compelled to undergo the rigours of rationing once again.

Since the above article was prepared, the Government has promulgated an order prohibiting movement of sugar from one State to another in the Northern region, except under an allotment order issued by the Central Government. This step, it is said, has been taken to ensure that allotments made to each State are available for consumption in that State. There will, however, be no restriction on movement within the Southern region comprising the States of Andhra Pradesh, Madras, Mysore, Kerala and Pondicherry. Announcing this new control, along with a release of 180,000 tons of sugar for sale, the Union Food Ministry Press note dated 27th July says:

"This time, there will be no free sale release from factories in the Punjab, Uttar Pradesh and North Bihar, except a small quantity which will be released to each factory for sale to its employees. Sugar will be allotted from factories in the Punjab, Uttar Pradesh, and North Bihar either in accordance with special arrangements made by the State Governments or, where such arrangements have been made, to licensed dealers according to the needs of different areas. The allotments will be made at prices fixed under the notification of 22nd December 1958."

The reason given for exempting the Southern

A Policy Issued By

The

Bombay Fire & General Insurance Company, Ltd.

(Incorporated in India)

Your Symbol of Security in the Event of

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

Henley House, Graham Road

Ballard Estate, BOMBAY 1

Represented In

INDIA, BURMA & PAKISTAN

PACE OF WORLD ABSORPTION OF TEA SLOWS DOWN

NEED FOR INCREASING CONSUMPTION IN INDIA

IS the world supply of tea outstripping consumption and, if so, is it so much as to call for a revival of International Tea Agreement for regulation of exports? Tea planters in India have often expressed their anxiety over the trend of world supply of tea and have called for the revival of the Agreement. Statistics relating to world tea position upto the end of 1958, published by the International Tea Committee in its *Annual Bulletin of Statistics*, June 1959, show that the misgivings are not wholly unfounded. Though the trend of world absorption is upward, the increase during 1958 was much less than that in the total supply. It was also very much lower than the rise in consumption during 1957, so that there was an overall surplus of 74 million lbs. at the end of the year under review.

The total world supply of tea, which was 1,362 million lbs. in 1954, has successively risen to 1,490 million lbs. in 1958, an increase of 128 million lbs. in four years. During the same period, the aggregate absorption has expanded by 208 million lbs., that is, from 1,286 million lbs. to 1,494 million lbs., as will be seen from the comparative table published at the foot of this column. Nevertheless, at the end of the year, there was still a surplus as already noted. What is more, the rate of expansion in world consumption is tending to slow down. It is probably feared that, at this rate, the supply may once again outstrip the demand to a considerable extent. The pace of increase in consumption in the four leading exporting countries (India, Pakistan, Ceylon and Indonesia) during the past year was particularly not very encouraging, having gone up by no more than 3 million lbs. to 334 million lbs., as against a rise of 76 million lbs. noted in 1957. Separate figures of consumption for India and Pakistan are not available for 1958. The consumption in Ceylon is, however, said to have gone up by 1 million lbs. to 25 million lbs. and that in Indonesia by a little less than 1 million lbs. to 19 million lbs. India and Pakistan together, therefore, account for the balance of 1 million lbs. The consumption of tea in the U.K., which had dropped from 507 million lbs. in 1954 to 478 million lbs. in the following year, has since then been maintaining an upward trend. The African countries have recorded a sharp rise, while the rise in consumption in the U.S.S.R. during 1958 does not compare favourably with that in 1957.

On the supply side, India, Pakistan, Ceylon and Indonesia together account for 90 per cent. of the total world supply, of which the share of India alone is nearly 48 per cent. Even with this leading position, India is not able to command a sellers' market. This is because, while its share in world supply has declined a little in recent years, owing to competition from other countries, the domestic consumption is not in keeping with the mounting population. Though over a period of years, the trend of consumption in India shows a rise, it is rather erratic. Planters are, therefore, worried as to

what might happen, if in a particular season markets are not able to absorb all that the industry produces as is the case with coffee now. It may pertinently be asked, in this connection, as to why India should not restrict its production. An answer to this question is provided by Mr. E. J. C. Menzies, Chairman, Anamalai Planters' Association. Addressing the annual meeting of the Association held on the 25th ultimo, he said:

"Under the present conditions of uncontrollable and ever-increasing costs, our only answer to the problem is to increase production, so that the increased costs may be spread over a larger output. So, increased output is becoming a compulsive feature of plantations' economy."

The solution to the Indian tea industry's problem, therefore, lies in actively promoting internal consumption. Referring to this point, Mr. Menzies observed:

"Either the people have the means and the inclination to drink tea or they don't. This leads us to the important question of market promotion—the organised and systematic method of inducing people to buy and drink tea. The internal market has responded well to the long and sustained work of the Tea Market Expansion Organisation of the Tea Board and its predecessors. From about 90 million lbs., out of a total output of 440 million lbs., in 1939, the internal market has increased its off-take to 235 million lbs., out of a production of 710 million lbs. in 1958. On the other hand, if internal consumption remains at present levels, while we plan increased production under the third Five-year Plan, the industry will

be faced with a very serious problem. Internal propaganda must, therefore, be continued with full vigour. It is thus clear that a third of India's tea production can safely be marketed in India without in any way diminishing our export effort."

While acknowledging the Government's gesture in reducing the export and excise duties to a small extent, Mr. Menzies pointed out that the industry was still bearing a crushing burden of taxation, in addition to the heavy financial commitments under the Plantations Labour Act and other legislations. From a short-term point of view such large collections from the industry might prove beneficial to the country, but Mr. Menzies was doubtful whether it would be so in the long run. In this connection, he cited the example of China, which in the 1800's followed a similar policy resulting in the extension of the tea industry to India and Ceylon and in its tea being priced out of the market.

A somewhat similar sentiment was expressed by Mr. M. W. Hoare at the annual general meeting of the Nilgiri Planters' Association held last week. He said:

"I can only repeat my warning of last year that new burdens of taxes and amenities, not to speak of the cost of supplies and services needed by the industry, cannot go on being added to our cost of production in the hope that we can find means to bear them. Nothing can be more dangerous than this trend of thinking. The tea industry has borne a bigger share of the tax burden than any industry in India—particularly any agricultural crop. So, we are not strangers to the idea of heavy taxes on our crops. But there is a prudent limit. To go beyond this is to undermine the stability of this great industry."

It is clear from the foregoing analysis that, unless a substantial relief in tax burden is given and a marked increase in domestic consumption is brought about through intensive propaganda, the Indian tea industry is in for difficult days.

INSIDE FACTS REVEAL

Stator Core
"Pre-built" before pressing into frame. Machining of the bore avoided by special assembly tooling.

Cooling Fans
Large fans draw air from the back and shield only. Air flow through the stator and fan shields, and thus keep away heat-dust.

Terminals
Avoiding stiff single-core leads, heavy multi-stranded flexible cables are used to make working easier and lead brittle.

End Shields
Ventilating windows below the horizontal axis make the motor drip-proof.

Stator Coils
Heavy grade polyvinyl covered wires into mica-insulated slots and impregnated with fully polymerising formaldehyde varnish.

Rotor
Pressure die cast with aluminium and dynamically balanced. Rigidly supported on over-sized ball bearings with ample grease capacity.

Why ORIENT INDUSTRIAL MOTORS are a source of DEPENDABLE POWER

Orient INDUSTRIAL MOTORS

ORIENT GENERAL INDUSTRIES LTD. 6, Ghore Bibi Lane, Calcutta

Distributors for Greater Bombay, Bombay State and Madhya Pradesh:
Messrs. OPTIMUM CORPORATION
18, Mamam Street, Fort, BOMBAY

Tele: 251980

GRAM: "OPTI"

World Supply and Absorption of Tea (In million lbs.)					
	1953	1957	1958	1955	1954
Supply					
India, Pakistan, Ceylon and Indonesia	1,288	1,284	1,306	1,208	1,176
Kenya, Uganda, Tanganyika, Nyasaland	68	64	64	48	45
Exports only:					
China	76	56	58	48	42
Rest of Eastern Asia	46	54	49	52	78
Rest of Africa	21	18	17	14	13
Other countries	2	2	2	1	1
Total supply	1,490	1,438	1,394	1,372	1,362
Absorption					
Importing countries:					
U.K.	519	512	507	478	507
U.S.S.R.	34	20	7	7	7
Rest of Europe	83	89	75	77	79
America	103	164	180	153	163
Asia	113	113	95	111	165
Africa	104	143	137	143	137
Oceania	78	80	69	68	77
Total	1,144	1,120	1,051	1,035	1,053
Exporting countries:					
India, Pakistan, Ceylon and Indonesia	234	231	255	290	223
Kenya, Uganda, Tanganyika, Nyasaland, Others (imports only)	13	8	9	9	8
Total	350	345	307	312	283
Total absorption	1,494	1,465	1,358	1,347	1,336
Excess of supply over absorption	-4	-27	+86	+25	+76
Cumulative from 1st January 1940	+74	+78	+104	+85	+18

The difference between

LAST WEEK

and THIS WEEK is

Amazing

HADENSA for PILES

AVAILABLE AT ALL CHEMISTS

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED
(ESTABLISHED IN 1911)

9, BAKEHOUSE LANE, FORT, BOMBAY-1.

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

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL: Rs.

Subscribed by the Shareholders	Rs. 44,00,000
Subscribed by the Government of Bombay	Rs. 81,00,000
TOTAL	Rs. 1,25,00,000

RESERVE AND OTHER FUNDS: Rs. 53,00,000

TOTAL DEPOSITS: Rs. 12,00,00,000

WORKING CAPITAL: Rs. 24,00,00,000

BRANCHES 30 IN 9 DISTRICTS AND GREATER BOMBAY

Collection arrangement in all the important cities of the Indian Union. Banking business of every description transacted. Deposits of all kinds accepted. Terms on application.

G. M. LAUD, Managing Director.

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman
Shri G. D. SOMANI, M.P.

Authorized Capital - Rs. 2,00,00,000

Issued and Subscribed Capital - Rs. 1,00,00,000

Paid-up Capital - Rs. 50,00,000

Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI, General Manager.

Hastings Belting

BIRKBEY BROTHERS LIMITED
2, 3 & 4, B. B. ROAD, CALCUTTA

TACK

PERSONAL SALES TRAINING

means more sales at less cost...

Sales managers of large and small companies—marketing every kind of product and service—have found that TACK Sales Training contributes positively to solving their major sales problem: How to increase turnover without raising costs...

whatever the product or service!



Mr. T. R. Shields, Sales Director of Indian Oxygen Limited, says:
"Now that Tack Sales training courses are being held in India I can ensure that all our sales staff receive the benefits of this training and I am convinced that no organisation in India which has a progressive sales policy can afford to miss the opportunity of using Tack sales training now being provided through the British Institutes in Bombay."



Mr. D. K. Desai, Sales Manager of Dumex Private Limited, says:
"...I found the three-day Sales Training Course a refreshing one... Your approach, technique and emphasis on courtesies and human relations are really absorbing. I have no hesitation in saying that your Course would do a world of good both to the young and old, irrespective of the line of merchandise they are in to sell."

★ Tack Course in Salesmanship and Human Relations—3 days
★ Tack Course in Sales Management—2 days

Tack Training can help your Company

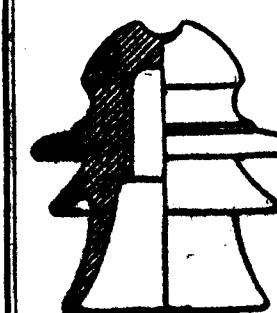
Write for details to
TACK SALES TRAINING
Dept. DI, British Institutes, Petit Building, Flora Fountain, Bombay 1.
Telephone: 252538.



Our fleet of sixteen modern freighters offers fast, regular and dependable service between

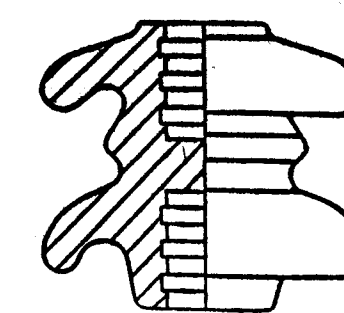
INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST

INDIA STEAMSHIP CO., LTD.
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents:—LIONEL EDWARDS (PRIVATE) LTD.



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED
24, Netaji Subhas Road
CALCUTTA-1



DEVELOPMENT OF SUBSIDIARY FOODS—II PROBLEMS AND SOLUTIONS

IN the previous issue of *Commerce*, it was stressed that the production of subsidiary foods (potatoes, sweet potatoes, tapioca, bananas and papaya) should be increased at least sixfold to meet the needs of a balanced diet and to reduce dependence on cereals. There are large possibilities of increasing the production of these crops in this country. As the Subsidiary Foods Production Committee stated, it is possible to extend, within a short time, the cultivation of subsidiary food crops without an undue pressure on the resources of the country. There are vast areas which are climatically suitable for the cultivation of these crops. Potatoes can be grown in most parts of North India in cold weather. In the Peninsula, too, they can be grown in cool areas of sufficient elevation. There can be two potato crops in an area, the summer crop and the winter crop. Potatoes require rainfall or irrigation, but not so much as rice does, since too much water is rather harmful. One of the greatest obstacles to the extension of potato cultivation in the past has been the lack of sound healthy seeds in adequate quantities at the right time and at reasonable prices. This problem has been largely overcome now.

The scope for increasing the cultivation of sweet potatoes is even greater. Sweet potatoes can be grown from stem cuttings, so that the seed problem which has been an obstacle to the extension of potato cultivation does not arise. Its demands as regards soil, manure, and water-supply are also not exacting.

Bananas can be grown in almost every part of the country, particularly Bombay, Madras, Andhra Pradesh, Kerala, Bihar, West Bengal, Assam and Madhya Pradesh, and it is possible to extend its cultivation substantially and quickly. Apart from large-scale cultivation that can be developed in the country, there is vast scope for planting on a small scale in every city and town and also near towns.

Tapioca is, however, confined to the tropics and the zone on both sides of the Equator up to 25° latitude. It cannot stand cold and does not do well even under moderate cold weather. Still there are extensive areas in the country with fair amount of rainfall where its cultivation can be increased both on commercial and small scale.

Papaya thrives well in those areas of Madras, Andhra Pradesh, Mysore, Bombay, Orissa, West Bengal and Bihar where rains are moderate and air is sufficiently humid. Extreme temperatures and stormy winds which are experienced in certain parts of North India are not conducive to its growth. But, in many parts of the North as well, such as U.P., upper parts of Madhya Pradesh, Punjab and Rajasthan, papaya can be grown on a small scale.

There is also vast scope for cultivating bananas, papaya and tapioca as kitchen-garden crops. Thus there are no insurmountable obstacles in the way of rapid expansion of these subsidiary crops. In many areas, crops like potatoes and sweet potatoes can be grown as second crops after paddy and not instead of paddy.

Major Obstacles

As indicated in the previous issue, the production of bananas and papaya has shown little progress in the past decade. There has been some improvement in the case of root crops, but considering the needs of the country, the rate of progress has been inadequate and has to be greatly stepped up. One of the main causes of slow progress has been the lack of a properly conceived and sufficiently large-scale development programme in the first and second Plans. Several other factors have hampered the growth of production and consumption of these foods. First, there has been lack of interest, knowledge and initiative on the part of producers. The subsidiary food crops in many areas have not been introduced, because the growers are not fully acquainted with the technique of their production, or are not fully conscious of the great advantage of these crops from the point of view of farm incomes. A large section of the growers does not have the necessary initiative to take to these crops.

Secondly, many farmers are not able to extend the area under these crops or cultivate intensively for want of resources, such as irrigation facilities, seeds or other planting material, manures and fertilisers, finance, etc. Though these crops do not require much more resources than does rice, their needs of water, manures and labour are more than those of millets.

Thirdly, absence of marketing facilities has been one of the important limiting factors. Subsidiary food crops are highly perishable. For want of adequate and cheap cold storage facilities, the markets for these crops lack such elements as large wholesalers and stockists which are found in the markets of foodgrains and commercial crops. Therefore, the marketing of subsidiary food crops, is based on current demand of the local population or of people of connected areas. The result is that, whenever there is some increase in the production of these crops, it is not matched by increased demand for them and this leads to a sharp slump in prices in the local markets. This factor has discouraged the expansion of productive activity in regard to subsidiary food crops.

Transport Facilities

Fourthly, transport facilities for subsidiary foods on the required scale and of the required type from producing areas to the rest of the country are very often not available. Even when they are, the heavy bulk and weight of these crops make transport very costly. This has proved a serious obstacle to an increase in the demand for subsidiary foods in areas where they are not produced. Similarly, inadequacy of village communications have stood in the way of desired progress. Unlike foodgrains and commercial crops such as jute and cotton, subsidiary food crops have to be transported to the market immediately after being gathered. The outturn of these crops is much larger in weight than of other crops, and many of these crops are gathered more than once on any particular piece of land. Therefore, the requirements of transport from the field to the market are much greater and more frequent, but these are often not matched by availability of suitable village roads and means of transport to mandis.

Fifthly, processing facilities have been lacking. It is obvious that, if subsidiary foods are taken in fresh form, they can be consumed mainly in the producing season. Over the rest of the year, their consumption is severely limited. For promoting the consumption of these foods throughout the year, it is necessary that there should be facilities for their dehydration and further processing, so that they can be stored at low cost and consumed over the off-season. Similarly, dehydration and processing is necessary for promoting consumption in the non-producing areas. Moreover, in their fresh form, subsidiary foods, such as potatoes, are taken as vegetables, while vast scope for increase in their consumption lies in their being used as substitute for cereals, for which their dehydration and further processing into flour, synthetic grain and other forms is necessary. In the absence of dehydration and processing, these foods have remained as of seasonal and local importance and the expansion of their consumption and production has been greatly hampered.

Lastly, subsidiary foods have suffered on account of high marketing costs. Due to difficulties and expensive character of storage and transport and also due to existence of too many intermediaries, the grower's share in the consumer's rupee spent on subsidiary foods has been highly inadequate. High marketing costs have, on the one hand, discouraged consumption and, on the other, denied the growers the necessary incentive to expand production.

Production Programme

The above analysis of the factors hampering the growth of subsidiary foods, makes it clear that the question of these foods has to be tackled simultaneously in regard to production, transport, marketing, storage, processing and consumption in a closely co-ordinated way. So far as production is concerned, no production targets or development programmes for subsidiary foods were laid down in the first Plan. In the second Plan, too, no targets for specific subsidiary foods have been fixed, though a beginning

has been made in the direction of developing fruits and vegetables in general. Rejuvenation of about 500,000 acres of existing orchards and planting of about 150,000 acres of new orchards has been envisaged for the second Plan period. For vegetables, a scheme to increase production from the existing area through supplies of vegetable seeds of guaranteed performance and purity is in force. In addition, research work to evolve new and better varieties of seeds and to determine suitable cultural and agronomic practices is being carried out. The Central Potato Research Institute is also carrying on research and development work in respect of potatoes and some other tuber crops.

It needs hardly any mention that the programme for development and research in respect of subsidiary foods has to be greatly enlarged. The main elements of the production programme should be—

1. Provision of irrigation facilities, including the sinking and repairing of wells, tube-well construction, installation of pumping sets, etc., in areas suitable for subsidiary foods.
2. Multiplication of improved seeds, setting up of seed nurseries, distribution of seeds and other planting material for large-scale production as well as for production in kitchen gardens.
3. Distribution of fertilisers, mixtures, oil-cakes, etc.
4. Launching of an intensive manuring campaign including the preparation of compost manure so essential for the production of subsidiary foods; holding manual demonstrations, etc.
5. Distribution of improved implements, keeping in view the special requirements of subsidiary food crops.
6. Popularising the cultivation of subsidiary food crops by demonstration of methods of cultivation, by setting up model farms and through propaganda and publicity.
7. Campaign for double cropping by inducing farmers to grow subsidiary foods not in place of paddy or other foodgrains but as second crop after foodgrains.
8. Provision of plant protection facilities, including equipment and insecticides.
9. Research in agronomic and agro-climatic aspects of subsidiary foods, including evolution of improved strains, disease control, field trials, drawing up of suitable manual schedules, soil surveys, etc.
10. Training of horticulturists and extension workers in subsidiary foods.

Dehydration

As already mentioned, most of the items of subsidiary foods are highly perishable but by suitable measures of preservation and processing it is possible, in order to make available the surplus of the season of plenty for consumption during the lean period, or to move the surpluses from producing areas to distant consuming areas. Dehydration in one form or another has been one of the common methods used from ancient times in India for preserving perishables. Dehydrated vegetables can be stored for cooking in the lean season, while dehydrated potatoes, sweet potatoes, tapioca, bananas, etc., can be converted into flour for consumption as substitute for cereals. This process, besides enhancing the availability of foods in the right form, would also provide a large amount of employment in rural areas. For the purpose of dehydrating and milling into flour, it would be necessary to organise and promote cottage industry for dehydration under village conditions, consisting of chipping on simple hand-driven machines and drying under the sun, with chemical treatment wherever necessary. In some cases, it would be necessary to organise and promote the setting up of ovens or hot air chambers. For converting the dehydrated material into flour, it would be required to organise and promote the industry for milling through stone chakkies, or in some cases iron mills. In some cases, it may be enough simply to provide pestles and mortars for powdering. As far as possible, this work of dehydration and milling should be organised on co-operative lines.

Consumption

Side by side with the programme for increasing the production of subsidiary foods, it is necessary to take steps to promote their larger consumption and better utilisation. Food habits are part of social and cultural traditions and cannot be altered abruptly even when changes are practicable and desirable. Considerable effort would have to be made to bring about the desired changes in the pattern of consumption implied in larger production of subsidiary foods. The drive for promoting larger consumption is to rely on making these foods properly balanced, adequately nutritive, palatable, easily digestible and cheap.

Subsidiary foods can be taken by themselves in fresh form or after being dehydrated and converted into flour. But foods like potatoes, sweet potatoes, tapioca, bananas, etc., being

largely carbohydrate foods, deficient in proteins, it is necessary to blend them with protein-rich foods, so as to make them wholesome and balanced foodstuffs. The edible oilcakes are rich in proteins and are at present not being used for human consumption. Their blending with subsidiary foods would serve the dual purpose of augmenting the total availability of food for human consumption and making them properly balanced. Gram and wheat are other sources of protein. The Indian Central Food Technological Research Institute has evolved composite *atta*, consisting of a major portion of wheat and certain proportions of tapioca and groundnut meal. This is one of the many types of mixtures that can be evolved from subsidiary foods like potatoes, sweet potatoes, tapioca, bananas, oilseed meals, gram and wheat, keeping in view the need for low cost, palatability, nutritive value and regional availability.

In some areas, it is easier to promote the consumption of subsidiary foods in suitable mixtures as explained above, if they are offered to the consumer in the form of grain similar to the cereals to which they are accustomed. For this purpose, it is desirable to manufacture synthetic grain from subsidiary foods. The Central Food Technological Research Institute has already got an experimental plant producing synthetic rice. A project for setting up of a commercial plant with 20-ton capacity is under way. The production of synthetic rice deserves to be considerably expanded during the third Five-year Plan period. However, the main reliance on promoting larger consumption of subsidiary foods would have to be placed on composite flours which would be considerably cheaper than synthetic grain produced from those flours.

Subsidiary foods can be used in bakery products like bread and biscuits and various types of snack preparations. The All-India Women's Food Council, which was set up by the Government of India in 1950, has been carrying on a drive for encouraging the consumption of subsidiary foods through various snack preparations in its canteens and cafeterias, in addition to organising propaganda, publicity and

demonstrations. This work needs to be further pushed up.

Flours, mixtures or synthetic grains produced from subsidiary foods can be fortified and enriched with minerals, vitamins and amino acids, etc., to make them more nutritive and digestible.

The following measures would be necessary to promote larger consumption and better utilisation of subsidiary foods:

1. Organising and promoting the setting up of plants for the preparation of oilseed meals by special process so as to make them fit and palatable for human consumption.
2. Organising and promoting arrangements for the preparation of various types of composite *atta* as described above.
3. Organising and promoting the installation of plants for the manufacture of synthetic grain.
4. Promoting the use of subsidiary foods in bakeries and for snack preparations in hotels, *annapoomas*, etc.
5. Organising and promoting arrangements for the fortification and enrichment of subsidiary foods.
6. Subsidising the consumption of subsidiary foods in the various forms described above for certain period, wherever these foods are not sufficiently cheaper than cereals.
7. Setting up a machinery for publicity and propaganda for the popularisation of various types of subsidiary foodstuffs, through films, pamphlets, advertisements and through an extension organisation.
8. Organising research in the science of nutrition, including the evolving of formulas for preparing mixtures from subsidiary foods, devising recipes for subsidiary food preparations, methods of enrichment of subsidiary foods, etc.
9. Organising consumer trials to know the acceptability of different formulas and recipes by the people and the effect on their health and efficiency.

Marketing, Storage and Transport

As already explained, a major hurdle in the way of development of subsidiary foods is the lack of adequate marketing facilities. The main problems of marketing are:

1. Difficulty of movement of the produce in fresh form from the field to the nearby mandi and from there to a distant consuming area.

(Continued on page 194)

**Circuit Breakers—
525,000 VOLTS
THE HIGHEST VOLTAGE
AT PRESENT**

Ateliers de Constructions Electriques de
DELLE
BELONGING TO COMPAGNIE GENERALE D'ELECTRICITE
LYON—France

One pole of the 6 airblast circuit breakers 525 KV, 2000 amps, 25,000 MVA being supplied to the USSR for their 525 KV network

BATLIBOI & COMPANY
BHOJILAL LEHRCHAND PRIVATE LIMITED
BOMBAY

SISTA'S-B-137

a new life



"Do you not hear the entrance of a new theme?"

Do you not hear the asserting cry of the newborn,

see myriad men rise to work;

to build, to wield the power of the sun?

Fashioning life, making a world that offers a little more

a little less of the care, a little more of the joy.

Yes, you feel the awakening—

an ancient nation sheds the stagnation of the ages.

TODAY, as in the past, our products help to make homes *swarner*,
healthier, happier. But today we are also working for...

TOMORROW, when the evergrowing urge for better living will
demand still greater efforts. And we shall be ready with wider
service, new ideas, new products...

Today and Tomorrow... Hindustan Lever serves the home

PLA-152

FACILITIES FOR SHIP REPAIRS ALAGESAN COMMITTEE'S SUGGESTIONS

THE paucity of repair facilities for Indian ships and foreign ships which visit Indian ports is a deficiency which has naturally attracted considerable attention in recent years. The problem is bound to become more and more acute as and when India augments its shipping tonnage. Even now, the absence of sufficient facilities for the repairs of ships compels ship-owners to look to foreign countries for repair services. Apart from the direct foreign exchange expenditure involved in getting Indian ships repaired elsewhere, there is a potential loss of such exchange in that, if the necessary facilities were available in India itself, foreign ships plying between India and its close neighbours would certainly be willing to get the repairs to these ships effected in this country. Appropriately enough, the Ship Repair Committee (Chairman: Mr. O. V. Alagesan, former Deputy Minister of Transport and Railways), the summary of the report of which was made available last week, has urged the Government and Port authorities to accept the principle that it is part of their responsibility to provide for the requirements of the ship repair industry.

It may be recalled that the Government of India appointed the Committee in January 1958. Its terms of reference were:

(1) To enquire into and report on the existing ship repair facilities in Calcutta, Bombay, Madras, Visakhapatnam, Cochin, Kandla and at such other places where in the opinion of the Committee, the problem needs looking into; (2) To recommend what improvement and expansion is required in such facilities in order to meet adequately the requirements of the developing merchant shipping of India as well as of non-Indian shipping which may require repairing facilities at Indian ports; (3) To report particularly whether facilities for dry docking available at present are adequate and, if not, what improvements/additional facilities are required and at which places; (4) To report whether materials, stores, etc., required for ship repairing are available adequately within the country or whether the country is deficient in this respect; if the latter is the case, to recommend what steps should be taken for reaching self-sufficiency in this field as far as possible; and (5) to consider and recommend the steps which are to be taken by the Government and the private sector for securing such improvement and/or expansion in the ship repairing facilities.

The Committee has emphasised that the ship repair industry has an important place in the general economy. Besides providing employment for many people, it builds up and supports a skilled labour force for various categories of work, is a useful adjunct to the general engineering industry and supports several subsidiary industries. The Committee observes: "It would be unwise for any country to rely on another country for the provision of repair facilities and in times of emergency such reliance may prove dangerous." It, however, recognises that the ship repair industry should be so organised as to be able to survive competition. This is because ship repair costs form an important part of the total operational costs of a ship so that an uneconomic ship repair industry would adversely affect the competitive strength of national shipping.

Repair Costs

It is computed that Indian shipping companies incur an expenditure of Rs. 24 crores per year on repairs. This figure, it is stated, may double itself by the end of the third Five-year Plan, thanks to the contemplated increase in shipping tonnage. Further, a well-organised ship repair industry would be able to offer its services to foreign lines. Taking this factor into account, the Committee places the total turnover of the industry at Rs. 10 to 15 crores annually. It says: "The possibility of attracting more work from foreign lines, however, depends on the provision of better overall repair facilities in Indian ports so as to enable the industry in India to make competitive quotations." It would, however, appear that ship repair costs are rising in India. This will naturally lead to diversion of repair work from Indian to foreign ports. The Committee rightly emphasises that "the various deficiencies which now contribute to higher costs in India should be removed." Since many of these are beyond the control of ship repairers, it is necessary that the Government and the various authorities concerned should consider each of such factors with a view to finding appropriate solution for them. The Committee feels that the provision of facilities for ship repair work, where no separate facilities exist, is as much a part of the legitimate functions of the port as the provision of cargo berth, crane, water and bunker-

ing facilities and dredging. There will be no real solution for the problems of the ship repair industry, it is stated, until this is recognised by Government and the port authorities. The Government has been urged to clarify its policy on this matter. "The problems of the industry," it says, "have become urgent and it is important that there should no longer be any ambiguity regarding this matter."

The basic requirements of the ship repair industry, according to the Committee, are well-organised workshops on the water front, preferably near the docks, adequate provision of dry docks, suitable repair berths in protected waters and availability of essential spares and materials. The Committee also emphasises the need for an efficient and trained labour force and simpler customs procedures. The ideal condition, according to the Committee, would be that the complex of workshop, dock and repair berth facilities should be under unified ownership or control to ensure ready availability. This is the case in many foreign ports. Even when the facilities are controlled by different authorities, it should be seen to that each of them is adequate to meet all demands.

Dry Docks

As regards the provision of more dry docks, the Committee states that, if its recommendations for provision of facilities and better management of dry docks in Calcutta and Bombay are implemented, there will be no need to consider the construction of additional dry docks for merchant ships in these two ports at present. It, however, recommends that new dry docks should be constructed, preferably at Visakhapatnam and Cochin, which would also help make the industry more broad-based. The target for repairing berths, it is stated, should be the provision of 12 fully equipped berths for both Calcutta and Bombay. In the ports of Visakhapatnam, Madras and Cochin, one of the new berths should be equipped as a repair berth and should be available for repairs whenever required. The port authorities must provide essential facilities at the dry docks controlled by them and also at the berths earmarked for ship repairs.

Emphasising the urgent need for undertaking modernisation of privately owned workshops, the Committee suggests that the Government should encourage such modernisation, if necessary with a scheme of financial assistance on favourable terms. Private workshops should be encouraged to develop facilities for various items of repair work which could not at present be carried out in India and the Government should give such assistance as may be required. The Indian Naval Dockyard should make its dry docks available to merchant ships for routine dry docking to the extent their own work permits. The facilities of port workshops at Visakhapatnam, Madras, Cochin and Kandla, according to the Committee, should as a matter of policy be made available to merchant ships requiring repairs. The Hindustan Shipyard has been urged to extend its activities to ship repair work and should take early steps to equip itself fully for this purpose.

A notable feature of the Committee's report is that it has stressed the need for a policy designed to ensure progressive manufacture in India of ship repair facilities and shipping stores. Till this stage is reached, the Government should take a liberal view of applications for import of materials which the industry may need. Ship repair workshops, it is suggested,

should undertake subsidiary work, such as small-size vessels, structural and general engineering activities, and manufacture of auxiliary equipment and spares for ships and for general engineering industries. The initiative for preparing necessary schemes for development of such subsidiary work must obviously come from the workshops themselves. The Government should, however, adopt a policy of assistance and encourage Government departments to place orders for small crafts, structural and general engineering items and the like with these workshops.

Finally, the Committee feels that it is necessary to form an all-India organisation of ship repairers and ship-builders. The Government should encourage the formation of such an organisation and give recognition to it. Further, it recommends the setting up of an all-India advisory body with representatives of ship repairers, ship-builders, ship-owners, major ports and the Government departments concerned. This body, which may be presided over by the Union Minister of Transport and Communications, should advise the Government on all matters pertaining to the industry as a whole. Until ship repair facilities are improved at other major ports, there is scope for local committees only at Calcutta and Bombay. These committees, it is stated, should deal with such specific issues as improvements in repair facilities, repair berth and dry dock programmes and shortage of materials.

U.K. ATOMIC ENERGY AUTHORITY

The U.K. Atomic Energy Authority "continued to collaborate with the Indian Atomic Energy Commission (I.A.E.C.) in tackling the problems of a young and rapidly growing atomic-energy project," says the Authority's fifth Annual Report (for the year ended March 1959), just published in London. This was done by lending specialist staff for short-term visits and for extended attachments, the report points out. There were also discussions with leading members of I.A.E.C. on their plans for introducing nuclear power into India. In its general review, the report notes steady progress in the development of civil applications of atomic energy in the United Kingdom. On the civil side, the chief aim has been to ensure the successful construction and operation of the first nuclear power stations now being built in Britain. Apart from this, extensive resources have been devoted to the development of more advanced types of reactor in order to provide progressively cheaper sources of nuclear power.

Lord Plowden, Chairman of the Authority, told a Press conference, last week, that by the late even with conventional stations on generating costs. It was also announced that a new machine to study some of the basic problems revealed by the Z.E.T.A. project had been designed by a Harwell team under Sir William Penney. This will be known as I.C.S.E. (Intermediate Current Stability Experiment).

Sales of radioisotopes rose again during last year, from £550,000 to £800,000. Sixty per cent. of these sales were in exports to 55 countries. More and more firms are turning to radioisotopes to provide them with continuous and accurate measurement of the thickness of sheets of material in welds and castings by gamma rays in new standard practice, and the logging of strata of boreholes in oil prospecting is greatly assisted by using radioisotopes.

Another example of development is the ability of radioactive cobalt to kill germs. This property is being put to effective use in Australia, where the first industrial gamma-ray sterilisation unit in the world is now being built. This will sterilise animal fibres to safeguard against the possibility of spreading anthrax, a killing disease.

Major events during the year under review included the agreement with the United States in July last year for exchange of a wide range of nuclear defence information; the production of the 1,000,000th uranium fuel rod; and the agreement with 11 other European countries to build in Britain an experimental high-temperature, gas-cooled reactor.

ELECTRA

KLM Royal Dutch Airlines' Electra is the first international model of the prop-jet transport to fly 188C, its fuel capacity has been increased by 970 gallons, giving the aircraft a 3,500-mile range as compared with the domestic Electra's 2,750 miles. version of seating arrangement from 60 to 99 extra toilets at the rear of the cabin. Flight deck has full navigator's station with over-water and radio-communication equipment. KLM's will be the first of the international models to be delivered. Other Model 188C buyers include Tasman Empire Airways, Qantas Empire Airways and Garuda Indonesian Airways.

The contract for building Australia's first 200,000-kilowatt steam turbo-alternators has been awarded to the English Electric Company, Limited. The turbo-alternators will be installed at a new power station, situated 70 miles north of Sydney and when complete, it will be the largest in the southern hemisphere with a capacity of 1,500,000 kilowatts.

JESSOP AND COMPANY LIMITED

SIZABLE INCREASE IN PRODUCTION ENVISAGED

SPEECH OF SIR BIJOY PROSAD SINGH ROY AT ANNUAL MEETING

THE Twenty-seventh Annual General Meeting of Jessop and Company, Ltd., was held at Calcutta on 24th July 1959. Addressing the shareholders on the occasion, Sir Bijooy Prosad Singh Roy, K.C.I.E., Chairman, Board of Management, said that the Company had been assured of further orders to keep its new works fully occupied. He also envisaged a larger increase in the Company's production by 1960-61 as the supply position of steel was expected to be much easier by then.

The following is the full text of Sir B. P. Singh Roy's speech:

"GENTLEMEN:

"It gives me great pleasure to welcome you today to the twenty-seventh annual general meeting of your Company.

"At the previous annual general meeting held in September last year, I told you that the new works set up for the manufacture of metre-gauge passenger coaches and electric multiple unit broad-gauge coaches for the Calcutta Electrification Project had gone into production, but output had been restricted by shortages of steel and components. As you will have read in the Press, the Railway Minister, Shri Jagjivan Ram, presided at the inauguration ceremony of the handing over of the first electric multiple unit coach on 6th June 1959. This is indeed a landmark in the history of your Company, because it has established a new industry in India, and will save the country valuable foreign exchange.

"The Company has been assured of further orders to keep this new Works fully occupied, and I hope this will make considerable contribution towards the prosperity of your Company.

"For many years we have manufactured metre-gauge passenger coach shells which have been furnished by the railways, but your Company was recently requested by the Railway Board to undertake the complete furnishing of these coaches. I am pleased to inform you that your works have now commenced production of furnished coaches and hope to build up to a full output within the course of the next two or three months.

Another Important Development

"Another important development is that we have had to make a major change in the main line of wagon manufacture in your works. For the last 30 years we have received from the Railway Board orders for large numbers of four-wheel covered goods wagons, and as demand increased, your wagon works was organised for production of these wagons at the rate of 15 per day. In 1958, the Railway Board decided that manufacture of the four-wheel

general service goods wagon should be discontinued, and that its place should be taken by a heavy bogie vehicle of entirely new design.

"Prototypes have been made, but details of design are still under discussion with the Railway Board, and because of shortages of steel and components, it will be about the end of this year before the works will be able to commence production of the new B.O.X. wagon in quantity.

"This new wagon needs considerable amount of welding for which entirely new procedures will have to be evolved, but I am fully confident that the technicians and workmen at Dum Dum will successfully overcome the teething difficulties which are inevitable with any new line of production.

"The demand for our diesel road rollers continues at a very satisfactory rate, but the shortage of steel and imported components has prevented your works from increasing output to its rated capacity of 200 rollers per year. Once adequate supplies of materials are available, the works should be able to meet the present demand without difficulty.

Shortage of Materials

"You will note that I have more than once referred to shortage of materials, and this acute shortage has inevitably affected the financial results. At the annual general meeting last year I had referred to the fact that your works were being seriously affected by the shortage of steel which was being increasingly felt throughout the engineering industry, and I had also mentioned that, while results for the year ending in October 1958 would be satisfactory, they would certainly not be as good as they would have been, if production had not been hampered by shortage of raw materials. The accounts now in your hands show that the material shortage to which I referred has, in fact, restricted production to such an extent that the output from the works was Rs. 91 lakhs less than that during the previous year. The reduction in output has caused a small fall in profits, but in view of the difficulties caused by shortage of materials I think you will agree that the results for the year are quite satisfactory.

"This shortage of raw materials still continues and production of wagons and other products in the works is still on a restricted scale, but fortunately, with the commissioning of the new coach works, we have not had to retrench workmen, and it is hoped that we shall be able to continue at the present rate of production until adequate supplies of steel are available from the new rolling mills at Rourkela, Bhilai and Durgapur.

"In view of the continued shortage of raw materials the results for the current year ending in October 1959 may not be as good as those for the year ended in October 1958, but it is hoped that materials will be more plentiful in 1960 and once supplies are readily available the output from your works should increase considerably.

"The findings of the Fifth Engineering Tribunal were announced on 6th December, and one of the immediate effects of the award was an increase of Rs. 5 in dearness allowance to every workman at the Dum Dum Works. Several points in this award required clarification, and were referred back to the Tribunal. We understand that a decision will be announced within the course of the next few weeks. The effect of this award will be a substantial increase in the wage bill at Dum Dum, but this is in keeping with the country's objective to raise the general standard of living. I hope it will also be helpful to increased output by the workmen.

Export Markets

"The country is most anxious to find export markets for engineering goods, and your Company has constantly borne this in mind. A preliminary survey of

last year by one of the members of the Board of Management, and this survey has clearly shown that, if we are to obtain export business we must quote firm prices and guaranteed delivery times, but unfortunately supplies of steel have been so irregular during the last eighteen months that it has not been possible to submit quotations which would be considered. Your Company is fully alive to the vital necessity of engineering exports, and when raw material supplies are readily available every effort will be made to secure markets for its well-known products.

"It is indeed a matter of gratification to those of us who are associated with the management of your Company that it has at last been possible for the Board of Management to recommend payment of a dividend of 6 per cent. on the ordinary shares of the Company. It is by no means a high return on the capital invested, but I hope that you agree with me that the fact that it has been possible to recommend a reasonable dividend after providing for the heavy losses suffered by the Company in 1955-56 and 1956-57, is a matter of great satisfaction and relief to all concerned.

Outlook

"We visualise a larger increase in production with availability of steel by 1960-61. This will naturally require a much larger working capital than ever before. Thanks to the help that the Company has received from Government, to whom we are indeed grateful, it has been possible to meet the Company's financial requirements during the last one year. It should, however, be appreciated that, in order to implement the expanded production programme, it is necessary to improve the Company's financial resources and to build up a substantial reserve. For this purpose a cautious and conservative financial policy is not only desirable but essential. I do sincerely hope that the Board of Management will receive the full support of the shareholders in this respect.

"I may inform you that the Board of Management has now obtained legal opinion on the losses suffered by the Company in 1955-56 and 1956-57, due to certain speculative transactions of very doubtful nature, and has already submitted the opinion to Government for their consideration.

"Gentlemen, before I conclude I feel sure you will like to join me in expressing our thanks to the workmen and staff who at all levels have worked so devotedly to produce the excellent results.

"I would also like to express the Board's appreciation of the valuable services rendered by Mr. S. D. Srinivasan as member of the Board of Management till the end of May 1959 when he was transferred to Bombay. His place has been taken by Mr. A. L. Dutta."

Note: This does not purport to be a record of the proceedings of the Annual General Meeting.

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

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

Interest allowed on Savings Bank account at 3%

All types of Banking business transacted.

Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

MERCANTILE BANK LIMITED

(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

Authorised Capital - £4,000,000
Issued and Fully Paid Capital - £2,940,000
Reserve Fund - £2,200,000

Head Office:

15, GRACECHURCH ST., LONDON, E.C. 3

West End Office:

123, FALMALL, LONDON, S.W. 1

Agents in New York: BANK OF MONTREAL AND THE CHASE MANHATTAN BANK
Branches and Agencies:
INDIA, PAKISTAN, CEYLON, BURMA, MAURITIUS, SINGAPORE, MALAYAN FEDERATION, HONGKONG, THAILAND AND JAPAN

The Bank transacts banking business of every description. Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.

Trusteeships and Executorships accepted.

Safe Deposit Lockers available.

J. R. N. SHIRREFF
52/54, Mahatma Gandhi Road, Bombay. Manager.

PROVIDENT FUND DEDUCTION FROM "TOTAL EARNINGS" EMPLOYERS' CRITICISMS OF NEW PROPOSALS

WHILE the question of raising the provident fund contribution from the present statutory minimum of 6.25 per cent. to 8.33 per cent. is still under consideration, the Government of India has proposed another amendment to the Employees' Provident Funds Act and the scheme framed thereunder, with a view to permitting provident fund deductions on "total earnings" of workers as against on "basic wages" and dearness allowance only as at present. The amendment would bring within the scope of the term "basic wages" such allowances and bonuses as retaining allowance, holiday with pay allowance, festival or paid holiday allowance, incentive pay, incentive bonus, retainers' allowance paid in the sugar and other seasonal industries, night duty allowance, overtime allowance, shoe allowance, servant allowance in plantations, and production bonus.

Employers, as one of the parties directly concerned, have been asked to submit their views on the proposed amendment. They are in the dark as to what is going to happen to the proposal to raise the rate of provident fund contribution. Naturally, they wonder whether the present proposal is a substitute for the previous one or whether it is in addition to it. Apparently, it is the latter and not the former. In any case, they object to the proposal to permit provident fund deductions from total earnings on grounds of principle and practice. The Millowners' Association, Bombay, in a communication addressed to the Employers Federation of India embodying its view, submits that the proposal is not acceptable to it on the following grounds:

M.O.A.'s View

1. The employers had originally agreed that provident fund should be on basic wages only and not on dearness allowance. However, when the Government of India issued an ordinance it ignored the agreement reached at the Tripartite Conference and included dearness allowance.

2. Basic wages and dearness allowance are well defined and deductions have so far been made without any trouble.

3. If the aforesaid allowances are included, it will involve a considerable amount of calculations on the part of management and stricter supervision on the part of the provident fund administration. It is doubtful whether the change desired is worth the trouble involved.

4. The acceptance of the proposal is not likely to make any appreciable difference in the provident fund accumulations of a large majority of workers in the various industries of the country in which the Employees' Provident Funds Act has been applied. The employers are at present paying to Government, inspection charges and administrative charges and the inclusion of these allowances in basic wages would mean higher clerical cost to Government and, therefore indirectly to the employer.

5. There would be a tendency on the part of the workers to ask for certain allowances, so that, if they secured them through the tribunals, they would automatically get employers' provident fund contribution thereon.

In any case, according to the Association, it would be wrong in principle, to calculate provident fund on items designed to cover actual expenses or on items of non-recurring nature like bonus. In view of the fact that the proposal to enhance the rate of contribution from 6.25 per cent. to 8.33 per cent. is under consideration, the Government should be persuaded not to canvass seriously for the proposal, because it will involve a considerable amount of clerical and administrative work without appreciably benefiting employees.

Stand of Chamber of Commerce

The Bombay Chamber of Commerce is also strongly opposed to the proposal. In principle, the Chamber considers it ill-advised and unfair to ask employers to comment on the proposal, when the already much discussed proposal to raise the rate of contribution under the Employees' Provident Fund Act from 6.25 per cent. to 8.33 per cent. is still in abeyance. It is impossible to give a fair comment on the proposal regarding the replacement of basic wages with total earnings as a basis for the calculation of deductions until such time as Government has made clear what the policy is to be in connection with the proposed increase in the rate of contribution. In any case, the Chamber is opposed to both proposals.

Secondly, the Chamber is strongly of the view that any increase in benefits provided under the Employees' Provident Funds Act and the scheme would only serve to widen the already appreciable gap in the benefits available to industrial workers and workers in smaller industrial, commercial and agricultural units of the economy. It is thought that there is more need to broaden the spread of benefits to cover a much wider range of workers than to enrich still further the benefits of the industrial worker, who, at any rate, as far as provident fund is concerned, is already well provided for.

The experience of industry is that where additional deductions are made from cash payments to be made to workers, the immediate reaction is a demand for an increase in wages to take care of the additional deduction. The Chamber is not convinced that the workers would welcome the proposal, nor that it will necessarily promote industrial peace.

Practical Difficulties

The Chamber is convinced that the proposed scheme will be extremely difficult if not impossible to implement. The allowances which it is proposed to include in the basic wages for purposes of calculation are generally of a kind which fluctuate from one period to another, depending on the time worked or the production achieved. This means that the amount to be deducted each month may well vary from one month to the next and separate calculations in the case of large numbers of workers may be involved.

The resulting inconvenience and cost to employers will not be inconsiderable and there will be many opportunities for dispute regarding the amount calculated, if only because several of the allowances are not specific, and it will be very difficult to define them in such a way as to make it clear whether allowances at present provided are or are not to be included.

Apart from administrative inconvenience and additional cost of administration, the Chamber finds it hard to understand why it has been thought advisable to add allowances of one kind or another to basic wages for purposes of calculations of provident fund deductions. Allowances are by nature given for specific purposes and are intended to represent appropriate compensation or reward for particular effort. For this reason, it seems illogical to deduct a part of such allowances for purposes of calculating provident fund contributions. Moreover, it is considered wrong in principle to base deductions for provident fund on forms of emolument which are not paid regularly month after month and which are not consistent in the amounts payable.

Strongest Objection

These two memoranda sum up the main points of criticism against the proposal. The strongest objection to the proposal, as far as the employers and the general public are concerned, is the increase it will involve in the wage bill. There is no exaggeration in the observation of the Bombay Chamber of Commerce that it is just proposals of this kind which, in their cumulative effect, inhibit the production of quality goods at low prices and which in turn adversely affect the country's exports. It is common knowledge that labour welfare legislation enacted in recent years, especially since Independence, besides changing the entire structure of wages, has resulted in considerable enhancement of the cost of labour to management. The policy has been one of relating wages not to the market value of labour but to the elastic and ambiguous concept of the "physical and social needs of workers as human beings." The result is a succession of imposts on industry which have had no relation whatsoever to productivity. In addition to the cost of direct changes in wages, a series of non-wage labour costs, including provident funds, housing and other amenities, have been piled up on it. There are also quite a few fringe benefits for industrial workers, whose cumulative financial incidence is not only large but increasing. It has been estimated that the ratio of fringe benefits to salaries and wages in 28 important industries during the period 1946-56 has moved up from 3.3 to 5.4 per cent. The effect of these measures has been to make the financial burden on industries heavier and to widen the gap between the benefits available to industrial workers and other sections of the working class. The burden will increase, if the proposal to include a large number of allowances under provident fund were implemented.

One wonders whether the Ministry of Labour has ascertained whether the industry has sufficient capacity to bear the additional burden involved in the present proposal. The Ministry does not seem to have taken into account its probable impact on costs and prices. In any case, it is difficult to see any compelling economic reason behind the proposal. The only plausible justification for it, as far as one can see, is to please workers. The Labour Ministry, by bringing forward this proposal, has only laid itself open to the charge that it is the vote-getting wing of the Government, and that its policies are designed as instruments in electioneering.

A word of advice to employers. It is by now clear that the Government's labour policies are influenced more by political than economic considerations. Let it then face the consequence of directing the ship of economics with the radar of politics. Past experience shows that, however convincing or logical the reasons produced against specific policies, the Government will ultimately have its own way. Those who criticised them have been dubbed as reactionaries and as being unfriendly to labour. Why should they needlessly incur this odium. As the latest proposal is undoubtedly unwelcome, they should tell the Government that they have no objection to a straight increase in the rate of contribution to the provident fund, provided the Government will let them pass on the resulting increase in the cost promptly to consumers. By doing so, the employers can maintain friendly relations with their workers and let the responsibility for keeping up the wage-price spiral to be owned by the Government. If the Government insist on policies which will add momentum to the wage inflation, let it have them. One who sows the wind will surely reap the whirlwind.

F.A.C.T.'S AGREEMENT WITH WORKERS

Fertilisers And Chemicals, Travancore, Ltd. (F.A.C.T.), belongs to that class of enterprises in Kerala which has a good record of cordial labour-management relations. The reason for the existence of such islands of industrial peace in a sea of labour unrest in this country is to be found in the progressive policies of the management, the enlightened leadership of workers by the F.A.C.T. Employees' Association and the mutual recognition by each of the rights and responsibilities of the other. Both the Company and the workers have benefited from the attitude of co-operation: the Company has earned better profits and the workers have obtained a larger bonus. For the year ended 31st December 1958, the workers will get a bonus equivalent to 96 days' salary inclusive of D.A. which is more than three times the highest bonus declared by the Company, namely, 28½ days' salary inclusive of D.A., declared in 1955.

A new agreement reached between the management and the workers on 23rd April 1959 is a feather in the cap of both. Details of the agreement, which is to be in force for three years, are printed in a small booklet (*Memorandum of Settlement between the F.A.C.T. and F.A.C.T. Employees' Association*, issued by the Fertilisers and Chemicals Travancore Ltd., Udyoga Mandal, P.O. Kerala State).

A notable feature of the settlement is that the Association and the Company have agreed not to resort to strikes or lockouts for solving any dispute. Another is that the agreement provides for the constitution of a Joint Council of Management with equal representation for workers and management. The main function of the Council is to promote increased productivity, to engender among workers a better understanding of their role and importance in the working of the Company and to satisfy the urge of employees for self-expression. The provision governing bonus lays down that 15 per cent. of the Company's net profits will be paid as bonus.

PRODUCTION BONUS NOT PART OF WAGES

In a dispute between Messrs. Singh Engineering Works Ltd., Kanpur, and its workmen regarding payment of production bonus, the Industrial Tribunal (General), Uttar Pradesh, has held that production bonus was also a kind of bonus and that it could not, therefore, be treated as part of wages. The facts of the case are as follows: Messrs. Singh Engineering Works Ltd., Kanpur, was paying *ex gratia* production bonus to its workmen. During 1958, the workmen in its rolling department raised a dispute and contended that the existing scale of payment of production bonus was arbitrary and irrational and not commensurate with the stress, strain and hazard involved. Consequently, a revision in the rates of production bonus was asked for with the claim that this bonus should form a component of wages. The employers contended that the payment of production bonus was voluntary and that no Tribunal, or authority had power to order such payment. The Tribunal, citing a decision of the Supreme Court, held that production bonus was also a kind of bonus and was payable in those circumstances in which ordinary bonus was paid. It, therefore, held that a claim for production bonus could be entertained. But, unlike wages, it was not payable irrespective of the fact whether there was profit or not, and it could not be treated as a part of wages.

The Tribunal also rejected the workers demand for revision of the rate of production bonus as, in its opinion, workers could not substantiate their allegation that the existing scheme was arbitrary and irrational.



Your goods have a ready market in South East Asia

EXPORT NOW

INDIA produces the very commodities which the South East Asian countries need—jute, textiles, tea, handlooms, handicrafts, cycles, sewing machines and many other manufactured goods. Export them now—they'll buy them.

THE INDIAN OVERSEAS BANK LIMITED has made a special study of this important, growing market. Our network of overseas branches, agents and correspondents are at your service for on-the-spot advice.

THE INDIAN OVERSEAS BANK LIMITED, MADRAS

Branches at: AHMEDABAD, BOMBAY, CALCUTTA, CUTTACK, HYDERABAD, MADRAS, NEW DELHI and throughout South India. Overseas Branches: BANGKOK, COLONBO, HONGKONG, IPOH, KLANG, KUALA LUMPUR, MALACCA, PENANG, RANGOON, SINGAPORE.

Agents and Correspondents all over the world
M. C. Muthiah Chairman, C. P. Doraiswami General Manager

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL: - - - - - \$2,500,000
Issued and Fully Paid - - - - - \$2,000,000
Published Reserves - - - - - \$2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN	PERSIAN GULF
ADEN (Crater)	ABU DHABI
INDIA	BAHRAIN
BOMBAY	DUBAI
IRAN	KUWAIT
BAGHDAD (3 branches)	(AND AHMADI)
BASRA	MUSCAT
JORDAN	QATAR (DOHA)
AMMAN	SHARAH
JERUSALEM	SAUDI ARABIA
LIBANON	ALCHOBAR
BEIRUT (3 branches)	(for DHAHRAN)
TRIPOLI	JEDDAH
LIBYA	U.A.R.
BENGHAZI	Syrian Region
TRIPOLI	ALEPPO
TUNISIA	DAMASCUS
TUNIS	

BOMBAY OFFICE:

314, Dr. Dadabhai Navroji Road, Fort
Telephone No: 25-2267 Cable Add: BACTRIA

Associated Bank in Iran

THE BANK OF IRAN AND THE
MIDDLE EAST

THE BANK OF BEHAR LTD.

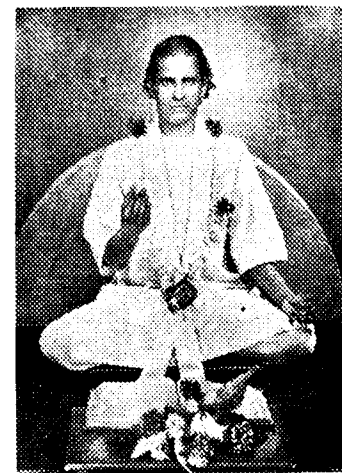
Head Office: PATNA
ESTD. 1911

BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Dalkongari, Gaya, Jaunpur, Jharis, Kanpur, Katrasgarh, Laherisari, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

UMESH YOGA DARSHAN (First Part)



SHRI YOGIRAJ UMESHCHANDRAJI

In Four Languages: English, Hindi, Gujarati and Marathi.

(Author: SHRI YOGIRAJ UMESHCHANDRAJI)

An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE: Rs. 15/- Plus Postage Rs. 2/- extra.
No V.P.P. sent.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M. O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

RAMTIRTH BRAHMI OIL Special No. 1. Registered.

An Invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM,

Dadar, Central Railway, Bombay-14.

Telephone: 62899

COMPANY LAW SUPPLEMENT

(Monthly Journal)

Main object, to keep the readers informed on all aspects of company law, contains among other matters Queries on problems relating to company law and their answers, amendments of company law, notifications, articles of general importance, digest of cases, etc.

Edited by Messrs. JOHN & ROW, Advocates, Madras,

authors of Ready Referencer on the Indian Companies Act, 1956, and other publications on company law.

Annual subscription: Rs. 24.



EXPRESS PUBLISHERS (PRIVATE) LTD.
33, BROADWAY, MADRAS, 1.

Canada

With more than 850 branches from coast to coast The Royal Bank of Canada offers a complete and informed banking service to those interested in Canada as a field for trade or business expansion. Ask your banker. Enquiries invited. Correspondents the world over.

London Offices—6 Lothbury, E.C.2. B. Strath, Manager
2-4 Cockspar Street, S.W.1. R. B. Murray, Manager

THE ROYAL BANK OF CANADA

Incorporated in Canada in 1869 with limited liability.
Over 900 branches in Canada, the Caribbean area and South America.

HEAD OFFICE: MONTREAL. OFFICES IN NEW YORK AND PARIS

Assets Exceed \$4,000,000,000

TWO MORE TARIFF ENQUIRIES

AUTOMOBILE LEAF SPRING—COTTON AND HAIR BELTING

THE Tariff Commission is currently engaged in investigating the question of extending protection to a series of industries beyond the end of this year. The latest to be taken up by the Commission are (i) automobile leaf spring industry and (ii) the cotton and hair belting industry. In his introductory speeches at the opening of the enquiries, Mr. C. Ramasubban, Chairman, Tariff Commission, gave a brief survey of their position and progress since the previous inquiries. A short account of these industries is given on this page on the basis of the information given by Mr. Ramasubban.

In pursuance of the recommendation of the Tariff Commission in 1957, imports of automobile leaf springs are assessed to a customs duty of 50 per cent. *ad valorem* (standard). The automobile leaf spring industry, under the shelter of protection for the last five years, has given a good account of itself. Production has gone up considerably. Besides, the quality of the domestic product has been found, by and large, to be acceptable to consumers.

At the time of the last inquiry in 1957, there were six producers of leaf springs in the organised sector of the industry, namely, (i) Metropolitan Springs Private Ltd., Bombay; (ii) Canara Workshops Ltd., Mangalore; (iii) Premier Automobiles Ltd., Bombay; (iv) Tata Locomotive and Engineering Co., Ltd., Jamshedpur; (v) Bombay Motor Trading Co., Kapurthala, and (vi) Auto Pins (India) Regd., Faridabad. Besides, two new units, namely, Indian Liggett Company Private Ltd., Bombay (formerly Mahindra and Mahindra Ltd.), and Deepak Industries, Delhi, were granted licences to undertake the manufacture of leaf springs. These firms have, however, not yet gone into production. Two more licences have been issued for the manufacture of leaf springs, one to Fateh Chand Madan Gopal, Delhi, and the other to Canara Workshops Ltd., Mangalore. The sanctioned capacity being 2,400 tons a year for each of these units. Fateh Chand Madan Gopal is understood to have already made arrangements to import the necessary equipment and expects to commence production in about a year's time. Canara Workshops Ltd. has plans to establish a new unit either at Kalyan or Nagpur.

Installed Capacity

The combined annual capacity of the six units named above is about 9,530 tons on single shift, as against 8,000 tons in 1957. Production has also gone up from 5,945 tons in 1957 to 7,047 tons in 1958. During the first quarter of 1959, the output of the units aggregated 2,068 tons, or an annual average of over 8,200 tons.

In addition to the organised sector, there are many small-scale units engaged in the production of leaf springs and spring leaves. The figures are available for about 25 units; their annual capacity is estimated at 10,424 tons on a single-shift basis. In 1958, these units produced 3,554 tons of leaf springs and spring leaves, as against 2,143 tons in 1957. Besides, there are many cottage units undertaking repairs and which also produced loose leaves of small sizes, the data for which are not available.

As for the demand, in 1957, the Tariff Commission estimated it (exclusive of defence requirements) at 406,450 springs composed of 107,600 springs for original equipment and 298,850 springs for replacement purposes. In terms of weight, the total of these two worked out to 13,550 tons, on the basis of a conversion ratio of 30 springs to a ton. The Commission expected the demand to go up by 15 per cent. over the following two years. The present estimates of demand by various parties range from 312,000 to 541,000 springs for the current year and from 413,000 to 666,000 springs for 1961. In addition, the demand for spring leaves for replacement purposes during these two years is variously estimated at 1.40 million to 2.01 million units and 1.68 million to 2.41 million units, respectively.

The principal raw material required by the industry is spring steel of the following types, namely, (i) silico-manganese, (ii) chrome-vanadium and (iii) chrome-silicon. The other materials required are mild steel flat bars or strips and plates, phosphor bronze bushes, steel tubes for bushes, centre bolts, clip bolts, nuts and rivets. All the raw materials, except spring steel flats,

are reported to be available in the country in sufficient quantities. All the manufacturers of leaf springs import spring steel flats, but due to the difficult foreign exchange position, imports are allowed only to meet about 80 per cent. of their installed capacity. One of the units in Bombay procures a part of its requirements of spring steel flats from Guest, Keen, Williams Ltd., Calcutta, which manufactures them from billets supplied by the Iron and Steel Controller. The industry has complained that the supply of spring steel flats has been inadequate.

The quality of the leaf springs manufactured by the large-scale units, we are told, compares favourably with the imported ones. But the quality of springs manufactured by the smaller units was stated to be comparatively inferior. Some of the manufacturers of automobiles, however, complained of a few defects, such as variation in the size of spring eye and improper reaming, slackness in the rivets fixing the spring clamps to plates, non-uniformity in the rate of deflection and breakages during the course of operation. All the six units claim that they have necessary equipment for checking the quality of raw materials and finished products and have taken necessary remedial measures whenever specific defects were brought to their notice. The poor performance of the small units is attributed to the use of inferior material and poor technique of production.

Like many others, the automobile leaf spring industry has also benefited from the restrictive import policy. The following table shows the recent trends in imports:

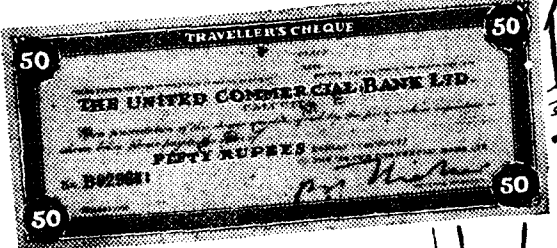
Year	Leaf springs		Spring leaves	
	Quantity	Value	Quantity	Value
1957	1,309.8	17.55	88.7	1.68
1958	311.0	3.72	120.7	0.67
1959 (January and February)	201.9	1.84	23.5	0.14

The bulk of imports of springs and leaves came from the U.K.

Cotton and Hair Belting

The cotton and hair belting industry has been enjoying protection for the last eleven years. Nevertheless, its progress has been halting. It is still fighting against heavy odds. On the one hand, it is faced with stiff competition from rubber ply belting and 'V' belts. On the other hand, the industry is very much handicapped by the inadequate supply of suitable quality of hair yarn, one of the important raw materials.

UCOBANK'S RUPEE TRAVELLERS' CHEQUES



SAFE AND CONVENIENT MEANS OF CARRYING YOUR TRAVEL FUNDS

- ★ Instantly accepted
 - ★ Refunded if lost or stolen
 - ★ Spendable like cash
 - ★ Issued in convenient denominations
- STERLING AND DOLLAR TRAVELLERS' CHEQUES ALSO SOLD AND CASHED.

THE UNITED COMMERCIAL BANK LTD.

Head Office: CALCUTTA

G. D. BIRLA
Chairman

S. T. SADASIVAN
General Manager

Since the last tariff enquiry in 1956, the demand for cotton and hair belting has shown some decline, as is shown in the following table:

Year	Cotton belting	Hair belting	Total
1956	Tons 289	Tons 575	Tons 864
1957	252	483	735
1958	302	481	783

The fall in the offtake of cotton and hair belting would have been much more pronounced but for the fact that they are still preferred to rubber ply in a few cases where drives involve more arduous duties under hot, steamy, wet or oil conditions and where horsepower over 200 or very heavy shock-loads are used.

At present, eight units are engaged in the manufacture of cotton and hair beltings. Seven of them are located in and around Serampore near Calcutta and one at Madurai, Madras. Another unit is expected to go into production at Calcutta shortly. The present annual capacity of the existing units is 1,363 tons on single shift for both cotton and hair beltings. There is a considerable surplus capacity in the industry, as is evident from the following table, which indicates the recent trend in production:

Year	Cotton belting	Hair belting	Total
1956	Tons 289	Tons 575	Tons 864
1957	245	458	703
1958	322	450	772
1959 (January-April)	82	142	224

Cotton and hair yarn are the principal raw materials for the industry. Except for a small quantity of hair yarn, the raw materials are available within the country. The industry has complained to the Commission about the inadequate supply of both indigenous and imported hair yarn, and about poor quality and high prices of indigenous hair yarn.

The sub-standard quality of indigenous cotton and hair belting is attributed by the manufacturers to the inferior quality of raw materials. The manufacturers, it is said, are taking measures to improve the quality of their products. While imports of cotton belting have been completely banned since 1949, those of hair belting came to be severely restricted since 1956.

FLOUR MILLING INDUSTRY

Since the flour milling industry caters to processing of staple food products of the country, its fortunes are bound up with the pattern of, as well as policies governing, agricultural production and distribution. Although food production has gone up, the flour milling industry is still working under onerous restrictions imposed by the Government. Besides, the inadequate supplies of wheat, in particular, will hamper the industry. It is feared that State trading in foodgrains will, instead of easing their difficulties, lead to a further deterioration in the availability of foodgrains. This is the impression that one gets after reading the speech of Mr. G. D. Jatia, President of the West Bengal Flour Mills Association, at the fourth annual meeting of the Association on Wednesday the 28th inst.

The production of cereals in 1958-59 is expected to be 61 million tons, as against 53 million tons in 1957-58. This improvement is attributed to record yields in Madhya Pradesh, Punjab, Uttar Pradesh and Rajasthan. And yet the milling industry is not receiving adequate supply of grains, particularly wheat. The procurement programme for wheat in U.P. has received a severe setback. Purchases so far have been below expectations and arrivals have remained meagre. This has naturally created a serious situation in the matter of availability of wheat for flour mills. The anxiety of Mr. Jatia is understandable, since West Bengal being a deficit State in food, will be hard hit in the event of reduced marketable surplus in the State which are its principal sources of supply.

While the supply of wheat in West Bengal is thus none too satisfactory, the demand for wheat products has been increasing, owing to a general rise in the purchasing power of the people and in the population. Consequently, the flour milling industry is not in a position to meet the growing demand by maximising its production. According to Mr. Jatia, the present allocation of 800 tons of wheat per day to the roller flour mill in Calcutta, fixed sometime in 1956, is highly inadequate. This is particularly so, considering that the mills in Calcutta have to cater to the needs of Assam State as well. As the existing allocation of 800 tons per day covers only 66 per cent. of the requirement, the working of the mills is also rendered uneconomic. Accordingly, Mr. Jatia urged the Government of India to allot to the mills in Calcutta sufficient foodgrains that would keep them engaged upto 100 per cent. of their capacity, as is the case with the flour mills in Bombay.

Mr. Jatia further pointed out that his industry was confronted with a monthly surplus of wheat that there were good prospects for exporting wheat and that the Government should liberalise the restrictions on its export.

Estd. 1906 H. O.: UDIPI, S. India

THE CANARA BANKING CORPORATION, LIMITED

(As on 31-12-1958)	
Paid-up capital ..	Rs. 20,00,000
Reserves ..	Rs. 14,40,000
Deposits ..	Rs. 7,19,34,549
Working capital ..	Rs. 9,18,93,969
(Rounded off to the nearest thousand)	

With 52 offices in South India and 1 in Calcutta City in North India and agency arrangements all over the Country, the Bank transacts Banking business of every description.

Our Branches in Bombay City:

"Lentin Chambers"	First Floor,
Ground Floor	209/211 Narsinath
Dalal Street	Street
FORT	MANDVI
(Phone No. 252977)	(Phone No. 73342)

B. I. C.

THE BRITISH INDIA CORPORATION LTD. KANPUR

Branches:—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

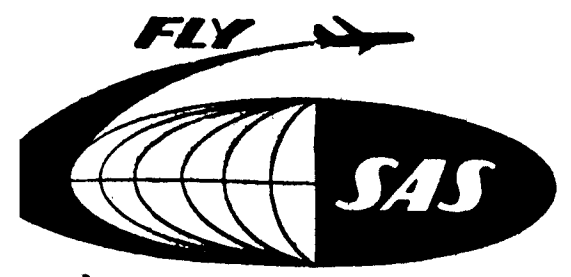
BEGG, SUTHERLAND & CO. PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champaran Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.

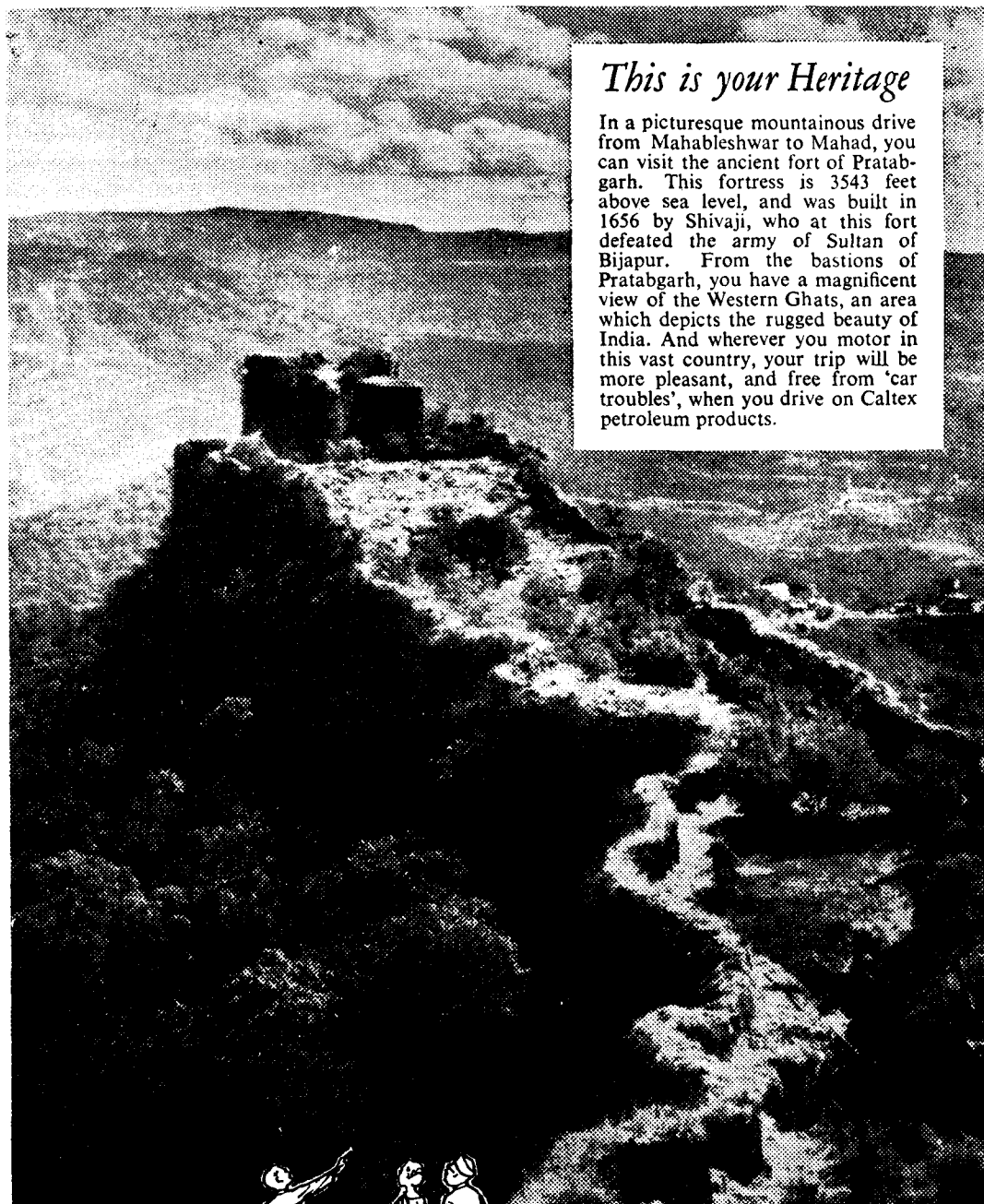
BEHAR' the dependable name in FIRECLAY & SILICA Refractories



THE GLOBAL AIRLINE

This is your Heritage

In a picturesque mountainous drive from Mahabaleswar to Mahad, you can visit the ancient fort of Pratapggarh. This fortress is 3543 feet above sea level, and was built in 1656 by Shivaji, who at this fort defeated the army of Sultan of Bijapur. From the bastions of Pratapggarh, you have a magnificent view of the Western Ghats, an area which depicts the rugged beauty of India. And wherever you motor in this vast country, your trip will be more pleasant, and free from 'car troubles', when you drive on Caltex petroleum products.



SEE YOUR COUNTRY ON CALTEX PETROLEUM PRODUCTS

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines)

— MADURAI —
SOUTH INDIA

Telegrams: 'Harvey'

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles

Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE

BELTING DUCK — TYRE CORD — SEWING THREAD

MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines)

Telegrams: 'HARVEY'

PROGRESS OF "TELCO" ENCOURAGING ALL-ROUND EXPANSION IN ACTIVITIES—GROSS PROFIT AT A NEW RECORD

THE Directors' report and accounts of the Tata Locomotive and Engineering Company Ltd. (Managing Agents: Tata Industries Private Ltd., Bombay) for the year ended 31st March 1959 make encouraging reading. They disclose that the substantial capital expenditure made by the Company during the last few years has been yielding good results. The steady upward trend in activities was maintained in all the divisions of the Company's works during the year under review. There was an all-round increase in the output of locomotives, truck and bus chassis, products of steel and alloy iron foundries, as well as various welded and fabricated items of equipment. The sales of the Company's own products were also higher than those in 1957-58. In consonance with this trend in production and sales, the gross profit of the Company for the year under review also recorded a sizable rise from Rs. 245.08 lakhs to Rs. 284.55 lakhs. This higher profit has been achieved, despite the reduction in prices of spare parts for automobile vehicles and the actual loss in the locomotives and boiler division.

This is the second year in succession for which the gross profit has shown an improvement, such having gone up in 1957-58 by Rs. 43.41 lakhs. With the rise of Rs. 82.88 lakhs in two years, the gross profit of the Company has set up a fresh record in the year under review. Notwithstanding a substantial capital expenditure during the year, the provision for depreciation has been lowered by over Rs. 16 lakhs to Rs. 113.06 lakhs. Explaining this, the Directors observe in their latest report:

"The double normal depreciation allowance under the Income-tax Act having been withdrawn since 1st April 1958, the Company has set aside only normal depreciation for all assets other than the plant and machinery of the automobile division, for which depreciation has been provided on a fixed instalment basis in accordance with the assumed life of the assets. The provision made in respect of such plant and machinery exceeds the depreciation allowed under the Income-tax Act by about Rs. 11 lakhs."

The provision for taxation has been raised from Rs. 6.49 lakhs to Rs. 13.25 lakhs. This includes a sum of Rs. 6 lakhs for wealth tax, as against Rs. 4.30 lakhs provided a year ago. After these two statutory allocations, the net profit stands at Rs. 141.28 lakhs, representing an increase of Rs. 48.33 lakhs over that (Rs. 92.95 lakhs) for the previous year. The appropriation of the net profit discloses a change from last year's pattern. While the allocation to the development rebate reserve has been raised from Rs. 26.87 lakhs to Rs. 74.62 lakhs, no additions have been made to the general reserve No. 2 and reserve for excess dividend tax, which had received Rs. 54 lakhs and Rs. 1.50 lakh, respectively, last year. The Directors have, however, transferred Rs. 10 lakhs to the deferred taxation reserve. After these appropriations, the Directors had drawn last year a sum of Rs. 41.85 lakhs from the general reserve No. 1 (created out of the taxed profits), in order to enable them to pay a tax-free dividend of 9 per cent, whereas this year, no such withdrawal has been made to pay the same dividend on a higher capital raised during the year under review by a three-for-five rights issue.

The following comparative table provides an idea of the Company's progress in recent years:

(In lakhs of rupees)				
For the year ended 31st March				
	1958-59	1957-58	1956-57	1955-56
Sale of products and services ..	26,44.80	26,94.37	21,44.87	11,98.06
Sale of miscellaneous goods ..	...	...	...	...
Stores ..	...	...	...	...
Other income ..	...	...	...	...
Raw materials and stores consumed ..	19,50.00	19,34.95	17,54.70	7,79.52
Other expenses ..	5,26.45	5,68.22	2,68.11	2,02.48
Gross profit ..	2,94.55	2,45.08	2,01.87	2,45.71
Manufacturing Agents' remuneration ..	18.99	16.34	15.11	15.60
Depreciation ..	1,15.06	1,39.30	70.14	1,05.45
Taxation ..	13.25	6.49	27.27	92.00
Net profit ..	1,41.28	92.95	69.15	92.78
Withdrawal from reserves ..	...	...	...	...
Transfer to reserves ..	84.62	82.37	44.99	32.38
Dividends—				
5% preference (taxable) ..	6.85	6.85	6.85	33.16*
Ordinary ..	49.82	45.00	37.43	25.85
1% preference (taxable) ..	...	...	...	...
Carry forward ..	1.95	1.76	1.76	1.90

* Including all arrears since the date of issue of preference capital in 1950.

From the above table, it may appear that the turnover has suffered a drop of Rs. 49 lakhs, that is, from Rs. 26.94 crores to Rs. 26.45 crores.

It must, however, be noted that last year's figure included a substantial amount in respect of heavy trucks and other vehicles wholly imported from Germany. If this special element were excluded, the turnover in 1958-59 would have been actually higher than in 1957-58.

The following points from the Directors' report give an idea of the Company's progress in its various lines:

(1) The output of locomotive and boiler shops was 103 complete locomotives and 1 spare boiler, exceeding the previous year's output by about 15 per cent. Pending the Arbitrator's award on locomotive prices, the Company has taken into account only the provisional prices received from the Government for the locomotives and boilers delivered to it.

(2) In the automobile division, the total output of vehicles and spare parts, as well as the proportion of the parts and components of each vehicle made in the Company's own works exceeded the schedule laid down under the approved programme. The demand for Tata-Mercedes-Benz vehicles continues to exceed supplies. The main factors restricting the output of vehicles are the shortage of foreign exchange, the slow growth of ancillary industries and delays and difficulties in securing supplies of essential raw materials.

(3) New welding and fabricating facilities were brought into production during the year under report. Besides numerous items of welded equipment required by various industries, two ammonia stills, each weighing about 40 tons, were manufactured for a chemical works.

(4) The steel foundry made good progress during the year under report. The rate of production of castings continued to rise and the high quality of the products was maintained.

(5) The alloy iron foundry went into production in October 1958 and has commenced the supply of high grade alloy iron castings to the Company's automobile division. The rate of production has been progressively increasing.

In pursuance of the programme of continued expansion, the Company spent during the year under review Rs. 4.44 crores on additions to the fixed assets. This is on top of Rs. 5.32 crores in 1957-58 and of Rs. 4.47 crores in 1956-57. This brings the total capital expenditure up to the end of March 1959 to Rs. 20.50 crores. The depreciation provided so far on this gross block is Rs. 7.80 crores, so that the net value of the block account stands at Rs. 12.70 crores. The other assets amount to Rs. 18.84 crores. The total secured loans (including the 5 per cent. debenture loan of Rs. 3 crores issued to the public and repayable in 1960-65) aggregate Rs. 10.69 crores and unsecured loans Rs. 1.76 crore. The other current liabilities and provisions amount to Rs. 7.59 crores. These liabilities leave a net asset of Rs. 11.49 crores, represented by a paid-up capital of Rs. 9.99 crores and reserves and surplus aggregating Rs. 1.50 crore.

The outlook for the Company is promising. In response to the Government's invitation, the Company, among others, has submitted proposals for the manufacture of diesel hydraulic locomotives of the type made by its technical associates, Messrs. Krauss-Maffei A.G. and equipped with Mercedes-Benz heavy diesel engines which the Company would also be prepared to manufacture at Jamshedpur under licence from Messrs. Daimler-Benz A.G.

The Government of India has sanctioned the expansion of the Company's automobile division to produce 12,000 vehicles per annum and the manufacture of cabs and bodies for Tata-Mercedes-Benz vehicles. The supplementary manufacturing programme for the additional output is scheduled to be completed by January 1961. The Government has also sanctioned a scheme for the manufacture of pulp and paper making machinery, in collaboration with the well-known Swedish firm, Messrs. A. Johnson & Co., Stockholm. Subject to the satisfactory settlement of certain points regarding the terms of collaboration to meet the requirements of the Government, the project may be started before the end of this year.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 215 cum-div., after having touched a high of Rs. 233.50 on the 8th inst. Early this year, they stood at Rs. 155.25 and a year ago at Rs. 173 which included the rights also. On an ex-div. basis and at the current rate of dividend, the yield on the shares is 4.4 per cent. per annum.

BENGAL PAPER STEPS UP DIVIDEND SHARP RISE IN PROFIT

THE recommendation of the Directors of the Bengal Paper Mill Company, Ltd. (Secretaries and Treasurers: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) to raise the dividend on the ordinary shares of the Company for the year ended 31st December 1958 from 12½ per cent. to 22 per cent. is in consonance with the good performance of the Company during the past year. For the Company's output of paper recorded an expansion as a result of the increase in the number of working days and the production of certain industrial papers. Sales also rose by over Rs. 55 lakhs. The gross profit, therefore, has jumped up by Rs. 19.32 lakhs to Rs. 40.89 lakhs, probably a record in the history of the Company. This is the second consecutive year for which the dividend has been stepped up; it will be remembered that last year it was raised from 10 per cent. paid for 1956 to 12½ per cent., following a 50 per cent. rise in gross profit from Rs. 14.31 lakhs to Rs. 21.57 lakhs.

The successive rise in the gross profit of the Company during the last two years has more than made good the steep fall which had occurred in 1956 from Rs. 33.46 lakhs to Rs. 14.31 lakhs. While the provision for depreciation for the year under review has been slightly reduced from Rs. 4.03 lakhs to Rs. 3.45 lakhs, that for taxation has been more than doubled from Rs. 8.67 lakhs to Rs. 17.67 lakhs, leaving a net profit of Rs. 17.01 lakhs, which compares very favourably with that of Rs. 8.86 lakhs for the previous year. As in the previous year, the realisation on redemption of 100 debentures of the Ukhara Farming Corporation, namely, Rs. 10,000, has been added to the capital reserve, while the addition to the general reserve has been increased from Rs. 1 lakh to Rs. 4.09 lakhs. A sum of Rs. 1.14 lakh has also been utilised to create a development rebate reserve.

The salient features of the Company's profit and loss account for the last four years are compared in the following table:

(In lakhs of rupees)				
For the year ended 31st December				
	1958	1957	1956	1955
Sale proceeds ..	2,69.31	2,07.80	2,02.87	1,95.60
Closing stocks of finished goods ..	4.81	2.14	3.06	4.68
Raw materials and stores consumed ..	1,04.34	80.61	90.74	78.78
Excise duty ..	34.86	25.85	19.42	13.85
Other expenses ..	87.29	79.39	76.93	78.66
Gross profit ..	40.89	21.67	14.31	33.46
Secretaries' and Treasurers' remuneration ..	2.76	...	0.94	2.58
Provision for—				
Depreciation ..	3.45	4.03	5.27	9.14
Taxation ..	17.67	8.67	3.95	6.23
Net profit ..	17.01	8.86	4.15	15.54
Redemption of debentures ..	0.10	0.10	0.10	0.10
To reserves ..	5.53	1.10	0.10	5.10
Dividends—				
Preference (6% and 7%) ..	1.02	1.02	1.02	1.02
Ordinary ..	9.99	6.85	6.85	8.44
(22½%) (12½%) (10%) (10%)				
Carry forward ..	0.92	0.67	0.06	2.02

A drawback in the Company's Directors' report, as in the case of many others, is that it does not give the data relating to its capacity and actual production each year. The provision of this information will give an idea of the operational progress of the Company and lead to a better understanding of its financial results. In addition the Directors would do well to give details of the various kinds of paper manufactured by the Company. A mere statement, as the present one, that production was higher is not sufficient.

The latest balance-sheet of the Company shows that its financial position is quite satisfactory. The paid-up capital of Rs. 71 lakhs (made up of 180,000 ordinary shares of Rs. 25 each, 4,000 7 per cent. preference shares of Rs. 50 each, 4,000 7 per cent. 'A' preference shares of Rs. 100 each and 20,000 6 per cent. redeemable preference shares of Rs. 100 each) is supplemented by reserves and surplus amounting to Rs. 42.18 lakhs. The 4½ per cent. debenture loan stands reduced from Rs. 1,31,500 to Rs. 83,500 and other bank borrowing from Rs. 17.21 lakhs to Rs. 5.64 lakhs. The other current liabilities and provisions aggregate Rs. 64.76 lakhs, having risen from Rs. 50.35 lakhs. There has been an addition of Rs. 6.98 lakhs to the gross block during the year bringing the total cost up to the end of the year to Rs. 220.92 lakhs. This has been well written down to Rs. 57.58 lakhs. The capital expenditure on fixed assets under construction amounts to Rs. 13.19 lakhs. The current assets, including trade investment, at Rs. 113.64 lakhs, provide a

substantially large cover to the current liabilities and provisions.

The Rs. 25 fully paid-up ordinary shares of the Company are firm at Rs. 96.50 ex-final dividend, as against Rs. 81 a year ago. At this rate and on the basis of the dividend for 1958, the shares provide a yield of 6 per cent. per annum, free of income-tax.

POLYCHEM TO PAY MAIDEN DIVIDEND

The ordinary shares of Polychem Ltd. (Chairman, Board of Directors: Mr. Ramdas Kilachand, Bombay) have been a firm feature for some weeks past, at Rs. 90, having risen from Rs. 93 at the beginning of July, on expectations of good results and a maiden dividend for the year ended 31st March 1959. These hopes have since materialised, for the Directors have recommended a modest dividend of 6 per cent., after paying the 7½ per cent. (taxable) preference dividend for the fifteen months ended March 1959. The announcement was greeted in the share market with a further jump in the value of the Company's shares to Rs. 108 last week. The payment of a maiden dividend within a period of two years affords the Company commenced business is a commendable performance. The Company has indeed done well enough during the year under review to justify such a distribution, though, of course, it has yet to build up a reserve.

The gross profit of the Company for the year under review amounts to Rs. 24.77 lakhs, which is more than three times that (Rs. 7.94 lakhs) earned in the previous fifteen months. Out of this profit, the Directors have made a provision of Rs. 3.93 lakhs (as against Rs. 3.47 lakhs) for depreciation and of Rs. 3.75 lakhs (Rs. 47,000) for taxation, leaving a net profit of Rs. 15.09 lakhs, which compares favourably with Rs. 4.04 lakhs for the previous fifteen months. After writing off Rs. 60,000 out of brokerage on shares account and Rs. 1.20 lakh out of underwriting commission account, the Directors have added Rs. 7.21 lakhs to the plant development rebate reserve fund, which had received a mere Rs. 12,000 a year ago. They have utilised Rs. 1 lakh to write down the value of polymerisation technique and know-how formulae obtained from the Company's foreign technical collaborators, namely, the Dow Chemical Company. The 7½ per cent. taxable preference dividend requires Rs. 5.22 lakhs and the ordinary dividend Rs. 2.40 lakhs, leaving a small surplus of Rs. 18,183 to be carried forward.

As a result of the recent expansion, the Company's plant has reached an output capacity of 12 million lbs. per annum. The demand for the Company's polystyrene is said to be growing rapidly and increased production depends on the availability of raw material. The Company has made representations to the Government for giving it adequate licence to import Styrene Monomer to meet the demand fully. Meanwhile, the Directors are considering the question of producing this important raw material in this country. The possibility of exporting Polystyrene is also being examined, but this will be possible only if the plant is allowed to work at its full capacity.

The installation of the distillation plant for distilling Styrene Monomer was completed in March 1959 as scheduled. The sheeting plant was also installed and commissioned during the year under review to meet the growing demand for plastic sheets. It could not, however, be operated to full capacity due to scarcity of raw materials. The Company is installing a rubber dissolving unit for manufacturing an improved quality of high impact Polystyrene which has a great demand in this country. The working of this unit also depends on the availability of raw material.

SIMPLEX MILLS

The proposal of the Simplex Mills Ltd. to raise fresh capital to the extent of Rs. 8.40 lakhs by the issue of 18,800 equity shares of Rs. 50 each at par to the existing shareholders in the ratio of one share for every five was approved by the shareholders at an extraordinary general meeting held on 23rd July 1959. The Company also proposes to raise, as indicated in these columns last week, a debenture loan of Rs. 60 lakhs and the prospectus will be issued in the first week of September.

Addressing the shareholders at their annual general meeting held on 22nd July, the Chairman of the Company, Mr. F. H. Kemple, felt sorry for having to record a loss, for the first time in many years. He, however, assured them that the Board and Managing Agents were doing everything possible to get the mills back to a profitable basis once again. He went on to add that the working of the mills during the first three months of the current year (ending March 1960) had been better than in the latter part of 1958 and the first part of 1959. "I am hopeful," he said, "that our results will still further improve, as there has been considerable progress in the working efficiency of the mill and our new qualities, especially, processed sorts, are now getting better known in the markets. We are doing our best to improve the sale of Belting Duck and to take advantage of yarn markets, where this is to our benefit. We are endeavouring to go finer and obtain the best use we can from the new spinning machinery that has been installed."

The Directors of the Coonoor Tea Estates Co., Ltd., propose to raise additional capital by issuing 18,800 new ordinary shares of Rs. 10 each at par and offer same, in the first instance, to the holders of the existing ordinary shares as on 24th August, 1959 (with a right to renounce in favour of a person or persons approved by the Directors) in the ratio of one new ordinary share for every two existing ordinary shares held by such holders respectively. The new ordinary shares are not entitled to any dividend declared for the Company's financial year ending 30th September 1959.

COMPANY MEETINGS AND DIVIDENDS

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 3rd August 1959. Dividend: 10 per cent. or Rs. 1.00 per share. Transfer books remain closed from 25th July to 3rd August 1959, both days inclusive.

AMBKA SILK MILLS CO., LTD. Annual General Meeting, Bombay, 6th August 1959. Dividend: Rs. 12.00 per share. Transfer books remain closed from 31st July to 14th August 1959, both days inclusive.

BENGAL PAPER MILLS CO., LTD. Annual General Meeting, Calcutta, 7th August 1959. Dividend: 22 per cent. or Rs. 3.50 per share (includes interim dividend of 9 per cent. or Rs. 2.00 per share). Transfer books remain closed from 24th July to 7th August 1959, both days inclusive.

PORT GLOSTER INDUSTRIES LTD. Annual General Meeting, Calcutta, 11th August 1959. Dividend: Rs. 20.00 per share. Transfer books remain closed from 28th July to 11th August 1959, both days inclusive.

MURHULANI (ASSAM) TEA CO., LTD. Annual General Meeting, Calcutta, 12th August 1959. Dividend: Rs. 2.00 per ordinary share and Rs. 2.50 per preferred ordinary share. Transfer books remain closed from 30th July to 12th August 1959, both days inclusive.

ARVIND BOARDS AND PAPER PRODUCTS LTD. Annual General Meeting, Antalia, Bilimora, 14th August 1959. Transfer books remain closed from 1st to 14th August 1959, both days inclusive.

BENGAL CHEMICAL AND PHARMACEUTICAL WORKS LTD. Annual General Meeting, Calcutta, 14th August 1959. Transfer books remain closed from 30th July to 14th August 1959, both days inclusive.

TRITON INSURANCE CO., LTD. Annual General Meeting, Calcutta, 17th August 1959. Transfer books remain closed from 1st to 17th August 1959, both days inclusive.

TATA LOCOMOTIVE AND ENGINEERING CO., LTD. Annual General Meeting, Bombay, 19th August 1959. Dividend: Rs. 9.00 per share, payable on and after 19th August 1959. Transfer books were closed from 22nd June to 11th July 1959, both days inclusive.

HANSQUA TEA CO., LTD. Annual General Meeting, Calcutta, 19th August 1959. Dividend: Nil. Transfer books will remain closed from 11th to 19th August 1959 both days inclusive.

KUMARHUR ENGINEERING WORKS LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Rs. 0.30 per ordinary share. Transfer books will remain closed from 13th to 27th August 1959, both days inclusive.

BIRLA JUTE MANUFACTURING CO., LTD. Annual General Meeting, Calcutta, 28th August 1959. Dividend: Re. 1.00 per share, free of income-tax. Transfer books will remain closed from 10th to 28th August 1959, both days inclusive.

KILICK INDUSTRIES LTD. Interim dividend of Rs. 3.50 per share (subject to deduction of tax), for the year ending 30th November 1959, payable on and after 22nd September 1959. Transfer books will remain closed from 19th August to 8th September 1959, both days inclusive.

BOMBAY SUBURBAN ELECTRIC SUPPLY CO., LTD. Final dividend of Rs. 4.50 per share (making Rs. 7.50 per share, for the year, without deduction of income-tax), for the half-year ended 31st March 1959. Transfer books will remain closed from 4th to 26th August 1959, both days inclusive.

BRADBURY MILLS LTD. Dividend of Rs. 5.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 3rd to 29th August 1959, both days inclusive.

DAWN MILLS CO., LTD. Dividend of Rs. 10.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 3rd to 29th August 1959, both days inclusive.

PHOENIX MILLS LTD. Dividend of Rs. 10.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 3rd to 29th August 1959, both days inclusive.

SHARAT LINE LTD. Dividend of Re. 1.20 (includes bonus also) per share, for the year ended 31st December 1958. Transfer books will remain closed from 22nd August to 20th September 1959, both days inclusive.

(Concluded from next column)

of claims settlement and rendering quick services to the insuring public. The loss ratios given above show that the underwriting policy of your Company has been selective and discriminating as to entertaining sound and remunerative business only.

"The resources of the Company have been highly liquid, inasmuch as 94 per cent. of the tangible assets of the Company are invested in Government of India securities, shares of first grade corporate bodies of the country and held in cash or in call and short-term deposit with Class A1 Scheduled banks of the country.

"Your Company occupies a high position under the Code of Conduct regarding the solvency test, whereunder the Company has a surplus of Rs. 14,61,896 and fully satisfies the solvency test under the Code of Conduct. I am also glad to inform you that the working of the Company for the first six months of the current year discloses that the next annual report would show still better business and income and profits."

ADVANCE INSURANCE COMPANY, LTD.

SPEECH OF MR. NARAYANLAL BANSILAL

THE Sixteenth Annual General Meeting of the Advance Insurance Company, Ltd. was held in Bombay on 27th July 1959. The following are extracts from the speech of the Chairman, Mr. Narayanlal Bansilal, delivered on the occasion:

"With the nationalisation of life insurance business, the insurance companies carrying on general insurance business have now before them a restricted field of business operations, but the same is also a specialised type of business and they can wholeheartedly devote their energies for the development of the general insurance business on such sound footing which will place the structure of industry as a whole on such a strong basis that it will be in a position to render valuable services to the country as a whole.

"It is very essential to prepare the insurance industry here and now so as to enable it to render full service to an industrialised and fully developed nation. In order to make the present foundations of the industry still stronger, I have to place my humble suggestions for consideration by the industry as a whole and the authorities at all levels.

"There is a general complaint of alleged malpractices prevalent in the insurance business and ways are being devised by the authorities to control these malpractices. One of the ways suggested is reduction of tariff rates. I very much doubt whether reduction of tariff rates would eliminate malpractices. I am of opinion that imminent reduction of premium rates would not add to the strength of the industry. The reduction of tariff should, however, be effected after taking into account the expenses of management, which are every day increasing, providing adequate reserves against unforeseen risks, reasonable returns to the shareholders and the claims arising from losses. The last item has to be considered from long range. All types of losses have to be taken into account, namely, normal and unusual. I suggest that the Insurance Act should permit the creation of reserves without being taxed to the extent of the present paid-up capital structure of the companies. This fund should be invested in Government of India securities and such securities be deposited with the Reserve Bank of India or State Bank of India so as to eliminate the doubts entertained by financial institutions about the soundness of the business of insurance companies.

"I would appeal to the Government not to adopt any stringent measures or policy without taking the industry in confidence. The Government should, for the healthy development of the industry, permit tax-free reserves to meet unforeseen calamities. I would also appeal to the banks and financing institutions not to require insurance companies to submit to extraordinary conditions before dealing with them.

"Now coming to the working results of your Company, I have to draw your attention to the comparative figures of net premium income as follows:—

Net Premium Income			
For the year			
	1957	1958	
	Rs.	Rs.	
Indian ..	78,727.00	134,477.00	
Foreign ..	Nil	2,34,915.00	
Total ..	78,727.00	156,732.00	

"Your Company started doing business in marine, motor, workmen's compensation insurance and miscellaneous insurance departments during the year 1958. You will be pleased to observe that your Company's foreign business during the very first year in this direction has amounted to Rs. 2,34,915, which is 15 per cent. of the total net premium income of your Company.

"Coming to the claim ratio in the various departments you observe that the same in relation to the net premium income is as under:

	Per cent.
1. Fire insurance department ..	17
2. Workmen's compensation insurance department ..	3
3. Miscellaneous insurance department ..	10
4. Marine insurance department ..	71

"Your Company has earned the goodwill of its constituents by adopting expeditious methods (Continued in previous column)

SYNOPSIS OF COMPANY REPORTS

Shree Digvijay Cement Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shree Laxmi Agents Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit and loss account (subject to provisions of depreciation, taxation and development rebate reserve) shows a profit of Rs. 41,02,351 (Rs. 47,50,171) to which is added the amount transferred from general reserve of Rs. 8,00,000 (nil) and the balance brought forward from last year's account of Rs. 2,23,855 (Rs. 3,41,614) making a total of Rs. 51,26,209 (Rs. 50,91,785). This amount the directors recommend to be disposed of as under:—

To development rebate reserve Rs. 6,90,082 (nil), to provision for depreciation Rs. 20,43,363 (Rs. 26,85,057) and to provision for taxation Rs. 7,25,000 (Rs. 3,25,000). Payment of dividends on 79,940 5 per cent. cumulative preference shares at Rs. 5 per share (free of income-tax) absorbs Rs. 3,99,700 (Rs. 3,47,940) and on 1,34,443 (1,34,437) ordinary shares at Rs. 9 (Rs. 9) per share (free of income-tax) absorbs Rs. 12,09,987 (Rs. 12,09,933) leaving a balance to be carried forward to next year's account of Rs. 58,077 (Rs. 2,23,855 after transferring Rs. 3,00,000 to general reserve).

The difficulties of adequate supply of raw materials and power have continued during the year under review. The Bombay State Electricity Board have completed the installation of additional turbine and boilers in the current year and the supply of power is now adequate. There was a considerable slackness in demand during the latter part of the year when for sometime the full production could not be maintained due to paucity of workable orders. All these factors have adversely affected production.

The Company has been making efforts ever since the slackness in demand developed to do some business in the export markets and the directors are glad to inform that they have been able to sell more than a lakh of tons cement to different countries, out of which 18,738 tons were exported in 1958 and 65,982 tons from 1st January 1959 to 22nd June 1959.

The Government of India announced their decision on the recommendation of the Tariff Commission with regard to cement prices under which the Company has secured an increase of Rs. 3 per ton in price of unpacked cement from July 1958. The Tariff Commission have based the price for the Company on the estimate of the output at full rated capacity and also did not entertain the claim of rehabilitation allowance. The Company since then has been making representations to the Government with regard to these important matters.

Apart from the output being lower than the rated capacity the increase in the price of coal, railway freight and dearness allowance have also affected adversely the working results for the year.

The Company's relations with labour have as usual been most cordial. The question of revision in the dearness allowance pending for adjudication before the Industrial Tribunal was amicably settled. The Company has with a view to boost the output. The Public Hearing of the Central Wage Board for Cement Industry constituted by the Government of India has been recently concluded.

The construction of the paper project of the West Coast Paper Mills Limited has been completed and the factory has gone into production with full capacity recently.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	2,14,45,550	Gross block	3,98,45,032
Reserves	56,41,792	Less—Depreciation	1,49,32,404
Provision for taxation	8,86,395	Net block	2,49,12,628
Liabilities	2,06,38,398	Plant, etc.	11,37,496
Profit	58,077	Stock-in-trade	3,20,214
		Stores, etc.	49,24,421
		Coal, etc.	34,93,356
		Work-in-progress	17,49,706
		Debts, deposits and advances	66,88,819
		Investment	52,33,988
		Cash	1,55,584
		Miscellaneous expenses	75,000
			Rs. 4,86,91,212

Walford Transport Ltd.

The directors of the above Company (Manager: Mr. R. R. Aiyer, Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

After writing off Rs. 54,636 (Rs. 64,134) for depreciation and setting aside Rs. 2,50,921 (Rs. 5,17,650) for taxes, the available profit for the year would be Rs. 3,33,896 (Rs. 4,28,336) including Rs. 1,35,400 (Rs. 1,66,613), brought forward from last year's account. It is recommended that this sum be dealt with as follows:

To payment of a dividend of 12 (12) per cent. per annum, free of income tax, on 2,10,900 preferred ordinary shares, absorbing Rs. 25,224 (Rs. 25,224), to payment of a dividend of 14 (14) per cent. per annum, free of income tax, on 8,40,800 ordinary shares, absorbing Rs. 1,17,712 (Rs. 1,17,712), to transfer to contingency reserve, Rs. 50,000 (Rs. 1,50,000) [thereby bringing it to Rs. 10,00,000] and to carry forward the balance of Rs. 1,40,960 (Rs. 1,35,400).

The total turnover for 1958 was Rs. 1.52 (Rs. 2.22) crores representing a drop in volume of 31.6 per cent. compared to the previous year, as against which profit before taxes declined by 46 per cent. This drop in profit is explained by the fact that during the first quarter of 1957, the dealer margin was more than what it was for the corresponding period in 1958. As previously reported, the dealer margin was reduced on Government directive. The tax burden continued to be heavy, having eaten up more than 61 per cent. of the current earnings, thus restricting the scope for dividend and provision for expansion. The dividend recommended represents 89.2 per cent. of current net earnings during the year.

The paid-up capital of the Company as compared to turnover in 1958 represented 6.9 per cent. in spite of which it was possible to handle a reasonably respectable volume by utilising the reserves you built up with forethought in previous years and supplemented by bank over-draft. The gradual strengthening of reserves proved beneficial and allocations have been made with the above objective in view, although the amount recommended for reserve in 1958 shows a steep drop compared to previous years.

Throughout the year under review, factory releases showed gradual decline compared to 1957. Supplies during 1958 as compared to 1957 dropped by 44 per cent. unitwise. Indications are the same trend may continue through 1959.

As reported last year, the Siliguri Branch of the Company has now been firmly established. It commenced operations in October 1958 and the progress is satisfactory. The shareholders will also be happy to hear that the Company has been able to secure the Leyland franchise for Assam effective 1st July 1959.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	10,51,000	Gross block	12,83,452
Reserves	19,51,702	Less—Depreciation	8,75,376
Provision for taxation	4,21,062	Net block	4,08,076
Provision for obsolescence	1,57,975	Stock-in-trade	22,78,902
Sales tax provision	1,09,693	Stores	21,151
Liabilities	10,96,643	Goodwill	1,86,510
Profit	1,90,980	Work-in-progress	49,293
		Debts, deposits and advances	15,60,307
		Investments	1,27,080
		Cash	3,47,716
	Rs. 49,79,035		Rs. 49,79,035

Nizam Sugar Factory Ltd.

The directors of the above Company (Managing Agents: Industries (I.F.) Department, Government of Andhra Pradesh, Hyderabad) present the audited accounts of the Company for the year ended 30th June 1958.

The accounts show a net profit of Rs. 40,43,444 (Rs. 22,38,481) after making provision of Rs. 11,09,702 (Rs. 12,04,249) including development rebate of Rs. 1,12,491 for depreciation, Rs. 9,87,270 (Rs. 9,62,804) for bonus to employees, Rs. 24,50,499 (nil) for extra cane price, Rs. 7,74,876 (Rs. 9,47,422) for interest on loans, Rs. 3,81,584 (Rs. 2,64,039) for contribution to employees' provident fund, Rs. 7,96,507 (Rs. 6,18,696) for managing agency commission and Rs. 29,00,000 (Rs. 29,91,000) for taxation and taking credit of Rs. 3,49,165 being the interest recovered from the ryots on contract advances of previous years which was held under current liabilities and provisions in the balance sheet, now taken to profit and loss account and taking credit of Rs. 1,24,652 being the value of the material issued to sub-stores in previous years and charged off to consumption not utilised now taken back to Main Stores.

The above profit added to the balance of Rs. 1,01,803 (Rs. 6,522) brought forward from the previous years, makes up a total of Rs. 41,45,247 (Rs. 22,45,003) which the directors propose to appropriate as under:

To dividend on five per cent. cumulative preference shares at the rate of Re. 1.25 (Re. 1.25) per share of I.G. Rs. 25 fully paid, free of income-tax absorbing Rs. 60,000 (Rs. 60,000), to dividend on four per cent. cumulative preference shares at the rate of Re. 1 (Re. 1) per share of I.G. Rs. 25 fully paid, free of income-tax absorbing Rs. 96,000 (Rs. 96,000), to dividend on ordinary shares, including bonus shares at Rs. 12 (Rs. 12) per cent. at the rate of Rs. 3 (Rs. 3) per share of I.G. Rs. 25 fully paid, free of income-tax absorbing Rs. 13,24,800 (Rs. 13,24,800), to bonus on ordinary shares including new bonus shares at Rs. 6 (Rs. 6) per cent. at the rate of Re. 1.50 (Re. 1.50) per share of I.G. Rs. 25 fully paid, free of income-tax absorbing Rs. 6,62,400 (Rs. 6,62,400), to provision for contingencies Rs. 2,00,000 (nil) and to transfer to general reserve Rs. 17,00,000 (nil) leaving a balance to be carried forward to the next year of Rs. 1,02,047 (Rs. 1,01,803).

The directors have sanctioned payment of an interim dividend of the five per cent. and four per cent. cumulative preference shares of I.G. Rs. 25 fully paid, at the end of December 1958 and an interim dividend of twelve per cent. on the ordinary shares including bonus shares of I.G. Rs. 25 fully paid at the end of March 1959. Now the bonus dividend on ordinary shares including new bonus shares of I.G. Rs. 25 fully paid at Rs. 6 per cent. only remains payable to the shareholders, which the directors recommended for payment.

The year under review was a remarkably good one for the Company and the directors are pleased to report that the Company has made a

gross profit of Rs. 88,51,713, which is the highest so far achieved by the Company in any year. An amount of Rs. 24,50,499 has been provided for payment of extra price for cane in this year's profit and loss account which has not featured in the past two years. This gives an extra price of Rs. 4.75 nP per ton of cane to the cultivators. Another notable point is that the directors propose to transfer a sum of Rs. 19,00,000 in the profit and loss appropriation account to the reserves of the company, i.e. Rs. 17,00,000 to general reserve and Rs. 2,00,000 to the provision for contingencies. There have been no transfers to the reserves in the past two years and the amount of Rs. 19 lakhs is the highest ever transferred to the reserves in any financial year.

During the year under report 529,420 tons of cane were crushed and 55,987 tons of sugar produced at 10.66 per cent. recovery. During the previous year 5,72,790 tons of cane were crushed and 54,047 tons of sugar produced at 9.51 per cent. recovery.

The Factory farms produced 2,44,803 tons at 46.94 tons per acre. Previous year the yield was 229,809 tons at 45.90 tons per acre.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,45,77,275	Gross block	2,92,70,375
Reserves	85,57,288	Less—Depreciation	1,76,39,063
Share suspense account	31,939	Net block	1,16,31,312
Provision for taxation	1,27,54,354	Plant, etc.	519,366
Provision for contingencies	5,11,032	Other assets	1,64,653
Liabilities	3,45,59,698	Stock-in-trade	2,91,61,387
Profit	1,02,047	Stores and shares	44,45,319
		Cane plantation in progress	62,62,234
		Debts, deposits and advances	1,64,02,452
		Investments	3,44,808
		Cash	21,62,102
	Rs. 7,10,93,633		Rs. 7,10,93,633

United Provinces Sugar Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 30th September 1958.

The net profit of the Company after providing for depreciation and other usual charges amounts to Rs. 5,88,986 (Rs. 6,72,708). From this has been deducted provision for Central and State Taxation amounting to Rs. 3,53,000 (Rs. 4,05,000) leaving a balance of Rs. 2,35,986 (Rs. 2,67,708) to which falls to be added the credit balance brought forward from last year of Rs. 29,751 (Rs. 32,042) making available for distribution a sum of Rs. 2,65,737 (Rs. 2,99,751). This amount the directors recommend, should be dealt with as follows:

By payment of a dividend at 10 (7½) per cent. for the year ended 30th September 1958 absorbing Rs. 1,60,000 (Rs. 1,20,000), by transfer to development reserve Rs. 50,000 (Rs. 1,50,000) and to development rebate reserve Rs. 5,427 (nil) leaving a balance to be carried forward to credit of profit and loss account Rs. 50,290 (Rs. 29,751).

Season 1957-58 Production: The crushing during the year started on 22nd November 1957 and finished on 7th April 1958, with a total crush of 29,52,615 (28,11,566) maunds of cane at recovery being 10.89 (9.97) per cent. which was highest in the whole of U.P. and Bihar. Of the total cane crushed, 2,41,250 maunds were supplied from lands cultivated by the Company.

The cane price continued at the rate of Re. 1.44 nP per maund at the factory gate and Re. 1.31 nP at outstations. Cane cess and Cane Co-operative Societies' Commission remained at 19 nP and 9 ples per maund respectively.

Estates: There was a small profit in the Estate profit and loss account for the year 1957-58. There was no major item of capital expenditure during the year. Some 20 acres of land which were considered uneconomical were sold away. One new tractor was purchased and one tubewell was installed at Bubnowlie.

Season 1958-59 Prospects: This season's crush at 40,21,387 maunds, the highest during the last twenty-five years with recovery at 10.26 per cent. is considered to be quite satisfactory. The results for the current year are, therefore, expected to be fair.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	16,00,000	Gross block	35,64,066
Reserves	9,72,016	Less—Depreciation	27,87,195
Provision for taxation	5,29,978	Net block	7,76,871
Liabilities	27,59,188	Stock-in-trade	20,24,550
Profit	50,290	Stores, tools, etc.	11,10,370
		Country crops	31,283
		Debts, deposits and advances	16,28,141
		Investments	70,538
		Cash	2,69,719
	Rs. 59,11,472		Rs. 59,11,472

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

At your disposal

ACC's

years of experience

in the manufacture of

HEAVY MACHINERY

Write to us for your requirements of:

- Cement Machinery
- Stone Crushers
- Ball & Tube Mills
- Rotary Kilns, Dryers, Coolers etc.
- Conveying Equipment

- M.S. Fabrications such as Shells, Tanks, Hoppers, Chutes, Dust Cyclones etc., for Chemical and Allied Industries
- Structural Fabrications



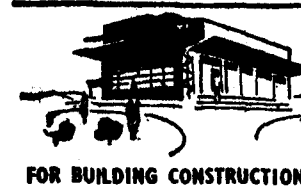
THE ASSOCIATED CEMENT COMPANIES LTD.

MACHINERY MANUFACTURING DIVISION

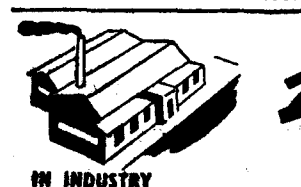
121, Queen's Road, Bombay I

Choice of Cement

in every field



FOR BUILDING CONSTRUCTION

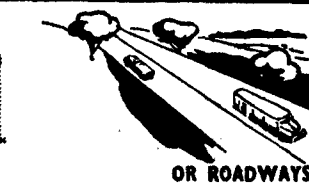


IN INDUSTRY

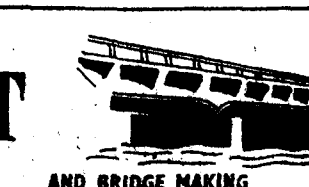
Dalmia



CEMENT



OR ROADWAYS



AND BRIDGE MAKING

DALMIA CEMENT (BHARAT) LTD.
DALMIAPURAM (TIRUCHIRAPALLI)

the better make for better construction

Notices

DEHRI-ROHTAS LIGHT RAILWAY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Tuesday, the 1st September 1959, at 11.00 a.m., at the Registered Office of the Company at Dalmianagar, to receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 31st March 1959, to declare dividend of Re. 1/70 nP per share free of Income-tax, to elect a Director in place of the retiring Director, to appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from 18th August 1959 to 1st September 1959, both days inclusive.

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

By Order of the Board,

For SAHU JAIN LTD.,

A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 21st July 1959.

Payment of Dividend when declared will be made to the Registered Shareholders as on 1st September 1959 or to their mandates.

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

Requirement of Loco Tyres and Wheels—
Tender No. G.P. 18, 1959-60

THE LAST DATE OF RECEIPT OF OFFERS for items No. 1 to 25 of the above-mentioned tender which was 12 noon on 1.9.1959 has been revised as under:—

Last date of receipt ... Not later than 12 noon on 3.9.1959.

To be opened at ... 2 p.m. on 3.9.1959.

With regard to item No. 26 the date and time remain unchanged.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi.

BURMAH-SHELL REFINERIES LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debentures 1965-69 will be closed for transfers from 17th August 1959 to 31st August 1959, both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer.
State Bank of India,
Agents for Burmah-Shell
Refineries Ltd., for
the management of the
Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 31st July, 1959.

UNIVERSITY OF BOMBAY DEPARTMENT OF ECONOMICS

APPLICATIONS ARE INVITED FOR A Post-Doctoral Fellowship for training in Monetary Research for one year at an American University. Applicants should preferably be Ph.D.s in Monetary or International Economics. Failing a suitable candidate with Ph.D. degree, persons with M.A. degrees who have specialised in the above branches of Economics may be considered. Applicants must have at least one degree of the University of Bombay. The last date for the receipt of the applications is 15th August, 1959. Further details and the application form can be had from the Registrar, University of Bombay, Bombay-1.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, 25th July, 1959.

THE SWASTIK TEXTILE MILLS LTD.

Sheikh Memon Street, Dubash Market

BOMBAY 2

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING of the Company will be held at its Registered Office at Sheikh Memon Street, Dubash Market, Bombay 2, on Thursday the 20th August, 1959, at 4-30 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the year ended 31st December, 1958.
2. To sanction declaration of Dividends.
3. To elect a Director in place of Shri Purushottam Kashinath Divekar, who retires by rotation under Article No. 144 of the Company's Articles of Association and being eligible offers himself for re-election.
4. To elect a Director in place of Shri Gangadhar Vishnu Puranik, who retires by rotation under Article No. 144 of the Company's Articles of Association and being eligible offers himself for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from 14th August, 1959 to 20th August, 1959 (both days inclusive).

A Member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,

For P. KASHINATH & Co.,
S. P. DIVEKAR,
Partner,
Managing Agents.

BOMBAY, 20th June, 1959.

Note.—The Dividend when sanctioned by the Members in the General Meeting, will be payable from 2nd September, 1959 to those Shareholders whose names stand in the Register of Members of the Company on 20th August, 1959, to whom the dividend warrants will be posted.

THE RELIANCE JUTE MILLS COMPANY, LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Second Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 11-0 a.m. on Tuesday, the 8th September, 1959, for the following purposes:—

- (1) To receive and consider the Audited Accounts for the year ended 31st March, 1959, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To appoint a Director in place of one retiring.
- (3) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from the 1st September to the 8th September, 1959, both days inclusive.

By Order of the Board,

JARDINE HENDERSON, LIMITED,
I. F. MORRIS,
Acting Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, 24th July, 1959.

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

MANCHESTER LETTER

(Concluded from page 177)

the local object is to scrap redundant plant. The readjustment of productive capacity in Japan also includes the spinning sections of the wool, rayon staple and synthetic fibres industries.

Like a number of other Chairmen, Mr. W. T. Winterbottom was unable to give stockholders details of how the Fine Spinners and Doublers group intended to take advantage of the redundancy plans when he prepared his annual statement. No doubt he will have something to add about the combine's views at the meeting next week. His comments on the trade position, however, invariably make interesting reading and in a lengthy review of the situation his remarks included the following quotes:

"It seems highly desirable that the Commonwealth should set up some consultative machinery for considering cases where developments in one member-country seem likely to cause serious disruption in others and for suggesting appropriate remedies. The limit on the Hong Kong trade represents nearly 15 per cent. of the total home market and this is increased to 25 per cent. if the present volume of imports from India and Pakistan is included. This figure is so big that nobody can feel any great satisfaction with the situation. Moreover, the arrangement only covers piece-goods and some made-up goods; in particular, cotton yarn is excluded.

"The United States raw cotton policy of ensuring a high domestic price level by means of a loan and of assisting exports by a subsidy contains an inherent dilemma. If the subsidy is too small, it fails to achieve its object, but, if it is flexible, it creates uncertainty. In either case, forward buying is inhibited and the hesitant, haggling trade which follows reduces efficiency and satisfies nobody.

"The time has clearly come when all firms in the industry must review their position and aims. In the long run, it does no good to anybody to continue to use resources of men, money, machinery or buildings to produce something which consumers are not prepared to buy at fair prices to the producer. It is equally futile to try to conceal this truth by committing further resources which could be more profitably used elsewhere."

DEVELOPMENT OF SUBSIDIARY FOODS—II

(Continued from page 183)

2. Lack of organised adequate cold storage facilities (coupled with lack of organised dehydration and processing), as a result of which a major part of the produce has to be sold for consumption in fresh form leading to wastage and wide price variations.

An essential requirement for removing these difficulties is the organisation of co-operative marketing-cum-processing societies for subsidiary foods. These societies which may deal in one or more of the subsidiary foods should collect the produce from the growers, market in fresh form whatever portion is considered desirable, the balance being dehydrated and processed into flour or suitable mixture preparations. The processing may be done in the villages or at the mandi or other points wherever considered feasible. Marketing-cum-processing co-operatives have developed in this country in the case of such commodities as sugarcane, jute, cotton, oilseeds, etc., but progress towards co-operativisation of marketing and processing of subsidiary foods has been very poor.

Other measures that would be necessary for improving the market facilities for subsidiary foods are:

- (a) Regulation of markets for subsidiary foods.
- (b) Standardisation and grading of subsidiary foods, wherever feasible.
- (c) Improvement of village communications.
- (d) Assistance to growers to buy bullock carts or other vehicles.
- (e) Provision of more ventilated wagons and refrigerated transport.
- (f) High priority in the allocation of wagons for perishable subsidiary foods.
- (g) Development of cold storage facilities.

The Subsidiary Foods Production Committee recommended that production of subsidiary foods should be based on guaranteed here should be the same as that of State trading in foodgrains, namely, "to maintain price levels which are fair to the producer and to the consumer, and to reduce to the minimum the spread between the prices received by the farmers and the prices paid by the consumers." The ultimate be the channelling of the produce at all levels price and market guarantees may be necessary on some occasions in certain areas. The best would, however, be to promote the demand, as outlined above, sufficiently to keep pace with the increase in production.

(Concluded)

TERMS OF NEW STATE LOANS ANNOUNCED

(From Our Own Correspondent)

BOMBAY, 29th July

An event of importance to the money market this week is the announcement of the States' borrowing programme. Twelve States propose to raise an aggregate sum of Rs. 57.50 crores. All the loans will carry a uniform rate of interest at 4 per cent. and will mature in 1971. The amount and issue price vary from State to State. Except Bombay, which is issuing its loan at par, all other States are offering at a discount. The details of each loan will be given presently in this review. The list will be open for public subscription on 19th August and will close on 25th August, or earlier. All the States reserve the right to retain subscriptions up to 10 per cent. in excess of the notified amount. Only one State, namely, Madras, has offered conversion facility. The uncashed portion of the 3 per cent. 1959 loan, which had matured on 21st June last, will be accepted at par. In terms of an earlier announcement, this loan carries interest at 4 per cent. from 21st June upto and including 18th August.

The timing of the issues is propitious, in that the short-term money market has become distinctly easy. There has been a further drop in interest rates this week. Inter-bank call money is being offered at 4 per cent. among the Exchange banks and big Indian banks and at 1½ per cent. among the small banks, but there are no borrowers. House money at seven days' notice is, however, unchanged at 3½-3¾ per cent. and short-term deposits at 3¼-4 per cent.

There has been a sizable decline in the 91-day Treasury Bill rate this week, the average rate of accepted tenders at yesterday's sales being 2.545 per cent. per annum, as against 2.717 per cent. last week. The amount offered was larger at Rs. 3.35 crores in response to the invitation for Rs. 3 crores, as compared with Rs. 3.90 crores a week ago as against Rs. 2 crores invited. Despite this encouraging response, the tender amount for next week is unchanged at Rs. 3 crores. Sales of Intermediate Treasury Bills during the period 22nd to 25th July were also larger at as much as Rs. 7.25 crores, those in the corresponding period of the previous week being Rs. 1.19 crore.

There has been a contraction of Rs. 24.74 crores in notes in circulation during the week ended 24th July 1959. Disclosing this, the Reserve Bank of India statement for that week also shows a rise of Rs. 1.99 crore in notes held in the Banking Department. The total notes issued are thus lower by Rs. 22.75 crores. As against this, there is a decline of Rs. 5 crores in foreign securities and of Rs. 19.91 crores in rupee securities. Rupee coin, however, shows a rise of Rs. 2.16 crores. The fall of Rs. 5 crores in foreign securities has, however, been made good to some extent by an increase of Rs. 2.32 crores in balances held abroad (in the Banking Department). Deposits of the Central Government have gone up by Rs. 15.05 crores, while those of other Governments have dwindled by Rs. 11.46 crores, as also of banks by Rs. 1.84 crore. Loans and advances other than to Governments have also declined by Rs. 2.01 crores, mainly due to the repayment of advances to Scheduled banks against usance bills to the tune of Rs. 2.67 crores. Investments have increased further by Rs. 3.71 crores.

The Scheduled banks' statement for the week ended 17th July 1959 disclosed a further rise of Rs. 9.64 crores in time deposits (to a peak of Rs. 1,040.26 crores). Demand deposits have, however, shrunk by Rs. 7.35 crores. Inter-bank borrowings are higher by Rs. 1.67 crore, while borrowings from the Reserve Bank stand reduced by Rs. 3.04 crores. Advances have gone down by Rs. 7.29 crores and bills purchased and discounted by Rs. 1.08 crore, while investments have risen by Rs. 1.83 crore, cash balances by Rs. 13.54 crores and money at call and short notice by Rs. 1.37 crore.

The details of the proposed State loans are:

State	Amount (in crores of Rs.)	Issue Price (Rs.)
Andhra	6.00	99.50
Assam	2.50	99.00
Bihar	3.00	99.50
Bombay	6.00	100.00
Madhya Pradesh	3.00	99.00
Madras	8.00	99.50
Orissa	3.50	99.00
Punjab	2.00	99.00
Rajasthan	3.50	99.50
U.P.	8.00	99.50
West Bengal	7.00	99.50

The Kerala State has kept out of the market for the present, in view of the present anti-Government agitation in the State and the decision of the Travancore-Cochin Bankers' Association and the Kerala Bankers' Association not to co-operate with the Government in its borrowing programme. The State has decided to put off the issue to December.

Meanwhile, the gilt-edged market continues to be buoyant, thanks to the persistent good demand for all dated loans. There has been a sharp rise in values of some of the short-dated loans, ranging up to 25 nP. The Reserve Bank of India has again put up its selling rate for the 3½ per cent. 1969 by 5 nP to Rs. 98.95. The Bank continues to offer 4 per cent. 1979 at the unchanged rate of Rs. 100.05. State loans too are firm and the prices of 4 per cent. and 4½ per cent. loans have hardened by 5 to 15 nP.

A 3 per cent. 1986 Conversion loan continues to be on offer and has declined by 20 nP to Rs. 73.80. 3 per cent. 1970-75 has, however, gained 10 nP to Rs. 92.10. 3 per cent. 1968-69 has hardened by 10 nP to Rs. 95. 3 per cent. 1964 by 20 nP to Rs. 97.40 and 3 per cent. 1963-65 by 25 nP to

RECOVERY IN BULLION

(From Our Own Correspondent)

BOMBAY, 29th July

The bullion market ruled distinctly steady in the first three sessions of the week under review. Both silver and gold evoked good buying enquiries which lifted up their prices. There was, however, a setback on Monday and yesterday. The yellow metal was more depressed, due to reports of heavy arrivals of contraband gold in Calcutta. There were also speculative offerings by some local interests. In sympathy with gold, silver remained subdued. But today, the market again picked up some strength, with both the metals showing a hardening tendency. The recovery was, of course, not marked enough to make up for the previous losses, so that today's closing rates were generally lower than those at the end of last week.

August settlement in silver opened firm at Rs. 196-8, as against Rs. 195-2, and advanced gradually to touch a high of Rs. 197-5 on Saturday. At this level, profit-taking set in and the settlement declined to Rs. 196-9 yesterday. It, however, recovered to Rs. 197-3 today. September settlement moved up from Rs. 195-14 to Rs. 196-15 on the 25th and, after easing to Rs. 196 yesterday, it finished higher at Rs. 196-14 today.

Ready silver, which stood at Rs. 197-10 on Wednesday last, gradually receded in the first few sessions and touched a low of Rs. 195-15 yesterday. Opening at Rs. 196-8 today, it spurted to finish at Rs. 196-13. The daily average arrivals of silver were 19 bars, while the offtake was 11 bars. The floating stocks of silver are reported to be around 400 bars.

August settlement in gold was well supported on the opening day of the week, the quotation moving up from Rs. 118-4 to Rs. 118-11. Thereafter, it tended to decline and stood at Rs. 116-10 yesterday. After recovering to Rs. 117-4 today, it closed an anna lower at Rs. 117-3. Business in September settlement commenced on Monday, with the starting rate fixed at Rs. 117-4. It encountered selling yesterday and declined to Rs. 116-10. Today, however, it was firm at Rs. 117-5 before finishing at Rs. 117-3.

Ready gold hardened from Rs. 118-2 to Rs. 118-10 on the opening day and, after receding to Rs. 116-7 yesterday, it wound up the week at Rs. 117-1. The daily average arrivals and offtake of gold were 3,600 tolas and 2,800 tolas, respectively. The floating stocks of gold are estimated at 40,000 tolas.

Both ready and forward silver in the London bullion market registered further gains during the week under review, the former rising from 78½d. to 78¾d. per ounce and the latter from 78d. to 78½d. Silver in New York was unchanged at 91.375 cents per ounce. Ready gold in London, after improving by ½d. to 249s. 11½d. per ounce on the 24th, receded thereafter and touched 249s. 9½d. Yesterday, owing to the firmness of the pound sterling vis-à-vis the dollar. The latest available dollar rate for gold in London is \$35.124-\$35.144, as against \$35.13-\$35.15 a week before.

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

	20-7-59	Highest	Lowest	22-7-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (999 fine Mint)	117 1	118 10	116 7	118 2
Forward	117 8	118 11	116 10	118 4
Silver	77 14	78 2	77 12	78 2
Ready (999 fine Mint)	196 13	197 9	195 15	197 10
Forward	197 8	197 5	196 4	196 6
London Silver Ready	78½d.	78¾d.	78¼d.	78½d.
London Forward	78½d.	78¾d.	78¼d.	78½d.
London Gold	249s. 11½d.	249s. 11½d.	249s. 9½d.	249s. 11½d.
New York Silver	91.875c	91.875c	91.375c	91.875c

* 20th August settlement. † 21st August settlement.

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 27th July

There was a sharp advance in linseed which reached its peak during mid-week when ready and forward deliveries were quoted at Rs. 23.50 and Rs. 24, respectively, and September futures touched Rs. 23.61. This rise was not maintained and was followed by a quiet tendency. Millers were inactive on the whole, owing to poor demand for both oil and oilcake, and also to unprofitable crushing margins. The oil section was mostly dull, with neither shippers nor local buyers showing much interest. Although prices advanced earlier in sympathy with seeds, absence of enquiries caused a reaction towards the close.

The latest quotations are: Ready-July Rs. 23.12 Aug.-Sept. Rs. 23.37 and Sept. futures Rs. 23.25 per maund.

Rs. 97.45. 3½ per cent. loans are all well held at previous week's levels, except 3½ per cent. 1967 which has put on 5 nP to Rs. 99.55. 3½ per cent. 1974 has advanced by 10 nP to Rs. 99.50.

The rupee is ruling steady in terms of the U.S. dollar, but the rates are unchanged. Banks continue to sell U.S. dollar T.T.'s at Rs. 476 per \$100 and buy them at Rs. 472.75 per \$100. In New York, spot sterling has gained from 281.14-281.17 cents to 281.17-281.20 cents. Three months' forward is, however, unchanged over the week at 281.08-281.11 cents.

COTTON FUTURES QUIET

(From Our Own Correspondent)

BOMBAY, 29th July

The cotton futures market ruled quiet during the week under review. Values moved in a narrow range in slow dealings. Turnover was small. Operators were in a hesitant mood. Earlier in the week, the trend of price of the maturing August contract was mainly influenced by speculations about the tendering differences which were fixed on Monday. Towards the close, attention was focussed on the meeting of the Cotton Textile Consultative Board scheduled to be held today.

A section of the trade was expecting that, considering the firmness of ready prices, the tendering differences would be favourable to bulls. Speculative buying based on this consideration pushed up the contract to Rs. 702.25 on Monday. Trading differences fixed by the Special Committee on Monday, however, turned out to be not as favourable as this section had earlier anticipated. This prompted liquidation by weak bulls and values fell. The general feeling among traders was that the rates were reasonable. Judging from the rates, tenders against the August contract were not expected to be much. The price pattern of the new crop contract Jarilla March 1960 was influenced more by reports from the growing regions than by the trend of the August contract or of the spot market or the supply position. But for occasional sympathetic rises, the contract showed a generally sagging trend. Over the week, both the August and March contract declined, the former by Re. 1.50 and the latter by Rs. 2.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 698, as against the previous close of Rs. 701.25, and after rising to Rs. 702.25 on Monday declined to Rs. 695.50 yesterday. Opening at Rs. 700.50 today, the contract improved fractionally to Rs. 701 but receded to Rs. 699. It, however, rose towards the close of the session and finished at Rs. 699.75.

I.C.C. Moglai Jarilla March 1960 commenced the week lower at Rs. 667.25 and fluctuated between Rs. 669 and Rs. 664.25 till yesterday. Opening at Rs. 660 today, the contract rose to Rs. 665 before declining to Rs. 665.50. The following table indicates the trend of prices of the contract during the week:

(In rupees per candy of 784 lbs.)

	29-7-59	High	Low	22-7-59
I.C.C. Moglai Jarilla August 1959	699.75	702.25	695.50	701.25
I.C.C. Moglai Jarilla March 1960	666.50	669.00	664.25	668.50

In the spot section, normal activity was reported. Prices maintained a more or less steady trend. Good quality cotton found ready buyers. Some mills were regular buyers of Kalyan, Laxmi and Jayadhar. Other varieties such as Rajapalayam, 0304 and CO2 also evoked attention.

In the export section, following the reduction in export duty on Pakistan *Deshi* cotton from Rs. 50 to Rs. 40 per bale and on staple varieties from Rs. 115 to Rs. 75, there was mild reaction in prices. Prices, however, recovered following good inquiries from Japan for old and new crop Bengal. The reduction in duty in Pakistan was not expected to affect Indian exports much as prices in Pakistan went up as soon as the reduction in duty was announced. Yellow pickings were also in moderate demand.

The ceiling fixed in respect of export of Bengal *Deshi* cotton on a first-come-first-served basis as per the announcement made on 19th November 1958 has been reached. No further allotment letters will, therefore, be entertained.

Interest in foreign cotton was subdued. Some stray business in lower and higher grade Sudan cotton was done by some Bombay and Ahmedabad Mills. It is reported that a more simplified system of payment for cotton imports from Egypt is under consideration by the Ministry of Commerce. Importers in future will get invoices in rupees and they will not have to face the problem of converting Indian currency into Egyptian pounds.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal *Deshi* 700; Berar Jarilla 725; Khandesh 860; Laxmi 995; Jayadhar 930.

Cotton values in Karachi firmed up during the week. The reduction in export duty on *Deshi* varieties from Rs. 50 to Rs. 40 per bale and from Rs. 115 to Rs. 75 per bale on staple varieties prompted fresh buying in anticipation of export demand. Consequently, prices hardened. Mill demand was fairly good.

Firm conditions prevailed in the Alexandria cotton futures market during the week under review. Futures values advanced on good support from shippers and local traders. Supplies of good quality cotton were scarce. New crop evoked keen interest. Karnak July contract expired on the 27th inst. at 73 talars. The first official estimate put acreage under cotton in the new season at 1,760,278 feddans, as against the current season's 1,904,949 feddans. The following are the latest available quotations—in talars per lb.—from Alexandria:

Karnak: November 78.65. *Ashmouni*: August 69.25. November 68.64.

Cotton futures values in Liverpool suffered a setback during the week on renewed hedge pressure by trade and Commission Houses. Weak advice from New York accelerated the downward trend. Sudan contracts, however, were quietly steady, thanks to continued firm advice from Khar-toum and news of good bidding at the auctions. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: July-August 22.40; October-November 21.15; December-January 21.05; March-April 20.90.

American cotton mixed growth contract: July-August 22.80; October-November 21.65; December-January 21.30; March-April 21.35.

Sudan: July-August, September-October, November-December 29.25.

New York cotton futures market was in a hesitant mood. Traders were generally inclined to watch crop developments and weather. Prices moved in a narrow range. Reports of heavy rains in Texas and good demand for new crop prompted speculative buying towards the end of the week. Futures values consequently improved.

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

	(In cents per lb.)	28-7-59	21-7-59	14-7-59
pot	...	33.85	34.40	34.95
uly	...	...	...	34.88
October	...	32.37	32.32	32.17
December	...	32.31	32.32	32.22
March	...	32.62	32.58	...

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 29th July

Dull conditions prevailed in the yarn market during the week under review. Business put through was very much restricted, with values moving narrowly. The art silk yarn section was devoid of any development. Operators preferred to watch the actual working of the revised Export Promotion Scheme for Fabrics. The general tendency of prices was, of course, upward. Staple fibre yarns were subdued, notwithstanding Surat and other important centres, as a result of the Export promotion Scheme. The market was closed today, owing to the death of one of the Directors of the Bombay Yarn Merchants' Association and Exchange Ltd.

Cupressa Bamberg yarn (60x2) October delivery gained a rupee to Rs. 1,736, while August delivery declined by Rs. 3 to Rs. 1,699. Spot Cupressa recorded a rise of 6 nP, yesterday's closing rate being Rs. 7.56. Among imported art silk yarns, 120 Japan hardened by 6 nP to Rs. 4.87, 150 Japan improved by 5 nP to Rs. 4.83, 150 Italy rallied from Rs. 4.71 to Rs. 4.78. 120 Italy strengthened by 4 nP to Rs. 5. Among indigenous yarns, National Rayon 150 bright cones first grade put on 6 nP to Rs. 4.31. 120 bright cones first grade gained a naya paisa to Rs. 4.76.

Staple fibre yarn (40x2) August contract was dull at Rs. 674. October contract came in for selling and dropped Rs. 4 to Rs. 669. Spot City eased by 3 nP to Rs. 3.50. Kohinoors lost 2 nP to Rs. 3.64. Centurys were quiet at Rs. 3.62. A notable feature of trading in this section was the distinct improvement in prices of imported yarns (80x2). Fujis firmed up by 50 nP to Rs. 8.81. Paramounts spurted from Rs. 7.81 to Rs. 8.22.

In the cotton yarn section, ten counts Podars and Moderns were dull at Rs. 13 and Rs. 13.75, respectively. Twenty counts Hinds increased by 3 nP to Rs. 18.75. Moderns were neglected at Rs. 17. Forty counts Minaxis met with good support, the quotation spurring by 32 nP to Rs. 25.44. Moderns were easy at Rs. 26. Sixty counts Raghuvamshis were dull at Rs. 57, as also Finlays at Rs. 63. Eighty counts Mahendras shed 25 nP to Rs. 72.25. Moderns and Finlays were quiet at the former at Rs. 77 and the latter at Rs. 81. Cities, however, elicited special support and advanced by 25 nP to Rs. 66.75.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted yesterday as compared with those six days before:

	28-7-59	22-7-59
Art silk yarns—		
60/1 Cupressa Bamberg August (100 Kg.)	1,699	1,736
60/1 Cupressa Bamberg spot (per lb.)	7.56	7.50
120 Japan (per lb.)	4.87	4.83
150 Japan (per lb.)	4.83	4.78
120 Italy (per lb.)	5.00	4.71
Staple fibre yarn—		
40x2 August (per case of 200 lbs.)	674.00	674.00
40x2 October (per lb.)	669.00	678.00
40x2 Kohinoor (per lb.)	3.64	3.62
Cotton yarns (per bundle of 10 lbs.)—		
10s Podar	13.00	13.00
20s Modern	17.00	17.00
40s Finlay	77.00	77.00
80s Finlay	81.00	81.00
90s Mahendra	72.25	72.50

SEEDS EASY

(From Our Own Correspondent)

BOMBAY, 29th July

A distinctly easy trend was in evidence in the oilseeds market during the week under review. Under the leadership of groundnuts, the other seeds and oils gave way on a fresh wave of selling by local and upcountry bulls. The follow-up support was restricted. At the same time, arrivals were sizable. With the downward drift in prices, crushers and paraspant manufacturers preferred to wait and watch. There are some signs of improvement in the export section; but these, too, were not so pronounced as to check the reaction.

The weakness in the groundnut section was mainly on account of heavy bull liquidation following rumours that substantial delivery orders might be issued against the maturing contract. Although there were some reports of business in oils with Burma, oil prices gave way, particularly in the face of large arrivals of groundnut of the spread variety. The August 1959 contract, which

closed last week at Rs. 195, fell to Rs. 191 today, after fluctuating between Rs. 190.50 and Rs. 190.25 over the week. February 1960 contract declined from Rs. 168.50 to Rs. 165.27. Bold ready lost one rupee to close at Rs. 40. Oil ex-mill shed 75 nP to touch Rs. 20.75 and railway receipts by 94 nP to Rs. 20.37.

The castorseed section, although there were some enquiries from shippers, lost ground. The comfortable supply position and the uncertainty regarding the prospects for exports of oil, particularly from the U.S., dampened the enthusiasm in both seeds and oils. The September 1959 contract, which stood at Rs. 157.75, receded to Rs. 154.75, after moving both ways during the week. May 1960 contract closed today lower by Rs. 4 at Rs. 154.37. Oil B.S.S. reacted by one rupee to Rs. 15.81.

Linseed, too, was weak in sympathy with other seeds. Nevertheless, the rise in overseas prices of linseed oil following reports of smaller U.S. crop and reduced acreage under linseed in Canada aroused new hopes of export business in oil. Besides, oilseeds were quite active on sizable overseas demand. The Government of India announced on Monday the release of a fresh quota of 10,000 tons of linseed oilcake for export by ship without any restriction on maximum shipment by individual shipper up to the end of September 1959. This export promotion measure has been welcomed by the trade, particularly since the previous quota of 10,000 tons of oilcakes is virtually exhausted by now. September 1959 contract, which wound up last week at Rs. 32.81, fell to Rs. 32.56 today. Bold ready, however, was steady at Rs. 32.50. Oil lost 13 nP over the week to Rs. 15.87.

The cotton section toed the line set by the other seeds. Cottonseed September 1959 contract and February 1960 contract, which closed last week at Rs. 137 and Rs. 116, respectively, sagged to Rs. 136 and Rs. 113, after fluctuating within a narrow groove.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-7-1959	22-7-1959	15-7-1959
Groundnut			
August 1959	191.50	195.50	191.50
February 1960	165.27	168.50	167.25
Bold ready	40.00	41.00	40.40
Command ready	40.25	41.25	40.75
Ex-mill ready	20.75	21.00	20.75
Oil ex-mill ready	20.37	21.31	21.12
Castorseed			
September 1959	154.75	157.75	154.82
May 1960	154.37	157.37	154.87
Bold ready	29.75	30.00	29.82
Command ready	29.75	30.00	29.82
Oil B.S.S.	15.81	16.00	15.94
Oil commercial	15.82	16.00	15.94
Linseed			
September 1959	32.56	32.81	32.89
May 1960	32.56	32.81	32.89
Bold ready	15.87	16.00	15.89
Oil ready	15.87	16.00	15.89
Cotton seed			
September 1959	136.00	137.00	136.00
February 1960	113.00	114.00	113.00
Jiger seed			
...	80.75	81.00	81.25
Kandi seed			
...	28.50	28.75	28.75

* Rates include excise duty but exclude sales tax.
† Rates include both excise duty and sales tax.
‡ J.B.—All quotations for futures contracts are in terms of country.
§ J.B.—All quotations for futures contracts are in terms of country.
|| J.B.—All quotations for futures contracts are in terms of country.
||| J.B.—All quotations for futures contracts are in terms of country.
|||| J.B.—All quotations for futures contracts are in terms of country.
||||| J.B.—All quotations for futures contracts are in terms of country.

SUGAR SUPPLY IMPROVES

(From Our Own Correspondents)

BOMBAY, 29th July

The sugar supply position in the City has improved distinctly, thanks to the large arrivals by rail and road, the total of arrivals this week aggregating 16,400 bags, as against 14,900 bags last week. The arrivals are expected to be heavier still in the next few weeks, following the large monthly release of 180,000 tons announced by the Union Food Ministry on Saturday, although the portion of the release allotted to the Bombay-Deccan mills is expected to be slightly smaller than in the previous month. In view of the comfortable supply position, sugar is being sold freely in retail shops at the Government fixed price of 51 nP per lb. There are, however, reports from some areas in the City which suggest that either the quality of sugar sold by certain retailers is very poor or the price quoted is higher. This is attributed to the fact that a large part of the sugar sold in these areas represents the cheap quality sugar produced by co-operatives and a few retailers are trying to dispose of this sugar at the controlled price and selling the good quality sugar produced by joint-stock companies at a premium.

The wholesale rates per bag for the different grades of sugar prevailing today are the same as those prevailing a week before. They are: A grade: Rs. 115.81; B grade: Rs. 114.00; C grade: Rs. 112.02; D grade: Rs. 111.

The working of the scheme of sugar distribution introduced in the State has been clarified by the Bombay Government in a Press note issued yesterday. The Government says:

"When the scheme of distribution of sugar was first introduced sometime back, the maximum retail price of 51 nP for D-29 grade sugar was calculated with reference to Bombay City, where the reasonable wholesale price was calculated at Rs. 111 per bag. In the sugar factory areas, the prices should be much lower, because transport and other charges would be smaller. Government, therefore, expects that the traders would sell sugar in the factory areas at relatively lower prices, both at the wholesale and retail stages.

"In the far-off areas, as compared to the distance of Bombay City, the cost on transport may be somewhat higher. Even then, the margin

between the ex-factory price and the present wholesale price should cover this slight increase in cost. Otherwise, the wholesalers should approach the Collectors and settle the wholesale price under their advice.

"The level of retail prices of 51 to 52 nP per lb. has been indicated after rounding in favour of the retailers. These are the maximum prices and actual sales should be generally at lower prices, especially if large quantities are purchased at a time.

"In most areas of Bombay State, sugar is sold at the retail stage in terms of a standard seer of 80 tolas. A seer is a little over 2 lbs. The equivalent prices of 51 nP and 52 nP per pound in terms of seers should be taken as 104 nP and 106 nP per seer for D-29 grade and corresponding prices for other grades. The details of per seer prices for various grades are being circulated to the retailers by their associations or federations."

The aforesaid clarification, sugar circles believe, will eliminate the chances of profiteering by wholesalers in areas very near to the factories supplying sugar in this State. It is pointed out, for instance, that licensed wholesalers at Ahmednagar could formerly purchase sugar from a factory in the Sahapur or Rahuri District at a price of Rs. 105 per maund. But, in terms of the Rs. 111 and amendment recently announced, the price given to the Collector at Ahmednagar, the wholesalers' profit in Ahmednagar will now be fixed on a reasonable basis.

The Government of Bombay has asked the Sugar Merchants' Association to furnish figures of patches to Bombay City from the joint-stock company factories in the State. It is believed that the Association has not yet submitted these figures to the Government. The ex-mill purchases from members of the said trade body are said to be negligible.

The joint-stock factories have given a good account of themselves and the established wholesalers have endeavoured to make available substantial quantities of sugar. In view of this and not yet been able to finalise allocations among its members of the 15,000 bags allotted to the trade believed that no change in the existing distribution machinery of joint-stock companies in the City is contemplated by the State Government.

HAPUR, 27th July

Ready sugar prices recorded a sharp decline during the week, thanks to the announcement of full the State and the decision to distribute it throughout its chosen wholesalers and retailers, leaving a surplus of income limit would be entitled to get it. Sugar here went down from Rs. 11.50 per bag during the week and sugar in retail was available easily at Rs. 1 per seer.

Khandasari continued to rule steady. Production from galawaty was being continued for some months, but some demand season ended for the festive season. Prevailing prices were reported Khandasari Rs. 38 to Rs. 42.50; boora Rs. 40 to Rs. 42 a maund.

Gur was steady due to brisk outside support and on reports that stocks were fast running down here as well as in other assembling centres. Rain-crop. The week's offake of gur aggregated 10 maunds. Crushing for new season will start in the first week of October and current prices were in the pansera dry best Rs. 21.75; katha mixed dry-wet Rs. 20; shakker Rs. 22 a maund.

BLACK PEPPER CLIMBS UP

(Messrs. Parekh and Co.)

BOMBAY, 29th July

After a long spell of inactivity, Malabar black pepper fared up during the fortnight under review, and Russia. The total business for European countries East Germany, Czechoslovakia, Rumania and the USSR is estimated at more than 1,000 tons. When prices start advancing, it is the usual price with both the growers and the holders of pepper to sell sparingly and ask for a new price at every rise. Such a state of affairs may be slowly developing.

Singapore, after remaining steady for a long time, showed improvement during the week. Malabar spot in New York was quoted at \$0.23 to \$0.29 and Lampong spot from \$0.21 to \$0.27. There are reports that Singapore is repurchasing in New York, as the under production of the stock of Lampong in Singapore is strong hands and New York prices are lower than those of Singapore. Holders are looking to part with stocks except at a price which would leave prospects of coming crop of Lampong as poor as compared with the overall production of Lampong during the year 1958.

It is pretty certain that the U.S.A. will soon come in the market for Malabar to cover their autumn requirements, as the sellers of Lampong from Singapore are reported to be comparatively more reserved than what they were. Ready stock in Bombay is put at 3,000 bags, as against 15,000 bags at this time last year. Ready pepper in the local market improved from Rs. 88 to Rs. 100.

Rains are said to be unusually heavy in some parts of Kerala and Canara. There are rumours of some damage to pepper crop, but it is too early to believe such reports. A newspaper agency reports that rain in Canara is 34" more than the average and that extensive damage has been caused to the arecanut and coconut trees.

At the time of writing this report, however, the pepper market is quiet which is considered to be technically healthy after such a rapid rise. Ready ungarbled is quoted at Rs. 173, ready garbled at Rs. 126, August delivery at Rs. 127 and October delivery at Rs. 125. Reports of uncertain political situation in Indonesia and the recent decrees of Dr. Sukarno imposing heavier punishment for economic and financial offences committed by trade are supporting factors. The political situation in Kerala is also a contributory factor.

The future of the market appears to be promising, but much depends on how New York reacts to the deteriorating stock and crop situation in the primary markets.

DEMAND FOR QUALITY TEAS MAINTAINED

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

COCHIN, 24th July

Sale No. 28—8½ lakh pounds were offered in this sale which was held on 21st July 1959. The quality of teas offered in this sale showed a further improvement and there were some useful high grown on offer. The market opened to a good general demand which was maintained throughout the sale. There was a useful enquiry for low medium and medium broken and these were steady on last week's rates. However, similar fannings were occasionally easier. High grown were well supported and prices for these remained steady. Whole leaf grades were firm to dealer following quality. Tippy teas met with a useful demand. The following are the quotations:

	1959	1958
Low medium	1.48 to 1.65	1.60 to 1.75
Medium	1.60 to 1.75	1.75 to 1.95
Good medium	1.85 to 2.10	1.95 to 2.15
Quality	2.05 to 3.00	2.10 to 3.20

Dust Sale "T"—A total quantity of 380,000 lbs. were offered in this sale which was held on 23rd July 1959. A useful selection of dusts were on offer. There was a strong general demand for all types. The market opened to a good general demand. Milled and poorer descriptions sold well and were the strongest feature of the sale.

London Market—Sale of 20th July 1959—Good market for quality. Others irregular and often lower. Price tea fully firm.

Sale of 21st July 1959—Limited demand. Easier.

Colombo Market—Owing CMU strike, sale postponed. Holding sale large breaks only 24th. Balance off grades small breaks probably 27th. Union leaders propose ending strike from tomorrow. General meeting today to ratify.

Export Quota—A small business has been transacted at 2½ nP. At present there are sellers at 3½ nP and buyers at 3 nP.

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

"Sale 29—980,000 lbs. Good general demand, particularly low medium and medium sorts which have advanced five to ten nP. Best liquoring high-grown broken neglected. Orange pekoes dearer but other whole leaf easier."

QUALITY TEAS IMPROVE

(From Our Own Correspondent)

CALCUTTA, 28th July

Following a further improvement in quality, steadier conditions were in evidence in the export sale held yesterday, as well as in the internal sale held last week. Note was taken of the London trend last week when buyers keenly followed quality and good quality Assams were well supported. Offerings there still included first flush teas, which tended easier. Trade circles, referring to increased production costs at gardens, believed that, if only internal consumption increased and gardens increased production further, the overall costs of production could be reduced.

Dusts on offer in last week's internal sales amounted to 18,179 chests including 187 chests of the old season's manufacture. The general demand was good, with the teas of orthodox manufacture gaining in price. The quality of C.T.C.s on offer held last week. Note was taken of the London trend last week when buyers keenly followed quality and good quality Assams were well supported. Offerings there still included first flush teas, which tended easier. Trade circles, referring to increased production costs at gardens, believed that, if only internal consumption increased and gardens increased production further, the overall costs of production could be reduced.

Leaf on offer amounting to 386 chests were in good demand and realised improved prices. On 22nd July, an export sale was held in Chittagong. There was good demand for the offerings amounting to 7,898 chests, of which the teas possessing bright clean liquor met with ready bidders. The weaker teas were provided in teas possessing less liquoring qualities and/or with poor appearance. Withdrawals of these amounted to

2,948 chests. In keen bidding, leg-cut fannings improved by As. 2, the whole leaf grades meeting with keen competition. The internal sale was postponed by a week more. The next export sale will be held on 5th August, when offerings will be about 10,900 chests.

Offerings at the export sale held yesterday amounted to 40,205 chests. All teas, excepting Assam thin liquorings, met with good demand, and prices for the good quality teas recorded impressive additions. Strong competition was offered to clean fannings, prices of which rose by 10 to 15 nP. A firmer tendency was recorded by clean broken and "teas for price." Competition again met the best C.T.C.s having bright liquor, which hardened. Plainer C.T.C.s eased by 20 to 30 nP, while the bright liquoring Assam B.O.P.s and O.F.s were fully steady on keen competition. Some withdrawals were recorded in Darjeelings, the demand for which remained at a lower level at reduced rates. On the other hand, tippy teas were in good demand, as were leaf grades. The quotations were: best Assam C.T.C. fannings Rs. 4.00 to Rs. 4.50, best Assam C.T.C. B.P. Rs. 3.40 to Rs. 3.60, medium fannings Rs. 2.10 to Rs. 2.20, medium B.P. Rs. 2 to Rs. 2.10, plain fannings Rs. 1.80 to Rs. 1.90, plain B.P. Rs. 1.70 to Rs. 1.76 and clean black pekoe Rs. 1.92.

Export quota changed hands at 2½ nP with buyers subsequently demanding 3 nP.

SACKINGS STEADY

(From Our Own Correspondent)

CALCUTTA, 28th July

Prices of heavy goods were extremely steady during the week under review. Substantial business was done with overseas countries and there were a good number of enquiries and orders for internal consumption. Hessian was, however, quiet, as business passing was restricted. Prices of raw jute recorded fractional recession following continued reports of good conditions of the crop and the heavy shown by mills in entering into fresh commitments.

A feature of the week was the substantial business done with China in heavy goods. Business was also done with several other countries including the Sudan, the Middle East, Australia, Egypt and Viet Nam. Interest was also shown by the Government of India. Although the stock position of heavy goods continued to be heavy, difficulty was experienced in locating some varieties of heavy goods for near-by diversification. With regard to hessian, some business was done with Argentina, but the quantity involved being insignificant, this did not have any effect on the trend of prices. The news that American consumption of burlap in June was 81.4 million yards to bring the total consumed in the six months to June to 454 million yards, representing a substantial increase over the corresponding previous period, also failed to have any effect on the price trend here. This was due to the hesitancy shown by bag manufacturers in the U.S. in replenishing stocks.

In several jute districts, harvesting is in progress; however, there were reports from some districts, especially from Northern Bengal, of insufficient rains to leading low water level in tanks and canals as to make steeping operations difficult. Raw jute arrivals last month in Calcutta and mill stations amounted to 305,700 bales, representing a decline of 68,000 bales compared to the previous month. This was attributed to poorer demand, in view of the heavy stocks with mills purchased earlier in order to support the raw jute market. The possibility of increased fibre supplies from Pakistan, following the Indo-Pakistani trade talks held in New Delhi, was noted, but market circles hoped that imports from Pakistan would be so timed as not to depress prices for indigenous jute.

Meanwhile, the official announcement in Karachi abolishing the minimum export prices on all varieties of cuttings with immediate effect was noted with satisfaction. The Pakistan announcement also stated that no changes were being made to the existing rates of export duty on jute and jute cuttings. The current crop was estimated at 5.8 million bales which was thought here to be an underestimate having regard to the good weather conditions. The carryover from last season was admitted to be 900,000 bales; the total availability of jute in Pakistan would, therefore, be far in excess of internal and export needs. The announcement also revealed the official decision to retain the minimum export price on first jute on the basis of ₹90 per ton for export first c.i.f. the United Kingdom and the Continent.

On Tuesday last, ready B. twills declined to Rs. 98.20 from Rs. 98.85. This followed reports of the likelihood of a Government order for 1,000 bales of B. twills being placed on a single firm. There was a heavy unloading of heavy goods in the futures market as a consequence, because all those who had bought against covering were disappointed. In sympathy, ready hessian 40" 10 oz. fell to Rs. 40.85 from Rs. 41.25. Trade sources here received with satisfaction the news that the South Viet Nam Government had arranged to release funds for the import into that country of 1.2 million gunny bags for packing rice. All shipments must reach Saigon before 15th September. However, on Wednesday, B. twills were quiet at Rs. 98.10 and hessian 40" 10 oz. declined to Rs. 40.65 from Rs. 40.85. Soon, substantial business was done in heavy goods with the Middle East, the Sudan, and Australia, but the price of B. twills was quiet at Rs. 98.20 due to continuance of bearish activity in the futures market. Hessian 40" 10 oz. declined further to Rs. 40.50. On Friday, however, the price of B. twills spurted to Rs. 99.25 following business done with China. In sympathy, hessian 40" 10 oz. gained to Rs. 40.60. Good business was done with overseas markets in the week-end; however, due to profit-taking, B. twills receded to Rs. 98.50 and hessian 40" 10 oz. to Rs. 40.35. Yesterday, heavy short covering was done in heavy

goods. However, the rise in price was temporary, as the uptrend was soon followed by profit-taking to erase the entire gain. The closing rate for B. twills at Rs. 99.50 was fully steady, as also the rate for hessian 40" 10 oz. at Rs. 40.50.

Mills were reserved in considering offers from sellers of raw jute. For they thought that, as the arrivals of the new crop increased, prices would decline. New northern bottoms fell to Rs. 22.75 from Rs. 23.25 August-September and at Rs. 21.50 old northern bottoms registered a loss of 50 nP. The latest quotations for the new crop are:

	Middle	Bottom	Delivery
Indian:			
Northern	Rs. 22.75	Rs. 22.75	Aug.-Sept.
Upper Assam	25.75	23.25	Oct.-Nov.
Cuttack	27.00	24.25	Oct.-Nov.
Dawal	24.25	21.75	Aug.-Sept.
Murshidabad	23.75	21.25	Aug.-Sept.
Jungli	23.25	20.75	"
Dalasee Ord.	26.15	24.00	Sept.-Oct.
Uttar Pradesh	23.25	20.75	Aug.-Sept.
Dalasee mesta	23.50	21.00	Oct.-Nov.
Himal f.a.q.	23.25	21.00	"
Pucca bales 1st mark	Rs. 17.00	per bale ready.	

METALS HARDEN

(From Our Own Correspondent)

CALCUTTA, 28th July

Although business passing in the metal market was restricted during the week under review, in view of the slackness in demand—a normal feature at this time of the year—prices hardened. The improvement was due mainly to the further gain in copper on the London Metal Exchange. Spot copper opened in London at £219½ per ton and gradually rose to close steady at £222½, owing to rise in demand on European account and reports of a 7 per cent. cut in production by Phelps Dodge. It was believed that other producers would also soon announce similar cutbacks. The price in New York at 29 cents per lb. recorded a small gain during the week. In the local copper scrap market, prices declined following poor demand and large availability of virgin metal. At Rs. 218, utensil scrap fell by Rs. 2 per cwt. and the berry quality was pushed down from Rs. 235 to Rs. 230.

Tin opened at Rs. 573 per cwt. and firmed up to Rs. 576. The improvement was due to the poor stock position as compared with anticipated requirements in the immediate future. However, fresh arrivals would soon reach stockists. The London quotation was steadier towards the week-end at £

WEEK'S STOCK EXCHANGE TREND

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLAS

[illegible]

Year/Month		SMALL SAVINGS																(In lakhs of rupees)				
		National Savings Certificates			12-Year National Plan Savings Certificates C			Post Office Savings Bank Deposits		10-Year National Plan Bank Deposits D		Post Office Cash Certificates, Savings Certificates and Defence Savings Bank Deposits E		10-Year Treasury Savings Deposit Certificates F			15-Year Annuity Certificates G			Total		
		5-Year A		7-Year B	12-Year C	Recpts.		Out-standings	Recpts.		Out-standings	Recpts.		Out-standings	Recpts.		Out-standings			Recpts.		Out-standings
		Out-standings	Out-standings	Out-standings	Recpts.	Out-standings	Recpts.	Out-standings	Recpts.	Out-standings	Recpts.	Out-standings	Recpts.	Out-standings	Recpts.	Out-standings	Recpts.			Out-standings	Recpts.	Out-standings
1954-55		4.70	4.99	124.64	...	...	134.04	130.88	7.88	...	...	36.85	37.15	...	...	55	56	177.55	180.00			
1955-56		5.78	5.48	144.37	...	...	167.84	166.48	11.36	...	...	37.68	41.39	...	...	61	64	205.63	210.00			
1956-57		8.26	8.00	161.01	...	...	176.07	196.50	20.43	...	...	38.82	44.28	...	...	43	132	228.88	440.00			
1957-58		1.72	2.23	143.46	71.45	71.43	179.07	198.60	21.51	...	...	39.73	48.54	...	...	81	87	294.32	300.00			
1958-59		1.73	2.70	110.11	67.11	67.11	182.88	182.82	22.82	...	...	40.00	43.57	...	...	68	67	241.01	247.01			
May 1958		2.01	4.47	137.44	...	...	88.80	141.05	23.25	...	...	39.98	43.57	...	...	67	62	216.68	217.00			
June 1958		2.07	4.65	139.23	5.84	83.85	15.22	215.66	22.89	...	...	39.98	43.57	...	...	67	62	216.68	217.00			
July 1958		1.96	4.88	135.55	...	...	88.80	141.05	23.25	...	...	39.98	43.57	...	...	67	62	216.68	217.00			
Aug. 1958		1.94	4.90	135.28	6.20	100.72	14.01	212.21	22.67	...	...	40.13	43.07	...	...	65	61	210.00	210.00			
January 1959		1.80	3.93	122.89	9.07	135.00	14.37	215.71	21.27	...	...	40.00	42.57	...	...	65	61	210.00	210.00			
February 1959		1.87	4.07	123.89	...	...	143.14	215.79	21.13	...	...	40.00	42.57	...	...	65	61	210.00	210.00			
March 1959		1.73	3.70	119.11	11.66	152.88	22.59	229.92	20.01	...	...	40.00	42.57	...	...	65	61	210.00	210.00			
April 1959		1.70	3.72	117.26	13.36	167.81	24.89	229.90	20.88	...	...	42.49	43.39	...	...	11	2.54	23.52	23.52			

—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities: repayments, however, include Indian Union's share of pre-partition liabilities. Discontinued from July 1, 1952. B—Discontinued from June 1, 1957. C—Issued from

10, 1954 to May 30, 1957. E—Progressive

[illegible]

1900	60,61,60,000	1907	99.50	61,61,000	4	1922	1900	20,00,000	8	1936
1906	66,68,68,000	1974		11,61,000	4	1924*	1960			
				18,25,000	3	1926*	1960			

1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000	3001	3002	3003	3004	3005	3006	3007	3008	3009	3010	3011	3012	3013	3014	3015	3016	3017	3018	3019	3020	3021	3022	3023	3024	3025	3026	3027	3028	3029	3030	3031	3032	3033	3034	3035	3036	3037	3038	3039	3040	3041	3042	3043	3044	3045	3046	3047	3048	3049	3050	3051	3052	3053	3054	3055	3056	3057	3058	3059	3060	3061	3062	3063	3064	3065	3066	3067	3068	3069	3070	3071	3072	3073	3074	3075	3076	3077	3078	3079	3080	3081	3082	3083	3084	3085	3086	3087	3088	3089	3090	3091	3092	3093	3094	3095	3096	3097	3098	3099	3100	3101	3102	3103	3104	3105	3106	3107	3108	3109	3110	3111	3112	3113	3114	3115	3116	3117	3118	3119	3120	3121	3122	3123	3124	3125	3126	3127	3128	3129	3130	3131	3132	3133	3134	3135	3136	3137	3138	3139	3140	3141	3142	3143	3144	3145	3146	3147	3148	3149	3150	3151	3152	3153	3154	3155	3156	3157	3158	3159	3160	3161	3162	3163	3164	3165	3166	3167	3168	3169	3170	3171	3172	3173	3174	3175	3176	3177	3178	3179	3180	3181	3182	3183	3184	3185	3186	3187	3188	3189	3190	3191	3192	3193	3194	3195	3196	3197	3198	3199	3200	3201	3202	3203	3204	3205	3206	3207	3208	3209	3210	3211	3212	3213	3214	3215	3216	3217	3218	3219	3220	3221	3222	3223	3224	3225	3226	3227	3228	3229	3230	3231	3232	3233	3234	3235	3236	3237	3238	3239	3240	3241	3242	3243	3244	3245	3246	3247	3248	3249	3250	3251	3252	3253	3254	3255	3256	3257	3258	3259	3260	3261	3262	3263	3264	3265	3266	3267	3268	3269	3270	3271	3272	3273	3274	3275	3276	3277	3278	3279	3280	3281	3282	3283	3284	3285	3286	3287	3288	3289	3290	3291	3292	3293	3294	3295	3296	3297	3298	3299	3300	3301	3302	3303	3304	3305	3306	3307	3308	3309	3310	3311	3312	3313	3314	3315	3316	3317	3318	3319	3320	3321	3322	3323	3324	3325	3326	3327	3328	3329	3330	3331	3332	3333	3334	3335	3336	3337	3338	333
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----

1988	2,78,71,000	1st Oct. 1988	102	80,00,000	8	1980	1980	82 00	1,00,00,000	4	1982
1988	30,00,000	1st June 1986-81	98.00	1,00,00,000	8	1980	1980	99 00	1,00,00,000	4	1984
				2,00,00,000	8	1980	1980	99 00	2,00,00,000	4	1986

[illegible]

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
 E—Held by Government of India. F—Taken up by the Trustees. G—Bombay State Transport.
 (1) Income-tax free. (2) Loans held entirely by the Trustees. (3) Rate of interest reduced from 6 to 2 per cent. with effect from 1st June 1932. (4) Rate of interest reduced from 6 to 4 per cent. with effect from 1st April, 1932.
 (5) Interest free to first 12 years. (6) Interest free for first 12 years. (7) Ex six instalments but inclusive of accrued interest.

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th July 1959.

	Closing quotations 25-7-1959	High	Low	Closing quotations 30-7-1959
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Alm. Adv. (100)	145 00	146 25	142 75	147 75
Amello (2)	1 26	1 30	1 26	1 30
Bombay Trading (25)	65 00	65 00	65 00	65 00
Crabtree (50)	140 00			140 00
Central India (100)	67 00	100 50	93 00	99 00
Central Mills (100)	54 00	547 00	531 50	535 00
Edward Textile (200)	230 00			230 00
Elphinstone (50)	34 00	34 00	32 50	33 00
Elphinstone (100)	273 50	280 00	273 00	280 00
Gokak (100)	151 50	152 00	150 00	152 00
Ind. Ind. Text. (Ind. F.)	0 98	1 15	0 94	1 14
Ind. Ind. Text. (100)	8 50	8 50	8 40	8 40
Indore-Mawla (100)	90 00	92 00	91 00	92 00
Khatina (100)	237 75	232 50	231 25	235 00
Khatina (50)	230 00	230 00	229 50	230 00
Lakshmi (250)	450 00	450 00	420 00	430 00
Merrill Mills (100)	61 00			55 00
Model Texture (250)	80 00			85 00
Minora (100)	253 00	257 00	255 00	257 00
Myore (350)	82 00			85 00
Myore (Sinh) Rayona (100)	341 50	347 50	333 50	342 50
New City (100)	95 00			95 00
New Grant (100)	185 00	185 00	184 00	185 00
Phenox (100)	138 75			138 75
Pondra Mills (100)	150 00	150 00	140 00	144 00
Sarson Silk (50)	10 00			10 00
Sarson Spg. (50)	60 70	50 70	58 00	58 00
Shendpur (1,000)	410 00			410 00
Simplex (500)	177 00	170 00	167 00	170 00
Simplex (50)	180 00	185 00	161 00x	162 00x
Standard (100)	538 00	573 00	545 00	570 00
Swan (100)	289 00	289 00	287 00	289 00
Swan (100)	379 00	384 00	379 00	384 00
Tata Mills (55)	45 00	45 00		44 00
Vishnu (100)	101 00		99 50	101 00
Western India (1,000)	4,475 00			4,475 00
BANKS				
Bank of India (50)	117 50	118 50	117 50	118 00
Do. (New) (50)	122 50	122 50	119 00	119 00
Bank of Baroda (50)	115 00			115 00
Central A (25)	49 70	50 00	49 20	50 00
Central A (25)	51 50	53 00	62 00	63 00
Central B (25)	51 50	53 00	62 00	63 00
Punjab National (10)	22 12	22 12	21 92	21 92
Union Bank (5)	6 72	6 88	6 68	6 88
Union Bank (5)	6 72	6 88	6 68	6 88

United Com. (50)	51.55	51.55	51.55	51.55
ELECTRIC COS.				

Ahmedabad (100) ..	91.70	94.10	91.30	94.10
Amalgamated (10) ..	11.00	11.20	11.00	11.12
Andhra Valley (1,000).	1,172.50	1,173.75	1,165.00	1,173.75
Bom. Sub. El. (100) ..	107.75	112.00	107.00	112.00
Surat (100) ..	107.50	109.75	107.00	109.75
Tata Hydro (100) ..	120.00	120.00	118.00	119.50
Tata Power (1,000) ..	1,242.50	1,247.50	1,230.00	1,245.00

INSURANCE COS.	1,250,000	1,250,000	1,250,000	1,250,000
----------------	-----------	-----------	-----------	-----------

British India (10) ..	14.52	—	—	14.52
Empire of India (100) ..	201.25	203.75	200.00	200.00
Ind. Mercantile (20) ..	44.00	—	—	44.00
Jupiter (15) ..	5.48	—	—	5.48
New India (15) ..	61.50	61.50	56.00	56.80
Vulcan (10) ..	21.52	—	—	21.52

STEEL COS.				
Ind. Iron (10)	24.48	24.28	22.02	24.08

Mukand Iron (10) ..	24.08	24.80	23	24.00
Tata Steel Ord. (75) ..	18.16	18.16	17.76	17.80
	190.75	180.60	172.50	174.00
SUGAR COS.				
Belapur (50) ..	312.00	309.00	308.00	308.00
Bhopal (10) ..	24.24	24.24	24.04	24.04
Chandigarh (50) ..	24.24	24.24	24.04	24.04

Changde (2.50) ..	28.25	28.25	28.00	28.00
Phalan (50) ..	160.50	160.50	158.75	160.25
Walchand Ind. (100) ..	310.00	310.00	300.00	308.75

	12/1/50	12/1/50	12/1/50	12/1/50
CEMENT COB.				
Associated Cts. (100) ..	158.00	152.25	148.50	151.25
Digvijay (100) ..	158.00	152.50	150.00	152.00
MISCELLANEOUS				

Alcock Ashdown (100).	257.00	258.00	249.00	258.00
Born. Burmah (125) ..	537.00	535.00	519.50	528.00

Do. (New) (50) ..	180.00	183.75	180.00	182.50
Br. B. Petrol (4 sh.) ..	1.68	1.68	1.62	1.60
Br. I. Corp'n. (5) ..	4.80	—	—	4.80
Hindustan Lever (10) ..	80.00	80.00	29.50	29.75
Hindustan Motors (10) ..	10.68	11.12	10.24	10.90
Indian Coppers (2 sh.) ..	4.08	4.16	4.02	4.10
Ind. Inv. Tr. (100) ..	79.00	80.00	79.00	80.00
EW&A's (100) ..	—	—	—	—

Rindas (100)	140.00	140.00	139.25	139.50
Larsen & Toubro (10)	22.80	22.80	21.20	21.20
Mahindra & Mahin-				

	dra (10)	21.36	21.24	21.00	21.00
	Poison (100) ..	139.00	140.75	139.00	140.75
	Pre. Automobiles (100)	128.00	132.00	123.00	131.00
	Premier Con. (80) ..	848.00	855.50	835.00	851.00
	Scindia (20)	17.84	17.96	17.52	17.77
	G. E. Shipping (10) ..	21.96	21.96	21.44	21.66
	Shivrajpur (10) ..	81.50	80.00	80.00	84.00

5	Sirpur Paper (10) ..	12 72	12 68	12 48	12 5
0	Tata Chemicals (10) ..	17 84	17 80	17 12	17 3
0	Tata Locomotive (100)	216 25	215 00	204 50	204 5

Tata Oil (25) ..	280 25	210 00	204 50	204 50
Voltas (100) ..	68 00	69 00	65 50	68 50
W. I. Match (100) ..	188 50	170 25	164 00	187 75
	206 50	205 00	202 00	204 00
			Gross Yield	
			Vanilla Yatee	

50	SECURITIES	Rs.	Redemption	Redemption	Rs.
----	------------	-----	------------	------------	-----

21%	1961	..	98.15	—	3.43	98.2
21%	1960	..	99.50	—	3.25	99.5
21%	1962	..	97.50	—	3.55	97.5
21%	1978	..	83.20	—	4.08	83.2
3%	1959-61 2nd Vict.	..	99.95	—	3.00	100.0
3%	1964	..	97.50	—	3.52	97.4
3%	1963-65	..	97.30	8.69	3.45	97.4

8 3/4	1966-68	94.95	3.83	3.64	95.1
8 3/4	1970-75 1st Dev.	92.00	3.90	3.66	92.1
8 3/4	1986 Gen. Loan	74.00	—	4.06	73.1

78	3 1/2	1961 N.P. Bonds	74.00	—	—	0.08	
79	3 1/2	1960 N.P. Bonds	100.20	—	—	0.48	100.2
80	3 1/2	1964 N.P. Loan	100.15	—	—	0.47	100.1
81	3 1/2	1965 N.P. Bonds	100.05	—	—	0.50	100.0
82	3 1/2	1962	99.35	—	—	0.47	99.4
83	3 1/2	1967 N.P. Bonds	99.55	—	—	0.57	99.5
84	3 1/2	1974	99.40	—	—	0.79	99.5
85	3 1/2	1967 N.P. Bonds	100.85	—	—	0.62	100.8

ON	3 1/2%	1969 Loan	..	98.90	—	3.62	99.00
ON	3 1/2%	1968	..	99.20	—	3.60	99.20

3 1/2 %	1963 N.P. Bonds	100.20	—	3.45	100.00
3 1/2 %	1968 N.P. Bonds	100.60	—	3.68	100.00
4 %	1960-70 ..	100.65	5.43	3.32	100.00
4 %	1972 Loan ..	101.70	—	3.83	101.70
4 %	1973 Loan ..	101.50	—	3.86	101.50
4 %	1979 Loan ..	100.05	—	4.00	100.00

BRITISH GOVERNMENT SECURITIES

	Closing quotation 21-7-1969 £			Closing quotation 27-7-1969 £
--	-------------------------------------	--	--	-------------------------------------

2½%	Brit. Consols. . .	53	—	—	53
	Savings Bonds . .				

0	7 % Savings Bonds	764	—	—	7
	1965-76	99	—	—	9
3	War Loan 1955-59	97 1/2	—	—	9
3 1/2	War Loan	97 1/2	—	—	9
4	Victory Bonds	96 1/2	—	—	9
	1976	91	—	—	9
4	Funding 1960-90.	91	—	—	9

* Current Income x.d.—Ex-dividend x.r.—Ex-Right

MARKET GOSSIP

(Concluded from page 167)

cussion in the Board but also by conveying to the Commission their personal appraisal of the market situation, their reactions to the decisions of the Board and their view in regard to the policies of the Commission. They have also played a significant part in persuading the Board to co-operate in the execution of the decisions taken by Government in the larger economic interests of the country."

Inaugurating the conference, Mr. Nityanand Kanungo, Minister for Commerce, observed that the decisions of the boards of directors of the forward trade associations affected the public interest in many ways, particularly through their impact on the prices of forward contracts. The movement of forward prices influenced the prices in the ready market not only of the commodities concerned but also of other related goods. Commodity prices had such a central place in the economic system that changes therein affected the position of every member of the public, the grower, the processor, the trader and the consumer. Any increase in prices hit hard the consumer, especially when the commodities happened to be food articles like groundnut or essential raw materials like cotton. This was the reason, he explained, why the Government and the Forward Markets Commission were very firm with speculators. But through constant contacts between the associations and the Commission, there had now been a better appreciation of the policies of the Government. This had enabled the Commission to relax its controls, at least in the case of well-established and more experienced associations.

Proceeding, Mr. Kanungo said that, while the Government was anxious to provide every scope for legitimate trading activity, it would deal with anti-social traders with a heavy hand. It is true, as the Minister pointed out, that the nominated Directors are in a position to assist both the trade and the Commission, the former by interpreting to it the general economic climate within the limits of which they must operate and the latter by putting forward their views on the basis of personal knowledge as to the directions in which the Government action needs to be modified or moderated. It would, however, appear from the list of those who attended the conference that there is a pre-dominance of University Professors among the nominated Directors. Bankers and technical men from other spheres, the other two classes of people from whom nominated Directors are supposed to be chosen, are too few in number. The Government's aim of associating impartial and competent persons with the conduct of affairs of the associations will be better served if more persons with practical knowledge of business conditions and practices are chosen as its nominees.

Investment Convention

A serious impediment to the rapid pace of economic expansion in India and other underdeveloped countries has all along been scarcity of resources. Recognising this, several industrially advanced countries have taken steps to encourage investment of capital—private and public—in the underdeveloped areas, besides granting aid through official agencies. But the scale of such investments has been very small in Asia and some parts of Africa, thanks to fears of confiscation and unfair discrimination among investors in capital-exporting countries and apprehensions regarding foreign exploitation, and domination in the minds of some of the recipient countries, of which India is not one. If, therefore, the flow of foreign investment capital into the underdeveloped countries is to be accelerated, it is vitally necessary to foster greater confidence between the capital-seeking countries and the capital-investing countries. It is precisely with this laudable objective that a ten-man all-party commission of British Members of Parliament (Chairman: Mr. A. Creech Jones), appointed by the Parliamentary Group for World Government, has urged the creation of a world convention on international investment. The details of the proposed convention as gathered from reports in the daily Press are summed up below:

The convention, which will cover international private and public investment, will be backed by a secretariat to negotiate suitable agreements between the parties and an arbitration tribunal to deal with disputes. It will lay down broad "rules of behaviour" to be followed by lenders and borrowers; any nation can join the convention. It will give as much attention to the rights of borrowers with fears of foreign exploitation and domination as to lenders with fears of confiscation or unfair discrimination.

The right of Governments to nationalise property is no doubt to be recognised, provided adequate compensation is paid. When disputes arise between the borrowing and the lending countries, they will be taken to the arbitration tribunal. The punishment to the offending country will be only the publication of the Tribunal's findings.

The convention should be administered within the framework of some established international organisation commanding a wide measure of confidence such as the World Bank or the G.A.T.T.

This is not the first time that the need for the right set of conditions stimulating flow of investment capital is stressed. In fact, the Prime Minister of Malaya pleaded for such a convention two years ago in one of the E.C.A.F.E. conferences. Some attempts have already been made to achieve this purpose, as witness the passing of legislation assuring fair treatment to foreign capital in many countries, bilateral agreements which provide for arbitration or resort to the World Court in cases of dispute, investment agreements concluded by the U.S. and the efforts of the World Bank and the International Finance Corporation to facilitate investment. But the attempts have not met with much success, owing to the absence

of a world code embodying general principles which would encourage and guide the drawing up of specific agreements between individual countries. Although the idea of such a code has been supported by several world jurists and international chambers of commerce, the progress actually achieved in giving effect to the idea has been none too encouraging. By reiterating the suggestion, albeit in a new garb, the Commission of British Parliament Members has clearly indicated that, unless some sort of basic rules for treatment of foreign capital are established, the flow of such capital to Asian countries will continue to be tardy.

The convention proposed by the Commission, while it provides for negotiation of suitable agreements governing investment between the countries and arbitration in case of dispute, cannot by itself channel investment where it is most needed, nor will it have any world authority to raise capital or allocate it among the needy countries. The Commission of British M.P.s itself admits that the scheme is a modest one, intended only as a beginning. There is, however, no doubt that the move is a valuable and commendable one. It is yet another instance of the growing awareness in the thinking sections of public opinion in the developed countries of the urgent necessity to help the people of underdeveloped countries. It deserves the support of all the Governments, particularly those of underdeveloped countries. It would be appropriate if India were to take the lead in this matter and try to bring to fruition the initiative taken by some members of the British Parliament.

NATURE OF MODERN INFLATION

(Concluded from page 176)

categorically resist any further automatic wage increases, and abolish any short-term escalator clauses. Higher productivity then will be able to keep prices down and money sound, provided that management will finally feel the moral responsibility to pass technical progress on to the consumer in the form of lower prices.

The U.S.A. has an international responsibility also in this regard. The dollar has become the measuring stick for others. Between \$14 to 16 billion of short-term money are kept by Europe in the U.S.A. Unfortunately, there are some signs that creeping inflation—which continued even during the recession—could go on a little bit faster in the U.S.A. than in Europe. It can anyway be assumed that most of the European industrial nations will not inflate faster than the U.S.A. The American balance of payments is passive, the dollar shortage does not exist any more, some gold has returned to Europe—more could flow out if it knew where it could safely go. American investors buy European stocks, partly because the buying

Notice

HOWRAH MILLS COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Thirty-fourth Annual General Meeting of Members will be held at the Registered Office of the Company, 4, Clive Row, Calcutta, at 11.30 a.m. on Tuesday, the 8th September, 1959, for the following purposes:—

- (1) To receive and consider the Audited Accounts for the year ended 31st March, 1959, and the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To declare Dividends.
- (3) To appoint a Director in place of one retiring.
- (4) To appoint Auditors and to fix their remuneration.

The Share Transfer Books of the Company will be closed from the 20th August to the 8th September, 1959, both days inclusive.

By Order of the Board,
JARDINE HENDERSON, LIMITED,
I. F. MORRISS,
Acting Secretary,
Managing Agents.

4, CLIVE ROW,
CALCUTTA-1, 24th July, 1959.

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

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on the 8th day of September, 1959, or to their mandatees.

power of the dollar is higher in Europe than in the U.S.A.

The U.S. competition abroad is cramped by high prices and wages. Import restrictions cannot be any longer a remedy in a climate of freer international give-and-take. Increased wages for steel workers would put a major milestone on the road to further inflation. A general acceptance of the idea that a creeping inflation of 2-3 per cent. is inevitable (à la Prof. Slichter) would accentuate serious potential risks and endanger the dollar as the yardstick for the world's currencies. Any important wage increase should be refused in the near future—even at the price of a major strike. The vanishing respect for private property is intimately related to our laxity about the integrity on money. A free society can only stand on firm and durable foundations.

BANKING

(Concluded from page 175)

a move towards increased productivity and greater freedom in trade and payments, the Government is abolishing price controls and administrative allocation procedures for commodities, the importation of which will no longer be subject to quantitative restrictions.

The drastic steps that Spain has been forced to take to correct its economy are not unusual. In fact, for over a year now, the I.M.F. has become more and more insistent that member-countries seeking its assistance on a large scale should adopt any economic reforms that it considers desirable before they get a favourable response, even if these reforms are unpalatable to the countries concerned and bring about a distinct change in their economic policies. It is for the countries in distress to decide whether to accept the conditions laid down by the I.M.F. or not. It must be said to the credit of the I.M.F. that the measures suggested by it have helped member-countries recoup their economies to a large extent. So far no country, which has sought the I.M.F.'s advice and aid, has been bold enough to defy the I.M.F. and to refuse its advice.

Brazil

The distinction of having done so now goes to Brazil. Recently, this country sought the help of the Fund to meet the prospective payments deficit in 1959. The I.M.F. firmly held that it could lend its helping hand only if Brazil was prepared to undertake some radical economic reforms, which are aimed at, among other things, strengthening its chronically weak budgetary position. Brazil, however, refused to abide by the advice of the I.M.F. In fact, it is said to have protested that the I.M.F.'s attitude was contrary to the spirit of co-operation and mutual respect that had in the past characterised such negotiations. The Brazilian President is also said to have decided not to carry on any more negotiations with the Fund and that the question of additional credit needs would be discussed on a Government-to-Government level. It appears that Brazil had asked for a credit of \$30 million from the I.M.F. and a package deal credit for about \$300 million through the I.M.F. It now remains to be seen whether Brazil can afford to lose such large assistance without coming to terms with the I.M.F. In the absence of such general aid, it is doubtful whether that country will be able to meet the deficit in its balance of payments and the debt repayment commitments which are due to mature in the next twelve months. But it is just possible that Brazil is banking on the support of the U.S. For political reasons, the U.S. cannot afford to leave this important Latin American country high and dry. It will be interesting to see what the U.S. does, whether it will back the I.M.F. and refuse to give financial assistance to Brazil, unless the reforms advocated by the Fund are carried out, or quietly give it a loan without any such condition.

D.L.F. LENDS TO INDIA

Close on the heels of the two loans for an aggregate sum of \$60 million granted by the World Bank to India a few days ago has come another loan assistance to the tune of \$20 million. This is from the U.S. Development Loan Fund. The loan, which is repayable over a period of 15 years, is to finance purchase of heavy and light structural steel, light rails, plates, wires, black sheets, strips, tool, alloy and special steel and for industrial projects under the second Five-year Plan. A notable feature of the loan is that it involves no drain on India's foreign exchange reserves, because repayment will be in rupees. This D.L.F. the first and second were for \$75 million and \$100 million respectively, granted on 23rd June 1958 and 24th December 1958.

COMMERCE

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

VOL. XCIX. No. 2524

BOMBAY, 8th AUGUST 1959

PRICE: Rs. 2

FRESH HOPE FOR DEMOCRACY IN INDIA

THE public response which the six-week-old Swatantra Party has so far had, under the inspiring leadership of Rajaji, is quite encouraging and fills one with fresh hope for the future democracy in India. The first convention of the Party, held in Bombay last week-end, was well attended by representatives from all parts of the country and patronised by a large section of the public. It has won the support of some members of Parliament and certain State legislatures. The Statement of Principles drafted by the founders of the Party and unanimously adopted at the convention is in keeping with genuine democratic ideals that animates the members of the Party and constitutes an appropriate basis for opposing the party in power and other left-wing parties which are, really speaking, only satellites of the Congress Party. The principles adumbrated in the 21-clause statement, published in full on page 243 of this issue, are precisely those for which this journal has been fighting ever since the Congress Party started meddling with the Constitution after the first General Elections and began to curtail the freedom of the individual under the guise of socialism. We, therefore, welcome the statement wholeheartedly and devoutly hope that it will gain the support of the vast majority of people in this country.

We are firmly convinced that there can be no democracy without individual ownership of property and without the system of free enterprise. Every family should have property of some kind, that is, savings invested in productive enterprises which will give it a sense of security and independence. It is true that not all the people today enjoy this freedom from want. But it is the desire of all right-thinking persons that everyone should have this freedom as early as is humanly possible and in a manner which will not deny the other freedoms. Today's have-nots have to become the haves of tomorrow. They should have the right to keep what they have won through hard work and to retain the means of their livelihood, unmolested by the State. This is exactly what the Swatantra Party is out to safeguard and to restore the rights guaranteed by the original Constitution but, unfortunately, taken away by the Congress Party through a series of amendments to that Constitution. Even the have-nots, therefore, will ultimately stand to benefit by extending their support to the new Party. They should remember that the policy of expropriation that is now being followed by the party in power and warmly endorsed by all the left-wing parties will, in due course, make the citizens—rich and poor alike—the slaves of the State. Communism and its associate, socialism, are only other names for State capitalism. We have no doubt that the people of this country, with their innate common sense, will quickly grasp the dangerous implications of the socialist philosophy of the Congress Party if they are properly explained to them. It is the good fortune of this country that Rajaji has come forward to shoulder this responsibility, because he knows the art of educating the lay public better than any other leader.

The Swatantra Party is not a party advocating negative policies, as some in high places have chosen to describe it. This will be clear from its Statement of Principles and the speeches delivered at the Party's convention by Rajaji, Mr. N. G. Ranga, Mr. M. R. Masani, Mr. C. M. Munshi, Mr. H. P. Mody and several others. These speeches, incidentally, are full of common sense and economic wisdom and will repay a study by ambitious young men who are at the threshold of their life and wish to join the ranks of the haves by their own initiative and enterprise. They are in refreshing contrast to the swansongs of the socialist pattern.

society of the Congress and the democratic (sic) socialism of the Communists. The Swatantra Party, it must be noted, is not opposed to all planning but only to planning of the Soviet and Chinese types which are inimical to individual initiative and enterprise. It is not opposed to the State starting industries; only, it wants the State to supplement the efforts of private enterprise and to take up the establishment of new industries which is difficult for private initiative. It is clearly against the State entering the field of trade and disturbing the market mechanism and introducing controls and official management, with all their wastefulness and inefficiency. But it certainly is not for *laissez faire*, for, while it stands for the principle of maximum freedom for the individual and minimum interference by the State, it recognises the right of State to prevent and punish anti-social activities, to protect the weaker elements of society and to create the conditions in which individual initiative will thrive along fruitful and beneficial lines.

It is common knowledge that the Congress Party has gone far beyond these limits for State intervention and State activity and has resolved to go still further in this direction. At the same time, it has miserably failed to punish anti-social activities and committed several costly mistakes on the economic front, thereby giving genuine ground for its left-wing opponents to ridicule it before the public. It is highly significant that, ever since the Congress Government took too many economic responsibilities and began placing a tremendous emphasis on policies designed to redistribute wealth, the Communist Party has gained in strength to the detriment of genuine democratic forces both within and outside the Congress Party. The criticism that the Congress Party is becoming communistic in its outlook may appear harsh and exaggerated. There is, however, a large measure of truth in it. Those who doubt the accuracy of this statement are welcome to study Mr. U. N. Dhebar's

Contents

LEADING ARTICLES—	PAGES
Fresh Hope for Democracy in India ...	201
Food Technology ...	202
Atomic Power ...	202
MARKET GOSSIP ...	203
ROUND THE EXCHANGES ...	204
NEWS IN BRIEF ...	205
PERSONAL ...	205
THIS WEEK'S SURVEY ...	206-207
SPECIAL FEATURES—	
Notes from West Germany ...	208
American Letter ...	209
Manchester Letter ...	213
Role of Public Enterprise in Economic Development ...	216-218
Workers' Participation in Management, in India ...	225
Swatantra Party's Statement of Principles ...	243
CHAIRMAN'S SPEECH—	
Central Warehousing Corporation ...	227
MONEY AND BANKING ...	210-211
TEXTILES ...	212
COTTON ...	214
JUTE ...	215
ENGINEERING ...	220
NEW PRODUCTS AND PROCESSES ...	221
H.E.H. THE NIZAM'S CHARITABLE TRUST ...	222-223
LABOUR ...	224
COMMERCE AND INDUSTRY ...	226
COMPANY MATTERS ...	228-229
COMPANY MEETINGS AND DIVIDENDS ...	228
COMPANY REPORTS ...	230
MARKET REPORTS ...	231-233
MISCELLANEOUS STATISTICAL INFORMATION ...	234-236
STOCK AND SHARE QUOTATIONS ...	237-242
WEEK'S STOCK EXCHANGE TREND ...	244

notorious note on the approach to the third Plan and the official account of the equally notorious Ooty seminar.

The Swatantra Party's principles on taxation and profits are progressive and consistent with the need for ensuring suitable incentives for initiative and enterprise necessary for achieving higher production on the most economic lines. They are by no means those of die-hard business men or of the so-called vested interests. The Party believes in economic development with stability and wants foreign loans to be limited to the country's capacity to repay. It is against the expansion of the bureaucratic machine, with a hierarchy of officials asked to do functions which are best carried out by citizens and private agencies. These are sound principles. Some, however, may wonder whether these policies will be conducive to speedy economic development which is necessary to catch up with the rapid rise in population and in the ranks of unemployed. Such a doubt is natural to those who have been planning as the Government of India has been doing, with predetermined ideological objectives, as, for instance, the public sector should grow faster than the private sector, and with too much preoccupation with *per capita* income, which gives rise to exaggerated ideas of national needs, as, in arriving at *per capita* income, the whole population is taken into account, including children, adolescents and old people past the stage of work. But to people with practical outlook, the principles outlined by the Swatantra Party will create no such doubt. It is obvious that any plan that ignores the vital consideration of stability, the capacity to raise resources and the availability of the requisite manpower, is bound to run into difficulties of the sort the second Plan has done. Surely, there is no virtue nor wisdom in the party in power holding out prospects that are outside the realms of practicability. Again, the chances of a more rapid rate of economic growth than has been achieved in the second Plan are better under the type of society advocated by the Swatantra Party than under the socialist pattern of the Congress Party. Experience in this country, as well as elsewhere, shows that the cost of economic development through bureaucracy is distinctly greater than through a mixed economy, in which the State will play a relatively minor, though valuable, part of a catalytic agent. It is not a mere cliché to say that a rupee earns more when it is employed by private enterprise than by the public sector.

The Swatantra Party promises a fair deal to workers and is fully alive to the interests of agriculturists. It has given weighty reasons for opposing co-operative farming, ceiling on land and incomes. It believes in peasant-proprietorship, the ideal system for securing the urgently required increase in production. Without co-operative farming, agricultural production in India has recorded a significant increase and, if the increase has not been more, it is because of lack of adequate facilities. Given the advantages that are now promised for co-operative joint farming, agriculture under peasant proprietorship will doubtless give an impressive performance. If the repeated statements by the protagonists of co-operative farming that it will be voluntary has not carried conviction to the leaders of the new Party, it is because they know very well that a reform of this nature will ultimately end in compulsion through coercion and domination by bureaucracy. The trend of discussions and recommendations made at the Co-operative Conference at Mysore last week, favouring large-scale co-operatives and State participation in capital and board of management—in the name of economic viability and need for ensuring efficiency—only serves to confirm the misgivings of those opposed to co-operative farming.

FOOD TECHNOLOGY

THE application of science and technology to production, preservation and processing of food crops has made rapid strides in recent years. Although agricultural science has had a hoary past, the application of technology after the stage at which crops are raised is of relatively recent origin. In India, there is yet little awareness of what science can do to its crops, whether cereals, fruits or vegetables. Processing of food articles has no doubt received a certain measure of commendable research attention. But, by and large, the progress made by food processing, either in research or in application, is limited, especially when it is viewed against the size of the country and its agricultural production. Indeed, the food processing industry itself is only of modest size, mainly because the demand for processed food is small and confined mainly to the principal cities. Although the food habits of the vast majority of the people and their low purchasing power are the chief causes for this state of affairs, conditions are bound to change gradually in favour of this food with continuing economic development and growing urbanisation. The scope for further progress is, therefore, vast. From this point of view, the Regional Seminar on Food Technology for Asia and the Far East, which was held this week at Mysore, has done well to bring out the implications of this science to the farmer and the consumer.

Agriculture sustains nearly 80 per cent. of the people in the South-East Asian region. It is thus the largest single source of employment. Indeed, it is not merely a profession but a way of life for a large majority of people. Nevertheless, as the Union Food Minister, Mr. A. P. Jain, pointed out, in his inaugural address at the Mysore Seminar, the study of food science and technology and the closely allied field of nutrition with the background of modern scientific knowledge and techniques are comparatively new to the countries of the Asian region. Emphasising the role this new science plays in the food economy of the industrially advanced countries, Mr. Jain said that scientific methods had now advanced so much that not only were the various essential nutrients well preserved but also in several cases the processed products were enriched and made more palatable than the fresh products themselves. Citing an instance of how the absence of processing facilities leads to waste of resources, Mr. Jain recalled that, this year a large part of the "gigantic" crop of mangoes grown in U.P. perished for want of specialised transport or processing and storage facilities. This instance lends weight to the economic importance of food preservation industry and processing techniques, to which Dr. V. Subrahmanyam, Director of the Central Food Technological Research Institute, drew particular attention. Dr. Subrahmanyam said that, if food technology could be developed in the South-East Asian region on anything approaching the scale in the West, its food problems would not cause so much anxiety as they do at present.

In its wider sense, food technology covers all operations connected with the preparation and processing of all food articles. Since the chief deficiency in the average Indian diet is the absence of sufficient quantities of protective foods, food technologists in India have necessarily to devote a major portion of their attention to correcting this deficiency. The Indian Council of Medical Research has indicated how nutritionally deficient is the average Indian diet. The daily intake (in ounces) of different food articles which it has recommended (with actual average intake in brackets) is: cereals 14.0 (16.6); pulses 3.0 (2.3); leafy vegetables 4.0 (0.9); other vegetables 6.0 (4.1); ghee and vegetable oil 2.0 (0.9); milk and milk products 10.0 (3.3); meat, fish and jaggery 2.0 (0.7); condiments—(0.4). A study of these figures will show that, except in cereals and pulses, the average Indian diet has to be greatly enriched. Indeed, a slight reduction in these two items could conceivably do no harm, whereas any failure to improve the intake of such protective foods as vegetables, vegetable oil and ghee, milk, fruits and meat and eggs, will certainly condemn this country to remain an ill-fed nation, with little capacity for contributing to increased productivity. As the Chief Minister of Mysore, Mr. Jatti, stated in his speech at the Seminar, while religious sentiment and social taboos have conspired to restrict our choice of foodstuffs, even this limited choice has been further restricted by the low purchasing power of the people; in consequence, the average Indian is incapable of long and sustained effort and it is not surprising that his productive capacity is easily the lowest in the world.

By far the most important task that remains to be tackled is that of changing the food habits of the people. What is necessary is to educate the citizen in the value of supplementary and protective food articles. Since food habits, once they have been firmly set, die hard, it is advisable to concentrate one's attention on the younger generation. The Agricultural Production Team, sponsored by the Ford Foundation, suggested that a general educational programme should be undertaken, in order to change food habits for better nutrition. The educational material should be channelled through a central agency and disseminated through public health nurses, health workers, agriculture and home science workers, *gram serikas* and welfare staff. It should show clearly the results of inadequate diet and the tangible gains accomplished through improved diet. Such publicity should enable the results of research conducted by India's food laboratories to reach the people. Calling attention to the work done by these laboratories and the scope for application of food technology to Indian conditions, the Team observed:

"The technical laboratories in India are conducting many experiments with the preservation of indigenous foods by drying and salting. Bananas, for example, can be dehydrated for use as a sweet or as a substitute for the fresh product. Increased use of groundnuts is encouraged by new methods of cleaning, crushing or roasting of the nuts. Fruits are preserved in glass jars and tins and sold as a sauce or preserve. India has some of the finest fruits in the world and improved processing methods will permit better use of available supplies. This is especially important for varieties which do not ship well, but which can be used to good advantage, if processed and preserved."

Among the many notable results of research of particular relevance to Indian conditions, evolved in our laboratories, mention must be made of improved method of parboiling rice and the preparation of multi-purpose food. It would appear that the new method of parboiling rice makes the product free from the disagreeable odour associated with rice parboiled in the traditional method. Parboiled rice has two additional advantages: (a) it is a more nutritious product than the raw milled rice, and (b) it leads to better recovery of the whole rice. It has been computed that, if all the rice produced in India were parboiled, it would by itself increase the availability of rice by half a million tons. The other result of research is the multi-purpose food, which, when added in small quantities to the ordinary food, serves to make it more palatable and nutritious. If these two products alone were more widely publicised and used—efforts should, of course, be made to manufacture them on a large scale—the nutritional level of the average Indian diet could be greatly increased. There are, of course, many other subsidiary food items which, as the special articles in the previous two consecutive issues of this journal have pointed out, could be manufactured in India with great profit to the farmer and benefit to the consumer.

In considering the many complex issues raised by the application of science and technology to the preparation of food articles for consumption in India, it is well to bear in mind two considerations. In the first place, no scientific technique is of any use, if it implies installation of costly equipment in rural regions or results in a product that is priced at a level above the average means of the consumer. Discussing the scope for food technology in Asian region, Dr. A. G. Van Veen, Chief of the Food Processing and Preparation Branch of the F.A.O., rightly emphasised that "canning, cooling and freezing are by no means cheap and simple ways of processing and are, therefore, of only limited value." He added: "We know that the great masses of population of Asia cannot afford expensive preserves of this kind, popular as they may be in North America and certain parts of Europe." He, therefore, suggested a system of community processing, under which the State or the community provided the factory with enough equipment for preservation of food on a small scale. An experiment on these lines could be of considerable assistance to rural areas. Secondly, it cannot be too strongly emphasised that food technology has only a limited application in a situation in which there is a deficit in the supply of

foodstuffs. Clearly, the production of agricultural and dairy produce must first be augmented before it is processed or treated in any of the many ways indicated by the advances in food technology.

ATOMIC POWER

IN its admittedly highly specialised sphere, the Department of Atomic Energy continues to make steady progress. A notable development has been the fabrication of the first prototype fuel element for the Canada-India Reactor which is scheduled to start operation by March 1960. The Reactor will be fuelled with about 10 tonnes (1 tonne=1,000 kgs.) of natural uranium in the form of some 176 fuel elements. Explaining the importance of this new stage of operations, Dr. H. J. Bhabha, Secretary to the Department, stated in Bombay this week that the fabrication of fuel elements was a "highly specialised technology, mainly because the metallurgical behaviour of the uranium metal is extremely temperamental." Nuclear grade uranium ingots have now been in production at the uranium metal plant at Trombay since February 1959. The fabrication of a prototype fuel element, with effect from 15th June 1959, is said to mark the culmination of an essential phase in the programme for producing nuclear energy. It has been computed that Rs. 50 lakhs a year of foreign exchange could be saved through the fabrication of fuel elements in India.

Dr. Bhabha disclosed that efforts were being made to locate a suitable site in the Bombay-Ahmedabad region for building India's first atomic power station. The erection of the plant, which would cost about Rs. 55 crores, would be entrusted to some agency to be selected through global tenders. Dr. Bhabha believed that the plant which would produce about 250,000 kw. power might be ready by 1964. He estimated the cost of power at 4 naye paise per unit, though, after a period of, say, five to ten years, it might come down to 2.6 naye paise. By the end of the third Plan, it might be possible to generate 500,000 to 750,000 kw. of nuclear power.

While we have no doubt that India should continue to press nuclear science to peaceful purposes, it would perhaps be in the best interests of the country that the whole question of setting up atomic power stations were kept under constant expert scrutiny. For one thing, even some of the industrially advanced nations have been reluctant to think in terms of giving high priority to the production of nuclear energy as a source of fuel. Some of them, like the U.S., are well endowed with other sources of energy like oil or natural gas, which are distinctly cheaper than nuclear power, so that they feel that atomic power is not an urgent economic necessity. The U.K. is, of course, making enormous strides of progress in the setting up of such atomic power stations as Calder Hall. But this is because that country's coal reserves are getting depleted or its coal mining has proved to be an increasingly costly operation and it has no other sources of fuel. Italy and Japan are other examples of countries similar to the U.K. In the Soviet Union, the emphasis has no doubt shifted away from coal, but not so much towards production of nuclear power as towards exploitation of its oil reserves to the fullest extent possible. In fine, countries with alternative sources of fuel are giving high priority to their development in preference to nuclear power, for the simple reason that the latter is relatively more expensive and involves the ticklish problem of disposing of the atomic waste.

These considerations point to the need for a certain degree of caution in India's atomic power plans. Nobody would, or should, object to the many phases of atomic energy development programme, particularly to the research and industrial applications. But the question of setting up more than one atomic power plant should be viewed in the light of comparative advantages of nuclear, thermal and hydel power stations. After all, India has large and extensive coal reserves. Given a sound price policy, it should be possible to augment coal production speedily. Thermal power for a long time to come. India has also not fully developed its water power potentialities. In any case, it is reasonable to expect that the Government should subject the atomic power programme to expert scientific and economic scrutiny before it commits itself too far in that direction. Surely, in the context of India's limited capital resources, it would be wrong to allot, without prior resources, tiny, too high a priority to a capital-intensive programme like atomic power project.

MARKET GOSSIP

AFTER a lot of pother, albeit behind the scenes, the Government of India has finally given up the idea of insisting upon the issue of new ordinary capital of the Tata Iron and Steel Company, Ltd. at a premium and approved of the proposals of the Directors of the Company. Many man-hours of highly paid, senior civilians, busy Ministers and officials of the Company, as well as considerable ink and paper, have been wasted. If well-established companies, with large reserves, good dividend record and assured outlook are not to be asked to raise new equity capital at a premium, the Government should, in fairness to companies which followed the sound policy of collecting a premium on new issues, give up its decision to extend the bonus tax to capitalisation of share premiums also. Indeed, the bonus tax itself deserves to be abolished, because it is an unfair tax; it is the worst form of double taxation. What is more, it results in distortion of the financial picture of companies. Now that the Government has taken away the wealth tax on companies and the excess dividend tax, it will be in the fitness of things if the bonus tax also is removed, without, of course, a countervailing increase in the other taxes on companies. If the Government were to do so, most of the companies would, of their own accord, collect a premium of appropriate amount on their new equity issues.

Given a fair and equitable system of corporate taxation, the issue of new equities at a premium would undoubtedly be a good policy for companies. Fixation of a premium, however, is not a simple task, as it depends on a number of factors, including the state of the capital market, which is a variable factor. The best judges are the directors of each company and not the Controller of Capital Issues. It is an extremely difficult, if not an impossible, task to lay down a formula which can be uniformly applied to all companies. If the Government is to administer a control on this aspect of capital issue, there is bound to be a certain amount of arbitrariness, which is likely to give rise to the impression that the Government is following a policy of discrimination between one company and another. Evidently, this consideration must have weighed with the authorities in coming to the conclusion it did on the T.I.S.Co.'s proposals for raising additional capital. In our issue of 4th July, we stated in these columns that the question of prescribing a premium for the new equity issues of companies raised so many conundrums that it remained to be seen how the Government solved them. Well, it has chosen the simple but the wisest solution of not inviting the trouble.

Kerala Loan

Now that the Communists have been deprived of their power in Kerala, in response to the vociferous agitation of the people of that State, and the administration of the State has been taken over by the President, the Union Government has, with commendable speed, included Kerala also in the list of States which have announced their new loans. The amount proposed to be raised by the Kerala Government is Rs. 4 crores, a crore more than last year. The rate of interest is 4 per cent. and maturity 12 years, same as those offered by all the State Governments. The issue price is Rs. 99, similar to that of the loans of Assam, Madhya Pradesh, Orissa and the Punjab. The list opens along with the loans for the other State Governments, that is, on 19th August.

The entry of Kerala raises the number of States borrowing now to 13 and the total amount to Rs. 61 crores. It is learned that all the banks in Kerala, which had decided not to co-operate with the Communists, have promised the present administration their full support to the loan. Conditions in the money market are now so comfortable that the addition of Rs. 4 crores will be easily absorbed by it.

Industrial Giants

The latest edition of the Directory published by the well-known U.S. journal, *Fortune*, reveals some interesting facts about the 500 largest U.S. corporations. These data are of great relevance to India in the context of the controversy kicked up by the Congress and other leftist parties in this country about concentration of economic power. The *Fortune's* survey shows that General Motors continued to hold its place as the largest corporation in the U.S. in 1958, with total sales amounting to \$9,522 million (\$1,000 million=Rs. 480 crores), while the second place was retained by the Standard Oil of New Jersey, with its sales at \$7,544 million. Considered in terms of the total assets, however, the Standard Oil of New Jersey ranked as the largest company as in 1957. Ford Motors occupied the third place, its sales in 1958 aggregating \$4,130 million. General Electric came next with \$4,121 million, followed by U.S. Steel Corporation with \$3,472 million. It will be interesting to note here that the sales of General Motors were more than twice those of Ford Motors. The disparity is even greater when the fifth ranking U.S. Steel is compared with General Motors. The statistics compiled by *Fortune* also show that the 50 large corporations were more affected by the last general recession than the top 500 corporations as a whole.

As compared with these giants in the U.S., the Tata Iron and Steel Company, Ltd., which is the biggest joint-stock concern in India, had a turnover of Rs. 53.5 crores (approximately \$111 million) and total assets of Rs. 175 crores (about \$360 million). The turnover is less than 1 per cent. of that of the U.S. Steel Corporation and about 1.2 per cent. of that of General Motors. This shows what a pigmy the T.I.S.Co. is when placed side by side with the industrial giants in the U.S. Yet many

of our politicians talk of vast concentration of economic power in a few hands. And what is more, the Company Law Administration describes a company with an authorised capital of Rs. 1 crore as a giant company. How misleading!

An important point to be noted in this connection is that the existence of these giants in the U.S. has not reduced the contents of democracy in this country. Indeed, there is more freedom for the people in that country than there is in this land of Gandhi and Nehru.

The *Fortune* has also listed 100 largest industrial concerns outside the U.S. Of these, the British and Anglo-Dutch groups occupy the first four positions and account for six out of the first ten. We give below the list of first ten giant companies outside the U.S. so that readers may have a comparative idea.

(In million dollars)			
Rank	Company	Sales	Assets
1.	Royal Dutch-Shell (British-Dutch)	5,472.9	7,623.9
2.	Unilever (British-Dutch)	3,535.0	1,926.1
3.	British Petroleum (British)	1,675.2	1,589.2
4.	Imperial Chemical Industries (British)	1,295.5	2,027.4
5.	Nestle (Swiss)	1,238.3	172.7
6.	Philips Gloeilampenfabrieken (Dutch)	946.1	1,099.6
7.	Siemens (Germany)	794.5	607.6
8.	Friedrich Krupp (German)	764.0	N.A.
9.	British Motor Corporation (British)	742.0	338.4
10.	British-American Tobacco (British)	725.0	1,002.0

N.A.—Not available.

Largest Banks

Another American journal, *American Banker*, has compiled data relating to the 500 largest commercial banks in the Western world. According to this study, these 500 banks had, at the end of 1958, an aggregate deposit of \$246,200 million (in terms of U.S. currency). This list included 264 American commercial banks and 236 banks in 39 other countries. The distinction of being the largest bank (measured in terms of deposits) in the world goes to the Bank of America in San Francisco, with deposits aggregating \$10,173 million. The other major banks were the Chase Manhattan of New York with its deposits at \$7,134 million and the First National City Bank of New York with \$6,966 million. The ranking of the "Big Five" in Britain is as follows: Midland Bank—\$4,433 million, Barclays—\$4,430 million, Lloyds—\$3,643 million, Westminster—\$2,761 million and the National Provincial—\$2,418 million. In other countries, there were four banks in Germany with deposits exceeding \$1,000 million (Rs. 480 crores), three in Italy, two in France and five in Japan.

In India, there is not even a single commercial bank of such giant size as listed above. The Central Bank of India, the largest among private commercial banks, had deposits of the order of Rs. 162 crores as at the close of 1958. It is true that the deposits of the State Bank of India amounted to Rs. 479 crores (just about \$1,000 million), but it is a bank in the public sector.

Outlook for Tata Oil

The possibility of the Tata Oil Mills Company, Ltd., approaching the capital market during the current financial year for additional funds to the extent of Rs. 50 to 75 lakhs to finance the Company's modernisation and expansion programme, as well as to provide more working capital, was indicated by Mr. J. R. D. Tata, Chairman, at the annual general meeting of the Company held on Monday this week. Replying to shareholders' queries, he said that some of the Company's machinery was old and needed renewal. He, however, did not give any details about the proposed issue, for the Directors themselves had not discussed any specific proposal for this purpose. He could not, therefore, say in what form the additional capital would be raised, whether by way of debentures or equities, or both. It might be spread over equities and debentures.

The capitalisation of a part of the Company's reserves and issue of bonus shares was ruled out by Mr. Tata, in view of the penal bonus tax of 30 per cent., which has now been extended even to capitalisation of share premium money. If this tax was removed, he said, the Company might consider the proposal, but at the moment there was no such intention.

The new system of grossing up dividends will become operative in the case of the Company from the current financial year onwards. Under this scheme, the shareholders will stand to lose 46 per cent. of their income. They were, therefore, anxious to know what the Company's dividend policy for the current year would be in the circumstances. While, not holding out any promise, Mr. Tata indicated that it would be the management's intention or hope to maintain the present net dividend, that is, pay a gross dividend which, after deduction of tax, would leave in the hands of the shareholders the same net amount as they had received for the past year.

On the outlook, Mr. Tata did not wish to indulge in any prophecies, but he gave sufficient indications, in his speech earlier, of the good prospects for the Company, as will be borne out from the following points from his speech:

"1. Assuming that the organised sector of our industry is spared any further ingenious imposts and disincentives in the years to come, I do believe that, with the growth in our population, coupled with the additional purchasing power pumped into the economy through the heavy development expenditure under the Five-year Plans,

the market for our products will grow in future at a faster rate than the discouragingly slow tempo of the last ten years, and that our sales will continue to show a steady increase.

"2. We do not propose, in fact, to be satisfied with our present share of such an expanded market. We consider that the time has now come when an all-out sales effort, using modern marketing methods, will yield rich dividends for us in the future and enable us to secure a progressively larger share of the total market than today. Steps have been taken to strengthen our sales organisation.

"3. An even more interesting and potentially promising development is the decision to establish a marketing department at the head office in Bombay, which will be apart and distinct from our sales organisation. The department will consist of three sections, to cover the separate functions of market research, advanced sales planning, and sales promotion and publicity.

"4. While we do not expect spectacular results from any of these new measures, we believe that, by strengthening our organisation for adding to the means available to us today to broaden our market and the demand for our products, we cannot but derive benefits as time goes on.

"5. Our Calcutta factory produces only laundry soap, but, with the installation of the new finishing plant there, we are considering the question of erecting a toilet soap unit in Calcutta.

"6. A significant step in the improvement of our plant and methods of soap manufacture was taken during the year, by the placing of an order for a continuous saponification plant. This greatly improved method of making soap by a continuous, instead of a batch, process is being widely adopted throughout the world, and we hope to derive substantial benefit in both improved quality and reduced manufacturing cost when our plant goes into production early in 1960."

World Sugar Pact

When a report appeared in the daily Press a few days ago to the effect that the Executive Committee of the International Sugar Council would be meeting at London from 30th July to 1st August for a review of the sugar situation in the light of low prices prevailing in world markets, hopes were expressed that the Council would decide upon some concrete, energetic steps to improve the tone of the markets. The hopes, however, have been disappointed. The Committee has not taken any such step; it has merely declared that "no new developments have taken place which should lead it to modify the conclusion reached by the Council at its last session—held from 16th to 18th June—that requirements (5.46 million tons) and supplies (5.66 million tons) for the year 1959 are roughly in balance. In its opinion, the price levels recently ruling in the world sugar markets cannot be explained by the overall statistical position. But the Committee, we are told, is considering measures to strengthen the marketing position of member-countries and these "are being recommended to the Council at once." Here is what it says in the *communiqué* issued at the end of the meeting:

"The Committee has had a helpful and comprehensive exchange of views on marketing policy. It has noted with satisfaction the aim of exporting countries to pursue a constructive marketing policy in accordance with the objectives of the Agreement, with a view to restoring confidence in markets. The Executive Committee has discussed what co-operative action might be taken by the Council in furtherance of these objectives, and measures to strengthen the marketing position of member-countries are being recommended by the Committee to the Council at once."

The statement of the Sugar Council's Executive Committee that no new developments pointing to the need for energetic action have taken place is not quite convincing. Despite the application of the maximum quota restriction (20 per cent. of the aggregate export quota of member-countries) provided for in the Agreement, the world sugar markets continue to rule depressed, the current level of prices being the lowest for the past seventeen years. Cuban raw sugar at New York now stands at 2.62 cents per lb. (f.o.b. Cuba)—it had even gone down to as low as 2.55 cents on 21st July—as against 2.87 cents two months ago. Spot sugar in London is quoted at £244 (Rs. 327) per ton, as against £268 (Rs. 352) early in June.

It is thus apparent that the Sugar Council has not succeeded in its efforts to check the downward trend in prices, let alone its reversal. Any further action of the Council depends, as a report from London observes, on the co-operation of Cuba, where most of the current surplus of sugar is to be found. The Cuban Government is said to be somewhat aggrieved over the fact that, of all member exporters, it is only Cuba's sales which are unduly retarded. Only recently, the Cuban Minister for Commerce, Dr. Raul Cepero Bonilla, made it clear that unilateral sacrifice was not the answer to the present sugar situation. He said:

"The controlled expansion of world sugar production, of which the International Sugar Agreement only regulates a small portion (namely, that of member exporting countries), is the disturbing factor this year, as in the past, and the only one responsible for low prices. As long as the Agreement does not control the production of member importing countries by, for example, safeguarding a portion of their consumption increase to member exporting countries and effective means are not used to keep non-member exporting countries away from the free market by measures such as allowing member importers to purchase from non-member exporters, the Agreement cannot be expected to act as an efficient regulator of the market and, by the same token, of prices."

The aforesaid view, it is believed, was reiterated by the Cuban delegation at the meeting of the Sugar Council's Executive Committee last week. How far and to what extent the Council will accept this view and give effect to it remain to be seen. This much, however, can be said now: The coming months will be a critical period for the working of the World Sugar Agreement.

EQUITIES RULE STEADY TEXTILES IN THE FOREFRONT

(From Our Own Correspondents)

BOMBAY, 6th August

THERE was a general improvement in the tone of the share market during the week under review, though the trend of prices was two-sided. The news that the Controller of Capital Issues had given sanction to the Tata Iron and Steel Company, Ltd. for issue of its proposed new capital at par, the encouraging production by the T.I.S.Co. and I.I.S.Co. during the month of July and the recovery in textile shares on reports of good offtake of cloth from foreign countries were the main inspiring factors. Towards the close, however, there was heavy profit-taking which wiped out a sizable part of the earlier gains, induced by the none too encouraging Directors' report and statement of accounts of the T.I.S.Co. for the year ended March 1959. On balance, almost the entire list disclosed only moderate gains.

Following the receipt of the Controller's sanction, the Tata Iron and Steel Company, Ltd., has called for the adjourned extraordinary general meeting of the shareholders to be held on 2nd September 1959 to approve of the proposed ordinary and preference share capital issues. By creating 618,372 new ordinary shares of Rs. 75 each and 375,000 'A' 7½ per cent. second preference shares of Rs. 100 each, the Company proposes to raise its capital from Rs. 30.86 crores to Rs. 39.25 crores. Of these shares, 613,933 new ordinary shares will be issued and offered to the existing ordinary shareholders in the ratio of one share for five and 371,909 'A' second preference shares will be offered to the existing holders of 6 per cent. preference shares and 7½ per cent. second preference shares in the ratio of one 'A' share for every two shares of either class of existing preference shares or one preference share and one second preference share. The full amount of Rs. 75 per new ordinary share and Rs. 100 per 'A' second preference share is payable on application.

The production of saleable steel of the Tata Iron and Steel Company during the month of July 1959 amounted to 98,500 tons, as compared with 88,100 tons in the previous month and 68,600 tons in the corresponding month of 1958. The output of saleable steel by the I.I.S.Co. has gone up from 49,296 tons in June to 55,903 tons in July and despatches thereof from 46,670 tons to 53,507 tons.

To revert to the trend of prices, Tata Ordinaries improved from Rs. 174 to Rs. 179 on Tuesday under the lead of textile shares. On profit-taking induced by uncertainty about the dividend of Indian Irons, they reacted to Rs. 177.50. At this stage came the announcement that the Government had given sanction to the Company's new issue at par. This was greeted by a spurt in the shares to Rs. 182.25 yesterday. Heavy profit-taking, however, pruned the gain and the shares closed today at Rs. 179. Indian Irons shot up from Rs. 24.08 to Rs. 24.88. After a short-lived dip to Rs. 24.72, the shares rallied to Rs. 25.50 on revival of hopes that the dividend would be maintained. At the close, there was a slight reaction to Rs. 24.92.

Centuries provided the highlight of the textile section with a jump from Rs. 543 to Rs. 571. After reaction to Rs. 563, the shares rallied to Rs. 571.50, but there was again a setback to Rs. 562.50 at the close, leaving a net gain of Rs. 19.50 over the week. Bombay Dywids were relatively subdued. After improving from Rs. 65.60 to Rs. 67.10, the shares relaxed to Rs. 65.70 at the close. Kohinoors closed with a gain of Rs. 8.50 at Rs. 308.50, after touching a peak of Rs. 317.50. Central Indias recorded a rise of Rs. 7 to Rs. 108. While Finlays lost a rupee to Rs. 279, Gokaks advanced by Rs. 2 to Rs. 162. Indu Ordinaries rose by a further 28 p to Rs. 8.52. Morarjee Mills were done Rs. 5.50 higher at Rs. 262.50. Osmanabhis improved by Rs. 3.50 to Rs. 40. Podars by Rs. 7 to Rs. 155 and Shree Niwas Cottons by Rs. 5 to Rs. 181.

Sugar shares displayed a hardening tendency. Belapurs advanced from Rs. 308 to Rs. 319 before reacting to Rs. 313.50. Phaltans rose by Re. 1.25 to Rs. 161.50 and Walchandnagars by Rs. 2.50 to Rs. 311.25. Maharashtra Sugars gathered Rs. 7 to Rs. 222. Cement shares were less active. Associated Cements, after gaining from Rs. 151.25 to Rs. 154.50, gave way to Rs. 151.75. Digvijays moved up by Rs. 2 to Rs. 154 and Orissa Cements by 24 p to Rs. 167.2.

In the engineering and mining group, Tata Locomotives were again active, though part of the earlier gains was wiped out towards the close. After a jump from Rs. 204.50 to Rs. 215, the shares reacted to Rs. 209 at the close. Alcocks recorded a gain of no more than a rupee to Rs. 254. Premier Constructions hardened from Rs. 3.51 to Rs. 367. Larsen and Toubros enjoyed good support and rose by 84 p to Rs. 22.04. Brady Engineering shot up by Rs. 4 to Rs. 89. Shivrajpur changed hands Re. 1 higher at Rs. 85. Indian Coppers were steady at Rs. 4.14.

Shipping shares were featureless. Schindls moved between Rs. 18.08 and Rs. 17.80 before closing at Rs. 17.84. Great Easterns were a shade quiet at Rs. 21.52. Automobile shares continued

to be in favour. Hindustan Motors added 20 p to Rs. 11.16 and Premier Automobiles Rs. 3 to Rs. 134.

In the miscellaneous group, Bombay Burmahs (old) were flat. After a sharp rise from Rs. 526 to Rs. 550, the shares gave way to Rs. 538. National Rayons finished with a gain of Rs. 6 at Rs. 348.50, the highest level touched for this week was Rs. 359.25. Gwalior Rayons rose by Rs. 1.18 to Rs. 22.64. Despite the encouraging outlook for the Company, Tata Oils dropped a rupee over the week to Rs. 67.50. Fears of a cut in dividend brought down Tata Chemicals by 36 p to Rs. 16.96. Wincos shot up Rs. 15 to Rs. 219.

Calcutta Stock Exchange

CALCUTTA, 5th August

The last two or three sessions on the Calcutta Stock Exchange witnessed a small recovery aided by brighter Bombay advices and replacement demand. Earlier in the week under review, however, conditions were depressed. It was only too evident that the disappointment over the lower Tisco dividend could not so soon be forgotten, despite the Directors' explanation, which was said to have been accepted by the Bombay Shareholders' Association. However, market circles hoped that the Controller of Capital Issues would permit the proposed rights issue at par, and shareholders would be compensated for the lower dividend. The subsequent news of Government sanction having been obtained was greeted with enthusiasm.

Coals lacked enthusiasm. While Raneegungs were unchanged at Rs. 18, Burrakurs, after opening at Rs. 17.44, sagged to as low as Rs. 17.12. They, however, recovered again to Rs. 17.62. Central Indias closed better at Rs. 8.19 after being lower at Rs. 8.14. Amalgamateds, though unchanged at Rs. 25.25, were firm, as were Bengals at Rs. 309, while South Karanpuras closed better at Rs. 13.75, after opening at Rs. 13. East Indians were pushed down to Rs. 24.12 from Rs. 25.62 previously.

The lower levels which jutes touched earlier provoked subsequent buying on expectations of better working results encouraged by reports of keen export business in goods. Anglo-Indias changed hands earlier at Rs. 251.25, but soon rose to Rs. 260. At Rs. 176, Budge Budge put on Rs. 13.50. Birlas were steady at Rs. 22.75, as against Rs. 22.44 earlier. On interested buying, Barnagores hardened to Rs. 169 from Rs. 160, and for the same reason Kankaranahs advanced to Rs. 97.98 from Rs. 95.

Engineering attracted buying at lower levels on fresh support. Indian Irons opened at Rs. 24.09 and, in accord with easier Bombay advices, lost to Rs. 23.80. Fresh buying developed at this stage, and the rate recovered to Rs. 24.86. From Rs. 23.45, Texmacos recovered to Rs. 24.35. Kumardhubis, after being unchanged at Rs. 6.94, advanced to Rs. 7.06. J.K. Steels closed at Rs. 14.62 after being lower at Rs. 14.31.

In accord with the general trend, miscellaneous industrials recovered later in the week. Indian Cables improved to Rs. 32.37, after opening at Rs. 31.56. Hindustan Motors met with more enquiries to rise to Rs. 11.53 from Rs. 10.69. Dunlop Rubbers were better at Rs. 34, while Balmer Lawries sagged to Rs. 195 from Rs. 199. Indian Coppers, after being lower at Rs. 4.07, closed better at Rs. 4.16. At Rs. 13.06, Sirpur Papers recorded a small gain, with Indian Aluminiums being better at Rs. 22.56.

Madras Stock Exchange

MADRAS, 5th August

The Madras Stock Exchange put on a cheerful appearance during the week under review, in contrast to the easy trend noted in the previous two weeks. There was revival of buying support at lower levels. The sentiment of operators was influenced favourably by reports

that the Investment Committee of the Life Insurance Corporation would be meeting shortly to consider purchase of certain scrips. Textiles evoked good enquiries during the major part of the week, thanks to encouraging advices from piecegoods and yarn markets. Consequently, prices moved up. At higher levels, profit-taking set in and values suffered a setback. A large part of the earlier gains was erased and today's closing rates for many scrips were on a par with those at the end of last week. The planting section ruled active, despite reports of damage caused by heavy rains to tea, rubber and coffee crops, and uncertain political situation in Kerala. Tea scrips were well favoured, following news of steady demand for tea, particularly for high-grown varieties, at the recent Cochin auctions. Coffee shares were also well favoured on expectations of bumper crop. In sympathy with tea and coffees and on rumours that the Government was considering extension of maximum support for the expansion of plantation rubber industry, rubber shares recorded handsome gains. Several sugar and miscellaneous scrips also attracted good attention of investors. Electricity shares, however, continued to be subdued. The Union Irrigation and Power Minister's statement in the Lok Sabha on Monday that the plea for nationalisation of existing electricity undertakings was impracticable at present had no effect.

In the sugar section, E.L.D.s advanced by Rs. 1.13 to Rs. 39.50. Kirlampudis rallied from Rs. 80 to Rs. 81. Deccans hardened by 40 p to Rs. 12.25. Travancores were marked up by 25 p to Rs. 12.35. Indias gained 5 p to Rs. 12.30. United Breweries and Mysore were fully maintained, the former at Rs. 459 and the latter at Rs. 49.50.

Among tea shares, Haileyburias strengthened by Re. 1.40 to Rs. 20.50 following the announcement of a higher dividend of 20 per cent. (tax-free) for the year ended December 1958, as against 15 per cent. distributed in the previous year. Kil Kotagathered 25 p to Rs. 20.60. Ouchterlony's improved by 19 p to Rs. 5.59 and Twyford's by 15 p to Rs. 17.05. Kalassas picked up 12 p to Rs. 4.12. The directors of the Company have declared a higher dividend of 15 per cent. for the year ended March 1959, as compared with 12½ per cent. for the previous year. Chembras gained just a naya paise higher dividend, namely, 15 per cent. (tax-free) for the year ended March 1959, as against 10 per cent. for 1957-58. Periakaralamals, however, sagged for the year ended March 1959 is higher at 12½ per cent., that paid last year being 10 per cent. The feature of trading in the coffee group was the spurt of 65 p to Rs. 22.50 in Consolidated Cottanads were steady at Rs. 16.25. The Directors of the Company have maintained the dividend for the year ended March 1959 at 15 per cent. Lands lost 5 p to Rs. 5.40. Coffee Rajagiris improved by 40 p to Rs. 17.80. Cochin Malabars put on 35 p to Rs. 7.05. Highlands were higher by 50 p to Rs. 12.50.

In the textile section, Premiers spurred by Rs. 4.00 to Rs. 169.50. Bangalore Woollens improved by a rupee to Rs. 180. Buckingham's were steady at Rs. 188.50, as also Colmbatore Cottons at Rs. 142. Coimbatore Pioneers at Rs. 280, Dhanalakshmis at Rs. 197.50, Radhakrishnas at Rs. 119, Rajalakshmis at Rs. 61 and Vasantas at Rs. 211.

Among miscellaneous industrials, Rallis provided the bright spot, its quotation climbing up by Rs. 5.00 to Rs. 75. Ashok Leylands and F.A.C.'s respectively. India Cements hardened by 35 p to Rs. 6.80. Orissa Cements gathered a like amount to Rs. 16.65. Standard Motors increased by 30 p to Rs. 16 and Mettur Chemicals by 10 p to Rs. 13.65.

NEWS IN BRIEF

THE Government of India has released a fresh quota of 1,000 tons of rice bran (Andhra origin) for export upto the end of September 1959.

At its two-day meeting held at Chandigarh last week, the Northern Regional Committee of the Indian Council of Agricultural Research approved, in principle, the establishment of regional stations for vegetable research on crops yielding important protective foods.

A janata hotel to provide inexpensive accommodation for middle and lower middle class visitors to New Delhi is proposed to be set up by the Union Government. The hotel will have dormitories and single and double rooms to lodge about 500 persons at a time.

India's acceptance of the transition period of ten years for the settlement of the Indo-Pakistan Canal waters dispute will not postpone the target date for opening the Rajasthan Canal, namely, 1962, according to the Union Minister for Irrigation and Power, Mr. Hafiz Mohammed Ibrahim.

The geologists of the Bombay Government have located good quality coal deposits, estimated at 1,000 million tons, in a 20-square-mile area in the Kamptee region, near Nagpur, lignite deposits in the Kutch region and a substance resembling sulphur in the Broach District.

The Government of India has agreed to permit the export of 25,000 maunds of sugarcane seed for experimental cultivation in East Pakistan. The seeds are to be supplied from sugar mills and estates in Bihar direct to the East Pakistan Branch of the Pakistan Industrial Development Corporation.

About 35 hectares (2.47 hectares=1 acre) of land have been requisitioned in Durgapur for locating the coal-mining machinery factory. A detailed project report has already been submitted to the Government of India by the Soviet experts. The factory is expected to employ about 4,200 persons.

The bauxite deposits discovered in Kolhapur, Bombay, are now estimated at 5.7 million tons, that is, about 2.2 million tons more than those estimated by the Central Geological Department earlier on the basis of a preliminary survey. An aluminium plant is expected to be set up in this region during the third Plan period.

The National Productivity Council of India has accepted the French Government's offer of 25 scholarships made under the Indo-French bilateral agreements, to train Indians in the field of productive and scientific management. The Council has selected the candidates and the list is being forwarded to the French Government.

The West Bengal Government does not propose to nationalise the bus services outside Calcutta City, except in a small ceded area in the northern part of the State. This was disclosed by Mr. K. N. Das Gupta, West Bengal Works and Buildings Minister, in the course of his speech at a meeting of the Calcutta branch of the Indian Roads and Transport Development Association.

The possibility of developing the ceramic industry in Madras by utilising the good quality china-clay from the cement quarries and the raw materials, such as quartz, feldspar, gypsum and fireclay available in the neighbouring areas, has been outlined in a project report prepared by the Sub-committee of the State's Industries Development Committee.

A five-member Japanese team of experts has arrived in New Delhi to advise the Government of India on the development of small and medium-sized industries. The leader of the team is Mr. T. Iwawake, Director-General for Small Enterprise Agency of the Government of Japan. During its four week stay in the country, the team will visit a number of important centres of cottage and small industries in various parts of the country.

The Canadian Government has agreed to give a grant of \$10 million to the Government of India for the setting up of higher technical institutes and a central polytechnic, according to Dr. Lakshmanaswami Mudaliar, Vice-Chancellor of Madras University, who returned from London last week after attending the Commonwealth Educational Conference held at Oxford recently. The aid comes out of the counterpart fund of the wheat loan to India.

Mr. Lal Bahadur Shastri, Minister for Commerce and Industry, stated in the Lok Sabha this week that 6,625 automatic looms had so far been allotted to 34 mills. He added that allotments under the scheme for installation of 3,000 automatic looms for export purposes only would be considered in due course. He also said that no decision had yet been taken with regard to import or the types of automatic looms to be imported. There was, he disclosed, a proposal to manufacture automatic looms in India.

The Indian Institute of Technology, Guindy, Madras, the third in the chain of four higher technological institutions being established by the Central Government, was inaugurated by Mr. Humayun Kabir, Union Minister for Scientific Research and Cultural Affairs, on 31st July 1959. The Institute has been set up with the aid given by the West German Government. It will have a total enrolment of 1,500 students in the Degree courses and about 500 students in post-graduate courses every year.

The scheme drawn up by the Government of Mysore for the establishment of a Central Workshop and Production Centre to manufacture bicycles

PERSONAL

MR. Mangaldas M. Pakvasa, a prominent member of the Congress Party, has been appointed Vice-Chairman of the State Bank of India.

Mr. Justice Kulada Charan Das Gupta, at present Chief Justice of the Calcutta High Court, has been appointed a Judge of the Supreme Court.

Mr. M. N. Chakravarthi, a former member of the Railway Board, took over charge as Special Officer in the Atomic Energy Commission, Bombay, on the 1st inst. He will be in charge of the atomic power plant proposed to be set up in India.

Mr. O. C. Cochrane, Traffic Inspector (Eastern Routes), British Overseas Airways Corporation, has been appointed Manager, B.O.A.C., Bombay, vice Mr. Gordon Davidson, who has been appointed Sales Manager of the Corporation in South-East Asia.

The merchant fleet of West Germany consists of 1,175 ships, with a total of 4.25 million gross tons. Of these, the number of tankers is 105, with a total of 626,760 Gross Registered Tons. During the first half of 1959, 21 ships, with 196,764 G.R.T., were added to the fleet and 29 ships with 85,571 G.R.T. were sold abroad or broken up or lost.

The French Government has abolished quota restrictions on a few more commodities imported from both the O.E.E.C. and the dollar areas. The commodities include agricultural machinery, tractor engines, electric locomotives, transformers and magnetos, synthetic fibres in bulk, a number of fruits and ball bearings.

West Germany has the highest share of taxation and social security contribution in the Gross National Product of all free nations. Its share in the country's gross national products is 31.6 per cent, followed by the U.K. with 29.4 per cent, France 28.6 per cent, Italy 27.7 per cent, the U.S. 25.9 per cent, and Belgium 23.5 per cent. The share of West Germany's taxes in the national income amounts to 43 per cent.

The Australian motor industry, including the local manufacturing and assembly units, is now claimed to be capable of meeting the entire domestic demand for commercial and passenger vehicles. The total investment in the Australian motor industry exceeded £A100 million, exclusive of development projects now in hand which together account for £A37 million.

The French Government proposes to set up a 50,000-ton steel plant in Bone, Algeria, at a total cost of £60 million. It is expected that £10 million will be contributed by the participating steel companies and £15 million by the Government of Algeria. About £30 million will represent long-term loans raised with Government cover by the steel industry's finance group, the rest being met out of medium-term State credits.

Two big concerns in the U.K. with complementary interests in the textile industry, namely, Tooltals of Manchester and William Hollins of Nottingham, are at present negotiating for a possible merger. Tooltals, set up in 1800, owns several subsidiaries for spinning and weaving plants, besides factories for made-up garments. The other company has concentrated for over 50 years on the production of made-up garments.

The total number of vehicles on the roads in the U.K. at the end of April last was 7.5 million and this figure is believed to have since risen to the record level of 7.8 million. The April figure included 4.6 million cars—one for every three families—1.35 million motor cycles, and 1.25 million vans and lorries. The remainder are public road passenger vehicles, tractors, ambulances and fire engines. In 1938, there were just over 3.0 million vehicles.

The Imperial Chemical Industries (United Kingdom) has decided to expand its manufacturing activity in Argentina by investing £1.5 million in its subsidiary in Buenos Aires, the Industrials Quimicas Argentinas Duperial, for undertaking a £2.35-million major programme of modernisation and development. The expansion of the subsidiary will enable it to reduce substantially the imports from the parent company, which account for about 40 per cent. of its total turnover in Argentina.

The workers of the nationalised Renault car factory in Paris will be eligible for a new form of wage guarantee, following the agreement entered into between the trade union leaders and the management. The workers will receive an average payment of Frs. 165 (2s. 4d.) per hour, if the working week is shortened by four hours, as compared with the normal 45-hour week. If the working week falls below forty hours, the workers will be treated as being on short-time and eligible for State benefit.

Personal incomes in the U.K. during the first quarter of 1959 were 4 per cent. higher than those in the corresponding quarter of 1958. After allowing for tax payments, national insurance and health contributions, personal disposable income was £131 million, or 3 per cent. higher, as compared with that a year before. Although the consumers spent £107 million more than in the first quarter of 1958, there was a slight increase in personal savings from 9.6 per cent. of disposable income to 9.9 per cent. Income from employment as well as gross trading profits of companies increased by 3 per cent. and gross trading profits of public companies by 19 per cent. On the personal spending side, wages and salaries rose by 2 per cent., income from rent, dividends and interest by 1 per cent., and national insurance benefits and other grants from public authorities by 14 per cent.

4 PER CENT KERALA STATE DEVELOPMENT

LOAN 1971

ISSUED AT Rs. 99.00 AND REDEEMABLE ON 19TH AUGUST 1971

The Government of Kerala announce the issue of their new loan for Rs. 400 lakhs bearing interest at 4 per cent. Government reserve the right to retain subscriptions upto ten per cent. in excess of the notified amount.

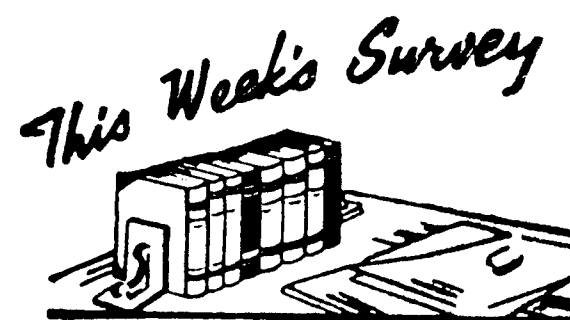
The loan will be repaid at par on 19th August 1971.

THE LOAN WILL OPEN FOR SUBSCRIPTIONS ON 19th AUGUST 1959 AND CLOSE ON 25th AUGUST 1959 OR EARLIER WITHOUT NOTICE. THE LOAN WILL BEAR INTEREST FROM 19th AUGUST 1959.

Subscriptions may be in the form of cash/cheque.

Applications will be received at the offices of the Reserve Bank of India at Bangalore, Bombay, Calcutta, Madras, New Delhi and at branches of the State Bank of India and treasuries, and sub-treasuries in Kerala State.

Copies of Notification and Application Forms may be obtained at any Receiving Office.



STATE TRADING IN GRAINS

IT is, indeed, unfortunate that the authorities continue to chase the wild-goose of State trading in foodgrains, despite all the warning given by persons with intimate knowledge of conditions in foodgrains trade, including some distinguished economists. How the entry of the State in the field of grains distribution is beset with dangerous consequences was lucidly explained by Mr. M. H. Hasham Premji, President of the Federation of Grain Dealers Associations of India, at a Press conference on Monday last. State trading in grains, Mr. Hasham Premji declared, would involve a very heavy cost to the consumer, on the one hand, and the producer, on the other, without any benefit whatever in the shape of contribution to efficiency and proper handling and distribution of grains. He pointed to the fears in the minds of cultivators generated by the official food policy and warned that, unless these fears were removed, there might be a distinct setback to production.

The warning is not only timely but also quite pertinent. One fails to understand as to why the Government should continue schemes like zonal system and fixed prices for wheat and rice, especially when the supply position in respect of foodgrains is claimed to be very comfortable. The aggregate production of grains in the current season is placed at 73.3 million tons, as against the estimated requirements of 69.5 to 70.0 million tons. If the consumer is to benefit from such comfortable supplies, it is necessary that the normal forces of supply and demand should be allowed to operate in the foodgrains markets. The Government has not only not done this but has actually been interfering too much with the mechanism of the markets. The result is, as the Executive Committee of the Federation rightly stated at a meeting held in the City this week, a complete disruption of the structure of prices of important foodgrains as between the deficit and the surplus areas, leading to a marked diversion—to the extent of at least 10 per cent.—of land under foodgrains to commercial crops. Proceeding, the Committee observed:

"Producer resistance to sell at lower prices in surplus areas and consumer resistance to high prices prevailing in deficit areas are the other consequences of the Government policy. Damage and loss in storage as a result of this policy are only to be expected. . . . The greatest sufferers are the two important industrial States of Bombay and West Bengal, where wheat and rice prices have reached an unbearable level—double the prices prevailing in surplus areas—as a result of the zonal system and the Government policy of purchasing rice and wheat at fixed prices.

"It is unquestionable that large quantities of foodgrains continue to be smuggled across the zonal borders, thereby creating many unsocial problems, somewhat similar to what one sees on the prohibition front. Large resources of the Government in the shape of police and other forces are diverted to watch the zonal borders, adding thereby to the cost of administration, apart from encouraging and increasing the unsocial elements in the country to have full sway in these activities and elimination of all legitimate and honest trade from the food sector.

"The indirect cost to the taxpayer in maintaining this food control and State trading will be readily appreciated, if an account is taken of all these ancillary and other expenses that the Government has to incur in maintaining and pursuing the ideal of State trading. In the State of Bombay alone over 1,500 co-operative societies have gone into liquidation during the last few years due to various causes. Yet the fulcrum of State trading is based on future organisation of the co-operative sector to handle this trade. Apart from the inefficiency this may generate, the cost to the Exchequer of maintaining the co-operative sector, partly by assistance and considerably in the shape of administrative machinery to watch and regulate this sector, will act as a millstone round the food-grain economy of the country for the future, for decades to come."

This is certainly a correct assessment of the whole issue. The Union Minister for Food and Agriculture, Mr. A. P. Jain, himself admitted in the Lok Sabha on Tuesday that the scheme of State trading in foodgrains had run into difficulty in at least two States, Bihar and West Bengal, and procurement operations under the scheme had had to be suspended in order to ensure the flow of adequate supplies in the open market. Considering that the consequences of limited State trading in foodgrains pursued in

some parts of India have been very disquieting, one can well imagine what will be the state of affairs when the scheme of State trading is extended to cover all foodgrains and all regions in the country. Apart from the huge capital investment involved in State trading in foodgrains—as much as Rs. 600 crores, according to Mr. Hasham Premji's estimate and not Rs. 2,000 crores as was grossly exaggerated by a spokesman of the business community a few months ago—and the sacrifice which the consumer will have to make in the form of high prices, the scheme has the danger of diverting Government attention from the more important problem of augmenting food production to distribution. The distributive trade in foodgrains, in particular, involves, as Mr. A. D. Shroff aptly said recently, the use of techniques which cannot be built up overnight; it is the pioneering efforts of our merchants over generations which is mainly responsible for the efficient handling of foodgrains trade. In the opinion of Mr. Shroff, if the 300,000 merchants engaged in this trade were to be asked to hand over their businesses to the State, it would be a violation of one of the fundamental rights under the Constitution.

The Government cannot be unaware of the implications of the scheme of State trading in foodgrains. Why then should it persist in giving effect to it? Evidently, it must have been prompted by profit motive. It is estimated that the implementation of the scheme will yield an additional revenue of at least Rs. 170 crores annually to the Central Exchequer. The estimate is based on the existing difference between the official procuring and selling prices of wheat and rice. The difference is said to work out to nearly Rs. 2 per maund, representing a rate of return of as much as 10 per cent., as compared with the reported average profit margin of 1 to 2 per cent. derived by the private wholesale trader. If this is true, who is exploiting the consumer, the State or the mercantile community?

P. L. 480

Encouraged by the results gained so far, the U.S. Administration has sought a further extension for one year of the U.S. Agricultural Trade Development and Assistance Act, popularly known as P.L. 480. The Act, enacted five years ago, permits the U.S. Government to enter into agreements with foreign countries to sell certain agricultural products that are in surplus in the U.S. for payment in local currencies and make donations of agricultural products to friendly nations as a measure of relief during famine, floods or any other emergency. President Eisenhower, in his semi-annual report, has told Congress that the U.S., by continuing to distribute reserve agricultural commodities to friendly nations, has aided millions of hungry, needy and disaster-suffering people throughout the world. A notable feature of the working of P.L. 480 of late has been that, following the suggestion of the President, agricultural surpluses are increasingly being used as "food-for-peace."

The Administration has also requested Congress for an increase in authorisation of \$1,500 million for Title I and \$300 million for Title II of the Act. Title I, as readers are aware, pertains to the sale of agricultural commodities abroad for local currency while Title II authorises the use of commodities held in stock by the Commodity Credit Corporation to help friendly nations to meet famine or other urgent extraordinary relief requirements. Title III of the Act governs the distribution of food to needy people overseas through non-profit agencies and inter-governmental organisations and provides for barter of reserve commodities for strategic and other materials, goods and equipment.

Some amendments to P.L. 480 aimed at furthering the "food-for-peace" programme have also been proposed. Title I is proposed to be amended so as to permit grant of food for the establishment of national food reserves in underdeveloped countries. Title II would be revised to authorise greater use of commodities to help economic development projects. During the first half of 1959, the value of surplus agricultural products supplied under P.L. 480 aggregated \$803.5 million, raising the aggregate value of commodities supplied since the programme started in July 1954 to \$8,358 million.

Under Title I, the U.S. has signed a total of 158 agreements or supplements, with 38 countries since 1954, involving a sum of \$5,078.5 million. Of this, agreements with India covered a sum of \$658.2 million. During the first six months of this year, agreements to supply \$470 million worth of commodities were entered into by the U.S. under the Act.

Cumulative authorisation for emergency relief and other assistance abroad under Title I aggregated \$546 million, of which \$59.8 million was authorised during the first half of this year. Shipment under Title III through voluntary groups and intra-Governmental agencies aggregated \$2,733.5 million. The recipients include such countries as India, Afghanistan, Ceylon, Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Pakistan, Turkey, and Syria.

A BENEFICIAL TRUST

The fifth annual report of H.E.H. the Nizam Charitable Trust for the year ended 31st March 1959, published elsewhere in this issue, make most encouraging reading. It furnishes a mode of what private charity, if guided by principle of scientific investment, can do to the community. Under the wise stewardship of Mr. C. E. Taraporvala, the Trust has been a creditable financial success, besides being a source of generous help to men drawn from diverse rank of society in Andhra Pradesh. In his work Mr. Taraporvala has been assisted by Mr. S. A. Lal and Mr. V. P. Menon who, incidentally, have charged no fees whatever for their services. Since its inception in June 1954, the Trust (Chairman: Nawab Zain Yar Jung Bahadur) has distributed Rs. 56 lakhs among beneficiaries who include destitutes, sick men, widows and students. Two new commendable proposals of assistance which the Trustees are contemplating are the setting up of an artisans' training centre and the establishment of an orthopaedic hospital.

There are three aspects of the working of the Trust which deserve notice. In the first place, prudent management has enabled the Trust to augment its original resources. The face value of the Trust's assets, which originally stood at Rs. 4.90 crores, has now increased to Rs. 5.59 crores, while their market value has gone up from Rs. 5.11 crores to Rs. 5.94 crores. The income of the Trust has moved up from Rs. 7.68 lakhs to Rs. 34.92 lakhs, an increase of 360 per cent. Secondly, the Trust, despite the increasing calls for assistance made on it, has been managed at a commendably low expense ratio. Expenses thus account for no more than 2 per cent. of the income of the Trust. Thirdly, the Trust, without sacrificing the considerations of security, has been a source of assistance to growing industries. In other words, it has made a significant contribution to India's industrial progress.

In view of the good work the Trust has done so far, it seems strange that it should have had to face some costly litigation, presumably sponsored by men disappointed in their attempts to get assistance from the Trust. After all, no trust can—in fact, it should not—dispense indiscriminate charity. And a trust's funds are necessarily limited, whereas the claimants, ever the most deserving among them, must be legion. It seems sad that a good trust, like the Nizam's Trust, should be exposed to frivolous litigation. The Trustees have drawn attention to this "deplorable confusion" caused by half a dozen laws supposed to govern trusts in the Andhra State. It is time the State's legislature passed legislation which will help eliminate such confusion and also enable the trustees smoothly to carry out the objects of the trusts in the State.

PROVIDENT FUND

Elsewhere in this issue is published a fairly detailed review of the progress and problems of the employees' provident fund scheme. By its very nature, the administration of the scheme is not an easy task. But, as will be more so by some diehards among employers law relating to provident funds. The Annual Report of the Central Board of Trustees relates ployers to evade the Act. Unfortunately, decisions of some High Courts, which have given a of the Act, ignoring the social objectives enshrined therein, have been taken advantage of by some employers to escape the liability for payment of provident fund contributions. An High Court that, on reduction of the employment strength of a factory below fifty, the establishment goes out of the purview of the Act. This decision has not only prompted many employers to claim exemptions from the application of the scheme and refund of provident fund them to deprive the employees of the statutory benefits by splitting up covered factories into smaller units each employing less than 50 persons. There have also been innumerable instances of failure of employers to pay their share of the contributions and submit periodical returns. Such actions on the part of employers have necessitated amendment of the law and also recourse to law courts in an increasing measure.

While one can understand the employers' opposition to any enhancement in the rate of provident fund contribution which does not take into account the capacity of the industry to bear the additional burden, one cannot but condemn any attempt on the part of employers to by-pass the provisions of the Act as being highly reprehensible. The provident fund authorities themselves have been willing to make concessions to employers, who genuinely find it difficult to pay, by allowing them, in deserving case, to remit past accumulations in instalments. Those who deliberately try to deprive the employees of what is justly their due deserve no sympathy and should be severely dealt with. Apart from the fact that the Employees' Provident Funds Act is an important social security legislation, there is also the consideration that, for many employees, such small amounts deducted from their meagre wages are their only savings. It is a pity that there are still employers who refuse to move with the spirit of the times. While the provident fund authorities may well go ahead with their proposals to plug the loopholes in the law, it is necessary that employers and their organisations should come forward to safeguard their names from being sullied by the actions of a few black sheep. We are sure that the majority of employers in this country consider employees' provident funds as an essential and desirable social security measure. The very fact that, even before the provident fund was made a statutory obligation, many establishments had set up their own provident funds and that, even now, many exempted establishments have schemes which offer more liberal terms than the statutory scheme, is proof of this. The employer organisations would do well to evolve a kind of voluntary code of conduct to be followed in respect of provident funds and any employer guilty of violation of the code should be expelled from these organisations and such action brought to the notice of the public in a suitable manner, so that the defaulters may go down in the esteem of the public.

"GUR" AND "KHANDSARI"

Analysing the consumption pattern of the different sweetening agents—sugar, gur and khandsari—we stated a few weeks ago (vide page 987 of Commerce dated 13th June 1959) that one would want to know how much money had already been spent on the development programme for gur and khandsari and how far the improvement envisaged in the programme had been effected. We are glad that these questions have been answered, albeit partly, by Mr. B. S. Murthy, Union Deputy Minister for Community Development and Co-operation, and Mr. A. Bhagavantha Rao, Andhra Pradesh Endowments and Industries Minister. Inaugurating the third All-India Gur and Khandsari Conference at Kakinada, Andhra Pradesh, on Friday, 31st July, Mr. Murthy said: "In spite of the best efforts of the Khadi and Village Industries Commission and State Governments, much progress has not been made in adopting improved techniques in the industry, which is still having inefficient tools, backward methods of production, and also suffering from lack of effective arrangements for storage, packing and standardisation of quality." In his presidential speech, Mr. Bhagavantha Rao observed: "The actual amount received by the Commission being far below the original allotment (Rs. 8 crores) made by the Planning Commission, the States have not received adequate funds to meet their needs. Consequently, the targets fixed under the Plan have not been achieved."

The slow pace at which the development programme for gur and khandsari industry is being implemented is rather distressing. It is common knowledge that the processes of manufacturing these commodities involve considerable wastage; the actual yield of marketable sugar is 25 per cent. less than that in the vacuum pan sugar factories. It is this enormous wastage which imparts urgency to the need for a more vigorous drive to improve conditions in the gur and khandsari industry through introduction of power-driven crushers and improved pans and other equipment on the technical side and measures for bringing about an improvement in keeping quality, proper storage and packing, and standardisation of quality on the marketing side. Mr. Bhagavantha Rao did well to stress this aspect. In particular, he urged adequate finan-

cial assistance, provision of storage facilities, establishment of research stations to improve production (quantitatively and qualitatively), and extensive application of power in the manufacture of gur and khandsari.

While the adoption of the measures indicated above will doubtless raise the efficiency of these cottage industries and afford more employment, it must be admitted that there cannot be any significant rise in the productivity of the industry. Viewed thus and considering the continuing shift in consumer preference from gur and khandsari to white sugar, one wonders whether it would not be advisable to place a greater emphasis on augmenting white sugar output than on encouraging gur and khandsari industry. This point must be specially stressed, because, with the series of improvements effected in the gur and khandsari production and with the distinct tax advantage enjoyed by these commodities over white sugar, the industry will more seriously compete with sugar factories, which constitute a more efficient form of extracting sugar, for the supply of cane in the coming seasons, unless, of course, the sugarcane crops continue to be bumper ones.

POSTS AND TELEGRAPHS

As a large national undertaking, the Posts and Telegraphs Department ranks next only to the Railways. It employs over 316,000 persons and has a capital outlay of Rs. 111 crores. The Annual Report of the Department for 1957-58, the second year of the second Five-year Plan, shows a record of continued expansion of postal, telegraph, telephone and wireless services in the country. The number of post offices increased from 58,871 at the end of 1956-57 to 61,886 on 31st March 1958. The pace of growth of post offices, however, was somewhat slow, in that it fell short of the average annual target of 4,000 new offices set in the second Plan by about 1,000. The progress in the number of telegraph offices, however, was satisfactory; the number rose by 671 to 10,723, as against the Plan target of 1,400, or an annual average of 280. The number of telephone exchanges went up (including P. Xs) from 6,202 to 6,472 and telephones from 309,000 to 335,000. In view of the economic development taking place in the country, the pressure of

(Continued on next page)



FUJI'S

Quality Products



FUJI IRON & STEEL CO. LTD.

Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan

Cable Address: STEELFUJI TOKYO

New York Office: T. Nakano, Room 805, 52 Broadway, New York 4, N. Y., U. S. A.

President: Shigeo Nagano

Tel: Bowling Green 9-8675/6

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAST; BY-PRODUCTS.

1-8 AUG 1959

NOTES FROM WEST GERMANY

SPECIAL IMPORTANCE ATTACHED TO MANAGEMENT TRAINING

TREND OF LABOUR AND SHARE MARKETS

From A Correspondent

COLOGNE, 31st July

THE necessity for top management training in W. German business was recognised early after the last war. One division of economics taught to students in the Federal Republic's Universities since about 50 years was plant organisation; but actual centres of executive training like Harvard's School of Business Administration did not exist.

A special "Institute for the Promotion of Industrial Management Training" was therefore established in Cologne some years ago. The Institute, the result of careful investigations by German business men, is supported by a "Foundation for the Promotion of Management Training" and maintains a Management School at Baden-Baden. Three times a year, about 30 top management trainees of some 40 years of age gather for a three weeks' period to discuss important problems of management in an exchange of ideas with about 60 to 80 visiting speakers. The training mainly aims at improving the power of judgment and of independent thinking. The trainees selected for such courses are expected to hold positions of responsible leadership.

Some months ago, an association of various European institutes of management was created on a European and co-operative level; "Eurogestion," an organisation for executive training promoted by all member institutes, among which the Cologne Institute is one.

The origin of a systematic training of business leaders by corporations, however, dates back to the twenties of this century. Some companies were guided by the long-term training methods of public institutions, such as the training of higher mining executives, while others had developing methods of their own. Other W. German business leaders graduated in plant organisation, thus having acquired the necessary foundation for clear-cut and successful business thinking. The progress achieved in recent years, however, was mainly based upon a systematic development of concerted programmes of management training, using round-table discussions as well as the "case method" developed by the Harvard School.

The idea of top management training recognises that people occupying positions of higher responsibility should have sufficient time and leisure for an exchange of their precious experience collected at the helm of big and small businesses. Similar thoughts have seemingly motivated President Eisenhower's recent decision to submit to Congress a Bill assuring high ranking Government officials the necessary time for quiet and systematic reflection. It is similarly recognised by German business now that a free and relaxed mind capable of resourceful and creative thinking is indispensable for successful leadership.

Employment Trends

Unemployment in the Federal Republic of Germany has now reached an all-time low, the Federal Employment Administration at Nuremberg counting only 255,400 unemployed, as against 319,500 vacancies. The Federal Republic's labour force is not expected to increase substantially during forthcoming years. The active population (15 to 65 years) will in all probability rise by a meagre 125,000 up to the end of 1965.

A further increase due to immigration should, however, not be overestimated. There is still a substantial influx from the Communist-controlled Soviet Zone, it is true; but it has already diminished and will continue to do so due to political pressure and restrictions exerted by the administration of the Soviet Zone. Other substantial sources of immigration are not available any more; this holds also true of the present influx of Germans from Eastern and South-Eastern Europe. Such an influx is presently organised by the Red Cross within its scheme to unite scattered family members. But only very few people able to work and capable of being efficiently incorporated into the country's speedy industrial activities will become available from that source.

The labour shortage is becoming even more severe due to the shorter work week: weekly

hours paid by industry having declined from 48.8 hours in 1955 to 45.7 hours in 1957; according to most recent figures, a further reduction, from 45.7 in February 1957 to 43.0 in February this year, has been registered.

Production per hour in industry has, however, greatly been stepped up, due to heavy investments for mechanisation, etc.; but the reduction of weekly hours enforced by the trade unions has, at the same time, counteracted about three-fifths of the productivity results from investments.

Women workers, whose share in total employment stabilised at about 34 per cent. since 1955, will hardly become an important source of additional employment, mainly for social reasons and due to the problems connected with increased negligence in the care and upbringing of children.

As a whole, the Federal Republic offers the quaint and rather unexpected picture of an expanding economy; it is staggering along the brink of full or even overfull employment, with all the risks of an inflationary process resulting therefrom. The longer this situation prevails, the more capital and entrepreneurial ingenuity will be required, in order to keep the forces of economic and industrial expansion within reasonable bounds. This is a situation which nobody would have expected even a few years ago.

Shortage of Scripts

The nearly uninterrupted stock market boom in the Federal Republic, which has gained a new momentum in recent months, is mainly due to the fact that a large part of German stocks is owned by people and institutions unwilling to dispose of their holdings. Thus, only a comparatively small part of outstanding stocks is available. This rather small segment is now exposed to a strong demand, not only on behalf of private investors and institutions, but also on behalf of foreigners eager to acquire German securities.

Additionally, the shortage is being aggravated by an extremely severe system of business taxation which makes it highly unattractive for industrial undertakings to cover their financial requirements by issuing equities. The present W. German tax system openly favours the issue of bonds, because interest payments can fully be deducted from taxable profits. Dividends, however, are subject to income-tax. Some reductions of corporate income-tax and of dividend taxation have been granted recently, it is true, but with no obvious advantages, due to the fact that the remaining tax obligations still are high enough to prevent the retaining of profits by corporations.

Due to this confused state of corporate taxation, the volume of new stock issues has continuously declined from 1,600 million DM. in 1955 to 1,100 million in 1958, with a further shrinking during the first half of this year. Since new stocks issued to shareholders at prices below market quotations are subject to special taxation, and since all attempts to eliminate such handicaps by new laws have so far been frustrated, no substantial increase of stock market offerings can be expected in the foreseeable future.

The shortage of supply on W. German stock markets is, therefore, likely to continue for the time being. It should be realised that, of the total stock ownership of all German joint-stock companies in the value of some 20,000 million DM., only 8,600 million are potentially available, whereas nearly 12,000 million DM. worth of stocks are owned by groups unwilling to sell, because they own their stocks, in order to be able to control the management of the undertakings they own. It should further be observed that the annual security requirements of investment funds alone are quickly approaching a volume of 1,000 million DM.

The W. German stock market boom reflects neither inflationary tendencies nor such an exorbitant corporate profitability. It merely reflects the ordinary laws of supply and demand, and a situation in which supply is being suppressed by extraordinary and, in part, undesirable factors.

SURVEY

(Concluded from previous page)

demand for telephones is fast increasing, particularly in the urban areas. The present rate of progress in the number of telephones is certainly not very satisfactory, lagging as it does behind the none too ambitious Plan target of 36,000 a year by as many as 10,000. On the trunk telecommunication network, the length of underground cable was increased from 1,236,340 miles to 1,365,336 miles, an increase of 10 per cent. Carrier and voice frequency telegraph channels rose from 558,363 miles to 597,604 miles and the overhead wire network from 909,798 miles to 953,785 miles.

During the year under review, the total number of postal articles sold went up from 3,262 million to 3,356 million and telephone trunk calls from 20.8 million to 23.1 million. Telegrams (excluding those on P. and T. service), however, registered a decline from 34.5 million to 33.2 million.

The revenues of the Department increased from Rs. 56.8 crores in 1956-57 to Rs. 61.6 crores in 1957-58. The total expenditure, on revenue account, was higher by Rs. 7.40 crores at about Rs. 57.92 crores. The total surplus of the Department fell by Rs. 2.61 crores to Rs. 3.71 crores. Out of the net surplus, an outright contribution of 50 per cent. was made to the General Revenues and the balance added to the Department's surplus (which is also merged in the general revenues), raising the accumulated surplus at the end of March 1958 to about Rs. 24 crores. While the telephone and telegraph branches yielded surplus, the postal and wireless branches recorded an appreciable loss. As regards capital expenditure, the total net amount spent on fixed assets during the year (excluding projects financed from the Telephone Development Fund), after allowing for credit to capital due to sale and abandonment of assets, was Rs. 9.36 crores.

The report records steady progress of Post and Telegraphs projects under the second Plan. Out of an allocation of Rs. 9.75 crores to the Department for Plan projects during 1957-58, a sum of Rs. 9.51 crores was actually spent. Aiming at a larger measure of expansion of telecommunication facilities in the interior of the country, the liberal policy for the provision of telegraph and telephone facilities in the rural and underdeveloped areas continued to be implemented during the year. As part of the modernisation of telegraph working in the mechanised transmission of telegraph messages was installed at Bombay in June 1957. The automation of the Calcutta Telephone system, bringing into commission 15 Automatic Exchanges in Calcutta and its suburbs, with a new scheme for laying coaxial cable between Lucknow, Agra and Patna en route has also been taken in hand.

In the Post Office Savings Bank, 1,315,034 new accounts were opened during the year under review, while 779,658 were closed, the net increase being 535,376, as against 396,445 in 1956-57. The number of active accounts at the end of the year was 6,920,235, as compared with 6,384,959 a year before. The balances in the Bank increased from Rs. 322 crores at the end of 1956-57 to Rs. 340 crores at the end of 1957-58. The average balance at the credit of a depositor, however, fell from Rs. 504.4 to Rs. 490.8.

Side by side with the development of posts and telegraphs services, the report claims that the Department took various measures for increasing efficiency. It is, however, a sad reality should be an increase in the number of complaints registered with the Department during the year under review. The total number from 53,910 in 1956-57 to 60,227 in 1957-58 and 491,470. The Department should see that, as it expands its services, the standard of efficiency does not suffer any fall.

The new three-year International Wheat Agreement has come into force with effect from the 1st this year, authorises the Wheat Council to review the whole world wheat position once a year, including the question of overproduction and the repercussions on world markets. The importing countries instead of buying fixed quantities of wheat at certain specified prices, will buy a specified percentage of total imports from exporting members within the price range of \$1.50 to \$1.90 per bushel.

AMERICAN LETTER

STEEL STRIKE MAY LAST FOR TWO MONTHS

SUPPLY OF BIRTH CONTROL EQUIPMENT TO ASIA FAVOURED

From Our Special Correspondent

New York, 1st August

THE steel strike is still the big economic news. Despite pleas by President Eisenhower to both management and labour, the walkout began on 15th July. The labour angle is that, at this writing, about one half million steel workers are idle and 50,000 employees in other industries, such as railroads and coal which are dependent on the rails in a good many areas.

The President did not choose to invoke the Taft-Hartley Act under which a technical national emergency could have been created. Indeed, there is no national emergency at this point. I know that the *New York Times* sent reporters into the steel regions. They found that the workers are perfectly happy to be idle and without pay, except for a dole from the union.

Most of them, apparently, do not care that it will take them, perhaps, a year or two before they make up their losses. In the meantime, they live on their savings which all of them possess. Instead of invoking the Taft-Hartley Act, the President injected a mild Federal intervention into the steel strike by going back to an elderly law passed in 1888 before the Department of Commerce was established.

This 1888 statute authorised the Commissioner of Labour to investigate disputes. The authorisation was handed down to the Secretary of Labour, James P. Mitchell. The latter announced he was starting a fact-finding study. This study would be different, however, from those conducted in recent years, in that it would not constitute Government intervention which organised labour again demanded.

Workers Not Worried

Mr. Mitchell is to report his findings to the President, but no recommendations are to be made. There is a possibility, though, that the findings may be relayed to the people of the United States, if the situation got bad enough by that time. I can report, I was told last week that steel managements have no intention of resuming negotiations with the unions for the next 30 days. Also, there is no intention of giving a fraction of an inch unless under extreme pressure.

For all practical purposes, this looks like a two-month strike which would mean resumption of work by 15th September. A lot of damage can be done by that time. Conversely, a lot of European and Japanese steel may be imported to cover U.S. deficiencies.

At this time, the people who are most perturbed about getting hurt by the steel strike are retailers. The reasoning here is that, as a basic industry, a standstill could paralyse so many other related lines that as many as a million breadwinners and families may have shrinking pocket books and bank accounts which would not be conducive to a continuation of spending at pre-July levels.

Economic Indicators

Consumer spending has been one of the largest factors in the U.S. recovery from the recession. The latest figures on disposable income, which means after taxes, represented a new record. On a per capita basis which includes non-workers, such as children, it was \$1,888 a year in the second quarter of 1958, as compared with \$1,855 in the first three months and with \$1,799 twelve months previously. The former peak was \$1,850; this was touched in the second half of 1957.

Another report, issued last week, was quite interesting. The gross national product, the sum total of goods and services produced, reached a total \$483,500 million in the second quarter of 1959. Adjusted for inflation, this is an increase of 9 per cent. over a year ago, and unadjusted, it is a boost of 11 per cent. The dollar increase was 13,300 million for the year. By far the largest amount, or \$7,600 million of that, went into consumer purchases. That is why retailers fear they will be hurt by the steel strike and shrinking pocket books.

It may be interesting to note in what areas the balance of higher gross national product

The number of workers for each unit was 58,200. In April 1959 there were 7,022,000 workers in these industries, but the index was at 164 and the workers were 43,800 for each unit.

Population Control

A committee was appointed some time ago by President Eisenhower to study the entire scope of the mutual security programme and of foreign aid. The nine members include former high-ranking Government officials and retired military officers.

That group made a recommendation last week which may be quite controversial. Its chief concern was the constantly rising populations in countries which were, as yet, unable to support the additional number of people. Bluntly, the Committee recommended that the United States should give birth control techniques and aids to countries requesting it.

The Chairman of the committee is Mr. William H. Draper, Jr., who was at one time Assistant Secretary of the Army and later U. S. Ambassador to the North Atlantic Treaty Organisation. The birth control information should be supplied, the Committee said, to help countries "in the formulation of practical programmes to meet the serious challenge" arising from the rapid increase in population. The Committee found that, in many developing countries, the population was outstripping agricultural and industrial capacities.

Foreign Affairs

In the meantime, public opinion here is quite concerned with foreign affairs—the opening of the U.S. exhibition at Moscow, the verbal exchanges between Messrs. Nixon and Khrushchev, the Geneva Conference of Foreign Ministers which does not seem to get anywhere, and the turmoil in the Caribbean which centres around Fidel Castro of Cuba, Francois Duvalier of Haiti and Rafael Trujillo of the Dominican Republic. The U.S. and its Latin American allies are stepping up their efforts to prevent an explosion in population. An effort will be made to stabilise the Caribbean situation on 12th August at Santiago, Chile, where the Foreign Ministers of the 21 American republics are to convene at the call of the Council of the Organisation of American States. The latter was quite successful recently in eliminating serious consequences of an invasion of Panama.—All Rights Reserved.



Trade Promotion is our Specialty

The FUJI BANK, LTD.

Head Office: Chiyoda-ku, Tokyo

184 Branches throughout Japan

London Branch: Salisbury House, Finsbury Circus, London, E.C.3

New York Agency: 42 Broadway, New York, N.Y.

Calcutta Representative Office: Mookerjee House, 17 Brabourne Road, Calcutta-1

RELAXATION OF EXCHANGE RESTRICTIONS

I.M.F. REPORTS ENCOURAGING PROGRESS

THE possibility of achieving the full benefits of a multilateral system of world payments is now greater than at any previous time in the history of the International Monetary Fund. This is the heartening conclusion arrived at by the Fund in its tenth annual report on exchange restrictions, made public a few days ago. The conclusion is quite justified, as witness the events that have taken place on the international trade and payments front since the publication of the previous (ninth) report last year. Most countries, for instance, have been increasingly anxious to arrest inflation and establish more stable monetary conditions. Again, several nations have endeavoured their best to promote a free exchange system. Special mention must be made of the establishment of external or non-resident convertibility of the major European currencies. The non-industrialised countries associated in a monetary area with a European country that introduced external convertibility have also participated in the move to external convertibility. Even the countries which have not been associated with any monetary area in Europe have benefited from the steps taken, in that their holdings of currencies that are now convertible for non-residents can be more freely used. Efforts have also been made to substitute multiple currency practices by unitary exchange rates and simplify exchange systems. Further, a good many bilateral payments arrangements have been terminated, reflecting the general trend of the past five years towards reducing reliance on bilateralism. On top of these, several countries have liberalised restrictions on movement of funds of a capital nature.

If the progress made in extending currency transferability has not been more marked than is indicated above, it is because of the persistence of the economic and financial difficulties confronting the less industrialised countries, thanks to the continued downward trend of export receipts, following the general weaknesses of primary products. The problems created by declining export receipts are especially acute when investment programmes call for increased imports of raw materials and machinery and where inflationary pressures often continue to make themselves felt. In many countries, increasing amounts of foreign exchange are required to meet foreign debt service.

Further Progress Expected

These are indeed formidable problems, and it is gratifying to be told by the I.M.F. that, in one country after another, considerable efforts have been made to find solutions to them. Not a few of these countries, it is said, are putting into effect comprehensive stabilisation programmes, including the adoption of unitary rates in place of complex multiple exchange rate systems, and a number of others are taking somewhat less comprehensive measures to achieve a better order internally and in their balance of payments position. Some of these countries, according to the I.M.F., have benefited from an inflow of capital from abroad in the form of direct investments and loans obtained from a private and official account, either directly from Governments or through international agencies. To quote the I.M.F. report: "Although the situation with respect to some commodity prices, continued inflationary pressures and low reserves may, in particular countries, present difficulties not easily overcome, attention is increasingly concentrated on these problems with a view to finding the proper solutions. The idea is gaining ground that economic growth and social welfare cannot otherwise be secured in other parts of the world. This approach, together with the internal and external measures referred to above, provides the basis for expecting that further progress can be made."

A notable achievement of 1958 in the field of exchange restrictions was the decision by as many as thirty countries to permit the transfers of non-resident current earnings of their currencies to the accounts of other non-residents throughout the world at rates within the officialargins. They are: Australia, Austria, Belgium, Burma, Ceylon, Denmark, Finland, France, West Germany, Ghana, India, Iraq, Ireland, Italy, Jordan, Libya, Luxembourg, Malaya, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Portugal, Sudan, Sweden, Switzerland, Tunisia, South Africa, and the U.K. It has become a matter of indifference to the exchange

of discrimination, in particular, the I.M.F. report observes as follows:

"In the first place, the introduction of external convertibility followed the substantial strengthening, during the past years, of the reserve and balance of payments position of the Western European countries taken as a group, and the considerable improvement in the position of exchange developments during the first four months of 1959 have been distinctly favourable—perhaps even more than had been expected—reflecting the fact that these countries have, on the whole, attained a balanced position internally and increased strength in relation to other countries. If the present improvement continues, one country after another should cease to have any balance of payments reasons for continuing to maintain restrictions. This situation would permit the elimination of restrictions introduced during earlier periods for balance of payments reasons and relieve domestic economies and international trade of the distortions which such restrictions are likely to cause. The advent of external convertibility has an even greater significance in relation to discriminatory restrictions introduced for balance of payments reasons. As long as the principal European currencies, especially sterling, were not freely convertible by non-resident holders, it was understandable that countries hesitated to eliminate discriminatory restrictions. With the coming of non-resident convertibility, earnings in one currency can be freely converted into any other currency, including dollars. The Fund is currently examining the questions raised by the remaining discriminatory restrictions, in the light of the developments which have been described in the preceding pages. In the meantime, the Fund is urging members to proceed as rapidly as feasible with the elimination of discrimination, including bilateralism. Finally, not the least significant aspect of the introduction of external convertibility is that the countries concerned have thereby been brought so much closer to the time when the Fund's objective of fully achieving."

Convertibility of current foreign exchange earnings does not necessarily produce a reduction in trade restrictions, but it is noteworthy that the year under review did witness further relaxation of trade restrictions also. Thus, reduced by Australia, France, West Germany, Norway and Britain. Even outside the developed countries there was some relaxation of restrictions on imports, as, for instance, in Burma. A few countries, of course, found it necessary to introduce import licensing or to intensify their restrictions for balance of payments considerations.

Multiple Currency Practices

As regards multiple currency practices, which has been a feature of several Latin American countries and of some European countries, it is comforting to learn from the I.M.F. made in the substitution of unitary exchange rates of multiple currency practices as well as in the simplification of exchange systems. There has also been, we are told, a growing conviction that economic development and rising living standards are best achieved, if they can be built on monetary stability and realistic unitary exchange rates. It is to be hoped that the recent convertibility moves will strengthen this trend and by demonstrating such reforms technically and by pursuing domestic policies which make exchange reform possible.

In the opinion of the I.M.F., the progress made in reforming multiple currency practices has frequently not been directly related to any prior improvement in the balance of payments position of the countries concerned. Economic development programmes, coupled with weakness in the price of major exports, have continued to exert pressure on the balance of payments and, in many countries, have involved in simplifying the rate structure. What was the realisation of the futility of multiple exchange rates system and of the need for adopting more effective economic policy tools to deal with the credit of the I.M.F. that it has generally been in a position to aid these countries in the implementation of their new policies. A brief account of how some countries have simplified their exchange rate structure is given below:

Argentina: The system of many export and import rates has been substituted by a single, fluctuating exchange rate; quantitative import restrictions are abolished.

Turkey: A single rate is applied to all sales of foreign exchange; on the export side, the number of rates has been greatly reduced.

Nicaragua: The multiple rates for exports have been virtually eliminated by applying the official rate to the exports of all commodities (excepting cottonseed 1958-59 crop only) and most invisible transactions.

Chile: The two exchange markets, one for trade and another for capital items, have been merged, so that there is now only one fluctuating rate.

Iceland: The elaborate scheme of export subsidies has been done away with and only three export rates have been introduced in their place.

Yugoslavia: The number of import and export coefficients has been reduced.

Sweden: The "transit dollar" scheme has been discontinued.

Denmark: This country has announced a programme for liquidating the "title to import licence" scheme.

In contrast to the above trend, there are instances where multiple currency practices were extended in 1958. In Spain and Uruguay, exchange systems which already had a large number of rates became more complicated. In Colombia, some simplification had been achieved in earlier years, but, in January 1959, a new arrangement for exports laid the basis for a proliferation of rates. In Pakistan, a multiple currency practice appears to have been introduced in January 1959 in the form of transferable vouchers for exports which permit the import of specified items. This scheme for promoting exports is expected to affect about 15 per cent. of total exports. There has also been increased use of small exchange taxes for fiscal purposes during the past year. At the end of 1957, such taxes were imposed in Afghanistan, Chile, Cuba and Jordan. Since then, a new exchange tax of 2 per cent. has been introduced in Bolivia and, in Chile, the tax has been raised from 1 per cent. to 2 per cent.

It may be added here that, a few days ago, Spain abandoned the multiple rate system in favour of a single rate, vide page 175 of our last issue. It may be added in passing that, surprisingly enough, the I.M.F. has made no reference in this chapter to the adoption of "export incentive schemes" by India, though they are very akin to multiple currency practices.

The I.M.F. has done well to warn that "intervention in economic affairs through the exchange system handicaps economic development and fosters fundamental distortions in the economy." This warning is particularly pertinent to the Ministers in this country, who do not seem to appreciate the need for keeping down the price levels. There is also considerable force in its statement that "simplification of the foreign exchange rate structure, if it is to provide a lasting solution to balance of payments problems, must be accompanied by fiscal and monetary restraints designed to arrest inflation. A fluctuating exchange rate, adopted to facilitate the transition from a complex rate structure to a unitary rate," it goes on to add, "may be temporarily called for until equilibrium is reached, but it cannot be a substitute for proper monetary and fiscal policies."

Elsewhere in the report, the I.M.F. has done well to urge the member-countries increasingly to appreciate that they no longer have a balance of payments need for bilateral payments arrangements and that their longer-run interests are best met by taking full advantage of the existing convertibility facilities to place their payments relations on a normal commercial basis. This piece of advice is, of course, for the industrialised countries in the West and East of this Continent which have been the principal beneficiaries of the \$4-billion increase in gold and dollar reserves outside the U.S. during 1958.

Advance Deposits

A continued disquieting feature in the field of international payments has been the increasing use made by many countries of advance deposits as a prerequisite for obtaining import or exchange licences. Under this system, the Government of a country insists upon advance payment by its domestic importers. The use of deposits has been intensified in Greece, Indonesia, Paraguay, Sudan, Turkey and the United Arab Republic. Bolivia has introduced it but only for import of cars. There are now ten countries which have some advance deposit requirements of 100 per cent. or more, namely, Argentina, Chile, Colombia, Ecuador, Greece, Indonesia, Nicaragua, Paraguay, the Philippines and Turkey. In some countries, the requirements are discriminatory, in that they do not apply equally to imports of the same goods from all countries. Some countries have used advance deposits to restrain excessive import demand. Commenting on this practice, the I.M.F. says:

"This technique has its disadvantages, however, as a longer run exchange or credit mechanism. During a brief period after their introduction, advance deposit requirements may strain the financial resources of importers. Unless monetary policy is very tight, however, some importers quickly arrange financing, sometimes at the expense of other users of credit, and imports tend to return to their previous level. Moreover, because of the contractive monetary effects when advance deposits are rising, the need for fundamental measures to curb the actual source of inflation may be disguised temporarily. Thus, when advance deposits stop rising, the problem of excess credit may emerge again. Fears have been expressed that the elimination of this device would precipitate a flood of imports, but some countries are finding it possible to reduce their advance deposit requirements."

It will be evident from the foregoing survey that, barring some countries which have continued to take recourse to multiple exchange rates, bilateral payments arrangements and use of advance deposits as a prerequisite for obtaining import or export licences, there is a clear trend towards multilateralism in world payments. If, however, the progress already achieved is to be maintained in the coming years, it is imperative that the less industrialised countries, which continue to face economic and financial difficulties, must be helped to reap the full advantages of economic growth combined with domestic stability and external equilibrium.

This point has been recognised by the I.M.F. It, however, observes that much effort will be needed, not only internationally but also nationally, to create the conditions which will render such help. "In this endeavour," it adds, "those countries which conduct their transactions in convertible currencies and which have relatively simple exchange systems, will be in a better position to cope with the financial problems arising from the urgent needs for development." This is undoubtedly true. While it will be too much to expect the underdeveloped countries to manage their economic affairs in convertible currencies, they should steadfastly endeavour to maintain a simple exchange system, with a single exchange rate.

CREDIT FACILITIES TO SMALL-SCALE INDUSTRIES

The importance of small-scale industries in the development of India's economy is now widely recognised. Yet, the progress of small-scale industries has not gained momentum. It is not the paucity of credit that stands in the way of development of these industries. More institutional credit is now available than before, but the majority of the producers still go to moneylenders or traders. This is because production standards are low and the competitive strength of small units is weak. In view of this risk element, the institutional financiers do not consider the small-scale industries as

sufficiently creditworthy. This was recognised by the seminar on finance for small-scale industries sponsored by the Reserve Bank of India at the recent four-day session held at Hyderabad.

Mr. B. Venkatappaiah, Deputy Governor of the Reserve Bank of India, who presided over the seminar, referred to this aspect of the problem in the course of his welcome address. He said: "While better financial arrangements are not a sufficient condition for the solution of the problems of small industries, there is little doubt that they are a necessary condition. There is a pressing need for the adjustments in the attitudes of the existing institutions and for the co-ordination of their policies. If the suppliers of credit take the view that not much can be done because the small industries are not creditworthy, little progress will be possible. One cannot wait until the ideal conditions for lending emerge; one has to do what can be done to render the small industries more viable and creditworthy. The risks which face the small industries can be spread and rendered bearable, if along with others, the credit institutions are willing to undertake some of them."

The seminar, therefore, recommended that the system of guarantee of loans, the essence of which was a sharing of risks, should be tried out initially in some districts or areas on an experimental basis and that a separate corporation be set up for the purpose. It was also suggested that the scheme of credit guarantee could combine some of the features of the Japanese and the U.S. schemes. As the scheme would be restricted to selected areas, the seminar was of the view that the normal machinery of loans by the State Governments to small-scale industries would remain intact for the most part.

A suggestion was offered that the hire-purchase scheme of the National Small Industries Corporation could be expanded so as to include a guarantee to commercial banks which, in turn, were prepared to offer similar facilities to their customers for the purchase of machinery. It was further suggested that the N.S.I.C. might take up the proposal to extend the principle of guarantee on raw material advances, now applicable to the State Bank of India in respect of Government orders only, to all commercial and co-operative banks making advances to small industries.

While the scheme of credit guarantee was the most important suggestion made by the seminar, a number of other suggestions were also advanced for the development of small-scale industries. They were: (1) more raw material deposits should be set up by the Government and, wherever possible, by co-operative societies; (2) branches of the N.S.I.C. should be established at suitable places to facilitate speedier disposal of cases, in respect of applications

(Continued on page 243)



National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., and Grindlays Bank Ltd.)

Registered in London under the Companies Act of 1862 on the 23rd March 1866.
The liability of members is limited.

Bankers to the Government in
Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Capital
(Authorized and Subscribed) £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,168,579

Head Office: 26 BISHOPSGATE, LONDON, E. C. 2,
London Branches: 54 Parliament Street, S. W. 1; 13 St. James's Square, S. W. 1

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somaliland Protectorate, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

The Bank undertakes the recovery of Income Tax and the preparation of Income Tax returns on behalf of constituents.

Bombay Branches:
90 Mahatma Gandhi Road
Mint Road (Corner of Mint Rd. and Sir P. M. Rd.)

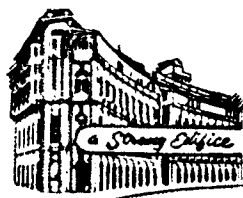


80 Offices & 19 Safe Deposit Vaults.

AUTHORISED CAPITAL Rs. 1,00,00,000
SUBSCRIBED & PAID-UP Rs. 50,00,000
RESERVE FUNDS Rs. 44,00,000
DEPOSITS EXCEED Rs. 30,00,00,000
WORKING FUNDS EXCEED Rs. 35,00,00,000
NO. OF ACCOUNTS EXCEEDS 1,50,000

DENA BANK SERVICES

* Current Accounts * Safe Deposit Vaults
* Savings Bank Accounts * Investment Service
* Special Savings Scheme * Small Silver Bars
* Cash Certificates * Executor & Trustee Service
* Fixed & Call Deposits * Foreign Exchange



General Banking Business Transacted. **PRAVINCHANDRA V. GANDHI**
Managing Director.

Patronise Swadeshi

TEXTILE EXPORTS TO INDONESIA FALL CHINA TO SUPPLY THREE MILLS ON CREDIT AMOUNTING TO RS. 15 CRORES

LAST week, we referred in these columns to the serious inroads made by Communist China in the textile market of Malaya, one of the most important buyers of Indian textiles. The competition offered by China is equally serious in Indonesia, another principal market for cotton goods produced in India. During the calendar year 1958, Indonesia bought from China cotton cloth worth 94 million rupiahs (Indonesian currency). Although this is sharply down as compared with purchases in 1957 amounting to 221 million rupiahs, it is 23.40 million rupiahs more than the imports (valued at 70.6 million rupiahs) in 1955. An increase of only 23.40 million rupiahs is, of course, not much, but it must be considered to be quite significant. For, over the period from 1955 to 1958, the value of cotton piecegoods shipped by India and Japan fell from 178.4 million rupiahs and 270.9 million rupiahs to 24.2 million rupiahs and 125.8 million rupiahs, respectively. The figures relating to 1958 are based on the actual exports during the first half of the year.

The competition from Chinese textiles in Indonesia vis-a-vis India (and also Japan) has been particularly strong in respect of bleached and dyed cloth. The table below gives the value of piecegoods supplied to Indonesia by India, China, Japan and Hong Kong:

(In million Indonesian rupiahs)				
	1958*	1957	1956	1955
Grey unbleached cloth—				
India	20.0	2.5	27.0	
China	13.4	21.8	44.4	
Japan	3.3	4.6	9.7	
Hong Kong ..	4.4	1.2	4.3	
Bleached cloth—				
India	19.2	70.0	49.3	91.1
China	27.2	67.2	57.9	9.2
Japan	32.4	259.6	176.2	155.6
Hong Kong ..	49.2	24.4	3.6	11.2
Cloth, dyed, etc.—				
India	5.0	16.5	31.6	60.3
China	53.4	132.0	100.6	17.0
Japan	93.4	126.2	214.0	105.0
Hong Kong ..	111.2	151.2	153.9	103.6
Total—				
India	24.2	108.5	83.4	178.4
China	94.0	221.0	158.5	70.6
Japan	125.8	389.1	304.8	270.9
Hong Kong ..	158.8	206.8	161.8	124.5

* Projected on the basis of actual imports in the first half of 1958.

The percentage share (by value) of China in the Indonesian textile market has gone up from 11 in 1955 to 23 in 1958 (on the basis of the actual performance in the six months ended June 1958), while that of India has fallen drastically from 27 to 6 and of Japan from 42 to 31. Hong Kong's share, of course, has risen from 19 per cent. to 39 per cent.

Notoriously Uneven

In the main items, that is, dyed and bleached cotton cloth, the progress of the Chinese product is clear. From only 26 million rupiahs in 1955, China's export in these two lines grew to 199.2 million rupiahs in 1957 and 40.3 million rupiahs in the first half of 1958. The velocity of Indonesian imports is notoriously uneven. But these figures expressed as a percentage of total supplies from the four Asian suppliers taken together (India, China, Japan and Hong Kong) are 5 in 1955, 23 in 1957 and 21 in the first half of last year. The comparable Indian percentage shows an almost exactly opposite trend—27 in 1955, 10 in 1957 and only 6 in the first half of 1958. In grey cloth, China actually lost ground and, in cotton sewing thread, there was little change, and all suppliers suffered in the declining clothing market.

The competition offered by Chinese textiles to Indian textiles in Indonesia has been acute despite the fact that the average price of Indian textiles shipped to Indonesia has dropped almost *pari passu* with the increase in the Chinese price, as the following table, setting out the average prices calculated on the basis of dividing the c.i.f. value by the declared quantities of cloth imported into Indonesia, indicates:

(In rupiahs per kilo)				
	1958 Jan.-June	1957	1956	1955
India	13.5	14.7	15.7	17.1
China	18.4	17.6	17.0	18.4
Japan	18.4	20.4	20.6	20.3
Hong Kong ..	15.4	14.7	15.7	17.1

The average price (in rupees per kilo) of Chinese bleached cotton piecegoods advanced from 15 in 1955 to 20 in the first half of 1958. In the same period, the price of Indian cloth declined from 20 to 14. Similarly, the Chinese

price of dyed cotton cloth moved up from 14.2 to 16.4, whereas the Indian price receded from 16.4 to 12.8. The fall in the average prices of Indian textiles exported to Indonesia has been brought about by the downward revision in prices effected by shippers since 1955 in the face of Chinese threat. Drawing attention to the cut in prices of Indian textiles, a report points out that, at all events, Indian exporters cannot expect to recapture their markets simply by undercutting. It observes:

"India is the victim not of a particular Chinese rivalry but of general Chinese ascendancy. Owing to the specialisation of her exports, she is, so to speak being vanquished in fields in which she does not compete. China's rice, with that of North Viet Nam, is a little cheaper than Burmese rice of similar quality. Her newsprint, cement, ferro-concrete, tyres and sewing machines are all cheaper than the Japanese products, markedly so in the case of the last two items. All these she sells packaged with her relatively dear cottons. But India has at present nothing but jute goods to offer with her textiles. Her hope must be in the products of her new steel mills, assuming that their export is to be a Government monopoly."

China's Help

Here is a clear description of the way in which China is pushing India out of the Indonesian market. It will be clear from it that no amount of export incentive will be a match to "collectivised" sales by Communist countries. Apart from selling a large quantity of cotton textiles to Indonesia, China is also actively helping it to expand its cotton mill industry. A five-member Indonesian industrial mission, according to an interesting article by Mr. Kester Stone, contributed to a recent issue of the *Far Eastern Economic Review* (published in Hong Kong), has returned to Djakarta after successful negotiations with the Peking Government for the purchase of three cotton mills with a total of about 160,000 spindles, 1,000 automatic looms and other necessary modern equipment. The aggregate cost of the mills has not yet been finalised, but the Government of China has extended a credit equivalent to 30 million U.S. dollars (about Rs. 15 crores) for the setting up of the mills. The complete delivery of the mills, which cover dyeing, printing and other processes, is expected to take four years. The mills, it is claimed, will

be capable of manufacturing dyed and printed fabrics and sarongs for home consumption, as well as various types of yarn from medium-staple cotton (say, about 1.1/16" staple length).

There are at present in Indonesia over 60 large weaving mills and 27 knitting units. The actual production performance during the first three quarters 1958 is shown below:

Weaving mills: A total of 7,907,072 kilograms (0.4536 kilogram=1 pound) of cotton yarn was consumed. The mills produced 41,389,188 metres (1 metre=1.0936 yard) of piecegoods, 1,658,948 sarongs, 1,961,610 towels and 30 shawls.

Knitting mills: Yarn consumption amounted to 1,915,457 kilograms. Production in dozens was: Singlets: 479,113; undervests: 350,368; sport-polo-shirts: 259,325.

The number of cotton spindles in existence in Indonesia is only 12,000; all these are owned by the Bank Industri Negara and other private enterprises. Under the War Reparations Agreement, Indonesia will soon receive a 30,000 spindle mill from Japan. But the country still needs at least 400,000 spindles before it can attain self-sufficiency in cotton yarn. The total domestic requirements of yarn are currently estimated at 170,000 tons per annum, as against the actual output of 20,000 tons. The gap is being covered by imports. Commenting on the gap, an official of the Indonesian Government recently said: "Now it is time for us to expand our spinning industry, in order to attain self-sufficiency. This may take ten years to accomplish, but we don't want to depend on imports of cotton yarn all the time." The spokesman revealed that Indonesia was to get U.S. \$22 million worth of raw cotton under the U.S. Agricultural Commodity Agreement. Before Indonesia could obtain enough spindles to meet the capacity, it had, he said, to send raw cotton to Hong Kong, Japan and India or Western Europe to process it into yarn. And he added: "If we have an adequate spinning industry, we can do it ourselves."

Yarn Purchases

Meanwhile, Indonesia has sent a textile expert to Hong Kong to explore the cotton yarn market and conduct a general survey, especially on the availability of yarn in future. Indonesia according to this expert, is buying cotton yarn from the Asian market in general, so long as it can get the most competitive prices. In view of the good demand for cotton yarn in Indonesia thus and considering that the prices quoted by Hong Kong are high and that most of the mills in this colony have been fully booked until the end

(Continued on page 243)

Your only answer to PEAKLOAD ACCOUNTING PROBLEMS THE IBM SERVICE BUREAU



Equipped with Modern Punched Card
DATA PROCESSING MACHINES

they will produce accurate, clear and
timely Statements of Accounts, Inventories
and Statistics when you want them.

Call for details from:



Vulcan Insurance Building, Veer Nariman Road - - - BOMBAY
Mackinnon Mackenzie Building, 16, Strand Road - - - CALCUTTA
Bombay Mutual Building, 8, Parliament Street - - - NEW DELHI

"WATCH YOUR NEIGHBOUR" PASTIME IN COTTON INDUSTRY REDUNDANCY PROPOSALS WIDELY WELCOMED

From A Special Correspondent

MANCHESTER, 27th July

"WATCH your neighbour" has become a very pertinent pastime in the Lancashire cotton industry since the compensation schemes for redundancy have been announced. There is a natural tendency among all traders to avoid giving away secrets at such an important stage in the development of the reorganisation proposals, but, unless a substantial proportion of the machinery now known to be in excess of current requirements is

registered for scrapping, the plan will have failed in its object. In general, comments from those who should know now incline to the belief that the proposals as outlined will receive sufficient support to make them operate satisfactorily.

Among those who favour the disposal of larger quantities of machinery beyond the minima laid down in the schemes is Mr. C. M. Heaton, Director of the Master Spinners' Federation. "There is good reason for timidity that the minimum figures will be achieved," he has stated, "but the operation may not be fully successful in the spinning section. Less than eight million spindles, or one-third of the present machinery, is now scrapped, followed by a further two or three million spindles without compensation during the re-equipment period." Commenting on the position of those firms continuing in the trade, he says: "They will have to pay heavy annual contributions to levies for machinery redundancy and for workers' compensation. Taxation will considerably reduce the net amount they receive as a redundancy grant for that part of the machinery which they themselves scrap."

A Chance Indeed

The generosity of the scheme to those depending on complete closure is emphasised. All mills not already modernised, with old structures unsuitable for modern machinery and difficult working, should seize the opportunity to set down," declares Mr. Heaton. Shareholders, either big or small, he urges, should be given estimates of whether the trading results of their company over the next few years, ignoring short-term fluctuations, are likely to result in dividends giving a better return on capital than the average return on their ordinary shares, if their money was invested elsewhere.

Among those who have lately welcomed the scheme is Sir John Hanbury-Williams, Chairman of Courtaulds Ltd., whose complex organisation is deeply involved in the proposals. Undoubtedly it is a step in the right direction," he said at the annual meeting. "In the rayon industry, we faced this problem of excess capacity some time ago when, owing to lack of demand, we were compelled to close one of our

continuous filament yarn mills and curtail production elsewhere." Further rationalisation and concentration in the interests of efficiency was aided by the merger with British Celanese; the group has stopped, and is scrapping about 2,000 looms.

Achieving some form of balance between the different levels of production and the rate of consumer demand is a problem for any industry, but, over the years, it has proved a real headache for textiles. So many variations in the provision of supplies and fluctuations in the rate of demand can interfere with an even flow of business. Concentration into fewer units and a subsequent improvement in the inter-relationship of firms dealing with the flow of goods out of the pipeline should assist in ironing out the inevitable alternations of activity and recession.

Keeping a Tally

Disclosure of intentions under the redundancy schemes can presumably come in a variety of ways, quite apart from the traditional trade gossip. Pointed questions can be, and have been, asked at shareholders' meetings which have happened to coincide with the waiting period while plans are being formulated. In some cases, "ginger groups" among the shareholders have already made their presence felt. Companies not in the public list, whose stock rarely changes hands, have been urged to clarify their position. In at least one instance, the result has been a circular advising retention of the shares, indicative of the complete closure of a group of mills controlling some 250,000 spindles.

Once this movement gathers momentum, others in a similar category may be encouraged to act accordingly, so carrying out the purpose of the scheme. The provision of incentives is of paramount importance in making certain that sufficient plant is offered for disposal and that the full quota of redundant machinery is dismantled.

For this reason, there would seem to be a good case for keeping the particular sections fully informed about the progress of each redundancy programme. The threat of unbalanced output arising from the possibility of one scheme going through and another failing to get the requisite support might be averted if those concerned are kept fully aware of the quantity of machinery registered for scrapping at regular intervals.

Scrapping Plans

Over 200 looms at the Spa Mill, Padiham, owned by Richard Haworth (Holdings) Ltd., the Manchester textile group, are to be scrapped under the Government's reorganisation scheme for the cotton industry. The mill was closed earlier this year as a direct result of duty-free imports of foreign cloth. Making this announcement at the annual meeting, Mr. Stanley

Beddow, the Chairman, said that the group also intended to submit a proportion of its spinning and weaving plant at the Salford and Hindley Green mills for disposal under the scheme. The exact proportion had not yet been finalised. A suggestion from a shareholder that the Company should consider scrapping all its 67,000 spindles and 1,600 looms in order to concentrate on merchandising had already been discussed by the Board, Mr. Beddow told the meeting. "I cannot add anything further to my statement about our contribution to the redundancy plan," he replied.

Over the last four years, the group's trading results have improved from a loss of £513,810 in 1956 to a profit of £71,899 in 1959. "It is still a case of hope and hard work," commented Mr. Beddow. "The overriding position throughout the past year was the fight to maintain volume of business, both home and export, even on constantly decreasing margins."

Output Figures

Production in the local mills during May was affected by the Whitsuntide holidays, but output of yarn was exactly the same as in the same month last year, at 15,030,000 lbs. per week. A slight increase occurred in the quantity of cotton yarn spun against small falls in the amount of yarn produced in the waste and man-made fibre sections. The volume of cloth woven showed a reduction of nearly three million yards weekly as compared with the May 1958 figure, this year's average being 37,570,000 yards per week.

Despite the improvement in trade during the past month or two, the number of operatives on the books of employers continues to decline. At the end of May, available manpower had shrunk to 201,470, a fall of almost one thousand over the month. As compared with May 1958, the latest total is more than 26,000 down, of which over 14,000 are accounted for in the weaving section alone.

Profits in Belting

Competition among suppliers of conveyor belting for the coal mining industry was the subject of outspoken comment by Mr. David D. Marshall, Deputy Chairman of Greengate and Irwell Rubber Company at the annual meeting in Manchester last week. He said:

"Many people in our industry blame the National Coal Board for the troubles in which we and others find ourselves, but I would like emphatically to contradict such suggestions. It is my firm conviction that a lot of the unprofitability in conveyor belting, which was one of the main props of this Company, has been reduced to the position of making a loss, is due to the greedy and ignorant manner in which companies have expanded and come into the trade to seek a market which was never there in size which they had wishfully imagined. All of this has resulted in the most savage and desperate price-cutting which it will take a long and weary time to improve."

Mr. Marshall commented on the continued flood of cheap products in the footwear field, imports of which, "parading under the name of Empire-produced goods," continued unchecked. The Company, he added, was endeavouring to specialise in higher-grade footwear. The waterproof garment trade was having an extremely difficult time, which was certainly not being helped by the abnormally dry spring and summer "which had been a blessing to some people." —All Rights Reserved.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
69-D Rashtrapati Road
SECUNDERABAD (Dn.)

DELHI STATE
60, Janpath
NEW DELHI

PUNJAB STATE (India)
Mahan Mohan Malaviya Road
AMRITSAR

BOMBAY STATE
Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

MADRAS STATE
Finance House
Pattal Road
MADRAS-2

UNITED KINGDOM
Frian House
New Broad Street
LONDON, E.C. 2

GUJARAT STATE
Sir Chintamani Building
Rajiv Bazar, Cross Lane
AHMEDABAD

MADHYA PRADESH
41, Tokogum Main Road
INDORE

UTTAR PRADESH
Maona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

HYDERABAD
Dewan Para Road
HYDERABAD

MYSORE STATE
Konkur Building
Ramdeo Gali
BELLARODI

JAWAHAR P.O.
JAWAHAR P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure
that you get the best terms. Do you do
the same when you order your PRINTING?
You will save money if you consult us for
all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, PORT, BOMBAY
Telephone: 26-3201 (2 lines)

WORLD COTTON STOCKS DECLINE TRADE PROSPECTS BETTER

ALTHOUGH little change in the stock position of free world cotton at the end of the 1958-59 season, just ended, was expected earlier, a slight fall in estimates of production and an increase in consumption of late has resulted in a shrinkage in stocks. Thus, whereas stocks at the end of the season were earlier estimated to aggregate 18.3 million bales (of 478 lbs.), as against 18.4 million bales at the beginning of the season, they are now estimated to have actually fallen to 17.4 million bales, comprising 9 million bales in the U.S., 4.7 million bales in the net importing countries and 3.7 million bales in other net exporting countries. This change in the statistical position, according to the International Cotton Advisory Committee, is the result of a fall in production from the earlier estimate of 29 million bales to 28.9 million bales and the increase in estimated consumption from 27.9 million bales to 28.4 million bales. The following table indicates the supply and disappearance of cotton during the three seasons ended 1958-59:

Supply and Disappearance
(In million bales of 478 lbs.)

Item	1959-60*	1958-59*	1957-58	1956-57
United States				
Stocks	9.0	8.7	11.4	14.5
Production	..	11.5	11.0	13.0
Total	..	20.2	22.4	27.5
Other Countries				
Stocks	4.7	5.7	6.0	5.0
Net importing	3.7	3.7	2.9	2.6
Production	..	17.4	16.8	15.9
Total	..	26.8	25.7	23.5
Total	..	..	..	..
Stocks	17.4	18.1	20.3	22.1
Production	..	28.9	27.8	25.9
Total	..	47.0	48.1	51.0
Consumption				
United States	..	8.5	8.0	8.6
Other countries	..	19.9	20.5	21.0
Total	..	28.4	28.5	29.6
Net exports to Communist countries	..	1.0	1.3	0.7
Destroyed	..	0.2	0.2	0.3
Total disappearance	..	29.6	30.0	30.6
Exports				
United States	..	2.8	5.7	7.6
Other Countries	..	8.0	6.9	6.7
Total	..	10.8	12.6	14.3

* Estimated.

As will be seen from the above table, total production in the past season is estimated to have aggregated 28.9 million bales, as compared with 27.8 million bales in 1957-58. Of this, the U.S. accounted for 11.5 million bales. Production in the rest of the free world amounted to 17.4 million bales, as against 16.8 million bales in 1957-58.

Consumption

Largely as a result of the improved offtake in the U.S., aggregate free world consumption is presently placed at 28.5 million bales, despite the significant decline in consumption in Western Europe and Japan.

Consumption in the U.S. at 8.7 million bales is higher than last season's 8 million bales. In Canada, too, the improvement in the cotton textile industry is expected to have resulted in a perceptible increase in cotton consumption.

Though perhaps less obvious, there have been signs of improvement in textile business in Western Europe recently and most countries appear somewhat more optimistic concerning the future trend of cotton consumption. However, aggregate consumption during the season is estimated at only 6.8 million bales, as compared with 7.5 million bales in 1957-58.

Consumption in India has been running higher than in the previous season, but for the full season should be about equal to 1957-58. Consumption in Japan is still much lower than a year ago and a decline of 200,000 bales or more is estimated to have occurred. Nevertheless, the textile situation is improving and there is every chance that restrictions on yarn and cloth production may soon be relaxed.

Exports

Exports from the U.S. are estimated at only 2.8 million bales. Elsewhere, however, trade has been favourable and exports from many countries have shown a significant increase, as compared with the preceding season, which offsets, to some extent, the decline in prices. In the aggregate, exports outside the United States is estimated to have exceeded 8 million bales, as against 6.9 million in 1957-58—the second highest volume on record. As a result, aggregate stocks in these other exporting countries at the

end of the season are now expected to remain at about the same level as a year ago, whereas previously it was thought that there would be a further increase.

New Season

As regards the 1959-60 crop, in the U.S., the acreage allotment for Upland cotton is 17.3 million acres, of which 3.6 million are under Choice B option. More than a million acres, or 41 per cent. of the base allotments going to Choice B, are in Texas and about 450,000 acres, or 18 per cent., are in California. Of the 13.7 million acres under Choice A, about 570,000 acres will be placed in the Conservation Reserve of the Soil Bank. Moderately warm weather has prevailed during the planting season and rains have assured germination over practically the entire belt. In the South—central and coastal bend areas of Texas, however, and in the southern areas of the central belt, rainfall has been excessive and crop progress has been less than normal. In the south plains area of Texas an estimated 500,000 acres of cotton were badly damaged by storms early in June.

In Mexico, acreage cutbacks for the 1959-60 crop affect every major cotton producing area. Estimates of total acreage are not yet available but trade sources generally believe that plantings may be reduced by 25 to 30 per cent., as compared with 2.5 million acres in 1958-59. Although the decline in production may not be proportionately as great as in acreage, the general expectation is that production may well reach 1.8 million bales, as against 2.3 million during the last season.

Planting in Lower Egypt was somewhat later than last year. The area planted to Karnak has been reduced by half. Menoufi acreage is about unchanged but the acreage planted to the Giza varieties is appreciably higher. Total acreage in Upper Egypt is estimated to be lower by about 5 per cent. The weather continues to be favourable, water for irrigation has been suffi-

cient and the incidence of disease and insects is no more than normal for this time of the year.

Although it is too early to estimate the probable size of the cotton crop in the 1959-60 season, it is obvious that the cotton situation will depend, to a large extent, on consumption. If any increase in consumption were to occur, the outlook for cotton trade and prices would be much more favourable than it was in the season just ended. According to the International Cotton Advisory Committee, Washington, considering all the relevant factors, it is not difficult to foresee an aggregate free world export of as much as 12.5 million bales, as compared with 10.8 million in the 1958-59 season. An increase in total trade, together with at least the possibility of some decline in production outside the U.S., should pave the way for substantially increased exports from the U.S., without adversely affecting the trade of other countries.

HYBRID COTTON

The possibilities of introducing hybrid cotton were attempted at Surat for the first time in this country. The preliminary experiments conducted are said to have proved a success. In all these experiments the yield of the hybrids far exceeded the control Co.2, the American parent. They were superior in respect of fibre length, fibre weight and spinning value also, but as regards ginning outturn the hybrids proved to be slightly poorer than the Co.2 parent.

The Indian Central Cotton Committee financed a scheme for the production and distribution of hybrid seed in Surat area but owing to inherent difficulties with regard to the production of the seed and high cost, the response to grow hybrid seed did not turn out to be as encouraging as was expected in the early days. But there was no doubt as to the quality of the hybrid cotton and ginning outturn. Therefore, in the present context of dearth of extra long staple cotton which into India to the foreign styles being imported it was considered that the attempt might be pursued with vigour and consequently the Indian Central Cotton Committee has approved of a new scheme for the introduction of hybrid cotton on a larger scale than was attempted before.

In so far as the technological properties of the hybrid cotton are concerned, against 7/8" of pure Co.2, the hybrid cotton possessed 1-1/4" staple on an average and was adjudged suitable for spinning 70's H.S.C. In respect of ginning outturn, however, it was 2 per cent. lower than the Co.2 cotton.

Keep operating costs down with

Honeywell
Electronik
INSTRUMENTATION

It's time to go modern the low-cost way... with Honeywell instrumentation.

Full use of today's instrumentation gives you the newest methods of production and process measurement, recording and controlling. And that adds up to increased production, improved quality and lowered operating costs.

Instrumentation is being put to work in practically every known industry... from steelmaking to cosmetics preparations... from processing chemicals to imprinting bottle caps.

Honeywell instrumentation can be a profitable investment for you. Call in a Blue Star representative to advise you on modern instrumentation in your plant.

H Honeywell

First in Control

Exclusive Distributors

BLUE STAR

BLUE STAR ENGINEERING CO. (Bombay) PRIVATE LTD.
KASTURI BUILDINGS, JAMSHEDJI TATA ROAD, BOMBAY 1
Also at CALCUTTA, DELHI, MADRAS

OFFTAKE OF JUTE GOODS HIGHEST SINCE 1947-48 INTERNAL CONSUMPTION RISING

THE jute season (July-June) 1958-59 proved to be an encouraging period of trading for the jute industry in India. While the output of gunnies recorded a slight shrinkage from 1,056,200 tons (in 1957-58) to 1,040,500 tons, in contrast to the expansion noted in the previous year (from 1,025,200 tons produced in 1956-57), the despatches moved up substantially from 1,030,600 tons to 1,074,900 tons. With this increase, the downward trend of despatches has been reversed after a lapse of two years. Another feature is that despatches during 1958-59 were the highest since 1947-48, when they had aggregated 1,077,900 tons. What is more, they exceeded even the year's production by no less than 34,400 tons.

The following comparative table shows the trend of production and despatches of jute mills during the last five years:

Year	Production	For export	Despatches		Total
			For internal consumption		
1954-55	994.8	850.8	137.6		998.4
1955-56	1,095.0	857.2	190.0		1,047.2
1956-57	1,025.2	865.9	179.0		1,081.9
1957-58	1,056.2	832.6	198.0		1,090.6
1958-59	1,040.5	864.9	220.0		1,074.9

A breakdown of the figures of despatches shows that the offtake for both export purposes and internal consumption has improved. Despatches for export purposes have gone up from 832,600 tons in 1957-58 to 854,900 tons, thus making good, to a large extent, the successive decline noted in the previous two years from 857,200 tons in 1955-56 to 832,600 tons in 1957-58. The despatches for domestic consumption are also encouraging, such having risen from 198,000

tons to 220,000 tons. This increase of 22,000 tons is on top of a rise of 19,000 tons recorded in the previous year, thus lifting the level of internal consumption to the highest point since the Partition.

The increase in despatches for exports is mainly accounted for by hessian, the exports of which have risen from 381,000 tons in the previous year to 433,900 tons, the highest level since 1947-48 when they had touched 476,400 tons. Despatches of miscellaneous constructions also show an improvement from 28,600 tons in 1957-58 to 46,900 tons in 1958-59, a fresh record in the history of jute industry. The rise in this variety is only in consonance with the trend of its output, which has increased from 67,800 tons to 84,500 tons. Despatches of sacking have, however, fallen from 423,000 tons to 374,100 tons, the lowest level since 1953-54. On the domestic front, the bulk of the rise in despatches is accounted for by sacking, such having increased from 152,100 tons to 168,600 tons. Miscellaneous varieties have also risen from 24,600 tons to 30,500 tons, while hessian has slightly dwindled from 21,300 tons to 20,900 tons. The internal offtake of hessian, it may be noted here, has successively dropped from 25,500 tons in 1955-56.

The figures of exports to individual countries for the whole year are not yet available. The provisional data for the first ten months of the year show that the U.S., the U.K., rest of Europe, Near East, Canada and Argentina have all improved their offtake of hessian. The exports to the U.S. alone amount to 181,700 tons, representing an increase of 35,500 tons over those in the corresponding period of 1957-58. They have even exceeded the exports during the whole of 1957-58 aggregating 169,800 tons. Exports of the U.K. have gone up from 25,300

tons to 36,700 tons and those to Argentina (the second largest buyer of Indian hessian) from 51,800 tons to 54,900 tons. The African countries have been mainly responsible for the fall in the exports of sacking. These countries took only 53,600 tons, as against 87,700 tons in the corresponding 10 months of 1957-58. Exports to American countries (other than the U.S., Canada and Argentina) declined from 74,100 tons to 58,900 tons and those to Australia, the single largest buyer of Indian heavy goods, from 62,200 tons to 59,600 tons.

There is, however, no reason to feel despondent over the decline in exports of sacking. For, as the recent survey of the I.J.M.A. delegation to Australia, New Zealand and other Far Eastern countries has shown, there is good scope for enlarging our exports of heavy goods to these countries.

The burlap consumption in the U.S. also shows a promising trend. During the month of June, the U.S. burlap consumption amounted to 81.4 million yards, the highest level since October 1958. The total consumption in the first six months of 1959 amounted to 454 million yards, representing an increase of 48 million yards over that in the corresponding period of last year. The average monthly consumption in the six months to June 1959 was 75.5 million yards, as against 68 million yards for January-June 1958. Usually, the later half of the year constitutes a period of higher consumption (was 71 million yards per month in the six months to December 1958). So there is scope for still better news from the U.S.

In view of this prospect, the President of the Gunny Trades Association, Mr. H. L. Mehta urged the Government of India last week, the annual meeting of the Association, to take new and redoubled measures to promote exports of jute goods. The success of these measures, however, depends on the quality of products supplied by mills. Mr. Mehta, therefore, drew the attention of all concerned to the need for eliminating such damaging features as la

(Continued on page 243)

MORE 'CRYSTALS' ARE BOUGHT THAN ANY OTHER ROOM AIR CONDITIONER

because

- 1 the 'Crystal' has more than one ton cooling capacity
- 2 the 'Crystal' has universally adjustable air-flow
- 3 the 'Crystal' protrudes less than three inches into the room
- 4 people have confidence in Voltas' unrivalled after-sales service, that never lets them down

Made, sold and serviced by **VOLTAS**
—the people who know air conditioning best

KEEP COOL WITH A

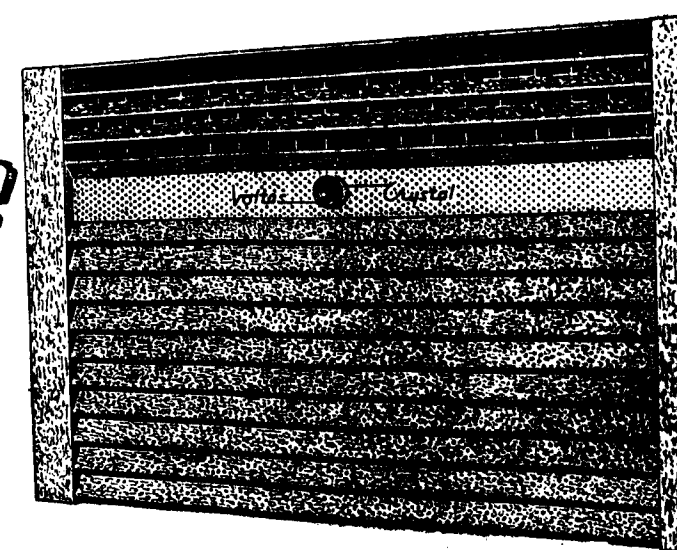
Crystal trimline

ROOM AIR CONDITIONER by

VOLTAS

VOLTAS LIMITED Head Office: Ballard Estate, Bombay 1

Calcutta • Madras • New Delhi • Bangalore • Cochin • Ahmedabad • Secunderabad • Lucknow • Coimbatore



ROLE OF PUBLIC ENTERPRISE IN ECONOMIC DEVELOPMENT

IMPORTANCE OF HIGH STANDARDS OF ADMINISTRATION

By R. P. Aiyer

POST-INDEPENDENT India, with its strivings and aspirations reflected in the national plans, offers an alluring prospect to students of public enterprise to attempt studies of the national effort in various fields. To a sympathetic observer, the Indian effort at "planning for prosperity" offers a few prescriptions indicating the strength and weakness of a nation pledged to democratic institutions, attempting to lift itself by its own bootstraps. The main motive force sustaining Indian planning—as indeed the economic development in the various underdeveloped countries—is that development is taken for granted and controversies are limited only to the methods.

Are the methods adopted by the Planning and executive authorities in the country good enough? What, if any, are the weaknesses exhibited by public enterprise in carrying forward policies laid down? Is there lack of economic realism in formulating targets to be achieved? These and other questions are best understood by comparative studies so that the enthusiast for public enterprise could pause and ponder with a view to appreciating how best public enterprise—which is an integral part of planning—could be effectively harnessed to advance chosen development programmes. The problems inherent in promoting such development programmes are multifarious and these are examined in a comparative study* with special reference to the experiments at development in Mexico, Turkey and India, by Mr. A. H. Hanson, Reader in Economics at the University of Leeds.

Planning in underdeveloped countries has now come to be accepted as a "must," if the economic hopes engendered by political freedom are to be realised without serious loss of time. In this context, even the worst critic has to concede that an economy based on agriculture is unstable, and that an exclusively agricultural country with the inevitable choice of having to continue to sell primary products in exchange for manufactured goods will be condemned to remain in a position of weakness. This fact, by itself, has led to an upsurge towards industrialisation leading to economic plans reflecting nationally-oriented ambitions. Nevertheless, wisdom lies in governments of underdeveloped countries not tending to copy the mere superficial externals of Western economies. Enduring progress postulates that industrial and agricultural development march together, which in turn should be buttressed by improvement in services and administration. Otherwise, a type of "facade development" would result producing, to quote Mr. Hanson in relation to some of the Latin American countries, "grotesque situations in which a few artificially created modern factories, heavily protected and working at half-cock for a stagnant market, form isolated modern oases in a desert of rural backwardness, where peasants scratch the soil for a meagre living with techniques that have remained unchanged for hundreds of years."

Acquired Advantages

However, one need not necessarily accept that the world pattern of industry today and the consequent divisions of labour are based on "natural" advantages alone. No doubt, a nascent industry in an underdeveloped country has to contend with high costs; it cannot be otherwise when the *entrepreneur* has to grapple with a host of industrial and economic problems. But the history of industrial development in all parts of the world is one of "protection" to the infant industry, leading to promotion of acquired advantages. If one part of the world could acquire this, the other parts could as well do so. Such a process will involve "artificially created environment" where there is an assurance that relative failures do not spell absolute disaster.

Mr. Gunnar Myrdal in his classical publication *An International Economy* (1956) has given four special reasons for industrial protection in underdeveloped countries. To quote them: (i) difficulties of finding demand to match new supply, (ii) existence of surplus labour,

(iii) the large rewards of industrial investment in creating external economies and (iv) the lopsided internal price structure disfavoured industry. These difficulties place the aspiring industrial economies at a disadvantage which emphasise that "stronger and more permanent measures of State assistance" are inevitable if the nascent industries are not to go under. So the State must assume the role of a "tireless innovator."

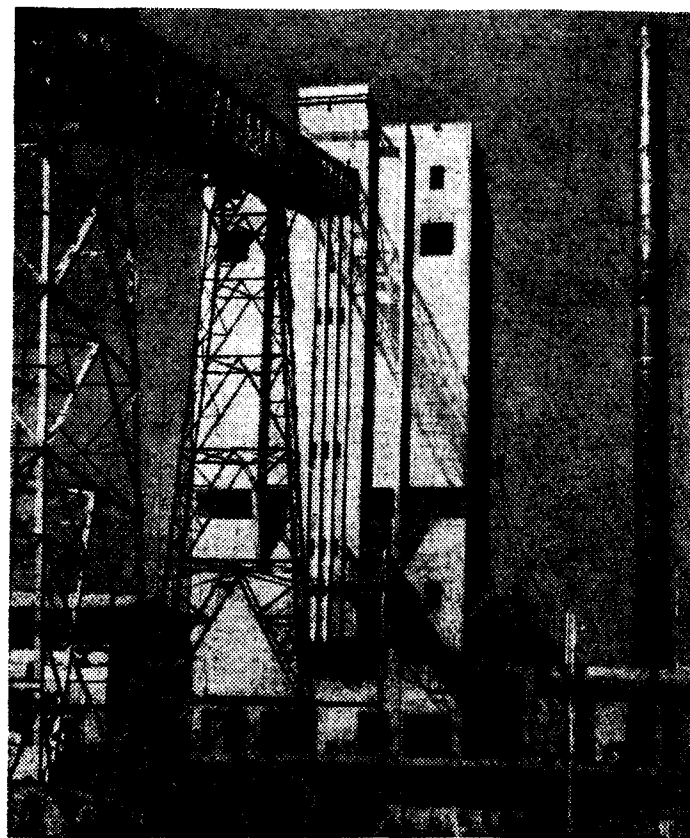
How far can such State "innovations" go? Economic thinking by and large in underdeveloped countries has tended to view "private enterprise as fundamentally anti-social and eventually doomed to extinction by the inexorable process of history" and so is tolerated under sufferance, the degree of tolerance varying with the prevailing climate of political opinion. This accent on public enterprise continues to be the guiding policy of many of the Governments concerned notwithstanding the proclaimed views of Mr. Eugene Black, the Chairman of the International Bank for Reconstruction and Development, that "if the real benefit of industrialisation are to be obtained" Government should undertake industrial ventures "if at all, only as a last alternative and only after a full examination of other alternatives that exist." Even then, Mr. Black's view is that "in cases where a Government may go as far as to start an industrial enterprise... every effort should be made to put the venture into the hands of private capital and private management as quickly as possible." Against this primarily American official thinking an observer from the U.K.

at the Rangoon Seminar on Public Enterprise in South-East Asia (March 1954) has indicated that "while nationalisation in Great Britain can be conceived as the final stage in a long historical development of industrial organisation... in South-East Asia it is the first step—and in some countries only a temporary one—towards starting an industrial society."

Objective

With India's long traditions in craftsmanship and its nucleus of basic industries, the question of means is not so fundamental. Which agency should be called upon to shoulder a given responsibility is largely a matter of convenience, depending upon the ideology of the ruling party and given circumstances. Mr. Hanson has hazarded the view that, whatever the ultimate perspective may be, if circumstances are such that "private entrepreneurship can be effectively stimulated, then the policy of concentrating governmental effort on certain basic but unremunerative essentials" should be followed, "leaving everything else to the private entrepreneur."

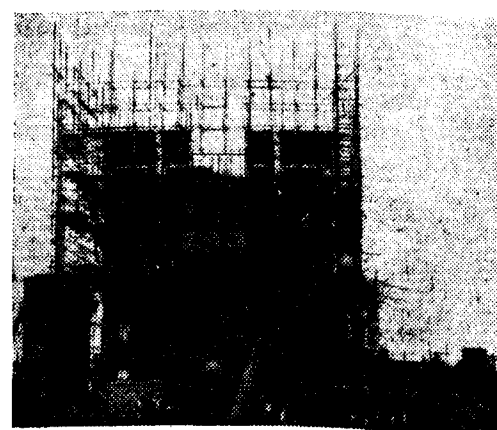
Even in the best of circumstances, to sponsor an industry is hard enough. Entrepreneurial ability encompasses many elements. To mention a few, technical innovation or adaptation, business promotion, capital promotion, business management and risk bearing. These abilities are scarce in underdeveloped countries, and to add to them the industrial *entrepreneur* has, in a budding industrial economy, to reckon with other difficulties connected with political and monetary instability. One has also to contend with the tendency of the public to look down upon profit motive. No wonder then, aptly comments Mr. Hanson, "Why entrepreneurship, the catalytic agent that transforms savings into wealth, has sometimes been described as the 'missing link'." Is then underdeveloped countries indefinitely to be weighed down by elements—social, political and economic—which offer resistance? Here Mr. Hanson is prophetic when he says: "Broadly speaking, it is unusual to find that the people of an underdeveloped country possess institutions and display



JUNE 1959

DURGAPUR

JUNE 1958



A MIGHTY
STEELWORKS
IS RAPIDLY
TAKING SHAPE
AT DURGAPUR

Here is an illustration of one of the two 4000-ton coal bunkers completed by Simon-Carves. Coal from this 166 feet high reinforced concrete bunker will be fed to the coke oven batteries for carbonisation.

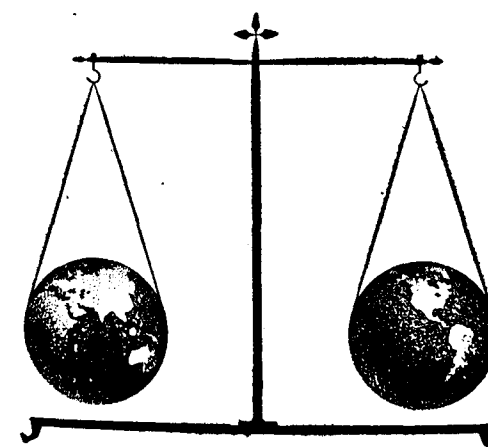
The two photographs demonstrate the progress made in the past twelve months.

Simon-Carves Ltd

Incorporated in England.
The liability of the members is limited.
Standard Buildings,
32, Dalhousie Square South,
Calcutta-1



*Public Enterprise and Economic Development. By A. H. Hanson, Reader in Economics at the University of Leeds. Published by Routledge and Kegan Paul. Price: 42s.



In both hemispheres . . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

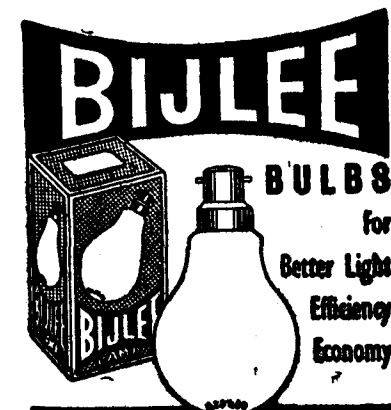
FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office

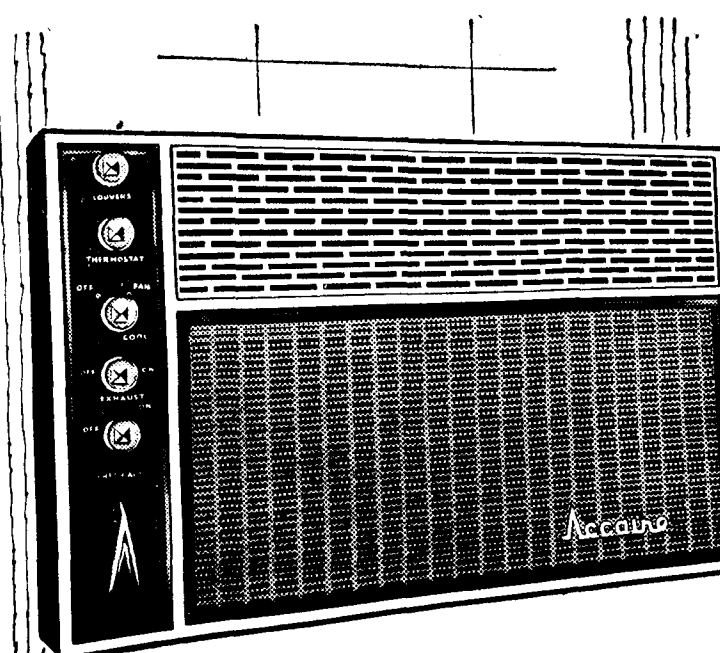
Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY



BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 6



The elegant New

Accaire AW-102 (A.C.) DW-102 (D.C.) WINDOW-TYPE ROOM AIRCONDITIONER

The new Accaire comes up with an impressive list of plus features. Within the elegant exterior styling, is an airconditioning unit that is engineered to give you long, efficient and trouble-free service; a minimised electric consumption; whisper-quiet operation; a constant supply of purified, dehumidified air and consequently, just the right conditions that promote good health and better living.

A.C. or D.C., I.H.P., 1 Ton Capacity • Compact Unit • Whisper-quiet in operation • One-year guarantee • Easy to install • Attractive design and shade • Low upkeep cost

Well-organised
Service Department
at your command

AIR CONDITIONING CORPORATION PRIVATE LTD.

Also manufacturers of Accooler Water coolers, Buffalo Industrial Fans, and Pioneers in Airconditioning engineering

CALCUTTA

BOMBAY

NEW DELHI

Bombay Garage Private Ltd., Bombay, Tel: 77121 • Parekh & Modak, Bombay, Tel: 253171 • Bombay Garage (Poona) Private Ltd., Poona, Tel: 3023 • Bakubhai Ambalal Private Ltd., Ahmedabad, Tel: 51001 • Bombay Garage (C. P.) Private Ltd., Nagpur, Tel: 2108 • Bombay Garage (C. P.) Private Ltd., Jabalpur, Tel: 91 • Bombay Garage (Rajkot) Private Ltd., Rajkot, Tel: 63 • Obul Reddy (Madras) Private, Madras, Tel: 84830.

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED

(INCORPORATED IN INDIA)

TRANSACTS

FIRE - MARINE - MOTOR

HEAD OFFICE

MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairman: JAL H. MEHTA

General Manager: M. S. DASTUR

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253508

attitudes which are conducive to economic development... it is probable that the country would not long remain underdeveloped." How important a bearing the pattern of social relationships has on economic development has been brought out even more vividly by another thinker who observes:

"To repair and maintain, to think of tomorrow, not only of today; to educate and train one's children; to prepare oneself for new activities; to search out new contacts; to widen the horizon of individual experience; to invent, improve, to question 'the dead hand of custom,' and the heritage of the past—in all of these, and not in mechanical calculations or mechanical regimentation, lay the causes of capital accumulation. For indeed capital was but 'accumulated' in the ledgers of the counting house: in the objective world it was embedded in the general stream of changing activity, in world-wide migration in co-operant bonds of commerce and mutual confidence and in the painfully created new aptitudes of action and responsibility." (F. K. L. Hsu: *Cultural Factors*.)

Therefore, there is no easy road for economic prosperity, and there is no alternative to social engineering. "In this experimental task," says Mr. Hanson, "progress can be achieved only through trial and error." Instead, as Mr. Myrdal has stated in the publication cited earlier, we find governments grappling with problems of "how to avoid tensions rather than how to release the dormant capacities for cultural growth and development to economic and political independence of indigenous communities."

In a planned economy with a high degree of emphasis on public enterprise, a higher standard of administration is a *sine qua non*. More than efficiency it requires an effective "conscience." This has been fully appreciated in India, as evidenced by the remarks in a study on *The Administrative Personnel in India* by P. P. Rao and P. C. Suri (September 1957 issue of *Indian Journal of Public Administration*). To quote the commentators, civil servants in a democratic State, among other things need "an appreciation of democratic values, training and experience of working through democratic processes. ... Skill to invoke a sense of social purpose among officials and win the co-operation and participation of non-official elements. ..."

Resources and Priorities

The basic problem of underdeveloped countries is resource mobilisation and resource allocation. That means a rigid determination of priorities as between competing demands. In other words, fiscal policies are to be assigned the central task of wresting from the pitifully low output of the economy sufficient savings to finance economic development programmes, many a time involving agonising reappraisals. Here comes such controversial issues as to whether, at a given point of time, quick yielding projects should be proceeded with or priority should be given to capital-intensive projects involving sponsoring basic industries. No doubt, development is best conceived as a deliberate and planned rearrangement of human and material resources and so it is not always easy for a democratic State to function on "either or" choice basis. In a country like India, the success of a centrally formulated plan depends on the voluntary co-operation of various State agencies and so bottlenecks are inevitable. These bottlenecks are, however, not insurmountable, if the authorities concerned give scrupulous regard for the objective requirements of a given situation. On this aspect of the problem, Mr. Hanson's commentary bears reproduction. Cautioning the need for minimum consideration "for the exigencies of organised groups and shifting parliamentary majorities," he says: "On the part of the politicians who occupy ministerial office, it demands considerable self-denial, which may be entirely alien to the political traditions in which they have been educated. They must cease to be *prima donnas*, stop empire building. ..."

India's planning effort is regarded as a practical answer to Communism, and Mr. Hanson's tribute is: "What calls for comment and explanation is not that the success of the Indian Planning is assured, but that, such a promising beginning has been made. ..."

In all underdeveloped economies, the role of public enterprise as a pace maker has come to be accepted. With this need having been conceded, the logical outlook is to clothe the various elements with the necessary organisational shape so as to obtain the best possible efficiency. So arises problems of organisation and control. What types or organisations are best suited to make public enterprise a success? We have before us experience gained in large-scale organisations in the industrialised West. Voluminous literature is also available on the success achieved by Japanese methods

Every known type of organisation can work well if the suitable personnel to man the organisation are available, and the general view is weighted in favour of public corporation, offering as it does the right combination of commercial initiative and State regulation in that, to quote the classical phrase of the late President Roosevelt, it is "clothed with the power of Government but possessed of the initiative and flexibility of private enterprise." Departmental management is still fancied in many countries and this form of organisation has many votaries in India. A more recent innovation is a State "company" denoting an enterprise established under the Company Law of the country concerned. The contract method is ages-old, but suffers from the drawback of there being no assurance that the operations of the enterprise are in line with current conceptions of public policy.

Each form of organisation has its own advantages and disadvantages and, as far as India is concerned, the view expressed in the second Five-year Plan stands out, namely, that "more study must be made of every organisational type" and that "greater experience is needed before a clear view as to the relative advantages of different forms of organisation emerges."

Form of Control

The most debated problem in relation to public enterprise is the form of control to be exercised over it. In many cases, the law creating the agency to operate a specific public enterprise itself regulates the control mechanism, and here again success or failure depends on personal factors. The broad conception to which there is general agreement is that ministerial control is inevitable so as to ensure that public policies enunciated by the legislature are by and large followed.

There is, of course, no infallible prescription, and as Mr. Hanson has indicated, "four variables" are involved, namely: (1) the stage of economic development that the country has reached, (2) the demands made on ministerial time and energy by a particular sector of public enterprise, (3) the quality of the machinery that the Government has established or is capable

of establishing, and (4) the role that Government has assigned to public enterprise and the kind of agencies it has chosen for the development of the public sector.

Internal organisation within a specified agency can make or mar the enterprise concerned. "Functionalism," that is, decision-making by the expert associated with some aspect of the undertaking, is an issue which is raised on many occasions and it still continues to be hotly contested. In all human institutions there is no definite line to ensure success, and as Mr. Hanson has said, "our knowledge of conditions for public enterprise administration is too fragmentary and uncertain to warrant any kind of dogmatism, and the great variety of national circumstances demands the maximum flexibility."

Personnel

Shortage of skilled personnel at all levels is a common problem with all public enterprise projects. This bottleneck is more than one of "resources," as it has a bearing on social and other problems. It is in this context that the Indian plan for the creation of "Industrial Management Service" should be appreciated. Where to look for the personnel? The hope is that as the projects under public enterprise gather momentum they will throw up their own cadres, and in the meantime the recruiting field is the sector manned by corporate enterprise. A stopgap is employment of foreign personnel but from this source there cannot be many "missionaries" as distinct from the "money-maker." Even to the "missionary," the difficulties inherent to adapt himself are immense. To quote Mr. Hanson: "They do not understand the tasks they have set for themselves. ... Instead of attempting to circumvent obstacles, they run headlong up against them, and as obstacles multiply and this painful process repeats itself all but the most determined lose heart. ..."

Some of the aspects covered by Mr. Hanson's superb study offer valuable footnotes to underdeveloped countries in various stages of development. And to India, in particular, now that its study teams are formulating the outline of the crucial third Five-year Plan, the book should give an insight into the efforts necessary to make the Plan a greater success.

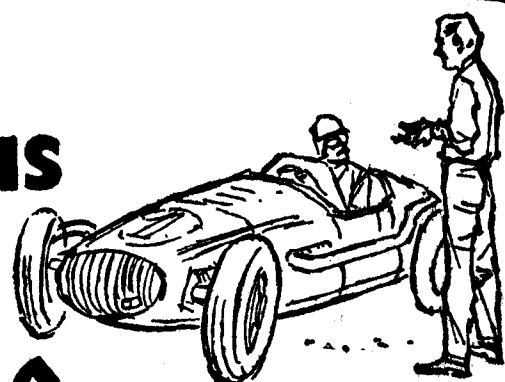
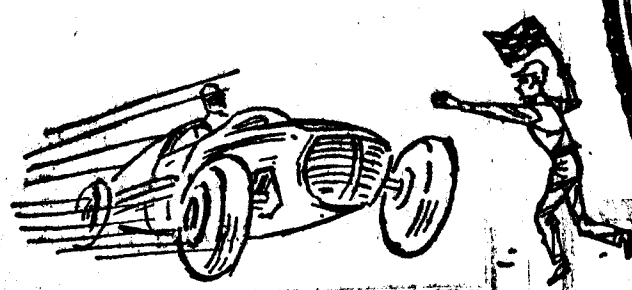
WORLD CHAMPIONS CHOOSE Firestone

..SO SHOULD YOU

because—in the world's foremost racing events, Firestone tyres prove their safety year after year in standing up to the tortuous twisting, pounding and heat without a single tyre failure. You, too, can have this same safety and dependability because the Firestone tyres for your car are built with the same safety construction features as racing tyres. Firestone tyres are Safety-Proved by performance.

Glen Roberts, winner of the Ninth Annual '500' race at Darlington, South Carolina, said that his wonderful performance was mainly due to his Firestone tyres, which had to withstand a track temperature of 121 degrees.

Firestone
New DeLuxe Champion
TUBELESS OR WITH TUBE



THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED .. Rs. 5,50,00,000
CAPITAL PAID UP .. Rs. 3,00,00,000
RESERVE FUND .. Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA:

AHMEDABAD	Sion	JUNAGADH
Bombay (Main Office)	BHUJ (Kutch)	KANPUR
Ellis Bridge	CALCUTTA	MADRAS
Gandhi Road	23-B, Netaji	Armenian Street
Manek Chowk	Subhas Road	Sowcarpet
Navrangpura	(Main Office)	NAGPUR
Station Branch	Bara Bazar	Kingway
ANRITSAR	Chowringhee	Itwari Bazar
BANGALORE	Square	NEW DELHI
BARODA	CALCUT	PALANPUR
BOMBAY	COCHIN	POONA
Andheri	COIMBATORE	POONA CITY
Bandra	DELHI	RAJKOT
Bulland	GANDHIDHAM	SURAT
Exchange	(Kutch)	SHOLAPUR
Colaba	HYDERABAD	VERAVAL
Churchgate	(Deccan)	VISAKHAPATNAM
Fort	JAMSHEDPUR	
Kalbadvi		
Malabar Hill		
Santa Cruz		

BRANCHES OUTSIDE INDIA:

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

DIRECTORS

SIR COWASJEE JEHANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHAI
Mr. RAMNATH RAMNARAIN
Mr. BHAGYANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, General Manager.

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorized Capital .. Rs. 50,00,000
Subscribed Capital .. Rs. 30,40,750
Paid-up Capital .. Rs. 15,30,375
Reserve Fund .. Rs. 29,00,000

Head Office:

1, Prince Yeshwant Road, Indore City
Bombay Office: 44, Hamam Street, Fort and
Jal Hind Estate, Bhuleswar.

Branch Office: Cloth Market, Stryaganj and
Sanyogitaganj (Indore City).

Branches: Anjad, Bhopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujapur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)

Safe Deposit Lockers are available at
Head Office, Stryaganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujapur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favourable
terms.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.



"Quite a striking disguise, Sitaram, but why hide your handsome features?"

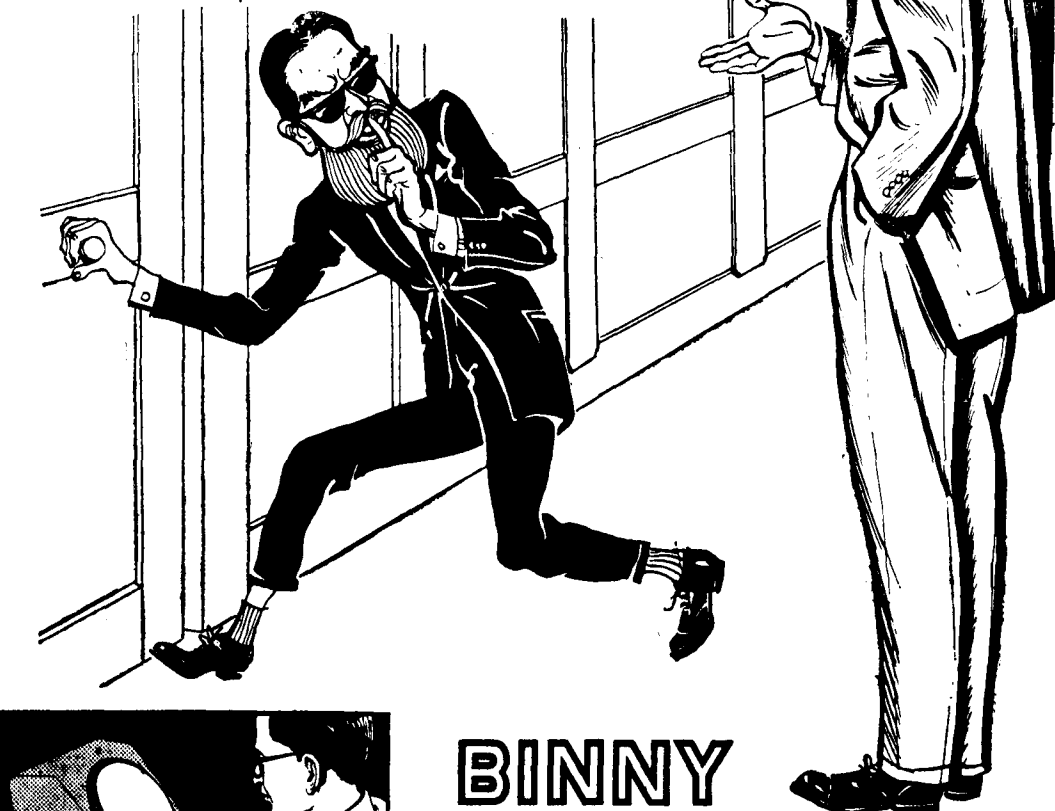
"Shh! This suit, although practically new, looks so disreputable that I would get the sack if the Big Boss recognised me."

"It is incredible that you didn't think of buying BINNY'S cloth. BINNY'S Quality Control" their production, you know..."

"Quality Control? Never heard of it! What does it do?"

"Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to root out defects at every stage of production. That's why BINNY'S suitings stay smart so long."

"Brother, your words bring hope to me. Let's hurry to the nearest BINNY'S shop."



BINNY

— a great name in textiles

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings - Khaki Drills - Bleached & Dyed Drills - Towels -
Anticrease Suitings - Tussore - Union Fabrics - Silk Saris
Rugs - etc etc



The Buckingham & Carnatic Company Limited
The Bangalore Woollen, Cotton & Silk Mills Company Limited
Managing Agents: Binny & Co. (Madras) Ltd.

DUNLOP VEE BELTS STRENGTHENED WITH

Rayoncord

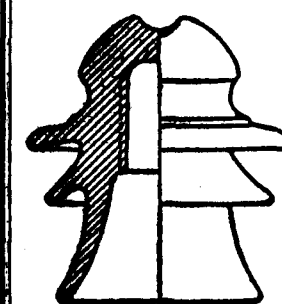
Designed to meet the new American Standard horse power ratings.

Will stand up to rough use and shock loading.

Longer Belt Life!
Reduced Costs!
Greater Efficiency!



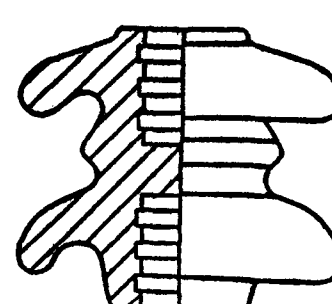
The Dunlop Rubber Co. (India) Ltd. Industrial Rubber Products Division



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



WORLD ENERGY PATTERN OIL AND GAS GAINING GROUND OVER COAL

WORLD energy consumption is continuously in a state of expansion. In many countries, it is expanding by over 10 per cent. each year. This reflects the increasingly faster pace at which world industrialisation is taking place. In the industrially advanced countries, the average energy consumption is much higher than in the underdeveloped countries. For instance, the energy potential per industrial worker is 8 h.p. in the U.S., as compared with about 1.2 h.p. in the rest of the world. Nevertheless, efforts are being made in every part of the world to increase the pace of industrial progress which, in its turn, implies an increase in consumption of energy. An equally significant aspect of world energy consumption is that, within the overall pattern of such consumption, oil and gas are gaining greater ground at the expense of the relatively more ancient source of energy, coal.

It would, of course, be a clear exaggeration to suggest that coal will lose its place as a source of energy in the foreseeable future. But the gradual increase in the consumption of oil and gas which seems to be taking place at the expense of coal, may well come to have important consequences for coal mining and related industries. Discussing the divergent trends in the consumption of oil and coal under the provocative heading "Are oil and gas replacing coal?" the correspondent of the *Swiss Bank Corporation Bulletin* notes how, in several countries, the output of coal has declined. The correspondent presents the problem against the world background where he notes how, because of the rapid increase of the world's population, of the just claims of the less developed regions and of the insistent demand of people in the older countries for a still higher standard of living, the energy supply of the world will have to be continuously augmented at an ever-increasing rate for an indefinite period.

Output of Coal

Reviewing the steps taken in Europe to develop the traditional source of energy, namely, coal, the correspondent observes that, despite Herculean efforts made in post-war years, the output of coal in Europe is not appreciably greater now than in 1938. What is even more interesting from the point of view of the overall pattern of energy consumption is that, despite the ever-increasing demand for energy, the coal produced in Europe could not be fully consumed. Last year, the stocks of coal at the pitheads in the O.E.E.C. countries increased from 16 to 45 million tons. To cope with the resulting coal crisis, the European Coal and Steel Community in mid-April decided to reduce total production by 3½ per cent. and imports of coal by 45 per cent. But it should be clear that, inasmuch as the total consumption of energy is increasing, supplies on a large and expanding scale must have been coming from sources other than coal. This is confirmed by an analysis of market trends. For instance, it would appear that, in West Germany, the consumption of mineral oil will go up from 32.5 million tons in 1959 to nearly 40 million tons in 1965, partly at the expense of coal. It is true that sources of energy (other than coal and oil) are also being tapped. Since World War II, immense amounts of capital have been invested in W. Europe to develop water-power resources. But the sources of water-power "still economically worth exploitation are limited." In 1955, water-power accounted for about one-tenth of the total energy output of all O.E.E.C. countries. By 1975, it is expected to account for one-sixth of the total energy of W. Europe. After that, the proportion, it is stated, is certain to decrease.

Coal from the Ruhr, water-power from Austria, natural gas from France, mineral oil from the Middle East and from the Sahara, all competing fiercely with one another, will contribute to cover the energy deficit of West Europe. For at least twenty years, nuclear energy is expected to make only a minor contribution. To close the ever-widening energy deficit, West Europe has been importing more and more mineral oil since World War II. At first, the major part came from the U.S.A. Since 1945, however, the Middle East has become by far the chief source of supply. In 1937, the Middle East produced only 15.9 million tons of crude oil—little more than 5 per cent. of the world output. By 1947, the yield of this region exceeded 42 million tons and by 1951, 97 million tons. In 1958, when the world output of crude

Middle East accounted for 180 million tons. From computations made in London recently, the known reserves of mineral oil in the world at the beginning of 1959 aggregated about 37,000 million tons, the highest ever. A year earlier, the figure given was 35,700 million tons. Of these reserves, the Middle East accounts for 23,900 million tons, the U.S.A. for about 4,200 million tons, the Soviet Union 3,800 million tons and Latin America 3,000 million tons.

Crude Oil

In recent years, the production of crude oil in the Middle East has been substantially augmented, namely, from 172 million tons in 1956 to a record of 214 million tons in 1958. In Iraq alone, the increase was from 21.7 million tons in 1957 to 35.3 million tons in 1958. More increases are scheduled for 1959 in all Middle East countries, especially in Kuwait and Iraq. Tankers and pipelines are now available to transport this crude.

In the choice of the source of energy, price, of course, will be an important determining factor. Partly because of the higher cost of raising coal from deeper levels, partly because of the shortening of the working day in the mines, the trend of coal prices in Europe has been continuously upwards, whereas the trend of the price of crude oil is continuously downwards. Crude oil is in oversupply. For a considerable time past, the price of crude on the international market has been under pressure. Recently, the f.o.b. price of B.P. Near East crude was lowered by 18 cents per barrel, that is, to 5 cents a barrel lower than before the Suez crisis. Moreover, oil is more economical to handle than coal, is cleaner, easier, and cheaper to transport and has a greater heating capacity per ton than coal. One ton of crude oil yields as much heat as 1.4 ton of coal.

The output of coal in the U.S. has fallen from 493 million tons in 1957 to 400 million tons in 1958 or by 20 per cent. The U.S.S.R. has plans for changing the energy pattern from coal to oil basis. By 1965, the share of oil is to be increased from 31 per cent. to 51 per cent. and that of coal reduced from 59 per cent. to 43 per cent. This follows the general world trend. In 1934, the energy sources of the world were 65 per cent. coal, 25 per cent. oil and gas and 10 per cent. water-power, whereas, in 1959, the percentages are 42, 48 and 10 respectively. Efforts are being made in Europe and elsewhere to increase the output of oil and to tap fresh sources of oil. The Soviet Union aims at increasing the production of crude oil from the present 113.5 million tons to about 240 million tons by 1965. In its search for export markets in Western Europe, it is likely to encounter keen competition from oil from the Middle East. In addition, it will face competition from oil from the Sahara and from natural gas from Laq in Southern France. Exploitation of both these sources is still in its infancy but the prospects of their growth are promising. In 1958, the output of Sahara oil was only about 0.4 million tons. By 1965, it is expected to go up to 30 million tons. The deposits of natural gas at Laq are believed to be the largest in the world, sufficient to last for a period of 25 to 30 years. France is making efforts to supply this gas to the neighbouring parts of Italy, Switzerland and West Germany through specially laid pipelines. Because of competition of oil from these sources, the price of crude oil is expected to be under pressure. Consequently, the price difference between coal and oil is expected to widen.

FOR SALE

VALUABLE COFFEE ESTATES IN
Shevaroy—Stanmore, Brooklands and Moulvie Estates, the property of Messrs. Short Bros. (Private) Ltd. Planted area 513 acres of Arabica coffee, Reserve land 338.53 acres. Crop estimate for season, 1959-60—150/165 tons. Price Required Rs. 12 lakhs. No brokers.

For particulars and conditions of Sale apply to Messrs. King and Partridge, Solicitors, McLean Street, Madras 1.

Although it remains to be seen what effect these developments will have on the Common Market of the six countries, which are the sole producers of coal in Continental Europe, it is believed that the prospects "are not bright."

Examining the immediate prospects for the energy pattern, the correspondent expresses the view that, for the time being, the consumption of coal in West Europe will continue to exceed by far that of oil and gas, at least until the requisite pipelines for the conveyance of crude and the distribution of gas have been laid, and enough distilleries built. Meanwhile, the railways and waterways of Europe, the earnings of which come largely from the transport of coal and oil, and naturally the coal mines as well, will exert all available political influence to protect their own interests by trying to delay the construction of pipelines and oil refineries. In the long run, however, price will decide, especially in those countries outside the Common Market of Six whose industries will have to cut production costs radically to remain competitive on the world market. As regards the immediate future, nuclear energy for industrial use may be left out of account. As matters stand now, the only possible comeback conceivable for coal, according to the correspondent, would be another boom in world trade great enough to take up all the coal, oil, gas and waterpower available.

MERCHANT FLEET

Ten vessels aggregating 42,657 gross tons were added to the Indian fleet during the first half of 1959 and three vessels aggregating 6,415 gross tons were disposed of due to overage. One vessel of 567 gross tons was lost at sea. The result has been that on 30th June 1959, there were 149 vessels with a total of 683,500 gross tons in the Indian merchant fleet, showing a net increase of 6 vessels and 35,888 gross tons over the tonnage figure at the beginning of the year. The ten vessels consist of five new ones, one secondhand built in 1953 and four small vessels for operation in the short coastal services. All the new vessels are motor vessels of modern type, three built in Germany, one in Yugoslavia and one at the Hindustan Shipyard, Visakhapatnam.

Nearly 60 per cent. of the Indian tonnage, i.e. 406,587 gross tons, is engaged in the overseas trade of the country. Vessels operating in the coastal and adjacent trades total 89 of an aggregate gross tonnage of 276,913.

An age-wise analysis of the Indian tonnage shows that over 50 per cent. of the tonnage "young", that is, under ten years of age. Oneable age i.e., 20 years and over. Practically all the new vessels being added to the Indian fleet are motor vessels, the number of which was 41 of a total tonnage of 196,403 tons. Of these, 26 vessels with a total of 195,059 tons are operating in the overseas trades and 15 vessels of 31,344 tons are in the coastal trades.

Since 30th June, one secondhand vessel of 8,853 gross tons has been acquired for the Indian fleet, bringing the strength up to 150 vessels aggregating 692,353 gross tons. According to available information, about 80,000 gross tons of shipping, expected to be delivered before 1961, is under construction on order for Indian shipping companies in Indian and foreign yards. This will leave approximately 120,000 tons of shipping to be acquired, excluding replacements, to attain the second Plan target of 900,000 tons.

PANCHET HILL PROJECT

The Panchet hill dam, the biggest construction work of the Damodar Valley scheme, will be completed shortly. This dam spans the main river Damodar; the other three dams at Tilaya, Konar and Maithon have been constructed over the Damodar tributaries. The new dam will afford still greater protection against floods, irrigate 3,00,000 acres in the lower Damodar valley. The power house at Panchet, the sixth in a chain of D.V.C. power houses, is also to be completed by 19th August 1959. The addition to the D.V.C. electric grid system from it is expected to be 171 million kw. per annum. The works relating to the Panchet hill project were taken up in 1953-54, and are being completed now.

The dam is a composite earthen and concrete structure of 4½ miles in length and 134 ft. in height. The spillway is 1,218 ft. long, and the concrete crest power house is 167 ft. high. The reinforced concrete right non-spillway portion of the gravity dam. There are 19 gates, 41' x 40' in the spillway and 10 gates 10' x 25' in under-sluices. The reservoir created by the Panchet dam is 50 sq. miles in area, the maximum storage capacity being as much as 12.65 lakh acre feet of water, of which the normal storage is 3.33 lakh acre feet. The installed capacity of the Panchet power house is 40,000 kw. The total estimated cost of the dam and power house is Rs. 18.25 crores—Rs. 18.32 crores for the dam and Rs. 3.93 crores for hydro-electric plant and equipment.

It is learned from Indian Steelworks Construction Company Ltd., Calcutta (I.S.C.O.N.) that for distribution in the Durgapur Steelworks, the 30 substations over the Steelworks site and, so far, approximately 5½ miles of cables have been laid from Maithon power station through the 132 kv. door section of Durgapur thermal power station where the supply is reduced to 33 kv. before transmission to Purnabad.

NEW PRODUCTS AND PROCESSES

Safer Bottle Seals

TWO Swedish firms have simultaneously evolved some ingenious bottle-closing seals, one intended for use on bottles containing medicals or chemicals dangerous to children and the other designed for bottles containing surface-tension reducing emulsifiers or highly volatile liquids. Both present the advantages of being cheap, simple and effective for their purpose. The latter can, besides, be made pilfer-proof by an inside lining that breaks when tampered with.

The invention of the "child-proof" capsule was prompted by a medical alarm about the statistics of youngsters injured or killed by poisons. AB Astra, one of the largest manufacturers of medical products, launched in the market a safety capsule in 1956, but found that "inherent inertia" prevented people from asking for it. However, the new capsule is so cheap that the firm has started providing all its potentially dangerous products with such seals, which consist of a flexible ring equipped with two flaps round the bottle's neck and a cap that is toothed at two opposite points. Only by pressing the flaps downward while turning the lid is it possible to open the capsule, a procedure that is too difficult for a small child.

The other cap, which has been evolved by the Alka branch of Wiandere Korkfabriker, makers of bottle-washing, bottle-sealing and related equipment, has, in less than a year, become a standard cap for certain medicines in Sweden. It is all in one piece with no inside liner and is made of polythene with high specific gravity and it therefore resists knocks, blows and pressure strains and temperatures up to 120° C. The tightening is effected by linear tightening between the conically shaped inside and the bottle mouth. The cap is not chemically affected by alkalies, acids and salts, with the exception of a few very strong acids. The cap can be combined with an inside aluminium tear-off cap. This provides a maker of quality products, for instance, in the canning and food industries, with a guarantee that his product reaches the consumer unadulterated.

"Motorized Milking Cow"

The process of recombining milk from the components of water, skim milk and butter—although long known in principle—has recently won practical application on a small scale. Using a skim-milk powder specially manufactured for the purpose by Swedish Condensed and Dried Milk Company, Gothenburg, and an apparatus called Ultra-Turrax, quantities of about 60 litres can quickly be produced. The machine is sold by Axel Kistner, Stockholm, on a world-wide licence from the Swiss inventor, P. Willems. The "motorized milking cow" has solved the problem of supplying ships at sea with fresh milk. The new machine was one year ago introduced on a vessel owned by Grangesberg shipping company, Stockholm, and because of the excellent results, the company has now equipped all its vessels with "the cow". Other Swedish shipping companies are doing the same. 500 "motorised cows" are at present supplying ships all over the world with fresh milk. Whereas ordinary condensed milk during storage easily takes up extraneous flavours, because of its percentage of fat, the components of recombined milk, dry fatless skim milk and deoxidized, saltless butter can be stored any length of time without changes in taste. The large milk can, into which the complicated apparatus for recombination is inserted, contains about 60 litres. The "motorized cow" works as follows: 11 litres of water (60° C) is mixed with 1.5 kilogrammes of butter and 4 kilogrammes of condensed skim milk. After five minutes the milk concentrate is mixed with 40 litres of water, which should be as cool as possible. After five hours in a cold-storage room the milk is ready to be served, and tastes, according to all reports, just as well as if it had been produced by a live cow.

Improved Heat Resistance for Rubber

As the result of research work carried out by the British Rubber Producers' Research Association, the usage of natural rubber compounds can now be extended to include products for service at temperatures of the order of 100° C. to 125° C. The improvement in heat resistance is brought about by careful selection of curing systems, protective agents and fillers. The tests demonstrated that far longer service lives may be anticipated for many rubber components which present a proportionately smaller area for oxidative attack. The heat-resistant compounds are suitable for a very wide range of products and applications for which mixes are suggested include conveyor belts, steam hose, mountings, flexible couplings, seals, gaskets, thread, grommets, cables, lagging and sheathing, diaphragms and stoppers. The basic techniques used in compounding natural rubber for maximum life at high temperatures are stated to be: (1) The use of a "sulphurless" curing system; even very small proportions of elemental sulphur give inferior ageing. (2) The use of an antioxidant conferring high heat-resistance. (3) The use of a dihydroxybenzate as a protective agent; this is often formed in situ during vulcanisation. (4) The use in some cases of an antioxidant of the type sometimes known as a "deactivator." (5) The selection of an appropriate filler.

Lamp for Night Fishing

A new fishing aid now being introduced in Asian waters will mean bigger catches for local fishermen. This is a new underwater electric lamp, which has already been used with good effect by Italian and other Mediterranean fishermen. The lamp is much more efficient than the traditional above-surface kerosene or gas lamp commonly used to lure fish at night. The new lamp is reported to have been introduced at select spots on an experimental basis. The local

fishermen are being familiarised with the method of using this lamp. The method is quite simple. Before sunset, a large boat tows two small boats, each fitted with the lamps, to the fishing ground. The small boats are anchored at a considerable distance from each other. When fish appear, the large boat "shoots" its net around the lighted area where the fish have gathered. The main advantage of the new lamp is that it can be made easily by fishermen. Moreover, it is cheaper to run than the old type of lamp because less power is necessary.

Growth Stimulator for Livestock

A new preparation known as furazolidon has been evolved in the Institute of Organic Synthesis of the Latvian Academy of Sciences, U.S.S.R. It possesses valuable properties of a growth stimulator for livestock. It has been shown that the preparation influences the microflora of the digestive tract, facilitating the development of useful bacteria. Their activation intensifies the biosynthesis of albumen and vitamins. The research conducted by the Institute of Biology has shown that an addition of 30 to 50 milligrams of furazolidon per kilogram of fodder will result in an additional 10 per cent. increase in the weight of calves, piglets and chickens. Simultaneously, this preparation counteracts certain diseases among young animals. It is interesting to note that animals receiving furazolidon with their fodder show a marked improvement in the blood composition. The best result in livestock breeding, it is claimed, is obtained by using the new preparation together with penicillin.

Cheap Pudding Machine

Good news for rice growers from the Central Rice Research Institute, Cuttack—the Institute has invented a machine for puddling rice fields with standing water. The machine is simple in design, cheap and easy to operate. It has several

rotating blades or shears. It cuts the soil and at the same time churns it, and can easily be drawn by a pair of bullocks. Trials conducted at the Central Rice Research Institute have proved that the machine is useful for all soils except clay. About three acres can be puddled in eight hours. Puddling is an important operation before transplanting paddy seedling in the fields. To get a good puddle several ploughings have to be given if an ordinary plough is used. The new machine has to be worked only once or twice and gives better results.

Plane-crash Fire Extinguisher

The U.S. Navy has reported the discovery of a new agent that takes the heat out of fires. The Navy calls it a "revolutionary development" and says it will put out oil and gasoline fires twice as fast as the best extinguishers available currently. The new agent, called "purplis K powder," consists of flame-shielding, fire-quenching clouds of very finely powdered potassium bicarbonate. The powder, in recent tests on an oil fire similar to that started by a crashing plane, reportedly extinguished the fire in eleven seconds.

New Radiator for Leyland Vehicles

A new and improved replacement radiator for the concealed type has been designed by Leyland Motors Ltd. for the Comet ECO and ECOS range of truck and bus chassis. Embodying all the structural qualities of the radiator fitted on the new Comet CS3 range of chassis, it is easily interchanged with the existing unit on vehicles in service. The replacement radiator is a one-piece unit of the three-row Morris Stack type and carried by a special steel framework to provide extra strength and rigidity. When installed, it is mounted on rubber bushes on the frame, in crossmember and tied to the front lifting eye of the engine by a rod from the radiator frame.

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

Condensed Statement of Condition June 30, 1959

(Figures of Overseas Branches are as of June 24, 1959)

RESOURCES

Cash and Due from Banks	\$ 1,686,327,395.00
United States Government Securities and Securities Guaranteed by the Government	2,072,718,165.61
Federal Agency Securities	99,165,772.29
State, County, and Municipal Securities	719,787,228.95
Other Securities	139,009,500.21
Loans Guaranteed or Insured by the United States Government or its Agencies	1,466,080,961.20
Other Loans and Discounts	4,621,102,408.31
Bank Premises, Fixtures, etc.	142,856,056.31
Customers' Liability for Acceptances	135,715,079.59
Accrued Interest and Other Resources	76,650,698.91
TOTAL RESOURCES	\$11,159,413,266.38

LIABILITIES

Capital	\$160,000,000.00
Surplus	340,000,000.00
Undivided Profits and Reserves	122,367,837.04
TOTAL CAPITAL FUNDS	\$ 622,367,837.04
Reserve for Possible Loan Losses	108,153,682.39
DEPOSITS (Demand . . . \$4,697,535,008.24)	10,173,030,639.73
(Savings and Time \$5,475,495,631.49)	
Liability on Acceptances	138,342,905.25
Reserve for Interest, Taxes, etc.	117,518,201.97
TOTAL LIABILITIES	\$11,159,413,266.38

Main Offices in the two Reserve Cities of California

SAN FRANCISCO • LOS ANGELES

Branches throughout California

Overseas branches: London, Manila, Tokyo, Yokohama, Kobe, Osaka, Bangkok, Guam

Member Federal Deposit Insurance Corporation • Member Federal Reserve System

Address your inquiries or contact

Bank of America, Representative Office, 90, Golf Links, New Delhi-3.

Bank of America

(International)

A wholly-owned subsidiary

Condensed Statement of Condition June 30, 1959

Home Office—New York, N. Y.

Branches: Düsseldorf, Singapore, Paris, Beirut, Guatemala City, Hong Kong, Kuala Lumpur (Branch figures are as of June 24, 1959)

RESOURCES

Cash and Due from Banks	\$149,151,911.82
United States Government Obligations	24,068,494.66
Other Securities	14,637,486.81
Loans and Discounts	164,441,484.97
Customers' Liability for Acceptances	26,484,943.98
Accrued Interest and Other Resources	2,683,626.91
TOTAL RESOURCES	\$391,468,748.78

LIABILITIES

Capital	\$34,000,000.00
Surplus	6,800,000.00
Undivided Profits	1,798,082.89
TOTAL CAPITAL FUNDS	\$ 42,598,082.89
Reserve for Possible Loan Losses	2,619,540.82
Deposits	306,339,063.02
Liability on Acceptances	27,303,409.85
Reserve for Interest, Taxes, etc.	2,608,052.17
TOTAL LIABILITIES	\$391,468,748.78

H.E.H. THE NIZAM'S CHARITABLE TRUST FIFTH ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH, 1959

1. The Trust was created by His Exalted Highness the Nizam of Hyderabad on 14th June 1954, with a corpus of the face value of Rs. 4,90,00,000 (Rupees four crores and ninety lakhs) for relief of the poor, support of religious institutions, provision of medical aid, advancement of education and for any other object of public utility in India in general and particularly for people in the former State of Hyderabad.

2. During the year, the Board of Trustees comprised:

- | | |
|---------------------------------|-----------|
| (i) Nawab Zain Yar Jung Bahadur | Chairman |
| (ii) Mr. V. P. Menon | Member |
| (iii) Mr. Shavax Ardesir Lal | Member |
| Khan Bahadur C. B. Taraporevala | Secretary |

3. During the period under review six meetings of the Board of Trustees were held to consider the applications received from various public institutions and individuals, for donations, lump sum grants, medical aid, scholarships, etc.

Help to Needy

4. The Trustees received during the year a very large number of applications from poor and destitute persons, from unemployed people and poor students. The procedure employed in dealing with the applications was to obtain, where possible, the views of District Officers, and heads of hospitals and educational institutions and sift the recommendations before assessing the quantum of assistance in each case. In the absence of such recommendations the Trustees themselves caused proper investigations to be made before granting relief. The applications dealt with during the year under review are classified under the following broad categories, showing the relief or assistance granted:

- 260 poor and destitute persons and widows, who are unable to work and have, therefore, no other means of income, were granted maintenance allowances ranging from Rs. 5 to Rs. 20 per mensem.
- Special maintenance allowances ranging from Rs. 25 to Rs. 50 per mensem were paid to 18 widows and poor and destitute persons who had no other source of income.
- 422 poor and deserving students were granted scholarships ranging from Rs. 10 to Rs. 20 per mensem.
- 12 students were awarded special scholarships ranging from Rs. 25 to Rs. 100 per mensem, for higher technical studies.

In all 4,657 beneficiaries (practically all of whom belonged to Hyderabad), including those who were recipients of financial aid before drew either maintenance allowance or scholarships under the four categories referred to above, as on 31st March 1959, and the total of such payments during the period under review amounted to Rs. 6,70,660.

B. 373 patients suffering from T.B., cancer, leprosy and other diseases were granted lump sum financial aid for medical relief. The total amount of medical aid granted to such patients, during the period under report, amounted to Rs. 35,607.

C. 916 poor and deserving students (practically all of whom belonged to Hyderabad) were granted lump sum financial aid, ranging from Rs. 50 to Rs. 200, towards payment of their admission fees, examination fees and for purchase of books, instruments, etc. The total sum of such financial aid, during the year under review, amounted to Rs. 79,683.

Foreign Scholarships

5. During the year under report, foreign scholarships and lump sum grants for higher education abroad (including passage money) amounting in all to Rs. 1,16,968 were provided by the Trust. All the recipients belonged to Andhra State and care was taken to select only those who had first class degrees to their credit or exceptional merit. In all, 33 students have or are receiving financial aid from the Trust.

6. Special lump sum grants aggregating Rs. 3,17,500 were given to schools, vyayamshalas, sanatoria, sports institutions and other objects

of public utility. Most of the beneficiaries belonged to Hyderabad.

7. Recurring grants for periods ranging from one to three years were granted to various educational and technical institutions involving an expenditure of Rs. 1,07,600 per annum. Almost all these institutions are situated in Hyderabad.

8. By the Deed of Trust dated 14th June 1954, His Exalted Highness the Nizam of Hyderabad assigned to the Trustees, as stated earlier, debentures and shares of various companies of the face value of Rs. 4,90,00,000 (Rupees four crores and ninety lakhs) and the then estimated market value of approximately Rs. 5,11,00,000 (Rupees five crores and eleven lakhs). This fund was a balanced investment, that is, its assets are distributed among fixed yield securities, such as debentures, and cumulative preference shares designed to bring in a steady income and equity shares which, besides bringing income, are also capable of capital appreciation. A noteworthy feature of the investment policy followed by the Financial Adviser to His Exalted Highness the Nizam was that the investments were made not only with a view to their soundness and yield potential but also with the object of providing the means of livelihood to a large number of the teeming unemployed of the country. Most of the investments which H.E.H. had made have been in new industries or for the expansion of existing industries or for the resurrection of dormant industries, which helped the increase of employment potential. It might well be said that, but for this bold and progressive policy, a number of industries which now employ thousands of workmen would not have seen the light of day.

After the creation of the Trust, the Trustees have continued this policy, of course, with due regard to the safety of the investments, and they are glad to say that the result is doubly satisfactory in that not only have larger opportunities for employment been created, thus relieving unemployment to an appreciable extent, but the income derived from such investments is also being applied to worthy charitable objects.

Financial Results

9. As will be seen from the audited accounts, within a period of less than five years, that is, from 14th June 1954 to 31st March 1959, no less than Rs. 56,00,000 (Rupees fifty-six lakhs) have been distributed in respect of the various objects of the Trust. It is to be noted that, during the period under review, the total face value of the assets of the Trust has by judicious investment gone up from Rs. 4,90,00,000 (Rupees four crores and ninety lakhs) to Rs. 5,59,00,000 (Rupees five crores and fifty-nine lakhs), while their estimated market value has increased from Rs. 5,11,00,000 (Rupees five crores and eleven lakhs) to as much as Rs. 5,84,00,000 (Rupees five crores and eighty-four lakhs). During the same period, the income of the Trust has gone up from Rs. 7,68,921 (Rupees seven lakhs sixty-eight

thousand nine hundred and twenty-one) in 1954-55, to as much as Rs. 34,92,720 (Rupees thirty-four lakhs ninety-two thousand seven hundred and twenty) in 1958-59. When some of the industries which are still in the course of development reach full maturity, the income of the Trust in such investments is expected to rise still further.

10. Another noteworthy feature in the operation of the Trust is the exceedingly low expense ratio. In spite of the enormous number of applications for help with which the office of the Trust is being flooded and which run into several thousands, the total expenditure incurred by the Trust in 1958-59 is only about 2 per cent. of the income. So far as the Trustees are aware, no charitable trust of a like magnitude in India, or elsewhere, can claim such a low expense ratio. It will be of interest to observe that for discharging supervisory functions, the Wakf Act provides for a fee of 5 per cent. of the income and the Bombay Public Trust for 2 per cent. of the income, in addition to the expenses incurred in administering the Trusts. It may be mentioned in this connection that Mr. V. P. Menon and Mr. Shavax A. Lal have been giving their services gratis, not taking advantage of the provision made in the Trust for payment of remuneration.

11. During 1958-59, a large sum had to be spent in successfully defending certain proceedings under Act XIV of 1920, launched against the Trustees by two men whose grievance was that their applications for doles were not accepted by the Trustees! This unavoidable expenditure could have easily been devoted to the further relief of the poor and the sick.

Mischiefous Propaganda

12. The Trustees are grieved that mischiefous propaganda is carried on by certain disgruntled elements against the Trust. The system of doles is mainly to blame for this unfortunate state of affairs. While admittedly there must be thousands of genuine destitutes in Hyderabad, as elsewhere, the temptation to get something for nothing prompts hundreds of others to claim financial aid from the Trust, almost as of right, and when such aid is refused, a campaign of calumny is engineered against the Trust. Such is also the attitude adopted by certain adventurers who are keen on starting doubtful ventures with financial backing from the Trust, and when such backing is withheld they promptly start maligning the Trust. The effective answer to such propaganda is to give publicity to the audited accounts and the report of the Trustees, which the Trustees are now doing despite some expenditure which otherwise would not have been necessary. The facts and figures now revealed would, it is hoped, testify to the useful work that is being done by the Trust with the minimum expenditure.

13. The Trustees regret the order passed by the Director of Endowments to seal the books of the Trust, and otherwise paralyse its activities, which compelled the Trustees to seek redress in Court. The Trustees wish to express their grateful thanks to the Chief Minister and the Government of Andhra Pradesh for their prompt intervention in the matter and restoring the normal working of the Trust.

14. The Trustees take this opportunity to draw attention to the deplorable confusion caused by half a dozen laws supposed to govern

WORKERS' PARTICIPATION IN MANAGEMENT IN INDIA DETAILS OF AGREED SCHEME RECALLED

By Arunendu Datta-Majumdar

INT production committees, with workers' as well as employers' representatives on it, became a feature of the production drive during World War II, both in the U.K. and the U.S.A. Under the stress of "national" emergency and the sense of urgency to win the war, which labour shared in common with the employer, both parties desired to sink their differences for the time being and became more accommodating.

When the war was over, these joint production committees languished in both these countries. But the lessons of the war-time experiment in industrial truce and of giving the working man a voice in the affairs of the management, were not entirely lost. Under special encouragement but without legal compulsion, an effective joint consultation machinery, with advisory status and set up by agreement between the parties, have been brought into being in the U.K. In Canada and the Scandinavian countries (Sweden, Norway and Denmark) which follow the British pattern, the joint committees are advisory in character, though their scope is in some respects even larger.

The peculiar conditions obtaining in the U.S.A., however, did not favour any such allied development there. "In the United States, management is too strong and independent to allow labour infiltration into their ranks. On the other hand, it is so strong that it is confident of its ability to squeeze the utmost from management and is obviously not prepared to enter into any relationship with the management which might directly or indirectly compromise its power of bargaining." Even so, U.S. labour have secured through collective bargaining certain rights such as access to company's books, some voice in deciding on usual expenditures and in determining the rate of the labour force, the right to be consulted in regard to apprenticeship programmes and absorption of workers eliminated by technological changes and so on.

In some European countries such as Belgium, France and Germany, workers' participation is based on legal sanction. In France, well as in Germany, the workers have even been represented on the boards of management. Workers' participation in management is highly developed in France, though mainly in the nationalised sector of industry; "the nationalisation Acts have explicitly defined the functions and duties of the trade unions in the bodies which direct the nationalised industries and in the management of such industries." In the industries in the private sector, there is no direct participation but only a machinery for co-operation between labour and management, the method and extent of which differ from industry to industry.

In the Federal Republic of Germany, works councils were set up by legislation in the post-war period in a number of undertakings. A system of co-management by workers, providing for participation of trade union representatives on an equal footing in the managing boards, has been introduced in the coal-mining and iron and steel industries.

Indian Labour in Post-war Period

In India, the Second World War as well as the post-war period saw workers still busy in building up their organisational strength and fighting for some of the very elementary rights and privileges and amenities which had long been recognised, and became a part of the industrial scene in the more advanced countries. Although the more progressive elements among industrial employers were quick to realise the need for constantly improving the pay and amenities of the workers and for treating them as human beings, the bulk of them as yet lacked realisation, and sometimes the wherewithal, for providing a more reasonable and humane treatment for them.

The picture was thus, on the whole, one of rife and friction rather than of co-operation and consultation, the Government of the country acting as a moderating influence and curbing the highly individualistic and selfish spirit of some of the employers and also the more extreme and unrealistic attitudes of some of

the working men who have not unoften been led by non-economic ends.

It has been the aim since independence, and particularly after the launching of the first Five-year Plan, to create conditions favourable for securing workers' contentment, industrial peace and co-operation. This is regarded as necessary both as a means to rapid increase in national production and wealth and as a step in the direction of ameliorating the conditions of a weak, exploited and backward section of the community and thus raising the standard of dignity of man. The former is a means to national well-being, whereas the latter is part of national well-being itself.

Already in 1947 an important step was taken in the direction of securing industrial peace and co-operation between labour and management. It was a provision in the Industrial Disputes Act, 1947, for the setting up of works committees. The duty of works committee is to promote "measures for securing and preserving amity and good relations between employers and workmen." Among the topics discussed by the works committees are retrenchment, medical facilities, provision of rest rooms, housing facilities, water scarcity, transport facilities, ambulance car facilities, welfare fund and so on. Over a thousand undertakings in the Central sphere were required to constitute such works committees towards the end of 1958; in 701 establishments works committees were actually functioning.

Fair Deal for Labour

The chief aim during the first Plan was to give labour a fair deal in so far as it was consistent with the requirements of the other sectors of the economy. Some improvement was recorded in labour relations, and an increasing desire was in evidence for employers and workers to settle problems in industrial committees set up by the Government. Some progress was made in the implementation of social security measures under the Employees' State Insurance Act, 1948, and the Employees' Provident Funds Act, 1952; and a measure of security in case of loss of employment was provided under the Industrial Disputes (Amendment) Act, 1952. Questions of bonus and profit-sharing still remained the major bones of contention and dispute.

It was a sign of the changing times that the industrial tribunals negated the contention of some of the employers that the payment of a profit-sharing bonus was an *ex-gratia* payment to be made at the discretion of the management, and held that it was a claim in the form of a deferred wage, which fell short of a living wage and had to be satisfied out of the profits made during the year. The industrial tribunals were also taking due note of the need for security in framing awards on issues like provident fund, gratuity and so on.

It must be said to the credit of the more enlightened section among the industrial employers in India that some of them, like the Tata Iron and Steel Company, went ahead of public opinion and Governmental policy in introducing fair wages, amenities, bonus and profit-sharing schemes and welfare measures, and even experimented with worker consultation and co-operation, if not actual participation. The benefit derived in the form of long periods of industrial peace in these undertakings led the Government of India to conduct, in 1956, the first case-study of good labour-management relations in India. The result of this case-study was published in the form of a report called *Labour-Management Consultation and Co-operation in the Tata Iron and Steel Company* (Simla, 1957).

Although giving the worker a "fair deal" remains the cornerstone of labour policy of the Government in India, with the adoption of the socialist pattern of society as the national objective, the *Second Five-year Plan* reformulated the labour policy in the following terms:

"A socialist society is built up not solely on monetary incentives, but on ideas of service to society and the willingness on the part of the latter to recognise such service. It is necessary in this context that the worker should be made to feel that, in his own way, he is helping to build a progressive State. The creation of industrial democracy, therefore, is a prerequisite for the establishment of a socialist society." (Italics ours.)

About the need for labour participation in management, its aim and the broad lines it should follow, the *Second Plan* said as follows:

"For the successful implementation of the Plan, increased association of labour with management is necessary. Such a measure would help in (a) promoting increased productivity for the general benefit of the enterprise, the employees and the community,

(b) giving employees a better understanding of their role in the working of industry and of the process of production, and

(c) satisfying the workers' urge for self-expression thus leading to industrial peace, better relations and increased co-operation.

"This could be achieved by providing for councils of management consisting of representatives of management, technicians and workers. It should be the responsibility of the management to supply such a council of management a fair and correct statement of all relevant information which would enable the council to function effectively. A council of management should be entitled to discuss various matters pertaining to the establishment and to recommend steps for its better working. Matters which fall within the purview of collective bargaining should, however, be excluded from the scope of discussion in the council. To begin with, the proposal should be tried out in large establishments in organised industries. The basis of advance should be regulated and any extension of the scheme should be in the light of the experience gained."

A study group led by the Secretary, Ministry of Labour, Government of India, and consisting of representatives of workers' organisations and executives of certain Central Ministries and undertakings, was deputed in the latter half of 1956 to study the systems of worker participation in management prevailing in certain European countries such as the U.K., France, Belgium, West Germany, Sweden and Yugoslavia. The study group submitted a report in 1957.

Voluntary Basis

This report was considered in July 1957 at the fifteenth session of the Indian Labour Conference, which was attended by workers', employers' as well as Government representatives. It was decided at this Conference that labour participation in management should, for the present, be left to the volition of the employers and that, at least for a period of two years, there should be no legislation to enforce its introduction. Legislation could, however, be undertaken if after two years it was found that sufficient progress had not been made. The Conference also recommended that the scheme should initially be tried out in about 50 undertakings in both the public and private sectors. A tripartite sub-committee was appointed to advise on the exact form of the participation machinery.

A list of major industries in the private and public sectors where the scheme should first be introduced was compiled by the tripartite committee in August 1957. Private sector industries selected were: cotton textiles, jute, engineering, chemicals, tobacco, paper, sugar, cement, mines and plantations. The selected public sector industries were: railway workshops and yards, posts and telegraphs, ports, shipyards, transport workshops, mines, printing presses and electricity undertakings; and selected State Government undertakings.

The draft of an agreement to be executed by employers and trade unions while setting up a "council of management" was also approved by the tripartite committee. The object of the councils was defined as "to improve the working and living conditions of employees, increase productivity, serve as an authentic channel of communication between management and employees and create in the latter a keen sense of participation in management."

The Committee recommended that the council should be entrusted with administrative responsibilities in regard to welfare and safety measures, operation of vocational training and apprenticeship schemes, preparation of schedules of working hours, intervals and holidays, and payment of rewards for valuable suggestions received from the employees.

Criteria for Selecting Undertaking

The criteria for selecting the undertakings where the scheme should first be introduced include: (i) that the undertaking should have a well-established and strong trade union functioning; (ii) that there should be at least 500 workers in it; (iii) that the employer should be a member of one of the leading employers' organisations, in case of a private sector industry, and that the trade union should also be related to one of the central federations; and (iv) that the undertaking should have a fair record of industrial relations.

By January 1958, 30 undertakings volunteered to join the experiment. A seminar on labour- (Continued on page 243)

Excellent
cutting
performance



HACKSAW
BLADES

Manufactured from high quality
steel. They can be used for cutting
all types of steel, brass,
copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.
6, OLD POST OFFICE STREET, CALCUTTA-1



Sole Selling Agents:
VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI

DIESEL FUEL INJECTION EQUIPMENT PLEA FOR EXTENSION OF PROTECTION

THE Tariff Commission held an enquiry into the question of continuance of protection to diesel fuel injection equipment industry beyond the current calendar year, on 30th July 1959. Mr. C. Ramasubban, Chairman of the Commission, while opening the enquiry, observed that the industry had made considerable progress in expanding production and that the quality of the indigenous products, barring a few exceptions, had also been found acceptable to consumers. The industry has now pleaded for protection for another three to five years on the ground, *inter alia*, that it is still at a disadvantage, as compared with foreign producers, especially in respect of prices of raw materials that have to be imported. In addition to protection, the industry has requested that arrangements should be made for adequate supplies of raw materials of requisite specifications from indigenous sources at reasonable prices.

It may be recalled that the industry first claimed protection in 1954. On the recommendation of the Tariff Commission, the Government granted shelter to the industry upto 31st December 1956, with effect from 7th September 1955, by levy of a protective duty of 60 per cent. *ad valorem* (standard) on single cylinder fuel injection pumps for stationary diesel engines and nozzle-holders with a clamping capacity upto one inch clamping diameter for nozzles (atomisers) and component parts thereof, excluding elements and delivery valves when imported separately. The preferential rate of duty on nozzle holders manufactured in the U.K. was fixed in accordance with the Indo-U.K. trade agreement. The protection granted to the industry was subsequently extended by one year upto 31st December 1957.

The second enquiry into the industry was held by the Commission in 1957 and on its recommendations, (i) the then existing rates of duty, namely, 60 per cent. *ad valorem* on single-cylinder fuel injection pumps and 60 per cent. *ad valorem* (standard) and 52½ per cent. *ad valorem* (preferential) on nozzle-holders were continued for a further period of two years ended 31st December 1959 by the Indian Tariff (Second Amendment) Act, 1957; and (ii) elements, delivery valves and nozzles were brought within the scheme of protection with effect from 25th October 1957.

Domestic Demand

At the time of the last enquiry, the annual domestic demand for both original equipment and replacement purposes was estimated at 18,900 for single-cylinder pumps, 19,400 for multi-cylinder pumps, 126,000 for nozzle-holders, 583,900 for nozzles and 420,800 each for elements and delivery valves. The Commission had then expected that the demand would go up by 15 per cent. over the following three years. The Commission has now received estimates of overall demand in the country from the Development Wing and of demand for Bosch type equipments from Motor Industries Company, Ltd. These estimates are:

	Development Wing Nos.	M.I.CO. Nos.
Single-cylinder pumps	39,000	43,000
Multi-cylinder pumps	25,000	19,600
Nozzle-holders	185,000	146,100
Nozzles	610,000	414,100
Elements	510,000	318,000
Delivery valves	N.A.	299,900

N.A. = Not available.

The domestic demand for fuel injection equipment can be assessed on the basis of sales of domestic products and imports during the past two or three years; but, barring single-cylinder fuel injection pumps, figures of imports of other components are not separately available. Sales of indigenous single-cylinder pumps and imports aggregated 25,929 in 1957 and 38,240 in 1958.

There are at present (as there were at the time of the last two enquiries) three units engaged in the manufacture of components of diesel fuel injection equipment. They are: the Motor Industries Company, Ltd. (M.I.CO.), Bangalore, Fuel Injections Ltd., Bombay and the Kulko Engineering Works Ltd., Kolhapur. Of these, the Kulko Engineering Works Ltd., manufactures fuel injection pumps and nozzle-holders for its own use. The M.I.CO. produces single-cylinder pumps, multi-cylinder pumps, nozzle-holders, nozzles, elements and delivery valves. Fuel Injections Ltd. manufactures only nozzles and elements and its production of single-cylinder pumps and nozzle-holders is reported to be in the initial stage. According to the data furnished by the manufacturers, the present combined capacities on single shift of

M.I.CO. and Fuel Injections Ltd., are 12,000 single-cylinder pumps, A and B types; 6,600 multi-cylinder pumps; 48,000 'S' type nozzle-holders; 108,000 nozzles; 78,000 elements; and 66,000 delivery valves. The present capacities for the manufacture of nozzles and elements represent an increase of about 3 per cent. over those adopted at the last enquiry, while the capacities for the manufacture of other components have remained unchanged. The aggregate production of the two units, since 1957, is given in the following table:

Product	1957 Nos.	1958 Nos.	1959 (Jan-May) Nos.
Single-cylinder pumps	17,647	31,755	17,997
Multi-cylinder pumps	5,487	4,589	N.A.
Nozzle-holders	42,000	62,724	36,067
Elements	50,169	106,454	69,828
Delivery valves	75,061	74,658	56,497
Nozzles	40,811	98,437	35,849

N.A. = Not available.

Raw Materials

The raw materials required for the manufacture of diesel fuel injection equipment are: (1) a few special types of steel, (2) low carbon steel forgings, (3) cast iron castings of special quality; and (4) free cutting bright drawn brass bars. Except for the special types of steel, which are at present imported, all the other raw materials are stated to be available within the country itself. The M.I.CO. has brought to the notice of the Commission its difficulties in obtaining adequate supplies of suitable quality castings and forgings from indigenous sources. The M.I.CO. has also pleaded for additional supply of raw materials.

As regards the quality of the indigenous equipments, Mr. Ramasubban stated:

"At the last enquiry, it was almost the unanimous view of all those who used M.I.CO.'s products that they were satisfactory. The Fuel Injections Ltd. apprehended consumers' prejudice against its products, as it had to market them under its own brand name. We understand from the Development Wing that it has not received any complaints against the quality of the indigenous products. The Indian Institute of Science, Bangalore, has observed that the domestic injection equipment is functionally good. It has, however, added that there is scope for improvement. Most of the sumers and importers have expressed satisfaction with the quality of the domestic products. A few transport organisations have, however, pointed out certain defects such as short life, improper clearance of nozzles and pitting of nozzle points. The manufacturers of fuel injection equipment claim to have introduced quality control measures to maintain and improve the quality of their products."

The following table shows the trend in imports, since 1957, of single-cylinder fuel injection pumps for diesel engines and nozzle-holders, etc., for diesel engines.

Year	Single-cylinder injection pumps		Nozzle-holders, etc.	
	Quantity (Nos.)	Value (Rs.)	Quantity (Nos.)	Value (Rs.)
1957	7,398	4,93,640	215,756	8,09,746
1958	6,770	1,47,763	28,183	3,15,175
1959 (Jan.-Feb.)	1,006	49,535	3,108	44,674

The protected categories of diesel fuel injection pumps and nozzle-holders and parts thereof are assessed to protective duty of 60 per

cent. *ad valorem* standard under item No. 75(18) of the First Schedule to the Indian Tariff Act, 1934. Nozzle-holders of U.K. manufacture are assessed to a preferential duty of 52½ per cent. *ad valorem*.

U.K. WHITE PAPER ON OUTER SEVEN

The draft plan on the Outer Seven free trade area—comprising the U.K., Austria, Denmark, Norway, Portugal, Sweden and Switzerland—approved by the Ministerial Conference of the constituent members held at Saltsjöbaden, Stockholm, on 20th and 21st July 1959, has now been published as a White Paper in London. A reference to the draft plan appeared in our last issue, vide page 171, and it was prepared before the details of the White Paper were available. The White Paper throws further light on the provisions of the draft plan. The first step towards the eventual abolition of tariffs and quantitative restrictions will commence from 1st July 1960, when the member-countries will reduce tariffs among themselves by 20 per cent. Subsequently, the tariffs will be further reduced in three successive stages, by 10 per cent. each time, at intervals of 18 months, that is, on 1st January 1962, 1st July 1963 and 1st January 1965. Thus, the member-countries will reduce tariffs among themselves by 50 per cent. in the course of five years. The remaining 50 per cent. will be eliminated in equal 10 per cent. stages on 1st January of each of the subsequent five years.

The draft plan calls upon the member-countries to consider, between 1st July 1960 and 31st December 1961, whether it will be possible to shorten the period within which the process of elimination should be completed in respect of some or all goods of some or all of the members.

While the beginning of 1960 has been fixed as the base date, the question remains whether the tariff to be selected for reduction should be the legal or the applied tariff. According to the White Paper, "a possible solution might be to adopt the applied tariff, while recognising that, for particular products, some countries may have legitimate reasons for departing from the general rule. If that solution were adopted, an integral feature of it would be the procedure for handling the exceptions."

The proposals for establishing the Outer Seven cover all aspects of trade within the area including the abolition of "drawback" and of quantitative restrictions on imports, escape clauses for countries confronted with balance-of-payments difficulties, and a scheme for determining the origin of goods within the area and rules governing competition. The White Paper confirms that there will be a separate agreement on agriculture, with fish being excluded from agriculture.

Another important aspect covered by the agreement relates to capital movements. Some of the delegates raised this issue at Stockholm and suggested that "members might be in a better position to surmount difficulties which were a consequence of the association, if they could be given freer access to the capital markets of other members." It was agreed by the various delegations that the matter, although raising difficulties, must be deferred for consideration at a later stage. Meanwhile, they all felt that the rules and procedures agreed to be sufficient.

In order to promote healthy relations with the European Economic Community, the Outer Seven countries unanimously agreed to accredit representatives to the former bloc. The seven officials who will draft the Convention will constitute the official committee to advise Governments on questions regarding other countries arising out of the establishment of Outer Seven free trade association and, in particular, to study the problem of future negotiations for a wider association, embracing all the seventeen members of the Western European Community.

Production of motor vehicles in West Germany during the first half of 1959 rose by 12.2 per cent. to 831,854 units, as compared with the first half of 1958. Of this output, 50.8 per cent. was exported, as against 48.6 per cent. of production in the corresponding six months of last year.

CENTRAL WAREHOUSING CORPORATION SECOND ANNUAL GENERAL MEETING

SPEECH OF THE CHAIRMAN, MR. B. B. GHOSH

3 contribution made by the Central Warehousing Corporation in developing warehousing facilities throughout the country was lighted by Mr. B. B. Ghosh, Chairman of Corporation, at the Second Annual General Meeting of this body held at New Delhi on 25th 1959. Mr. Ghosh said that the large variety commodities handled by the warehouses and increasing business of these houses were uraging signs. Apart from cereals, pulses, oilseeds, the warehouses, he revealed, had pted for storage items like turmeric, gur, er and pepper which required special care preservation. In particular, he stressed the l for keeping the charges at a reasonable l from the point of view of customers.

The following is the full text of Mr. Ghosh's ch at the meeting:

INTLEMAN,

"I have great pleasure in welcoming you to second annual general meeting of this poration. Unlike last year, we have met not beyond the time limit prescribed. I am py to report that both the types of audit scribed under the Act, namely, one conducted the Auditors appointed by the Government dia and the other by the Director of Comial Audit on behalf of the Comptroller and itor-General, have been completed, though report of the latter is yet to be received. I v invite you to consider the annual accounts the report of the Directors.

Share Capital

"You will notice from the annual accounts t, during the year, a total of 1,750 shares of t Corporation were purchased, of which 1,000 res were purchased by the Life Insurance poration of India and the remaining 750 res by various scheduled banks. I hope that estors who are entitled to purchase shares l show further interest in this Corporation, um happy to report that the dividend war- its for the year 1957-58 have been despatched f those for 1958-59 are expected to be paid l in the near future. Towards the close of year under review, a further 10 per cent. of re capital was called for to provide funds meeting the cost of the construction pro- umme which has been undertaken and the nd for share capital from the State Ware- ising Corporations.

"Although the Central Warehousing Cor- oration had only nine warehouses functioning ring the year, the large variety of commodi- s stored and the increasing business handled these warehouses are encouraging signs. art from cereals, pulses and oilseeds, the iewhouses have accepted for storage items like meric, gur, ginger and pepper, which require sical care for preservation. The staff looking er such stocks deserve to be congratulated. ie stocks increased from 13,000 maunds to 3,000 maunds by the end of March 1959. The ock figure has since then gone up to about 9,000 maunds. The possibility of opening cen- al warehouses at new centres, almost in every ate, is under consideration.

Warehouses Set Up

"I hope you will agree with me that the ntral Warehousing Corporation should, while tting up its own warehouses and getting ade- ate custom for them, give maximum support the programme of the State Warehousing Cor- orations. While 1958-59 was practically the st year of working of most of the State Ware- using Corporations, it is satisfactory to note at as many as 42 warehouses were actually t up during the year by the State Warehousing rporations.

"When the warehousing scheme was for- ulated and the Agricultural Produce (Develop- ent and Warehousing) Corporations Act was used, the general understanding was that ading in agricultural produce would be mostly private hands. The decision of the Govern- ent to undertake State trading in foodgrains, hich constitute the largest category of agri- lultural produce, and the policy of development co-operative societies throughout the country r handling agricultural produce have altered ie picture. In the ultimate pattern of State ading in foodgrains, the entire marketed sur- us would be routed through the co-operative annel. As these ideas are implemented, the

need of individual producers for warehousing facilities will decrease. On the other hand, the need for storage accommodation for the Central and State Governments and also for the co-operative societies will increase. In some States, the State Warehousing Corporation has already been called upon to undertake storage of grains procured by the Government. The scheme of State trading in foodgrains and the scheme of development of co-operative societies throughout the country have been undertaken very recently. In due course, the position will become clearer and the warehousing corporations will be able to go ahead with definite programmes.

Specialised Needs

"I hope you will agree that, while catering for the needs of the Governments and the co-operative societies, if necessary, the warehousing corporations should continue their main activity of providing warehousing facilities to producers of different types of agricultural produce wherever they are needed. It may be that, in course of time, many of the marketing societies, which are formed or developed, will have their own storage accommodation and the State Warehousing Corporation will provide warehousing facilities for others who need such facilities within the State concerned. The Central Warehousing Corporation will probably then have to fill in the gaps and provide specialised needs. From the national point of view, it does not really matter who caters for whom as long as the total need is met in a satisfactory manner. I venture to suggest that the Central Warehousing Corporation should not be judged by the number of central warehouses, or by the volume of business handled in the central warehouses, but by the contribution it is able to make in developing warehousing facilities throughout the country.

Reasons for Loss

"You will notice from the profit and loss account that the year has again ended in a loss. There are various reasons for this. The Corporation is still in its formative period. As more and more warehouses are set up and the volume of business increases, the financial picture is bound to change. It is also a moot point whether the entire expenditure of the headquarters organisation of the Central Warehousing Corporation, whose functions extend beyond the supervision of the work of the central warehouses alone, should be considered a legitimate charge on the business activities of the Central Warehousing Corporation. Another aspect is that the profit or loss depends on the charges recovered from the customers. At the initiation of a new scheme of this nature, the value of which may not be fully realised by many of the possible customers, it is desirable that the charges should be fairly low and in any case not too high to discourage customers. The Corporation would not be taking a long-term view, if it were to raise the charges with a view to avoiding any loss, if, in that process, the volume of business handled were to decline. At this stage, it is desirable to attract customers and one of the surest ways of doing so is to make the charges look as reasonable as possible from the point of view of the customers.

"If I may say so, the profit and loss account of the Central Warehousing Corporation is not a correct basis for judging its usefulness, particularly during its early formative years. It is much more important to assess to what extent the Corporation has been able to make people at all levels aware of the intrinsic merits of the warehousing scheme. It is a matter of satisfaction to the Central Warehousing Corporation that every State has now a State Warehousing Corporation in which the Central Warehousing Corporation is a shareholder and that a number of State warehouses have already been set up.

"There will be doubts and difficulties in front of us, but I hope that, with your active support, we shall get over the difficulties and make steady progress."

(A 1000/3)

Notices

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT A General Meeting of the Company will be held at its Registered Office, 12, Mission Row, Calcutta, on the 28th day of August, 1959, at 11 a.m., to consider and if thought fit to pass with or without modification the following resolutions:—

1. As an ordinary resolution:

That this meeting approves the re-appointment of Mr. Frederick George Liversedge as a Managing Director of the Company with effect from the 1st day of October 1959 on the terms and conditions contained in an Agreement dated the 19th day of March 1959 and made between the Company of the one part and Mr. Frederick George Liversedge of the other part a copy of which was laid on the table and signed by the Chairman for the purpose of identification.

2. As an ordinary resolution:

That this meeting approves the appointment of Mr. Saradindu Gupta as a Managing Director of the Company with effect from the 1st October 1958 on the terms and conditions contained in an Agreement dated the 27th day of July 1959 and made between the Company of the one part and Mr. Saradindu Gupta of the other part a copy of which was laid on the table and signed by the Chairman for the purpose of identification.

By Order of the Board,

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, 1st August, 1959.

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

(II) An Explanatory Statement is annexed to the covering Notice issued to members of the Company.

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

Requirement of Loco Tyres and Wheels—
Tender No. G.P. 18, 1959-60

THE LAST DATE OF RECEIPT OF OFFERS for items No. 1 to 25 of the above-mentioned tender which was 12 noon on 1.9.1959 has been revised as under:—

Last date of receipt ... Not later than 12 noon on 3.9.1959.

To be opened at ... 2 p.m. on 3.9.1959.

With regard to item No. 26 the date and time remain unchanged.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
New Delhi.

STRAW PRODUCTS LIMITED BHOPAL

NOTICE

THE BOARD OF DIRECTORS OF THE Company have today decided to recommend to the forthcoming Annual General Meeting the payment of dividend on the Ordinary Shares at Re. 1.25 per Share (equivalent to 12½ per cent.) free of Income-tax in respect of the accounting year ended 31st December, 1958.

The Transfer Book and the Register of Members of the Company will be closed from the 21st to 31st August, 1959, both days inclusive.

By Order of the Board,
J. K. ADAMS PRIVATE LIMITED,
Managing Agents,
H. S. SINGHANTA
Din

CALCUTTA, 23rd July, 1959.

featherlight wafers
coated with rich
creamy
chocolate



Made in India for
the first time!

SATHE BISCUIT & CHOCOLATE CO., LTD. POONA 2.

Heros' 96

RESULTS OF LAKSHMI MILLS ENCOURAGING DIVIDEND, HOWEVER, UNCHANGED—NEW UNIT GOES INTO PRODUCTION

A SUBSTANTIAL reduction in cost of raw materials consumed, which more than offset the decline in sales and a further rise in administrative expenses, has served to help the Lakshmi Mills Company, Ltd. (Managing Agents: Messrs. G. Kuppaswamy Naidu & Co., Coimbatore) earn a higher profit for the year ended 31st March 1959, as compared with the previous year. The gross profit shows a rise from Rs. 42.94 lakhs to Rs. 53.20 lakhs, thus reversing the downward trend noted in the previous two years when the profit had dropped from Rs. 67.67 lakhs for 1955-56. The net profit (after providing for managing agency commission, depreciation and taxation), too, which had declined from Rs. 20.14 lakhs in 1955-56 to Rs. 15.43 lakhs in 1957-58, has improved to Rs. 24.25 lakhs in the year under review. This is the highest level touched since 1946-49.

The benefit of the improved earnings has not, however, been passed on to the shareholders. For the dividend, which had been pruned from 20 per cent. to 12 per cent. last year, is to be repeated for the year under review. The dividend policy of the Company does not seem to be governed wholly by the profit earned. Thus, two years ago, the Directors had paid a dividend of 20 per cent. for 1956-57 on the increased capital of Rs. 105.49 lakhs raised by the issue of one-for-one rights, absorbing Rs. 21.23 lakhs, when the net profit for the year amounted to only Rs. 17.25 lakhs. They had to utilise almost the entire surplus brought in from the previous year to pay this dividend. Despite the sizable improvement in net profit for 1958-59 over that for 1956-57, the dividend is at a much lower level than that distributed two years ago. This is because of the statutory obligation to set aside 75 per cent. of the development rebate allowed on new machinery installed and worked during the year under review to a development rebate reserve in order to get the benefit of such rebate. Accordingly, the Directors have had to allocate Rs. 9 lakhs to this reserve out of the profit for 1958-59, while two years ago no such allocation was made. After making provisions for workpeople's gratuity and donations, a sum of Rs. 1.55 lakh is to be carried forward to next year, as will be noted from the following comparative table:

	(In lakhs of rupees)			
	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	3,29.87	3,34.84	3,16.13	2,72.22
Closing stocks of finished goods and goods-in-process	6.12	6.02	8.24	4.61
Raw materials and stores consumed	2,11.95	2,28.81	2,00.41	1,69.67
Other expenses	67.78	68.77	60.04	45.97
Gross profit	52.20	42.94	60.86	67.67
Managing Agents' remuneration	3.98	3.88	4.89	5.27
Provision for depreciation	12.67	13.64	21.72	20.28*
Taxation	12.00	11.00	17.00	18.00
Net profit	24.25	15.43	17.25	20.14
To reserves	0.00	0.30	0.00	0.00
Workpeople's gratuity	0.00	0.75	1.50	0.00
Donations	1.03	0.78	1.00	1.00
Dividend	(12%)	(12%)	(12%)	(12%)
Carry forward	1.55	0.86	0.04	6.32

* Including development rebate.

During the year under review, the Company worked 59,680 spindles and 200 looms in its mills at Coimbatore (same as in the previous year) and 51,120 spindles in its branch mill at Kovilpatti. The Company's programme of expansion in the shape of a branch at Palladam has been completed. Production at this branch commenced on 1st January 1959 and at the end of the year under review 24 frames were working. Since then, another 18 frames were added and the balance of six frames was scheduled to be erected by the end of last month. The Company proposes to erect automatic looms also in its mills. Some of these looms have, in fact, been erected and are under demonstration. The erection of 100 automatic looms is expected to be completed by the end of December 1959, if the working of the looms now under demonstration proves to be satisfactory.

In pursuance of its plan of expansion, the Company made a capital expenditure of Rs. 62.41 lakhs during the year under review. This is on top of a sum of Rs. 14.15 lakhs spent in 1957-58, Rs. 54.27 lakhs in 1956-57 and Rs. 48.15 lakhs in 1955-56. Thus, during the last four years the Company has made an aggregate capital expenditure of as much as Rs. 178.98 lakhs, raising the gross value of block account from Rs. 111.87

lakhs at the end of 1954-55 to Rs. 287.35 lakhs. Part of the finance for this purpose was provided by the issue of right shares of the value of Rs. 53.50 lakhs in 1956-57. More than half of the gross block has been written off, the net value of the block as at the end of the year under review being Rs. 144.87 lakhs. The Company's investments (at cost) amount to Rs. 20.09 lakhs, of which Rs. 14 lakhs represent the paid-up value of the 35,000 shares of Rs. 100 each of the South India Viscose Ltd., subscribed to by it. The other assets aggregate Rs. 125.61 lakhs. As against these assets, the current liabilities (including secured and unsecured loans) and provisions come to Rs. 106.86 lakhs, leaving a net asset of Rs. 183.91 lakhs, represented by a paid-up capital of Rs. 106.50 lakhs and reserves and surplus aggregating Rs. 77.41 lakhs.

In addition to the higher earnings accruing from the new unit at Palladam and the installation of automatic looms, the Company will, from the current year onwards, enjoy the benefit of the lower income and super taxes and the abolition of wealth tax and excess dividend tax.

The Rs. 50 fully paid-up shares of the Company are being currently quoted at Rs. 119.50 cum-div. and the Rs. 25 fully paid-up shares at Rs. 61 cum-div. On an ex-div. basis, the yield on the two classes of shares works out to 5.28 per cent. and 5.26 per cent. per annum, free of income-tax, respectively.

SOUTH MADRAS ELECTRIC TO RAISE ADDITIONAL CAPITAL

The Directors of the South Madras Electric Supply Corporation Ltd. (Managing Agents: Messrs. Seshasayee Brothers Private Ltd., Tiruchirappalli) propose to issue additional capital to the extent of Rs. 14 lakhs, representing the unissued portion of the authorised capital, subject to the sanction of the Controller of Capital Issues. The new shares of Rs. 10 each will be offered in the first instance to the existing shareholders of the Company as on the date of offer in the ratio of one share for every four held by them. The proposed issue is to finance the expansion programme of the Company, which is being handicapped for want of resources. The Company has, no doubt, sought loans from the Electricity Board and from the State and Central Governments, but it may take considerable time before they materialise. Whatever expansion work the Company was able to do during the year ended 31st March 1959 was financed out of the depreciation accruals and bank overdrafts. As the Directors feel that this position cannot continue indefinitely and as a large number of applications for extensions are awaiting sanction, the Directors have decided to issue additional capital.

Notwithstanding this handicap and the power cut in the first three months of the year ended 31st March 1959, the working results of the Company for the year are satisfactory. Sales of energy declined from 83.69 million units to 81.76 million units, but the income from sales was higher at Rs. 69.29 lakhs, as against Rs. 66.60 lakhs for 1957-58. To some extent, the larger income was due to the upward revision of the tariffs made in March 1959 on some categories of consumers, in order to compensate for the increased income-tax liability on account of the withdrawal of initial and extra depreciation allowances. There was an increase in "other income," too, and this has offset the rise in the cost of distribution. The gross profit for the year under review, therefore, shows a rise from Rs. 18.15 lakhs to Rs. 20.16 lakhs, probably a record in the history of the Company. The net profit is, however, lower at Rs. 7.25 lakhs, as compared with Rs. 8.73 lakhs for the previous year, due to the substantially larger provision of Rs. 4.50 lakhs made for taxation (the corresponding figure for 1957-58 being Rs. 1.85 lakhs), following the withdrawal of the initial and extra depreciation allowances. The provision for depreciation has also been raised from Rs. 6.77 lakhs to Rs. 7.61 lakhs.

The amendments made to the Electricity Supply Act and the increased liability for taxation have reduced the amount available for distribution to shareholders. In other words, the clear profit for the year under review is below the reasonable return, as calculated under the provisions of the Electricity Supply Act. The Directors have, therefore, been compelled to withdraw a sum of Rs. 75,000 from the general reserve in addition to the Rs. 19,000 drawn from the tariff and dividend control reserve, in order to recommend a dividend of 9 per cent. for the year under review. This represents only a fractional increase from that of 8½ per cent. paid for 1957-58.

The position in respect of power shortage is expected to be greatly alleviated by the commissioning of the new plant at the Periyar hydro-electric project and the prospect of some plants being commissioned at Kundah by the end of this year. The Company will not, however, be out of the woods yet. Happily, there were no power cuts during the summer months of the current year. The State Electricity Board has announced a revision of its tariffs to be effective from 1st October 1959. The effect of the revision will mean an increase of about 20 per cent. in the Company's cost

of energy purchase or over Rs. 4 lakhs per annum. The Company has perforce to increase its own tariffs and with this the Company hopes to be able to meet the extra burden cast on it by the revised tariff by the State Electricity Board and the increased income-tax liability.

The following comparative table shows the progress of the Company in recent years:

	(In lakhs of rupees)			
	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds of energy	69.29	66.60	55.82	53.96
Other income	4.51	3.22	5.86	3.21
Cost of distribution	55.47	53.35	47.64	45.10
Other expenses	18.17	17.32	14.78	15.88
Gross profit	20.16	18.15	15.76	16.22
Managing Agents' remuneration	2.80	0.80	0.86	0.52
Depreciation	7.61	4.77	9.06	5.83
Taxation	4.50	1.85	0.00	0.00
Net profit	7.25	8.73	9.90	8.87
Transfer from reserves	0.04	0.10	0.70	0.00
To reserves and provisions	0.67	2.98	1.60	2.51
Dividends—				
5½% tax-free preference	1.65	1.65	1.65	1.65
Ordinary	5.04	4.90	6.72	6.04
Carry forward	0.04	0.11	0.81	0.37

FORT GLOSTER'S CABLE PROJECT MAKES GOOD PROGRESS

The Fort Gloster Industries Ltd. (Managing Agents: Messrs. Kettellwell Bullen & Co., Ltd., Calcutta) was originally known as Fort Gloster Jute Manufacturing Company, Ltd. At the end of June 1957, the Company's name was changed to its present form, following the decision to diversify its activities from the old-established business of jute goods manufacturing. A beginning was made in this direction recently when the Company embarked on a cable-making project. The Directors' report for the year ended 31st March 1959 in this venture. The technical team has been made and it has given the Company an opportunity to co-ordinate erection and production programme. Except in the rubber mill department, erection in drawing section was scheduled to be started last month and the other sections in subsequent months. The Directors add that the most modern method of producing cables in the latest continuous vulcanising machines has been chosen. By this method of production, the Company hopes to meet, to a large extent, the country's requirements of insulated cables.

The main business of the Company, however, continues to be jute goods manufacturing. During the year ended 31st March 1959, the Company earned a gross profit of Rs. 36.58 lakhs, as compared with Rs. 25.03 lakhs for the previous year. In the course of two years, the profit has nearly doubled. It must, however, be noted that the Company's income for the year under review includes for jute destroyed by fire. The net profit, however, shows a decline of Rs. 2.54 lakhs to Rs. 12.02 lakhs for taxation (other than wealth tax), while Rs. 77,182 has been set aside for wealth tax (as Rs. 8.73 lakhs for depreciation (Rs. 7.49 lakhs) and Rs. 3.30 lakhs (Rs. 1.90 lakh) for managing agency remuneration. No addition has been made to the added to it a year ago. The allocation to the development rebate reserve has been reduced from Rs. 2.70 lakhs to Rs. 1.14 lakh, while the usual debenture sinking fund has been made to the nary shares has been maintained at 20 per cent. but it is on a higher capital raised by the issue of 42,000 ordinary shares of Rs. 100 each (of which Rs. 50 per share have been called and paid-up) to the holders of the 21,000 old ordinary shares of the dividend on the old capital was doubled last year from 10 per cent. to 20 per cent. After paying the usual dividend on the 7 per cent. and 5½ per cent. preference capital, a sum of Rs. 1.94 lakh is left to be carried over.

Sales of gunnies have declined from Rs. 4.0 crores to Rs. 3.82 crores, as also consumption of raw jute from Rs. 2.33 crores to Rs. 2.25 crores while other expenses have gone up from Rs. 1.4 crore to Rs. 1.49 crore.

The following synopsis of the Company's latest balance-sheet as on 31st March 1959 gives an idea of its financial position:

(In lakhs of rupees)			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	63.00	Gross block	261.26
Reserves and surplus	76.27	Less—Depreciation	159.41
Debiture Loan	15.61	Net block	101.85
Other loans	64.16	Capital works-in-progress	36.53
Other liabilities	75.69	Investments	2.12
		Stocks-in-trade and stores	105.91
		Debits, deposits and advances	44.18
		Cash	4.02
		Debiture issue expenses	0.16
	Rs. 294.73		Rs. 294.73

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 372 ex-div. per annum, free of tax.

COCHIN MALABAR ESTATE EARNS MORE DIVIDEND STEPPED UP

A RECORD gross profit of Rs. 15.93 lakhs has been earned by the Cochin Malabar Estates Ltd. (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Calicut) for the year ended 28th February 1959. This represents an increase of Rs. 4.35 lakhs over that for 1957-58 and of Rs. 2.01 lakhs over the previous high of Rs. 13.92 lakhs for 1955-56. This sizable improvement in earnings, notwithstanding a fall in output due to the sale of one of the Company's estates, is the result of a sizable reduction in cost of production and larger sales of rubber. The average price realised has also been a shade higher than in the previous year.

The net profit, at Rs. 5.68 lakhs, too, shows an increase of Rs. 1.90 lakh over the year, but it is Rs. 1.48 lakh lower than the high of Rs. 7.16 lakhs earned in 1955-56. The relatively smaller rise in net profit is accounted for by the substantially larger provision for taxation at Rs. 7.70 lakhs (as against Rs. 5.45 lakhs for 1957-58). The provision for depreciation is, however, a shade lower at Rs. 1.35 lakh. After adding the profit of Rs. 1.29 lakh on the sale of an estate and the tax refunds, the Directors have transferred Rs. 3.25 lakhs to the general reserve, as against Rs. 1.47 lakh last year. The addition to the general reserve includes the profit on the sale of the estate which will be kept as a provision for replanting expenses on other estates.

In consonance with the improved earnings, the Directors have recommended a higher dividend of 15 per cent. on the ordinary shares, raising it from 10 per cent. paid for 1957-58. It will be recalled here that, following the setback in earnings during 1956-57 the Directors had effected a cut in dividend from 25 per cent. to 15 per cent. In the following year, that is for 1957-58, they paid a dividend of 10 per cent., but this was on higher capital following the capitalisation of Rs. 8.97 lakhs from out of the general reserve, so that the total distribution was unchanged. The higher dividend for the year under review is also on this increased capital and is equivalent to 22.5 per cent. on the capital prior to the issue of bonus shares. In other words, the cut in distribution made two years ago has not been restored fully. This is because the net profit for the year under review, as was pointed earlier, is lower than that for 1955-56, as will be seen from the following comparative table:

	(In rupees)			
	For the year ended 28th February			
	1959	1958	1957	1956
Sale proceeds	47,42,957	87,70,080	37,70,068	24,58,425
Closing stocks	12,08,750	12,97,089	6,93,859	8,61,093
Expenses	62,14,115	68,92,058	24,17,770	17,37,686
Gross profit	15,93,048	11,57,902	11,51,928	13,52,512
Managing Agents' remuneration	1,20,216	86,431	82,698	48,079
Depreciation	1,24,707	1,48,340	1,18,199	1,18,123
Taxation	7,70,000	5,45,000	3,70,000	5,20,130
Net profit	5,68,125	5,78,151	5,81,051	7,16,550
Profit on sale of estate	1,29,125	—	—	—
Refund of tax	24,423	4,170	86,112	—
To reserves	8,22,000	1,47,008	3,80,000	8,00,000
Dividends—				
Ordinary	7,981	7,981	7,981	7,981
5½% tax-free preference	4,08,692	2,60,128	2,60,128	4,48,547
Carry forward	15,281	29,944	71,795	70,711
Crop harvested (in kg.)	899,559	909,522	800,484	840,546
Cost of production (cents per kg.)	254.26	280.45	354.68	308.98
Average price realised (cents per kg.)	400.50	396.08	384.68	392.22

The output of rubber has declined from 906,828 kilograms to 899,559 kilograms, consequent on the sale of the Eddivanna estate, consisting of 1,019 acres of planted rubber and some 58 acres of first class jungle, etc. While the crop for previous years included the output of this estate for the full year, that for 1958-59 included the production for one month only. Nevertheless, the crop for the year under review is higher than that harvested in any of the years preceding 1957-58. As compared with the previous year, the cost of production shows a decline of 26.19 cents per kg. to 254.26 cents; the overall costs also are lower by 24.91 cents at 288.59 cents per kg. The reduction in costs is accompanied by a small rise of 1.42 cent in the average price realised which was a high of 400.50 cents per kg. It will be interesting to note here that, despite the sizable reduction witnessed during the year under review, the cost of production for 1958-59 is still 50.33 cents higher than that for 1955-56, while the price realised is up by only 38.28 cents between these years. In other words, the margin of profit in 1958-59 was less than that in 1955-56.

The Company replanted 112.60 acres during the year under review and brought into tapping

COMPANY MEETINGS AND DIVIDENDS

CONCORD OF INDIA INSURANCE Co., Ltd. First and final dividend of 20 per cent. or Re. 1.00 per share, free of tax, for the year ended 31st December 1958.

TEZPORE TEA Co., Ltd. Annual General Meeting, Calcutta, 13th August 1959. Dividend: 12½ per cent. or Re. 1.25 per share. Transfer books remain closed from 3rd to 13th August 1959, both days inclusive.

BASMATIA TEA Co., Ltd. Annual General Meeting, Calcutta, 19th August 1959. Dividend: Rs. 2.00 per share. Transfer books remain closed from 6th to 19th August 1959, both days inclusive.

HANSQUA TEA Co., Ltd. Annual General Meeting, Calcutta, 19th August 1959. Dividend: Nil. Transfer books will remain closed from 11th to 19th August 1959, both days inclusive.

MARSHALL SONS AND Co. (INDIA) LTD. Annual General Meeting, Calcutta, 19th August 1959. Dividend: 20 per cent. or Re. 0.40 per share free of tax, payable on and after 1st September 1959. Transfer books will remain closed from 12th to 19th August 1959, both days inclusive.

COCHIN MALABAR ESTATES LTD. Annual General Meeting, Calicut, 19th August 1959. Dividend: 15 per cent. or Re. 0.45 per share (includes interim dividend of 5 per cent. or Re. 0.15 per share). Transfer books remain closed from 5th to 19th August 1959, both days inclusive.

SUTNA STONE AND LIME Co., Ltd. Annual General Meeting, Calcutta, 20th August 1959. Dividend: 17½ per cent. or Re. 1.75 per share. Transfer books will remain closed from 13th to 20th August 1959, both days inclusive.

SWASTIK TEXTILE MILLS LTD. Annual General Meeting, Bombay, 20th August 1959. Transfer books will remain closed from 14th to 20th August 1959, both days inclusive.

LAKSHMI MILLS Co., Ltd. Annual General Meeting, Coimbatore, 21st August 1959. Dividend: 12 per cent. or Re. 6.00 per ordinary share and Rs. 3.00 per 'A' ordinary share, free of income-tax. Transfer books remain closed from 7th to 21st August 1959, both days inclusive.

GROB TEA Co., Ltd. Annual General Meeting, Calcutta, 21st August 1959. Transfer books will remain closed from 11th to 21st August 1959, both days inclusive.

AURANGABAD MILLS LTD. Annual General Meeting, Bombay, 22nd August 1959. Transfer books will remain closed from 10th to 24th August 1959, both days inclusive.

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. Annual General Meeting, Bombay, 28th August 1959. Dividend: Rs. 7.50 per share (includes interim dividend of Rs. 3.00 per share). The final dividend is payable on and after 28th August 1959. Transfer books remain closed from 4th to 26th August 1959, both days inclusive.

BAILY JUTE Co., Ltd. Annual General Meeting, Calcutta, 28th August 1959. Dividend: Rs. 10.00 per share, free of income-tax. Transfer books will remain closed from 10th to 28th August 1959, both days inclusive.

METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD. Annual General Meeting, Mettur Dam R.S., 29th August 1959. Dividend: 4.4 per cent. final (making a total of 8.8 per cent. for the year), free of tax. Transfer books will remain closed from 17th to 29th August 1959, both days inclusive.

SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Tennur, Tiruchirappalli, 31st August 1959. Dividend: 9 per cent. or Re. 0.90 per share (includes interim dividend of 4½ per cent. or Re. 0.90 per share), free of tax. The final dividend is payable on and after 31st August 1959. Transfer books remain closed from 5th to 31st August 1959, both days inclusive.

DEHRI-RORTAS LIGHT RAILWAY Co., Ltd. Annual General Meeting, Dalmianagar, 1st September 1959. Dividend: Re. 1.70 per share. Transfer books will remain closed from 18th August to 1st September 1959, both days inclusive.

HOWRAH MILLS Co., Ltd. Annual General Meeting, Calcutta, 8th September 1959. Transfer books will remain closed from 20th August to 8th September 1959, both days inclusive.

RELIANCE JUTE MILLS Co., Ltd. Annual General Meeting, Calcutta, 8th September 1959. Transfer books will remain closed from 1st to 8th September 1959, both days inclusive.

DISHERGARR POWER SUPPLY Co., Ltd. Dividend of Rs. 7.50 per share, for the year ended 31st March 1959.

INDIA PAPER PULP Co., Ltd. Final dividend of Re. 0.50 per share, for the year ended 31st March 1959.

TRAVANCORE CHEMICAL AND MANUFACTURING Co., Ltd. Dividend of 10 per cent. or Re. 1.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 13th to 20th August 1959, both days inclusive.

RAJAPALAYAM MILLS LTD. Dividend of 6 per cent. or Rs. 6.00 per share, for the year ended 31st March 1959. Transfer books remain closed from 4th to 17th August 1959, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Final dividend of 4 per cent. or Re. 2.00 per share, for the year ended 31st March 1959. Transfer books will remain closed from 22nd to 29th August 1959, both days inclusive.



SYNOPSIS OF COMPANY REPORTS

Bombay Suburban Electric Supply Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st March 1959.

During the year 9,147 new consumers were connected to the mains, bringing the total number to 67,613 which is an increase of 15.64 per cent. over the previous year. The number of units purchased from the bulk suppliers rose by 17.99 per cent. The following table indicates, in terms of units sold, the development of the sales of energy since the year 1956-57.

Kilowatt hours sold for the year ended 31st March	Public lighting and general purposes	Power purposes	Total	Percentage increase on previous year
1957	32,858,603	38,856,173	71,714,776	18.64
1958	37,924,132	45,657,915	83,582,047	16.54
1959	44,833,025	55,035,589	99,868,614	19.48

The year under review showed progressive results. The sale of energy for lights and fans and general purposes increased by 18.22 per cent. and for motive power by 20.54 per cent. The maximum load on the Company's system was 25,500 k.w.s. as against 20,940 k.w.s. during the previous year, an increase of 21.78 per cent.

The Company's transmission and distribution systems were maintained in good order, and continued to give trouble-free service. At the close of the year there were 189 miles of high tension and 245 miles of low tension mains on the Company's system.

During the year 14 new substations were added (making a total of 208) and the transformer capacity of 9 existing substations was re-organised to ensure the most efficient use of the plant. The high tension system has been substantially strengthened and extended. The low tension network including mains, services and street lighting, has been expanded. Extensive developments are taking place in the Company's area of supply due to industrial and residential expansion.

The gross profit for the year amounts to Rs. 15,48,077 (Rs. 18,56,116) after charging depreciation amounting to Rs. 10,44,649 (Rs. 9,09,384) in accordance with the provisions of the Electricity (Supply) Act, 1948. Rs. 1,10,000 (Rs. 85,000) for wealth tax and Rs. 5,18,160 (nil) for taxes on income and profits. A credit to employees' retiring gratuities reserve of Rs. 92,064 (Rs. 89,107) has also been charged against the profits of the year.

To the profit of Rs. 15,48,077 (Rs. 18,56,116) there falls to be added Rs. 1,73,690 (Rs. 22,187) transferred from tariffs and dividends control reserve and Rs. 452 (Rs. 364) brought forward from last year, making a total of Rs. 17,22,219 (Rs. 18,78,665) including Rs. 198 being post-war refund of excess profits tax. After writing off Rs. 1,258 (Rs. 1,258) from new share capital issue expenses, Rs. 8,950 (Rs. 8,950) from promotion expenditure and providing Rs. 91,272 (Rs. 84,475) for contingencies reserve and Rs. 1,94,726 (Rs. 5,27,751) for development reserve, both in terms of the Electricity (Supply) Act, it is proposed to take Rs. 1,10,000 (Rs. 21,000) to equalisation of dividends reserve. There then remains a balance of Rs. 13,16,013 (Rs. 12,25,431). Deducting from this ad-interim dividend of Rs. 3 (Rs. 3) per share, absorbing Rs. 5,25,000 (Rs. 5,24,991) there is available Rs. 7,91,013 (Rs. 7,00,440) which it is proposed to apply as follows:—

To payment of a dividend for the half-year ended 31st March 1959, at the rate of Rs. 4.50 (Rs. 4.00) per share [making 74.77 per cent. for the year] without deduction of income-tax; absorbing Rs. 7,87,500 (Rs. 6,99,988) leaving a balance to be carried forward of Rs. 3,513 (Rs. 452).

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,75,00,000	Gross block	3,66,55,333
Reserves	62,16,730	Less—Depreciation	87,53,361
Provision for taxation	11,01,461	Net block	2,79,01,972
Provision for wealth tax	99,435	Work-in-progress	5,63,430
Liabilities P. & L. a/c	83,10,079	Stores, spares and loose tools	13,95,084
	3,513	Debits, deposits and advances	21,04,272
		Investments	8,45,173
		Cash	2,47,701
		Miscellaneous expenditure	1,73,586
	Rs. 3,32,31,218		Rs. 3,32,31,218

Marshall, Sons and Co. (India) Ltd.

The directors of the above Company (Managing Agents: Marshalls (Direction) Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1958.

The profit and loss account shows a profit of Rs. 5,34,819 (Rs. 7,08,571). After adding the profit on the sale of furniture and motor vehicles amounting to Rs. 11,687 (nil) there is a total amount of Rs. 5,46,506 (Rs. 7,20,829) including Rs. 12,258 being dividend received from John Fowler (India) Private Ltd.). After providing for general depreciation Rs. 92,273 (Rs. 86,393), for development rebate reserve Rs. 2,270 (nil), for adjustments in respect of previous years Rs. 18,751 (Rs. 39,322) for payments of forfeited dividends Rs. 330 (nil) and for provision for taxation Rs. 2,75,000 (Rs. 3,50,000) the year's trading shows

a net profit of Rs. 1,57,883 (Rs. 2,44,686 after deducting Rs. 428 for loss on sale of furniture). To this is added the amount brought forward from previous year of Rs. 1,35,774 (Rs. 1,01,088) making a total of Rs. 2,93,657 (Rs. 3,45,774). The directors recommended that this amount be disposed of as follows:—

By payment of a dividend of 20 (20) per cent. free of Indian Income-tax amounting to Rs. 2,10,000 (Rs. 2,10,000) and leaving a balance of Rs. 83,657 (Rs. 1,35,774) to be carried forward.

The year under review has shown a further rise in turnover as compared with the previous financial year although the trading profit has shown considerable reduction due to the very competitive market conditions which entailed a reduction in the normal realisable margins of profit on a number of orders. The directors feel justified in again recommending that a dividend of 20 per cent. free of tax should be paid.

There has been an increase in expenditure during the year, although every endeavour has been made to keep expenses as low as possible; contributing factors have been the enhanced scales of salary and dearness allowance paid to staff based on the cost of living index, normal annual increments and higher interests on overdraft.

There has been an improvement in despatching facilities, although of necessity a large percentage of deliveries to the Tea Districts were made by air freight. In the last year's report the directors commented on the problem at ports and extra delivery charges thereby incurred, and it is gratifying to know that this position did improve during the year under review.

The restrictions in imports during the year in question were considerable but the development of local manufacture has proved to be most beneficial. Bearing in mind the policy of the Government of India the Company will continue to explore the further possibilities of indigenous production.

The directors have pressure in mentioning the continued satisfactory working of the Marshall/Britannia Agreement, and there is an improved availability of indigenous manufactured tea machinery, diesel and steam road rollers and necessary parts therefor.

The indigenous manufacture of Marshall/Baxter stonebreakers has developed satisfactorily and these machines together with the required spare parts will contribute considerably in stabilising the turnover of the Company.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	10,50,000	Gross block	17,91,604
Reserves	18,92,270	Less—Depreciation	14,09,857
Provision for taxation	7,87,389	Net block	3,81,747
Liabilities P. & L. a/c	1,48,81,871	Stock in trade	1,10,53,544
(surplus)	83,657	Stores etc.	54,905
		Debits, deposits and advances	67,62,531
		Investments	1,26,582
		Cash	3,15,878
	Rs. 1,86,95,187		Rs. 1,86,95,187

Shaw Wallace and Co., Ltd.

The directors of the above Company (Chairman: Stanley Mackay Smith, Esq., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The Company's profit for the year is Rs. 44,44,878 (Rs. 37,91,964). Of this provision for taxation amounts to Rs. 21,74,946 (Rs. 18,24,163) leaving a net profit after taxation of Rs. 22,69,932 (Rs. 19,67,801). To this should be added the amount brought forward from last year of Rs. 3,65,425 (Rs. 3,64,354) and adjustments in respect of previous years taxation Rs. 22,181 (nil) making a profit available for appropriation of Rs. 26,57,538 (Rs. 23,32,155). Out of this the following appropriations have been made or are recommended by the directors:—

To amount written off investments Rs. 2,00,000 (Rs. 5,00,000), to amount transferred to general reserve Rs. 7,50,000 (Rs. 4,00,000), to amount transferred to development rebate reserve Rs. 1,62,000 (nil), to payment of interim dividends on the cumulative preference shares on the 15th July 1958, 3 per cent. less income-tax Rs. 1,54,123 (Rs. 1,54,123) and on the 15th January 1959, 3 per cent. less income-tax Rs. 1,54,124 (Rs. 1,60,807). The directors now recommend a dividend of 10 (10) per cent. on the ordinary shares without any deduction of income-tax paid by the Company absorbing Rs. 7,50,000 (Rs. 7,50,000) leaving a credit balance to be carried forward to 1959 of Rs. 4,87,291 (Rs. 3,65,425 after writing off goodwill by Rs. 2,000).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,50,00,000	Gross block	83,30,245
Reserves	30,30,545	Less—Depreciation	18,26,024
Provision for taxation	31,00,000	Net block	65,04,221
Liabilities P. & L. a/c	3,20,02,876	Capital work-in-progress	2,39,287
(surplus)	4,87,291	Stock in trade	1,14,68,928
		Stores, loose tools, etc.	9,92,219
		Debits, deposits and advances	1,74,30,317
		Investments	1,66,43,377
		Cash	3,42,164
	Rs. 5,36,20,513		Rs. 5,36,20,513

Murphulani (Assam) Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses, of Rs. 2,38,115 (Rs. 2,36,256) of which taxation provision requires Rs. 1,36,000 (Rs. 1,10,000). The balance brought forward from last year was Rs. 40,086 (Rs. 39,252) making a total available for appropriation of Rs. 2,02,201 (Rs. 1,65,711) including Rs. 203 being surplus on redemption of investments. The directors have transferred to general reserve Rs. 85,000 (Rs. 50,000) and to development rebate reserve Rs. 371 (nil) leaving an available balance of Rs. 1,16,830 (Rs. 1,15,711). The directors now recommend that the following dividends be paid:—

On the preferred ordinary shares at Rs. 2.50 (Rs. 2.25) per share absorbing Rs. 50,000 (Rs. 45,000) and on the ordinary shares at Rs. 2.00 (Rs. 1.75) per share absorbing Rs. 35,000 (Rs. 30,625). The directors have forfeited unclaimed dividends in accordance with Article 158 Rs. 7,733, thus leaving a balance to be carried forward of Rs. 39,583 (Rs. 40,086).

Wealth tax is estimated to amount to Rs. 3,470 against which there is a surplus of Rs. 1,245 from provision made in previous years. Rs. 2,225 has been provided in these accounts and a similar sum has been transferred from general reserve.

A crop of 5,171 maunds was secured and sold at an average price of Rs. 2.75 per lb. This compares with a crop of 5,544 maunds in 1957, sold at an average price of Rs. 2.45 per lb.

Estimates for the current season have been framed for a crop of 5,600 maunds to cost Rs. 8,42,175; the crop will be manufactured in the new factory, which has just been completed on the site of the old factory.

In the report of the directors for the year ended 31st December 1957, members of the Company were advised that permission had been received from the Controller of Capital Issues to stand to the credit of general reserve. This having carefully considered the matter, the Board, opinion that, in view of the removal of the excess dividend tax but not of the tax on bonus issues, a bonus issue at this stage would not be in the best interests of the Company.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	3,75,000	Gross block	12,43,977
Reserves	7,81,455	Less—Depreciation	6,21,441
Provision for taxation	1,44,428	Net block	6,22,536
Provision for wealth tax	3,470	Stock of tea	3,71,280
Liabilities P. & L. a/c	5,29,741	Stores, etc.	2,66,867
(surplus)	39,583	Debits, deposits and advances	1,95,009
		Investments	2,242
		Cash	4,15,723
	Rs. 18,73,657		Rs. 18,73,657

Mim Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses, and crediting the amount of a claim under the hail insurance policy, of Rs. 30,079 (loss of Rs. 58,830). The debit balance brought forward from last year was Rs. 27,148 (credit of Rs. 22,459) leaving a credit balance of Rs. 2,931 (debit of Rs. 42,148). The directors have transferred to development rebate reserve Rs. 761 (nil) and have leaving a balance to be carried forward of Rs. 3,487 (nil) (debit of Rs. 27,148 after transferring Rs. 5,657 being excess tax provisions). The West Bengal Entry Tax levied during the year amounted to Rs. 7,409.

Although the results were considerably better than in the previous year, the directors regret that they have been unable to recommend the payment of a dividend.

Satisfactory prices were obtained for the 1958 teas but, owing to the heavy hail damage, that occurred early in the year and which was assessed at a total of 500 maunds made tea, crop was considerably below expectations. A crop of 1,979 of Rs. 3.93 per lb., which compares with a crop of 2,062 maunds in 1957, sold at an average price of Rs. 3.45 per lb.

Estimates for the current season have been framed for a crop of 2,500 maunds to cost Rs. 6,45,169 and although slight hail damage occurred at the garden in April this year, it is will be secured. By the 14th June 1959, 1,000 maunds had been harvested compared with 843 maunds to the same date last year.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,59,000	Gross block	4,97,719
Reserves	3,51,000	Less—Depreciation	2,19,852
Provision for taxation	1,087	Net block	2,77,867
Liabilities P. & L. a/c	2,03,589	Stock of tea	1,85,518
(surplus)	5,657	Stores, etc.	66,225
		Debits, deposits and advances	1,00,877
		Investments	1,097
		Cash	88,729
	Rs. 7,20,313		Rs. 7,20,313

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

INTER-BANK CALL RATE HARDENS

(From Our Own Correspondent)

BOMBAY, 5th August

There has been a sudden pull on the short-term money market during the last three days. The heavy sales of Intermediate Treasury Bills in the week ended 25th July, the larger borrowings through regular Treasury Bills and the movement of some funds to Calcutta, presumably to finance raw jute purchases by mills, have denuded the market of a good part of its surplus funds. There has, therefore, been a hardening of interest rates in the inter-bank call money section from 1 per cent. to 1½ per cent. among Exchange banks and from 1 per cent. to 1½ per cent. among the smaller banks. House money at seven days' notice is, however, being bid at the self-same rate of 3¼ per cent. and short-term deposits for one to six months at 3¼-4 per cent.

In contrast to the aforesaid trend, the 91-day Treasury Bill rate has registered a further, but small, setback to 2.519 per cent. per annum from 2.545 per cent. last week and 2.717 per cent. two weeks back. The response to the tenders has, however, been less encouraging than last week, the total amount offered being Rs. 4.05 crores, as against Rs. 5.35 crores last week. The amount invited in each of the weeks was Rs. 3 crores. Tenders for next week are unchanged at Rs. 3 crores. Sales of Intermediate Treasury Bills during the period 29th July to 1st August were also substantially lower at Rs. 68.25 lakhs, as compared with Rs. 7.25 crores in the corresponding period of the preceding week. These bills will be offered again from 5th to 8th August at Rs. 99.386 per cent., as against Rs. 99.391 per cent. last week.

For the second week in succession, notes in circulation have recorded a sizable contraction. In the week ended 24th July, they had shrunk by Rs. 24.74 crores and the Reserve Bank statement for the following week (ended 31st July) shows a further fall of Rs. 14.30 crores. Notes held in the Banking Department are higher by Rs. 6.07 crores so that the net decline in total notes issued is Rs. 8.23 crores. As against this, the rupee securities show a fall of Rs. 9.71 crores and rupee coin an increase of Rs. 1.48 crore. While foreign securities are unchanged at Rs. 168.01 crores, balances held abroad (in the Banking Department) are lower by Rs. 2.42 crores (at Rs. 9.82 crores). The total foreign assets now amount to Rs. 177.83 crores, representing a fall of Rs. 14.90 crores over the year. Central Government's deposits have dropped by Rs. 4.45 crores, those of other Governments by Rs. 5.87 crores and of banks by Rs. 8.85 crores. There has been no worthwhile change in loans and advances to Governments or in other loans and advances. There are no outstanding borrowings of Scheduled banks against usance bills. Investments have declined by Rs. 17.62 crores and Government Treasury Bills purchased and discounted by Rs. 2.10 crores.

The Scheduled banks' statement for the week ended 24th July 1959, closes a rise of Rs. 9.34 crores in demand deposits, in contrast to the successive fall noted in the previous two weeks. Time deposits continue to swell, the increase during the week under review being Rs. 1.85 crore. Inter-bank borrowings have gone up by Rs. 2.26 crores, while borrowings from the Reserve Bank stand reduced by Rs. 2.61 crores. Advances maintain their downward trend, with a further decline of Rs. 12.17 crores. Bills purchased and discounted are, however, slightly higher by Rs. 59 lakhs. Investments have again risen by Rs. 18.36 crores. Cash balances are almost unchanged, but money at call and short notice has increased by Rs. 1.99 crore.

The buoyancy in Gilt-edged market shows no signs of flagging. Almost all the dated loans continue to attract good enquiries and there has been a further hardening of prices. The volume of business, however, has not increased to any perceptible extent. Early in the week, the Reserve Bank of India put up its governing price of 3½ per cent. 1969 by 10 nP to Rs. 99.05 and of 4 per cent. 1979 by 5 nP to Rs. 100.10.

3 per cent. 1966 Conversion Loan continues to provide an exception to the general trend, in the absence of any interest. There has been a further drop of 15 nP to Rs. 73.65 in this counter. 2½ per cent. 1961 has risen to Rs. 98.15 ex-voucher from Rs. 98.10 before payment of half-yearly interest on 1st August. 2½ per cent. 1962 has gained 10 nP to Rs. 97.60. 3 per cent. 1963-65 and 1964 have improved by 5 nP and 10 nP, respectively, to Rs. 97.50. 3 per cent. 1966-68 is quoted 20 nP higher at Rs. 95.20 and 3 per cent. 1970-75 10 nP higher at Rs. 92.20. A rise of 15 nP to Rs. 99.50 is noted in 3½ per cent. 1962. 3½ per cent. 1965 has, however, shed 5 nP to Rs. 100. 3½ per cent. 1968 has put on 5 nP to Rs. 99.35 and 3½ per cent. 1974 10 nP to Rs. 99.60.

There are good enquiries for 4 per cent. State loans. West Bengal 1967 and 1968 have each gained 15 nP to Rs. 100.25. Madras 1963 and 1964 are 10 nP higher at Rs. 100.40, as also 1967 and 1968 at Rs. 100.25. Andhra 1967 and 1968 are being quoted at Rs. 100.25, representing an increase of 10 nP over the week. U.P. 1963 and 1964 have each put on 10 nP to Rs. 100.40 and 1967 and 1968 5 nP to Rs. 100.25.

Sterling displayed a two-sided movement in terms of the U.S. dollar. Spot sterling at New York was marked down from 281.17-281.20 cents to 281.06-281.07 cents on Friday last. Since then, there has been a recovery to 281.15-281.18 cents yesterday. Three months' forward is quoted at 281.05-281.08 cents, after touching a low of 280.97-281.00 cents, as against 281.08-281.11 cents a week ago. The rupee-dollar rate also moved in consonance with this trend. Banks' selling rate for U.S. T.T. rose from Rs. 476 to Rs. 476.25 before going back to Rs. 476 per \$100. Their buying rate is, however, unchanged at Rs. 472.75 per \$100.

GOLD FIRM, SILVER STEADY

(From Our Own Correspondent)

BOMBAY, 5th August

The recovery in bullion noted on Wednesday last gathered momentum during the week under review. The sentiment of operators was aided favourably by fresh buying from Delhi, while new offerings were scarce. Gold met with good support induced by reports of large seizure of contraband gold. In sympathy with gold, the white metal, too, ruled fully steady. There would, indeed, have been a marked rise in price but for the sale of nearly 300 bars by a leading Calcutta trader after the close of the session yesterday.

August settlement in silver, which stood at Rs. 197-3 on Wednesday last, moved up to Rs. 197-12 on the opening day. Thereafter, it fluctuated narrowly and touched a low of Rs. 197-1 and a high of Rs. 197-10 yesterday. Opening at Rs. 197-6 today, it improved to Rs. 197-10 before finishing an anna lower. September settlement registered a net rise of As. 7 over the week, today's closing rate being Rs. 197-5. The backwardation rate (Buddi in favour of bulls) for August settlement widened from As. 5 last week to As. 7 on Monday, but narrowed subsequently and stood at As. 4 today.

Ready silver began the week at Rs. 196-14, as against Rs. 196-13, and gradually rose to touch Rs. 197-7 today. Towards the close, it was a shade easy at Rs. 197-6. The daily average arrivals and offtake of silver were 20 bars and 11 bars, respectively. The floating stocks of silver are estimated at 500 bars.

Induced by good buying orders, August settlement in gold registered a handsome rise in value, today's closing quotation being Rs. 118-3, as against Rs. 117-3 last week; at one time today, it had even touched Rs. 118-7-6. September settlement spurred from Rs. 117-3 to Rs. 118-4-6 today before winding up lower at Rs. 118.

Ready gold enjoyed good demand and improved in the course of the week from Rs. 117-1 to Rs. 118-9-6 today. At higher levels, profit-taking set in and the rate eased to Rs. 118-5 towards the close. The daily average arrivals of gold were 3,250 tolas, while the offtake was 2,250 tolas. The floating stocks of gold are reported to be around 45,000 tolas.

There was no change in the quotations for ready and forward silver in the London bullion market during the week; they stood at 78½d. and 78½d. per ounce, respectively. Silver in New York was also unaltered at 91.375 cents per ounce. Ready gold in London, however, firmed up from 249s. 9½d. to 249s. 10½d. owing to the easiness of the pound sterling vis-à-vis the dollar. The latest available dollar rate for gold in London is \$35.11½-\$35.13½ as against \$35.12½-\$35.14½ a week before.

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

	5-8-59	Highest	Lowest	29-7-59
GOLD				
Ready (99 fine Mint)	Rs. a. 118 5	Rs. a. 118 9½	Rs. a. 117 5	Rs. a. 117 1
Forward	118 3	118 7½	117 6	117 8
SILVER				
Ready (999 fine Mint)	Rs. a. 197 6	Rs. a. 197 7	Rs. a. 196 13	Rs. a. 196 18
Forward	197 5	197 12	197 1	197 3
London Silver Ready	249s. 9½d.	249s. 10½d.	249s. 10½d.	249s. 9½d.
London Forward	78½d.	78½d.	78½d.	78½d.
London Gold	Rs. 117 3	Rs. 118 4-6	Rs. 117 3	Rs. 117 3
New York Silver	91.375 cts.	91.375 cts.	91.375 cts.	91.375 cts.

* 20th August settlement. † 21st August settlement.

October, November-December, January-February 29.25.

Quiet conditions prevailed in the New York cotton futures market during the week. Futures contracts moved in a narrow range with values showing a sagging tendency. Operators were inclined to await the August crop forecast expected on the 8th inst. Weather and crop news continued to be generally favourable. One private estimate placed the 1959-60 crop at 13.86 million bales, as against last season's production of 11.51 million bales. A further reduction in certified cotton stocks was reported. Government-controlled stocks as on 17th July aggregated about 7.2 million bales, made up of 6.1 million bales of 1958 loan stocks and 1.1 million bales of C.C.C.-owned stocks.

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

	(In cents per lb.)	4-8-59	28-7-59	21-7-59
Spot	...	33.55	33.85	34.40
October	...	32.26	32.37	32.32
December	...	32.29	32.31	32.32
March	...	32.57	32.62	32.58

COTTON YARN MOVES UP

(From Our Own Correspondent)

BOMBAY, 5th August

Trading in the yarn market during the week under review was characterised by distinct firmness of cotton yarns. The firmness was engendered by expectations of substantial fresh export business, in addition to the sale of large quantities of yarn to Indonesia and Burma through the State Trading Corporation. A marked rise in raw cotton prices also imparted much strength. The closing rates for many varieties of yarns today were higher than those prevailing in the past few weeks. In contrast to cotton yarns, art silk yarns encountered selling and tended to decline. This was due to the decline in nylon yarn prices following reports of the grant of advance import licences under the Export Promotion Scheme. Even the perceptible drop in arrivals of imported art silk yarns into Bombay port during the month of July failed to have any effect. The aggregate arrivals during the month were no more than 2.12 million lbs. as against over 3.94 million lbs. in the previous month. Staple fibre yarns also came in for selling on fears that some mills were inclined to sell large quantities in the next few weeks. These mills, it was felt, were likely to receive further quantities of raw staple fibre from the manufacturers. The reports from various consuming districts, too, were not encouraging; offtake was said to be rather restricted.

Cupressa Bamberg yarn (60x2) August delivery suffered a loss of Rs. 19, today's closing rate being Rs. 1,680. October delivery receded from Rs. 1,736 to Rs. 1,731. Spot cupressa was neglected at Rs. 7.56, same as last week. Among imported art silk yarns, 120 Japan and 150 Japan declined by 3 nP each to Rs. 4.84 and Rs. 4.80 respectively. 120 Italy dropped 6 nP to Rs. 4.94. 150 Italy fell by 7 nP to Rs. 4.71. Among indigenous yarns, National Rayons 150 bright cones first grade eased by 7 nP to Rs. 4.24. 120 bright cones first grade lost a like amount to Rs. 4.69.

Staple fibre yarn (40x2) August contract moved down from Rs. 674 to Rs. 666. October contract declined by Rs. 15 to Rs. 654. Spot Kohinoors receded by 8 nP to Rs. 3.56. Citys and Centurys both finished 6 nP lower, the former at Rs. 3.44 and the latter at Rs. 3.56. Imported staple fibre yarns also suffered a setback. Paramounts declined by 16 nP to Rs. 8.06 and Fujis by 19 nP to Rs. 8.62.

The cotton yarn section, as already stated, ruled active with an all-round improvement in prices. Ten counts Podars strengthened by 50 nP to Rs. 13.50. Moderns picked up 25 nP to Rs. 14. Twenty counts Hinds rose by 12 nP to Rs. 16.87. Moderns were done at Rs. 17.25, as against Rs. 17. Forty counts Minaxis spurted by 18 nP to Rs. 25.62. Moderns forged ahead from Rs. 26 to Rs. 26.75. Sixty counts Raghuvams and Finlays were fully maintained at the last week's levels of Rs. 57 and Rs. 63, respectively. Eighty counts Moderns hardened by rupee to Rs. 78. Finlays gained a like amount to Rs. 82. Mahendras advanced by 75 nP to Rs. 73. Citys improved from Rs. 66.75 to Rs. 67.50.

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

	5-8-59	28-7-59
Art silk yarn—		
60/1 Cupressa Bamberg August (100 Kg.)	1,680	1,690
October	1,736	1,731
60/1 Cupressa Bamberg spot (per lb.)	7.56	7.56
120 Japan (per lb.)	4.84	4.84
150 Japan (per lb.)	4.80	4.80
120 Italy (per lb.)	4.94	4.94
150 Italy (per lb.)	4.71	4.71
Staple fibre yarn—		
40x2 August (per case of 200 lbs.)	666.00	674.00
40x2 October	666.00	660.00
40x2 Kohinoor (per lb.)	3.56	3.56
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	13.50	13.00
20s Modern	17.25	17.00
40s Minaxi	25.62	25.44
60s Finlay	63.00	63.00
80s Mahendra	73.00	72.25

LINSEED FIRM

(From Our Own Correspondent)

BOMBAY, 5th August

Divergent trends were in evidence in the oilseeds market during the week under review. While groundnuts and castor seeds suffered a slight setback, linseed and cottonseed firmed up. Although the groundnut section gave way at the close of the

week, it had been fully steady during the major part of the week, thanks mainly to fears of crop damage as a result of heavy rains, particularly in Saurashtra. This restricted the offerings. Subsequent reports to the effect that the oilseed crop was not adversely affected by bad weather, set off a revival of selling pressure. The castor seed section was featureless, since the prospects for exports of oil did not make any appreciable improvement. The U.S.'s lack of interest in the Indian market for castor oil continued to be a disquieting feature. Although the arrivals of castor seeds declined slightly during the week, this factor failed to make any impression on the market, presumably owing to the large stocks already accumulated with the traders. The strength in cottonseed is mainly derived from the particularly firm conditions prevailing in the raw cotton market. In the linseed section, there are unmistakable signs of improvement in prospects for exports.

The linseed section depicted a cheerful appearance during the week. Many recent developments have tended to reduce the disparity between the price of Indian linseed oil and its foreign counterparts. In the first place, the production of linseed in India in 1958-59 is estimated at 4,30,000 tons, representing a record since 1948-49 and a rise of about 75 per cent. over 1957-58. The area under linseed has also gone up by 18.5 per cent. to 37,08,000 acres. The expansion in the production of linseed will bring down the price of Indian oil. Besides, there are indications that prices of foreign linseed oil are drifting upwards, thanks to lower linseed crop estimates in the U.S. and the reduction in the Canadian sowings. In these conditions, linseed September 1959 contract, which wound up last week at Rs. 32.56, rose to Rs. 32.87 today, after moving both ways in a narrow groove. Bold ready improved from Rs. 32.50 to Rs. 32.87. Oil advanced from Rs. 15.87 to Rs. 16.12.

In contrast, the groundnut section was dull. The groundnut September 1959 contract remained unchanged at Rs. 191, after fluctuating between Rs. 193.50 and Rs. 191.50 over the week. Bold ready lost 75 nP to close at Rs. 39.25. Oil ex-mill closed today lower at Rs. 20.37, as against Rs. 20.75 last Wednesday.

The castorseed September 1959 contract, which had finished at Rs. 154.75 last week-end, reacted to Rs. 152.87. Ready Madras shed 13 nP to Rs. 30.62. Oil Commercial lost 87 nP to Rs. 15.75. Cottonseed September 1959 contract which closed last week at Rs. 136 improved to Rs. 136.50. The February 1960 contract, however, closed lower by 50 nP at Rs. 112.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	5-8-1959	29-7-1959	22-7-1959
Groundnut			
August 1959	191.00	191.00	195.00
February 1960	112.50	112.50	108.50
Bold ready	39.25	39.25	41.00
Coromandel ready	39.50	40.25	41.00
Khandesh quality	39.50	40.25	41.25
Oil ex-mill ready	20.37	20.75	21.50
Railway receipt	20.87	20.37	21.31
Castor seed			
September 1959	152.87	154.75	157.75
May 1960	158.75	154.37	158.37
Ready Madras	30.62	30.62	31.00
Ready Kanpur	29.50	29.75	30.00
Oil 55.5, 5.0	16.09	15.81	16.31
Oil commercial	15.75	16.02	16.00
Linseed			
September 1959	32.87	32.56	32.31
May 1960	32.25	31.75	32.00
Bold ready	32.87	32.50	32.50
Oil ready	16.12	15.87	16.00
Cotton seed			
September 1959	136.50	136.00	137.00
February 1960	112.50	113.00	116.00
Niger seed	31.00	30.75	31.00
Karai seed	23.50	23.50	23.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cert. 4 candy is 560 lbs., except in the case of cotton seed, for which it is 754 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

SUGAR ARRIVALS SMALLER

(From Our Own Correspondents)

BOMBAY, 5th August

Arrivals of sugar by rail and road into the City were smaller during the week under review, as compared with those last week, being 11,000 bags, as against 16,400 bags. Nevertheless, the stocks in the market were quite sufficient to meet the normal rise in demand in the first ten days of a month. The supply position is expected to improve considerably in the next few weeks, as a result of the inflow of sugar against the latest release orders obtained by the sugar mills.

The wholesale rates per bag for the different grades of sugar prevailing today are the same as those prevailing a week before. They are: A grade: Rs. 118.81; B grade: Rs. 114.08; C grade: Rs. 112.02; D grade: Rs. 111.

Sugar circles are awaiting the publication of the Union Food Ministry's note on sugar prices which Mr. A. P. Jain announced in the Lok Sabha on Monday would be presented this week. The announcement was made when a Socialist Member sought to raise through an adjournment motion, the question of mounting sugar prices and the Government's failure to check them. The speaker of the Lok Sabha disallowed the motion, but said that some time would be allotted later to discuss the subject of sugar prices. Mr. Jain agreed to have a discussion.

HAPUR, 3rd August

After early sharp decline, sugar prices tended to go up in the week-end following the announcement of the latest sugar policy by the Government

of India. The inter-State movement of sugar has been banned in order to ensure that allotments made to each State are available for local consumption. There would, however, be no such restrictions in the southern region where enough sugar is reported. Further, there would be no free sale release from factories in the Punjab, the U.P. and North Bihar and sugar in these areas would be allotted in accordance with special arrangements made by States or through licensed dealers. Besides, the Government has also released a large quantity of 1.80 lakh tons for sale. But as sales through fair-price shops established by had dropped to about Rs. 115 per bag, improved and is presently being quoted at Rs. 120 per bag. In retail, sugar is now available at Re. 1.12 per seer.

Mill delivery transactions in sugar in the Muzaffarnagar market came to a standstill, following the announcement of the latest Government policy about sugar, and the price trend, which was bearish, again showed signs of improvement. Sugar is now being quoted at Rs. 120 per bag, after having touched a low of Rs. 115 per bag. Demand was slack from the consuming areas as inter-State movement had been stopped. Sugar prices also tended to register a hardening trend in the week-end in Kanpur market.

Ready khandsari prices registered a sharp fall during the week due to ban on inter-State movement and slack demand and the latest prices are:—khandsari Rs. 35 to Rs. 39, Boora Rs. 38 to Rs. 40 a maund.

Ready gur prices continued steady, as ready stocks are fast declining and is now put at about 32,000 maunds. Latest rainfall has very much improved cane crop prospects, but crushing for new season will not begin before the beginning of October. Current prices are:—gur pasera best Rs. 21.50, kotha mixed dry-wet Rs. 19.75, shakker Rs. 22 a maund.

Gur prices also ruled steady in the Muzaffarnagar market where daily arrivals were small and the latest prices are:—Chaku dry Rs. 24.25, kotha mixed Rs. 23, shakker dara Rs. 22.50 to Rs. 24 a maund.

After early gains, future gur prices sagged, due to continued bear pressure. Opening at Rs. 152.87 last Monday, gur pabgur touched the highest at Rs. 14.63 in the middle of the week and then eased to Rs. 14.18 and is presently quoted near the lowest level of the session at Rs. 14.20.

EXPORT TEAS STEADY

(From Our Own Correspondent)

CALCUTTA, 4th August

With greater demand from all sides, especially from British buyers, steady conditions were in evidence during yesterday's export sales. Quality showed a further improvement, and the good quality teas recorded a fair addition to price. The news that the U.K. tea stocks declined by 2 million lbs. to 112 million lbs. in the week ended 24th July aided sentiment. Trade circles, however, considered this decline to be purely a temporary feature as shipments of tea from Calcutta to Great Britain were on the increase. In fact, shipments to the U.K. are now mostly tea. During this month, clearings to the U.K. would go up within the next three or four weeks. Two ships have already been declared full. Meanwhile, the weaker conditions during the sales held in Mincing Lane last week were attributed to poor quality of the offerings. However, wherever the offering was of good quality as, for instance, the best Dooras, prices tended to harden on keen competition.

In the internal sales held here last week, dusts on offer, amounting to 15,704 chests, met with good general demand. A feature was the improved demand for Darjeelings which were fully firm, in contrast to the quiet trend displayed in recent weeks. Exportable black orthodox teas rose above valuations by 4 to 8 nP with leg-cut Dooras recording a firm to dearer tendency. On the other hand, an irregular tendency was recorded by C.T.C.s. The very best C.T.C.s met with buyers at prices below valuations, while exportable C.T.C.s were taken to levels far above valuations. Medium C.T.C.s declined by 20 nP. The quotations, exclusive of excise duty, were: medium Assam C.T.C. Rs. 2.20, best Assam C.T.C. Rs. 2.70 to Rs. 3.00, medium Dooras Re. 1.80 to Re. 1.86, and medium Assam Re. 1.76 to Re. 1.84.

Leaf on offer amounted to 329 chests including 48 chests of green tea. Demand was good.

One of the features during yesterday's export sale, when offerings amounted to 40,717 chests, was the keen attention to the bright liquoring teas and other teas possessing clean black leaf. There was strong demand when the sale opened, but the demand petered out as the sale progressed and buyers became more selective. Valuations were realised by black well-made whole leaf grades. Similarly, the plainer teas in this section and more particularly the fibrous sorts receded. There was good demand for tippy teas, while Darjeelings met an easier market with the lots of poorer quality being withdrawn. Prices of plain broken quality being additions and, on keen competition, recorded small nings added 15 nP. All bright liquoring teas of orthodox manufacture, on keen support, realised valuations and often above. The quotations, exclusive of excise duty were: best Assam C.T.C. Re. 1.96, best Assam C.T.C. B.P. Re. 3.30 to Rs. 3.50, plain B.P. Re. 1.74 to Re. 1.80, medium fannings Rs. 2.10 to Rs. 2.20, medium B.P. Rs. 2 to Rs. 2.10, and plain fannings Re. 1.86 to Re. 1.96.

Export quota was quoted by sellers at 24 nP. Buyers were prepared to offer only 24 nP, and no business was put through.

MEDIUM TEAS DEARER

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

COCHIN, 29th July

Approximately 900,000 lbs. were offered in sale No. 29, which was held on 28th inst. Quality of teas offered was maintained. The market met with a good general demand. There was keen enquiry for low medium and medium descriptions which were dearer by 5 to 10 nP. Demand for best liquoring high grown broken teas was limited and were difficult of sale. However, similar fannings met with rather better support, but sold at rates below last. Whole leaf grades were generally easier with the exception of orange pekoes which met with a strong demand and were dearer. A small selection of tippy teas sold well at slightly easier rates. The following are the quotations:—

	1959	1958
Low medium	1.55 to 1.68	1.60 to 1.75
Medium	1.70 to 1.80	1.75 to 1.95
Good medium	1.95 to 2.20	1.95 to 2.15
Quality	2.05 to 3.15	2.10 to 3.20

London Market:—Sale of 27th July 1959:—Better demand for Assams and brighter Dooras. Africans irregular and sometimes lower.

Sale of 28th July 1959:—Good demand for Best. Others irregular.

Sale of 29th July 1959:—Best steady. Others lower.

Colombo Market:—Sale of 24th July 1959:—UVA quality improved. Prices correspondingly higher, especially B.O.P.F. small selection. Best Dimbula Dickoya B.O.P.s steady. Others less dear. Substantially lower. Corresponding B.O.P.F. better demand. Dearer rates, Mediums active 15 to 20c. dearer. Low grows 5 to 10c. dearer.

Sale of 27th July 1959:—Active demand. Useful liquoring grainy dusts considerably dearer. Other offgrades better demand. Generally dearer, particularly bright liquoring UVAS.

Calcutta Market:—Export:—40,800 chests. Strong general demand. Teas for price steady. Strongest feature plain and low medium fannings which were 10 to 15 nP dearer. Best C.T.C. well supported. Plainer C.T.C. and medium orthodox B.O.P.s 20 to 30 nP easier. Poorer whole leaf slightly dearer. Darjeeling fair inquiry. Tippy teas well supported.

Internal:—15,700 chests dust. Good demand black exportable types 4 to 8 nP dearer. Medium C.T.C. irregularly 20 nP easier. Best C.T.C. slightly easier.

Export Quota:—The market has been fairly active during this week with business taking place at 24 nP. At the time of writing there are sellers at 3 nP and buyers at 24 nP.

Forthcoming Auctions:—Sale No. 30 will be held on Tuesday, 4th August 1959 and Dust Sale 'U' on Thursday, 6th August 1959.

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

"Sale 30—975,000 lbs. Good but irregular demand. Low medium broken 5 nP easier, but similar fannings steady. Improved mediums and high-grown dearer, following quality. Whole leaf weaker."

SACKINGS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 4th August

The feature of the trading in the jute goods market during the week under review was the covering demand in heavy goods and keener activity in futures, developed subsequently, leading to impressive gains in prices of heavy goods constructions, in general, and B. twills, in particular. In sympathy, hessian was fully steady, but only routine business was put through and fluctuations were narrow. Encouraging reports from crop areas continued to be received, but mills accorded modest support to the fibre market and accepted fair quantities. Certain market circles were prone to interpret the increased purchases by mills as being due to a desire on the latter's part to be prepared to meet any subsequent rise in prices, considered probable as and when mills decided to increase production. However, fibre prices did not improve, but were fully firm at around previous levels.

Encouraging reports of U.S. burlap consumption, the satisfactory statistical position of goods, the increased demand for heavy goods both for internal requirements and export markets, and estimates of a higher fibre crop incidentally needing more outlet led to expectations of a further unsealing of looms in the near future.

There was the report during this week that recent attempts of a big paper mill in East Pakistan to use jute cuttings as pulp instead of bamboo shavings had met with success. During the last two years, Pakistan is finding it extremely difficult to dispose of its jute cuttings, for which not long ago India was a large buyer. However, with self-sufficiency in fibre supplies in India, Indian mills needed only taken quantities of the Pakistani fibre. In the recent trade talks held in New Delhi, Pakistan officials stressed their country's need to export as much cuttings to India as possible. It was thought here that New Delhi might attempt to help Pakistan in this regard. Trade circles, however, did not agree with this idea, as they thought that, if Indian imports of Pakistani jute increased, there was the danger of slump in India's own market which would dampen cultivators' enthusiasm.

On Tuesday last, heavy goods accounted for a good amount of covering business, and prices were steady. Near and ready delivery goods were keenly sought, and B. twills was fully steady at Rs. 98.50. On the other hand, there was little activity in hessian. The 40" 10 oz. which was quiet at Rs. 40.50. On the next day, conditions were akin as to those of the previous day, and ready B. twills

moved narrowly around Rs. 98.20, and hessian 40" 10 oz. was unchanged at Rs. 40.50. Although, on Thursday, covering business continued, activity in the futures market affected prices and ready B. twills gave way to Rs. 98.05. Covering business in ready goods continued. Hessian 40" 10 oz. also sagged and was quiet at Rs. 40.25. At this stage, China entered the market, and purchased a fresh quantity for shipment in this month and next. B. twills shot up to Rs. 98.85 and, in sympathy, hessian 40" 10 oz. improved to Rs. 40.35. At this stage, keener activity developed in futures, and in the ready market covering business was done on a larger scale. The result was the rise in B. twills to Rs. 100.15 and hessian 40" 10 oz. to Rs. 40.40 during the week-end. On keener activity in the futures and substantial covering demand against sales to China, B. twills rose to a high of Rs. 100.85 yesterday. In sympathy, hessian 40" 10 oz. advanced to Rs. 40.55. During the week, demand was also reported from Burma and Viet Nam, among other countries. Australia was also in the market for cornsacks. Burma accepted tender for 6,000 bales of sacking for September-October delivery.

Better support was accorded to fibre, as mills were anxious to increase their stocks. Stockists hoped that mills would announce their decision to increase production, and stated that this week's increased purchases of the fibre by mills was a preliminary to such a decision. Fair interest was also shown in new crop with northern bottoms being transacted at Rs. 22.75. The latest quotations of the new crop are as follows:

	Middles	Bottoms	Delivery
	Rs.	Rs.	
Lower and Upper			
Assam	25.75	23.25	Aug-Sep.
Northern	25.25	22.75	"
Desal	24.75	22.25	"
Cuttack	28.00	25.00	Oct-Nov.
Murshidabad	23.75	21.25	Aug-Sep.
Bihar, Jungli,			
U.P.	23.25	20.55	"
Daissee mesta	23.25	20.75	Sep-Oct.
Bimil f.a.q.	Rs. 21.00		Oct-Nov.
Pucca bales 1st mark	Rs. 175.00		per bale

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 3rd August

Quiet conditions were witnessed in the food-grain market during the week thanks to good rains received all over the U.P. which was still now facing drought conditions. Kharif grain and fodder crops are now progressing satisfactorily and with the harvesting of early maize crops, some new maize arrivals also began in the market. In East U.P., however, food situation was reported to be deteriorating, as that area was chronically deficit and wheat was reported to be quoted up to Rs. 27 a maund in some areas. The stock position with the State Government was reported to be in a position to tide over any crisis due to comfortable stock position.

Wheat prices at Hapur ruled quiet and are now being quoted at Rs. 18.25 per maund for average quality and up to Rs. 19.50 for farm produce. Consumer demand was being met out of stocks put forward by producers in private, but arrivals from these sources are also likely to decline with the onset of heavy monsoon. The Government purchases of wheat under the Wheat Levy Scheme here were nominal. The U.P. Government has increased the number of fair-price shops for distribution of grain and sugar which is also being rationed and the number is now put at 3,665 in the State. Rice prices ruled quietly steady and large-scale sowings of paddy and mungji crop would be possible now due to heavy rains received at the week-end. The prevailing prices of rice are:—basmati sela Rs. 33 to Rs. 36, mainpuri

ECONOMIC RESOURCES OF INDIA AND PAKISTAN

By K. C. GHOSH

It provides to the readers all relevant information regarding Man-power, Land, Agriculture, Livestock, Minerals, Forests, Ports, Irrigation and Power Projects, Transport, Industry, Banking, etc., etc. All commercial products have been treated individually and in great detail.

A dictionary of economic resources and a useful book of reference.

Price Rs. 20/- Foreign 30 sh.

K. P. BASU PUBLISHING CO.
42, CORNWALLIS STREET,
CALCUTTA-6

Rs. 25.25, ramajwayan Rs. 25.25, gadda Rs. 23 a maund.

Easy advices from Punjab and comfortable local stocks and slack demand accounted for a fall of 50 nP per maund in gram price during the past week. Local stock is unchanged at 60,000 maunds and continued arrivals are enough to meet day-to-day demand. Barley and bejhar prices steady, while inferior quality new maize was lifted at Rs. 13.75 a maund. Prices of other coarse grains hovered within narrow limits and week-end prices (per maund) were:—gram Rs. 12.62, barley Rs. 13, bejhar Rs. 12.50 to 12.87, maize new Rs. 13.75, jwar Rs. 13.50 to 15.50, guwar white Rs. 14.50, black Rs. 12, bajra Rs. 13.50 to Rs. 15.25. Stocks: gram 60,000, barley 4,000, jwar 8,500 maunds.

Pulses recorded an easy trend in the absence of ready demand. Arrivals of peas were about 150 maunds daily, while those of arhar were small. Local peas stock is put at 55 khatties and that of arhar at 30 khatties. Week-end prices (per maund) were:—peas dara Rs. 12.37, arhar white Rs. 13.50 to 14.25, peas dal Rs. 14, arhar Rs. 16.50 to 16.75, arhar dal Rs. 20 to 21, urar Rs. 19, moong Rs. 20 to 22, massor Rs. 14.50 to 19.

COPPER SCRAP FIRMS UP

(From Our Own Correspondent)

CALCUTTA, 4th August

The feature of trading in the otherwise dull metal market during the week under review was the upward trend in copper scrap, following greater demand. At Rs. 240 per cwt., the berry quality gained Rs. 5. On the London Metal Exchange, spot copper opened at £225½ per ton and soon shot up to £228½. However, as the week came to a close, the price returned to £225½. Demand in London was only of a normal type, mainly covering on Russian and German accounts. The price in London, albeit the recovery of the last two weeks, was still considered to be too low. Despite the recent production cut, it was not yet certain whether even this small recovery in London could be maintained. It was reported that a big mine in Canada was also likely to announce cutback in production in the near future. In New York, the week closed lower at 28.51 cents per lb., as against the opening of 29 cents. The weaker trend was attributed to the settlement of strike in Kennecott's New Mexico Chino Property and the possible settlement of the aluminum workers' strike in the United States.

Tin opened here at Rs. 576 per cwt. and, in the absence of adequate demand, sagged to Rs. 573. This was not to say that the stock position was comfortable. Only, some arrivals were soon anticipated and it was thought possible that demand would soon improve. In London, tin, after sagging

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

RAILWAY TRAFFIC—WAGON LOADINGS

Year/Month	Total No of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil- seeds	Raw Cotton	Cotton Man- ufactures	Raw Jute	Jute Man- ufactures	Sugar	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manga- nese Ore
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	48	148
1956-57	13,640	2,265	1,023	219	104	68	207	24	196	427	30	389	52	180
1957-58	14,311	2,339	1,229	214	105	52	219	25	213	503	39	396	46	193
1958-59	14,365	2,655	1,296	206	102	36	221	25	184	433	36	514	40	113
1959-60	14,314	2,380	1,239	219	105	36	219	25	213	503	39	476	47	104
March 1958	2,220	411	223	9	4	2	15	2	15	45	2	40	4	27
April	2,438	481	234	40	18	7	28	4	45	88	7	112	7	33
May	3,541	628	355	50	25	9	39	8	66	127	7	112	7	33
June	4,077	879	471	71	31	12	46	7	63	164	10	154	12	45
July	4,677	879	471	71	31	12	46	7	63	164	10	154	12	45
August	6,928	1,077	581	83	37	15	58	8	77	202	15	240	23	65
September	6,928	1,308	671	95	41	18	70	10	101	394	32	422	43	94
January 1959	11,784	2,228	1,083	160	80	39	180	19	151	394	32	422	43	94
February	13,018	2,431	1,184	186	80	33	201	21	169	433	34	466	43	103
March	14,385	2,655	1,296	206	92	36	221	23	184	433	30	514	40	113
April	1,285	218	122	23	13	3	16	4	12	01	4	41	2	12

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are for the month ending 31st March. Wagons (1 B. G.-2 M. G.) and incorporate revision in respect of earlier months. *Source* :—Ministry of Railways.

Industries.		1958	1957	January 1959*	February 1959*	March 1959*	March 1958
Major Industries—							
Coal	.. million tons	45.32	48.50	4.09	3.94	3.96	5.70
Steel (Ingots and Metal for castings)	.. thousand tons	1,813	1,715	154	182	209	151
Iron	.. million lbs.	1,685	1,780	130	137	141	138
Yarn	.. million yds.	4,927	5,317	430	392	406	406
Cloth	.. million tons	6.07	6.07	0.50	0.50	0.59	0.58
Cement	.. thousand tons	1,062	1,030	92	84	83	85
Jute	.. thousand tons	253	210	23	22	21	21
Paper and paper boards	.. thousand tons	614,400	578,400	47,500	45,400	—	42,800
Matchbox	.. thousand tons	1,957	2,068	445	411	387	378
Sugar	.. million tons	376.01	260.85	14.82	12.42	—	41.30
Engineering and Electrical Industries—							
Machine tools	.. Value in lakhs of Rs.	30.42	33.15	2.63	2.71	2.80	—
Electric lamps	.. millions	168.24	166.65	14.80	14.80	13.68	—
TV sets	.. thousands	1,129,000	1,219,200	100,000	80,000	—	113,300
Power transformers	.. k.v.a.	224,000	409,200	54,600	50,000	—	61,800
Electric Motors	.. No.	638,000	624,400	62,400	51,100	—	64,500
Electric fans	.. No.	198,108	190,092	14,384	15,474	—	15,772
Radio receivers	.. No.	355,200	324,000	32,700	32,300	32,600	29,400
Storage batteries	.. tons	298	8,555	297	406	—	—
Copper conductors	.. tons	2,112	1,020	241	223	—	—
Winding wires	.. tons	126.80	103.60	15.74	14.19	—	10.55
Rubber and plastic Ins. cables and flexibles	.. million yds.	746,400	193,200	78,600	67,200	—	84,100
Insulators—H.T.	.. million Nos.	5.00	4.69	0.21	0.13	—	—
Insulators—L.T.	.. million Nos.	4,280	3,838	597	598	636	407
Dieel engines—Vehicular	.. No.	25,890	18,644	2,427	2,358	—	1,822
Do —Stationary	.. No.	—	—	—	—	—	—
Chemical Industries—							
Salt	.. million tons	112.55	98.70	1.78	4.16	8.06	11.30
Caustic soda	.. million tons	69,432	42,548	5,179	4,825	5,233	4,262
Soda ash	.. tons	89,496	91,920	9,375	7,989	8,422	8,236
Chlorine liquid	.. tons	19,824	15,906	1,780	1,566	1,583	1,583
Bleaching powder	.. tons	6,504	5,340	539	423	583	571
Blechromates	.. tons	3,444	3,672	326	300	300	300
Bisulphuric acid	.. tons	226,018	194,098	20,000	20,500	18,100	18,100
Superphosphate	.. tons	166,800	141,684	16,483	16,000	—	14,700
Non-ferrous Metals—							
Aluminium	.. tons	8,182	7,784	805	1,429	—	683
Antimony	.. tons	827	502	15	25	—	5
Copper (virgin metal)	.. tons	7,856	7,845	468	466	677	717
Lead (virgin metal)	.. tons	3,355	3,174	392	347	410	400
Gold	.. thousand ozs.	170	179	10	14	15	15
Miscellaneous (Minor) Industries—							
Sewing machines	.. No.	205,320	167,484	19,593	18,093	—	18,711
Bicycles	.. No.	912,624	790,424	75,148	77,347	2,676	2,676
Automobiles	.. million Nos.	20,706	21,922	2,092	2,339	1.62	1.62
Cycle tyres and tubes	.. million Nos.	16.11	14.18	1.63	1.53	0.12	0.12
Motor tyres and tubes	.. million Nos.	1.95	1.92	0.17	0.17	0.18	0.

* Figures are subject to revision month to month. ‡ Includes figures for Jammu and Kashmir.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[illegible]

RAW COTTON STATISTICS

RAW COTTON STATISTICS

May

† Estimated.

* Provisional.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)	Particulars	From 1st Sept. to 7th July, 1958-59 Bales	From 1st Sept. to 7th July, 1957-58 Bales
Bombay Island—			From Bombay		
Cotton Receipts	Week ended 30th July, 1959 .. Corresponding week, 1958 .. 1st Sept. 1958 to 30th July, 1959 .. Corresponding period, 1957-58 ..	19,632(J) 9,950(J) 1,895,100* 1,684,078*	Cotton Shipments to—		
Cotton Exports	Week ended 10th July, 1959 .. Corresponding week, 1958 .. 1st Sept. to 10th July, 1958-59 .. Corresponding period, 1957-58 ..	4,790† 10,049† 379,462 264,723	United Kingdom ..	7,337	9,299
Min Consumption (Estimated)†	1st Sept. 1958 to 30th July, 1959 .. Corresponding period, 1957-58 ..	1,137,484 1,164,702	Continents ..	22,912	19,718
Stock (with exports, dealers and mills in Bombay (Estimated).)	On 30th July, 1959 .. Corresponding date, 1958 ..	739,449 683,816	Hongkong ..	37,074	8,204
Consumption of Cotton—			China ..	6,856	129,034
Indian	May 1959	879,393	Japan	6,319	5,085
Foreign	Nine months .. 1958-59 ..	3,491,576	U.S.A.	8,340	928
Indian	ended May	333,929	Other Countries		
Foreign	Same Period 1957-58 ..	2,390,560	Total to all foreign	269,323	175,272
Indian		430,242	countries	104,759(a)	79,966(b)
Stocks (Mills and Else- where)	As on 31st May 1959 ..	1,441,375	Coastal Ports		
Indian	Foreign	108,733	Total	374,013	255,238
Indian	As on 31st May 1958 ..	1,329,414			
Foreign	Foreign	149,820	Cotton Exports		
			from Bombay (by sea)	During May 1959 During May 1958 1st Sept. to 31st May, 1959 .. 1st Sept. to 31st May, 1958 ..	18 241 146 146
			Cotton Pressed in India† (In running bales)	Week ended 17th July 1959 Corresponding week, 1958 1st Sept. to 17th July 1959 Corresponding period, 1957-58	18 3,741 4,106 4,106
			Karachi (Pakistan)—		
			Receipts	1st Sept. to 10th July 1958-59 Corresponding period, 1957-58	Ba 984 1,093
			Exports	1st Sept. to 10th July 1958-59 Corresponding period, 1957-58	637 599

(J) By Rail and Sea. — Not Received. † Incomplete. ‡ From 23rd to 29th June. * By Rail, Sea and Road. (a) Up to 31st May, 1960. A—Adjusted. † Includes Zodia and various other boats. (b) Up to 30th June 1960.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES

(1952=100)

Group and Sub-Group	Week ended			
	25th July 1959	1st Aug 1959	8th Aug 1959	15th Aug 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.1	101.1	100.9	99.3
2. Government of India	101.0	100.9	100.7	99.1
3. State Government	102.4	102.4	102.4	100.6
4. Municipal, Port Trust, etc.	99.8	99.8	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.0	101.3	101.7	99.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	92.6	92.2	92.1	86.4

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	1952=100			
	1952	1953	1954	1955
8. Agriculture and Allied Activities	184.0	185.1	183.9	154.9
9. Tea Plantations	180.8	180.3	159.7	150.9
10. Coffee Plantations	120.2	120.4	119.9	110.6
11. Rubber Plantations	169.6	169.6	160.6	151.4
12. Mining and Quarrying	148.6	150.4	147.5	142.2
13. Coal	117.5	119.1	118.8	102.8
14. Other Mining	169.8	171.8	169.2	152.2
15. Processing and Manufacturing	157.1	159.1	154.0	136.5
16. Processing and Mfg. (Food stuffs, Textiles, etc.)	144.3	146.9	141.5	127.3
17. Sugar	173.3	177.4	171.2	164.1
18. Cotton Textiles	120.2	121.0	119.1	119.7
19. Jute Textiles	98.3	99.5	96.6	76.4
20. Silk and Woolen	624.6	646.3	597.6	408.6
21. Processing and Mfg. (Metals, Chemicals, etc.)	179.2	182.3	177.2	147.1
22. Iron and Steel	109.1	113.4	107.2	139.4
23. Transport Equipment	121.1	124.7	124.7	130.4
24. Electrical Machinery	135.3	136.2	129.8	144.1
25. Machinery other than Transport and Electrical	194.9	197.7	198.0	157.3
26. Basic Industrial Chemicals	156.2	156.7	151.7	125.8
27. Processing and Mfg. (Others)	152.3	153.9	149.7	144.8
28. Cement	139.3	141.3	138.8	139.4
29. Paper	204.1	205.6	199.2	182.8
30. Other Industries	116.7	119.5	116.7	110.2
31. Electricity Generation and Supply	93.0	93.1	91.3	91.6
32. Trading	102.9	103.2	101.5	89.4
33. Shipping and Other Transport	129.3	129.3	129.3	129.3
34. Construction	306.9	317.6	294.2	219.0
35. Financial	172.8	171.7	172.8	171.1
36. Banks	190.3	191.3	189.2	189.2
37. Insurance	136.8	136.2	131.0	128.0
38. Investment Trusts	99.2	99.2	97.5	78.1

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL.

	Bombay	Calcutta	Madras	Delhi
39. Bombay	156.9	159.3	154.5	149.4
40. Calcutta	146.7	147.6	146.7	146.7
41. Madras	168.6	170.3	166.6	151.1
42. Delhi	178.4	177.4	174.9	168.1

* Including "Miscellaneous." † Including "Edible and Vegetable Oils."

IRON AND STEEL PRODUCTION (In Tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,088,300	1,106,900	786,000
Do. 31st March, 1959	1,187,500	1,148,900	864,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	605,156	532,815	441,483
Do. 31st March, 1958	735,945	615,508	507,707
Do. 31st March, 1959	959,938	808,205	646,217
January to March, 1959	109,839	133,563	106,501
January to March, 1958	252,705	176,443	156,907
March 1959	36,826	41,132	35,707
April	86,826	71,132	61,707
May	94,105	87,433	69,470
June	78,795	67,810	49,536
July	97,082	71,411	56,908

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes	Total of Average number of workers involved	Number of men lost
1956	1,203	715,130	6,992,040
1957	1,248	640,871	4,962,229
January 1958	142	57,561	366,215
February	152	100,544	447,938
March	168	99,869	847,011
April	162	60,114	306,963
May	128	57,078	291,294
June	128	57,078	291,294
July	128	57,078	291,294

† In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available.

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of Rupees (Crores)	Per capita Income (Rs.)
India	1957-58	392.04	715,130	10,830	275.6
Pakistan	1956-57	88.50	4,962,229	2,079	246.4
Burma	1957	20.00	446	446	223
Ceylon	1957	9.00	8,385,000	1,018	1,200
Philippines	1957	22.80	2,095	2,095	927
New Zealand	1957	2.22	4,970	4,970	2,244
Australia	1957	9.60	17,418	17,418	1,810
U.K.	1957	51.40	126,220	126,220	2,450
U.S.A.	1957	174.00	168,447	168,447	968
Canada	1957	16.80	25,830	25,830	1,540
France	1957	44.00	17,880,000	17,880	4,008
W. Germany	1957	61.00	8,412	8,412	1,369
Italy	1957	46.30	22,840	22,840	4,940
Norway	1957	3.40	2,580	2,580	760
Sweden	1957	7.30	2,580	2,580	3,510
Switzerland	1957	4.50	2,580	2,580	5,710

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

Source: International Financial Statistics, October 1958.

† Preliminary estimates (at 1949-50 prices) as based on the 1958-59 national paper on national income issued by the Government of India.

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

STOCK & SHARE QUOTATIONS

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

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the

respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds which a company may have had. Buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed		Mill	Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares				Accounts Closed	Reference
						Spindles	Looms				1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.		

BOMBAY CITY AND ISLAND

50,00,000	5,87,500	67,62,245	10,40,080	4,58,555	Rajputana Text. (Agency) Pvt. Ltd.	59,468	898	Apollo Mills	1.34	2	0.19	N/A	12	Y.		
40,00,000	24,00,000	1,00,98,494	78,90,035	17,302 M.	B. R. Cotton Mills	50,596	1,021	B. R. Cotton Mills	20.00	100	N/A	N/A	12	Y.		
2,50,00,000	8,21,46,184	1,09,27,346	68,37,035	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
1,00,00,000	1,04,66,775	3,73,37,424	2,86,12,280	31,555	S. Sirur & Co. Private Ltd.	644	3,155	S. Sirur & Co. Private Ltd.	10.00	100	10.00	10.00	12	Y.		
1,00,00,000	40,34,414	1,41,23,500	70,57,174	21,903	Piramal Sons Private Ltd.	71,904	1,652	Morjee Goudas Spg. & Wvg.	245.00	100	15.00	14.00	12	Y.		
1,00,00,000	1,06,72,400	10,94,32,348	4,32,00,000	97,190	Chinal & Co. Private Ltd.	49,454	432	New City of Bombay Wvg.	100.00	100	10.00	10.00	12	Y.		
24,00,000	22,76,231	82,30,038	48,70,077	49,012	W. H. Brady & Co. Ltd.	49,012	979	New Great Spg. & Wvg.	100.00	100	10.00	N/A	12	Y.		
24,00,000	7,01,186	1,09,27,346	68,37,035	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
48,00,000	55,51,880	1,09,40,494	1,08,77,159	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
40,00,000	40,79,554	76,33,108	27,15,672	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
10,00,000	1,18,66,148	23,94,122	18,44,733	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
80,00,000	48,03,455	1,47,58,656	70,66,650	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
42,00,000	2,59,76,402	3,40,98,221	2,04,23,247	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
1,06,76,000	95,94,067	3,02,49,607	1,59,54,406	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
80,00,000	95,94,067	3,02,49,607	1,59,54,406	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
65,87,875	49,27,588	2,40,96,635	91,95,681	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
18,00,000	61,80,887	1,71,88,091	59,31,908	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		
12,00,000	1,04,98,444	97,02,064	1,08,61,776	30,411	Khatam Mankaji & Co. (Pvt.) Ltd.	99,772	1,500	Khatam Mankaji & Co. (Pvt.) Ltd.	247.50	100	10.00	10.00	12	Y.		

AHMEDABAD

40,00,000	27,78,612	1,89,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,016	Ahmedabad Advance Mills	160.00	100	12.00	5.00	8.00			
15,00,000	1,02,98,525	1,99,02,887	79,95,405		N. R. Rethelal & Co., Ltd.	44,320	920	Arna Mills	470.00	100	25.00	25.00		6	Y.P.	
2,38,00,000	2,89,41,444	2,54,46,741	1,24,21,342	1,27,468	Narotam Lalbhai & Co.	88,412	1,216	Arvind Mills	1,015.00	100	35.00	35.00	28.00	12	Y.P.	
26,00,000	4,04,584	1,24,65,618	78,06,442	58,595	Massey & Fennell (Pvt.) Ltd.	800	800	Manikya Brothers (Pvt.) Ltd.	485.00	100	10.00	10.00		12	Y.P.	
1,81,67,282	1,17,28,154	70,40,009	30,411	957	Lalbahai Dalpatbhai & Co.	37,365	915	Asoka Mills	800.00	100	30.00	30.00	00.00	12	Y.P.	
2,04,26,201	2,40,98,221	3,40,98,221	2,04,23,247	3,145,114	Karamchand Premchand Pvt. Ltd.	1,39,120	2,378	Calico	614.50	125	30.00	30.00	25.00	12	Y.P.	
63,00,000	1,17,29,342	1,79,39,243	1,14,51,119	1,21,046	Triumphant Bhogal & Co., Ltd.	50,436	968	New Commercial Mills	631.25	250	100.00	26.00	27.00	12	Y.P.	
52,00,000	56,41,937	75,47,286	39,87,374	228	Mafatlal Chaudhali & Co., Ltd.	80,428	907	New Shorbrook Spg. & Wvg.	1,040.00	150	40.00	30.00	85.00	12	Y.P.	
30,00,000	2,21,92,783	2,21,92,783	2,21,92,783	228	Jacobsen Bhogal Nanavaty & Co.	25,560	572	Nutan Mills	357.50	100	20.00	20.00	20.00	12	Y.P.	
48,75,000	25,48,744	1,41,18,877	79,09,386	469	Lalbahai Dalpatbhai & Co.	32,825	640	Rajpur Mills	601.25	100	35.00	35.00	25.00	12	Y.P.	
37,75,000	54,44,606	2,35,18,408	1,82,23,150	11,909	Boothby & Munim, Secy (Chairman)	94,128	1,790	Shri Ambika Mills	807.00	100	30.00	25.00	8.00	12	Y.P.	
39,25,000	76,75,000	1,12,51,018	77,66,692	56,660	Hartivalabhai Kaldas & Co.	94,128	1,790	Shri Ambika Mills	807.00	100	30.00	25.00	8.00	12	Y.P.	
				33,937	Mafatlal Chaudhali & Co.									12	Y.P.	
					(Ahmedabad), Ltd.	86,648	720	Shorbrook Spg. & Mfg.	515.00	100	30.00	30.00	22.00	12	Y.P.	
				25,810	Hartivala Acharlali & Co. Ltd.	41,056	780	Vijaya Mills	570.00	600	60.50	40.00		12	Y.P.	

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Increase up to 75c	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share					Accounts Closed	Refer- ence
										1955	1956	1957	1958			
Ra.	Ra.	Ra.	Ra.	Ra.				Ra. nP	Ra.	Ra. nP	Ra. nP	Ra. nP	Ra. nP			
ASSAM																
4,45,700	10,68,102	18,89,085	6,45,722	....	McLeod & Co., Ltd.	325	Amberley	32.00N	10	10.00A	5.00	1.00	1.50	12	Y.P.	
2,76,500	3,01,500	12,10,619	4,33,800	2,091	Gillanders Arbuthnot & Co., Ltd.	576	Amrita (Assam) Tea	19.50	10	1.00	1.25	0.50		12	Y.	
7,00,000	9,43,250	12,00,883	3,51,119	56,288	McLeod & Co., Ltd.	498	Ananda Bag	25.25	10	1.00	2.00	1.00		12	Y.	
5,00,000	13,75,341	19,47,179	8,20,191	49,883	McLeod & Co., Ltd.	573	Badmari	24.50	10	1.00	2.50	1.50	2.00	12	Y.	
5,00,000	10,75,093	15,39,219	6,30,711	40,435	Andrew Yule & Co. Ltd.	334	Basmatia	26.00	10	1.00	2.50	1.50		12	Y.	
4,95,900	8,59,710	14,59,973	9,25,973	64,213	National Tea Corporation Ltd.	579	Batali	25.62	10	2.00	2.50	1.50		12	Y.	
8,40,000	11,09,388	14,11,988	4,11,988	1,12,453	Gillanders Arbuthnot & Co., Ltd.	581	Belan	19.00	10	2.00	2.50	1.00		12	Y.	
13,00,000	15,39,000	20,33,088	3,19,000	1,00,000	Williamson Major & Co. Ltd.	3,987	Bishnath	19.44	10	2.00	2.50	1.00		12	Y.	
6,00,000	2,50,000	13,10,965	2,81,380	49,980	Octavus Steel & Co., Ltd.	485	Bokachan	15.00	10	2.00	1.50	1.00		12	Y.P.	
7,50,000	6,16,032	81,46,373	3,57,291	-11,513	McLeod & Co., Ltd.	450	Bornam Jan Tea	17.31	10	4.75	1.25	0.75		12	Y.	
15,00,000	15,33,395	10,84,122	29,08,851	27,481	McLeod & Co., Ltd.	2,884	Brooke Bond	20.00	10	3.00	2.50	2.00		12	Y.	
12,00,000	6,00,425	9,14,733	3,11,538	17,361	McLeod & Co., Ltd.	282	Dejoo Valley	14.50	10	10.00	10.00	10.00		12	Y.P.	
8,40,000	7,72,250	31,03,643	18,55,911	-1,18,361	Jardine Henderson Ltd.	1,136	Dejoo Valley	18.35	10	2.50	2.50	2.50	0.251	12	Y.	
17,53,440	24,59,082	31,03,643	18,55,911	1,18,361	James Warren & Co., Ltd.	661	Dhulakhath	24.00	10	1.00	1.25	2.00	1.50	12	Y.	
4,98,970	4,58,000	12,48,763	4,64,779	24,897	M.	640	Dumrai	15.81	10	2.00	2.00	2.00	1.00	12	Y.P.	
4,50,000	9,75,000	11,35,651	3,08,766	30,146	McLeod & Co., Ltd.	458	Dumrai	32.50	10	2.00	3.00	3.00	1.00	12	Y.P.	
4,73,400	6,15,000	15,05,830	4,48,530	1,30,734	Williamson Major & Co., Ltd.	612	Dumrai	41.12	10	2.00	3.00	3.00	1.00	12	Y.	
7,00,820	10,33,300	23,32,356	13,62,736	4,50,422	Williamson Major & Co., Ltd.	635	Dumrai	41.12	10	2.00	3.00	3.00	1.00	12	Y.	
10,00,000	7,86,277	29,79,027	11,51,727	1,07,293	Williamson Major & Co., Ltd.	1,169	East India Tea	20.25	10	3.00	2.50	2.50	1.00	12	Y.	
6,78,000	4,38,770	13,30,198	5,25,000	1,01,010	Williamson Major & Co., Ltd.	616	Gillankul	24.12	10	3.00	2.50	2.50	1.00	12	Y.	
10,22,725	5,90,000	25,55,023	13,51,044	75,281	Andrew Yule & Co., Ltd.	1,920	Groo	18.25	10	1.00	1.00	1.00	0.501	12	Y.	
6,00,000	20,32,810	42,39,083	10,39,875	9,682	Octavus Steel & Co., Ltd.	776	Hoozajuli	29.00	10	0.50	1.50	1.00		12	Y.	
9,00,400	1,35,000	16,32,910	4,03,523	5,595	Andrew Yule & Co., Ltd.	1,340	Hoozajuli	195.00	10	7.50	15.00	12.80		12	Y.P.	
36,50,000	53,85,792	1,63,70,458	64,70,453	91,307	Birra Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	135.00	10	1.00	1.00	1.75	1.00	12	Y.	
9,00,400	1,35,000	16,32,910	4,03,523	5,595	Andrew Yule & Co., Ltd.	1,340	Hoozajuli	195.00	10	7.50	15.00	12.80		12	Y.P.	
36,50,000	53,85,792	1,63,70,458	64,70,453	91,307	Birra Brothers Private Ltd.	4,900	Jay Shree Tea Gardens	135.00	10	1.00	1.00	1.75	1.00	12	Y.	
9,00,400	1,35,000	16,32,910	4,03,523	5,595	Andrew Yule & Co., Ltd.	1,340	Hoozajuli	195.00	10	7.50	15.00	12.80		12	Y.P.	
1,80,000	40,000	23,63,873	2,63,604	-2,63,614	Duncan Bros. & Co., Ltd.	1,099	Kotumalai Tea	10.37	10	1.00	0.75	1.00	1.001	12	Y.	
10,00,000	10,94,454	12,70,806	8,53,788	392	Duncan Bros. & Co., Ltd.	612	Methoni	24.00	10	1.75	2.00	1.50	1.001	12	Y.	
10,00,000	11,20,000	11,20,000	6,89,347	6,89,347	Octavus Steel & Co., Ltd.	485	Methoni	24.00	10	1.75	2.00	1.50	1.001	12	Y.	
4,00,000	30,000	10,09,737	2,42,536	1,217	Duncan Bros. & Co., Ltd.	673	Methoni	24.00	10	1.75	2.00	1.50	1.001	12	Y.	
1,50,000	8,20,000	9,09,706	5,17,214	67,133	Kettiweli Bullen & Co., Ltd.	401	Methoni	24.00	10	1.75	2.00	1.50	1.001	12	Y.	
2,00,000	7,81,455	12,43,977	6,21,441	39,563	Andrew Yule & Co., Ltd.	373	Murphallani	30.00	10	1.75	2.50	2.50	2.50	12	Y.	
5,35,000	1,75,000	11,34,704	4,84,702	1,912	M.	814	Namburadi	14.00	10	1.00	1.50	1.50		12	Y.	
8,00,000	2,65,000	7,72,341	2,90,502	-38,599	Duncan Bros. & Co., Ltd.	801	New Chinnatollah	104.00	10	1.00	1.50	1.50		12	Y.	
2,00,000	6,46,492	4,64,802	4,64,802	41,490	Andrew Yule & Co., Ltd.	370	Rapash	45.00	10	0.25	4.00	2.50		12	Y.	
9,00,000	2,55,000	28,86,006	10,88,094	21,823	M.	958	Rapash	45.00	10	0.25	4.00	2.50		12	Y.	
2,40,000	11,48,864	6,00,784	87,974	87,974	Williamson Major & Co., Ltd.	482	Sachin	28.02	10	1.50	1.50	1.50	1.001	12	Y.	
9,00,000	12,00,000	11,48,864	4,94,784	4,94,784	McLeod & Co., Ltd.	495	Triolani	31.25	10	2.50	3.00	1.00		12	Y.	
8,00,000	5,35,127	12,11,400	8,86,341	48,818	Gillanders Arbuthnot & Co., Ltd.	496	Tendiani	45.00N	10	1.50	1.25	1.00	1.25	12	Y.	
10,82,800	13,08,703	47,77,009	20,65,109	40,539	Shaw Wallace & Co., Ltd.	2,338	Tendiani	17.16	10	1.50	1.25	1.00	1.25	12	Y.P.	
5,620,000	11,60,250	10,68,284	14,35,504	30,644	McLeod & Co., Ltd.	1,650	Tycoon	43.50	10	2.00	4.50	3.00		12	Y.P.	
CACHAR																
1,00,000	....	5,16,444	1,88,505	-2,43,911	M.	822	Acruvates	6.75	10	1.00	1.00	1.00		12	Y.	
7,00,000	....	7,08,139	1,03,490	-3,49,181	Octavus Steel & Co., Ltd.	485	Eastern Cachar	1.91	10	1.00	1.00	1.00		12	Y.	
2,60,000	10,48,149	30,15,822	12,60,051	10,951	Octavus Steel & Co., Ltd.	2,154	Hatikihira	11.94	10	0.75	0.50	1.00		12	Y.	
3,60,000	1,10,000	6,48,224	2,68,020	3,859	Duncan Bros. & Co., Ltd.	823	Kanchupur	100.00	10	1.50	15.00	15.00		12	Y.	
2,00,000	6,00,000	11,39,080	9,08,080	88,302	L. N. Nopany, Esq.	1,870	North-Western Cachar	13.75	10	1.50	0.50	1.00		12	Y.	
2,60,000	9,09,004	9,76,588	9,76,588	9,76,588	McLeod & Co., Ltd.	638	Rooncherra	65.00	10	1.50	1.00	0.75	1.25	12	Y.	
5,25,000	10,32,014	15,11,514	4,35,088	1,700	Duncan Bros. & Co., Ltd.	713	Rumamattae	8.25	10	1.00	1.00	1.00		12	Y.	
4,00,000	8,88,980	10,68,284	3,88,708	-81,199	M.	688	Soni River	9.25	10	1.00	1.00	1.00		12	Y.	
DARJEELING																
2,79,900	1,05,000	8,08,716	74,916	22,108	Williamson Major & Co., Ltd.	408	Chamong	11.00	10	1.00	0.75	1.00		12	Y.	
1,00,000	1,68,520	3,89,784	1,69,880	-393	M.	488	Dijaram	13.00	10	1.00	1.00	1.00		12	Y.	
2,00,000	2,42,046	7,09,695	2,97,665	-57,689	Davenport & Co., Ltd.	487	Gumti	25.00	10	1.00	1.00	1.00		12	Y.	
1,59,000	1,00,000	4,07,719	2,16,852	1,89,557	Andrew Yule & Co., Ltd.	487	Mim	25.00	10	1.00	1.00	1.00		12	Y.	
1,99,900	8,99,000	6,30,506	1,89,556	1,01,563	W. H. H. Major & Co., Ltd.	690	Nagari Farm	25.00	10	1.00	1.00	1.00		12	Y.	
8,00,000	11,15,500	4,70,735	2,49,337	13,044	Duncan Bros. & Co., Ltd.	605	Okari	6.25	10	1.00	1.00	1.00		12	Y.	
2,05,000	5,07,203	6,12,428	2,49,310	-14,564	McLeod & Co., Ltd.	670	Pooching	10.50	10	1.00	1.00	1.00		12	Y.	
1,40,000	8,06,482	8,06,482	2,33,593	4,401	Davenport & Co., Ltd.	570	Pusaibing	12.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Duncan Bros. & Co., Ltd.	841	Rundeel Bungles	275.00N	10	20.00	55.00	25.00	30.00	12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		12	Y.	
1,00,000	8,06,482	8,06,482	2,33,593	4,401	Gomka & Co., Ltd.	890	Seyok	10.00	10	1.00	1.00	1.00		1		

[illegible]

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share					Accounts Closed	Re- marks
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	1956	1957	1958	1959	Rs. n.p.		
PLANTING; PRODUCE AND RUBBER															
8,00,000	2,10,000	8,02,505	34,197	15,099	Planting Agencies (Private) Ltd.	Balmadies Plantations	8.25	2	0.21	0.45				5	Y
26,91,279	20,25,000	50,55,438	9,98,019	15,281	Peirce, Leslie & Co., Ltd.	Cochin Malabar	7.05	2	0.75	0.82			0.45	2	Y
22,50,000	25,00,000	45,95,849	9,51,056	15,288	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24.00	10	2.50	4.00	0.30	0.45		5	Y
11,55,000	27,60,923	1,55,30,181	30,94,327	7,55,448	E. C. Paragon, Ltd.	Consolidated Coffee	22.50	10	2.50	4.00	2.00		2.00	6	Y
4,00,000	8,87,423	10,43,962	63,995	8,510	Associated Planters Private Ltd.	Cottanad Plantations	22.50	10	2.50	4.00	2.00		2.00	6	Y
18,00,000	9,34,043	30,13,231	4,39,976	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	12.25	10	2.00	1.75	1.50		1.50	6	Y
8,00,000	6,92,899	19,66,900	3,03,319	11,998	K. T. Thomas & Co., Ltd.	Kalpetta Estate	12.40	10	2.00	0.75	1.00		1.00	6	Y
13,50,000	4,55,880	20,40,926	3,38,888	2,531	K. T. Thomas & Co., Ltd.	Malankara Rubber	19.50	10	2.00	2.00	1.00	1.00	1.00	6	Y
40,50,000	29,09,139	86,11,082	10,30,622	22,019	A. V. Thomas & Co., Ltd.	Midland Rubber	11.87	10	2.00	2.00	1.70	1.70	1.70	6	Y
3,55,000	4,06,000	15,43,851	2,24,334	2,437	A. V. Thomas & Co., Ltd.	Nannay Rubber	15.00	10	1.50	0.75	1.00	1.00	1.00	12	Y
2,00,000	2,06,500	9,44,297	1,14,758	4,912	Associated Planters Private Ltd.	Nilambur Rubber Co.	17.00	10	1.50	0.75	1.00	1.00	1.00	12	Y
19,45,880	23,18,923	40,93,527	5,24,044	10,604	Peirce, Leslie & Co., Ltd.	Oucherion Valley Estates	5.59	2	0.20	0.40	0.20		0.20	12	Y
13,50,000	8,36,102	44,47,820	4,23,004	4,064	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	17.80	10	2.50	2.00	2.00		2.00	12	Y
5,50,170	2,44,000	8,59,861	1,07,098	4,886	Peirce, Leslie & Co., Ltd.	Savannal Estates Ltd.	3.80	2	1.50	0.30	0.25		0.25	6	Y
12,00,000	1,35,000	18,24,855	68,427	15,748	Patro Agencies	Sangameswar Coffee Estates Ltd.	2.60	2	0.90	0.60	0.60		0.60	12	Y
10,00,000	2,74,418	5,13,150	1,70,840	16,602	East India Agencies Private Ltd.	Sekey Rubber (India) Ltd.	7.60	10	0.90	0.60	0.60	0.18	1.18	12	Y
2,50,000	2,75,000	6,78,150	87,339	33,647	A. V. Leslie & Co., Ltd.	Thamapally Rubber	1.93	10	0.90	0.60	0.60		0.60	12	Y
1,15,300	4,00,000	22,40,527	33,647	28,027	Rajagiri Rubber	Thirunadai Rubber Co., Ltd.	14.00	1	0.12	0.05	0.05		0.05	9	Y
6,00,000	4,00,000	22,40,527	33,647	28,027	Rajagiri Rubber	Thirunadai Rubber Co., Ltd.	14.00	10	0.90	0.60	0.60		0.60	12	Y
41,00,000	14,20,901	85,54,990	1,43,700	1,299	Rajagiri Rubber	Thirunadai Rubber & Tea Co., Ltd.	20.00	10	0.75	1.50	0.50		0.50	12	Y
20,00,000	96,000	8,27,272	9,102	9,102	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co., Ltd.	7.10	25	3.00	1.00	1.00		1.00	12	Y
4,20,000	4,20,000	9,28,758	85,552	85,552	A. V. Thomas & Co., Ltd.	Udayagiri Rubber Co., Ltd.	10.40	10	0.75	0.50	1.50		1.50	12	Y
8,50,100	5,90,669	9,28,758	85,552	85,552	A. V. Thomas & Co., Ltd.	Vaikundam (Travancore) Rubber	27.50	10	3.50	3.50	1.25		1.25	12	Y
6,95,000	1,94,567	14,17,507	60,551	8,772	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.22	10	1.25	1.00	0.50		0.50	12	Y

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserve	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Remarks
										1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Khas & Co. Private Ltd.	879	Agapura	13.06	10	0.25					
60,00,000	10,81,000	59,82,765	40,52,871	1,66,651	McLeod & Co., Ltd.	456	Alexandra	200.00	100	10.00	10.00	0.25		3	
60,00,000	5,25,000	12,15,910	97,80,881	3,46,190	McLeod & Co., Ltd.	1,264	Alliance	127.00	100	N/A	N/A			12	
49,20,700	72,21,000	1,55,15,010	97,80,881	2,86,740	Duncan Brothers & Co., Ltd.	2,561	Anglo-India	260.00	100	3.50	7.00	N/A		3	
40,00,000	82,60,924	1,49,82,834	63,17,408	8,215	Bird & Co. Private Ltd.	810	Ankand	194.00	100	N/A	5.00			3	
20,00,000	24,84,715	96,90,961	57,55,861	18,12,233	Birla Brothers Private Ltd.	959	Bally	228.00	100	N/A	2.00	0.00		3	
20,00,000	4,681,083	1,64,02,294	4,687,407	-17,56,767	Sir John H. Burder (Chairman)	1,889	Barnagore	108.00	65	N/A	N/A			3	
28,00,000	28,98,408	64,32,153	16,24,553	64,32,153	Andrew Yule & Co., Ltd.	1,285	Batavia	125.00	100	1.00	2.50	7.50		12	
40,00,000	29,71,745	58,94,991	35,42,933	-5,73,255	Souramull Nagarmull	900	Bengal	12.25	10	1.00	1.00			4	
40,00,000	2,20,92,034	4,09,60,115	1,66,74,107	24,145	Birla Brothers Private Ltd.	1,873	Bhira	22.75	100	1.00	1.00			4	
19,36,500	19,36,500	19,36,500	19,36,500	19,36,500	Bird & Co. Private Ltd.	763	Bhudo-Budge	105.00	100	N/A	N/A			10	
7,47,380	44,88,108	44,88,108	82,72,622	-21,23,201	Dayaram & Sons	602	Calcutta Yule Mig.	6.00 N	100	N/A	N/A	5.00		10	
18,00,000	26,46,123	84,04,054	40,62,038	35,722	Andrew Yule & Co., Ltd.	616	Caledonian	175.00	100	N/A	N/A	15.00		12	
40,00,000	16,45,140	2,81,56,482	1,87,96,068	-5,46,086	James Finlay & Co., Ltd.	1,337	Campanas	100.00	200	N/A	N/A			11	
15,95,000	21,34,670	58,91,524	58,91,524	58,91,524	Andrew Yule & Co., Ltd.	630	Cheriot	224.00	100	N/A	N/A	5.00		3	
10,15,000	96,50,000	90,14,415	54,94,361	72,430	McLeod & Co., Ltd.	800	Chitavalah	15.69	10	0.621	1.10			11	
24,00,000	34,00,000	81,89,984	97,15,837	-11,8118	Shree Krishna Investment Co., Ltd.	969	Clive	13.00	10	0.50	N/A	N/A		3	
11,49,200	46,51,960	1,89,75,008	56,56,218	-12,92,307	Bird & Co. Private Ltd.	763	Dalhousie	132.00	100	N/A	N/A			3	
28,00,000	38,68,170	1,03,58,008	50,83,995	6,792	Andrew Yule & Co., Ltd.	763	Delta	179.00	100	5.00	N/A	N/A		3	
18,00,000	36,93,850	1,01,87,768	56,99,232	26,123	McLeod & Co., Ltd.	500	Empire	18.00	10	0.501	0.75	1.00		11	
21,00,000	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster Industries Ltd.	379.00	100	10.00	10.00	20.00		7	
11,00,000	18,00,000	1,25,79,725	63,50,853	1,06,479	Bangur Bros., Ltd.	1,014	Fort William	23.25	10	0.76K				3	
22,00,000	2,11,07,224	1,82,98,828	-2,67,452	M. 1,709	James Finlay & Co., Ltd.	607	General Ind. Society Ltd.	27.50	100	N/A	1.50	1.50	10.00	8	
10,80,000	28,00,000	76,74,785	55,93,638	30,411	McLeod & Co., Ltd.	607	Gouperou	408.00	100	2.50	2.50	20.00		12	
24,00,000	82,96,464	2,85,37,822	1,00,47,852	47,260	Macnelli & Barry Ltd.	1,394	Hastings	99.00	100	5.00	5.00			3	
40,00,000	95,92,233	1,32,87,480	67,00,434	3,19,478	Bangur Bros., Ltd.	1,078	Hawkhurst	13.00	100	5.00	5.00			3	
55,62,500	28,09,105	2,84,85,048	1,24,24,411	82,775	Jardine Henderson Ltd.	1,940	Hovrah	23.81	10	0.25	N/A	N/A		12	
82,50,000	30,83,764	2,98,52,016	1,09,462	1,09,462	Ramduit Ramkissenadas	2,272	Hukumchand	23.81	7.50	2.00	1.50	1.50		3	
18,00,000	1,49,82,834	1,49,82,834	87,64,013	84,575	M. 1,709	1,709	Kamarshetty	203.00	100	N/A	N/A	15,023		12	
7,19,20,000	21,11,227	1,07,71,840	1,24,42,411	2,42,501	Jardine Henderson Ltd.	1,797	Karnamrarah	195.50	100	N/A	N/A			3	
10,00,000	9,68,279	1,75,62,059	1,05,04,210	-31,78,147	Jardine Henderson Ltd.	1,527	Kelvin	93.00	100	N/A	N/A			12	
11,00,000	55,00,000	1,41,38,235	93,87,828	1,18,698	McLeod & Co., Ltd.	703	Kharad	190.00	100	5.001	9.00	12.50		3	
44,00,000	23,36,741	2,00,62,388	1,25,97,897	46,838	Anderson Wright Ltd.	1,580	Kharad	105.00	100	5.00	8.00	8.00		3	
24,00,000	77,82,131	2,85,91,001	1,08,51,190	81,709	F. W. Huggins & Co. Private Ltd.	1,350	Kharad	105.00	100	5.00	8.00	8.00		3	
24,48,000	77,78,883	1,28,67,077	-8,92,635	-8,92,635	Bird & Co. Private Ltd.	931	Lawrence	143.00	100	N/A	N/A			3	
23,00,000	40,40,800	1,48,98,886	66,75,920	-11,50,501	Bird & Co. Private Ltd.	840	Nalithai	99.00	100	N/A	N/A			3	
21,25,200	25,29,291	46,49,787	1,88,72,469	4,00,000	McLeod & Co., Ltd.	694	Nakapara	14.87	100	8.75	8.00	17.00		3	
99,98,800	84,62,195	1,65,70,566	82,70,600	-11,08,710	McLeod & Co., Ltd.	315	Nellimaria Jute	80.00	100	N/A	N/A			3	
20,00,000	13,14,376	84,64,253	24,27,490	4,929	Hovrah Trg. Co., Private Ltd.	425	Nellimaria Jute	11.50	100	N/A	0.25	0.25		10	
20,00,000	85,94,900	46,49,787	12,81,878	19,040	Andrew Yule & Co., Ltd.	1,352	Nellimaria Jute	14.25	100	0.75	0.75	0.90		3	
82,25,000	29,19,072	87,78,455	82,70,600	82,70,600	McLeod & Co., Ltd.	703	New Central	18.00	100	1.50	1.50	1.50		7	
84,50,000	21,12,810	6,33,25,674	1,19,61,749	3,274	Rahu Jain Ltd.	1,565	Northbrook	20.00	10	1.50	N/A	N/A		3	
40,00,000	55,85,845	1,35,56,872	61,41,218	-2,43,817	Bird & Co. Private Ltd.	1,787	Northbrook	20.00	10	1.50	N/A	N/A		3	
40,00,000	29,84,000	1,21,72,885	1,19,78,102	1,19,78,102	McLeod & Co., Ltd.	1,092	President	62.00	100	2.00	2.00	2.00		3	
24,48,000	22,84,224	76,67,180	53,96,989	20,227	Andrew Yule & Co. Private Ltd.	601	Resolva	171.50	100	2.20	0.30	0.30		11	
25,00,000	1,18,798	98,02,678	70,04,073	12,389	McLeod & Co., Ltd.	400	Reliance	6.08	100	0.50	N/A	N/A		3	
25,00,000	25,29,291	98,02,678	98,02,678	98,02,678	Birla Brothers Private Ltd.	1,276	Sannagaur	6.56	100	N/A	N/A	N/A		3	
49,00,000	2,00,300	1,24,61,181	64,63,028	70,75,557	Jardine Henderson Ltd.	2,013	Shree Ambica	8.06	100	N/A	N/A	N/A		3	
60,00,000	4,682,285	61,477,182	8,800,182	641,990	Thomas Duff & Co. (India) Pvt. Ltd.	1,150	Shree Ambica	11.50	51	3.51	1.50	1.50		1	
19,00,000	13,14,010	1,21,72,885	94,74,705	48,082	Bagaria More & Co., Ltd.	911	Shree Ambica	12.50	10	0.25	0.50	0.50		1	
14,00,000	11,11,616	59,11,283	59,11,283	59,11,283	Industial Investment Corp. Ltd.	401	Shree Ambica	1.00	100	1.50	1.50	1.50		1	
6,00,000	6,886,778	61,208,067	4,703,019	629,249	Thomas Duff & Co. (India) Pvt. Ltd.	1,794	Tatigaur	10.50	21	N/A	N/A	N/A		1	
45,83,591	1,05,31,816	42,51,804	56,887	56,887	Bird & Co. Private Ltd.	1,328	Union	235.00	100	N/A	N/A	N/A		1	
4,400,000	6,248,813	42,51,804	56,887	56,887	Thomas Duff & Co. (India) Pvt. Ltd.	1,328	Union	11.25	231	1.50	1.50	1.50		1	
2,50,000	50,83,179	43,58,821	11,785	11,785	McLeod & Co., Ltd.	703	Waverley	8.44	1	N/A	N/A	N/A		1	

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1956 Rs. or £	1957 Rs. or £	1958 Rs. or £	1959 Rs. or £	Accounts Closed 12	Reference
16,00,000	1,08,00,000	3,52,958	Allahabad Bank	100	100	100	100	100	100	12	Y.P.
14,50,000	1,08,00,000	2,24,005	Andhra Bank	100	100	100	100	100	100	12	H.
1,00,00,000	1,59,50,000	3,03,522	Bank of Baroda	100	100	100	100	100	100	12	Y.
1,00,00,000	1,59,50,000	1,880	Bank of Bikaner	100	100	100	100	100	100	12	Y.
25,00,00,000	8,10,00,000	12,70,478	Bank of India	100	100	100	100	100	100	12	R.L.Y.
15,30,375	29,00,000	47,153	Bank of Indore	100	100	100	100	100	100	12	Y.
69,00,000	25,50,000	20,356	Bank of Jaipur	100	100	100	100	100	100	12	Y.
60,00,000	96,70,613	4,70,232	Bank of Mysore	100	100	100	100	100	100	12	Y.P.
55,80,820	51,24,246	37,384	Canara Bank Ltd.	100	100	100	100	100	100	12	Y.P.
1,50,000	14,40,000	6,716	Canara Banking Corporation Ltd.	100	100	100	100	100	100	12	Y.P.
8,86,800 A	26,50,000	12,632	Canara Ind. & Bk. Syndicate Ltd.	100	100	100	100	100	100	12	Y.
2,62,11,875	4,04,68,517	17,32,515	Central Bank of India Ltd.	100	100	100	100	100	100	12	R.L.Y.
50,00,000	40,00,000	3,02,015	Devkaran Nangre Banking Co.	100	100	100	100	100	100	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank	100	100	100	100	100	100	12	Y.
1,00,00,000	10,00,000	29,005	Hindustan Commercial Bank	100	100	100	100	100	100	12	Y.
44,00,000	2,08,000	12,536	Hindustan Mercantile Bank	100	100	100	100	100	100	12	Y.
22,40,000	98,91,884	60,933	Indian Bank	100	100	100	100	100	100	12	R.L.Y.
50,00,000	52,36,660	2,08,141	Indian Overseas Bank	100	100	100	100	100	100	12	Y.
15,50,000	10,50,000	30,428	Pandyan Bank Ltd.	100	100	100	100	100	100	12	Y.
10,00,000	1,27,00,000	44,690	Punjab National Bank—K	100	100	100	100	100	100	12	Y.
1,25,00,000	8,45,50,000	56,73,153	State Bank of India	100	100	100	100	100	100	12	Y.
6,62,50,000	27,72,000	1,15,552	Travancore Bank	100	100	100	100	100	100	12	Y.
1,00,00,000	1,48,00,000	62,098	United Bank of India	100	100	100	100	100	100	12	Y.
2,00,00,000	80,80,000	1,81,542	United Bank of India	100	100	100	100	100	100	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation	Principal Repayable
£2,00,00,000	£2,100,000	£174,938	British Bank of the Middle East	£2-15-3	£1	10 1/2
£5,00,00,000	£5,500,000	£465,019	Chartered Bank	£2-9-0	£1	15 1/2
£5,00,00,000	£5,500,000	£465,019	Hongkong and Shanghai Banking Corporation	£2-9-0	£1	15 1/2
£27,847,805	£18,00,000	£708,010	Lloyds Bank	£2-9-0	£1	15 1/2
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14 1/2
£2,851,563	£3,168,579	£351,340	National and Grindlays Bank Ltd.	£1-7-6	£1	15 1/2

Includes bonus. + Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. * & per share free of tax. Y.—Ex-Right. Z.—The final dividend of £1-12-6 is on the increased Capital. £1-12-6 share premium amounting to £100,000. C—On increased Capital. K—Punjab National Bank—Dividends for 1958 and 1959 are on shares of Rs. 25 each.

DEBENTURES

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation	Principal Repayable
19,50,000	6	1st December and 1st June	Carew & Co.	1943	96 00	1st June .. 1963
10,00,000	6	1st August and 1st February	Ravalnagar Sugar (New)	1944	100 25	27th December .. 1962-63
10,00,000	4	1st May and 1st November	Ravalnagar Sugar (New)	1944	97 00	1st November .. 1959-64
25,00,000	4	1st May and 1st November	Walchandnagar Industries (New)	1944	95 00	1st November .. 1959-64
80,00,000	6	30th April and 31st October	Bharat Collieries & L.	1944	90 00	30th June .. 1964
20,00,000	6	30th April and 31st October	Bharat Collieries & L.	1947	87 00	30th June .. 1967 (a)
47,86,000	6	15th June and 15th December	Equitable Coal Co.	1953	100 00	14th December .. 1969 (a)
7,00,000	5	30th June and 31st December	Basant Cotton Mills Ltd.	1942	85 00	30th April .. 1964
4,00,000	6	10th May and 10th November	Basant Cotton Mills Ltd.	1942	85 00	10th November .. 1964 (b)
67,04,000	6	1st April and 1st October	Buckingham and Carnatic	1952	100 00	1st March .. 1967-72
40,00,000	6	1st April and 1st October	Buckingham and Carnatic	1957	100 00	1st January .. 1967-72
13,71,000	6	30th June and 31st December	Jayshree Textiles	1949	90 00	1st January .. 1969-59
89,51,000	6	1st June ..	Tata Mills	1951	93 25	1st June .. 1966-71
10,00,000	4	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90 00	31st March .. 1965 (a)
25,00,000	4	15th June and 15th December	Agra Electric Supply Co. Ltd.	1950	90 00	1st October .. 1959
99,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1949	98 50	1st January .. 1964 (a)
12,00,000	4	30th June and 31st December	Renares Electric Light and Power Co. Ltd.	1949	90 00	31st December .. 1964 (a)
1,32,89,400	4	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	98 50	1st January .. 1970
25,00,000	4	30th June and 31st December	Calcutta Electric Supply Corporation Ltd.	1945	84 00	31st December .. 1970
12,80,000	4	1st January and 1st July	Silva (Overland) Electric Supply Co. Ltd.	1951	91 00	30th June .. 1976 (a)
2,00,000	6	31st March and 30th September	South Madras Electric Supply	1949	93 50	30th September .. 1953-63
1,00,000	6	31st March and 30th September	South Madras Electric Supply	1949	93 50	30th September .. 1970
47,75,000	6	1st April and 1st October	Tata Power	1940	100 10	1st June .. 1970
1,50,00,000	4	1st April and 1st October	Tata Power	1940	87 25	15th September .. 1965-70
5,00,000	5	30th June and 31st December	Britannia Engineering	1945	84 00	31st December .. 1969
50,00,000	6	1st January and 1st July	Britannia Engineering	1945	107 50	1st January .. 1969-71
2,18,00,000	6	15th September and 15th March	Guest, Keen, Williams Ltd.	1942	98 50	1st July .. 1957-62
10,00,000	6	31st May and 30th November	Indian Jute Mills Co. (Bengal)	1946	82 00	31st May .. 1971
40,00,000	6	1st April and 1st October	Kumardhul Engineering Works Ltd.	1950	95 75	1st April .. 1966-68
1,00,00,000	6	1st April and 1st October	Tata Locomotive	1950	98 00	31st December .. 1960 (a)
40,00,000	6	31st December ..	Textile Machinery Corporation Ltd.	1950	98 00	31st December .. 1960 (a)
12,00,000	5	1st October and 1st April	Azara	1939	92 00	31st March .. 1969
6,00,000	5	30th June and 31st December	Azara	1939	91 00	30th June .. 1969
10,00,000	5	31st December and 30th June	Anchor & Co. Ltd.	1945	77 00	31st December .. 1964
10,00,000	5	30th June and 31st December	Bengal Jute Mills Co. Ltd.	1949	86 00	31st July .. 1959
6,00,000	5	1st January and 1st July	Bengal Jute Mills Co. Ltd.	1949	86 00	30th June .. 1966
10,00,000	5	30th June and 31st December	Chitavalah Jute Mills	1951	88 50	30th June .. 1966
20,48,000	5	31st March and 30th September	Chitavalah Jute Mills	1951	90 00	31st March .. 1966 (a)
8,84,000	5	15th January and 15th July	Howrah Mills Co. Ltd.	1955	94 00	31st March .. 1970
90,00,000	5	31st March and 30th September	Kinnelon Jute Mills Co. Ltd.	1949	90 00	31st December .. 1967 (a)
25,00,000	5	30th June and 31st December	Kinnelon Jute Mills Co. Ltd.	1949	90 00	31st December .. 1967 (a)
6,00,000	5	15th November and 15th May	Natoli	1939	92 00	14th May .. 1959
20,00,000	5	30th June and 31st December	Natoli	1945	80 00	31st December .. 1966
25,00,000	5	31st March and 30th September	Northbrook Jute Co. Ltd.	1950	80 00	31st September .. 1965 (a)
12,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1937	95 00	31st March .. 1967
10,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1937	95 00	31st July .. 1966
10,00,000	5	31st January and 31st July	Waverley	1925	80 00	31st July .. 1966
£325,280	4	1st January and 1st July	Calcutta Tramways	1900	£66.10N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£157,788	5	1st April and 1st October	Katakhal-Lahabur Railway	1945	85 00	1st October .. 1974
6,50,000	5	30th June and 31st December	Shahdara-Delhi-Saharapur Railway	1905	£64N	Any time on six months' notice or at 105% at any time on 6 months' notice
£200,000	4	30th June and 31st December	Shahdara-Delhi-Saharapur Railway	1905	£64N	Any time on six months' notice or at 105% at any time on 6 months' notice
£1,13,000	4	1st March and 1st September	Shahdara Steam Navigation	1949	99.25	1st September .. 1963
10,00,000	6	31st March and 30th September	Nitro Tea	1955	100.00	1st April .. 1958-59
6,00,000	6	1st January and 1st July	Kalasa Rubber Co. Ltd.	1955	100.00	1st July .. 1959-63
10,00,000	4	1st January and 1st July	Alumina Corporation of India Ltd.	1948	92 00	31st December .. 1948
22,00,000	4	1st January and 1st July	Associated Hotels of India	1948	102 25	1st September .. 1964-69 (a)
8,00,00,000	4	1st April and 1st October	Burmah Shell	1955	102 25	1st October .. 1970
21,00,000	4	1st February and 1st August	Caltex Oil Refining (India) Ltd.	1955	101 5	1st February .. 1966
15,98,000	4	1st January and 1st July	Chowringhee Properties	1938	82 00	1st July .. 1966
20,00,000	4	15th March and 15th September	Citro-Burkina (Cote d'Ivoire) Ltd.	1948	78 00	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalhousie Properties	1950	109 75	1st January .. 1973 (a)
2,04,55,000	4	1st January and 1st July	Dalhousie Properties	1950	109 75	30th June .. 1969 (a)
1,00,00,000	4	1st January and 1st July	Indian Cable Co. Ltd.	1954	102 00	30th September .. 1976 (a)
1,00,00,000	4	1st January and 1st July	Indian Cable Co. Ltd.	1954	102 00	31st December .. 1972 (a)
8,89,500	4	30th June and 31st December	Macdonell & Co. Ltd. (Convertible Notes)	1947	100 00	31st December .. 1971
45,00,000	4	1st April and 1st October	Macdonell & Co. Ltd.	1951	102 25	30th June .. 1965-70
1,50,00,000	4	30th June and 31st December	National Rayon	1951	98 00	31st December .. 1959
1,00,00,000	4	30th June and 31st December	Orient Paper Mills Ltd.	1945	95 00	15th July .. 1966
1,00,00,000	4	30th June and 31st December	Shree Gopal Paper Mills Ltd.	1945	95 00	15th July .. 1966
1,00,00,000	4	1st February and 1st August	Shree Gopal Paper Mills Ltd.	1945	95 00	15th February .. 1966
80,00,000	4	1st May and 1st November	Standard Vacuum Refining Co. India Ltd.	1945	95 25	1st May .. 1955-65

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) With option to redeem at 101 per cent. on 1-1-1964. (d) With option to redeem at 101 per cent. on 1-1-1964. (e) With option to redeem at 101 per cent. on 1-1-1964. (f) With option to redeem at 101 per cent. on 1-1-1964. (g) With option to redeem at 101 per cent. on 1-1-1964. (h) With option to redeem at 101 per cent. on 1-1-1964. (i) With option to redeem at 101 per cent. on 1-1-1964. (j) With option to redeem at 101 per cent. on 1-1-1964. (k) With option to redeem at 101 per cent. on 1-1-1964. (l) With option to redeem at 101 per cent. on 1-1-1964. (m) With option to redeem at 101 per cent. on 1-1-1964. (n) With option to redeem at 101 per cent. on 1-1-1964. (o) With option to redeem at 101 per cent. on 1-1-1964. (p) With option to redeem at 101 per cent. on 1-1-1964. (q) With option to redeem at 101 per cent. on 1-1-1964. (r) With option to redeem at 101 per cent. on 1-1-1964. (s) With option to redeem at 101 per cent. on 1-1-1964. (t) With option to redeem at 101 per cent. on 1-1-1964. (u) With option to redeem at 101 per cent. on 1-1-1964. (v) With option to redeem at 101 per cent. on 1-1-1964. (w) With option to redeem at 101 per cent. on 1-1-1964. (x) With option to redeem at 101 per cent. on 1-1-1964. (y) With option to redeem at 101 per cent. on 1-1-1964. (z) With option to redeem at 101 per cent. on 1-1-1964. (aa) With option to redeem at 101 per cent. on 1-1-1964. (ab) With option to redeem at 101 per cent. on 1-1-1964. (ac) With option to redeem at 101 per cent. on 1-1-1964. (ad) With option to redeem at 101 per cent. on 1-1-1964. (ae) With option to redeem at 101 per cent. on 1-1-1964. (af) With option to redeem at 101 per cent. on 1-1-1964. (ag) With option to redeem at 101 per cent. on 1-1-1964. (ah) With option to redeem at 101 per cent. on 1-1-1964. (ai) With option to redeem at 101 per cent. on 1-1-1964. (aj) With option to redeem at 101 per cent. on 1-1-1964. (ak) With option to redeem at 101 per cent. on 1-1-1964. (al) With option to redeem at 101 per cent. on 1-1-1964. (am) With option to redeem at 101 per cent. on 1-1-1964. (an) With option to redeem at 101 per cent. on 1-1-1964. (ao) With option to redeem at 101 per cent. on 1-1-1964. (ap) With option to redeem at 101 per cent. on 1-1-1964. (aq) With option to redeem at 101 per cent. on 1-1-1964. (ar) With option to redeem at 101 per cent. on 1-1-1964. (as) With option to redeem at 101 per cent. on 1-1-1964. (at) With option to redeem at 101 per cent. on 1-1-1964. (au) With option to redeem at 101 per cent. on 1-1-1964. (av) With option to redeem at 101 per cent. on 1-1-1964. (aw) With option to redeem at 101 per cent. on 1-1-1964. (ax) With option to redeem at 101 per cent. on 1-1-1964. (ay) With option to redeem at 101 per cent. on 1-1-1964. (az) With option to redeem at 101 per cent. on 1-1-1964. (ba) With option to redeem at 101 per cent. on 1-1-1964. (bb) With option to redeem at 101 per cent. on 1-1-1964. (bc) With option to redeem at 101 per cent. on 1-1-1964. (bd) With option to redeem at 101 per cent. on 1-1-1964. (be) With option to redeem at 101 per cent. on 1-1-1964. (bf) With option to redeem at 101 per cent. on 1-1-1964. (bg) With option to redeem at 101 per cent. on 1-1-1964. (bh) With option to redeem at 101 per cent. on 1-1-1964. (bi) With option to redeem at 101 per cent. on 1-1-1964. (bj) With option to redeem at 101 per cent. on 1-1-1964. (bk) With option to redeem at 101 per cent. on 1-1-1964. (bl) With option to redeem at 101 per cent. on 1-1-1964. (bm) With option to redeem at 101 per cent. on 1-1-1964. (bn) With option to redeem at 101 per cent. on 1-1-1964. (bo) With option to redeem at 101 per cent. on 1-1-1964. (bp) With option to redeem at 101 per cent. on 1-1-1964. (bq) With option to redeem at 101 per cent. on 1-1-1964. (br) With option to redeem at 101 per cent. on 1-1-1964. (bs) With option to redeem at 101 per cent. on 1-1-1964. (bt) With option to redeem at 101 per cent. on 1-1-1964. (bu) With option to redeem at 101 per cent. on 1-1-1964. (bv) With option to redeem at 101 per cent. on 1-1-1964. (bw) With option to redeem at 101 per cent. on 1-1-1964. (bx) With option to redeem at 101 per cent. on 1-1-1964. (by) With option to redeem at 101 per cent. on 1-1-1964. (bz) With option to redeem at 101 per cent. on 1-1-1964. (ca) With option to redeem at 101 per cent. on 1-1-1964. (cb) With option

the railways' insistence on a much larger share in the overall traffic than it has the ability to carry at competitive rates.

The Neogy Committee has certainly some important tasks ahead of it. For one thing, it is not easy to assess the growth in traffic in the next eight or ten years, considering that estimates of traffic even for the next two years differ widely from one another. Secondly, it cannot possibly be an easy task for the Committee to allocate the available resources among the different modes of transport, in view of the fact that firm estimates of the quantum of available resources have not been presented; not even the size of the third Plan has been finalised. All that the Committee might reasonably be expected to do is to indicate the broad lines of development of the different modes of transport. But even this task is one of great complexity. It is, therefore, surprising that the Government should have chosen as personnel of the Committee overworked civilians and administrators. The least that the Government should do is to enlarge the Committee by the addition of new members with adequate knowledge of transport or to see that the personnel are relieved of nearly all their normal official duties, so that they can give their undivided attention to their work as members of the Committee.

The controversy over the relative merits of road and rail transport again figured in the debate. Although Mr. Patil was at some pains to convince the House that there was no difference of opinion over the issue between his Ministry and the Railway Ministry, he did not seem to carry conviction to the members. In this controversy, it is the Transport Ministry that carries the House with it. For the House is overwhelmingly in favour of road transport. It is true that everybody recognises that the railways are the single largest national enterprise and their case for carrying an adequate share of the country's traffic should not go by default. But, as Dr. A. Krishnaswamy ably argued, a nationalised undertaking is not *per se* superior in terms of social purpose; the mere fact that parts of road transport are privately owned does not detract from its usefulness. Once this is granted, it will be easy to see the whole problem of rail-road co-ordination in its correct perspective. It must be remembered that, in point of investment, roads are not inferior to the railways; in 1955-56, investment in roads aggregated Rs. 1,400 crores, as against Rs. 975 crores in railways. Again, the return to the Exchequer from roads is of the order of 8 per cent. on investment on roads, as against a mere 4 per cent. from the railways. Above all, road transport employs some 2.6 million, as compared with 1.1 million by the railways. Clearly, road transport, by reason of its quick and efficient service, has given genuine satisfaction to the consumer. This is true not only of India's road transport system but that of other countries too, for, all the world over, automobile vehicles are playing an increasingly important role in the carriage of goods. Road transport, if it is properly encouraged, could perform a similar service to India's economic development. Nor need there be any fear that it will inhibit the growth of the railways, for, as is well known, the increase in traffic in years to come is bound to be sufficiently large to permit both the modes of transport to keep themselves busily engaged.

MYSORE CONFERENCE ON CO-OPERATION

THAT the authorities at New Delhi should show their readiness to make major changes in the "new co-operative policy" adopted by the National Development Council last November is an indication of the measure of their statesmanship. There could be little objection to the advocacy of an approach which one passionately thought to be right. But such an attitude would be nothing short of irresponsibility, if it is adhered to despite the knowledge, acquired as a result of a closer and more dispassionate examination, that it is not entirely correct. It is precisely this scrutiny that took place recently at Mysore at the conference of the State Ministers of Co-operation. The storm of protests that the dramatic changes in the co-operative policy gave rise to since November impelled the authorities to have a closer look at their policy. The resentment felt by the non-official body of co-operators and the States for not having been consulted before the changes were effected seem to have been regarded by the Government of India as genuine. Consequently, the calm that prevailed at Mysore

away from the heat of Delhi constituted the right climate for a careful consideration of the views voiced by non-official co-operators and some State Ministers.

The Conference was significant for more than one reason. One major recommendation of the Conference, the value of which might not be fully apparent at first sight, is that, for some time to come, the primary task of village societies would be to equip themselves to discharge their service functions efficiently and to extend their membership to all rural families. This, however, should not be confused with Mr. V. T. Krishnamachari's pet thesis reiterated, once again, in his address at the National Conference of Community Development held earlier at the same place. His thesis is that "the primary co-operative can be a living force only if it becomes the agent for carrying out the community development activities in its area, especially the agricultural production programmes." The realistic nature of the recommendation of the Conference would be clear from an examination of what Mr. Krishnamachari calls village production programme, and the role he gives to the village co-operative in the formulation and execution of this programme. A village programme, according to him, consists of two parts. In the first part are those block programmes which come under the jurisdiction of the village programme for which funds are allocated. This is not so unworkable as the second part, with which the village level worker, the village co-operative and the *panchayat* are all concerned. Under this part, first, there are certain programmes the execution of which depends on the enforcement of customary obligations. Such programmes include digging field channels for utilising irrigation potential built up to the outer limits of the village and maintenance of bunds and field channels, etc. Secondly, arrangements for the multiplication of improved seed for the village, production of organic and green manures, and distribution of these and fertilisers to the smaller landholders and tenants also come under this part.

It is not the purpose of this article to show how far the unfortunate village level worker, usually a young matriculate, with a few months' training in a Community Training Centre, is the right person to play the vital role of, what Mr. Krishnamachari calls, "the common agent of all development departments at the village level" and "friend, philosopher and guide" of the villagers, and to what extent the "failure" of the community development projects can be attributed to the weakness of this agency. Nor is it proposed to show why the policy of leaving the digging of field channels to the villagers themselves, when from the stage of constructing the dam to that of digging the canals upto the limits of the villages is done by Government agencies, is wholly shortsighted. Our main concern here is with the role that the co-operatives can play in the scheme for rural development. The question whether a co-operative should be a business unit or should undertake other extra-business functions has been the subject of debate for a long time now. It has been realised that it would be unwise to burden the co-operatives with any other functions until they have been found to be efficient in performing their most important traditional functions. In saying, therefore, that the village co-operative, besides providing credit, should concern itself with the supply of improved seed, fertilisers and manures, and not with their production or the marketing of the members' produce, the Conference has agreed with the oft-repeated view that the village co-operative should not function as an agent of the community development programme. This view of the Conference is realistic and inevitable in the present circumstances. In executing the so-called "integrated" plan of the families, the role of the primary co-operative is limited to the extent of providing only the basic necessities of agriculture. When the primary task of the society is thus clearly defined, the further question arises, namely, whether the size of the society should be governed by the need for fulfilling the functions allowed to it adequately and efficiently, or by its having to play the role of an agent of community development. The latter having been ruled out, the fact remains that the size of the society should be determined not by doctrinaire considerations but by economic viability alone.

Another major outcome of the Conference is that the proposed pilot project scheme to provide supplementary line of credit in about 4,000 villages has been dropped. This is the result of a fuller appreciation of the practical difficulties that are likely to arise in providing such

additional finance. This outcome evidently means that the idea of linking credit to the production programmes has, more or less, died a natural death. This is hardly surprising, considering the apathy, even active hostility, that is reported to have been shown by certain States to the proposal of pilot projects. The representatives of the Reserve Bank are said to have explained at length the practical difficulties in implementing the scheme. It has been pointed out, for example, that the primary societies, the central banks and the apex banks have been having a large portion of the credit limits sanctioned to them unutilised. It is said, again, that supplementary finance would introduce double standards, and also increase the dependence of the societies on such funds. It has also been emphasised that, in the absence of proper production plans, adequate supervision and arrangements for linking credit with marketing, the overdues position of the societies would worsen thereby leading to a further reduction in the borrowing power of the societies and the banks. Further, in the absence of Government's guarantees against losses arising from loans provided to non-creditworthy borrowers, the scheme would give rise to enormous losses to the societies and the banks. A notable contribution to the discussion was made, in this connection, by the Governor of the Reserve Bank Mr. H. V. R. Iengar, who attended the Conference. He is reported to have drawn the attention of the Conference particularly to the harmful effects on the economy of providing large amounts of loans to cultivators without, at the same time, making adequate arrangements to ensure that the amounts lent are spent properly and paid back promptly.

The question of providing adequate finance for agricultural operations, however, needs urgent attention. The Conference has, therefore, recommended the constitution of an Expert Committee to examine the question. Since the method of linking credit with the production programmes is ruled out, the Committee has Hobson's choice, namely, State participation in the capital structure of the co-operatives. The large co-operatives established under the second Plan so far with State financial participation have been able to provide increasing amounts of credit as proved by the data available. In fact, several Ministers present at the Conference are reported to have expressed gratification at the progress that has been made by the large co-operatives. One would hardly be surprised, therefore, if this Expert Committee strongly recommends State financial participation in the societies. What with the double need for providing increased finance for agriculture and for strengthening the capital base of the societies, State financial participation seems to be inevitable, though it is not strictly in keeping with the principles of co-operation.

The functions of the primary societies having been appropriately defined by the Conference, the question of the size of the society also should not be any more a matter for debate. The size of the society should be such as to make its working a success. Those who favour small societies seek to solve the problem of resources by suggesting that their borrowing capacity should be raised through liberalisation of credit limits. This suggestion is not convincing. For one thing, it looks a little odd that the credit limits of the societies should be increased when the societies, by and large, are unable to avail themselves in full of even the limits allowed to them now. Secondly, when the overdues position of the societies is bad, liberalisation of credit limits is economically unsound. And, thirdly, enhancement of credit limits is no more indicative of 'self-help' than State partnership. Indeed, the advantage with the latter is that 'self-help' among the members increases in the process of retiring the State's share. State participation has several other advantages, too. It will impart strength to the society, thereby helping it to attract deposits and increase its borrowing capacity, and facilitate prompt implementation of the policy of lending to tenants and enlisting landless members, assuming that the State nominees will be effective and honest. The one great risk involved in the State participating on a large scale in the capital and management of co-operatives all over the country is political. The co-operatives may be used by politicians to entrench themselves in power, as was sought to be done by the Communists in Kerala. It is, therefore, necessary to evolve suitable safeguards for preventing such misuse of the societies.

MARKET GOSSIP

UNDER the energetic and ambitious leadership of Mr. K. D. Malaviya, Union Minister for Mines and Oil, determined efforts are being made by the Government of India to establish itself in the oil business. The Government, it is now pretty clear, is not going to confine its efforts to any one aspect of this business but will cover all aspects, namely, exploration, production of crude, refining and marketing. Thus, it is already engaged in the task of exploration and has spent large amounts, though no tangible results have been reported so far. It has entered into partnership with the Assam and Burmah Oil Companies for producing the crude from the reserves discovered in Nahorkatiya and Moran areas by the former Company. The company to do this job is called Oil India Ltd., in which the Government has one-third interest. A separate company, known as Indian Refineries Ltd., wholly owned by the Government, has been formed to refine the crude produced in Assam. This is proposed to be done in two refineries, a small one in Assam and a big one in Bihar. Another wholly Government-owned company, entitled the Indian Oil Company Ltd., has been established to distribute petroleum products. This Company, which was registered on 30th June this year, will distribute not only the products refined in Assam and Bihar but also the imported products.

The exploration work is being carried out by the Oil and Natural Gas Commission as a department of the Government. As this set-up has been found to be inconvenient and unsuited for expeditious work, on account of the inevitable rules and regulations of a Government department, the Commission is to be converted into an autonomous corporate body. A Bill for this purpose was introduced in Parliament on Wednesday this week and is under discussion at the time of writing. When reconstituted into a statutory corporation, the Commission will be in charge of not only development of petroleum resources but also the production, refining and distribution of oil discovered by it.

Petroleum has proved to be a very convenient and economic fuel. As was pointed out by us last week in an article on world energy pattern, it is fast replacing coal in many countries of the world. That the trend is similar in this country also is brought out by Mr. L. D. Mudie, Chairman of the Burmah-Shell Refineries Ltd., in his speech at the sixth annual general meeting of the Company, vide pages 268 and 269 of this issue. Unlike in other parts of the world, coal has still a bright future in this country for the simple reason that it is available in plenty. In any case, since India has not yet found sizable oil reserves and atomic energy is still a long way off, coal mining and utilisation have to be given high priority and encouragement. Efforts must be made to keep down the cost of coal to the consumer through mechanisation of production and other means. Even so, the use of petroleum in India has been rapidly increasing and will continue to rise. The pace of growth, as Mr. Mudie has indicated, has been greater than that in the rest of the world. Mr. Mudie has also given data to show how backward this country is in the use of oil and the scope that exists for its growth. If all the demand for oil in the coming years is to be met out of imports, a tremendous amount of foreign exchange will be required. There is thus a strong case for intensifying the search for oil in India and the initiative taken by the Government in this direction is commendable and justified. But the task is a colossal one, requiring enormous sums of money, a large number of skilled personnel, and costly equipment. And this task becomes even more colossal when one decides to take up all aspects of petroleum business on such a large scale as the Government of India has done.

So far no spokesman of the Government has given any idea of the financial implications of its venture into oil business. But some idea of the magnitude of the task can be had from Mr. Mudie's speech. It is estimated that, between now and 1967, Indian consumption of all petroleum products will go up by almost 100 per cent., from 6 million tons to 12 million tons and, on a conservative estimate, this would require an investment of Rs. 360 crores. A good part of this will have to be in foreign currency. Since there are so many other equally urgent calls on the resources available to this country, it is but prudent that Government should give full scope to foreign private capital to participate in the development of petroleum in this country.

Experience the world over has shown that foreign capital will be readily forthcoming for investment in oil production and distribution, provided appropriate climate is created. India's own experience in the past ten years bears out this statement. Of the increase of about Rs. 300 crores in foreign business investments in this country between 1948 and 1957, Rs. 112 crores, or well over a third, are accounted for by investments in oil. There is, therefore, no reason to think that foreign private capital, which has already done such a magnificent job in production, refining and marketing of oil in this country, will not be forthcoming in adequate amounts to take care of at least the bulk, if not the whole, of our future requirements too. It will, however, do so only if the impression is created that it is wanted and that it will be given fair treatment. Unfortunately, neither the way in which the Government is treating the existing oil companies nor the manner in which it is seeking to establish itself in this business is conducive to the creation of the right climate. It is not suggested here that the oil companies should be given a free reign or that there should be no check at all on the profits made by them. Only such controls should be exercised in a manner which will generate confidence, instead of distrust and despair.

An instance indicative of the Government's negative attitude may be given here. In reply to questions in Parliament last week whether the

Government had any plan to take over the entire oil distribution work in the country, Mr. Malaviya said that it was now too premature to say whether this would be done. It must be noted that he did not say that such a thing would not be done. This answer is more vague than what he gave at a Press conference a few weeks ago and keeps the door open for the State monopolising the business of oil distribution at a future date. Surely, such an uncertain situation is not favourable for attracting foreign private capital into this business. Indeed, it may even tempt a part of the existing capital to move out of the country.

It is needless to add that, if foreign capital is allowed to do the job in the sphere of petroleum, the amount of foreign exchange which the Government of India intends to devote for this purpose can be utilised for the development of other spheres for which such capital will not be easily forthcoming or is not allowed. Shipping is a typical example. It is conceded by all that Indian shipping has to be expanded rapidly. The amount of foreign exchange lost in payment of freight charges to foreign shipping is as large as that required for buying oil. Further, shipping, too, is of equal strategic importance. While investment in exploration of oil is a gamble, investment in shipping is a sure money earner. So, why not give a higher priority to development of shipping, use the foreign exchange earned by it for importing oil and encourage foreign capital to develop exploration, production and marketing of oil?

Besides the consideration of resources, there is also the question of personnel, know-how and equipment. The marketing of oil is a more complex job than the other aspects of petroleum business. The proposed Government-owned refineries are expected to turn out about 2.5 million tons of refined products by 1961. Even assuming that this target will not be hit before the end of 1962, it would be nothing short of a miracle if the Government-owned marketing company were in a position successfully to handle such a large quantity of oil. It must be remembered that this quantity is nearly as much as the Burmah-Shell Marketing Company is now handling, with its experience of eighty years, elaborate organisation and international contacts. It is hard to believe that, in three years' time, the Indian Oil Company will be able to assemble the requisite men and materials, build the installations, open depots all over the country and do the hundred and odd things necessary to take 2.5 million tons of oil to the doors of consumers. Indeed, when one comes to think of these details, one cannot help feeling that the Government is committing a grave blunder, for which the taxpayer may have to pay heavily. Mr. Malaviya has to do a lot more explaining, before he can convince the thinking sections of the public that he can do this job successfully. A mere statement that the Government is entering this business in order to create better conditions for consumers of oil and petroleum products in the country is not enough. If oil in India is dearer than elsewhere in the world or if there is a surplus in certain petroleum products, it is the Government's tax policy and the system of controls exercised by it that are to be blamed rather than the companies engaged in this business.

Raw Cotton Firm

After a month of exceptional dullness, the cotton futures market has become lively. Futures quotations, which were moving within a narrow range throughout July, have been advancing by day since the beginning of this month. The expiring Jarilla August contract, which was quoted at Rs. 697 at the end of last month, has firmed up to touch a high of Rs. 720.50 at the time of writing (Thursday). What is more remarkable is the keen interest evident in the new crop contract, namely, Jarilla March 1960. This contract, which was practically neglected in July and was trailing behind the August contract, has now become the centre of attraction, with mills, investors and speculators all turning their attention to it. The contract advanced from Rs. 668 at the close of last month to Rs. 681 at the time of writing.

The strength of the August contract is attributed to the comparatively small volume of tenders. While tenders on the first and second notice days were fairly large, 2,300 and 2,350 bales, respectively, on the third notice day, they were as low as 100 bales. On Thursday, the fourth notice day, they were only 150 bales, making the total issued to date 4,900 bales. Such poor deliveries reflect the inability of bears to find suitable cotton for tendering on account of keen demand for good quality cotton in the spot section.

Weather news is the main factor currently influencing the March contract. The delayed start of the monsoon and its subsequent erratic behaviour have made the crop late by at least a month. Barring the Punjab, most other States have reported unfavourable weather. There was excessive rain in Kalyan, Wagad, Kalagin, Vijay and Surti areas. It is only in the Punjab that the weather is reported to have been normal and crop progress satisfactory. Although it is too early to estimate the probable size of the crop, current crop ideas range between 5 and 5.2 million bales.

In addition to the influence of adverse weather, another factor which has helped to bolster the cotton market is the tight statistical position of cotton. With consumption of Indian cotton running at a higher rate—the figure for the ten-month period ended June is 4,859,008, as against 3,685,317 bales during the same period last season, representing a rise of 4.72 per cent.—the cotton crop is expected to end with a carry-over which will not only be smaller in size but also contain very little good quality cotton.

As already pointed out, the firmness of the futures section has been due not a little to the strength of the spot market. Although activity in the spot material slowed down in July, inquiries

have broadened of late. Rates have hardened by Rs. 10 to Rs. 15 over the past week. Several varieties are knocking against the ceiling rates fixed by the Government. A remarkable feature has been the sustained interest in new crop Berar, Khanded, etc., especially from Ahmedabad and Southern mills. Strangely enough, the Government has not yet given permission for trading in delivery contracts in new crop, though it is now more than a month and a half since it allowed operations in March 1960 contract.

Jute Scrips Active

Of late, jute shares on the Calcutta Stock Exchange have been active. Many of the leading counters have scored sizable gains, and, compared with the prices a year ago, they show a big rise, as the following comparative table of representative scrips bears out:

Scrip	Latest price Rs.	A week ago Rs.	A month ago Rs.	A year ago Rs.
Azarpura ..	13.81	13.06	13.00	9.87
Alliance ..	135.00	130.00	128.00	101.00
Andhra ..	290.00	290.00	285.00	184.00
Bally ..	229.00	230.00	230.00	181.00
Birsa ..	24.81	22.75	21.37	19.62
Fort Gloster ..	386.00	370.00	351.00	271.00
Howrah ..	24.12	23.75	24.56	18.06
Kamachari ..	216.00	203.00	208.00	117.00
New Central ..	17.69	18.00	17.00	14.00
Nuddas ..	61.75	62.00	65.50	45.00

Several factors have contributed to the return of jute scrips as favourites among investors and speculators alike. First, there has been an improvement in the working conditions of mills, thanks to the modernisation of machinery. Secondly, the profit-margin of mills has also become better since last year on account of favourable raw jute prices, following a good harvest of raw jute crop, and higher prices fetched for the manufactured goods, particularly for sacking. The better performance of jute mills is reflected in some of the recent dividend announcements. Howrahs, for instance, have returned to the dividend list after a lapse of two years with a distribution of 10 per cent. for the year ended March 1959. Bally Jute has raised the dividend from 6 per cent. to 10 per cent. Alexandria Jute and Biria Jute have maintained the distribution at 10 per cent., as also Fort Gloster at 20 per cent. Thirdly, there is a general expectation that the mills will be able to do still better during their current financial year, what with the substantial improvement in the statistical position of jute goods, consequent on their being able to sell more than they produce, the promise of yet another good jute crop and the prospect of the offtake of jute goods picking up further in the next few months. Prominent among the overseas buyers for sacking in recent weeks is China. The heavy purchases made by the communist country have pushed up sacking prices considerably during the last one week. B. twills (ready) being currently quoted at Rs. 106.50 per 100 bags, as against Rs. 101.40 a week ago. Over the year, B. twills have gained Rs. 9.60 per 100 bags. In sympathy, hessian (40 in. x 10 oz.) has gone up over the week by 30 p.p. to Rs. 40.60 per 100 yards, but it is still below the price (Rs. 41.20) fetched a year ago. The improvement in statistical position of mills and the outlook for offtake in the coming months are discussed on page 260 of this issue.

Yet another factor which has contributed to the spurt in jute shares is the extension of the activities of jute companies to other ventures which hold promise of higher profits. Biria Jute provides a notable example of this trend. In addition to jute goods manufacture, this Company has been manufacturing calcium carbide and the factory is now working to full capacity. The expansion scheme is well under way to raise the capacity from 10 tons to 25 tons per day. The erection of a cement plant has been completed and it has been in production since February last. It has also a staple fibre spinning plant, which began operations in March 1957. The New Central Jute proposes to set up a chemical factory at Ramnagar (U.P.) to produce 40,000 tons each of soda ash and ammonium chloride per annum. The Anglo-India Jute is collaborating with its Managing Agents, Messrs Duncan Brothers Ltd. and a British firm, proposes to set up a wool-combing plant at Jagatdal, West Bengal. India Jute has purchased the Sree Radhesyam Cotton Mills in Howrah, which had remained closed for some years. The Megna Mill proposes to take up manufacture of carpet backing. The Fort Gloster has embarked on a cable-making project, in addition to jute manufacture.

More Looms To Work

The improvement in the statistical position of mills and the prospect of higher offtake of jute goods led to speculation that the I.J.M.A. might unseat some more of the idle looms. It was, however, rumoured last week that the I.J.M.A. had decided to maintain the status quo for the present, presumably due to the fact that decline in stocks during July was below expectations. These rumours have now been belied with the I.J.M.A.'s decision to unseat further 24 per cent. of the total looms with effect from the 24th inst. and had it until January 1960. This will reduce the sealed stock from 16 per cent. of the total, the lowest level since 1956, to compares with 14 per cent. from 2nd March 1959 to 22nd June 1959. It will be recalled that it was only on the latter date that the I.J.M.A. had permitted its member-mills to unseat 14 per cent. of the looms. The full effect of this step was seen in July when the output of gunnies rose by 6,900 tons to 89,600 tons, in contrast to the fall of 4,100 tons noted in June. The larger number of hours worked during the month also contributed to the higher production. This has brought the production to the highest level since January this year. The rise is shared by all the three main varieties. Hessian has gone up by 2,700 tons to 40,500 tons, sacking by 4,100 tons to 39,900 tons and other varieties by 10 tons to 9,200 tons. The I.J.M.A.'s latest decision has evidently been prompted by the sizable despatches during July, which must have been of the order of 92,000 tons, as against 86,600 tons in the previous month. The proposed additional release of 10 per cent. is considered by some as inadequate, but the I.J.M.A. has thought it wise to hasten slowly

EQUITIES MOVE IRREGULARLY RECOVERY TOWARDS CLOSE

(From Our Own Correspondents)

BOMBAY, 13th August

AN irregular trend in equity prices was witnessed on the Stock Exchange during the week under review. The setback noted towards the close of last week continued in the earlier part of this week also, following the news that the Controller of Capital Issues had suggested to the Century Mills that its proposed rights issue should be offered at a premium of 100 per cent. The recommendation of the Directors of the Indian Iron and Steel Company to maintain the dividend at Re. 1 per share for the year ended March 1959 was also received with some disappointment. There was, however, a recovery in the latter half of the week, under the lead of textile shares which came in for good support. The initial disappointment over the Century Mills' new issue at a premium gave place to expectations that the Government was likely to reduce the premium substantially, if not abolish it. There were also reports that the Directors had since decided to defer the issue of rights shares indefinitely. Heavy short-covering on settlement considerations also helped the revival in prices. On balance, while the forward section presented a mixed show, cash counters ruled firm with smart gains in the "growth" scrips.

In the steel section, Tata Ordinaries drifted lower from Rs. 179 to Rs. 175 on Monday this week. After a short-lived revival to Rs. 176.75 on the following day, the shares gave way to Rs. 174.75 yesterday. Today, however, there was again a spurt to Rs. 177.50 at the close. Indian Irons were marked down from Rs. 24.92 to a low of Rs. 24.60 before gaining ground to Rs. 24.92 today. The closing was, however, done a fraction lower at Rs. 24.88.

The highlight of the trading in the textile section was provided by Kohinoors. The shares fluctuated widely between Rs. 312.50 and Rs. 301 before closing with a gain of Rs. 8 over the week at Rs. 311.50. Centurys gave way from Rs. 562.50 to Rs. 535 before advancing to Rs. 554 today. The closing was done at Rs. 552.50. After an earlier rise from Rs. 65.70 to Rs. 66.00, Bombay Dyeings lost ground to Rs. 64.60 on fears of heavy carry forward charges in view of the closure of transfer books of the Company from 8th September for payment of interim dividend. There was, however, a recovery to Rs. 65.20 at the close. Finlays, Gokaks, Indore Malwas and Indu Ordinaries were all slightly higher over the week. Podars shed Rs. 5 to Rs. 150, despite the decision of the Directors to increase its capital by Rs. 5 lakhs through the issue of 5,000 ordinary shares of Rs. 100 each at par in the ratio of one share for eight shares. The additional capital is to be used for financing the Company's modernisation programme. There was a spurt of Rs. 14 to Rs. 568 in Standards on reports that the Company might invest its surplus funds in a rayon project. Simplex were a shade lower at Rs. 162. Svadeshis and Tata Mills were in good demand; the former rose by Rs. 3 to Rs. 247 and the latter by Rs. 3.75 to Rs. 48. In the cash section, Sassoon Spinnings came in for attention and rose by Rs. 6.50 to Rs. 67, following the Directors' decision to raise fresh capital to the tune of Rs. 37.70 lakhs through the issue of 377,010 equity shares of Rs. 10 each at par. These new shares will be offered to the existing shareholders in the ratio of one new share for every share held by them. New City Mills were done Re. 1.50 higher at Rs. 138.75.

Bank shares were quiet, while New Indias, in the insurance section, attracted some attention. Tata Hydro group shares were marked down in the electricity section, despite the Directors' proposal to maintain the distribution for the year ended March 1959 at 8 per cent., by recommending a final dividend of Rs. 45 plus a bonus of Rs. 5 per share in the case of Tata Power and Andhra Valley and a dividend of Rs. 4.50 plus a bonus of 50 nP per share for Tata Hydros.

Sugar shares presented a mixed show. Belapurs moved down from Rs. 313.50 to Rs. 309 before regaining to Rs. 313.50. Phaltans recorded a gain of Rs. 6.50 and Walchandnagars Rs. 5 to Rs. 316.25. Among cash shares, Maharashtra Sugars rose by Rs. 6.50 to Rs. 222.50 and New Svadeshis by Rs. 15 to Rs. 245. In the cement group, Associated Cements were listless and dropped Rs. 2.75 over the week to Rs. 149, while Digvijays improved by Rs. 5 to Rs. 159. Orissa Cements were quiet at Rs. 16.60 and Jaipur Udyogs at Rs. 10.92.

Engineering shares were featureless, except that the losses suffered in the earlier part of the week were nearly made good towards the close. Alcock Ashdowns were unchanged over the week at Rs. 254. Tata Locomotives closed a shade lower at Rs. 207.75. Premier Constructions finished with a loss of Rs. 6 at Rs. 361. Larsen and Toubros were done at Rs. 22, as against Rs. 22.04 a week ago. Mahindras changed hands 16 nP lower at Rs. 20.98. Brady Engineerings dropped Rs. 4 to Rs. 85. Among mining shares, Shivrajpurs shot up by Rs. 6.50 to Rs. 91.50, while Indian Coppers showed no change at Rs. 4.14.

Shipping shares were featureless. Scindias moved between Rs. 18.08 and Rs. 17.52 before closing at Rs. 17.92. Great Easterns were done a fraction lower at Rs. 21.44. Among automobiles,

Hindustan Motors provided a firm feature with a rise of 44 nP to Rs. 11.60, while Premier Automobiles were more or less steady at Rs. 133.50.

In the miscellaneous group, Bombay Burmahs (old) were erratic, moving between Rs. 547 and Rs. 535.50, but the closing was done Rs. 6 higher over the week at Rs. 544. After slipping down from Rs. 348.50 to Rs. 339, National Rayons regained to close at Rs. 352. Gwalior Rayons picked up 52 nP over the week to Rs. 23.20. Chemical shares were in the forefront, except Tata Chemicals which were quiet at Rs. 16.76. Alembic Chemicals added Rs. 10 to Rs. 197 and Amar Dyes Rs. 6.75 to Rs. 193. Dharamsi Chemicals shot up by Rs. 12 to Rs. 123. Polychem by Rs. 13 to Rs. 130. Tata Oils gained Re. 1 to Rs. 68.50. Voltas Rs. 3.50 to Rs. 173 and Wimcos Rs. 6 to Rs. 225. W. H. Bradys rallied from Rs. 387.50 to Rs. 401.25 and West Coast Papers from Rs. 135.75 to Rs. 156. Killick Industries were done Re. 1.25 higher at Rs. 139.25, while Ceat Tyres dropped Rs. 2 to Rs. 174.

Calcutta Stock Exchange

CALCUTTA, 12th August

Earlier in the week under review better advices from Bombay stimulated steadier conditions on the Calcutta Stock Exchange. However, interest was restrained, as operators and investors were cautious. From Monday onwards conditions became dull and the volume of business also shrank. The announcement of a dividend of 10 per cent. by I.L.S.Co. yesterday did not have any effect on the market as it was generally anticipated that the dividend would easily be maintained. The bonus shares issued by the Company in February last are not entitled to this dividend, but market circles expect that since working of the Company has improved during the current year, there would be no difficulty in maintaining the 10 per cent. dividend on the increased capital. Bombay rumours foreseeing an imminent rights issue for Indian Irons were not taken serious note of here, as such a possibility was considered remote. On the other hand, following the release of the 1958-59 T.I.S.Co. report, it was thought that steel producers' claim for higher retention prices was very strong to merit early official consideration. The Finance Minister's declaration of continued L.I.C. support to the private sector, as well as of his faith in the concept of mixed economy, caused satisfaction.

Sectionwise, textiles were in better form, following continued reports of improved offtake of cloth for internal consumption. Jutes were fully steady, as stocks of goods with mills declined further and although the extent of the decline was not as much as expected earlier, the possibility of mills deciding to increase production further was not ruled out. Teas responded to selective enquiries following good corporate results. Coals continued to idle around earlier levels, while miscellaneous industrials, which had recovered in active trading for a time, registered weakness towards the close.

Coals were quiet and transactions were few and far between. Burrakurs declined to Rs. 17.37 from Rs. 17.44, but subsequently improved to Rs. 17.50. At Rs. 306, Bengals accounted for a loss of Rs. 3, but Amalgamateds were firm at Rs. 25.62. New Beerbhooms changed hands at Rs. 20.31, as against Rs. 20.44 previously.

Several features were recorded in the jute section. Alliances opened at Rs. 130 and gave way to Rs. 128, but soon recovered to Rs. 137. At Rs. 174, Barnagores accounted for an improvement of Rs. 5.50. Rameshwaras forged ahead to Rs. 8 from Rs. 6.53 previously, to close at Rs. 7.90. At Rs. 192, Aucklands were better. Birlas gained to Rs. 24.62 from Rs. 22.75 to close at Rs. 24.19. On interested buying, Gourepores were transacted at Rs. 417, as against Rs. 408 previously.

In the engineering section, Indian Irons opened at Rs. 24.88 and soon rose to Rs. 25.12. Profit-taking set in at this stage and the rate soon receded to close at Rs. 24.82. Burn & Co. were a prominent feature with a rise to Rs. 456 from Rs. 450 on interested support. Texmacos hardened to Rs. 24.50 from Rs. 24.30 before giving way to Rs. 24.20.

Miscellaneous industrials were fully steady. Orient Papers had buyers at Rs. 37.45, as against Rs. 36.40 previously, before closing at Rs. 37.10. At Rs. 45.12, Titagurh Papers scored a gain of Re. 1. Indian Coppers rose to Rs. 4.19 from Rs. 4.15 to close lower at Rs. 4.14. Hindustan Motors at Rs. 11.62 scored a further gain. At Rs. 37.12, National Cables were higher by a few naye paise Balmer Lawries shed Rs. 2 to Rs. 194. Metal Boxes moved up to Rs. 42.19 from Rs. 41.87.

Madras Stock Exchange

MADRAS, 12th August

Equities on the Madras Stock Exchange ruled distinctly easy during the week under review, barring cement and a few select miscellaneous industrials which evoked some investment support. Contrary to earlier expectations, the Investment Committee of the Life Insurance Corporation was reported to have not taken any decision on the purchase of certain scrips at its meeting held on Thursday last. This induced operators to be cautious in entering into fresh commitments. Another unhelpful factor was the lower-than-anticipated dividends announced by a few companies under the management of the Peirce Leslie group. Despite reports of sustained overseas enquiries, tea shares gave way. Coffees and rubbers also drifted lower in sympathy. Sugars were subdued in the absence of fresh buying support. Textiles were dull. Even reports of large sales of yarn at higher prices having been made by several mills failed to have any effect.

In the sugar section, Cauverys came in for selling and dropped Rs. 2.00 to Rs. 114.50. E.I.D.s and Deccans receded by 25 nP each to Rs. 39.25 and Rs. 12, respectively. Travancores lost 15 nP at Rs. 12.20. Mysore were neglected at Rs. 49.50 and United Breweries at Rs. 459. Indias, however, gained 15 nP to Rs. 12.45. Kirlampudis changed hands at Rs. 65 ex-right, as against Rs. 79 cum-right. The Company has issued 5,000 equity shares of Rs. 100 each at par to equity shareholders as on the 10th inst. in the ratio of five shares for every twelve shares held, the new shares ranking pari passu with existing shares in all respects.

Among tea shares, Twyford's suffered a setback of 40 nP over the week, today's closing rate being Rs. 20.60. Haileyburias declined by 40 nP to Rs. 20.60 and Kil Kotagiris by 35 nP to Rs. 8.45. Chembras were a shade lower at Rs. 4.28. Nonsuch Teas were neglected at Rs. 27.65. Mamlalaya were dull at Rs. 41.75 cum-div., although the dividend declared by the Directors of the Company is higher at 20 per cent. for the year ended March 1959, as against 15 per cent. for the previous year. United Oucherlony's gathered 5 nP to Rs. 20.75. Coffees, Ossoors fell by 7 nP to Rs. 5.50. Among hullys were marked down by 63 nP at Rs. 3.00. Consolidated Coffees declined by 40 nP at Rs. 3.00. Coffee Lands shed 30 nP to Rs. 23.60. Balmadis lost 13 nP to Rs. 3.12, following the announcement of lower dividend at 7½ per cent. for the year ended May 1959, as compared with 12½ per cent. for the previous year. Cowcoodys were unchanged at Rs. 6.11, as also Babuddins at Rs. 18.50. Rubber 40 nP to Rs. 12.10. Cochins Malabars decreased by 19 nP to Rs. 6.87. Rajagiris were dull at 10 nP to Rs. 17.70. Teekoys were dull at Rs. 7.60, Valukundams at Rs. 27.50 and Malankaras at Rs. 19.50.

In the textile section, Buckinghams, Cannanores and Metturs eased by Re. 1.50 each to Rs. 187, Rs. 140 and Rs. 370, respectively. Virudhunagars moved down by 50 nP to Rs. 42.50. Most of the other shares were quiet.

Among miscellaneous industrials, Textools fell by a rupee to Rs. 177. F.A.C.T.s shed 35 nP to Rs. 9.75. Aluminium Industries declined by 43 to Rs. 22.05 cum-div. The Directors of the Comp have announced a final dividend of 63 nP (1 free) per share for the year ended March 1959, making a total of Re. 1.25, same as that paid in previous year. Metturs Chemicals receded by 18 to Rs. 13.47. Indian Steel Rollings lost 15 nP to Rs. 13.60 cum-div., following the lower dividend of 7 per cent. (tax-free) declared for 1958, as compared with 10 per cent. for 1957. Ashok Leylan shed 5 nP to Rs. 7.75. Dalmia Cements gained 5 nP to Rs. 10.65. India Cements, Orissa Cements and Travancore Cements gained a like amount to Rs. 6.85, Rs. 16.70 and Rs. 9.90, respectively. Western India Plywoods also improved by a 1 amount to Rs. 175. Spencers rose by 20 nP to Rs. 20.50. Farrys picked up 10 nP to Rs. 4.20.

NEWS IN BRIEF

PROPOSAL to fix a ceiling on the prices of woollen yarns is under the consideration of the Government of India.

The Neiveli Lignite Corporation has submitted the Centre a scheme for raising its mine output from an annual rate of 3.5 million tons to 6.0 million tons by the end of the third Plan period.

There are at present 1,785 I.A.S. and 1,082 P.S. officers serving in the 13 States in India. U.P. has the largest number of officers, 241 from the I.S. and 160 from I.P.S., Bombay stands second, with 219 I.A.S. officers and 144 I.P.S. officers.

A seven-man committee (Chairman: Mr. K. R. mle, Secretary to the Union Ministry of Agriculture) has been set up to examine the possibilities of establishing mechanised farms in the various parts of the country on the lines of the Central Mechanised Farm at Suratgarh in Rajasthan.

Two watch factories are proposed to be set up, one at Mettupalayam near Coimbatore and the other at Bangalore, the former being in the private sector and the latter in the public sector. Negotiations for foreign collaboration are now going on and these are expected to be finalised shortly.

The Government of India has sanctioned a scheme worked out by an Andhra firm to put up a plant for the manufacture of caustic soda. The Government has also agreed to the proposal made by the firm to import plant and machinery from West Germany against rupee payment.

The Government of India has signed an agreement with Mackay Radio and Telegraph Company facilities the establishment of a new multichannel radio telegraph service operating from Calcutta to the U.S. via Manila. At present, India's only direct radio link with the U.S. is via Tangier.

The foreign exchange cost of repairs abroad in Indian ships rose sharply from Rs. 33 lakhs in 55-56 and Rs. 43 lakhs in the following year to much as Rs. 135 lakhs in 1957-58, which represents 12 per cent. of the total disbursement abroad. Indian shipping companies during the same year, the sharp rise reflected the steps taken by Indian shipping companies to re-condition their fleet during a year and, in part, the rise in building costs.

The Indian trade centre at Frankfurt, West Germany, will extend its activities to cover the other countries of the Common Market and, eventually, the whole of Europe. An indication to this effect was given by Mr. R. N. Philips, head of the centre, in the course of a Press conference at Frankfurt last week. Meanwhile, India will take part, for the first time, in the Frankfurt autumn trade fair beginning at the end of this month.

No delivery of manganese ore to the U.S. in change for wheat provided for under the barter agreement signed between the two countries some time ago, has so far taken place. Disclosing this, Mr. Nityanand Kanungo, Minister for Commerce, stated in the Lok Sabha that India expects to alter price for its manganese ore after sometime. He also conceded that, while the price of manganese had gone down, wheat prices had gone up.

An agreement has been concluded between an Indian firm and a foreign concern for collaboration in the manufacture of printing machinery at Titagarh in West Bengal. Under the agreement, the Indian firm will be given patent rights and supplied with technical data for the manufacture, assembly, sale and sale in India of flat-bed presses, components, and spares against payment of royalty for seven years. The collaborating firm will also provide technical personnel.

The Union Defence Ministry is examining a proposal for the progressive manufacture of Rolls-Royce "Dart" engines at the Hindustan Aircrafts' new aero-engine plant at Bangalore. The "Dart" is well-established propeller-turbine engine. The "Avro" 748 aircraft, which the Defence Ministry opposes to manufacture at Kanpur in collaboration with the Hawker-Siddeley Group, and the Vient will be fitted with these "Dart" engines. It learned that Hindustan Aircraft will soon commence manufacturing the Bristol "Orpheus" engine for Gnat jet fighters produced by it.

The Government of India proposes to import from Rumania kerosene and high-speed diesel oil against rupee payments. Disclosing this in the Lok Sabha the other day, Mr. K. D. Malaviya, Minister for Mines and Oil, stated that the Rumanian Government had made an offer early this year, but the offer could not be considered because the terms laid down by some Indian oil companies were not favourable. Since the Government Company has now been set up to undertake the distribution of oil in the country, the import of oil from Rumania will be considered afresh.

A draft outline of the third Plan will be ready by the end of the current year, according to Mr. N. Mishra, Deputy Minister for Planning. The various working groups are at present working on different aspects of development. The Reserve Bank, at the request of the Planning Commission, is taken in hand studies of private investment, financial flows, inequalities in income and balance payments. Besides, the reconstituted panel of economists has commenced investigation on problems of foreign trade, price policy, employment, social policy, agriculture and rural industries, banking and monetary policy, fiscal policy, investment priorities and savings and mobilisation of resources.

The State-owned Integral Coach Factory at Changanassery is claimed to have succeeded in bringing down the cost of railway passenger coaches to about Rs. 86,000 each. The cost of production was

PERSONAL

MR. D. P. Mathur, Senior Deputy General Manager, Central Railways, has been appointed Director (Finance), Railway Board.

Mr. G. S. Rao, Accountant General of Bombay, has been appointed Deputy Comptroller General of India. Mr. A. K. Ghosh will succeed Mr. Rao.

Mr. S. M. Shah, President of the All-India Importers' Association, Bombay, has been nominated as a member of the re-constituted Import Advisory Council for a period of two years.

Mr. B. Sengupta, until recently Principal of the Victoria Jubilee Technical Institute, Bombay, has been appointed Director of the Indian Institute of Technology, Guindy, Madras.

Mr. G. B. Kulkarni, a former Professor in the Sydenham College of Commerce, Bombay, who was taken on the staff of the State Bank of India shortly after its establishment, has now been designated as the Economic Adviser to the Bank.

Mr. Fatehchandji Jhunjhunwala, Mr. Hansraj Jivandas and Mr. Khimji Madhavji Thakkar have been elected President, Vice-President and Honorary Secretary, respectively, of the Bombay Cotton Merchants and Mucadams Association Ltd., Bombay.

The London Stock Exchange Council has suspended for six months one jobber and three stockbrokers on a charge of misusing a Finance Act concession which allows jobbers, under certain conditions, to take up stock at a flat stamp duty of 10s. only, instead of the standard rate of £2 per cent., provided they do not hold the stock for more than two months.

Belgium, Holland and Luxemburg have decided to complete the Benelux Economic Union before the complete economic integration of the Common Market of the Six. The Benelux countries, which are also members of the C.M., will continue to give preferential treatment to those countries which are generally accorded among the Six until the C.M. is fully established.

From Abroad

The Bank of Spain has raised its discount rate from 5 to 6½ per cent., with effect from the 3rd inst.

The Nepalese Government is considering a proposal to stop the circulation of Indian currency in Nepal.

A Karachi report claims that Pakistan's second Five-year Plan, which is to be launched in the middle of 1960, envisages an expenditure of Rs. 1,500 crores.

The total population of South Africa at the end of June last was higher by 255,000 at 14,673,000, as compared with a year before. Of the total population, 3,087,000 were whites, 9,751,000 natives, 1,405,000 coloured people and 450,000 Asiatics.

Wheat crop of Australia to be harvested in December 1959 is expected to be 160 million bushels which represents a substantial fall, as compared with the previous season's bumper harvest of over 200 million bushels.

The total production of sugar in the West Indies Federation in the 1959 crop year is estimated at 1,147,098 tons. Jamaica, the major producer, will contribute about 374,548 tons, as against 348,535 tons in the previous season.

Turkey has asked for association with the West European Common Market of the Six, following similar moves by Greece and Tunisia. Turkey depends on the C.M. countries for about 30 per cent of its exports and 35 per cent of its imports.

The U.S.S.R. and Australia are currently examining the possibilities of expanding their mutual trade. The U.S.S.R. is expected to buy Australian wool and some other goods in exchange for plywood, newsprint, electrical equipments, foodstuffs and other products.

The Dunlop Rubber Company (U.K.) has reduced the prices of all popular sizes of new car tyres by 7½ per cent., with effect from the 8th inst. The cut is a sequel to the growth in family motoring and the consequent widening of the market for tyres, as well as to lower costs.

One unit of every three working Americans is now covered by a private pension plan, the actual number being 20.5 million. Of this number, about 15.50 million are covered by corporate pension funds and 5 million by private pension funds administered by insurance companies.

The aggregate expenditure on all forms of advertising in the U.K. rose from £233.60 million in 1957 to £264 million in 1958, representing 2 per cent. of the total national income. Expenditure on Press advertising increased from £162 million to £172 million and on TV advertising from £27 million to £48 million.

The Burma Oil Company has decided to expand its areas of operations to include the Western Hemisphere. Arrangements are being made for the incorporation of a wholly-owned subsidiary company in the U.S., called the Burma Oil Western Company. The proposed company is expected to co-operate with the Murphy Corporation of El Dorado, Arkansas, in oil exploration in the U.S.

Austin and Morris cars will shortly be produced in Italy, under an agreement reached between the British Motor Corporation and the Innocenti of Milan, manufacturers of heavy steel plant and Lambretta motor scooters. The Innocenti has agreed to assemble and partially manufacture B.M.C. cars for the Italian market, a constituent unit of the Common Market.

Spain has removed the restriction on imports of about 200 classes of goods from the other member-countries of the O.E.E.C. and 28 other countries, including India, Pakistan, the U.S., Australia, Canada, Jordan, Libya, New Zealand and South Africa. The list of goods include among others, castor oil, unrefined cod liver oil, tea, seeds, potatoes, crude oil, motor spares, mineral ores (except lead, iron and zinc), cadmium, scrap metal, raw rubber, synthetic rubber and spare parts of industrial machinery, certain mining and refinery equipment.

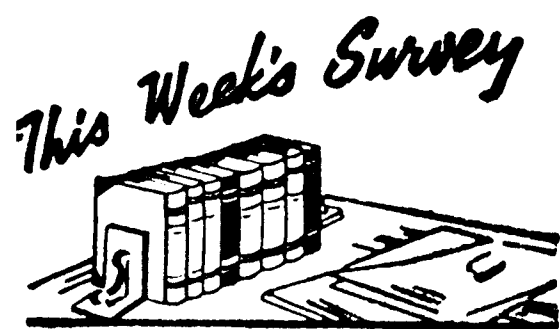
Some interesting details of the "teenage market" in the U.K., with an annual expenditure of about £900 million concentrated on a comparatively narrow range of products and services, are given by Dr. Mark Abrams in a new London Press Exchange paper, *The Teenage Consumer*. The teenage group represents 13 per cent. of total population, 15 or more, and accounts for 44 per cent. of all consumer expenditure on records and record players, 38 per cent. on bicycles and motor cycles, 24 per cent. on cosmetics, 4 per cent. on alcoholic drinks and 9 per cent. on cigarettes and tobacco.

The British Overseas Airways Corporation has received President Eisenhower's sanction for a jet service from San Francisco to Honolulu to Tokyo—the only present gap in what will now become its regular round-the-world operations, in accordance with the unanimous finding of the United States Civil Aeronautics Board. The B.O.A.C. at present runs a twice-weekly service from London via New York to San Francisco. Its extension across the Pacific had been opposed by an American company on the ground, among others, that this competition would reduce the earnings of American air traffic by \$15,000,000. The Civil Aeronautics Board estimates that the "revenue diversion" would amount to \$7,800,000 in the first year. The B.O.A.C.'s new trans-Pacific service will link up with the already well-known daily service to and from Tokyo—by Comet or Britannia aircraft—which caters for passengers travelling to or from (e.g.) London, Zurich, Beirut, Bahrain, Karachi, Delhi, Calcutta, Bangkok, and Hong Kong.

MACHINERY FOR SALE

Offers are invited up to 31st August 1959 for the purchase of a number of rare and useful machines like crankshaft grinders, lathes, milling machines, turret lathes, drilling machines, grinders, re-boring machines, piston grinders, valve re-facing machines, connecting rod turning machines, power pressing machines, mechanical presses, hand presses, hardness testing machines, centrifugal casting machines, hydraulic pressing machines, electric motors, generators, chucks, tools, accessories and various other machines, mostly foreign makes, in a large factory in Delhi, manufacturing automobile parts, cycle parts, etc.

Offers are also invited from those who are interested to purchase the entire factory with the goodwill. For inspection and for further particulars apply to Post Box No. 1128, Delhi 6. Telephone: 25098.



INDIA AND THE GERMAN MIRACLE

It is common knowledge that, despite heavy destruction suffered in the Second World War, West Germany has rehabilitated its economy in most spectacular manner. Indeed, West Germany ranks today as, one of the largest editor-nations in the world. This remarkable achievement must be attributed in large measure to the policy of free market economy unciated and given effect to by Prof. Ludwig Erhard, Minister for Economic Affairs. In view of this success, many in this country naturally wonder as to why the technique followed by West Germany should not be pursued in India. This question was impressively answered by Mr. H. V. R. Iengar, Governor of the Reserve Bank of India, while addressing the inaugural conference meeting of the Indo-German Social Centre in the City last week-end.

Mr. Iengar sought to stress that it would be wholly misconceived policy to apply the principles that succeeded in West Germany, without necessary change and adaptation, to Indian conditions. In support of this view, he pointed out the basic differences in the economic situation between the two countries and to the fact that, even in the conditions that existed in Germany, the step taken by Prof. Erhard was a gamble which, of course, came off, thanks to courage, as well as to the sense of discipline and hard work of the German people. "Apart from every other consideration, our task," he told him, "is so stupendous as to be beyond the means of what Prof. Erhard would call the free market. The State here must inevitably play an important part in initiating the process of development and, having regard to the lack of resources of all kinds, it would have to do so in accordance with a well-thought-out plan."

No one has argued that the State should not initiate and carry forward the process of development, nor has any reasonable-minded person opposed the need for State control and regulation. But what the critics of the Governments in India have been emphasising is that, in no circumstance should the State attempt to supplant private enterprise as is being done at present on certain ideological grounds. The economic policy of the State is not at all conducive to bring the best out of private enterprise in the drive for the economic advancement of the people. The mounting burden of taxation, the series of excessive controls and regulations on companies, the restrictions on gainful production in some spheres on misconceived ideas of social justice, and the rapidly expanding operations of the State Trading Corporation in spheres where the balance of advantage is in leaving them to the private sector are some of the examples of obstructive character of the economic policy of the powers-that-be. In a speech under reference, Mr. Iengar gave a brief account of the historical experience of the countries now highly developed and pointed out that, in almost every one of the Western countries, as also in Japan, the State took positive action to foster the formation of national industries by itself establishing them. But he took care to add that, "in none of these countries, an attempt was made to supplant private enterprise; on the contrary, the State economic policy was meant to facilitate the growth of private enterprise by creating a favourable economic climate." The question which Mr. Iengar did not answer is whether the governments in India have strictly followed this practice.

Considering that private enterprise in India, carrying a few black sheep, has given a good account of itself and that it is quite capable of doing the job, the State is not justified in encroaching upon the field of private enterprise. As Mr. Iengar very pertinently declared, "if there is scope for vigorous private enterprise, the extent of State enterprise and State control would not go beyond the point necessary to stimulate and sustain development." Elucidating

this point, Mr. Iengar made the following interesting observations:

"It seems to me that it is here—and not in an academic acceptance of the principles of the free market economy—that the German experience is of value to us. It is really a pointer to the future that, when we reach the stage of self-sustaining growth, which we hope to do in a few years, the need for the State to take a direct part in economic enterprise will progressively diminish. The German experience emphasises the enormous contribution that can be made by individual effort and sense of enterprise to a country's development, while not overlooking the fact that the State must at all times exercise the responsibility of ensuring that this enterprise is pursued under well-settled rules intended to secure social welfare. It also suggests, I think, that the employment of general instruments of fiscal and monetary policy offers better scope than the direct use of elaborate physical controls. The use of this latter instrument may be necessary in certain fields and for certain periods, but to what extent it should be employed would require careful examination from time to time in the light of changing conditions."

Another lesson—the most important one—from German experience that is very relevant to Indian conditions, to which Mr. Iengar drew attention, is this: "Before a cake can be distributed, there must be one to distribute, and on a national scale, the baking of a cake involves hard work and discipline at all levels." This is no doubt an elementary proposition, but it requires, as Mr. Iengar himself said, to be restated time and again in India. The need for such a statement is all the greater now when the exuberant socialist members of the Congress Party swear day in and day out by equitable distribution of wealth.

INVESTMENT OF LIFE FUNDS

Mr. Morarji Desai, Union Finance Minister, rightly rejected the suggestion, put forward by some members of Parliament, in the course of the discussion on the first annual report of the Life Insurance Corporation of India, that life insurance funds should not at all be invested in shares of companies in the private sector. This suggestion only betrays either total antagonism to the private sector or ignorance of the basic principles of investment of life funds. Since the honourable members who put forward this suggestion are intelligent and well-informed, it is obvious that they were motivated by a desire to spite the private sector and starve it out of funds. In any case, it is contrary to the solemn assurance given by Mr. C. D. Deshmukh, a former Finance Minister, while piloting the Life Insurance Corporation of India Bill. To quote Mr. Deshmukh:

"I would like to tell the spokesmen of the private sector, industrialists and others that it is not Government's intention to divert the flow of funds, that is, large dimensions of the present funds, to the public sector, to a greater degree than at present. Now, it is my endeavour to see that at least as much money as is available today is made available for investments in the private sector."

The doctrine of guardianship of policyholders' money requires that, subject to the overriding consideration of security of investment, the aim should be to secure the highest possible return. The larger percentage of life insurance funds going into industrial securities, in countries supposed to have the best managed insurance business in the world, is a reflection of the growing popularity of this form of investment from the point of view of yield and also as a hedge against inflation. For instance, in Britain where there is no statutory regulation of insurance investment, of the total life fund investment of £4,537 million at the end of 1958, only 27.2 per cent. were held in Government (British, Commonwealth and foreign) securities, while investments in debentures, preference and ordinary shares were as much as 40 per cent. As compared with this, in India, under Section 27A of the Indian Insurance Act, as amended, as much as 50 per cent. of funds should be invested in Government securities alone. What is more striking is that, in Britain, the new funds for investments during 1958 have gone largely into ordinary stocks and shares while Government securities accounted for only a smaller percentage of the total holdings than in 1957.

The significance of life insurance investments in the capital of private companies in Britain lies not in their present size but in their rate of growth. For example, in the U.K. while life insurance companies' investments in Government and allied securities increased from £1,300 million in 1948 to £1,491 million in 1956, investments in industrial securities increased from £752 million to £1,743 million. The relatively small amounts going to gilt-edged indicates the general recognition of the advantages of equity investment in a period of inflation.

Insurance companies in Britain have also played a significant role in providing risk capital for new enterprises. An idea of this can be had from the statistics published by the Board of Trade which show that the book value of all corporate capital held by British insurance companies rose from £1,009 million at the end of 1951 to £1,743 million by the end of 1956, that is, an increase of £734 million. Since new issues of corporate capital during this period were of the order of £900 million, this means that insurance companies supplied 81.55 per cent. of the fresh capital raised.

In contrast to this trend in the U.K., in the Continent of Europe, insurance funds have been guided into Government and other trustee stocks which were thought to be safe. These supposedly safe investments have proved anything but safe in capital values and yields and more so where Governments have failed to manage their monetary systems well. In the context of the growing inflationary trend in India, it would be unwise to discard investment in sound equities in favour of gilt-edged. Those who put forward such a proposal are actually doing a disservice to policyholders and the L.I.C. These critics are, of course, not interested in the Government doing the right thing, because it does not suit their vested interests.

The Finance Minister rightly termed the suggestion that investment of life insurance funds should be entrusted to the Reserve Bank as "fanciful." The Bank has nothing to do with insurance. As the Finance Minister aptly said, it is just like telling the L.I.C. that "your function is only to bring in the money; it will be the function of some other people to look after it." Such a policy, it is evident, will act as a deterrent to the initiative and enterprise of the officials of the L.I.C. and thereby retard the growth of life insurance.

DEVELOPMENT OF SHIPPING

It is certainly encouraging to hear from Mr. G. L. Mehta, Chairman of the National Shipping Board (vide his speech at the Board's second meeting held at New Delhi on Saturday the 8th inst.), that both the Union Ministry of Transport and the Planning Commission are fully appreciative of the importance of shipping and the need to give it adequate priority in the third Five-year Plan. On the basis of this statement and also of the assurance given by Mr. K. Patil while inaugurating the Board in April last, namely, that the Government would treat the Board's recommendations "with the greatest respect," the target of India-owned tonnage under the third Plan may be taken to be 1,628,200 tons, as against the second Plan target of 900,000 tons. This is the figure proposed by the Ad Hoc Committee (Chairman: Dr. A. Ramaswami Mudaliar) and fully approved by the Board. Assuming that the second Plan target will, in fact, be hit, the net addition to tonnage during the five years ending 31st March 1966 will be of the order of 728,200 tons—443,000 tons in the private sector and 285,200 tons in the public sector. The total outlay estimated by the Committee is Rs. 143 crores, of which Rs. 133 crores, it is said, will go into account the saving in exchange resulting from the production that would be possible of Rs. 17 crores is expected to come from the private companies.

The target of 1,628,200 tons proposed by the Ramaswami Mudaliar Committee is quite a modest one. Even with the fulfilment of this target, Indian shipping will still have a long way to go before the country can attain a maritime status which will be commensurate with its large and growing foreign trade and its own extensive coastline. The portion of India's foreign trade now carried by indigenous ships is negligible, being just 7 per cent. If this proportion is to be raised, it is imperative that the authorities should adopt a more helpful attitude. The National Shipping Board did well to decide on the appointment of a committee to take up with the State Trading Corporation and other Government Departments the question of ensuring carriage of more Government cargo by Indian shipping than is the case now. This is "absolutely essential" for the serving foreign exchange. It is computed that, out of the aggregate annual freight bill of Rs. 150 crores, the Indian shipping companies have so far succeeded in getting only about Rs. 21 crores, the balance being the share of foreign shipping companies most of which has ultimately to be met in foreign currency.

The Board also put forward three other notable suggestions. One, a foreign exchange pool should be established under the aegis of the Shipping Development Fund to provide a continuous source of funds for the purchase of ships

abroad. Two, since the oil trade constitutes as much as 25 per cent. of the country's total maritime trade and is likely to expand in the future, special attention must be given to the question of building tankers, so that, by the end of the third Plan, the entire coastal traffic and at least half of the overseas trade will be carried in Indian tankers. Three, it is necessary to take up long-distance passenger services, as a matter of national policy. The services may be operated in the public or the private sector, but some subsidy for the construction of ships is needed in the initial stages.

In addition to these suggestions, the Board decided to set up a committee to discuss with the railway authorities and others concerned the question of carriage of coal and salt by coastal shipping in the context of the railways' programme. Evidently, this decision is a sequel to the complaint made by coastal shipping companies that there has been a diversion of coal away from shipping and that this may lead even to the laying off of some ships. If this committee is to do any useful work, it must dispassionately study the reasons why the salt manufacturers prefer the railways to coastal ships and refrain from asking for any monopoly in the carriage of this traffic. The producer and the consumer of these commodities should have the freedom to use that means of transport which is most economical to them.

NOTIFICATION OF VACANCIES

It is not clear what precisely are the compelling reasons behind the formulation of the Employment Exchanges (Compulsory Notification of Vacancies) Bill, which makes it obligatory on employers in the private sector to notify vacancies in certain categories to the Employment Exchanges. The Bill, which was passed by the Lok Sabha on the 4th inst., without much ado, provides for punishment of employers who fail to notify vacancies, or furnish false information, with a fine amounting up to Rs. 500. It is true that the Bill does not constitute an encroachment upon the freedom of employers to recruit their own staff, for it does not compel them to recruit any person through Employment Exchanges to fill vacancies, even though they have to be notified. But it confers on the Government the irritating

power of inspecting the relevant records or documents in the possession of the employer, take copies of them and elicit further information from the employers. If the object of the Government is only to collect data on vacancies—a desirable one by itself—this can be achieved by a simpler and less irritating method. Unfortunately, certain remarks by the official spokesmen have given rise to a misgiving that the Government has other objectives also in mind and that this measure is only the thin end of the wedge.

Mr. Nanda, while replying to the debate on the Bill, again reaffirmed his principle of "moral force" in implementing his policies. Why has he then found it fit to have recourse to this punitive legislation, without consulting employers and ascertaining whether the object could not have been achieved by the voluntary co-operation of employers. Is his hint that persistent rejection by employers of the candidates sent by the Employment Exchanges will attract the critical attention of the Government, an indication that, should "moral force" fail, the Government will substitute it by other means?

One wonders as to what purpose the Bill is designed to serve. Is it to help the Government to assess the present and future employment potential or to ensure that no vacancy is filled up without the knowledge of the Government? If filling up of a vacancy from among the candidates sent by the Exchanges is left to the discretion of the employer, what is the purpose in compelling, under pain of punishment, to notify the vacancies?

The Bill is apparently based on the recommendation of the Shiv Rao Committee which submitted its report in 1954. This Committee, it will be recalled, had been asked to recommend measures for improving the working of Employment Exchanges. It had recommended that the working and the results of its proposals pertaining to recruitment by Government and semi-Government employers through Employment Exchanges should be watched for a time before enforcing compulsion on the private sector also. It is strange that, when the working of the Employment Exchanges still leaves much to be desired and the Governments themselves are not extending their full support to the Exchanges, the Centre has thought it fit to

compel the private sector to use the Employment Exchanges. The Government, however, will be well advised (a) to clarify the position by stating that the powers vested in it under this legislation will be used only for collecting data on vacancies and the trend of employment, and (b) to seek the voluntary co-operation of employers through their representative organisations for increasing the utility and popularity of Employment Exchanges. The employers, on their part, will derive considerable benefit to themselves, if they help the Government in this direction. They must volunteer to the authorities constructive suggestions for raising the efficiency of the Employment Exchanges.

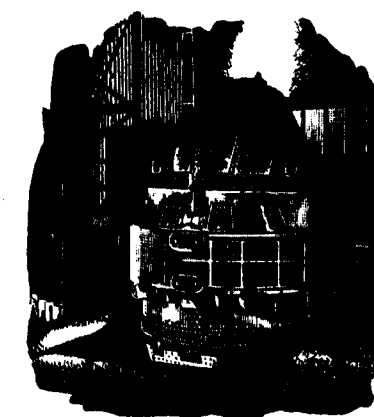
EXPORTS OF INDIAN MICA

India has a virtual monopoly of mica—known in vernacular as *Abhrak* or *Abhra*—accounting as it does for about 80 per cent. of the aggregate world supply. The reserves of this strategic mineral are concentrated in three belts of about 1,500 sq. miles in Bihar, 1,200 sq. miles in Rajasthan and 600 sq. miles in Andhra Pradesh. The Geological Survey of India has also located some deposits of mica in the States of Kerala, Assam, Mysore and Orissa. The Bihar belt, which bears the richest veins and accounts for about 60 per cent. of India's mica production, yields the high-quality muscovite mica, considered to be the best in the world. Mica is put to a wide range of uses in the sphere of science and industry. Because of its insulating properties and high power of resistance, it is indispensable in the manufacture of electrical apparatus and appliances. Mica powder is used in the preparation of paints, axle greases and in boiler laggings, etc.

The demand for mica in India is, however, very limited at present. So the major part of the output is exported. Of these, the U.S. buys about 50 per cent. The other leading importers of Indian mica are the U.K., Japan and Germany. It is stated that the U.S.S.R. has now placed substantial orders for Indian mica. Nevertheless, India's exports of mica in recent years have suffered a serious setback. They fell from Rs. 13.53 crores in 1951 to Rs. 6.57 crores in 1954. Although they subsequently improved to Rs. 8.67 crores in 1957 and Rs. 9.34 crores in 1958, they

(Continued on page 284)

EVERY DAY IN EVERY WAY—



Bessemer Converter at
Workington plant

United Steel have supplied in the past and are supplying now, a wide variety of Steels for the development of Indian Industry and Communications.

STEEL

SERVES EVERY ONE
OF INDIA'S
FOUR HUNDRED
MILLION PEOPLE



THE UNITED STEEL COMPANIES (INDIA) PRIVATE LIMITED

P. B. No. 673, HIMALAYA HOUSE, HORNBY ROAD, BOMBAY 1
P. B. No. 119, P-13 MISSION ROW EXTENSION, CALCUTTA
P. B. No. 3763, 19 AGURCHAND MANSIONS, MADRAS 2

LONDON LETTER

COHEN COUNCIL'S THIRD REPORT PRICE REDUCTIONS FAVOURED

From Our Own Correspondent

LONDON, 7th August
THE "Three Wise Men," who were appointed just two years ago by the Government as a supposedly impartial body to comment and advise on the course of economic affairs, have just issued their third report. The pure economist member of the trio has now changed but the general approach to problems seemed to have remained the same. The Trades Union Congress continues to boycott the deliberations of the Council (its full name is The Council on Prices, Productivity and Incomes—but often called, after its Chairman, The Cohen Council). But it is unlikely that the T.U.C. could really have expedited the work of the Council, since the trade unions are inevitably affected by its findings.

The broad conclusion of this report is in line with the thinking attributed to the Prime Minister of late, that it is time that manufacturers got down to the business of reducing prices now that increased mechanical efficiency and higher output are increasing net returns. The Council says, in effect, that the inflationary spiral up which the country has been travelling ever since the war has for the time being come to an end. This gives an opportunity for stabilising price levels and adopting a new approach to the general problem of incomes and expenditures in relation to productivity that could prevent a resumption of the spiral as prosperity increases. The words used are: "so far as the rise in output brings lower unit costs but prices are not reduced, either profit margins will be widened, or money rates of pay can be raised up to a point without tending to push up prices in the sector where they occur." And the Council is of the opinion that lower costs should be reflected immediately in lower prices. But it does concede that there should also be some rise in wages—and, though it does not say so, presumably some rise in dividends, too. Basically, however, the benefits of reduced costs should be reflected in reduced prices.

It is odd how such a simple proposition can be misinterpreted. The British Employers Confederation, for instance, comments that the importance of the report is that it describes "quite unequivocally" the key to economic progress—producing more from the various agents of production. But this always has been the key to economic progress and the Council would have seemed a little redundant if this had been, indeed, its statement of the obvious. The Federation of British Industries got the point, however, that there was a novel thought in using higher profits to reduce costs, instead of using them to plough back into industry and

thereby increase production still further. The National Union of Manufacturers also expressed surprise at the idea; but both of these bodies have said that they will think about it. Politically, the Government is very anxious that they should.

The report has also a good deal to say on the way in which the inflationary crisis which developed in 1955 and has led to a depression in output up to this March was handled. They agree with all the critics of Government policy that the process of tightening credit and restricting demand was undesirable. They would have liked to have seen inflation ended without decreasing demand, but they confess that up to now "a better way of preventing the progressive rise has not... been found" and they come to the surprising conclusion that therefore the inflation itself is responsible for the check to output! The Opposition will certainly have something to say about this—or else give up all thought of criticising the Government in economic matters again.

With regard to the immediate future, the Council estimates that expenditure is likely to rise at about 4 per cent. per annum but that this rate should be well within the capacity of rising productivity, so that there is still margin in the economy for carrying out their recommendations.

LITTLE FREE TRADE AREA

LONDON, 31st July

At last, at Stockholm on 21st July, the British Government had their way and a European Free Trade Association is about to be born. The negotiations began on the first of June and this week a White Paper has been published, setting out the recommendations that the Ministers of the seven countries concerned are to put to their Governments. The countries—the Little Seven as they have been called—are Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom. The Ministers concerned are either Ministers for Foreign Affairs or for Commerce and Finance and, in the case of the United Kingdom, the Chancellor of the Exchequer. There is thus little doubt that the recommendations will be accepted by these Governments. Meanwhile, the Convention, which will be the governing document of the Association, is being drafted and it is expected that it will be presented to the Ministers by the end of October. Parliaments should accordingly approve of new proposals before the end of the year, ready for action in 1960.

Of course, this European Free Trade Association embracing, apart from the United Kingdom, only the smaller trading countries in the O.E.E.C., is a very much less imposing affair than originally envisaged. It is indeed the setting up of a camp of the members who, for one reason or another, are not in the six countries of the Common Market. But the British Government in particular has been at pains to publish pronouncements that, in setting up this group of seven, they do not intend to be in opposition to the six but are to assist the economies of the six by co-operating with them in every way, and arrangements are now being made for each of the seven countries to accredit diplomatic representatives to the European Economic Community, where they will be able to meet the representatives of the six as well, of course, as meeting them on the O.E.E.C. It is hoped that, with enough points of contact, the two groups will eventually work together.

The first positive action of the new Association will be the slashing of tariffs between the member-countries by 20 per cent., on the first of July next year. On that date, the Common Market six will make their second cut of 10 per cent. between themselves. Thus, the Free Trade Association's cut will bring the cut in both groups into line.

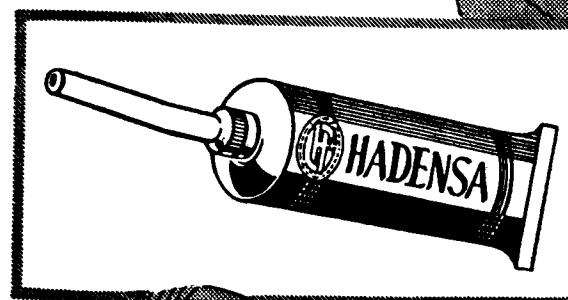
Thereafter, the member-countries of the Association plan to abolish existing tariffs on imported goods originating among member-countries, at 10 per cent. each time, the first cut coming 18 months after the 20 per cent. cut, the second 18 months after that and the third 18 months later still. It will, therefore, be 1965 before tariffs have been cut to half their present levels. Thereafter, cuts will be at the rate of 10 per cent. per annum, the idea being to eliminate tariffs altogether between the member-countries in ten years' time—unless the economic position of the member-countries is such that they can expedite this rate of freeing of trade.

As for import quotas, no change is immediately contemplated on the levels to which all the O.E.E.C. countries are currently working, but here again the intention is to abolish all quotas on trade between members, at the latest in ten years' time. Moreover, it is expected that existing quotas will, on average, be expanded by about 20 per cent. per annum.

The arrangements envisaged then make all sorts of provision for members who are in special difficulties, etc., very much on G.A.T.T. lines.

The administration of this Association will be in the hands of a Council of Ministers and there will also be a Board of Management consisting of one representative from each member. No further detail has been attempted at this stage. The only other significant point is that a Common Nordic Market which is at present being negotiated between Denmark, Norway, Sweden and Finland, the latter country not being party to the O.E.E.C., but it is hoped that confusion will be avoided by embracing the Nordic Common Market in the New Association.

The
difference
between
LAST WEEK



and
THIS WEEK
is
Amazing
HADENSA
for PILES

AVAILABLE
AT ALL CHEMISTS

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

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

Interest allowed on Savings Bank account at 3%

All types of Banking business transacted.

Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

Terms on application.

RONUK

For

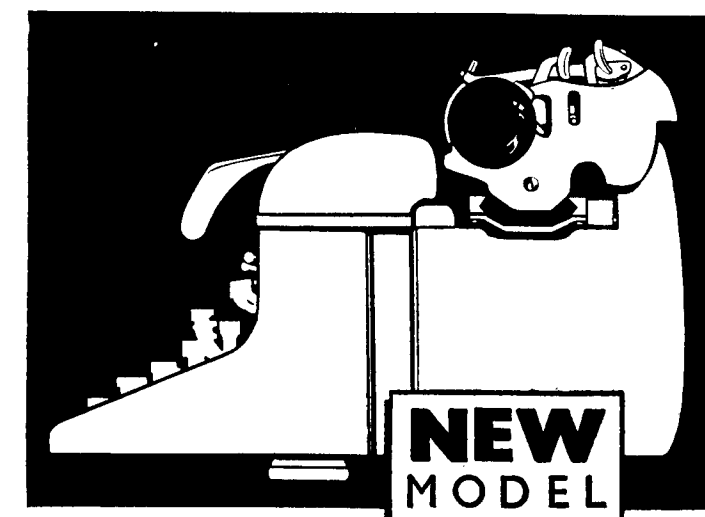
- Polishing & buffing compositions
- Prepared plating salts for all metals, Metal bronzes, Alkali metal cleaners, Anodes.
- Fibre & wire wheels, Calico mops.
- Design fabrication & erection of complete plants for

ELECTROPLATING

& ANODISING

RONUK INDUSTRIES LTD.,
11A, world sea face, Bombay 18.

FOR EASIER... FASTER...
BETTER... TYPING



of the **Godrej** all-Indian Typewriter

Look at these
advanced features

Easily Removable
Platen: For cleaning
and replacement.

Handy Platen
Detent Release:
Now located near
carriage release.
Changes line-spacing
temporarily without
losing original line.

Positive Spacing with
Instant Control
Lever: Permits
change from single
to double to triple
spacing.

Durable Paper
Bail: In serrated,
rustless metal for
accurate
bailing
of paper.

Convenient
Line-space
Lever: For
moving carriage
smoothly and
changing space as
set by the line-
space Gauge.

Built to last
Service after Sales
Guaranteed.
Brief Size
Rs. 760

plus

such ease and efficiency
features as accelerated
Typebar Action for
sharper, clearer types;
simple Tabulation De-
vice; Touch Tuning to
adjust the personalised
touch; hard-wearing,
Attractive Finish...

Our friendly sales
representatives will be
happy to demonstrate,
without any obligation.



the finest value in Typewriters

Union Bank of India Limited.

(ESTD: 1919)

Head Office:
Union Bank Building
Apollo Street
BOMBAY-1

OUR CUMULATIVE DEPOSIT SCHEME
HELPS YOU ACCUMULATE SAVINGS
IN EASY MONTHLY INSTALLMENTS
EARNING 4% COMPOUND INTEREST

CALL AND FIXED DEPOSITS
ARE ACCEPTED AT ATTRAC-
TIVE RATES

F. K. F. Nariman, General Manager.

THE CENTRAL BANK OF INDIA, LIMITED

(Established December, 1911)

Head Office: Mahatma Gandhi Road, Fort, BOMBAY-1

Authorised Capital	Rs. 6,00,00,000
Subscribed Capital	Rs. 5,75,00,125
Paid-up Capital	Rs. 3,14,30,350
Reserve Fund and Other Reserves	Rs. 4,04,40,316
Deposits as at 31-12-1958	Rs. 1,02,32,40,461

DIRECTORS

SIR HOMI MODY, K.B.E. (Chairman)
COOVERJI HORMUSJI BHABHA, Esq. (Vice-Chairman)
DINSHAW D. ROMER, Esq.
DHARAMSEY MULRAJ KHATAU, Esq.
C. P. WADIA, Esq.
CHIMANLAL BAPALAL PARIKH, Esq.

FRAMROZE J. GUZDAR, Esq.
SIR JAMSETJEE JEEBHOY, Esq.
His Highness SIR JIVAJIRAO MAHARAJA KONTIA,
G.C.S.I., S.G.I.E., Member of the
JAYKRISHNA HARIVALLABH DAS, Esq.
SHIVAJI KARANIK, Esq.

Branches and Pay Offices in all important Commercial Centres of India,
Pakistan and Burma.

LONDON BRANCH: 159, Fenchurch Street, London, E.C.3.

NEW YORK AGENTS: The Guaranty Trust Co. of New York,
The Chase Manhattan Bank.

S. K. KARANIK,
General Manager.



Established 1919

Years of Experience
in the Far East!

FOR COMPREHENSIVE BANKING
& FOREIGN EXCHANGE FACILITIES



THE MITSUBISHI BANK, LTD.

CABLE ADDRESS: CHYODABANK

HEAD OFFICE: Marunouchi, Tokyo. BRANCH: 155 throughout Japan

NEW YORK BRANCH: 120 Broadway, New York 5, N.Y.

LONDON BRANCH: 7, Birch Lane, London, E.C. 3

TREND OF BANK DEPOSITS

RISE IN PERSONAL FUNDS GAINS MOMENTUM

THERE seems to be a fresh move by banks to bring down the ceiling on interest rates on fixed deposits agreed upon among themselves last year. It is expected that the maximum rate of interest on deposits for three months and more will be reduced to 3½ per cent, and on those for less than three months to 3 per cent. per annum from the present ceiling rates of 4 per cent. and 3½ per cent., respectively. This step would appear to be prompted by the decline in the profit-margins of banks, as evidenced by their working results for the first half of 1959, and the prospect of their growing thinner in the coming months, when the demand for funds is usually slack. Investment of their surplus funds in Government securities will not be as remunerative as last year, in view of the lower yield pattern. The reduction in deposit rates is also claimed to be in consonance with the present pattern of market rates and the fall in the yields on other forms of investment also, as, for instance, equities and fixed-yielders.

Although the facts are in favour of the banks' move, there are equally good reasons to feel that lower rates of interest on deposits will not be in the long-term interest of banks, as it will divert the flow of funds from them partly to other business concerns which accept fixed deposits and partly to other remunerative investments and thus impede the growth of the banking habit. It must be remembered, in this connection, that the higher interest rates on deposits during the last few years have contributed to a large extent to the accretion of bank deposits, particularly time and savings deposits. Thus, of the rise of Rs. 548 crores in deposits of Scheduled banks during the three years to 1958, demand deposits account for only Rs. 54 crores or less than 10 per cent., whereas the share of savings deposits is Rs. 59 crores and that of time deposits Rs. 434 crores. In fact, there was actually a drop of Rs. 15 crores in demand deposits during 1958.

It is also pertinent to note that, while a very large part of this accretion in time deposits is due to P.L. 480 funds, a substantial part of it is accounted for by personal accounts, that is, deposits of individuals. Not only the number of personal accounts with banks has steadily increased but the quantum of deposits also has grown. This is confirmed by the latest survey of ownership of bank deposits as on 31st December 1958 covering 87 scheduled banks and 146 non-scheduled banks with deposits of Rs. 5 lakhs and over, conducted by the Reserve Bank of India. The results of this survey are contained in the latest issue of the Bank's *Bulletin* for the month of July 1959. The survey discloses that the general pattern of ownership of deposits does not show any notable variation over the year. Thus, personal deposits continue to constitute the bulk of the total deposits of banks, at 41 per cent., with business deposits ranking second, as in the previous year, though their proportion to the total has declined from 29 per cent. to 26 per cent. Deposits of Government and quasi-Government bodies have maintained their upward trend, with a further rise of over Rs. 46 crores during 1958. A more detailed analysis of the owner-

ship of deposits under the three classes of deposits is to be found in the comparative table published at the bottom of this page.

The pattern of business deposits during the last few years has shown an unsteady trend. After a fall of Rs. 15 crores in 1956, these deposits rose by nearly Rs. 53 crores in the following year. The pace of expansion slowed down considerably in 1958, when there was a rise of only Rs. 3 crores to Rs. 393.95 crores. The increase during 1958 occurred wholly under time deposits which expanded from Rs. 126.77 crores to Rs. 130.03 crores. Demand deposits were more or less unchanged at Rs. 263.95 crores. It will be of interest to note that business deposits with major Indian Scheduled banks and other Indian Scheduled banks rose by Rs. 3 crores and Rs. 13 crores, respectively, while those with foreign banks declined by Rs. 13 crores, "probably reflecting the reduced requirements of building up funds for payment of imports by traders, following severe import restrictions."

Trading deposits, which form the bulk of business deposits, account for a rise of Rs. 17.81 crores during the year under review to stand at Rs. 175.82 crores. Of this increase, the share of demand deposits is only Rs. 4.32 crores and that of time deposits Rs. 13.49 crores. Demand deposits of manufacturing concerns have dropped by over Rs. 2 crores, while their time deposits are higher by Rs. 3 crores.

Personal deposits form an important constituent of bank deposits. They are more susceptible to the changes in interest rates than other deposits. The total personal deposits rose during the year under review by no less than Rs. 76 crores to Rs. 630.18 crores, reflecting the increased savings capacity of people following a rise in money income. "The efforts made by banks," the Reserve Bank's survey adds, "to tap savings in the rural areas through the opening of branches in new places may also have contributed to some extent to the larger accretion of personal savings with banks." This only strengthens the view that, if banks want to continue to tap these rural areas and rely on such funds for their resources, they have to offer higher rates of interest.

To revert to the trend of personal deposits. The rise of Rs. 76 crores during 1958 is on top of an increase of Rs. 66 crores in the previous year. It may be noted here that the pace of expansion in this class of deposits has gained momentum in recent years, particularly in the case of time deposits. Thus, the time deposits of individuals alone have gone up, during the year under review, by Rs. 71 crores and savings deposits by Rs. 16 crores. Demand deposits have, however, declined by Rs. 11 crores. It will be of interest to note that, in the course of the last four years, personal time deposits have more than doubled themselves from Rs. 153.97 crores at the end of 1954 to Rs. 321.40 crores at the close of last year, their share to total personal deposits has, at the same time, risen from 37.7 per cent. to 51 per cent. Personal savings deposits form 30 per cent. of the total, and this ratio shows a slight decline in recent years.

The deposits of Government and quasi-Government bodies have gone up by Rs. 46.57

crores to Rs. 160.35 crores during the year under review, as compared with a rise of Rs. 7.95 crores in 1957. The larger increase in 1958 indicates, as inferred by the Reserve Bank, that the "funds allotted by the Government to local bodies and the statutory corporations under the Plan are not being fully utilised."

WORLD BANK LENDS LESS IN 1958-59

The International Bank for Reconstruction and Development granted 30 loans amounting to the equivalent of \$703 million during the year ended 30th June 1959, as compared with a total of \$711 million in the previous year. This brought the gross total of loan commitments as on 30th June to \$4,522 million. Last year's loans were made in Austria, Brazil, Ceylon, Colombia, Costa Rica, Ecuador, El Salvador, Finland, Gabon, Honduras, India, Iran, Italy, Japan, Malaya, Peru, South Africa and Sudan. The actual disbursements during the year were, however, higher at \$583 million, as compared with \$499 million in the preceding year. The cumulative disbursements amounted to \$3,377 million on 30th June 1959.

During the year, the Bank sold or agreed to sell \$148.4 million principal amount of loans, all without its guarantee. As on 30th June, the total sales of loans amounted to \$568 million, of which only \$69 million was with the Bank's guarantee.

Principal repayments received by the Bank during the year amounted to \$46 million, and borrowers repaid \$64 million on parts of their loans which were held by other investors. This brought total repayments to \$501 million up to the end of the year, consisting of \$264 million repaid to the Bank and \$237 million repaid to the purchasers of borrowers' obligations sold by the Bank.

The Bank's gross income for the year, exclusive of loan commissions, was \$122 million, as compared with \$99 million in the preceding year. Expenses, which included \$66 million for interest on Bank borrowing and other financial expenses, amounted to \$76 million, having gone up from \$57 million last year. The Bank made additions to the tune of \$70.5 million to its reserves during the year, raising its total reserves to \$420 million. The additions during the year were made up of net earnings of \$46.5 million, which were placed in the supplemental reserve against missions of \$24 million which were credited to the special reserve. These figures compare favourably with net earnings of \$42 million and loan commissions of \$20 million added to the reserves in 1957-58. These bring the supplemental reserve as at the end of the year to \$282 million and the special reserve to \$138 million.

As on 30th June 1959, the outstanding funded debt of the Bank was \$1,905 million, reflecting a net increase of \$247 million during the fiscal year. The Bank's borrowing operations during the year, including new public bond issues and private placements of Bank obligations, amounted to \$432 million.

Libya and Spain became members of the Bank during the year, bringing the total number of members to 68. Their subscriptions, together with an increase in the subscription of the Philippines, brought the total subscribed capital to \$9,045.4 million as at the end of the year under review.

STERLING AREA'S RESERVES RISE FURTHER

The gold and convertible currency reserves of the sterling area rose by £17 million in July and stood at £1,150 million on the last day of July and month. This increase, which was on top of a rise of \$19 million in June, reflected the continued strength of the demand for sterling. But for the payment of £7 million during the month in respect of the United Kingdom's bilateral debts with the European Payments Union, the rise in the reserves in July would have been £24 million.

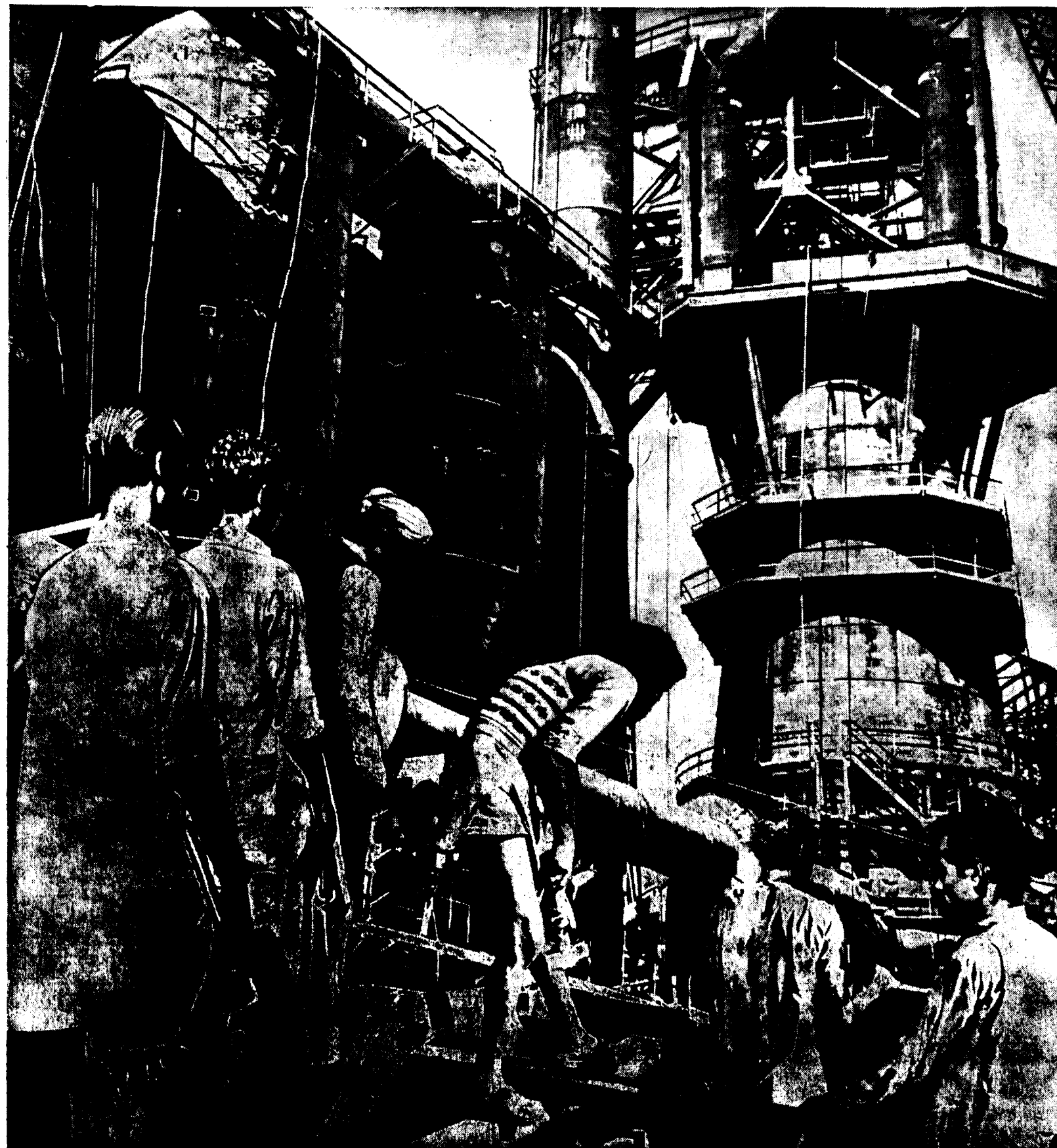
The increase in the reserves is the largest for July since the year 1953, and compares with a rise of £2 million in the corresponding month of 1958, a fall of £4 million in July 1957, and a rise of £7 million in the same month of 1956.

The net gain in the reserves during the first seven months of this year amounts to £54 million. With the exception of two months, when repayments were made on the North American and International Monetary Fund loans, the reserves have risen every month since September 1957.

The increase in the reserves is not only against the normal seasonal trend but has taken place in spite of some withdrawals of money from London during the month. As compared with the position two years ago, the sterling area's reserves are now just over £300 million up, while its debts are down by more than £200 million.

U.S. EXIM BANK CREDIT TO INDIA

The Export-Import Bank credit is available only for capital projects falling within the agreed programme and the progress in utilisation is determined by the rate at which appropriate contracts are entered into by private sector firms holding the necessary approvals and by the public sector projects. Disclosing this in the Lok Sabha on Monday last, in reply to a question, the Deputy Finance Minister, Mr. B. B. Bhagat, said that the comparatively higher prices of certain items of the machinery/equipment was one of the factors affecting the speedy utilisation of the credit from the U.S. Import Bank of the U.S.A. While the level of U.S. prices for particular types of capital goods was not within our control, Mr. Bhagat added every effort was being made to utilise the credit for purchases as being made to utilise the credit requirements in India of such categories of capital goods as could best be ordered from that country, international levels, and at the same time taking into account other relevant factors such as operating efficiency, maintenance, delivery periods, etc.



The steelworks at Durgapur are helping to build a great new India

Today in Durgapur, 120 miles from Calcutta, nearly thirty thousand Indian men and women and a number of Britain's most famous engineering companies are building the steelworks that will soon be the pride of India. From Durgapur, a million tons

of pig iron and steel will pour out every year to be used in India's colossal industrial programme.

It will create employment for many thousands of people all over the country. Durgapur will help

to create a better life for everyone.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited, Head Wrightson & Company Ltd., Stoth-Carves Ltd., The Wellman Smith Owen Eng. Corp. Ltd., British Thomson-Houston Co. Ltd., The English Electric Co. Ltd., The General Electric Co. Limited, Metropolitan-Vickers Electrical Export Co. Ltd., Sir William Arrol & Company Ltd., Cleveland Bridge & Engineering Co. Ltd., Dorman Long (Bridge & Engineering) Ltd., Joseph Parks & Son Ltd., The Cementation Company Ltd., Iscos Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

(Amount in crores of rupees)												
No. of reporting banks	1958 57			1957 56			1956 55			1955 54		
	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total	No. of accounts	Amount	% to total
Demand Deposits of:												
1. Business concerns	209,696	285.95	47.9	191,670	264.60	46.4	185,127	256.94	49.0	177,633	280.08	52.3
(a) Manufacturing	26,711	69.96	10.6	24,064	33.66	10.9	20,863	35.67	12.2	18,094	29.56	12.8
(b) Trading	164,511	123.17	22.4	149,371	118.56	21.0	149,723	117.00	22.4	139,754	114.41	23.0
(c) Public utilities	2,176	8.00	1.3	2,098	10.45	1.8	2,168	12.76	2.4	5,083	12.43	2.3
(d) Plantations	1,670	8.96	1.6	1,749	8.22	1.5	2,016	19.86	3.0	1,760	11.00	2.2
(e) Financial concerns	14,418	16.43	2.7	15,874	6.52	1.1	19,649	61.98	10.0	18,302	59.69	12.0
2. Personal	285,928	119.48	21.7	330,638	180.08	32.0	233,369	187.70	34.5	224,944	125.57	25.3
3. Government and quasi-Government bodies	14,798	71.70	13.0	14,530	70.85	12.5	15,118	69.72	11.6	9,692	69.35	7.9
4. Others	33,561	22.77	4.0	35,616	99.49	15.9	34,070	99.47	13.7	31,410	61.96	12.4
5. Unclassified*	632,904	15.08	2.4	691,705	11.75	2.1	605,547	11.59	2.2	578,932	10.87	2.2
Total demand deposits	1,122,878	550.58	100.0	1,062,232	566.25	100.0	1,076,871	622.21	100.0	1,019,481	497.08	100.0
Savings Deposits of:												
1. Personal	887,148	189.80	85.3	775,770	172.00	85.6	709,629	166.40	86.8	674,967	140.79	66.6
2. Others	25,988	6.30	2.8	25,988	6.30	2.8	25,988	6.30	2.8	25,988	6.30	2.8
3. Unclassified*	2,167,223	26.38	11.9	1,989,541	22.97	11.4	1,752,558	19.48	10.0	1,640,051	17.04	10.0
Total savings deposits	3,079,699	222.47	100.0	2,790,610	201.98	100.0	2,486,180	183.66	100.0	2,374,719	163.58	100.0
Time Deposits of:												
1. Business concerns	27,590	130.05	16.9	22,644	126.77	21.0	20,890	102.00	22.2	17,185	92.77	27.8
2. Personal	526,090	231.40	41.8	414,998	236.94	43.5	351,591	201.90	44.7	268,997	174.27	32.2
3. Government and quasi-Government bodies	5,423	98.65	11.5	5,513	153.99	26.0	3,574	60.78	13.8	3,115	36.98	11.0
4. Others	14,207	225.59	20.3	15,387	45.90	7.8	15,303	22.56	3.7	12,009	28.58	8.6
5. Unclassified*	148,397	2.88	0.4	188,469	9.18	0.4	114,044	1.91	0.5	109,281	1.78	0.5
Total time deposits	721,677	786.48	100.0	636,180	570.88	100.0	461,898	368.95	100.0	425,107	384.09	100.0
Grand Total	4,872,189	1,541.88		4,397,058	1,347.61		4,023,444	1,074.81		3,719,807	993.66	

* Accounts of less than Rs. 500.

† Includes deposits under P.L. 480.

MODERNISATION OF COTTON INDUSTRY

CENTRAL GOVERNMENT TO APPOINT STUDY GROUP TO CONSIDER SCHEME

THE reported move of the Central Government to constitute a working group to suggest a programme of modernisation for the cotton textile industry during the third Five-year Plan is in the right direction. The proposed group, according to the report, will consist of seven or eight experts mostly from the industry itself, the Textile Commissioner being the Chairman. The setting up of the group is in accordance with the recommendation made by the National Industrial Development Corporation at its last meeting. The group is expected to lay stress on modernisation of mills' machinery and equipment, rather than rationalisation. It will examine, among others, the sources of, and the procedures for, the provision of finance necessary for implementing the renovation programme which will include installation of automatic looms and other services needed for switching over from coarse to fine production. It is said that such a programme, apart from putting the industry on its feet, is also calculated to strengthen its position in the export market, a very important consideration in the context of the difficult foreign exchange position which is likely to continue during the third Plan period. Before commencing its work, the group is likely to send some of its members, in small teams, to visit such countries as Japan and the United Kingdom and to study the latest equipment, techniques and workloads in the industry there.

The urgency attached by the authorities to the need for modernising the cotton mills is a related realisation of an inevitable fact. There would have been no need for all this, had not the Government stood in the way of modernisation of the industry till almost last year. A large majority of machines in existence in cotton mills today were installed more than forty years ago and have outlived their usefulness. Attention to this aspect has been drawn by several committees and commissions, particularly by the Working Party for the Cotton Textile Industry (1951-52) and the Textile Enquiry Committee (1958). The latter Committee has clearly warned that, if the machinery and equipment of mills are not replaced at an early date, its effect would be felt, as it has been felt in the case of marginal or sub-marginal units, in the form of low production, bad quality of products, engagement of large number of workers, and high cost of production. The magnitude of the problem of rehabilitation, replacement and modernisation of the cotton mill industry will be evident from the following table which gives a summary of the selected items of machinery with 60 mills in Bombay as at the beginning of 1956:

Machinery items	Machinery manufactured			
	Prior to 1910	1911 to 1925	1926 to 1935	1936 to 1956
Blow room machinery	34	32	34	14
Carding engines	40	29	31	8
Combers	12	12	8	8
Inter frames	35	34	27	2
Ring spinning frames	18	34	48	4
Sizing machines	38	39	22	2
Looms	42	33	25	2

The rehabilitation requirements of Bombay mills are estimated to cost about Rs. 150 crores

and, on this basis, the cotton mill industry as a whole will require as much as Rs. 400 to 500 crores in order to bring its machinery on a par with that of the modern mills abroad. The rehabilitation programme involved is certainly a colossal one and every effort must be made to enable the industry to do as large a portion of it as is possible. Some financing agencies, especially the National Industrial Development Corporation, the Industrial Finance Corporation and the Industrial Credit and Investment Corporation, have no doubt been rendering assistance, but the pace of modernisation continues to be slow, thanks to the none too happy financial position in which most mills find themselves today and the lack of foreign exchange for buying the requisite machinery. What is urgently wanted is that the industry should be enabled to have annual surpluses from which it can raise its own finance or pay the instalments due on loans. Such surpluses can be ensured only through a more helpful fiscal policy and a proper adjustment of the wage cost.

Rationalisation

Alongside of measures to modernise the machinery and equipment of cotton mills, energetic steps must be taken to introduce rationalisation of production methods which alone constitutes the short-term solution to the problem of high cost of manufacture and low per capita earning of labour. In many countries, the workloads are said to be manifestly sub-normal, as, for instance, working of one loom by a weaver or a single side by a spinner. It may be noted here that, on an average, an Indian cotton mill operative handles a minimum of one ordinary loom and a maximum of four looms, as against an average of four to six ordinary looms handled by one operative in the U.K. and 32 automatic looms in the U.S. Similarly, the maximum and minimum number of ring frame spindles operated by an Indian operative is 440 and 120, respectively, as compared with an average of 800 in the U.K. and 1,200 in the U.S. It is imperative that workloads must be brought to a normal level without involving any additional remuneration. In view of the equal importance of modernisation and rationalisation measures, the proposed working group will do well to recommend a comprehensive programme covering both modernisation of equipment and rationalisation of production methods simultaneously.

A brief reference to the latest decision of the Union Government to permit the installation of 3,000 additional automatic looms in composite cotton mills with past export may be made here. Broadly, the conditions for allotment of looms will be as under:

1. The entire production of the looms will be exported.
2. In addition, 50 per cent. of the exports in any of the three calendar years 1954, 1955 and 1956 should also be maintained.
3. These two conditions will be enforced by a simple bond.

The conditions are the same as those enforced on the installation of the 3,000 automatic looms permitted in pursuance of the Textile

Enquiry Committee's recommendation. One would want to know as to what will happen to the quantity of cloth produced under the scheme if world market conditions are not favourable to its export. Be that as it may, in addition to these 6,000 automatic looms, the Government has allowed 7,500 looms to be installed over the three years (1959, 1960 and 1961) under the pilot project in replacement of their existing plain looms. In other words, the total number of automatic looms allowed so far is 13,500. Even with this addition, the total number of automatic looms in India will come to no more than 27,250, as against as many as 350,109 in existence (as on 31st January 1958) in the U.S., 67,539 in Japan, 60,053 in Italy, 40,148 in the U.K. and 33,416 in West Germany.

TEXTILE IMPORTS INTO THE U.S.

The cotton millowners in the U.S. continue to urge for an enquiry into the case for restricting textile imports from the Asian countries—Japan, Hong Kong and India. The plea is based on the ground that these imports have gone up so markedly in recent years as to threaten seriously the prospects for the domestic industry. The reaction of the authorities to the plea is not known, but indications are that the possibility of official action is becoming stronger every week. To quote a report from Hong Kong: "It is open to any section of the U.S. textile industry to put in motion administrative machinery that would eventually lead to quota restriction or tariff increases, and the division of opinion in America seems now to be over whether voluntary restrictions are enough or whether U.S.-dictated quotas are not required."

Hong Kong seems to be particularly perturbed over the aforesaid development. Already, the garment manufacturing industry has sought the Government's view on the question whether a voluntary ceiling on certain exports to the U.S. is advisable, in order to avoid a possible unilateral restriction imposed by the U.S. Government. In the first two months of 1959, Hong Kong accounted for 50 per cent. of the total volume of cotton shirts imported by the U.S. and 40 per cent. of body supporting garments (including brassieres). The cotton industry in Hong Kong is naturally of the view justified. It is pointed out that imports of textiles consumption in the U.S. amounting to 3 per cent. of the total that the cotton industry has suffered a distinct contraction in the past decade—the number of mills with a total of 2.5 million spindles going out of operation and with about 400,000 persons leaving the industry—the Hong Kong industry says that the contraction is not due to competition from imports but is merely the continuation of a trend initiated several decades ago, "as is happening in age and status."

Whatever may be the nature of import restriction, India will not be affected to any significant extent. For the exports of cotton textiles from this country to the U.S. are negligible. Thus, out of a total quantity of 136.59 million square yards of unbleached, printed, dyed or coloured cloth imported into the U.S. during 1958, the share of India was only 1.09 million square yards.

The All-India Handicrafts Board has recently completed a survey of the woollen carpet and scattered form in the Mirzapur and Bhadohi areas, in Agra, Gwalior and Kashmir, etc. Two questionnaires were prepared by the Board to cover establishments which form this important cottage industry. Information regarding the number of looms and their size, production capacity, number of persons employed, source of finance, etc., has been collected. Figures relating to the total hand-spun and mill-spun yarn in the industry have also been compiled. The views of the manufacturers and their suggestions to improve the present structure of the industry, too, have been ascertained.

BIG TEXTILE COMBINE TO SCRAP OVER ONE MILLION SPINDLES

REDUCTION IN COTTON GOODS OFFTAKE

From A Special Correspondent

MANCHESTER, 4th August

MORE than a million spinning spindles—equivalent to fifteen mills—will be scrapped by Fine Spinners and Doublers Ltd., the £27-million Lancashire textile combine, under the Government's reorganisation plan for cotton.

Making this announcement in Manchester at the annual meeting, Mr. William T. Winterbottom, the Chairman, said: "This may sound at first to be somewhat drastic, but it is no more severe than our independent streamlining policy has aimed at in the past. The only difference is that we have to take action in a much shorter time than we were planning to do. Maximum shift working at the remaining mills would follow." And he added: "After the inevitable period of adjustment, we would not expect to produce any less than we do at present, while efficiency would be substantially increased."

The decision marks the first definite move by a cotton combine to enter the scheme, which aims at the elimination of six million spindles and 45,000 looms. Machinery for scrapping must be registered with the Cotton Board before 30th September. Compensation will be paid for dismantled plant and, in Manchester last week, it was estimated that the Fine Spinners group would receive upto £750,000 in payment. Commenting on the reconstruction scheme, Mr. Winterbottom said: "It provides the industry with a splendid opportunity to put its house in order. It goes far beyond anything we had hoped for in the way of Government assistance."

Distinct Fillip

Understandably enough, the intimation that the Fine Spinners and Doublers Ltd. intended to submit over a million spindles under the redundancy scheme caught the headlines when it was announced. Participation on such a scale gave a distinct fillip to the sponsors of the plan and went a considerable way towards ensuring that the minimum target would be achieved.

All the big combines in the industry have recognised the need for their own internal reorganisation for some time. In certain cases, decisions have been delayed by the knowledge that compensation would be available and, in others, the current scheme will speed up the general movement towards smaller productive capacity and more efficient running. Increased shift-working should be the outcome of the plan, so long as suitable arrangements can be adopted as regards workpeople.

Mr. Winterbottom, moreover, had plenty to say at the meeting irrespective of his references to the reorganisation scheme. He laid particular stress on the fact that producers had failed to improve their margins, despite the increased

volume of business lately encountered. This situation is linked up with the overcapacity which all are agreed exists throughout the trade. "Normal commercial prudence should ensure that prices take care of the basic costs of our products," he declared. "It is absurd that business men should embark on re-equipment without getting the necessary return on their investment. One would have thought that the substantial amount of re-equipment already done in the industry would have removed this weakness in selling, but somehow it persists."

Not for the first time traders in the current phase of uncertainty have looked back to the conditions prevailing a century ago in view of the difficulty now being found in securing adequate margins. "It would be lamentable if, with this golden opportunity before us, we return to the position of the 1930's, when over 1,000 million lbs. of yarn a year was produced without any significant contribution to interest on capital and depreciation of fixed assets," Mr. Winterbottom commented.

Summertime Lull

In the midst of the holiday season, it is unusual for trading in cotton goods to reach any momentum and some reduction in activity has lately been apparent in various sections of the market, following the substantial turnover which took place a month or so ago. There are many people deeply involved in the industry who are not altogether dissatisfied at this turn of events, mainly because they feared the effect of improving trade on the response to the reorganisation proposals.

In the meantime, it is remarkable to observe how great an effect the weather in this country now has on an industry whose major effort is to provide clothing. Despite the increasing number of end-uses of the cotton fibre, including a myriad industrial products, apparel continues to govern the offtake in cotton and allied materials. Weeks of sunshine after at least a couple of years in which the summer has appeared non-existent have had a profound influence on trading and caught suppliers unprepared for the rush of business arising from the large clearances from the distributing centres.

The result was that many producers were unable to cope with the rising trend of consumption and pressure for supplies outstripped the available goods. Delivery terms lengthened to the extent that they interfered with the free flow of fresh business for the more popular styles, but not before some makers secured a very useful backlog of contracts.

The main drawback in the present circumstances is the limited margin of profit available for producers. Reduced prices, which were forced upon the trade following the verdict of the Restrictive Practices Court, curtailed the earnings of the mills and, although it would be stretching a point to suggest that much business has been done at entirely uneconomic rates,

the earning power of the producing sections has definitely been reduced.

Struggle to Survive

Another factor, coming immediately after the adjustment in price levels, was the intimation that a redundancy scheme was pending. As a result, quite a number of units which might have dropped out of the struggle have kept going in order to participate in any compensation. Other firms have kept machinery running to maintain a labour force in the hope that conditions would improve; the recent rise in activity has justified this attitude.

Much publicity has always been attached to reports in smaller distributing facilities despite the marked increase in the quantity of foreign cloth being handled by merchants on this side. This trend can be expected to continue in the new phase of contraction ahead, and many of the smaller merchant firms may be forced to close their doors.

Textile Merger

A merger of two giant textile groups with assets aggregating more than £15,000,000 was foreshadowed in a statement issued in Manchester last week. From the headquarters of Tootal Ltd., in Manchester, it was announced that "the possibility of a merger" was being considered with William Hollins and Company, Ltd., the Nottingham firm specialising in a wide variety of branded clothing. "Discussions are taking place," the statement said, "but it may well be some time before a conclusion is reached. When that occurs, the shareholders of the two companies will at once be informed by their Boards."

Tootal Ltd. was formed 160 years ago. Assets of the group amount to over £10,000,000. William Hollins and Company, first registered in 1882, has assets of more than £5,000,000.—*All Rights Reserved.*

WORLD IS USING MORE WOOL

After a temporary setback during 1957-58, the world is using more wool and consumption is on the up grade, according to a survey issued by the Commonwealth Economic Committee. The overall level of activity in the wool textile industry of non-Communist countries, which began to fall in the second half of 1957, continued to decline throughout the greater part of 1958. The Committee says: "In the closing months of that year, however, certain signs of recovery began to appear and the upward movement has continued throughout the first half of 1959."

Total consumption of raw wool in non-Communist countries is estimated to have fallen by some eight per cent. during 1958. Decline was particularly marked on the worsted side, with wool top production falling by around 10 per cent. Wool cloth production is estimated to have dropped by about 5 per cent. as compared with the previous year. The countries most affected by the recession included Western Germany, Belgium, the Netherlands, France and Japan. In the U.S., which suffered an activity setback earlier than the other countries named, there was a further fall in the first half of 1958, but, thereafter, conditions began to recover. Activity in the U.K. was also sharply reduced, despite a continued increase in topmaking for export. Less pronounced falls occurred in Italy and a number of smaller producing countries. Finally, in the underdeveloped areas of Asia, Latin America, etc., as well as in the Communist countries (Soviet Union, Eastern Europe and China), activity appears to have increased further in 1958.

Stocks of wool rose substantially in the 1957-58 season, and large quantities of unsold wool accumulated in South America and elsewhere. However, the greater part of these excess supplies were disposed of during the early months of 1959.

build with confidence



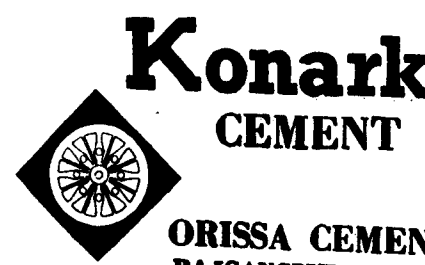
K.C.E.-2

A view of the Hirakud Dam

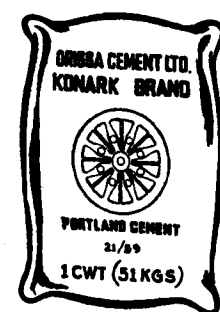
build with KONARK

Konark Cement went into the making of the mighty Hirakud Dam.

Konark Cement could now go into the making of your own home.



Managing Agents: DALMIA AGENCIES PRIVATE LTD.



THE CONCORD OF INDIA

Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH

69-D Rashtrapati Road
SECUNDERABAD (Dn.)

BOMBAY STATE

Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

SIR CHINUBHAI BUILDING

Redvi Bazar, Cross Lane
AHMEDABAD

Dhanvatey Chambers

Gesta Ground
Slatiboli, NAGPUR

Diwan Para Road

BHAVNAGAR
Gandhi Road
BARODA

DELHI STATE

60, Janpath
NEW DELHI

MADRAS STATE

Finance House
Puttalos Road 1
MADRAS-2

MADHYA PRADESH

41, Tokogum Main Road
INDORE

MYSORE STATE

Konnur Building
Ramdeo Gali
BELGAUM

PUNJAB STATE (India)

Madan Mohan Malaya Road
AMRITSAR

UNITED KINGDOM

Friars House
New/Broad Street
LONDON, E.C. 2

UTTAR PRADESH

Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Jwalanagar P.O.

RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

GAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

STOCKS OF GUNNIES CONTINUE TO FALL LOWEST LEVEL IN NINETEEN MONTHS

THERE has been a further drop of 2,600 tons to 92,800 tons in the stocks of gunnies with mills during the month of July, thus maintaining the downward trend for the sixth month in succession. The aggregate depletion of stocks during this period is of the order of 21,000 tons and has taken them to the lowest level since December 1957. It will be of interest to note that, except during the five months August to December 1957, the stocks of jute goods with mills have not touched such a low level since February 1956. The fall of 2,600 tons during the past month is mainly in sacking and miscellaneous varieties. The stocks of heavy goods have shrunk by 3,200 tons to a low of 54,200 tons, a level not seen since February 1958, and those of miscellaneous varieties by 1,700 tons to 12,600 tons, the lowest level for the past eight months. The stocks of hessian, which have been maintaining an upward trend since February last, have, however, risen by a further 2,300 tons to 26,000 tons, the highest level since June 1958, thanks to the expansion in the production of these varieties, following the switch-over of a part of the looms from sacking to hessian.

Over the year, the total stocks show a decline of 29,100 tons. Variety-wise, sacking shows a fall of 35,400 tons. Hessian stocks are higher by 6,100 tons and miscellaneous varieties by 200 tons, as will be borne out by the following comparative table:

(In tons)				
	As on 31st July, 1959	As on 30th June, 1959	As on 31st May, 1959	As on 31st July, 1958
Hessian	26,000	23,700	21,400	19,900
Sacking	54,200	57,400	61,400	89,600
Others	12,600	14,300	15,600	12,400
Total	92,800	95,400	99,400	121,900

At 26,000 tons, hessian stocks represent 28 per cent. of the total at the end of last month, as against 24.8 per cent. a month before and only 16.3 per cent. at the end of July 1958. The proportion of miscellaneous stocks, which has also grown from 10.2 per cent. a year before to 16.7 per cent. at the close of May last, has since declined to 13.6 per cent. last month. The stocks of sacking, which had formed 73.5 per cent. of the total in July 1958, are now no more than 58.4 per cent.

Successive depletion of stocks with mills during the last six months is due to the fact that despatches from mills have been running ahead of their production and has, in fact, brought about a tight supply position. The shrinkage in stocks of sacking, in particular, has been so rapid that sellers are reserved. China has been a prominent buyer of heavy goods in the last two weeks and is said to have purchased 80,000 bales (about 14,300 tons) of sacking. Some other countries, too, have increased their purchases. This accounts for the sizable improvement in the price of B. twills which, for the first time since August 1958, crossed the Rs. 100-mark last week and stands now at Rs. 101.45 per 100 bags. This rate compares favourably with the low of Rs. 87.85 touched in February this year.

Although the end-of-July stocks of sacking are by no means very small, representing as they do about six weeks' production of these heavy goods, they are considered by a section of the trade as inadequate, in view of the fact that the despatches are running ahead of production and the seasonal demand for heavy goods has yet to pick up. It is pointed out, in this connection, that Australia, the single largest customer for Indian sacking, has to cover nearly two-thirds of its requirements of cornsacks and woolpacks. If the clip position in respect of wool and the wheat harvest turn out to be as big as were earlier forecast, Australia's requirements of sacking will be larger. In view of this prospect, a section of the trade has been advocating the utilisation of some more of the industry's idle capacity and discussions on this subject have been held by the I.J.M.A. It is, however, rumoured that the I.J.M.A. has decided not to unseal any more looms. Till the time of writing, no official *communiqué* has been issued by the I.J.M.A. to confirm or deny these rumours.

The possibility of Australia increasing its purchases is not doubted, but its buying from India depends on the competitiveness of Indian sacking. In fact, it is this factor which has turned some of India's customers to Pakistan. Burma is an instance in point. Though this has been made good to some extent by the entry of China into the Indian market, as stated above, the latter's purchases are sporadic and unpredictable. Some are, however, prone to believe the Chinese contention that the country's next agricultural harvest would exceed even the record harvest of last year and China may take the place of Australia as the largest customer of India. Presumably, the I.J.M.A. wants to be on the cautious side on the question of unsealing, though its own survey of Far Eastern markets has indicated an encouraging prospect.

Notwithstanding the rise during the last few months, the stocks of hessian are still very much below the monthly production and are, therefore, considered very low, in view of the prospect of U.S. consumption picking up in the current half-year. Argentine's effective demand is said to be very large, but its purchases are, at present, held up by foreign exchange difficulties. If, however, Argentine enlarges its purchases, it is stated, there will be a squeeze in hessian, unless production is enlarged by a further unsealing of looms.

JUTE INDUSTRY IN EUROPE

The jute industry and trade in Europe are passing through difficult days. Almost all manufacturing units have been forced to curtail production, on account of lack of orders, according to the *Jute and Canvas Review*, July 1959. Production in France during the first five months of the current year is stated to have declined by 20 per cent., as compared with that in the corresponding period of last year. The output of yarn has dropped from 42,046 tons to 34,940 tons and that of cloth from 32,733 tons to 27,465 tons. Imports of raw jute into France during the first three months of the year were lower at 23,452 tons, as against 28,892 tons in the corresponding period of 1958. The falling off in activity is attributed to lack of local demand and competition from kraft bags and bulk handling. Exports of French jute goods were, however, steady,

the figure for the first three months of the year being 6,547 tons as compared with 6,587 tons in the corresponding period of 1958. French territories account for about two-thirds of the exports and other foreign countries for the balance.

About two-fifths of the workers in the Belgian Jute industry are said to be idle, but there have been no closures of factories so far. The reason for the redundancy is increased imports of bags into the country from Asia, mainly India, and, for the first time, China. The imports from the latter country during the first two months of the current year amounted to 900 tons of bags. "Should this volume of imports be permitted to continue," the *Jute and Canvas Review* says, "imports for the whole year would be in the region of 16,000 tons, which, as compared with the previous year's totals, would represent an alarming increase and might ultimately spell ruin for many Belgian jute firms."

Production of jute fabrics in West Germany during the first four months of 1959 aggregated 18,749 tons, as against 20,949 tons in the corresponding period of last year. The output of yarn also shows a decline from 25,938 tons to 24,773 tons. Imports of raw jute during the first two months of the year amounted to 17,035 tons. The chief suppliers were: Pakistan, 15,899 tons; Thailand, 985 tons; and India, 102 tons.

The Netherlands, a key centre for secondhand jute bag business in Europe, reports that the demand is weakening. Imports of used bags in the first quarter of the current year have declined from 3,544 tons to 2,550 tons. During the same period, exports also have fallen from 3,502 tons to 2,640 tons. In anticipation of increased home demand, the trade has been buying new goods and in the three months to March 1959 such purchases of only 1,575 tons in the corresponding period of 1958. Purchases of heavy sacking also rose from 635 tons to 1,043 tons. Home consumption of new and old bags has not, however, come up to expectations. The domestic consumption, which was at about 4.2 million new and old bags per month at the end of last year, has now declined to about 3 million bags.

Commenting on this situation in the *European jute industry and trade*, the *Jute and Canvas Review* observes:

"The fact is that despite as much larger potential market, jute production has suffered considerably since the war, inasmuch as it has not been able to keep abreast of production increases in other fields, notably agricultural products, and in extent of new jute usage, such as wide hessians volume to offset losses. Through high production costs, coupled with very high and erratic raw material prices, the industries have been forced always to consider those lines which are most profitable a chance to break even. Unfortunately, the fight has been long and uneven and the situation is worsening rather than improving."

"If the jute industry is to make any headway and capture the same percentage of the world trade as it held before the war, some unity on the future unity could be coupled with a determination by all producing countries to co-operate in all purpose, jute might return to favour."

JUTE AND GUNNY STATISTICS

The Indian Jute Mills Association, Calcutta, has just brought out the fourth issue of its *Annual Summary of Jute and Gunny Statistics: 1958*. This booklet, like the earlier editions, contains, as far as they are available, comparative annual statistics relating to the jute industry for the past 29 years. The publication, though slim in appearance, is not only very comprehensive, inasmuch as it presents all relevant data relating to production, despatches, stocks, exports, crop estimate, supply and distribution of raw jute, average prices of gunnies, as well as raw jute, etc., but also gives figures, where relevant, in respect of both the jute season and calendar year. In short, it is a useful reference publication for the study of the growth of the jute industry before and after the partition of the jute continent and is worthy of emulation by other industries. Yet, it is moderately priced at Re. 1 per copy.

ALLAHABAD BANK LIMITED

Established 1865

Affiliated to
The Chartered Bank

Head Office: CALCUTTA

14, India Exchange Place

BANKING BUSINESS OF ALL DESCRIPTIONS TRANSACTION

Branches and Correspondents
throughout India and in all
Principal Cities of the World.

M. J. Maclaren,
General Manager.

AB-3.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL AUTHORIZED, ISSUED AND
SUBSCRIBED: Rs. 5,00,00,000
CAPITAL PAID-UP: Rs. 3,00,00,000
RESERVE FUND: Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA

AMHEDABAD	Blade	JUNAGADH
Bombay	(Main Office)	KANPUR
Calcutta	Ellis Bridge	MADRAS
Gandhi Road	23-B, Netaji	Armenian Street
Manek Chowk	Subhas Road	Sowcarpet
Navrangpura	(Main Office)	NAGPUR
Section Branch	Bera Bazar	Kingsway
AMRITSAR	Chowringhee	Istari Bazar
BANGALORE	Square	
BARODA	CALCUTTA	NEW DELHI
BOMBAY	COCHIN	PALANPUR
Andheri	COIMBATORE	POONA
Bandra	DELHI	POONA CITY
Bullion	GANDHIDHAM	RAJOT
Exchange	(Kutch)	SURAT
Colaba	HYDERABAD	SHOLAPUR
Churchgate	(Deccan)	VERAVALL
Fort	JAMSHEDPUR	VISAKHAPATNAM
Kalbadevi		
Mumbai Hill		
Santa Cruz		

BRANCHES OUTSIDE INDIA:

LONDON-17, Moorgate, London, E.C. 2.
ADEN, DARES-SALAAM, JINJA, KAMPALA,
KARACHI, MOHABASA, NAIROBI, OSAKA,
SINGAPORE, TOKYO.

DIRECTORS

SIR COWASJEE JEHANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHAI
Mr. RAMNIVAS RAMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGA
Mr. JUGHMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 2 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, General Manager.

INSURE

against Loss or Damage by
FIRE AND RIOT
THE BRITISH EQUITABLE
ASSURANCE CO. LTD.

(Incorporated in England)

The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegram: "YULINSURE"



COMETS

for speed

TOURIST

for economy to

COLOMBO

SINGAPORE

RANGOON

BANGKOK

HONG KONG

TOKYO

See your local BOAC Appointed Travel Agent
or BOAC at Bombay, Delhi, Calcutta and Madras

ALL OVER THE WORLD

B.O.A.C.

TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION

Dalmia

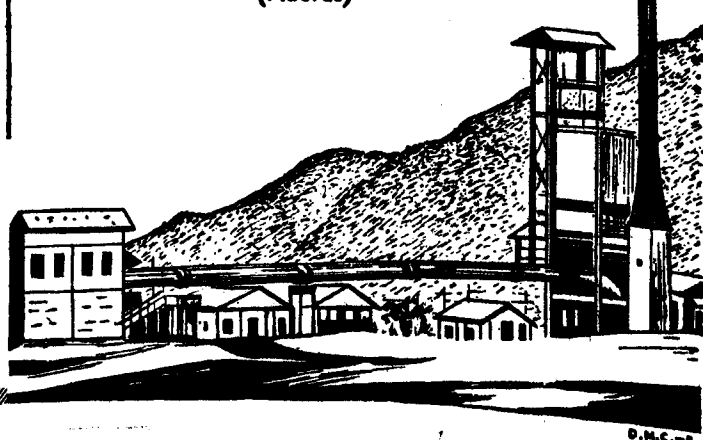
DEADBURNT MAGNESITE
FOR BASIC REFRACTORIES

- Magnesite Cement, Mortar
- Peas for ramming of Steel Furnace Bottom
- Special Magnesite Ramming Mixture for Lining of Induction Steel Melting

For your requirements
please write to:

Dalmia MAGNESITE CORPORATION

P. O. Salem
(Madras)



The setting up of workable standards of cost is our business; so is the institution of management controls. It's our job to examine your problems analytically and objectively and to expose and remove all weaknesses anomalies... bottlenecks.

Let us help you
MIND
YOUR OWN BUSINESS
well!

Problems in which we undertake studies include: Direct and indirect labour costs; fuel expense; raw materials expense; stores expense; market survey; office reorganisation; waste control; production standards; costing; transport and material handling; time-keeping and payroll methods; job evaluation and wage structure; incentive plans etc.

An acbi speciality is labour - management mediation for ironing out differences. And the objective, forthright acbi approach has found favour with clients... has earned their approval!

call in
acbi

Management Consultants
Keshpark - Poojapura
TRIVANDRUM - 6

Zonal Offices:
48/4 Poorvimag, Karalbagh
NEW DELHI - 5.

Management House,
Banawadi Road,
BANGALORE - 5

DEFENCE ENGINEERING INDUSTRIES NEW LINES OF MANUFACTURE UNDERTAKEN

IN the West, a host of new industries owe their growth and expansion to the impetus given by the Defence establishments and Defence expenditure. Indeed, the relationship between Defence and industrial potential is so intimate that it is sometimes feared that, if the Defence support were withdrawn, several industries must face considerable hardship. In India, too, the Defence Wing of the Government of India draws heavily upon the industrial sector. It also makes an effective contribution to the country's industrial progress by producing vital strategic and other equipment. Although there will be differences of opinion over the economic wisdom of the Defence Ministry's entry into particular manufacturing lines—the recent move of the Ministry to take up automobile manufacture has rightly come in for criticism—there is no doubt that, by and large, Defence establishments continue to contribute to the growth of India's industrial potential. Besides the regular defence products turned out by its ordnance factories, the Defence Department is responsible for production by the Hindustan Aircraft and Bharat Electronics, and also for the manufacture of a wide range of equipment, including transport vehicles and Defence stores.

Production Organisation

In order to keep its production programme under scrutiny, the Defence Ministry has set up the Defence Production Organisation. The functions of this body include: (1) overall control of production of armaments in the ordnance factories, (2) establishment of indigenous manufacture of imported stores, (3) development of domestic production of defence stores by civil trade, and (4) utilisation of surplus capacity in ordnance factories to the best advantage of the Government and civil firms. An important sector of the Defence Ministry is the Defence Research and Development Organisation. The principal functions of this organisation are to undertake research, development and design relating to equipment for the three services, including armaments, ammunition, electronics, aircraft, vehicles and engineer stores, to co-ordinate all matters relating to defence research and to evolve standards for defence equipment and stores.

The ordnance factories are, of course, among the oldest of the engineering enterprises established by the Defence Ministry. There has been a considerable increase in the production of various ammunition items and stores by these factories. During 1957-58, they were responsible for saving nearly Rs. 4.24 crores of foreign exchange through their manufacturing programme. It would appear that self-sufficiency has been achieved to the extent of 95 per cent. of defence needs. Further, indigenous production has been established in respect of 12 types of ammunition, seven types of pyrotechnics and miscellaneous stores and six types of weapons. Besides these, anti-tank weapons, arms and ammunition for civilian use, motorised grinders, polishing machines, precision and tool-room lathes, hydraulic surface grinders and capstan lathes manufactured by the Machine Tool Proto-type factory at Ambarnath, were put on the market; the value of machine tools production is about Rs. 50 lakhs a year. Further, by utilising their surplus capacity, the ordnance factories have developed and produced a wide range of civilian goods. These goods include pressure cookers, blood pressure testing equipment, stethoscopes, hypodermic syringes, gas generating plant using cowdung, window air-conditioning units, tractors, self-propelled plough, microscopes and automatic coffee machines. The value of civil equipment products in 1958 was about Rs. 3 crores.

Trucks

The production of three-ton multi-fuel military trucks has commenced. The project, which is being executed at the Gun Carriage Factory at Jabalpur, is the result of an agreement concluded with M.A.N. of West Germany. The indigenous content of the vehicles, which is about 30 per cent. now, will rise to 90 per cent. within five years. A similar agreement has been concluded with the Japanese firm Komatsu Manufacturing Company for the progressive manufacture in India of certain types of tractors; the indigenous content is expected to go up to 70 per cent. in three or four years. Some components, including main springs, have already been manufactured; 16 tractors have been produced for the Dandakaranya Development Authority. By the beginning of 1960, about 1,200 vehicles are expected to be produced.

In the sphere of aircraft manufacture, the notable developments are the conclusion of an agreement with a British firm for the manufacture of Avro-748 at Kanpur for replacing the Dakotas and the manufacture of the first aero-engine by the Hindustan Aircraft (Private) Ltd. (H.A.L.) and of a multi-purpose four-seater aircraft at Kanpur. Avro-748 (vide Commerce, dated 18th July page 104) is a pressurised low-wing aeroplane, offering comparatively low operating costs and powered by Rolls-Royce Dart Engine. The H.A.L. has built a 90 h.p. air-cooled four-cylinder aero-engine with 95 per cent. of indigenous content. It has also built an ultra-light, two-seater aircraft, pushpak; commercial production of this aircraft has commenced. A start has also been made in the manufacture of Gnat jet fighter aircraft under licence from Folland Aircraft Ltd., U.K., and of Orpheus jet engines under licence from Bristol Aero-engines Ltd., U.K. The Aeronautical Development Centre at the Base Repair Depot of the Air Force Maintenance Command, Kanpur, designed and produced a multi-purpose four-seater aircraft early this year.

Electronics

The Bharat Electronics (Private) Ltd., which was established in 1954, is intended to meet the requirements of the Government Departments in respect of electronic and radar equipment. Electronics equipment, produced by the Company during the first half of 1958-59 was estimated at Rs. 23 lakhs, as against Rs. 28 lakhs in 1957-58. A recent achievement is the development of a twin-channel V.H.F. trans-receiver for air-to-ground communication for the Air Force. This set is primarily meant for fitment in the H.T.-2 trainer aircraft and satisfies a long-felt need of the service. Modified versions of the set for single and 10-channel operation are also under development. The factory has also developed a transistorised loud-hailer, called Bell-hailer. It is an electronic megaphone, with self-contained power supply, which is stated to be in great demand by the police, fire services, defence establishments, railways and dockyards as a handy public-address system. Agreements have been signed with several foreign firms for the manufacture of high-frequency mobile trans-receivers and valves. The factory has already manufactured about 10,000 Belwin transmitters for the Meteorological Department for upper-air observations.

Ships

A beginning has been made to build warships in India. Initially, the construction of survey vessels, mooring vessels and minor craft has been undertaken. Now under construction at the Hindustan Shipyard Ltd., Visakhapatnam, is the mooring vessel *Dhruvak* which is expected to be completed by October next. The vessel has a length of 150 ft. with a beam of 32 ft., and nearly 900 tons by way of displacement. It has been fitted with a steam-reciprocating engine and coal-fired marine boilers. Another ship under construction is the 2,000-ton *Darshak*, a survey ship; it is expected to be ready by September 1960. Several minor naval craft are being built by private firms.

Laboratories

A number of Research and Defence establishments which are spread all over India are concerned with technical design and development of equipment and stores by the three services. Of great defence scientific interest are the three research laboratories—(1) the Defence Science Laboratory, Delhi, (2) the Naval Chemical and Metallurgical Laboratory, Bombay, and (3) the Naval Physical Laboratory, Cochin. The Delhi Laboratory is generally concerned with the performance of weapons and equipment. The subjects dealt with include ballistics, communications, explosives, food research, soil mechanics and instrumentation. The Bombay Laboratory is engaged on work relating to standardisation

of naval stores and anti-corrosion and anti-fouling paints. The physical Laboratory at Cochin is interested in the study of under-water acoustics, oceanology and mines. A defence laboratory, which has been set up at Jodhpur, is designed to organise field trials under dry, sandy and hot conditions, while another laboratory in Mussoorie is being equipped to carry out high altitude physiological and food research work. Facilities are also being extended in the existing laboratories and other establishments to meet new requirements in armament, electronics, aeronautical and metallurgical fields.

U.K.'s AIR SHOW

The 1959 Farnborough air display, Britain's public showcase of its aviation industry, promises to be the biggest in the 27 years' history of the event. Unless vital tests prevent their taking type or another should not make their first appearance, certainly on the flying side. These are the Vickers Vanguard, second-stage airliner Atlantic—west to east—in five and a half hours, a record for turbo-prop aircraft; the Armstrong-Whitworth turbo-prop Argosy, a freighter coach of considerable adaptability; the Short S.C.1. five jet engines and Britain's first project in this field with a big future; and the Hovercraft, built by Saunders-Roe and riding on a cushion of air. There will also be half a dozen new versions of service with British European Airways, the Handley Page Victor bomber powered by four Rolls-Royce Conway engines, and the Saunders-Roe P531 five-seater general-purpose helicopter. The ground exhibition, with a main hall covering an area of 125,000 sq. ft., provides a quick answer to those who doubt the continuing interest in types must clearly be lower in number than they were in the immediate post-war years. There will be a record of 376 stands in this block, rebuilt in 1957, and outside.

Apart from the space given to missiles, there is a further 50 per cent. increase in the second outside equipment display, where the larger air is particularly significant, because, during the last six months alone, British radio and radar aids have been sold to 11 countries overseas, and the latest sets supplied to these customers will be there.

"APSARA" REACTOR

The swimming pool reactor "Apsara," at Trombay (Bombay), celebrated its third anniversary on 4th August, last. The first reactor to go into operation in Asia outside the U.S.S.R., Apsara, now working round the clock, is proving usefulness can be gauged from the fact that during the first year it worked for 17,840 hours, in the second year it was utilised for 1,99,575 kw. the third year it completed 3,18,500 kw. hours of operation. In the past one year, Apsara reached a new peak of 642,998 kw. hours, its utilisation going up by 3,600 per cent. over its first year's reactor last month when it worked for 113,900 kw. hours.

Designed, engineered and built entirely by Indian scientists and engineers, the reactor is the atomic technology and is a new tool in India for engineering and biology. The reactor is also used for agriculture, medicine and industry. Fundamental research in physics is being conducted at the reactor with the help of two crystal spectrometers several hospitals throughout the country with use by doctors in diagnosing and treating diseases. Radioactive phosphorus is valuable in fighting leukemia while radioactive iodine is of help in aid in the diagnosis of thyroid conditions. A number of other isotopes have also been prepared for scientists.

Apsara is a pool-type reactor, its core being suspended in a deep tank of water which provides shielding and allows the core to be moved from one mental facility to another. In carrying out the most of its possibilities, every care was taken to make operating experience the usefulness of the design stalled have been in frequent use. And it is evident that Apsara will continue to play an important part in India's atomic research programme even after more powerful reactors are commissioned.

NEW PRODUCTS AND PROCESSES

Diosgenin From Dioscorea Tubers

DIOSGENIN, a steroidal sapogenin, is a starting raw material for cortisone and other steroidal hormones; it competes effectively with alternate starting materials such as cholesterol and stigmasterol. The plant, *Dioscorea* which grows wildly in the hilly tracts of Kashmir and Punjab, contains 3.5-4 per cent. diosgenin as a saponin. Extraction of diosgenin from the roots of the *dioscorea* plant is a well established industry in U.S.A., Mexico and Central America. In India, the industry has not so far been developed because of the non-availability of the know-how.

Starting with the indigenous growing plant, *Dioscorea deltoidea*, a process for the extraction of diosgenin has been developed at the Regional Research Laboratory, Jammu. It consists in digesting the powdered tubers with a dilute mineral acid, whereby the diosgenin gets hydrolysed and is easily extracted by employing common organic solvents.

The process has been studied on pilot plant scale where 20 lbs. batches of drug tubers have been treated. Yield of diosgenin is nearly 3.7 per cent. with an extraction efficiency of about 90-95 per cent.

Imports of Adrenal Cortical Hormones during 1958 were valued at Rs. 18.48 lakhs. Two firms, namely, Glaxo Laboratories (Private) Ltd., Bombay, and Merck Sharp and Dohme (India) Private Ltd., Bombay, have been licensed for the manufacture of cortisone by the Government of India under the Industries (Development and Regulation) Act. It is estimated that about one hundred tons of *dioscorea* tubers can be collected per annum from the widely growing plants. Large-scale cultivation of the plant has also been taken up by Kashmir Government in their drug farms.

Self-service Post Office

The United States Post Office Department is adding an automated machine to help persons who need paper, envelopes or stamps after the post office windows are closed. The new vending machine will be placed in airport terminals and railroad stations in addition to the post offices. The prototype of what the department calls "customer-operated substations" is to be delivered soon by Electric Vendors, Inc., Minneapolis, Minnesota. According to Mr. Edson O. Sessions, Deputy Postmaster General, it will be only a matter of time until line production models are available.

The self-service stations will go a long way toward eliminating an old problem—how to buy postal materials after post offices close. With the new vendor, persons will be able to put up to one dollar in coins in the machine, purchase an envelope, paper and stamps and get the exact change in return. With his letter written, the patron will be able to insert it into a built-in scale that will weigh it and indicate the proper postage. Stamps in varied denominations can be "dialed," or stamp books will be available as the machines will not automatically print the postage on letters.

Waterproofing Material

A new clean lacquer for waterproofing cartons has been developed in the United Kingdom by Allweather Paints, Ltd. It should, according to the makers, aid packaging of perishable goods for tropical climates. It is said to have an exceptionally good light fastness and resistance to yellowing, at the same time producing a non-toxic film which has a high resistance to water vapour.

The qualities of the new lacquer depend on the use of a chemical compound based on chlorinated rubber. Tests are said to have shown that it has a very low water permeability and a high degree of resistance to salt water conditions. It is also said to produce a protective coating which is resistant to many chemicals. The material can be applied by spray, brush or roller, and dries in about two minutes, depending on the porosity of carton to which it is applied. It can be produced in various forms to suit user requirements.

Metal Smelting

Kazakhstan (U.S.S.R.) scientists claim to have evolved a basically new method of metal smelting, a method, it is said, which can produce a revolution in metallurgy.

The new method is based on the principle of high-pressure injection of hot air, forming a whirlwind, into a cylindrical cyclone chamber. Fuel is fed into this jet of air together with a crushed compound prepared for smelting. Particles of the compound are dashed by a centrifugal force against the walls of the chamber, and are immediately melted in the rapidly rotating current of red-hot gases. The cyclone chamber combines the processes of roasting, smelting and sublimation of volatile metals; this helps to process polymetallic ores, extracting from them all the valuable components. Scientists are of the opinion that cyclone method of smelting will also be effective for turning iron ore directly into steel, by-passing the blast-furnace process.

Radio-operated Tractors

The first Soviet-made radio-operated tractors is reported to have been put to work in the fields of Siberia and Krasnoyarsk Territory. A group of local experts, making use of automation, electronics and radio engineering, have elaborated a new system of 18 tractors being run by a single operator. The latter remains at his command post, issues instructions by radio to each machine. The tractors in time of ploughing, for instance, make the necessary turns, automatically lift the mounted ploughs, and continue to work in the given direction until the next order is received by radio. The test runs of the radio-controlled tractors have shown good results.

It's
Crystal clear...
more
people
buy
'Crystal'
than
any
other
room
air conditioner

because:

- 1 the 'Crystal' has more than one ton cooling capacity
- 2 the 'Crystal' has universally adjustable air-flow
- 3 the 'Crystal' protrudes less than three inches into the room
- 4 people have confidence in Voltas' unrivalled after-sales service, that never lets them down

Crystal trimline
ROOM AIR CONDITIONER

MADE, SOLD AND SERVICED BY

VOLTAS

THE PEOPLE WHO KNOW AIR-CONDITIONING BEST

VOLTAS LIMITED Head Office: Ballard Estate, Bombay 1

Calcutta • Madras • New Delhi • Bangalore • Cochin • Ahmedabad • Secunderabad • Lucknow • Coimbatore

CREeping INFLATION—I IMPLICATIONS TO SAVINGS AND INVESTMENT

[Inflation is a world-wide problem. Some have come to regard it as something inevitable, while there are others who even feel that a little inflation is desirable. The Monthly Review of the Federal Reserve Bank of New York is running a series of articles on this subject, bringing out the interrelations between economic growth, the general behaviour of prices and public economic policy. The first article is entitled "Creeping Inflation." Although this article is prepared against the background of the U.S. economy, it is a valuable contribution on the subject of sound money which is of universal importance. Further, much of what is said in this article has relevance to this country also, where the prevailing inflation is much more than that of a creeping nature. We propose to publish the series in instalments, in the hope that it will help the public to appreciate the value of maintaining the purchasing power of the rupee. The first instalment of this series appears on this page.]

Here we would like to pay a tribute to the Federal Reserve Bank of New York for focussing attention on the risks involved to the stability of money even under creeping inflation. The initiative taken by it to educate public opinion in the U.S. on this vital subject of this generation is commendable and deserves to be emulated by the Reserve Bank of India, which has, on its staff, a fine team of economists.—Ed.]

THROUGHOUT history, wherever people have used money to express the values of goods and services, some form of "inflation" has been a recurring theme. Even though the actual inflations of past generations have, as a rule, either had to be stopped by drastic action or ultimately have destroyed themselves, often with intense human suffering and severe economic loss, there seems to be a tantalising fascination in the illusion of greater wealth created by rising prices. That lure has led time and again to a search for a new and more promising form of inflationary solution to pressing economic problems. Today, in the United States, the alchemists are at work once more. The new version is called "creeping inflation."

This is not, of course, a single, coherent doctrine. Much of its support comes, in fact, from people who know well the dangers of a cumulative upward price spiral and would oppose anything which they considered to be outright inflation. There are a few, to be sure, who seem to regard sustained price increases as genuinely desirable, in order to evoke what they believe will be the maximum of growth in output and employment. But most are simply inclined reluctantly to accept a regular and moderate edging-up of prices year after year, at a rate of no more than 2 or 3 per cent., as merely the least costly way to resolve many of the conflicting claims now being placed upon the American economy.

Paradoxical Quirk

In the various ways that this general thesis is developed, a paradoxical quirk often appears in the treatment accorded the Federal Reserve System. Both among those who urge and those who reluctantly accept "creeping inflation," there are many who assert their despair of monetary and credit controls, condemning them for such varied shortcomings as being too weak, or harshly punitive, or inequitably discriminatory. And yet those who have confronted the question of how to hold the "creep" of rising prices within the bounds of the 2 or 3 per cent. figure invariably mention monetary and credit controls, along with fiscal measures as the principal means of performing that job. Faced with this ambivalence between mistrust and trust, the Federal Reserve itself might perhaps understandably be puzzled.

This article is an effort to seek clarification, first, by restating briefly some of the various approaches that have been taken by supporters of creeping inflation, and then appraising these in the context of a similarly abbreviated description of the pricing process, savings and investment, "administered" prices and wages, international economic relations, and economic fluctuations and growth.

The appraisal shows that creeping inflation is not merely an innocent vice, a relatively costless or harmless way of relieving tensions. It will lead to much higher rates of interest and a confusing network of "price escalator" arrangements, a distortion and eventual impairment of saving and investment, wider cyclical fluctuations, and a stunting of growth. Moreover, there would be no gains to offset these grave consequences. Over time, creeping inflation would not lessen but would aggravate any threat of unemployment; it would not cushion but would stimulate any abuses that may be associated with "administered" prices or labour's "cost push"; and it would not relieve the kinds of political pressures that may at times interfere with the functioning of a market economy. These serious consequences would not only mean a failure to fulfil the economic potential of the United States, but would also gravely weaken this country's ability to fulfil its responsibilities of leadership in the international economic community and in world affairs.

This single article can only provide a sketch of the analysis underlying these conclusions.

This article, while recognising that there can never be ideal and final solutions to all of the problems of a changing and growing economy, concludes that a public policy aimed at reasonable price stability is essential in a modern economy, if there is to be sustained expansion of employment and income, for the benefit of everyone.

The Case for Creeping Inflation

Much of the appeal of creeping inflation lies in the ready reconciliation it seems to provide among many of the pressing issues of current concern in the American economy. Is not the acceptance of some form of inflation the only way out, for example, for an economy determined to combat depressions and pursuing sustained maximum employment as a national goal, because it will no longer tolerate the conditions under which most of the significant and general price reductions of earlier times occurred? In any event, the argument runs, with so many business concerns able to "administer" prices, and thereby able to reduce output instead of cutting prices when the demand for their products declines, what hope can there ever be again for the kind of old-fashioned price competition that formerly resulted in prices moving freely downward as well as up? Not only are a number of business concerns able to "administer" prices in such a way as virtually to exclude price reductions in periods of slow business, but they are said to be readily able to "administer" prices upward when the demand for their product strengthens. Thus able to pass on cost increases in higher prices, they offer only weak resistance to another inflationary pressure supposed to characterise our modern economy. This is the influence of "cost push," most frequently attributed to the ability of labour to obtain increased wages and fringe benefits that exceed productivity gains.

For all of these supposedly new factors in economic life—the quest for full employment, the banishment of depressions, the spread of "administered" prices, and the emergence of "cost push"—creeping inflation seems to offer an accommodating cushion. Moreover, this simple adjustment to the "facts" of modern economic life can be achieved, the creeping inflationists believe, within the framework of the kind of economy which this country wants to maintain, and with which it is identified in the eyes of the world, that is, a market economy. The argument has been made, in fact, that it is only by accepting some inflation that the freedoms essential for a market economy—the freedom of individual choice and free contract—can be assured. For, in the face of the strong upward price pressures now present in the economy, the argument runs, a determined effort to prevent average prices from rising would almost necessarily require direct Government intervention in the setting of prices and wages. The only alternative, many seem to feel, would be monetary and fiscal policies so restrictive in their impact on aggregate demand as to generate unemployment and reduce the nation's rate of economic growth below its potential. Yet both domestic needs and the present international position of the United States make this alternative unacceptable.

Steady Erosion

The various kinds of creeping inflationists all readily concede that they are accepting a steady erosion in the value of the monetary unit, and hence of the savings put aside by a majority of the people in the form of such fixed-denomination assets as savings accounts, life insurance, pension funds, and United States Savings bonds. Some assert, however, that for the "average" person there is a more-than-compensating gain from the greatly increased rise in the real income of the country as a whole to be brought about by the faster growth that is to be expected, and from the reduction of the real burden of mortgage and other debt implied by ris-

ing prices. And for those unable to share directly in these offsets, as well as for many who do, there will be the possibility of "indexing" annuities or other kinds of income or assets by inserting "escalator" arrangements in the various contracts, linking them to some index of prices.

On occasion, writers who state a case for creeping inflation as a conscious policy also present an impressive array of statistics. These are used to show that rising prices and rapid growth have occurred together in most of the developed countries much of the time. The inference is then drawn that inflation stimulates growth, and a further conclusion is suggested: that satisfactory sustained growth cannot be attained without sustained inflation. Whether these "demonstrations" are representative, or relevant, or perhaps a form of statistical sleight of hand, may become clearer after the following cross-section analysis of the possible impact of creeping inflation upon the kind of economy that exists today in the United States.

Price Changes and Expectations

There is, of course, nothing inherently wrong with individual price increases. As long as such price changes reflect the balance of prevailing conditions of supply and demand for a particular product or service, they serve as part of the essential signalling system that directs the allocation of productive resources in a market economy, just as do individual price declines. The great sweeping movements of the entire price structure in the United States, however, have grown out of extraordinary events. The major increases have come with the convulsions of war, and the major declines have usually come with deep depressions. But in between, when the market economy is doing its normal job of allocating resources, with relative changes in different prices stimulating and guiding intervals of several months, or even a year or more, when the net effect of all individual price changes will emerge as a minor increase, or a decrease, in the average of all prices. There will also, as has been true for most of the past year, be periods of continuing sideways movement.

So long as any general and moderate rise in prices just happens, and no one can count with any degree of certainty at any particular time on a continuing rise, businesses and consumers can form their economic judgments in the orderly way that assures the nearest practicable approach, in an imperfect world, to optimum performance of the economy. When there is a roughly even chance, over any short period ahead, that as many individual prices may rise as fall, and that many will not move at all, one's own competence for possibilities of missing earnings, or economising on purchases, presumption that the average of prices will continue to rise indefinitely, even at a rate that tempted—even compelled—to become a gambler. More and more businesses and individuals find it necessary to protect themselves against expected price increases on the products they buy and find it tempting to speculate on expected that setting, more and more prices become the much less effectively their economic role in a market economy. The cumulative effect of even a small rate of inflation, if it becomes continuous, would indeed be to impair seriously the use-prime requirements for an acceptable monetary unit—both for domestic commerce and in international trade.

Inflation Hedge

Much of what has been said in support of creeping inflation seems to neglect the critical role of expectations in the spending, saving, and investment processes. All but the most rudimentary decisions as to spending and saving, and plant, or inventory, result from judgments based on expectations of the needs and opportunities that lie ahead. If those expectations include a certainty that the value of the dollar—steadily, then every considered judgment must be made in terms of the values of things as they will be a year or several years ahead. That is, home prices move up only in line with average more a year from now, in five years (compound-compounding) \$3,400 more, and so on.

Even with public policy aiming at broad price stability, there have been some peace-time years since World War II when average prices have risen by several percentage points. But, in each such case, the price inflation occurred in spite of public policy intentions and there was no firm reason for projecting price inflation of similar magnitude into the future. Yet each time there has been a tendency for a wave of inflationary apprehension to spread through the expectations of savers and investors. The results, while relatively mild because the episodes were rather short, gave a foretaste of the force that changes in expectations might exert if inflation, even of small annual proportions, were to become a virtual certainty. Wage earners, business men, retired persons, consumers, savers, and investors have only to consult their own experience during one or another of those episodes to recall evidence, more persuasive than any statistical demonstration, that, when inflationary expectations infect the ordinary day-to-day spending decisions, more and more attention is given to subterfuges and hedges of various kinds, including the hoarding of readily storable goods, in order to find some protection from the probable loss in the value of the dollar. That kind of behaviour does not wait for the extremes of recurring inflation and a frantic flight from the currency. It occurs whenever expectations of generally rising prices become widespread.

Impact on Savings

The creeping inflationists generally seem to believe that there need be no decline in the rate of savings from current income with their kind of inflation. Though this view is perhaps subject to question, there will indeed be many individuals who must still continue to save. Upon them—along with all pensioners and others on fixed incomes—the burden of a steady depreciation in the value of each dollar saved will fall heavily and harshly. To the extent they can, however, savers will certainly want to make a decisive shift in the composition of their savings—preferring those forms which offer a prospect of appreciation in value or accretion in yield corresponding to the rate of "creep" intended for the average of all prices. And it is scarcely realistic to expect that the great network of institutional arrangements now mobilising savings in fixed dollar forms could be completely converted, without loss of effectiveness, to a different form of savings. To the extent that these facilities could not be transformed, some decline in total financial savings over time might well occur.

To minimise such shifts, and their consequences, some of the creeping inflationists have argued for the issuance of bonds with a price escalator attached. Also, they propose that the saver should be offered either upward adjustments of interest rates for conventional savings accounts, or accounts at lower interest rates which would be adjusted in principal amount as the relevant price index rose. There is in all of this, to be sure, a rather frightening prospect of conversions and exchanges for the hundreds of billions of fixed-interest-bearing obligations that are already outstanding. But, even if that combination of problems could be surmounted in some way, the banks and insurance companies and businesses and individuals undertaking new liabilities, variably adjusted to one index or another, would be confronted by other virtually impossible complications.

Finland's Experiment

These complications are not, moreover, mere theoretical conjecture; they have occurred in Finland, for example, where an extensive network of escalators was introduced a few years ago, when a general acquiescence in creeping inflation became part of public economic policy. The experiment has already run its course, and the Finnish public has been disillusioned, and the apparatus is being gradually dismantled. What happens, as escalator arrangements crisscross the savings mechanism, is that accountants find themselves unable to balance their books unless managements find a way to write up virtually all of their assets (and realised gross income) at least as fast as the relevant price index is increasing. Banks have to require borrowers to escalate upward their liability on loans, or pay interest that includes a surcharge sufficient (after taxes) to compensate for a rate of "creep" of, say, 2 or 3 per cent. No one—borrower, lender, or depositor—can know how much he owes or is owed, nor whether his realisable current assets can meet his rising current liabilities, nor whether he is indeed solvent, from one month to the next under full escalation, even if there were enough electronic computers to go around.

At best, such schemes impose on the economy an enormously complex superstructure of escalator connections, with opportunities for inequity, incongruity, and inefficiency greatly enlarged. And, even if a fully comprehensive, and all-inclusive, mechanism could be contrived, would not the results be only a peculiarly circuitous approach to the same market allocation that would work itself out under conditions of relatively stable prices? The exercise, if fully successful, would only be similar to that of cancelling out equal values on both sides of an algebraic equation. At the worst, instead of mere futility, the result might instead be a kind of chaos, leading either to a slow strangulation of the financial mechanism or an acceleration of price increases as lender and borrower attempt to match strides—each trying to offset the gains of the other.

The apparent conclusion is that voluntary saving through the institutional facilities now used by most savers would be discouraged in some degree by a permanent condition of creeping inflation, unless interest rates should rise so high, and other escalator arrangements should be contrived so effectively, that some approximation of the present volume of saving could be achieved. In any event, regardless of whether, or by how much, total saving would be reduced, there would be so many new frictions injected into the system that much of the voluntary saving would probably still seek shelter in the stock market and in the direct purchase of

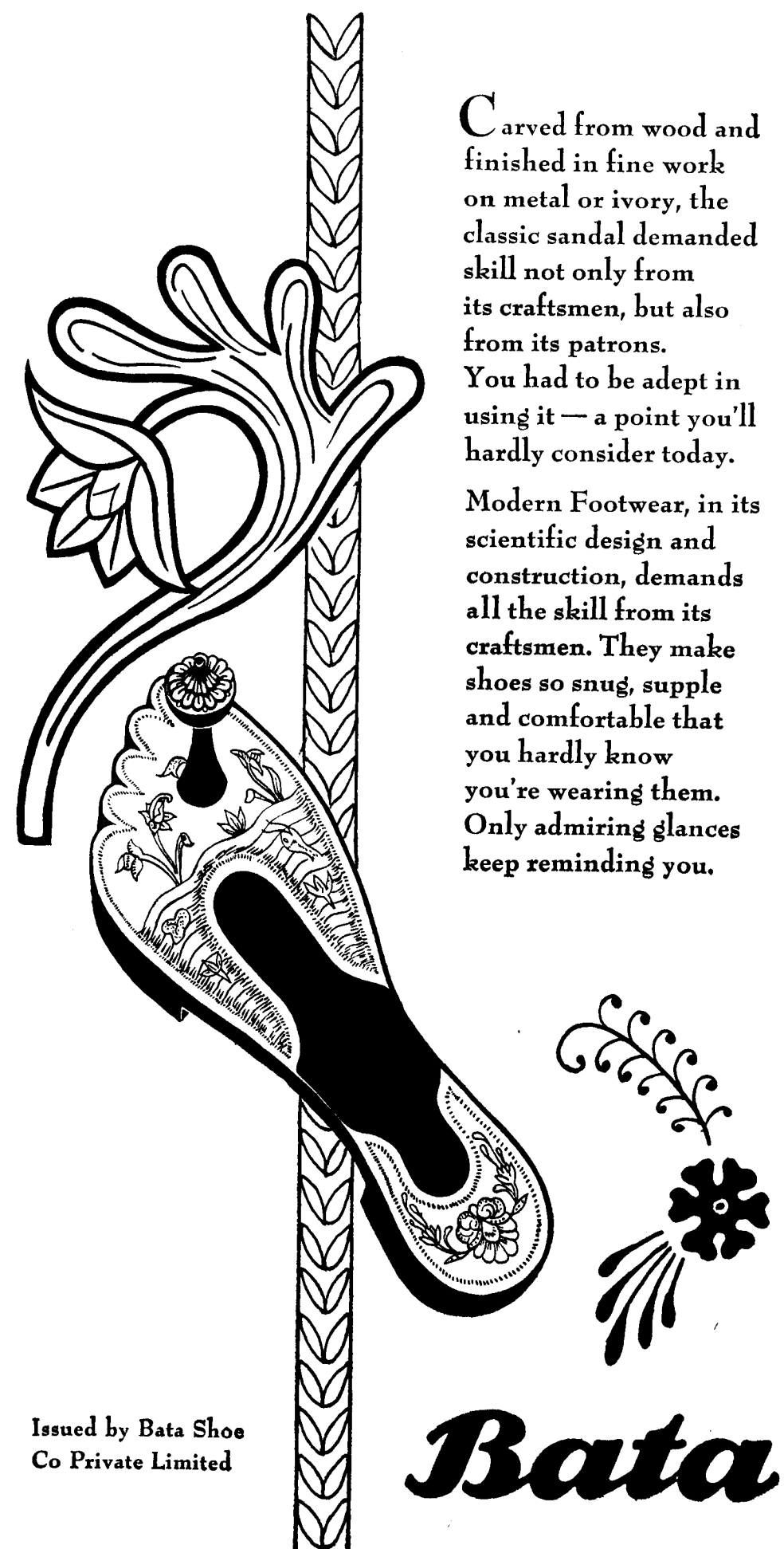
such durable assets as houses and land. A considerable part of total saving would probably, in addition, be "forced" or "involuntary"—a euphemism for the loss of real income suffered by those persons, or those kinds of institutions, which would simply not be able to increase their money incomes as rapidly as prices rise.

Repercussions Upon Investment

In an atmosphere of continually rising wholesale and consumer prices, financial markets would probably take on some of the aspects of a casino and tend to lose their efficiency in directing capital into the most productive uses. At the same time, business concerns or individuals would find it necessary to take into account a new dimension—the certainty of a depreciating dollar—in deciding upon the kinds of physical investment to make, and whether to borrow funds for use in physical investment. The stock markets would probably reflect less and less a consensus of investors' judgments of the long-term growth potential or the soundness of management of a particular corporation, and more and more a guess as to the likelihood that the corporation would be able to hold its own in the price race. In the bond markets, interest rates would tend to rise toward the point at which they could equate, on one side, the advantage to borrowers of financing current investment outlays in a form that could be repaid over the years in depreciated currency with, on the other side, the disadvantage to

Carved from wood and finished in fine work on metal or ivory, the classic sandal demanded skill not only from its craftsmen, but also from its patrons. You had to be adept in using it—a point you'll hardly consider today.

Modern Footwear, in its scientific design and construction, demands all the skill from its craftsmen. They make shoes so snug, supple and comfortable that you hardly know you're wearing them. Only admiring glances keep reminding you.



Issued by Bata Shoe
Co Private Limited

Bata

lenders of placing their funds in investments whose real value would depreciate over time. Although individual adjustments would occur in different ways, and could include arrangements for escalation of the principal amount as an alternative to pushing interest rates up drastically, one overall result might be a reduced volume of bond financing, which could nonetheless only be carried through at very high cost.

Meanwhile, to the extent that higher interest rates and general escalation of prices and costs fell short of their more or less idealised objectives, there would be strong inducements to business men and individuals alike to accelerate their purchases of durable, investment-type goods. If a new machine will be needed six months from now, and the current flow of income permits, buy it today to avoid the price increase. If rents are rising, buy a new home and plan to take a profit on its resale five or ten years in the future. Moreover, to the extent that interest rates do not rise to the point where they fully offset the prospect of rising prices, investors will want to borrow the money to make these purchases. Even an economically submarginal investment becomes desirable if the service or the product it produces will so increase in price as to assure a profit on the investment, particularly if the purchase price of the investment can be repaid in depreciated currency.

Effect on Social Services

Of course, total saving would probably be quite insufficient to provide all of the additional financing sought by all of the individuals and business men attempting to make tomorrow's investment outlay today. Potential investment outlays would have to be deferred in those areas of the economy where the return from the sale of the product could not be expected to increase so rapidly as the overall price average. What are some of these areas? They include school's, hospitals, and other public service institutions that do not turn out an economic product whose price can readily be escalated. Among them, too, would be many of the institutions and agencies engaged in basic research. And in all likelihood most of the electric utilities and other public utilities concerns, including transportation, would find their prices too slow in adjusting because of the usual lags encountered when prices and rates are regulated by a public body.

In short, both because other prices would rise faster than their own, and because all interest rates would be much higher than they would have to be with prices generally more nearly stable, some of the most important areas for the expansion of this country's basic capital stock of knowledge and facilities would fall behind in the competition for investment resources. The creeping inflationists' answer might then indeed have to be to increase central government regulation of investment flows, perhaps even through direct expansion of Federal investment activities. Even so, school districts, philanthropies, and other public agencies with relatively fixed incomes, or incomes that might lag in adjustment, would probably still be driven to various penny-wise, pound-foolish economies that reduce the efficiency of essential services, undermine the morale of their employees, and justifiably anger the public.

It would seem scarcely conceivable that such an investment mix could result in optimum growth for the economy. The condition of creeping inflation might well stimulate, at least temporarily, a larger numerical total of dollar investment. But neither investment nor the broader goals of economic growth are mere matters of numbers. The composition of investment, and of the national product, are always of crucial importance, both for the current satisfaction of the entire community and for the development of a strong base for continuing growth in the future.

(To be continued)

PUNJAB NATIONAL BANK

The working of the Punjab National Bank Ltd. during the half-year ended 30th June 1959 has resulted in a profit (subject to audit) of Rs. 42.76 lakhs, after providing a sum of Rs. 5.92 lakhs for gratuity fund trust. This represents a slight increase of Rs. 1.09 lakh over Rs. 41.67 lakhs earned in the corresponding six months of 1958 after setting aside Rs. 5.35 lakhs for gratuity. With the surplus of Rs. 4.48 lakhs brought in from the previous year, the amount available for appropriation is Rs. 47.25 lakhs, as against Rs. 46.19 lakhs a year ago. The interim dividend for the half-year has not yet been announced. It will be recalled that a distribution of Rs. 2.50 per share of Rs. 25 each, free of income-tax, was made for the half-year ended June 1958.

During the half-year under review, the Bank's deposits rose by Rs. 6 crores to over Rs. 135 crores. On 30th June 1959, the Bank had 374 offices in India, Burma and Pakistan, as against 356 a year ago.



THANK
THE FLAME
FOR ITS
LIGHT, BUT
DO NOT
FORGET
THE
LAMPHOLDER
STANDING IN
THE SHADE WITH
CONSTANCY OF
PATIENCE

—RABINDRANATH TAGORE

TEKMACO
SALUTES
THE NATION

TXC-57

"... An insight into vast variety of finished goods the region can ...
offer to Indian and foreign markets..." THE HINDU, Madras.

PUNJAB TRADE GUIDE WHO'S WHO

contains status data of Manufacturers, Exporters, Importers and leading Commercial Houses of Punjab, Jammu and Kashmir and Himachal Pradesh.

- * Light and Heavy Engineering products from Screw to Sugar Plants and Textile Machinery—Utensils and Brassware, Scientific Instruments and Gun-metal products and Cycles, Sewing Machines and parts.
- * Textiles—woolens, cotton, silk, yarn; Hosiery and knitwear, Carpets, etc.
- * Chemicals; Food and Beverages.
- * Handicrafts and Artware of Kashmir including precious and semi-precious stones.
- * Sports Goods.
- * Foreign Importers of Indian products (Addresses secured through Government of India).
- * Articles: Government aid to Industries; Arbitration in Trade Disputes; Visual publicity abroad, etc.

"... One of the few publications which contains so many
details..." CAPITAL, Calcutta.

Order your copy per V.P.P. today.

Price: Rs. 25 (inclusive postage) £2, \$6 (Air surcharge extra)

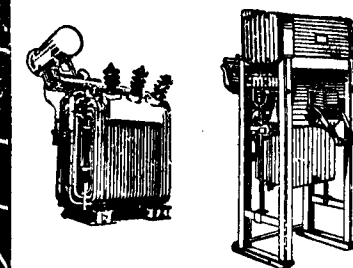
Northern India Publications

66, The Mall, Ambala (Punjab)

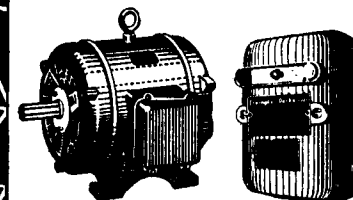
Grams: NIPS

Phone: 125

Electrical equipment for industrial development



Crompton Parkinson
Transformers, Switchgear,
Motors and Starters.



GREAVES COTTON & CROMPTON
PARKINSON PRIVATE LIMITED
Bombay • Calcutta • New Delhi

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

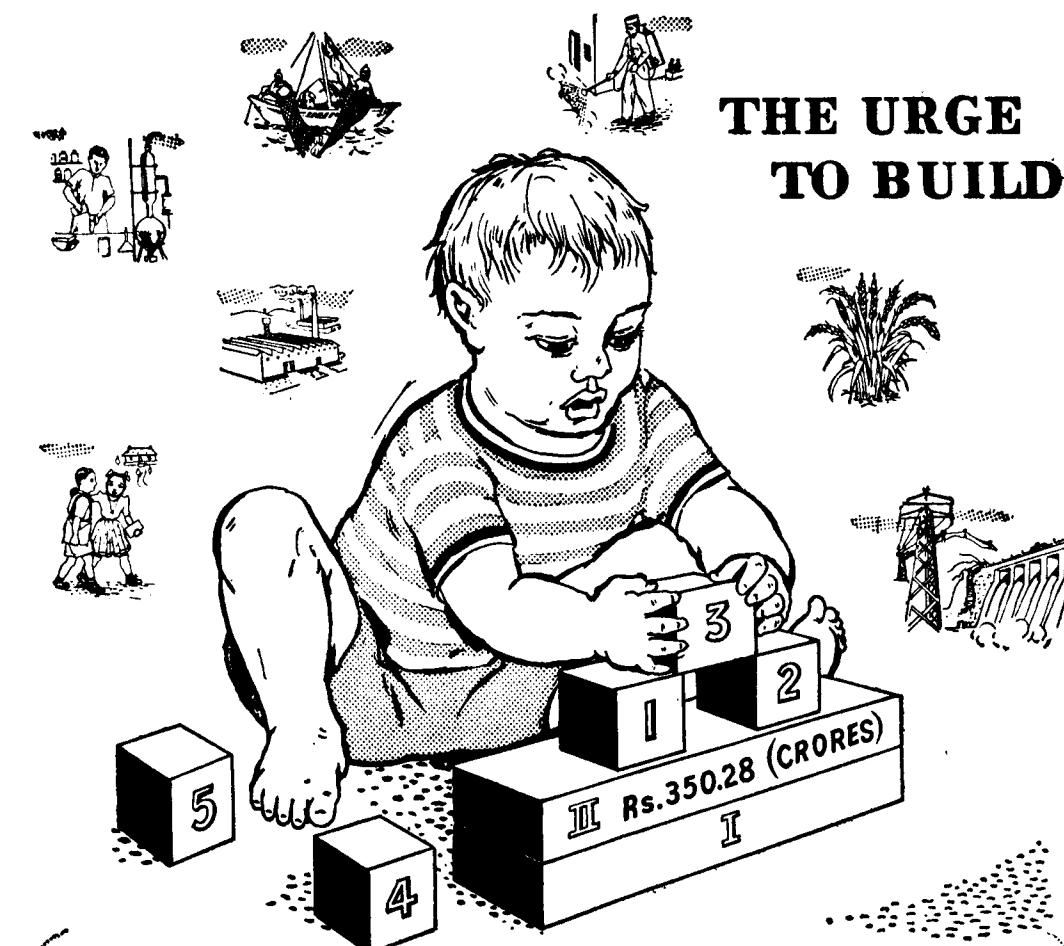
Fort, BOMBAY

Latest COTTAGE INDUSTRY book consists of complete description of various profitable industries with sources of raw material and machineries.

Price Rs. 6 and Postage Re. 1

COTTAGE INDUSTRY (C.B.S. 18)
Post Box 1262, DELHI

THE URGE TO BUILD



The innate impulse compels a child to build. So it does to a nation conscious of the desire to progress. Today, the Second Five-Year Plan is under way and India is busy with her various development projects. Bombay State is contributing its share towards the national progress by playing its assigned role under the Plan.

Of the total outlay of Rs. 350.28 crores proposed in the State's Second Five-Year Plan, Rs. 167.26 crores were spent during the first three years from 1956 to 1959. The provision in 1959-60 is Rs. 90.18 crores.

During the first three years, food production increased by about 3.36 lakh tons. And compared with the position in 1950-51, nearly 20,000 more primary schools were built, secondary schools increased by about 1,000 and the number of institutions for higher education almost doubled by the end of the third year of the Plan.

3729 miles of roads were constructed; 104 new bridges and causeways were built; tenements constructed for industrial workers were 13,192; (7,000 more tenements are expected to be completed during 1959-1960). Houses built for low income groups were 4160.

Irrigation, Power, Industrial and other projects are making fast progress under the Plan programme.

Bombay state marches ahead

DIRECPUB

For Service and Security

PANDYAN BANK LTD.

Central Office: MADURAI

THE BANK THAT SERVICE BUILT

LEADS in India

- First to introduce
INSTALMENT CREDIT (began in January 1953)
- First to introduce
SAVINGS PRIZE SCHEME
- First in the WORLD to establish
ALL-WOMEN'S Branch Bank
- First to introduce
EMPLOYEE PARTICIPATION in Share Capital in 1956
- First to hold a cover under
BANKERS BLANKET BOND POLICY
- First to use
COIN COUNTING MACHINES in daily operation
- First to build a
FULLY AIR-CONDITIONED SEVEN-STORIED

most modern Bank Building South of Madras

S. N. K. SUNDARAM,
Managing Director.

BURMAH-SHELL REFINERIES LIMITED

CHAIRMAN, MR. L. D. MUDIE, REVIEWS OIL INDUSTRY'S ROLE IN INDIA'S ECONOMIC DEVELOPMENT

CONSUMPTION EXPECTED TO DOUBLE ITSELF IN THE NEXT EIGHT YEARS

ADDRESSING the shareholders of the Burmah-Shell Refineries Ltd. at their Sixth Annual General Meeting held at Trombay on Monday, 10th August 1959, Mr. L. D. Mudie, Chairman, said that the demand growth for petroleum products in India during the last ten years was much steeper than the world trend. He also indicated that the demand in future was expected to grow at an annual rate of 7 per cent so that, by 1967, the country's annual consumption would be not far short of 12 million tons or just twice the present level.

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

"The Directors' report and accounts for the year 1958 are before you and from these documents you will note that the profit for 1958 has dropped by some Rs. 114.2 lakhs to Rs. 309.6 lakhs as anticipated by the Chairman in his remarks to the shareholders at the last annual general meeting. This decrease is due to the narrowing of the refiner's margin between refined product and crude oil prices and to the increased taxation liability.

"A dividend of fifteen naye paise per rupee (free of income-tax) was declared and paid in April 1959 on the paid-up ordinary share capital absorbing Rs. 207.3 lakhs leaving a balance of Rs. 102.3 lakhs, which, with the balance brought forward from 1957 of Rs. 41.7 lakhs, leaves a balance of Rs. 144.0 lakhs for further appropriation. From this balance your Board has recommended that Rs. 82.0 lakhs and Rs. 8.0 lakhs be appropriated to general reserve and tax equalisation reserve respectively, leaving a balance to be carried forward of Rs. 54.0 lakhs.

Trend of Demand

"I do not think further remarks are necessary on the detail of our 1958 accounts which are set out fully in the documents already circulated to you; I should, instead, draw your attention to the mass of comment, read and heard in recent months, on petroleum and its role in India's economic development. I welcome this as indicative of wide and growing public interest and would like to offer a few remarks that may help to set perspectives for the discussion on petroleum. In so doing, it shall be my endeavour to concentrate on points of general agreement and to supplement Indian experience with lessons learnt from the international operations of the petroleum industry.

"The recession in the United States and the slackening of business activity in Western Europe, slowed down, but did not interrupt the expansion of world demand for petroleum products. Before the recession, world demand had been growing at an average rate of 7 per cent per year; in 1958 the rate of expansion dropped to 5½ per cent per annum. Looking into the future most forecasters predict an annual expansion of 6 per cent in world demand; in other words, such demand is expected to double itself in the next ten years or so. It has been calculated that to finance this expansion the petroleum industry will need to invest about Rs. 67,000 crores, representing capital expenditure in the region of Rs. 5,300 crores per year for the next five years, rising to approximately Rs. 7,300 crores per year, thereafter. That growth, in this magnitude, is continuous and not sudden, is illustrated by the fact that the industry's gross investment in fixed assets rose from Rs. 11,800 crores at the end of 1946 to Rs. 37,900 crores at the end of 1957.

"These are formidable figures and it is obvious that finance, in these magnitudes, is far beyond the capacity of the world's capital markets; the vast proportion of the funds needed to meet the growing demand for petroleum products must continue to be generated from within the industry. To illustrate this point, I may mention that in 1958 the Royal Dutch/Shell Group of Companies raised £126 million (Rs. 188 crores) through the mechanism of the largest single capital issue in European history; the money sufficed to cover the capital and

exploration expenditure of the same Group, for a period of just about four months.

"These facts of international experience have particular relevance at this moment in India's progress towards a self-sustaining economy.

"Over the last ten years Indian demand for petroleum products has shown an even steeper rate of climb than the world trend; since 1948, consumption in India has increased nearly three-fold to 6 million tons, which represents an average growth of 10.5 per cent per annum. In 1958, the rate fell to 6.1 per cent but this was due principally to restrictions, since removed, on kerosine imports, imposed to conserve foreign exchange.

"As for the future, it is expected that demand will advance at an annual rate not less than 7 per cent and that by 1967 the country's total consumption of all products including refinery fuels is likely to be not far short of 12 million tons per year or just on twice the present level of consumption.

Size of Investment

"Finance will have to be found to meet this expansion; the industry's experience, worldwide, indicates that an investment of Rs. 600 is required to locate and market every extra ton of oil. On this basis, the investment to meet the growth of Indian demand to 1967 would be in the region of Rs. 360 crores, on the rather hopeful assumption that present-day costs do not rise during the next ten years.

"I may add that of the notional figure of Rs. 600 per ton, just quoted, a sizeable proportion represents expenditure in this exploration stage. It is now not necessary to demonstrate that expenditure on exploration is not only heavy but hazardous: indeed it is quite possible to spend crores of rupees on the best geological and geophysical advice and have at the end nothing more to show than a series of dry holes in desert or jungle and the advantage of experience, somewhat dearly bought. Indeed, the gambler has, in essence, a better chance than the oil explorer: in the words of a leading journal, 'when throwing a dice one is at least sure that the number 6 exists, whereas if no oil is, in fact, present, an unlimited number of 'goes' would never give a win.'

"Successful exploration is, however, but the start; oil found has to be proved, extracted, transported and refined before it can reach the market. It is not often realised that the development expenditure needed to bring an oilfield into commercial production, though less hazardous, is generally several times as expensive as the original exploration effort.

Gap Between Demand and Supply

"The problem can also be examined with the gap between demand and indigenous crude supply as the starting point. India's crude production now amounts to 0.4 million tons from the Digboi field, to which may be added the 2.5 million tons expected from the Assam Oil Company's discoveries in Nahorkatiya and Moran. With 1967 demand assessed at 12 million tons and indigenous crude output at 3 million tons, the gap—which is the measure of fresh investment needs—is seen to be 9 million tons. The world experience of the industry indicates a figure around Rs. 270 crores as the investment needed to find and produce this additional quantity; to this must be added, however, a considerable sum to cover additional refining capacity (6.4 million tons) and distribution and marketing facilities (6 million tons).

"These figures are impressive but constitute only the beginning of the story. For it must be remembered that, despite the rate at which demand is growing, India's per capita consumption of petroleum products works out at 3.8 gallons per annum against a world average of 70 gallons, and compared with 40 gallons in Japan, 14 in Ceylon, 122 in Latin America, 7 in Indonesia and 600 gallons in the U.S.A.

"The same pattern emerges when the field of comparison is widened to include all forms of energy. Here the Indian figure is 0.12 ton per capita/annum against 1.08 tons for Japan and 3.85 tons in Australia.

"The inter-relationships between the use of energy, levels of productivity and living standards are now generally recognised and the comparisons I have just made point to the enormous scope for development of all forms of commercial energy in India.

"Several attempts have been made to forecast the likely shape of this development and a recent study indicates the following pattern for commercial energy consumption in India.

	Percentage Shares		
	1947	1952	1957
Coal	86	83	80
Hydro-electricity	6	6	6
Petroleum fuels	8	11	14

Coal remains the major source of commercial energy but its dominance is a declining one. The hydro-electric contribution, relative to other sources of energy, is static over the ten-year period; oil alone shows a steady advance.

"The prospects from nuclear power are interesting, but the consensus of expert opinion seems to be that, though this new source will make some contribution during the Third Plan period, its development is a matter of long-term significance.

"It is not sufficient to examine petroleum only as a source of energy, that is, power and heat. To assess India's total demand it is necessary to include other petroleum products which are not used to produce energy such as bitumen for roadmaking, and lubricating oils.

Pattern of Consumption

"The pattern of India's petroleum consumption is dominated by the middle distillates (kerosine, high speed diesel oil, light diesel oil and aviation turbine fuels): the proportion of these to the total is at present about 45 per cent and assuming no external checks on growth rates, the middle distillate share is likely to rise to roughly 50 per cent in 1967, or, about 6 million tons.

"The gasoline (aviation and motor spirit) share has, on the other hand, been contracting at a rate which suggests that by 1967 it may account for 8 per cent (against 15 per cent at present) of total demand.

"The residuals are likely to hold the same position in the consumption pattern, as at present, in the region of 30 per cent.

"To provide the 6 million tons of middle distillates required by the Indian market, entirely from indigenous crude, would call for crude production at the level of 13.3 million tons per annum. The processing of such crude would throw up a surplus of about 3 million tons in the gasoline range; the disposal of this surplus through export may prove to be difficult.

"It is obvious that to depend entirely or imports to cover the enlarging middle distillate gap would be to correct the petroleum imbalance by creating an oppressive and continuing strain on India's foreign exchange reserves.

"I shall not dwell further on this problem which has, of course, a number of facets. I petroleum products, while technical developments, such as the multi-fuel engine, and the utilisation of petroleum products as raw material for other industrial processes hold promise and above all, I would stress the proven ability of the international oil industry to meet challenges through world-wide adjustments of demand and supply as well as by internationally orientated research and development.

"It would be relevant to mention that you Company have already made a contribution towards resolving the imbalance problem between 1956 and 1958, the yield of gasoline has been reduced from 23 per cent to 18.5 per cent

with an expansion of middle distillate production from 31.8 per cent to 34.6 per cent—a remarkable achievement bearing in mind the production pattern for which the plant was designed.

"Your Company have continued to study this problem and recently informed the Government of their ability to increase their crude throughput from the existing level of approximately 2.3 million tons to 2.6 million tons per annum, thereby providing a further 250,000 tons of middle distillates per annum, representing an increase of 30 per cent in middle distillates, together with an export market for 25,000 tons of gasoline. Furthermore, this development is estimated to save about Rs. 1.5 crores of foreign exchange in a full year.

"At the same time, your Company have informed the Government of an active investigation now in hand to expand Refinery capacity to the level of about 4 million tons per annum, together with plant for the manufacture of 50,000/100,000 tons of HVI Lubricating Oil basics per annum. If this examination leads to firm proposals, these will most certainly reflect substantial savings in foreign exchange and contribute materially towards resolving the product imbalance problem.

"In conjunction with these proposals, the Government have been pleased to accept an offer by your Company to forego the existing duty protection on furnace oil, light diesel oil, high speed diesel oil and bitumen, with effect from 1st July 1959. This duty protection, together with the two annas duty protection on gasoline voluntarily surrendered on 1st October 1956, formed part of the agreement with Government which led to the construction of this Refinery.

Outlook for Current Year

"As regards the current year it is, of course, impossible to forecast with accuracy the future course of crude and refined product prices, influenced as these are, by a great variety of factors, quite outside the control of the oil companies and the scope of accurate prediction. If prices remain roughly in the same relationship as at present, and taking into account the duty protection voluntarily relinquished by your Company from 1st July of this year, we can expect the income from refining for 1959 to be somewhat reduced compared with 1958, with a consequent reduction in net profits.

"That we are able, so soon after our Refineries went on stream, to make such offers to the Government of India is due to the foresight, imagination and skill of those who planned our great plant and it gives me particular pleasure to record that efficiency and drive have distinguished the efforts of all employees who have worked in Burmah-Shell Refineries these past years. With them, we look, in confidence, to the future."

VILLAGE HOUSING SCHEME

The Government of India has decided to modify the Village Housing Projects Scheme in order to enable State Governments to utilise part of the loans sanctioned under the scheme for the acquisition of land in selected villages where this is necessary for thinning out densities, provision of additional housing sites, streets, community buildings and other community facilities, and cannot be arranged by villagers through mutual agreement among themselves. Funds needed for the provision of services in the acquired land may be obtained from other Central or State Government schemes for this purpose. The basis for the recovery meant for this purpose. The beneficiaries have been left to the discretion of the State Governments. The State Governments will have, however, to recover the cost of the site along with the loan for building a house in 20 years as laid down in the Village Housing Projects Scheme. These decisions have been taken by Government on the basis of the conclusions of the Seminar on Village Housing held last year in Mussoorie and the recommendations of the Housing Ministers' Conference held at Darjeeling, in October 1958.

The Village Housing Projects Scheme, it has been decided, will be further modified to conform to the observation of the Seminar that the problem of rural housing could in certain cases be tackled by providing open developed plots on the lines of slum clearance scheme. To enable indigent members of the village community to put up huts with their own labour, the Government agrees with the recommendation of the Housing Ministers' Conference that the entire cost of developed plots should be treated as loan to the individual concerned, for recovery over 20 years. The cost of the developed plots should be kept as low as possible and should not exceed 25 per cent of the loan permissible for a house. To ensure co-ordinated development of villages and also that the aid given for various aspects of rural development finds its way in adequate measure to the villages selected under the scheme, the State Governments have been advised to set up a special committee consisting of representatives of the departments concerned. It has also been suggested that similar committees at the district level with the district collector as chairman and district heads of departments as members may also be constituted.

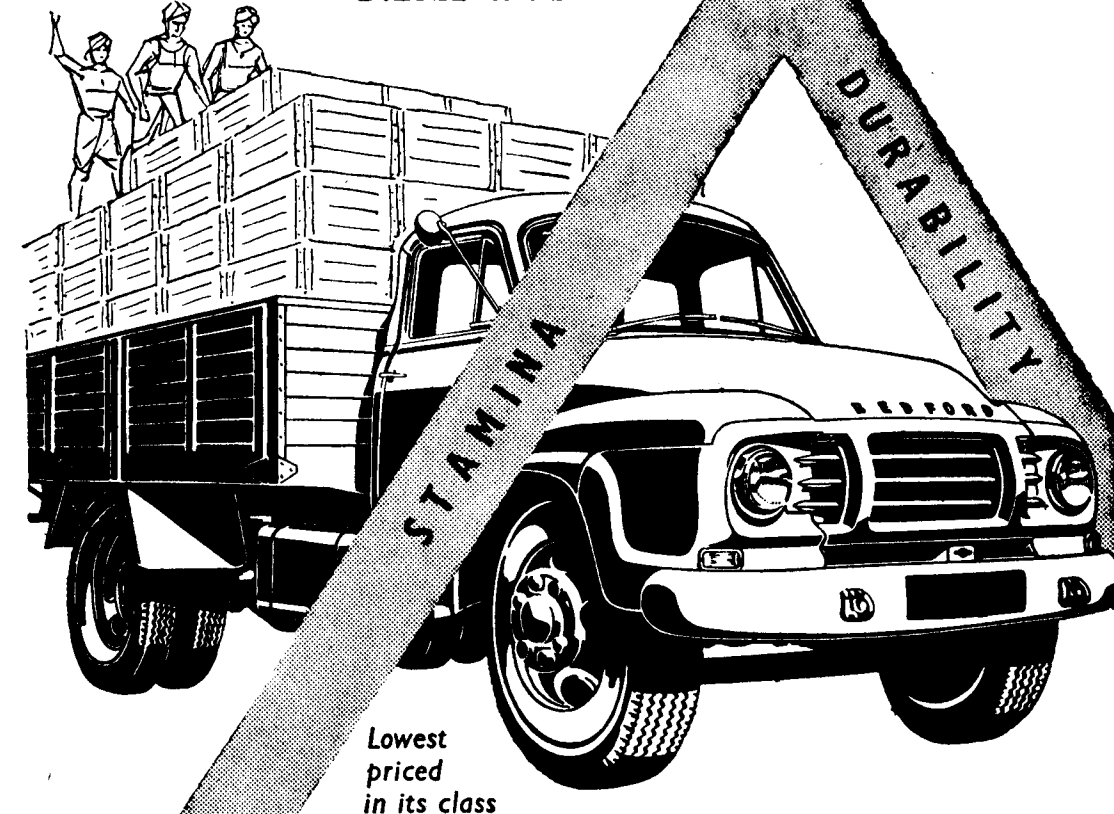
on difficult roads . . . and for different loads

The sturdy Bedfords live up to their reputation as the world's tougher-than-ever trucks...built to handle almost any type of hauling job.

Rugged chassis frames, tough new springs, dependable braking and an excellent power-to-weight ratio enable the Bedfords to deliver the goods efficiently and economically.

BEDFORD

DIESEL & PETROL



ECONOMY

Prices
BEDFORD 167" W.B. Diesel Chassis Rs. 23842/-
BEDFORD 167" W.B. Petrol Chassis Rs. 17880/-
Ex plant Uttarpara (Calcutta)
Exclusive of taxes

BEDFORD
a product of General Motors
World's biggest automobile manufacturers

HINDUSTAN MOTORS LTD. 8, India Exchange Place, Calcutta-1

DEALERS:

Agra; Ambala Cantt.; Ajmer; Ahmedabad; Ahmednagar; Allahabad; Baroda; Bangalore; Bhopal; Berhampur; Bombay; Bareilly; Calcutta; Cuttack; Coimbatore; Dehra Dun; Durg; Dumka; Dibrugarh; Dhanbad; Gauhati; Imphal; Indore; Jaipur; Jabalpur; Jodhpur; Jalgaon; Jorhat; Jamshedpur; Jullundur City; Jammu; Kanpur; Kolhapur; Lucknow; Muzaffarpur; Madras; Madurai; Mangalore; Meerut; Nagpur; New Delhi; Nepal; Patna; Poona; Pondicherry; Rajkot; Ranchi; Sambalpur; Shillong; Secunderabad; Silchar; Srinagar; Satna; Tezpur; Tanjore; Trivandrum; Varanasi Cantt.; Vijayawada; Vizianagram City.

STATE BANK OF HYDERABAD

(Constituted under the Hyderabad State Bank Act, 1941. Renamed and capital transferred to Reserve Bank of India, with limited liability, under the State Bank of Hyderabad Act, 1956.)

All types of Banking and Foreign Exchange Business undertaken through H. O. and branches.

ANDHRA PRADESH: Head Office in Hyderabad and 27 branches, including 4 in Hyderabad

BOMBAY STATE: 16 branches, including 2 in Bombay City

MYSORE STATE: 6 branches

MADRAS STATE: 1 branch in Madras City

SBH

BRITISH INSURANCE IN 1958 PREMIUM INCOME AT RECORD HIGH LEVEL

THE picture of British insurance, unfolded in the statistics published by the British Insurance Association for the year 1958, is, indeed, a reassuring one. The combined net premium income (life and non-life) of member-companies of the Association which transact, between them, 80 per cent. of the domestic and foreign business, rose to an impressive figure of £1,425 million, representing a rise of £82.78 million over the 1957 figure. Even though the increase in 1957 was more remarkable, as much as £116 million, raising the total to £1,342 million, the improvement noted in the past year is highly significant. As Mr. Charles F. Trustam, Chairman of the Association, pointed out, considering that, for the first time since the war, world prices in 1958 were relatively stable, the increase in business in that year denotes a real participation in an expanding economy and not, in any sense, a mere inflation in monetary values.

This increase in premium was possible because of the more favourable economic and financial climate that obtained during the year. No sector of British economy is more vitally concerned with the stability of the pound sterling than insurance. As a result of the measures taken by the Government in 1957, world confidence in sterling grew and this led to a greater use of sterling for world trade and a steady increase in gold and dollar reserves. A substantial slowing down of inflationary trends obviously increased the inherent attraction of life assurance as a means of saving. This perhaps explains why a larger proportion of new premiums of 1958 (53 per cent.) came from life business than from non-life (47 per cent.). During the previous five years, it may be noted here, 58 per cent. of the new premium had come from non-life business, as against only 42 per cent. from life. In 1957, 59 per cent. of the new premium came from non-life and 41 per cent. from life business.

A comparison of the life premium with the total net premium also points to a swing in favour of life insurance. Thus, life premium formed 42.2 per cent. of the total net premium in 1958 and non-life premium 57.8 per cent., as compared with 41.6 per cent. life and 58.4 per cent. non-life in 1957, and 41.4 per cent. life and 58.6 per cent. non-life in 1952. It is true that there was a fall in the pace of growth of non-life business, but there is no doubt that, even after making allowance for this factor, the life business made notable progress.

Non-life Premium

Non-life premiums of the British insurance companies increased by £39 million during 1958 to £823 million, representing a rise of 5 per cent., as compared with 9.7 per cent. in 1957 and 4.6 per cent. over the five-year period 1953-57, that is, an annual average increase of 7.7 per cent. As compared with 1957, fire premiums increased by 2 per cent., accident premium by 7.7 per cent., but marine premium declined by 0.2 per cent. Nearly three-fifths—58.2 per cent. to be precise—of the total premium in the non-life portfolio came from accident business, 32.88 per cent. from fire business and 8.9 per cent. from marine business. These figures compare with 56.7 per cent., 33.8 per cent. and 9.46 per cent. respectively, in 1957 and 49.2 per cent., 38.4 per cent. and 12.46 per cent. in 1952. Accident business thus continues to occupy the pride of place in non-life portfolio which is also a reflection of the still increasing importance of motor and liability business. Motor insurance accounted for a premium income of over £260 million in 1958, which is more than half the total accident business. It is noteworthy that motor insurance premium increased more than sevenfold during the two decades 1938-58. Twenty years ago, this branch brought a premium income of only £38 million. But, in spite of the increase in business, in recent years, it has been found to be the most troublesome section of insurance. The collective underwriting loss on motor insurance in 1958, the fourth consecutive year in which this class of business proved unremunerative, amounted to almost £10 million. Another trend brought out by the figures in recent years is the diminution in the share of marine business. This is the result of recession in trade and the high degree of unemployment of ships.

Life business in 1958 showed an overall increase in premium of £43.7 million, about 7.8 per cent., as compared with £48.6 million or 8.3 per cent. in 1957 and an average annual rise

of 7.8 per cent. for the five years 1953-57. Ordinary life premiums have been growing at almost double the rate of industrial life premium. Thus, in 1958, the increase in the former was of the order of 9.1 per cent., as against 4.45 per cent. in the latter. The following table indicates the trend of growth of insurance in the U.K. during the four years ended 1958:

(Value: In thousand £s)				
Premium	1955	1956	1957	1958
Non-Life:				
Fire	224,287	253,088	265,126	270,399
Accident	338,524	396,001	444,335	479,598
Marine	61,450	65,951	74,109	75,508
Total	624,261	715,060	784,170	823,205
Life:				
Ordinary	385,681	365,423	407,253	444,260
Industrial	188,294	145,160	150,932	157,699
Total	474,075	510,583	558,185	601,929
Grand Total	1,098,336	1,225,643	1,342,355	1,425,134

Note:—One million £s are approximately equal to Rs. 1.88 crores.

"British insurance" virtually means world insurance for there is scarcely any part of the world where British insurers are not operating. Approximately one half of the total premium income of British insurers is derived from overseas. If life insurance is excluded, the overseas proportion of fire, accident and marine business is nearly three-quarters. One may, therefore, take the trend of British insurance, particularly general insurance, as reflecting the trend of insurance all over the world.

Investments

The investment assets of the member-companies of the British Insurance Association at the end of 1958 reached a record of £5,528 million (about Rs. 7,371 crores), an increase of £378 million (Rs. 504 crores) over the preceding year. The life fund alone accounted for £333 million of the increase, demonstrating, once again, the increasingly vital contribution made by the life business in the encouragement of thrift as a desirable habit as also a factor in combating inflation.

Total investments of all the branches of insurance increased by 59 per cent. between 1927 and 1937, 53.2 per cent. between 1937 and 1947 and by as much as 101.6 per cent. between 1947 and 1957. Thus, in the post-war years, the growth of insurance in Britain was twice as much as in the decade ended 1947. The increase in investment is partly a reflection of the real growth in the volume of insurance, both life and non-life, and partly of other factors such as inflation.

An analysis of the investment of life and non-life funds at the end of 1958 shows that 13.6 per cent. of the assets held were in mortgages, 22.4 per cent. in British Government securities, 3.9 per cent. in Commonwealth Government, Provincial and Municipal securities,

4.4 per cent. in foreign Government, Provincial and Municipal securities, 21.5 per cent. in debentures, loans, preference and guaranteed stocks and shares, 18.5 per cent. in ordinary stocks and shares, 8.9 per cent. in properties and ground rent and 6.8 per cent. in other investments. A noteworthy feature is that the new funds for investments during the year have gone largely into ordinary stocks and shares. Investments in mortgages, debentures, properties, British Government securities, and Commonwealth securities also went up, but by a relatively smaller percentage. Indeed, the percentage of British Government securities to the total was less by 1.1 per cent., as compared with 1957. What is even more striking is the fact that, at the end of 1958, their proportion (at 22.4 per cent.) was practically the same as in 1937.

The bulk of invested funds is made up of life funds, aggregating £4,537 million at the end of 1958, as compared with £3,991 million of the non-life funds. Of the life funds, 15.7 per cent. were held in mortgages, 23.6 per cent. in British Government securities, 3.1 per cent. in Commonwealth Government securities, 0.5 per cent. in foreign Government securities, 21.2 per cent. in debentures, preference shares, etc., 18.9 per cent. in ordinary stocks and shares, 9.7 per cent. in properties and 7.3 per cent. in other investments. Of the non-life funds, 4.3 per cent. were held in mortgages, 16.7 per cent. in British Government securities, 7.6 per cent. in Commonwealth securities, 22.3 per cent. in foreign Government securities, 22.9 per cent. in debentures, preference shares, etc., 16.6 per cent. in ordinary stocks and shares, 5.2 per cent. in properties and 4.4 per cent. in other securities.

REDUCTION IN LIFE INSURANCE PREMIUM

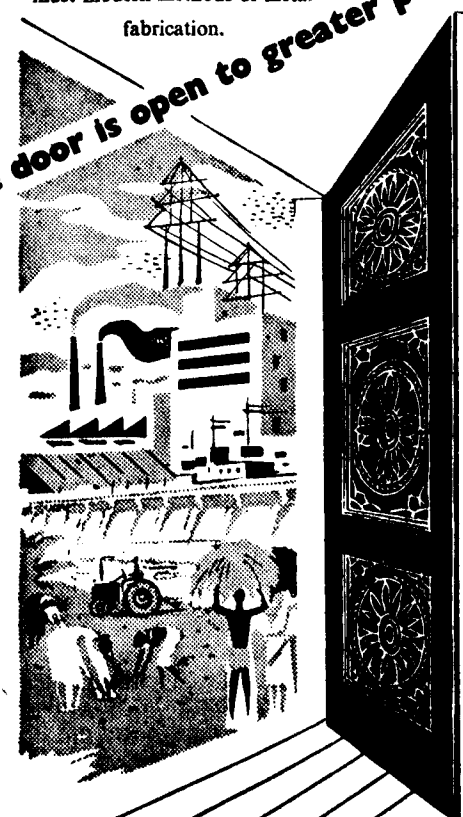
Replying to a question, Mrs. Tarkeshwari Sinha, Union Deputy Minister for Finance, disclosed in Lok Sabha that, the Life Insurance Corporation of India recently effected a reduction in premium rates in East Africa, while the premium rates in Malaya and Singapore were left unchanged. The rates of Commission to agents in East Africa, Malaya and Singapore were increased recently. Giving reasons for the reduction, the Minister said that owing to the high average sum assured per policy in East Africa (Rs. 13,500 as against Rs. 3,500 in India), expenses were lower. This enabled the Corporation to pass on the benefit to the policyholders in the reduced rates offered by the Corporation were but the same as those quoted by the leading companies operating in that country.

The scale of commission in any particular territory would depend on a variety of factors like the pattern of organisation, the nature of service rendered by the agent and the conditions in the market. Unlike India, where the renewal commission was payable to an agent throughout the currency of a policy and under certain conditions to the heirs of the agent on his death, in East Africa, Malaya and Singapore, the payment of renewal commission was restricted to only the first few years of the currency of a policy. However, there were no field officers between the branch officers and agents in these countries as in India and for this reason also, the commission rates paid to agents by all insurance companies in these countries were higher than in India. The Corporation's rates of commission payable to agents in these countries were not higher than those paid by their competitors.

INDIAN OXYGEN is playing a vital role in building a more powerful and self-sufficient India in the Second Five-Year Plan.

From transport to electric power, from the steel works to the oil refinery—every day our technical service is keeping the nation up-to-date with the most modern methods of metal fabrication.

The door is open to greater prosperity



INDIAN OXYGEN LTD

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:

Authorised - £2,500,000
Issued and Fully Paid - £2,000,000
Published Reserves - £2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN (Creaser)
ADEN (Creaser)
INDIA
BOMBAY
IRAC
BAGHDAD (3 branches)
BASRA
JORDAN
AMMAN
JERUSALEM
LEBANON
BEIRUT (3 branches)
TRIPOLI
LIBYA
BENGHAZI
TRIPOLI
TUNISIA
TUNIS

PERSIAN GULF
ABU DHABI
BAHRAIN
DUBAI
KUWAIT
(AND AHMADI)
MUSCAT
QATAR (DOHA)
SHARJAH
SAUDI ARABIA
ALKHORAB
(for DHAKHAN)
JEDDAH
U.A.R.
Syrian Region
ALEPPO
DAMASCUS

BOMBAY OFFICE:

314, Dr. Dadabhai Navroji Road, Fort
Telephone Nos: 22-2267 Cable Add: BACTRIA

Associated Bank in Iran

THE BANK OF IRAN AND THE MIDDLE EAST

SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverages, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

We always use WHEEL BRAND Industrial glycerine
It's guaranteed to contain 98% glycerol



Years of experience have proved to this factory manager that he can rely on WHEEL BRAND Industrial Glycerine — because it is of an unvarying high quality.

It is guaranteed to contain not less than 98% glycerol. What's more, it is backed by the experience and reputation of its makers, HINDUSTAN LEVER LIMITED.

In textiles, dyeing and printing, paints, varnishes and lacquers, plastics, leather, rubber and glass... in these and other industries, WHEEL BRAND GLYCERINE is used, and has been used for years.



Remember, PYRAMID BRAND GLYCERINE is also has many uses in the industry as well as medicinal and domestic uses! Write for

a free leaflet about its various uses in the home to: HINDUSTAN LEVER LTD, P. O. Box No. 409, Bombay 1.

DISTRIBUTORS: Imperial Chemical Industries (India) Private Limited
Bombay • Calcutta • Delhi • Madras

Made by HINDUSTAN LEVER LIMITED, Bombay

WG. 15-X53

Still keeps going
when the rest
have stopped



CHLORIDE AND EXIDE BATTERIES
(EASTERN) PRIVATE LTD.

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

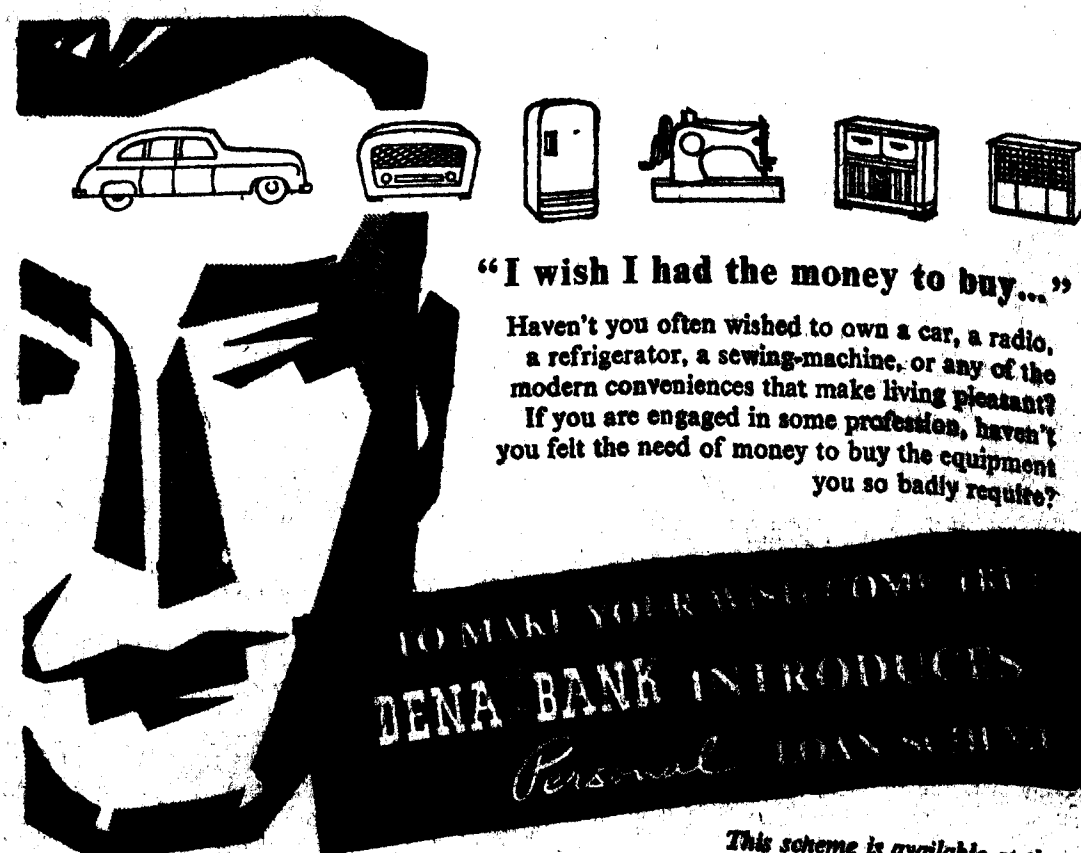
Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 293505



"I wish I had the money to buy..."

Haven't you often wished to own a car, a radio, a refrigerator, a sewing-machine, or any of the modern conveniences that make living pleasant? If you are engaged in some profession, haven't you felt the need of money to buy the equipment you so badly require?

TO MAKE YOUR WISH COME TRUE
DENA BANK INTRODUCES
Personal Loan Scheme

DEVKARAN NANJEE BANKING, CO. LTD.
Devkaran Nanjee Bldg., Horniman Circle, Fort, Bombay.

This scheme is available at the
Head Office of the Bank. Call
at the branch nearest to you
for details.

COMMODITY PRICE FLUCTUATIONS REPERCUSSIONS ON PRIMARY PRODUCING COUNTRIES

A DISQUIETING feature of world trade has been the recurring phenomenon of sharp and erratic fluctuations in commodity prices. Worst hit by this instability of commodity markets are those countries which exclusively rely on the export proceeds of a limited range of primary products for the bulk of their national income. These countries, no doubt, are making every effort to diversify the pattern of production. Nevertheless, there has hardly been any appreciable change in the degree of their dependence on primary products. Because of this situation, they are not in a position to cushion the shock as well as the industrialised countries can do by averaging the price movements of different types of exportable goods. Nor is it possible for the primary produce exporting countries to offset the effects of lower prices by a higher volume of sales. For falling prices, particularly in the case of metals and several other industrial raw materials, are generally and in the short-run, the result of a decline in demand rather than an increase in supply. Often, the fall in earnings from primary products is caused both by a lower volume and by lower prices. Indeed, their recent experience shows that, in times of lower prices, the primary exporting countries are able to sell less than in times of higher prices. To give an instance, during the first half of 1958, sales of wool by the sterling area countries fell by 36 per cent. in value and by 14 per cent. in volume, as compared with these in the corresponding half of 1957. Similarly, cotton sales dropped by 27 per cent. in value and 18 per cent. in volume. But even where demand for primary products is highly elastic (which it is not in most cases) and moved inversely to price changes, it would often be physically impossible to offset a fall in prices of, say, 50 per cent. by a higher volume of sales.

Again, what is very important to these countries is not the actual prices fetched by commodities but their relation to prices of manufactured goods, or in other words, their purchasing power. The price of manufactured goods, as is well known, is relatively far more stable. It often happens that, while prices of manufactured goods go up, commodity prices decline. Thus when commodity prices give way, not only the export earnings of the less developed countries suffer, but also their terms of trade with the industrial exporting countries. Such a situation poses a real threat to the economic development of these countries. Besides, it sets off serious social and economic repercussions, which affect not only the rate of economic growth, but also the employment opportunities, including current levels of employment and wages. This aspect of commodity prices forms the central theme of an excellent article entitled "Repercussions of Commodity Price Fluctuations on Primary Producing Countries" in the June 1959 issue of the *International Labour Review*, published by the International Labour Organisation. This is a comprehensive article, examining all the principal aspects of commodity price fluctuations. That the I.L.O. should have paid some thought to this problem is an indication of the growing importance attached by the U.N. agencies to the problems of underdeveloped countries. An attempt is made here to bring out the main features of this article.

Analysis of Recent Trends

An analysis of the trends in world trade since 1930 shows that there has been some improvement in the position of primary products during the past decade or so. In the post-war period, the value of world trade in primary commodities has gone up considerably from the levels in the 1930s and the amplitude of price fluctuation has been smaller. The increase in value is to a considerable extent due to higher prices, which are on an average approximately three times as high as in the years immediately preceding the outbreak of the Second World War and twice as high as in 1929, before they were affected by depressions. The fluctuations in prices during the thirties were marked by violent vicissitudes in trade. For example, between 1929 and 1932 unit values for primary commodities dropped by 50 per cent. and the volume of trade in these commodities by 15 per cent. By way of comparison, it may be mentioned that even in the period of booming prices during the Korean War, export prices for these products did not rise more than about 20 per

cent. between 1950 and 1951, calculated on an average yearly basis. On a similar basis, there was a drop of over 10 per cent. in the following year. Barring this exceptional incident, post-war year-to-year fluctuations in the monthly average prices of the primary commodities have been less than 5 per cent. The volume of world exports of primary products in the post-war period has been rising almost without interruption.

These averages, however, conceal very substantial fluctuations in the prices of different commodity groups and still more of individual products. Many products have shown heavy ups and downs in the post-war period and the swings for some individual commodities have been just as wide as before the war. World prices of agricultural products such as sugar and wheat and of raw materials such as rubber and copper have at times doubled within less than 12 months or fallen in the same period to less than half their previous level. Such wide fluctuations have seriously hurt the economies of industrially backward countries dependent upon the export proceeds of one or two commodities.

Since export proceeds of primary products of underdeveloped countries are used, to a very large extent, for importing manufactured goods, the trend of prices of the latter has also to be examined. They too have fluctuated, though within a narrow range. This was manifest both in the 1930s and in the post-war period. On the other hand, changes in the volume of trade have been larger than those occurring in primary products. The decline in the total value of trade in manufactured goods between 1929 and 1931 was, for instance, of about the same size as for primary products, but the drop of 35 per cent. in prices was matched by a similar decline in volume; in the case of primary products prices dropped more and volume less. The expansion of the trade in manufactures since the Second World War has similarly been ascribable on the whole as much to volume as to prices. Both have gone up by some 125 per cent. since the last pre-war years.

Terms of Trade

Since the value of primary products has gone up by three times during the same period, there has been a considerable improvement in the terms of trade of underdeveloped countries in the post-war period, which reached a peak in 1951. It has been computed that the terms of trade for Latin America from 1945 to 1952 involved the appreciable sum of \$21,000 million, that is, about 8.3 per cent. of the aggregate gross products of the area for the whole seven-year period. It has been further estimated that that change of a mere 5 per cent. in the average prices of exports of underdeveloped countries is approximately equivalent to the entire annual inflow of private and public capital and Government grants to these countries. Since 1951, however, these countries have been confronted with a deterioration in their terms of trade which has been practically uninterrupted. The price index of primary products in 1958 stood at much the same level as in 1950, whereas that of manufactured goods had gone up by about 25 per cent. during the same period. According to the *United Nations Commodity Survey 1958*, the deterioration in terms of trade between mid-1957 and mid-1958 itself represented a loss in import capacity equivalent to about one-sixth of the official gold and foreign exchange holdings of these (primary exporting) countries or to about six years' lending to them by the World Bank at the 1956-57 rates.

There are differences of opinion on the point whether the adverse terms of trade for primary producing countries reflect a secular trend. Some say that it does, while others are a little cautious. Much of the more recent decline can, for instance, be attributed to the striking fall in the textile fibre prices, notably wool. But at the same time the fact remains that, generally, the supply of primary products has outstripped the demand for them. The comparative high prices of these products during the post-war period brought into play concerted efforts by primary producing countries to raise their output. Simultaneously, the industrial countries managed to devise substitutes at lower costs and reduce their purchases of the more expensive primary products.

Commenting upon the effect of substitutes on natural primary produce, the *I.L.O. Review* observes:

"It is difficult to evaluate the threat that man-made synthetic or other industrial substitutes present to natural primary products. It seems that the prospects of substitution have been underrated on earlier occasions and that the last decade has witnessed an expansion in the production of new substitute materials never dreamt of at the end of the war. 'Utilising a few readily available substances—coal, oil, water and, in lesser amounts, chlorine, silicon and fluorine—the chemical industry has produced cheap and effective substitutes for non-ferrous metals, for iron and for natural rubber, wood, glass, cotton and wool.' A pre-war natural raw materials is undoubtedly that with the new substitutes. This, in turn, might involve depressed prices for primary products and a concomitant deterioration in terms of trade, which substitution is only one) that it would be as inevitable."

Short-run Fluctuations

It is neither possible nor desirable to iron out all fluctuations in prices. Indeed, some variations in prices are an essential part of the market mechanism, inasmuch as they serve to ensure, in the long run, proper allocation of resources. What is needed then is not fixity of prices for all time, but elimination of violent short-run fluctuations. This leads us to the question of the main causes for short-term fluctuations. Price variations are brought about by developments both in the demand and supply sides. On the demand side, business cycles still constitute the most important single factor. In periods of prosperity, the demand for primary products and their prices rise and in periods of recession or depression both demand and prices fall. It is true that, in the post-war period, there have hardly been any business cycles in the normal sense of the term. But as the recent recession in the U.S. and W. Europe. Even these have had a marked impact on the sensitive raw material prices. A singular feature of the post-war business cycles is that they have influenced the commodity markets more in their contracting than in their expanding phases. Secondly, there can be incidental fluctuations due to extra-economic occurrences, particularly political events, such as Korean and Suez crises. On the supply side, the fluctuations may be the result of fluctuations in crop yields. They may also arise from "gestation cycle," which may occur in the cultivation of commodities that require a long period for production to materialise, such as rubber and coffee. The difficulty or the impossibility of adapting capacity quickly to changes in demand may produce rather lengthy spells of rising and falling prices; and when at length capacity has been adjusted to the market conditions existing previously, it may be quite inappropriate to current conditions. Some of the other factors which influence commodity prices are monopolistic and monopolistic practices as well as misdirected speculation is a stabilising factor, contagious waves of optimism or pessimism leading to excessive buying on a rising market or excessive selling on a falling market may exaggerate price fluctuations.

An Over-simplification

The author of the article under review draws pointed attention to the general assumption that the underdeveloped countries are the producers and exporters of primary raw materials, while the developed countries are producers and exporters of manufactures. This, he says, is an oversimplification. For one thing, the relatively advanced industrialised countries produce well over twice the amount of raw materials produced in the underdeveloped areas and they import from each other more industrial raw materials and foodstuffs than they import from the underdeveloped areas. In the case of certain developed areas, agriculture and mining play a key role in their economy. Instances of this nature are provided by Denmark, Australia and New Zealand. But there is a fundamental difference between them and the underdeveloped countries. The former employ a small proportion of their population in the production of primary produce, while the latter employ the major proportion. In Denmark, for instance, only 20 per cent. of the total working population is engaged in agriculture which accounts for 75 per cent. of its exports. In view of this difference, the underdeveloped countries are hit to a greater extent than the developed countries when commodity prices fall.

A decline in commodity prices first tells on the balance of payments position of the primary

exporting countries. Then, it is reflected in a reduction in their foreign currency reserves. If the adverse trend were to continue, it would call for a reduction in their imports, unless assured of sufficient foreign credits and investments to cushion the repercussions of declining export proceeds. Since the margin of consumption above subsistence needs is generally small and export proceeds are mainly required to finance imports of essential consumer goods, the brunt of import reduction will often have to be borne by capital goods. As development plans depend to a very substantial extent upon imported capital goods, the consequence is a slowing down in the rate of growth and in the use of real income. This disrupts orderly economic planning. Investment should rationally form a continuous economic process and not proceed by fits and starts; in addition, the real costs tend to rise if capital outlays have to be planned and made with the permanent risk of non-availability of foreign currencies.

Change in Income Distribution

Apart from these repercussions on the national economy as a whole, the declining export prices will lead to a change in the distribution of income between different groups and some of them will feel the effects more than others. In the first place, there will be a reduction in income generated in the export sector. The costs of production and transport and other costs incidental to getting a product to the market tend to move less and later than commodity prices, so that producers will suffer a more than proportionate share of the impact of the actual price reduction of their commodity. If the produce hit by the fall in prices is grown by large-scale plantation companies or mining companies, they may be in a position to tide over their difficulties by drawing on their reserves built up during years of prosperity, assuming that the Government had not skimmed away the excess profit in those years through export duties. But the producers or cultivators of agricultural produce are often individual peasants, who are generally in a very weak position to bear such misfortunes.

While the first incomes to be affected may be profits, it is probable that, if prices continue to fall or remain low, the incomes of wage earners will also sooner or later be affected. Explaining this point, the author of the article observes:

"The earnings of workers may be affected by unemployment, underemployment or reductions in wages. Except in cases where wages are linked, through sliding scales, to the price of the product, it is probable that in the early stages of underemployment and reductions in employment will be decidedly more reductions in wages than in individual wages. If a decline in prices goes on for a long period, wages, too, are likely to be affected even where no sliding-scale arrangements are in force, though trade union pressure or legislative measures, especially in countries where the productive resources are owned by foreign capital, may serve to check or prevent reductions in wages. It should be noted that lower incomes for producers may also affect workers indirectly, by discouraging capital investments and so reducing future employment opportunities. Further, difficulties are liable to be experienced by employers in improving housing and other amenities for workers during a period of falling commodity prices."

"In some countries and in some industries, money wages are on a sliding scale with export prices, though such arrangements do not appear to be very widespread. Through such flexible arrangements the workers share directly in the vicissitudes of an industry. Experience suggests that, where wages are made flexible, employment has tends to be more stable; more generally, it has been observed that the level of employment in export industries appears to depend on the relation between export prices and wages. The whole problem of the interrelations of wages, unemployment and underemployment in underdeveloped countries needs further investigation, but this is made difficult by the lack of reliable wage and employment statistics."

A fairly long account of the difficulties faced by the major primary producing countries in the context of declining commodity prices has also been included in the article. The table at the bottom of the page shows the dependence of these countries on the various commodities together with price changes in the last few years. The dependence of these countries on one or two export commodities is evident from the table. For many products, prices show a decline after 1956, though in varying degrees. The trend was, however, far from uniform. The major exceptions to the general trend were cocoa, copra and jute. International trade statistics show that there were five underdeveloped countries in which two commodities accounted for 90 per cent. of total exports in 1957 and some 20 countries in which two commodities accounted for over two-thirds of total exports.

In Latin America, Chile, which depends heavily on copper, suffered a sharp setback, when

the copper prices dropped by 45 per cent. between the end of 1955 and the first quarter of 1958, when prices touched the bottom. Unemployment rose sharply in the industry, the number registered at the end of June 1958 being 50 per cent. higher than a year before. The other countries in Latin America specialising in the export of a few commodities had also to go through similar difficulties. In Asia, Malaya produces two major commodities for export, namely, rubber and tin, both of which earned less foreign currency in 1958 than in 1957. At the end of last year, 35 per cent. of the tin-mining labour force was out of work. In the case of rubber, however, higher export quantities partly offset lower prices. Ceylon and Indonesia were the other countries worst hit by the decline in commodity prices. In Africa, the fall in copper prices during the last two years led to a deterioration in the balance of payments of the Federation of Rhodesia and Nyasaland. British East Africa, too, had its own share of difficulties.

Means of Ensuring Stability

The article concludes with a brief discussion of the crucial question of ensuring stability for commodity prices. The author examines what can be done both internationally and nationally and comes to the view that there are no cut and dried solutions. He points out that general economic stability, in the sense of the absence of strong inflation and deflation, in the industrialised countries is a prerequisite for ironing out wide fluctuations in commodity prices. To the extent such stability is attained, the business cycles of the post-war type and their repercussions on commodity prices can be eliminated. It is obvious that there can be no economic solution for price fluctuations caused by war or warlike developments.

What about international commodity agreements? After making a study of the three agreements—tin, sugar and wheat—the author observes that the obstacles to be overcome are many and none of these agreements has so far been a complete or permanent success. He then goes on to add:

"The conclusion of international commodity agreements meets, however, with several difficulties. First, there are so many products that it is hardly possible to expect a special agreement for each of them. Secondly, most products are not wholly homogenous and problems arise as to the treatment of different grades and qualities. Another problem is that it is often impossible to induce enough countries to join an international agreement to make it workable. A large exporting country staying out of an agreement may underbid the market price agreed upon or sell such large quantities that it foils all plans for bringing about a better balance between supply and demand. If one or more large importing countries remain outside a scheme this, too, may make it difficult to operate. The United Kingdom has only recently adhered to the International Wheat Agreement, considering the price range (until it was recently reduced) unduly high. The U.S.S.R., by remaining outside the Tin Agreement, retained its freedom to dispose of large quantities of tin and this was a major factor in preventing the attainment of the

Price Indices of some commodities and their share in exports

	1952 exports as per cent. of		Price indices (1953=100)		
	World exports of commodities	Country's total exports	1952	1957	1958
Copper —					
Rhodesia ..	26	87	94	83	80†
Canada ..	11	87	96	99	86
Chile ..	67*	..	..	..	..
Tin —					
Malaya ..	35	22	132	102	100†
Leads —					
Mexico ..	26	13	143	111	89
Canada ..	17	1	128	..	..
Zinc —					
Canada ..	42	2	146	109	92
Mexico ..	20	8	143	113	76†
Rubber —					
Malaya ..	40	58	143	132	119
Indonesia ..	38	44	151	132	106
Ceylon ..	7	25	104	102	60
Wool —					
Australia ..	58	48	88	90	46†
New Zealand ..	16	34	83	110	74†
Union of S. Africa ..	14	20	87	95	59
Argentina ..	5	17	84	107	83†
Uruguay ..	5	33	94	96	80†
Cotton —					
Egypt ..	17	87	148	135	122†
Pakistan ..	13	49	155	90	84†
Jute —					
Pakistan ..	47	40	146	110	118†
Coffee —					
Brazil ..	52	74	91	..	..
Columbia ..	19	82	95	107	86
Cocoa —					
Ghana ..	37	68	104	82	134
French territories ..	20	..	106	89	105†
Brazil ..	10	3	102	92	128†
Tea —					
India ..	46	14	95	136	128†
Ceylon ..	41	48	90	107	103
Sugar —					
Cuba ..	67	85	110	125	101
Philippines ..	10	26	94	97	100
Dominican Republic ..	6	50	123	148	106†
Copra —					
Philippines ..	48	33	67	78	103
Indonesia ..	24	6	80	70	70†
Ceylon ..	21	16	75	85	95

* 1957 exports.
† Average for the first three quarters.
‡ First quarter.

objectives of the agreement and caused great difficulties for other producing countries.

"These are examples of what is perhaps the basic difficulty in international commodity agreements—namely, the difficulty of reconciling the interests of producing and consuming countries. It is easy to say, as has been said above, that in principle both groups of countries have an interest in ironing out unnecessary short-term fluctuations around the long-term price trend. It is much more difficult to determine what the long-term price trend is, what is reasonable price or price-range at any given time and what adjustments should be made to reflect changes in long-term conditions. There are few objective criteria to guide decisions on these matters, which have to be reached through negotiations between exporting and importing countries."

"Recent events have intensified the already widespread interest in international commodity agreements, and with further experience it seems likely that such agreements may be improved and extended. By concentrating on traditional 'bell-wether' commodities, which are generally at the same time the most volatile, may perhaps prove feasible also to influence other markets and thus reduce the significance of the fact that commodity agreements cannot be extended to all markets. But it would be unduly optimistic to rely on international commodity arrangements alone to solve the problems of instability in commodity trade."

The measures that can be tried in the national field include, besides what the producers themselves can do, if they are organised and have strong financial resources, State marketing schemes, or national buffer stocks (strongly advocated by the G.A.T.T.), exchange rate manipulation, variable export duties and other measures of tax policy. All these may be tried singly or in combination. The author is of the view that most of them, if wisely used, may considerably reduce the effects of price fluctuations. They are more flexible and easier to administer than international arrangements. But they suffer from a disadvantage in that, as the exporting countries act independently of one another and of importing countries, there is the risk of one country increasing its own stability at the expense of greater instability for others. This is of special importance in the case of products which are to some extent complementary, for instance copper and aluminium. The author further points out that there is also the opposite danger that one country may find itself bearing an unduly heavy share of the burden of maintaining price stability in the interests of others, besides itself.

The Basic Fact

In discussing this problem, the author is fully conscious of the basic fact that the special vulnerability of underdeveloped countries lies in their being industrially backward. Accordingly, he feels that an effective solution will be to diversify their production by establishing domestic industries. This, however, is a long-term process, but a beginning has to be made, as India is valiantly trying to do.

Summing up his discussion of this subject, the author closes the article thus:

"While much has already been learned about the problem of reducing fluctuations in commodity markets, much still remains to be learned. There is no panacea. The problem requires that all countries be prepared to play their part in helping to keep business fluctuations within as narrow bounds as possible and in setting up and working such international machinery as may be necessary. It calls for efforts on the part of Governments and producers in primary producing countries to set aside reserves in periods of boom and to make their economies as diversified as possible. Like so many other economic and social problems, the stabilisation of commodity markets calls for co-operation between countries and between groups within a country."

"PUNJAB TRADE GUIDE"

This is an interesting and useful guide compiled by the Northern India Publications (66, The Mall, Ambala Cantt., Punjab). It gives a bird's-eye view of the finished goods produced in the States of the Punjab, Jammu and Kashmir and Himachal Pradesh and indicates the States' requirements of industrial raw materials. A glance through the pages of the Guide will show how wide and varied are the goods manufactured in the region—which covers an area of over 150,000 square miles. They range from heavy machinery and light engineering products to consumer goods. The Guide also furnishes information not only about local manufacturers, exporters and importers, and leading commercial houses but individuals and firms in foreign countries which import goods from India. There is a separate section in the Guide, namely, "Who's Who," which gives thumbnail sketches of prominent industrialists and business men in the aforesaid States.

The U.K. exports of office machinery during the first half of this year amounted to £10,075,650, which surpassed the last year's record for the same period by £189,000. Shipments of accounting machinery rose in value from £2,600,000 to £2,900,000 and duplicators, cases and parts from £1,193,000 to £1,231,000. Exports in June amounted to £1,648,608, as compared with £1,362,216 in the same month last year. Australia was the leading customer, with imports worth £338,000, followed by the U.S.A. with £145,000.

METTUR CHEMICAL TO RAISE FRESH CAPITAL

CAUSTIC SODA AND BLEACHING POWDER OUTPUT TO BE DOUBLED

A SLIGHT decline of Rs. 1.87 lakh to Rs. 22.97 lakhs in gross profit is disclosed by the accounts of the Mettur Chemical and Industrial Corporation Ltd. (Managing Agents: Messrs. Seshasayee Bros. Private Ltd., Mettur Dam) for the year ended 31st March 1959. This is the first time since 1953 that the profit of the Company has shown a downward trend, after having risen successively from Rs. 4.30 lakhs in 1952-53 to the record level of Rs. 24.86 lakhs in 1957-58. This is mainly due to the setback in the output of basic chemicals, attributed to a variety of unforeseen circumstances. In the first instance, the Company, like many other industries in the South, had to suffer a power cut for nearly three months early in the year under review. Secondly, there was delay in receipt of essential parts of the additional rectifier equipment and the arrival of the suppliers' commissioning engineer. Consequently, the first stage of increasing caustic soda production from 15 to 20 tons could not be completed in time and brought to beneficial use. Thirdly, the major repairs to the caustic evaporation plant entailed reduced output over a long period. In the result, the output of caustic soda suffered a decline from 4,315 tons in 1957-58 to 3,733 tons.

The profit would have been affected much more but for the larger production of bleaching powder at 5,147 tons, as compared with 4,827 tons in the previous year, and the increase in output of vegetable oils from 1,746 tons to 2,050 tons and the profitable working of the latter department.

The net profit (after providing for managing agency remuneration, depreciation and taxation) also shows a decline from Rs. 7.44 lakhs to Rs. 6.19 lakhs. A sum of Rs. 2.54 lakhs, representing more than a third of the net profit, has been ploughed back. This is made up of Rs. 1.93 lakh to the development rebate reserve and Rs. 60,500 to the general reserve, as against Rs. 88,740 and Rs. 60,500, respectively, added last year. The ordinary dividend for the year under review is proposed to be raised by a negligible extent to 8.8 per cent. from 8.75 per cent., to which level it had been raised last year from 7.5 per cent. paid for 1956-57 and 1955-56. There is, however, a difference in the pattern of distribution. While the interim dividend was raised from 3.75 per cent. to 4.4 per cent., the final one is to be lowered from 5 per cent. to 4.4 per cent.

The progress of the Company is fully reflected in the following comparative table:

(In lakhs of rupees)				
	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	1,21.37	1,17.03	98.89	87.38
Other income	1.21	1.61	1.54	0.77
Closing stocks	0.23	1.87	9.38	7.37
Raw materials, power and fuel consumed	58.09	46.81	43.54	36.01
Other expenses	47.87	48.98	36.07	23.13
Gross profit	32.39	24.56	20.38	17.32
Managing Agents' remuneration	3.00	3.13	1.67	1.96
Provision for—				
Depreciation	0.58	0.77	0.31	0.51
Taxation	7.25	9.48	7.00	—
Net profit	6.19	1.46	9.06	9.35
To reserves	2.54	1.46	0.99	0.55
Dividend	—	2.00	—	—
8 per cent. preference	1.20	1.20	1.20	1.20
Ordinary	0.54	0.54	0.54	0.54
Carry forward	0.15	0.26	1.31	0.98

The first stage of the Company's expansion plan to increase the caustic soda output from 15 to 20 tons was completed and the plant was ready to switch on to higher production in March last, when there was again a power cut. It was not until July last that the increased production of 20 tons per day could be achieved. The plant capacity of caustic soda is proposed to be doubled to 40 tons per day and the Government of India's permission for this expansion programme has been obtained. The necessary machinery and equipment will be purchased from the U.S. by taking advantage of the foreign exchange provided under the U.S. Export-Import Bank loan programme. The estimated cost of the plan, which was originally placed at Rs. 80 lakhs, has now been revised to Rs. 54 lakhs. This will be met partly by a loan of about Rs. 35 lakhs from the Industrial Finance Corporation of India and partly by the

issue of equity capital to the extent of Rs. 19.5 lakhs (195,000 ordinary shares of Rs. 10 each at par) to the existing holders of equity and preference shares. The new ordinary shares will be issued in proportion to the existing holdings. A sum of Rs. 5 per share is payable on application and the balance of Rs. 5 as and when called, but not earlier than 1st January 1960.

The Directors have also decided to double the production of stable bleaching powder from the present rate of 16 tons to 32 tons per day, with a view to achieving self-sufficiency in the country's requirements and meeting the steadily increasing demand for this chemical. Orders have been placed for additional plant; a part of it has already been received. The increased output is expected to be achieved by March 1960.

The present paid-up capital of the Company is Rs. 60.50 lakhs, made up of 405,000 ordinary shares of Rs. 10 each and 20,000 6 per cent. tax-free preference shares of Rs. 100 each. The reserves and surplus aggregate Rs. 19.05 lakhs, including Rs. 6.42 lakhs representing share premium account. As in previous years, the Company redeemed during the year under review the 5 per cent. (taxable) 1964 debentures to the extent of Rs. 1 lakh, bringing the outstanding liability on this account to Rs. 14 lakhs. The other borrowings amount to Rs. 14.72 lakhs, including Rs. 13.50 lakhs from the Industrial Finance Corporation of India. The current liabilities and provisions stand at Rs. 22.38 lakhs. In pursuance of its programme of expansion, the Company spent Rs. 9.32 lakhs on capital expenditure during the year under review, on top of a sum of Rs. 10.47 lakhs expended in 1957-58, bringing the gross value of the block account to Rs. 121.92 lakhs. More than half of this has been written off, the net value of the fixed assets as on 31st March 1957 being Rs. 55.10 lakhs. Work-in-progress at cost stands at Rs. 3.24 lakhs. The other assets amount to Rs. 74.31 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 13.60 cum-div. On an ex-div. basis, the shares offer a yield of 6.7 per cent. per annum, free of income-tax.

STANVAC'S MARKETING RESULTS

The audited accounts of Stanvac's marketing operations for 1958 show that the Company earned a net profit of Rs. 123.05 lakhs, after providing Rs. 195.53 lakhs for income and wealth taxes. Rs. 63.33 lakhs against depreciation and writing off Rs. 25.08 lakhs covering the expenses incurred in search for oil in West Bengal under the Indo-Stanvac Petroleum Project. After the close of accounts for 1958, it was learnt that the Government would not extend the additional depreciation allowance described under the Indian Income-tax Act to cover the year 1958. Consequently, the taxes were understated by Rs. 21.78 lakhs and the actual net profit results for 1958 was reduced by this amount.

The aforesaid net profit resulted from a gross turnover of Rs. 62.15 crores, including inter-company turnover of Rs. 31.54 lakhs, and represents a return of 1.98 per cent. on the total sales turnover—a reduction of 0.12 per cent. from the previous year—3.58 per cent. on the total net assets and 5 per cent. on capital employed.

Sales volume increased from 380.4 million imperial gallons achieved in 1957 to 418.6 million imperial gallons, representing an increase of 10 per cent. While the total operating cost, excluding product cost, increased, the incidence per unit declined by 74 per cent. The cost of products, which were non-controllable, increased, however, both in total and in incidence per unit, largely because of variations in the cost, insurance and freight factors.

Trading receipts indicated that, after the enactment of the additional Excise Ordinance of 26th May, 1958, under which the Company had to pay Government substantial additional duties unrecouvable in the selling price, the Company was unable to recover the full c.i.f. costs.

The value of the Company's total assets at cost increased by Rs. 0.74 crore, that is, from Rs. 33.76 crores in 1957 to Rs. 34.50 crores in 1958. The total value of its inventories in India at cost stood at Rs. 12.16 crores, as against Rs. 12.21 crores in the previous year. The value of its investments in fixed assets at cost increased by Rs. 0.04 crore and stood at the end of the year at Rs. 13.95 crores.

During the year, the Company maintained full levels of employment, despite unfavourable returns, and paid out Rs. 8.05 crores in wages and salaries, as against Rs. 2.71 crores in 1957. The Company's programme of progressive Indianisa-

MYSORE PAPER RAISES OUTPUT

PROFIT, HOWEVER, DECLINES

A TEN per cent. expansion in production and the great demand for paper, resulting in a rise of over 15 per cent. in sales, have not brought about any increase in the earnings of the Mysore Paper Mills Ltd. (Chairman and Managing Director: Mr. M. D. Shivananappa, Bangalore) for the year ended 31st March 1959. On the contrary, the gross profit has suffered a setback from Rs. 19.81 lakhs earned in 1957-58 to Rs. 17.28 lakhs. This drop of Rs. 2.53 lakhs is on top of a fractional decline noted in the previous year from the record profit of Rs. 20.26 lakhs for 1956-57. The increase in production, according to the Directors, has been achieved, despite considerable difficulties experienced in securing steady, sustained and timely supplies of certain raw materials, chemicals and spares. But the benefit of such hard-won achievement has, unfortunately, been more than offset partly by the substantial rise in the cost of raw materials, stores and freight charges, and partly by the increase in wages and salaries, as a result of the implementation of the Industrial Peace Agreement entered into with the labour in May 1958. The sizable expenditure incurred on repairs and renewal of parts of the first paper machine and other units has also contributed to the rise in costs.

Even after reducing the provision for depreciation from Rs. 10 lakhs to Rs. 8.94 lakhs and that for taxation from Rs. 1.30 lakh to Rs. 1 lakh, the net profit, at Rs. 7.34 lakhs, represents a fall of Rs. 1.17 lakh over the year and of Rs. 2.17 lakhs in the last two years. In consonance with this trend, the allocations to the various reserves and provisions have been reduced. The provision for development rebate is lower at Rs. 24.142 (as against Rs. 42.077 a year ago). While a sum of Rs. 2 lakhs was set aside for repairs and replacements last year, no such allocation has been made this year. As in the previous year, a sum of Rs. 3 lakhs has been added to the I.F.C.I. loan redemption fund. The distribution to shareholders is, however, proposed to be stepped up from 10 per cent. paid for each of the three years 1956-58 to 1957-59, to 12½ per cent., as the following comparative table will bear out:

(In lakhs of rupees)				
	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	1,95.35	1,08.98	1,06.36	87.92
Other income	1.79	1.61	1.50	1.77
Closing stocks	4.02	3.18	1.25	0.62
Raw materials and stores consumed	56.05	46.08	44.04	39.54
Other expenses	54.87	44.11	44.04	39.54
Gross profit	17.38	19.81	20.55	25.48
Provision for—				
Depreciation	8.94	10.00	10.00	10.94
Taxation	7.50	1.20	1.20	—
Net profit	3.24	8.61	9.35	14.54
To reserves	0.80	0.80	0.80	0.80
Dividend	0.15	0.15	0.15	0.15
8 per cent. preference	0.44	0.44	0.44	0.44
Ordinary	0.27	0.27	0.27	0.27
Carry forward	—	—	—	—

The Company's production of paper during the year under review slightly exceeded 8,000 tons, as compared with 7,900 tons in 1957-58, and increased output, the production costs have gone up sizably over the year. The cost of raw materials consumed has risen over the year by Rs. 6.09 lakhs, stores and spares consumed by Rs. 3.93 lakhs and power and fuel consumed by Rs. 2.94 lakhs. Repairs to machinery have cost Rs. 8.73 lakhs, as against Rs. 1.86 lakhs in the previous year. Salaries, wages and bonus have risen from Rs. 18.25 lakhs to Rs. 19.36 lakhs. All these have cumulatively affected the profit-margin, the ratio of gross profit to sales being

tion made further headway and the number of overseas employees was reduced from 20 in 1957 to 25 in 1958. This represents a reduction of 25 per cent. in the number of overseas employees over the past two years.

The Company's operations for the year were accounts reveal that Rs. 16.84 crores were paid under the heading "import duties and export taxes," including amounts paid to the Government under the Mysore Paper Mills Ltd. (Vacuum Refining Company of India Ltd.) and Rs. 36.97 lakhs in property and other taxes in addition to income and wealth taxes levied above. The Company also collected and paid to the various State Governments a total of Rs. 242.37 lakhs in sales taxes.

Total taxes paid to the Government were Rs. 19.43 crores, an increase of Rs. 1.00 crore over 1957, in addition to assessment of Rs. 31.38 lakhs described above.

no more than 13.8 per cent., having declined from 18.3 per cent. in 1957-58 and 19.1 per cent. in 1956-57.

The Company's balance-sheet as on 31st March 1959 reflects a satisfactory financial position. The paid-up capital of Rs. 25 lakhs is supplemented by reserves and surplus aggregating Rs. 34.22 lakhs. Thanks to the improved cash position, the Company has repaid, in advance, to the Industrial Finance Corporation of India, instalments up to the year 1965 amounting to Rs. 22 lakhs, thus reducing the outstanding borrowings to Rs. 20 lakhs. This balance is repayable in five instalments of Rs. 4 lakhs each. The other current liabilities and provisions stand at Rs. 32.92 lakhs. The gross block of the value of Rs. 152.02 lakhs has been written down by nearly two-thirds to Rs. 55.69 lakhs. The current assets amount to Rs. 56.46 lakhs.

The Company has a programme of expansion, but its implementation is being delayed on account of foreign exchange difficulties. Pending the implementation of this plan, the Company has been pursuing a scheme of renovation, replacement and improvement, in order to secure maximum efficiency and economy. Most of the equipment ordered from abroad for renovation of the first paper machine and to replace and renew worn out parts has been received and the major part of the work has been completed. The Directors are taking action to procure a recausticising unit to improve the working conditions of the soda recovery plant and help smooth operations of the bamboo pulp plant, intended to reduce production costs.

The Rs. 10 paid-up ordinary shares are being quoted at Rs. 21.87 cum-div. On an ex-div. basis, the yield on the shares works out to 6.1 per cent. per annum, free of tax.

HINDUSTAN-PILKINGTON GLASS

The Hindustan-Pilkington Glass Works Ltd. (Managing Agents: Messrs. Talukdar Law & Co. Private Ltd., Calcutta) was established in 1951 and, within a few years of its existence, the Company not only made rapid progress towards manufacturing sheet glass to meet the growing demand but also made the business a remunerative one. In the year ended October 1958—the earliest year for which statistics are available—the Company's turnover reached Rs. 32.96 lakhs. Since then, it has grown to a peak of Rs. 67.69 lakhs in 1957-58. The gross profit, which had suffered a slight setback from Rs. 14.59 lakhs in 1954-55 to Rs. 13.14 lakhs in 1956-57, has recovered to Rs. 21.70 lakhs. It was, however, only last year that the Company paid a maiden dividend of 6 per cent. (for 1956-57) and this is proposed to be maintained for the year ended October 1958 also after raising the addition to the general reserve from Rs. 1 lakh set aside last year to Rs. 6 lakhs.

The progress of the Company during the last few years has not, however, been smooth sailing. It has had to fight against many odds. Besides frequent labour troubles, it has had to face many other handicaps, namely, high railway freight, inadequacy of transport, and erratic and inadequate supply of heavy soda ash which is a basic raw material for the industry. It is gratifying to note from the latest Directors' report that, as a result of the persistent efforts made by the management, there has been some improvement in the supply of heavy soda ash, which, if maintained at the present rate, will lead to higher production and better financial results. This is, however, subject to one condition, namely, that labour continues to give fullest co-operation to the management in terms of the recent agreement concluded with them. It is stated that the results for the year under review would have been better but for the stay-in strike, in violation of the subsisting agreement. As a result of this, production had to be suspended for some time. Nevertheless, both production and despatches during the year under review were markedly higher than in the previous year.

The progress of the Company since 1954-55 is fully reflected in the following comparative table:

(In lakhs of rupees)				
	For the year ended 31st October			
	1958	1957	1956	1955
Sale proceeds	67.69	60.45	56.01	32.96
Other income	4.05	1.76	2.00	8.35
Closing stocks	51.95	29.40	24.32	23.25
Raw materials and stores consumed	16.76	17.95	15.68	15.25
Other expenses	1.70	12.14	14.48	14.48
Gross profit	0.65	0.82	0.82	0.35
Managing Agents' commission	1.25	0.88	0.88	0.88
Technical Adviser's commission	0.10	0.10	0.10	0.10
Depreciation	0.40	0.58	0.58	0.58
Taxation	14.23	6.54	7.47	8.08
Provision for bank repairs	2.61	0.80	1.49	1.74
Net profit	—	—	—	—
To reserves	6.00	1.05	—	—
Dividend	0.60	0.60	0.60	0.60
8 per cent. preference	0.44	0.44	0.44	0.44
Ordinary	0.28	0.28	0.28	0.28
Carry forward	1.04	0.28	0.48	0.68

The Company's installed capacity is 30 million square feet. Its production in 1956-57 was 23.10 million sq. ft., having risen from 21.80 million sq. ft. in 1955-56. The output for 1957-58 is not known, but it is said to have increased substantially. Last year, the Company opened a new chapter in the history of sheet glass production by manufacturing extra thin and extra thick varieties. It also started producing obscured glass.

AMBIKA SILK EARNS MORE BUT PAYS LESS DIVIDEND

NEW LINE OF PRODUCTION UNDERTAKEN

THE year ended 31st December 1958 has proved to be a most prosperous one in the history of the Ambika Silk Mills Company Ltd. (Managing Agents: Messrs. Maganlal Bhagwandas and Co., Bombay). The turnover expanded from Rs. 66.82 lakhs (in 1957) to a peak of Rs. 85.53 lakhs and the gross profit, which had successively declined from a high of Rs. 6.93 lakhs to Rs. 5.98 lakhs in the previous two years, has recovered to a record of Rs. 8.06 lakhs in the year under review. This prosperity has not, however, brought any increase in the dividend to shareholders, because of the heavier incidence of taxation and the higher provision for depreciation. Thus, the provision for taxation has been raised from Rs. 80,000 to Rs. 239 lakhs and that for depreciation from Rs. 2.78 lakhs to Rs. 3.13 lakhs, with the result that the net profit is a shade lower, at Rs. 2.04 lakhs, as compared with Rs. 2.08 lakhs for 1958.

The rate of dividend has been cut from 15 per cent. to 12 per cent., but this is on a higher capital of Rs. 11.51 lakhs raised by a fresh issue of 3,815 shares of Rs. 100 each during the year under review. It will be recalled that the distribution on the old capital of Rs. 7.70 lakhs was pruned two years ago from 20 per cent. paid for 1955 to 15 per cent. and this was maintained in the following year (1957) also. The dividend for 1958 is equivalent to 18 per cent. on the old capital, so that the cut made two years ago has not been fully restored, despite the fact that the gross profit has exceeded the 1955 level, as will be seen from the following table:

(In lakhs of rupees)				
	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds of cloth and waste	85.53	66.82	62.40	63.14
Closing stock of cloth	8.51	9.62	8.36	4.48
Yarn, stores and spares consumed	53.07	49.02	41.94	52.12
Other expenses	25.34	20.96	19.65	16.45
Gross profit	8.06	5.98	6.86	6.88
Managing Agents' commission	0.40	0.35	0.42	0.39
Depreciation	3.13	2.78	2.15	3.03
Taxation	2.39	0.80	—	1.80
Net profit	2.04	2.08	3.79	1.91
To reserves	0.70	0.90	2.60	0.41
Dividend	1.88	1.15	1.15	1.54
8 per cent. preference	(12%)	(12%)	(12%)	(12%)
Ordinary	0.11	0.06	0.06	0.06
Carry forward	—	—	—	—

* On the higher capital of Rs. 11.51 lakhs raised by a fresh issue of 3,815 shares of Rs. 100 each.

As already stated, the sale proceeds of cloth have gone up sizably, but this rise has been offset, to a large extent, by the increase of Rs. 10.06 lakhs in raw materials and stores consumed and of Rs. 4.38 lakhs in other expenses. Of the rise in the latter, salaries, wages and bonus account for Rs. 2.14 lakhs and excise duty for Rs. 1.54 lakh.

The Company undertook various projects for modernisation of the mills during the year under review. A new line of production, namely, manufacture of knitted fabrics under a licence obtained from the Government of India, was also started during the year. With a view to implementing the Government's programme of promoting exports of art silk fabrics, one of the Directors undertook a tour of Far Eastern countries to establish contacts and explore the possibility of exporting the Company's products. The visit is said to have proved beneficial to the Company.

In order to finance the increased turnover, the Directors issued additional capital during the year, as stated earlier, raising the paid-up capital to Rs. 11.51 lakhs. This is supplemented by reserves and surplus aggregating Rs. 9.97 lakhs. The current liabilities and provisions amount to Rs. 28.02 lakhs, of which secured loans from banks account for Rs. 10.97 lakhs. There has been an addition of Rs. 4.50 lakhs to the block account during the year. With this, the Company has spent Rs. 18.47 lakhs on capital expenditure during the last four years. This sum represents more than 50 per cent. of the present gross value of the block account, at Rs. 35.80 lakhs which has been written down (as at the end of the year) to Rs. 16.30 lakhs. The current assets, of the value of Rs. 33.22 lakhs, cover more than adequately the current liabilities and provisions.

COMPANY MEETINGS AND DIVIDENDS

NEW CINNATOLIAH TEA CO., LTD. Annual General Meeting, Calcutta, 25th August 1959. Dividend: Nil. Transfer books will remain closed from 18th to 25th August 1959, both days inclusive.

CHAMONG TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Nil. Transfer books will remain closed from 24th to 27th August 1959, both days inclusive.

DIMAKUSI TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Rs. 2.50 per share (includes interim dividend of Re. 1.00 per share). Transfer books will remain closed from 18th to 27th August 1959, both days inclusive.

DUFFLAGHUR TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Rs. 4.50 per share (includes interim dividend of Re. 1.50 per share). Transfer books will remain closed from 18th to 27th August 1959, both days inclusive.

SOOM TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Rs. 5.00 per share (includes interim dividend of Re. 1.50 per share and a second interim dividend of Re. 1.00 per share). Transfer books will remain closed from 18th to 27th August 1959, both days inclusive.

LINGIA TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Re. 1.75 per share (includes interim dividend of Re. 1.00 per share). Transfer books will remain closed from 18th to 27th August 1959, both days inclusive.

RAJGARH TEA CO., LTD. Annual General Meeting, Calcutta, 27th August 1959. Dividend: Rs. 2.50 per share. Transfer books will remain closed from 21st to 27th August 1959, both days inclusive.

RAMESHWARA JUTE MILLS LTD. Annual General Meeting, Calcutta, 28th August 1959. Dividend: Nil. Transfer books remain closed from 10th to 28th August 1959, both days inclusive.

HINDUSTAN WOOLLEN MILLS LTD. Annual General Meeting, Calcutta, 28th August 1959. Dividend: Re. 0.20 per share. Transfer books remain closed from 10th to 28th August 1959, both days inclusive.

KATRAS Jheriah COAL CO., LTD. Annual General Meeting, Calcutta, 29th August 1959. Dividend: Rs. 6.50 per share (interim dividend of Rs. 3.00 per share). Transfer books will remain closed from 17th to 29th August 1959, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Calcutta, 29th August 1959. Dividend: Nil. Transfer books remain closed from 15th to 29th August 1959, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 29th August 1959. Dividend: Rs. 4 per share (includes interim dividend of Rs. 2.00 per share). Transfer books will remain closed from 22nd to 29th August 1959, both days inclusive.

NATIONAL TOBACCO CO. OF INDIA LTD. Annual General Meeting, Calcutta, 31st August 1959. Dividend: 11 per cent. or Re. 1.10 per share. Transfer books remain closed from 11th to 31st August 1959, both days inclusive.

STRAW PRODUCTS LTD. Annual General Meeting, Bhopal, 31st August 1959. Dividend: Re. 1.25 per share. Transfer books will remain closed from 21st to 31st August 195

SYNOPSIS OF COMPANY REPORTS

Navsari Cotton and Silk Mills Ltd.

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

After deducting depreciation of Rs. 2,52,000 (Rs. 3,90,000), transfer to development rebate reserve of Rs. 1,44,000 (Rs. 56,000) and provision for taxation of Rs. 3,72,000 (Rs. 2,25,000) there is a profit for the year amounting to Rs. 4,03,380 (Rs. 2,68,499). With the balance brought forward from last year of Rs. 21,503 (Rs. 56,004) the amount available for disposal is Rs. 4,24,883 (Rs. 4,24,503) including Rs. 1,00,000 transferred from dividend equalisation fund. The directors have made the following appropriations out of this sum:—

To payment of dividends of 5,000 cumulative 5 per cent. preference shares of Rs. 100 each (free of income-tax) absorbing Rs. 25,000 (Rs. 25,000) and on 31,500 ordinary shares of Rs. 100 each at Rs. 12 (Rs. 12) per share (free of income-tax) absorbing Rs. 3,78,000 (Rs. 3,78,000) leaving a balance to be carried forward to next year's account of Rs. 21,883 (Rs. 21,503).

In view of the general adverse conditions prevailing in the Textile Industry, the result of the Company may be considered satisfactory.

The values of Mills' buildings and plant and machinery show an increase of Rs. 79,638 and Rs. 7,39,287 respectively due to building extensions and the new machinery added. Most of the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	36,50,000	Gross block	63,08,688
Reserves	48,71,752	Less—Depreciation	41,45,986
Provision for taxation	5,42,850	Net block	21,62,702
Provision against investment	2,00,000	Stock-in-trade	57,71,818
Liabilities	43,01,963	Stores, spares, etc.	14,14,724
P. & L. a/c (surplus)	21,883	Debits, deposits and advances	26,04,199
		Investments	13,02,966
		Cash	3,32,039
Rs. 1,35,88,448		Rs. 1,35,88,448	

Radha Krishna Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. A. G. Gurusamy Naidu and Co., Peelamedu, Coimbatore) present the audited accounts of the Company for the year ended 31st December 1958.

The year's trading has resulted in a profit of Rs. 9,28,908 (Rs. 11,63,647). Out of this the following amounts have been provided for:

To managing agency commission at 10 per cent. on the net profits of the Company amounting to Rs. 54,121 (Rs. 72,444) and to depreciation on the fixed assets Rs. 3,87,701 (Rs. 4,39,207) which leaves a balance of Rs. 4,87,086 (Rs. 6,51,996). Adding to this the balance brought forward from the previous year amounting to Rs. 3,877 (Rs. 3,882) the total amount available for distribution is Rs. 4,90,963 (Rs. 6,55,878). The directors recommend to dispose of this amount as follows:

To transfer to contingency reserve Rs. 1,76,366 (Rs. 1,89,196) and to pay a dividend at the rate of 6 (12) per cent. on the paid-up share capital of the company as on 31st December 1958, absorbing Rs. 3,11,190 (Rs. 3,02,616) leaving a surplus to be carried forward to next year of Rs. 3,407 (Rs. 3,877) after transferring Rs. 1,60,189 to general reserve).

Note: The new shares issued for cash in 1958 rank for dividend only from the date of allotment of shares and for the period from the dates on which they were allotted and the various calls thereon were paid upto 31st December 1958.

A sum of Rs. 74,289 has also been transferred from general reserve to contingency reserve to meet the payments in respect of bonus to staff and operatives and income-tax both in respect of the year 1956.

The Company's investment in the equity shares of South India Viscose Ltd., are expected to yield return after the year 1960-61 when that Company is expected to go into production.

The present share capital of the Company is divided into three categories, viz., 100 rupees share, 50 rupees share and 25 rupees share. Share brokers and others have expressed the view that it would be advisable to have a uniform class of shares so that they may have a better and uniform marketability and value. It would also be a very convenient arrangement from the Company's point of view. Accordingly the necessary resolutions for altering the structure of the share capital of the Company and for the sub-division of the 100 rupees and 50 rupees shares are placed at the meeting.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	62,70,950	Gross block	1,07,79,375
Reserves	14,00,000	Less—Depreciation	62,26,967
Liabilities	26,10,305	Net block	45,52,408
P. & L. a/c (surplus)	3,407	Stock-in-trade	32,50,622
		Stores and spare parts	2,95,823
		Debits, deposits and advances	6,16,595
		Investments	14,12,387
		Cash	1,56,827
Rs. 1,02,84,662		Rs. 1,02,84,662	

Gaekwar Mills Ltd.

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

After deducting depreciation of Rs. 4,35,000 (Rs. 4,10,000), transfer to development rebate reserve of Rs. 2,00,000 (Rs. 3,15,000) and provision for taxation of Rs. 5,99,000 (nil), there is a profit for the year amounting to Rs. 3,89,035 (Rs. 3,82,560). With the balance brought forward from last year of Rs. 18,039 (Rs. 35,479) the amount available for disposal is Rs. 4,07,074 (Rs. 8,18,039) including Rs. 2,00,000 transferred from rehabilitation fund and Rs. 2,00,000 from dividend equalisation fund. The directors recommend payment of dividend (free of income-tax) on 40,000 shares of Rs. 100 each at Rs. 10 (Rs. 10) per share absorbing Rs. 4,00,000 (Rs. 4,00,000) leaving a balance to be carried forward to next year's account of Rs. 7,074 (Rs. 18,039) after transferring Rs. 4,00,000 to general reserve).

In view of the general adverse conditions prevailing in the Textile Industry, the result of the Company may be considered satisfactory.

The values of Mills' plant and machinery show an increase of Rs. 7,66,364 due to the new machinery added. Most of the machines have been installed and are working satisfactorily.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	40,00,000	Gross block	1,11,82,513
Reserves	50,54,700	Less—Depreciation	81,40,802
Provision for taxation	6,40,984	Net block	30,41,711
Provision against investment	2,00,000	Stock-in-trade	73,61,024
Liabilities	75,15,899	Stores, spares, etc.	21,68,126
P. & L. a/c (surplus)	7,074	Debits, deposits and advances	29,09,460
		Investments	16,15,784
		Cash	3,22,552
Rs. 1,74,18,657		Rs. 1,74,18,657	

Rameshwara Jute Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The year's working shows a surplus of Rs. 7,94,577 (Rs. 2,59,557). Out of this, provision has been made for depreciation amounting to Rs. 72,662 (Rs. 85,575), transferred to reserve for development rebate Rs. 7,652 (nil) and wealth tax amounting to Rs. 4,006 (nil) leaving a sum of Rs. 7,10,263 (Rs. 1,73,982). From this amount is deducted the debit balance brought forward from the previous year of Rs. 7,07,557 (Rs. 8,81,539) thereby leaving a credit balance of Rs. 2,706 (debit of Rs. 7,07,557) to be carried forward to the next account.

Depreciation amounting to about Rs. 12 lakhs still remains to be provided for, up to the end of the year under report. There also remains a contingent liability of Rs. 3,57,000 in respect of arrears of dividend on the cumulative preference shares up to 31st March 1959.

In accordance with the working time agreement of the Indian Jute Mills Association, the Mills worked 165 looms on double shift basis throughout the year under review. It will also be seen that all the accumulated loom hours till now have been sold during the year and the sale proceed has been shown separately in the accounts.

For the first time after 1947, sufficient jute has been produced this year in the Indian Union to meet the full requirements of the Jute Industry. As a result of this, trading conditions were better, resulting in improved profits. Relations with labour were also, on the whole, satisfactory and the directors are, therefore, glad to report an improvement in the working efficiency of the Mills.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	27,00,000	Gross block	31,75,367
Reserves	17,976	Less—Depreciation	9,96,846
Provision for wealth tax	4,000	Net block	21,78,521
Liabilities	24,32,429	Stock-in-trade	22,19,206
P. & L. a/c (surplus)	2,706	Stores, spare parts, etc.	5,01,790
		Debits, deposits and advances	78,736
		Investments	72,369
		Cash	1,06,489
Rs. 51,57,111		Rs. 51,57,111	

Tezpur Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1959.

The Company's profit for the year is Rs. 6,18,720 (Rs. 2,712). After providing for taxation on profits of the year Rs. 2,58,214 (nil) there remains Rs. 3,60,506 (Rs. 2,712). To this is to be added the amount brought forward from the previous year of Rs. 36,041 (Rs. 72,154) making a profit available for appropriation of Rs. 3,96,547 (Rs. 96,838) including Rs. 21,972 being provision for liabilities no longer required. Out of this the following appropriations have been made or are recommended by the directors:—

Amount transferred to general reserve Rs. 75,000 (nil), amount transferred to development

rebate reserve Rs. 16,708 (nil), to payment of dividend of 12½ (nil) per cent. on the ordinary shares without any deduction for income-tax paid by the company Rs. 2,47,860 (nil) and dividend of 8 per cent. on the cumulative preference shares without any deduction for income-tax paid by the company Rs. 16,440 (Rs. 16,440) leaving to be carried forward Rs. 40,539 (Rs. 36,041) after providing Rs. 10,059 for wealth tax and providing Rs. 34,298 for rice cut compensation paid to labour for previous years).

The outstanding feature of the year under review was the all time record crop of tea produced by North India and the 1958 production of this Company was also a record. Despite the additional quantity of tea on offer to world markets by producers as a whole, and a marked decline in general price levels towards the close of the selling season, it is gratifying to be able to record an increase, as compared with 1957, in the average prices obtained over the season for the Company's teas.

It is clear that buyers have become more discriminatory in recent years and the Company continues to pursue a policy of trying to raise the standard of its manufacture, whilst at the same time effecting economies in expenditure wherever these can be made without adverse effect on quality.

Crop.—The final 1958 outturns were:—Bahipookri 19,062 (15,143) maunds, Orang 10,043 (9,459) maunds and New Purupbari 5,918 (5,706) maunds. The average sale price realised for sea-son 1958 was Rs. 1.92 per lb. compared with 1957 average of Rs. 1.81 per lb.

The estimates for season 1959 provide for the production of a crop of 31,000 maunds at a total cost on revenue account of Rs. 42,23,619.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	21,88,380	Gross block	48,07,609
Reserves	13,66,708	Less—Depreciation	20,65,109
Provision for taxation	5,70,000	Net block	27,42,500
Liabilities	13,36,691	Stock of tea	12,87,127
P. & L. a/c (surplus)	40,539	Stores	6,27,783
		Debits, deposits and advances	6,83,932
		Investments	81,667
		Cash	79,309
Rs. 55,02,318		Rs. 55,02,318	

Rajgarh Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses, of Rs. 73,872 (Rs. 77,145) of which taxation provision requires Rs. 34,000 (Rs. 42,000) leaving a balance of Rs. 39,872 (Rs. 35,143). The balance brought forward from last year was Rs. 41,480 (Rs. 41,025) making a total available for appropriation, of Rs. 81,352 (Rs. 76,168). The directors have transferred to development reserve Rs. 1,547 (nil). The directors now recommend that a dividend of Rs. 2.50 (Rs. 2.50), per share be paid absorbing Rs. 50,000 (Rs. 50,000) leaving a balance of Rs. 29,805 (Rs. 26,168) directors have forfeited unclaimed dividends in accordance with Article 158 Rs. 8,987 (nil) leaving a balance to be carried forward, of Rs. 38,792 (Rs. 41,480) including Rs. 15,000 being excess provision for taxation in previous years and Rs. 312 being surplus on redemption of investments).

Wealth tax is estimated to amount to Rs. 2,245, against which there is a surplus of Rs. 440 from provisions made in previous years. Rs. 2,000 has been provided in these accounts and a similar sum has been transferred from general reserve.

A crop of 5,755 maunds was secured and sold at an average price of Rs. 2.19 per lb. This compares with a crop of 5,597 maunds in season 1957, which sold at an average price of Rs. 2.16 per lb.

Estimates for the current season have been framed for a crop of 6,000 maunds to be cost had been secured compared with 1,564 maunds manufactured to the same date last year.

In the report of the directors for the year ended 31st December 1957, members of the Company were advised that permission had been received from the Controller of Capital Issues to standing to the credit of general reserve. This having carefully considered the matter, are of the opinion that, in view of the removal of the excess dividend tax but not of the tax on bonus issues, a bonus issue at this stage would not be in the best interests of the Company.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	2,00,000	Gross block	11,38,222
Reserves	8,46,039	Less—Depreciation	4,91,713
Provision for taxation	79,427	Net block	6,46,509
Provision for wealth tax	2,440	Stock of tea	3,53,355
Liabilities	5,38,317	Stores, tools, etc.	2,04,717
P. & L. a/c (surplus)	38,792	Debits, deposits and advances	2,04,203
		Investments	2,098
		Cash	2,94,133
Rs. 17,05,015		Rs. 17,05,015	

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



Your goods have a ready market in South East Asia

EXPORT NOW

India produces the very commodities which the South East Asian countries need — jute, textiles, tea, handlooms, handicrafts, cycles, sewing machines and many other manufactured goods. Export them now — they'll buy them.

THE INDIAN OVERSEAS BANK LIMITED has made a special study of this important, growing market. Our network of overseas branches, agents and correspondents are at your service for on-the-spot advice.

THE INDIAN OVERSEAS BANK LIMITED, MADRAS

Branches at: AHMEDABAD • BOMBAY • CALCUTTA • CUTTACK • HYDERABAD • MADRAS • NEW DELHI and throughout South India. Overseas Branches: BANGKOK • COLOMBO • HONGKONG • IPOH • KLANG • KUALA LUMPUR • MALACCA • PENANG • RANGOON • SINGAPORE.

Agents and Correspondents all over the world
M. C. Muthiah Chairman C. P. Doraiswami General Manager
M. C. Muthiah Chairman C. P. Doraiswami General Manager

ASK

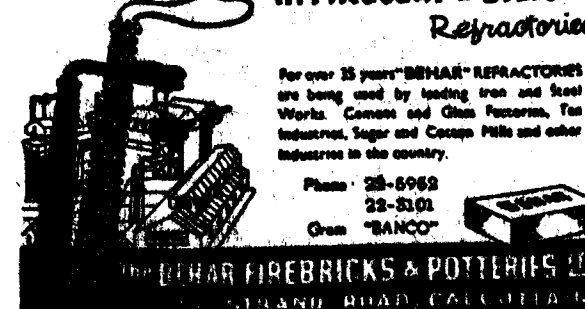
RELIANCE

FOR

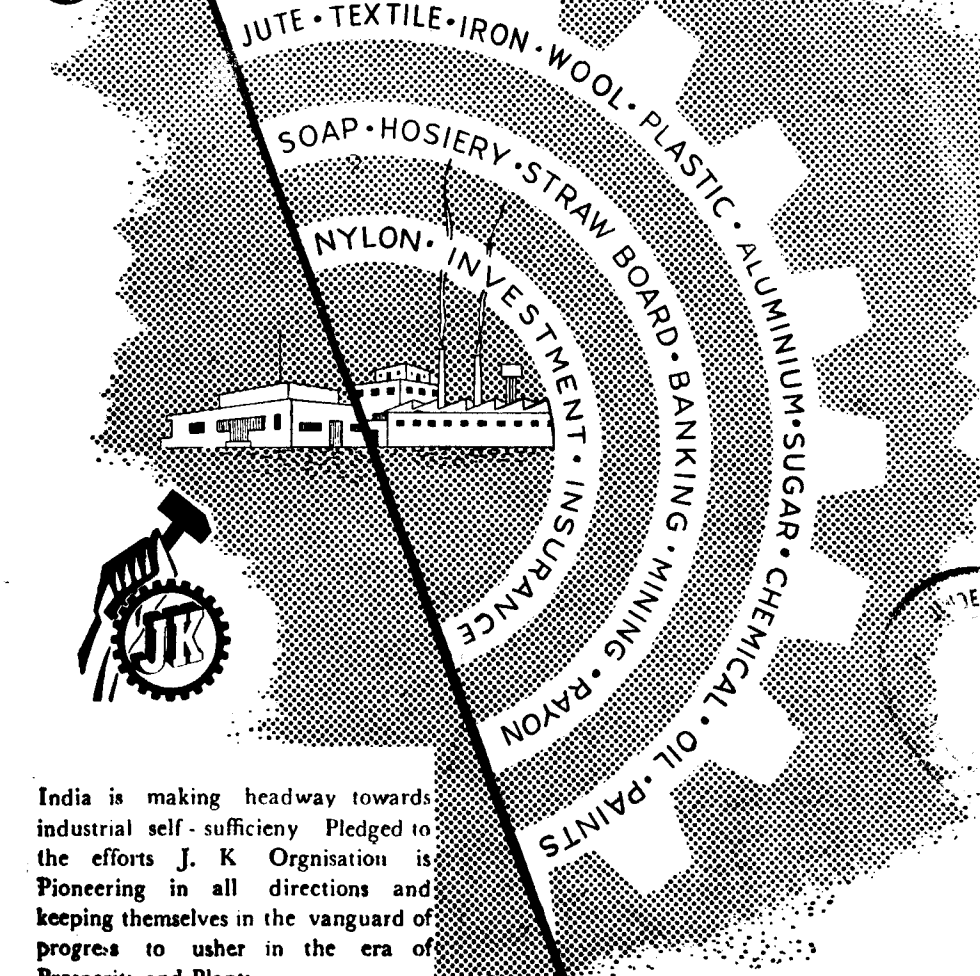
- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKACID BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY CO., LTD.
4, LYONS RANGE, CALCUTTA 1.
Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories



Our Contribution

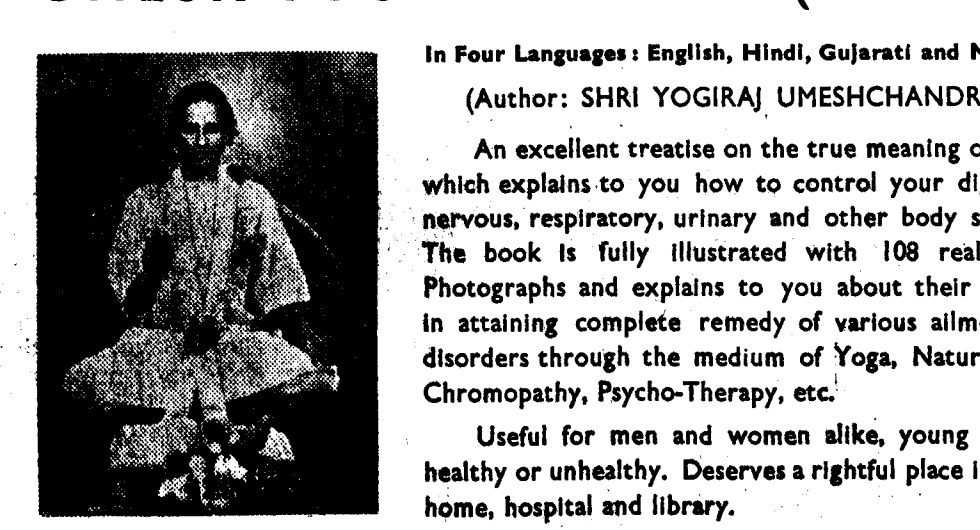


J.K. ORGANISATION

KANPUR • BOMBAY • CALCUTTA

INDIA'S GREAT INDUSTRIAL AND COMMERCIAL COMBINE *

UMESH YOGA DARSHAN (First Part)



SHRI YOGIRAJ UMESHCHANDRAJI
PRICE: Rs. 15/- Plus Postage Rs. 2/- extra. No V.P.P. sent.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M. O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

RAMTIRTH BRAHMI OIL Special No. 1. Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM,
Dadar, Central Railway, Bombay-14.
Telephone: 62899

Notices

PHILIPS INDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 12, 1959

THE TWENTY-NINTH ANNUAL GENERAL Meeting of the Shareholders of Philips India Limited will be held on September 12, 1959 at 11.00 a.m. at the Bengal Chamber of Commerce and Industry, Room No. 1, 6 Netaji Subhas Road, Calcutta 1, to transact the following business:

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended December 31, 1958.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Register of the Company will be closed from August 24, 1959 to September 12, 1959, both days inclusive.

Dividend Warrants will be sent to registered shareholders or to their mandates, registered in the books of the Company on September 12, 1959. Powers of attorney, etc. where necessary should be submitted with completed deeds for transfer registration before the transfer books are closed.

By order of the Board

P. C. VINK

Chairman and Managing Director

August 12, 1959

7 JUSTICE CHANDRA MADHAB ROAD
CALCUTTA 20

Note: A member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. Such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

NATIONAL TOBACCO CO. OF INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Annual General Meeting of the Shareholders will be held at the Registered Office of the Company, Norton Buildings, 1 & 2, Old Court House Corner, Calcutta, on Monday 31st August, 1959, at 12 noon, for the following purposes:—

- (1) To receive and adopt the Directors' Report and audited accounts for the year ended 31st December 1958;
- (2) To declare Dividends on Ordinary, First Preference, and Second Preference Shares;
- (3) To elect a Director;
- (4) To appoint Auditors and to fix their remuneration;
- (5) To transact any other business that may be brought forward.

(6) As Special Business:—

To consider and, if thought fit, to pass with or without modification the following resolution which will be proposed as an Ordinary Resolution, namely:

"That the proposed re-appointment and the draft Agreement submitted to this meeting setting forth the terms and conditions on which it is proposed that B. N. Elias & Company Private Limited be re-appointed the Managing Agents of the Company for a period of 10 years from the 15th August, 1960, (which has for the purpose of identification been subscribed by the Chairman of the Board of Directors) be and is hereby approved and application to the Central Government for its approval under Section 326 of the Companies Act, 1956, be and is hereby directed to be made." (Details contained in the printed Circular addressed to the Shareholders accompanied herewith.)

The Share Transfer Books of the Company will remain closed from the 11th to 31st August, 1959, both days inclusive. Shareholders are reminded that Dividend Warrants will be issued in the name of registered holders or their

mandatees only and will be sent to their respective addresses as recorded in our books.

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

By Order of the Board,

For and on behalf of

B. N. ELIAS & COMPANY PRIVATE LTD.,

N. B. ELIAS,

Director,

Managing Agents.

NORTON BUILDINGS,
1 & 2, OLD COURT HOUSE CORNER,
CALCUTTA, 14th July, 1959.

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

AT A MEETING OF THE DIRECTORS HELD on the 7th August 1959, it was decided to recommend to the shareholders at the Annual General Meeting, which was fixed to be held on the 25th September 1959, the payment of a final dividend for the year ended 31st March 1959, of 2% (free of Income Tax) on the issued Ordinary shares, payable on the 28th September 1959.

The net profit for the year, after deducting all charges and expenses of management and providing for taxation, is Rs. 1,14,97,610.

Two interim dividends, each of 2% (free of Income Tax) amounting in total to Rs. 60,64,000 in respect of the year to 31st March 1959, were paid on the 27th September 1958 and the 14th April 1959 respectively.

After paying the final dividend amounting to Rs. 30,32,000 and allocating Rs. 79,036 to Capital Reserves, Rs. 5,13,103 to Development Rebate Reserve and Rs. 17,50,000 to Fixed Asset and Stock Replacement Reserve, the amount carried forward will be Rs. 24,64,029.

The Directors also declared a first interim dividend of 2½% (subject to Income Tax) in respect of the year to 31st March 1960, payable on the 28th September 1959.

Under the Finance Act, 1959, the system of grossing of dividends and paying them free of Income Tax was abolished, and instead Income Tax must be deducted at prescribed rates before payment of dividends, commencing with dividends declared in respect of the Company's financial year ending 31st March 1960. The interim dividend of 2½% is payable under this new system and is therefore taxable.

The final dividend, if approved, and the interim dividend will be paid to the shareholders whose names appear on the register on the 25th September 1959 and dividend warrants in respect thereof will be despatched to such shareholders or their mandatees on the 28th September 1959. The share transfer books of the Company will be closed from the 31st August to the 25th September 1959, both days inclusive, and transfers received in order at the registered office of the Company up to the 29th August 1959 will be in time to be passed for the payment of the dividends to the transferees.

By Order of the Board,

B. GRANGER PEARSON,
Assistant Secretary.

VIRGINIA HOUSE,
37 CHOWRINGHEE,
CALCUTTA.

8th August 1959.

SRI KRISHNARAJENDRA MILLS, LTD.

MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39th Annual General Meeting of the Shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 29th August 1959, at 3.30 p.m., to transact the following business:—

1. To receive, and if thought fit, to adopt the Directors' Report and the Profit and Loss Account for the year ended 31st March 1959 and the Balance Sheet as on that date, together with the Auditors' Report.
2. To declare dividend.
3. To elect Directors:—

(i) To appoint a Director in place of Sri Chandrakant Mulraj Khatau,

who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

(ii) To appoint a Director in place of Sri S. N. Gundu Rao, who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

(iii) To appoint a Director in place of Sri M. H. Mariyanna who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

4. To appoint Auditors for the Company to hold office from the conclusion of this Annual General Meeting to the close of the subsequent Annual General Meeting and to fix their remuneration.

Sri P. V. Sathyanarayana Setty, Mysore, has given special notice of the following resolution to be moved in the Annual General Meeting of the Company:—

"Resolved that Sri G. Lakshmana Rao, M.A., B.Com., F.C.A., Chartered Accountant, Gandhinagar, Bangalore-9, be and is hereby appointed Auditor of the Company to audit the accounts for the year from 1st April 1959 to 31st March 1960 in place of or in addition to the retiring Auditors."

5. To consider and if thought fit to pass the Special Resolution, separately posted to the shareholders, with or without modification.

Explanatory Statement concerning this Special Resolution as required by Section 173 of the Companies Act has also been posted to them.

By Order of the Board of Directors,

L. KANDASWAMY,

General Manager.

MYSORE, 19th July 1959.

(1) Any member entitled to attend and vote may appoint a proxy to attend and vote instead of himself. The proxy need not be a member.

(2) The Transfer Books of the Company will be closed from 22nd August 1959 to 29th August 1959 both days inclusive and the dividend will be paid to all the shareholders whose names appear in the books on 22nd August 1959.

(3) Dividends when declared will be payable on and after 16th September 1959.

(4) Changes in the address of shareholders should be notified to the Company as early as possible.

GOVERNMENT OF INDIA

MINISTRY OF RAILWAYS (Railway Board)

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, invites from reputed and established manufacturers of Electric Locomotives tenders for technical collaboration for the supply and progressive manufacture of forty-two Nos. 25 K.V. 50 Cycle A.C. Freight Locomotives in India in the Chittaranjan Locomotive Works of the Government of India at Chittaranjan, West Bengal (India). The tender can be had on payment from any of the following offices:

- (i) Research, Design and Standardization Organization, Ministry of Railways, 'F' Block, Connaught Place, New Delhi.
- (ii) The Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London, W. 3.
- (iii) Director, India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington 8, D.C.

The particular specification No. EL. 104.59 and the accompanying drawings can be had on and Standardization Organization, Ministry of Railways, Chittaranjan, the Director General, India Store Department, London, and the Director, India Supply Mission, Washington.

Offers should reach the undersigned not later than 12 noon on 9th November 1959.

QURBAN SINGH,

Director, Railway Stores,

Railway Board,

State Entry Road,

New Delhi-2.

GILT-EDGED DULL

(From Our Own Correspondent)

BOMBAY, 12th August

With only a week to go for the opening of the list of subscription to the State loans, the short-term money market has remained steady, though very little activity is reported. Lenders are reserved, in view of the forthcoming loans and interest rates in the inter-bank call money section, which had hardened last week, have remained firm. The common rate among the Exchange banks and big Indian banks is 1½ per cent., and that among the smaller banks is 2 per cent. House money at seven days' notice is also unchanged at 3¼-3½ per cent., and short-term deposits for one to six months at 3¼-4 per cent.

The 91-day Treasury Bill rate, which had declined in the previous two weeks from 2.717 per cent. to 2.519 per cent., has hardened a little to 2.530 per cent. per annum. The response to this week's sale has again been less favourable, the amount offered not having exceeded that invited at Rs. 3 crores. Apparently because of the State Governments' borrowings, there will be no sale of Treasury Bills next week. The next sale will be held on 24th August, for which the tenders have been reduced to Rs. 2 crores. There were no sales of Intermediate Treasury Bills during the period 5th to 8th August, but they are being continued in the period 12th to 22nd August, when they will be available at Rs. 99.381 per cent.

A rise of Rs. 22.87 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 7th August 1959. This is in contrast to the aggregate contraction of Rs. 39.04 crores in the previous two weeks. Notes held in the Banking Department are lower by Rs. 19.50 crores. The total notes issued are thus higher by Rs. 3.57 crores. Foreign securities have declined by Rs. 5 crores, while rupee securities have gone up by Rs. 10.04 crores. Rupee coins also show a fall of Rs. 1.66 crores. The decline of Rs. 5 crores in foreign securities is made good to some extent by the rise of Rs. 3.61 crores in balances held abroad. Deposits of Central Government have shrunk by Rs. 6.79 crores, those of other Governments by Rs. 9.13 crores and of banks by Rs. 4.49 crores. A rise of Rs. 4.66 crores is noted in loans and advances to Governments and of Rs. 3.81 crores in other loans and advances. Investments have fallen by Rs. 10.34 crores.

The upward trend in time deposits of banks has been maintained during the week ended 31st July 1959, with a fresh rise of Rs. 10.58 crores. Disclosing this, the Scheduled banks' statement for the week, however, shows a decline of Rs. 4.40 crores in demand deposits. Inter-bank borrowings are lower by Rs. 2.81 crores. Advances have recorded a further fall of Rs. 5.38 crores and bills purchased and discounted Rs. 3.93 crores. Investments have gone up by Rs. 26 crores, on top of an increase of Rs. 18.36 crores in the previous week, while there has been shrinkage of Rs. 10.94 crores in cash balances.

The Gilt-edged market has turned dull and activity is restrained. In fact, there have been offerings in some of the dated loans, in view of the forthcoming new issues of State loans. State loans too are on offer at rates even below the quoted rates, but buyers are reserved.

3 per cent. 1986 Conversion loan has further declined by 10 nP to Rs. 73.55. 3 per cent. 1968-69 has shed 10 nP to Rs. 97.40. 5 per cent. 1966-68, after moving up from Rs. 95.20 to Rs. 95.25, has drifted back to Rs. 95.20. 3½ per cent. 1965 is 5 nP lower at Rs. 99.95, as also 3½ per cent. 1967 at Rs. 99.40. 3½ per cent. 1968 is on offer at Rs. 99.40, after it had risen from Rs. 99.35 to Rs. 99.45. 3½ per cent. 1974 has been marked down by 8 nP to Rs. 99.55 and 4 per cent. 1972 by 10 nP to Rs. 101.60.

Sterling has been a little erratic in New York. Spot sterling hardened from 281.15-281.18 cents to 281.18-281.21 cents before declining to 281.10-281.13 cents. Three months' forward is unchanged over the week at 281.05-281.08 cents, after touching 280.99-281.12 cents. The rupee-dollar rate also moved in consonance with this trend. Banks' selling rate for U.S. T.T. rose from Rs. 476 to Rs. 476.25 before going back to Rs. 476 per \$100. Their buying rate is, however, unchanged at Rs. 472.75 per \$100.

TANNED HIDES FIRM

(From Our Own Correspondent)

MADRAS, 10th August

Arrivals of E.I. tanned cow hides were fair sized and shippers were actively buying them at firm prices. Cow calf and buff calf were coming into the market in small quantities, due to off season.

Despite August holidays in the U.K., importers were making large inquiries and a penny advance was paid on several lines. The East European countries were also probing the market, and tanners quoted higher prices expecting better market after a fortnight. Owing to good demand from the U.S., buff heavies ruled firm.

In the tanned skins section, 5½/6 lbs. goatskins forged ahead, due to good call from the U.K.—Continents—19s. to 19s. 3d. has been paid for run. 8/9 lbs. skins, too, were in good demand, as also lower ends of heavy weights. Tanned sheep middle class ruled weak, as the importers were not following the high prices quoted at origin. Prime classes ruled steady.

During the month of August, 296 bales tanned cow hides and 10 bales tanned goat were shipped to the East European countries (in addition to the figures given last week).

BULLION BUOYANT

(From Our Own Correspondent)

BOMBAY, 12th August

The bullion market ruled buoyant during the week under review. Gold forged ahead, thanks to bull manipulations, nervous bear-covering and good demand by spot houses. It was reported that some South Indian interests had purchased about 5,000 to 6,000 tolas of gold in this market. With the virtual stoppage of contraband metal from the Persian Gulf ports since the introduction of special rupee notes, even a demand of modest size for ready gold has a perceptible effect on prices. With every rise in prices during the week under review, those who had sold earlier in expectation of a drop in values began covering their sales, while the bulls held tight to their position. Consequently, the backwardation rate (budli in favour of bulls) for gold in August settlement widened considerably from As. 3 last week to as much as As. 12 yesterday, so that the bulls were obliged to pay a margin at the rate of Rs. 10 per tola. Following the imposition of margin, the backwardation rate narrowed down and stood at As. 9 today. Since, however, this was more than As. 8, the margin continued to be operative.

Silver also evoked excellent buying support induced by fears of short supply. Operators noted the poor arrivals of silver coins from Tibet due to the violation of the Indo-Chinese trade agreement. The maturing August settlement continued to be in the grip of bulls. Nevertheless, the carryover rate which stood in their favour for a long time turned against them to the extent of As. 3 on Monday, As. 4 yesterday and As. 6 today.

August settlement in gold rallied from Rs. 118-3 on Wednesday last to touch a high of Rs. 121-11 today before finishing at Rs. 121-6-6. The net gain over the week was Rs. 3-3-6. September contract firmed up from Rs. 118 to Rs. 121-1 today. Towards the close, it was lower at Rs. 120-13-6, owing to profit-taking.

Ready gold, which stood at Rs. 118-5 at the close of last week, spurred in the course of the week to touch Rs. 121-11-6 at one time today. This is the highest level for the past six weeks. The closing rate was As. 2-6 below this peak. The daily average arrivals and offtake of gold were 2,600 tolas and 3,600 tolas, respectively. The floating stocks of gold are estimated at 45,000 tolas.

August settlement in silver met with good support and strengthened from Rs. 197-9 to Rs. 200-7 today before finishing at Rs. 200-5. September settlement registered a net gain of Rs. 2-6 over the week, today's closing rate being Rs. 199-11. Business in October settlement commenced at Rs. 198-14 today. The settlement improved to Rs. 199-10 but finished As. 2 lower.

Ready silver opened the week at Rs. 197-4, as against Rs. 197-6, and rose gradually to touch a high of Rs. 200-4 today. Towards the close, it was quoted an anna lower. The net rise over the week was Rs. 2-13. The daily average arrivals of silver were 11 bars, while the offtake was eight bars. The floating stocks of silver are reported to be around 500 bars.

Both ready and forward silver in the London bullion market tended to move up, the former from 78½d. to 78½d. per ounce and the latter from 78½d. to 78½d. Silver in New York, however, was unchanged at 91.375 cents per ounce. Ready gold in London, after declining from 249s. 10½d. to 249s. 9½d. early in the week due to poor demand, recovered subsequently to 249s. 10½d. owing to the easiness of the pound sterling vis-à-vis the dollar. The latest available dollar rate for gold in London is \$35.11½-\$35.13½, same as last week.

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

	12-8-59	Highest	Lowest	5-8-59
GOLD				
Ready (.999 fine Mint)	121 9	121 11½	118 1	118 5
Forward	121 6½	121 11	117 15	118 3
September	78 8	78 8	77 8	77 8
SILVER				
Ready (.999 fine Mint)	200 3	200 4	197 4	197 6
Forward	200 5	200 7	197 8	197 9
London Silver Ready	78½d.	78½d.	78½d.	78½d.
London Forward	78½d.	78½d.	78½d.	78½d.
London Gold	249s. 10½d.	249s. 10½d.	249s. 9½d.	249s. 10½d.
New York Silver	91.375 c.	91.375 c.	91.375 c.	91.375 c.

* 20th August settlement.

† 21st August settlement.

GOOD DEMAND FOR LINSEED

(Messrs. A Bradley and Co.)

CALCUTTA, 10th August

The linseed market remained generally firm during the week. Although prices reacted to Rs. 22.81 towards mid-week, closing prices were steady at Rs. 23.25 with buyers more in evidence than sellers. September options, which followed the same general pattern, were rather neglected, and only small-scale activity was reported. Seeds supplies were poor and a general feeling that Indian linseed oil might return to parity with world markets lent impetus to the present improved tone.

Business in oilcakes was keen. After fair quantities had been sold to the U.K. at prices up to £35 5s., there was a small decline with buyers temporising.

The oil market was active. Some fresh export business was reported at around £101 and shippers were showing keen interest in anticipation of fresh business with the U.K. and Australia.

The latest available quotations are: Ready Rs. 23.37, August-September Rs. 23.62 and September Futures Rs. 23.64 per maund.

COTTON FUTURES CHEERFUL

(From Our Own Correspondent)

BOMBAY, 12th August

The firm trend noted last week in the cotton futures market gathered momentum during the week under review. Futures values advanced on firm local and upcountry support. Sentiment was quite cheerful. The comparatively small volume of tenders against the maturing August contract and the favourable survey results of the cotton tendered on Thursday, imparted strength to the August contract. Speculative buying prompted by reports of excessive rains in Khandesh, Berar and Akola tracts was responsible for the firmness of the new crop contract March 1960. The strength of the spot market, where activity was brisk and prices firm, also helped sentiment. It was feared that unwanted rains might adversely affect the crop which, in the context of smaller stock holdings by mills, would make cotton dearer in the coming months. This consideration led to fresh buying. Investors also lent support to the market. Values consequently staged a smart rally.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 708 and steadily advanced, on short-covering, to Rs. 715 yesterday. Commencing at Rs. 714 today, the contract advanced to Rs. 716 before closing fractionally lower at Rs. 715.50. Tenders issued on the 6th inst., the second notice day, amounted 2,350 bales, comprising 2,200 bales of Laxmi, 'A' 50 bales of Cambodia and 100 bales of Kalyan. Total to date aggregated 4,650 bales.

I.C.C. Moglai Jarilla March 1960 started the week's trading at Rs. 676 and advanced, on speculative buying and spot house support, to Rs. 681.25 on Monday. After declining to Rs. 677.50 yesterday, the contract again rallied to Rs. 680 today before closing fractionally lower at Rs. 679.50.

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

(In rupees per candy of 784 lbs.)

	12-8-59	High	Low	5-8-59
I.C.C. Moglai Jarilla:				
August 1959	715.50	716.00	704.00	710.00
March 1960	679.50	681.25	675.00	677.50

The spot market at Sewri reported brisk activity. Almost all popular varieties received the attention of mills. Prices consequently improved. Good business was done in Kalyan, Wagad, Kalagin, C02 Laxmi, Jaydhar, etc. A notable feature was the keen interest shown by mills in new crop. Ahmedabad and Southern mills were especially interested in new crop Berar, 197/3, 0394, and Khandesh. Sizeable business was put through in these varieties.

Export demand was moderate. Only routine business was reported in Bengal Deshi current and new crop. Wagad and Yellow Pickings also attracted the attention of shippers.

Mill interest in foreign cotton was mostly confined to Sudan cotton. Mills were inclined to buy Sudan cotton because Egyptian prices were of late steadily rising. Moreover, the discount rate on sales to India was also reduced progressively from 35 per cent. to 30 per cent. Consequently, Sudanese styles were considered a better buy. Fairly large quantities of Sudanese cotton were booked by mills subject to the availability of licences.

The announcement regarding payments proffered for Egyptian cotton (see page 258), made by the State Bank of India, has been received with a sigh of relief. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal Deshi 710; Berar Jarilla 750; Khandesh 875; Laxmi 1,010; Jaydhar 950.

Steady conditions continued to prevail in the Karachi cotton market during the week under review. Export interest was moderate and domestic demand normal. Prices remained unchanged at last week's levels. Export of Pakistan cotton, from the commencement of this season till 30th July, aggregated 651,305 bales (of 400 lbs.), as against 640,012 bales in the same period last season.

Cotton futures in Alexandria ruled easy during the week. Report of good weather in the growing regions and satisfactory crop development, in the wake of slack export demand, touched off a wave of selling. Futures values, consequently, declined. The following are the latest available quotations—in tallars per lb.—from Alexandria:

Karnak: November 75.40; January 74.95. Ashmouni: August 67.90; October 66.80.

Cotton values in Liverpool made modest gains during the week on trade covering and mill fixation which found offerings limited. The higher U.S. crop forecast by the Department of Agriculture did not bring forth any sizable speculative selling as the estimate was in line with trade expectations in Liverpool. Sudan contracts advanced, thanks to Commission House buying and encouraging Khar-toum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 21.58; December-January 21.35; March-April 21.12.

American cotton mixed growth contract: October-November 21.55; December-January 21.50; March-April 21.50.

lower levels met with resistance which was prompted by the feeling that the bulk of the crop would enter the loan programme.

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

	(In cents per lb.)	11-8-59	4-8-59	28-7-59
Spot	...	33.15	33.55	33.85
October	...	32.09	32.26	32.37
December	...	32.15	32.29	32.31
March	...	32.51	32.57	32.62

SALES TAX ON COTTON YARN

(From Our Own Correspondent)

BOMBAY, 12th August

The yarn traders are greatly perturbed over the Bombay Government's move to include cotton yarn and cotton thread for the purpose of sales tax in the new Sales Tax Bill which will come into effect from 1st April 1960. Under the Bill, cotton yarn which is at present completely exempted from sales tax will be liable to the payment of a sales tax of one per cent. in the first stage. The rate of sales tax on cotton thread proposed in the Bill is 5½ per cent. The Bombay Yarn Merchants' Association and Exchange Ltd. has addressed a communication to the Secretary, Finance Department, Government of Bombay, in which it has urged the reconsideration of the whole issue and sought exemption of cotton yarn from the levy of sales tax and inclusion of cotton thread under schedule C liable to sales tax at one per cent, like cotton yarn waste. The Association has, however, expressed its satisfaction over the fact that art silk yarns, silk yarns and staple fibre yarns are put in schedule C.

Despite the proposed levy of sales tax on cotton yarn, prices of these yarns continued to move up during the week under review. It was reported that several local mills had done fairly large sales of yarn, particularly 20 counts, for export at rates varying from Rs. 15.25 to Rs. 16.50 per bundle of 10 lbs. The sales at lower prices for export are attributed to incentive which generally amount to Rs. 2.25 per bundle. In view of the handsome incentive, some Ahmedabad mills have also sold a large quantity, estimated at 3,000 bales, for export to Burma and Indonesia at much lower prices than the local sales. Art silk yarns, however, encountered some selling and tended to decline on fears of large arrivals of imported yarns against exports of fabrics under the Export Promotion Scheme. In sympathy with art silk yarns and on reports that the Naini mills had resumed normal working, staple fibre yarns also came in for selling.

Cupressa Bamberg yarn (60x2) August delivery moved down from Rs. 1,680 to Rs. 1,665. October delivery dropped Rs. 19 to Rs. 1,702. Spot Cupressa eased by 6 nP to Rs. 7.50. Among imported art silk yarns, 120 Japan fell by 6 nP to Rs. 4.78 and 150 Japan by 5 nP to Rs. 4.75. 120 Italy receded by 7 nP to Rs. 4.87. 150 Italy shed 3 nP to Rs. 4.68. Among indigenous yarns, National Rayons 120 bright cones first grade were quiet at Rs. 4.69, as also 150 bright cones first grade at Rs. 4.25.

Staple fibre yarn (40x2) August contract suffered a loss of Rs. 5, today's closing rate being Rs. 661. October contract declined by Rs. 2 to Rs. 652. Spot Centours were unchanged at Rs. 3.56. Citys and Kohinoors, however, gained 3 nP each to Rs. 3.47 and Rs. 3.59, respectively. Among imported yarns (60x2), Paramounts were subjected to heavy selling pressure and climbed down from Rs. 8.06 to Rs. 7.72. Fujis lost 6 nP to Rs. 8.56.

In the cotton yarn section, ten counts Podars were well supported and firmed up by 12 nP to Rs. 13.62. Moderns were fully maintained at Rs. 14. Twenty counts Hinds advanced by 25 nP to Rs. 17.12. Moderns rose by a like amount to Rs. 17.50. Forty counts Minaxis forged ahead from Rs. 25.62 to Rs. 26.37. Moderns were firm at Rs. 26.75. Sixty counts Raghuvamsis and Finlays were fully steady, the former at Rs. 57 and the latter at Rs. 63. Among eight counts, Finlays put on a rupee to Rs. 83. Citys improved from Rs. 67.50 to Rs. 68.50. Mahendras and Moderns gained 50 nP each to Rs. 73.50 and Rs. 78.50, respectively.

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

	12-8-59	5-8-59
Art silk yarn—		
60/1 Cupressa Bamberg August (100 lbs.)	1,665	1,680
October	1,702	1,721
Spot	7.50	7.56
120 Japan (per lb.)	4.78	4.84
150 Japan (per lb.)	4.75	4.80
120 Italy (per lb.)	4.87	4.94
150 Italy (per lb.)	4.68	4.71
Staple fibre yarn—		
40x2 August (per case of 200 lbs.)	661.00	666.00
40x2 October	652.00	654.00
40x2 Spot	8.56	8.56
Cotton yarn (per bundle of 10 lbs.)—		
10s	13.62	13.50
20s	17.12	17.25
40s	26.37	26.75
60s	57.00	57.00
80s	73.50	73.50

PROMOTING OILSEEDS EXPORTS

(From Our Own Correspondent)

BOMBAY, 12th August

With a view to promoting India's exports of oilseeds, oils and oilcakes, the Bombay Oilseeds and Oils Exchange has requested the Chief Controller of Exports to continue the incentive scheme for the export of groundnut oil up to the end of September and also to extend the shipment period for the export of groundnut expellers earned through the export of groundnut oil and salad oil up to the end of December next. The Exchange

has also requested the Government to extend the shipment period for H.P.S. groundnut which expires at the end of next month up to the end of February. Moreover, it has pleaded for the announcement of a fresh quota without any delay, which will help the overseas buyers to negotiate business with India with confidence. The plea for the extension of the shipment period of groundnut H.P.S. is based on weather considerations. Monsoon is not the proper time for shipping groundnuts. The operators generally are of the opinion that these measures, if approved, will undoubtedly lead to expansion of exports of some of the oils and seeds. The decision of the Government is now awaited with considerable interest.

The groundnut section continued to rule easy, thanks mainly to unencouraging weather reports from the major producing areas. There was heavy liquidation in seeds and oils. The vanaspathi manufacturers and crushers were very cautious buyers. The export front showed no signs of any significant improvement. Some rumours regarding enquiries for oil from Burma failed to enthuse the market. The maturing contract was worst hit, it having fallen from Rs. 191 last week-end to Rs. 189 today. The pronounced weakness in the maturing contract is due to fears of heavier deliveries against it. In contrast, February 1960 contract improved from Rs. 164.87 to Rs. 166.50, after fluctuating both ways in a narrow range over the week. Bold ready lost ground to close at Rs. 38, as against Rs. 39.25 last Wednesday. Similarly, oil ex-mill drifted lower from Rs. 20.37 to Rs. 20.

The castorseed section, too, met with some bull liquidation during the major part of the week as a result of fears of heavy tenders and increased switchover to distant delivery. It showed some signs of improvement today mainly on account of some improvement in the export section. Some support was in evidence at lower levels. September 1959 contract hardened from Rs. 152.87 to Rs. 154. May 1960 contract was marked up from Rs. 153.75 to Rs. 155.75. Ready Madras, however, declined from Rs. 30.62 to Rs. 30.50, and oil B.S.S. from Rs. 16.69 to Rs. 16.50.

Dull conditions prevailed in the linseed section, except perhaps in oilcakes. Traders continue to expect Australian enquiry for oil. But, it has not yet materialised, notwithstanding the rise in prices of foreign oil. September 1959 contract, which stood at Rs. 32.87 last Wednesday gave way to a close the week at Rs. 32.75, after fluctuating in a narrow range. The May 1960 contract, however, met with good support and improved by 50 nP to Rs. 32.75. Bold ready lost 37 nP to wind up the week at Rs. 32.50. Oil was higher by 7 nP to Rs. 16.19.

Cottonseed was active in sympathy with raw cotton. February 1960 contract, which wound up last week at Rs. 112.50, rose to Rs. 113.75 on Monday, it softened to Rs. 113.50. The September contract, however, encountered selling pressure and closed lower by 50 nP at Rs. 136.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	12-8-1959	5-8-1959	29-7-1959
Groundnut			
August 1959	189.00	191.00	191.00
February 1960	166.50	164.87	165.37
Bold ready	38.00	39.25	40.00
Forwarded ready	38.25	39.50	40.25
Khandesh quality	38.25	39.50	40.25
Oil ex-mill ready	20.37	20.37	20.75
Railway receipt	19.69	20.37	20.37
Castorseed			
September 1959	154.00	152.87	154.75
May 1960	155.75	153.75	154.87
Ready Madras	30.50	30.62	30.75
Ready Kanpur	29.25	29.50	29.75
Oil B.S.S.	16.50	16.69	16.81
Oil commercial	16.50	16.75	16.92
Linseed			
September 1959	32.75	32.87	32.50
May 1960	32.75	32.25	31.75
Bold ready	32.80	32.87	32.50
Oil ready	16.19	16.12	16.67
Cotton seed			
September 1959	112.50	113.50	113.00
February 1960	113.50	112.50	113.00
Wiper seed	80.50	81.00	80.75
Kandi seed	23.00	23.50	23.50

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

BLACK PEPPER STEADY

(Messrs. Parekh and Co.)

BOMBAY, 12th August

Malabar black pepper ruled steady but irregular during the fortnight under review. The undercurrent, however, remained healthy. The recent reversal in the trend of the world pepper market is believed to be the result of the psychological impact of the news that there will be a sizable reduction in the production of Lampung, Muntok and Sarawak. Singapore and New York were the first to react to the news of the reduced estimates. Singapore spurred from Str.580 to Str.589 for black and from Str.517 to Str.410 for white.

New York, which was until recently a selective buyer and was mostly confined to Lampung, began to bid Malabar black pepper at advanced prices. The dealers there are reported to have purchased more than 100 tons for August shipment from India at \$0.37 to \$0.28. They are offering nearby as well as long forward. Spot in New York improved to \$0.28, with growers showing more interest.

China has purchased about 500 tons of Malabar black at Rs. 185 to Rs. 187½ per cwt. f.o.b. Cochin.

There are fresh inquiries from Russia and other Communist countries but at lower price. Hence no business is reported.

Garbled ready at Cochin remained fairly steady, despite increased arrivals. Following the announcement of President's ruling in Kerala, August and October deliveries in garbled proved erratic, the highest and the lowest being Rs. 123 and Rs. 125, respectively, for August and Rs. 127½ and Rs. 125 for October. Ungarbled at Cochin and Alleppey moved between Rs. 725 and Rs. 737½. Calicut was fairly steady at Rs. 760, there being inquiries for Tellicherry pepper both from the U.S.A. and Europe at 1 cent higher than that of Alleppey.

Most of the Lampong and Sarawak stock at Singapore was reported to be in the strong hands of one or two Chinese firms. News of crop failure in Lampong and Muntok and the reduction in the final estimate of Sarawak encouraged investment buying. As a result, Singapore, which was under-cutting India, is now quoting above Malabar. Hence, there are prospects of fairly good business with New York during the coming two or three at buyers' prices, as was the case with Singapore, and is likely to increase its price at every next sizable business. Neither the grist in Europe and the U.S.A., as the dealers there have been buying hard to mouth. They are likely to come out to buy when they see that the prices are stabilised at a certain level and are content to give pepper at lower price. Future of pepper appears promising.

Ready pepper in Bombay is quoted between Rs. 99 and Rs. 103 per Bengal maund according to quality.

SUGAR SUPPLY COMFORTABLE

(From Our Own Correspondents)

BOMBAY, 12th August

There was a notable rise in sugar arrivals by rail and road into the City during the week under review; they aggregated 18,900 bags, as against 11,000 bags last week. Consequently, the supply position was quite comfortable and the wholesale rates (per bag) for the different grades of sugar were the same as those prevailing a week before. They are: A grade: Rs. 13.81; B grade: Rs. 14.08; C grade: Rs. 12.02; D grade: Rs. 11.11.

Sugar circles are greatly surprised at the allegation of the Union Food and Agriculture Minister, made in the Lok Sabha that the other day, sugar prices, taking advantage of the fall in production and smaller carryover stocks, in the course of a statement issued to the Press, the Minister said that this difficult position had been exploited by the industry and trade which had pushed up prices. The Government had taken various measures to ease the position. The trade has accused the Government for this rise in prices as due to hurried change in decisions, the consumer has presumed that there was shortage of sugar in the country.

Sugar at Hapur, after a fall of about Rs. 5 per bag following the ban on inter-State movements and stoppage of free sale in the U.P., has moved up and North Bihar, improved to Rs. 8 to Rs. 8.25 per bag earlier this week, but declined subsequently to be quoted at Rs. 118 per bag on Monday. Arrangements are being made to supply sugar at controlled prices to consumers on ration basis. In retail, sugar was being quoted at Rs. 1-12 per seer, as against the controlled price of 97 nP.

The Muzaffarnagar sugar market ruled quiet and turnover was moderate. The ex-mill delivery prices were at a premium of Rs. 8 to Rs. 8.25 per bag. Spot delivery prices were Rs. 118 per bag for small grain and Rs. 120 per bag for large grain. The mill delivery quotations were:—Muzaffarnagar Rs. 41-13; Deerpur Rs. 42-4; Saheli Rs. 42-0.

Sugar ruled steady in the Kanpur market, due to scanty arrivals and persistent demand. Ex-mill per bag was not quoted, while spot rate was Rs. 118-8.

Khandesh ruled quiet in the presence of new prices and inter-State movement. The prevailing prices were Rs. 35 to Rs. 38; poor Rs. 34 to Rs. 36; and a maund.

Ready sugar ruled quietly steady in the Allahabad market, where the prevailing prices were Rs. 35 to Rs. 38; poor Rs. 34 to Rs. 36; and a maund.

Our prices were almost unchanged in the running down. The latest prevailing prices were: Chaku dry Rs. 24.35; mixed dry Rs. 24.35; wet Rs. 19.85; shikhar darsa Rs. 22; chaku

Our phagm ran down sharply, due to active bear pressure. It opened at Rs. 14.25 last Monday, declined to Rs. 13.37 and was quoted today at Rs. 13.60.

STRONG DEMAND FOR QUALITY TEAS

(From Our Own Correspondent)

CALCUTTA, 11th August

Under the impetus of strong demand, good quality teas both during yesterday's export sale and at the last week's auctions for internal consumption registered an improvement. The low stock in the U.K.—this was 111.92 million lbs. in the week ended 31st July, as against 112.18 million lbs. in the previous week—was a factor which aided sentiment yesterday.

Note was taken of the freeing of tea from import licensing by Australia. Although Australia imported almost all its requirements from Ceylon, the abolition of import licensing was thought to be of interest here. Another announcement evoking interest here was Ceylon's proposal to establish a pack of tea of its own for internal consumption. Such a blend after being developed would subsequently be introduced to foreign markets also. This measure was designed to ensure the availability of unadulterated quality tea to consumers abroad. At present, Ceylon does not blend and this is being done by purchasing countries.

In the internal auctions held last week, dusts on offer amounted to 13,921 chests. There was keen demand. The black exportable teas were a favourite of buyers. Prices advanced by 10 nP. Darjeelings were fully firm, with the legs-cut Doors realising higher prices. Among C.T.C.s, the vined that the producing countries are not going to give pepper at lower price. Future of pepper appears promising.

Ready pepper in Bombay is quoted between Rs. 99 and Rs. 103 per Bengal maund according to quality.

TEA PRICES IRREGULAR

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

COCHIN, 6th August

975,000 lbs. were offered in sale No. 30, which was held on 4th August 1959. The teas on offer in this sale showed a slight improvement. The market met with good demand, but prices were irregular. There was only fair enquiry for low medium broken which were easier by 5 nP. However, corresponding fannings were better supported and were steady on last week's rates. Improved mediums and highgrowns were keenly competed for and sold at dearer rates following quality. Clean black fanning grades were in good demand and were dearer. Whole leaf grades were in less demand at easier rates. The quotations were:

	1959	1958
	Rs.	Rs.
Low medium	1.58 to 1.68	1.55 to 1.65
Medium	1.75 to 1.85	1.70 to 1.80
Good medium	2.05 to 2.20	1.90 to 2.05
Quality	2.10 to 3.10	2.25 to 3.40

Dust Sale 'U'—Offerings in Sale No. 'U', which was held on 6th August 1959, aggregated 730,000 lbs. A useful selection of dusts were on offer in this sale. The market opened with a strong general demand which continued throughout the sale. Prices generally advanced by 10 nP for all descriptions, with the exception of best liquoring highgrowns which are quoted barely steady. Buyers showed keen interest in black grainy dusts which were the strongest feature of the sale. C.T.C. dusts were in good demand and sold well at dearer rates.

London Market:—No sale this week.

Colombo Market:—Sale of 3rd August 1959:—Strong general demand. Improved U.V.As dearer, following quality. Limited selection best available Dimbula Dicksows substantially dearer. Others irregular. Medium broken slightly dearer. Low-grown Gulf types advanced 5 to 10 cents.

Sale of 4th August 1959:—Active demand. Useful liquoring grainy dust dearer. Improved U.V.As black leaf lowgrown offgrades advanced 10 cents. Other sorts firm.

Calcutta Market:—Export:—Sale 8:—40,717 chests. Good general demand. Whole leaf and plain B.P. slightly dearer. Plain fannings up to 15 nP dearer. Bright C.T.C.s slightly easier. Poorer C.T.C.s less demand.

Internal:—14,481 chests dusts in sale 8. Strong demand. Egyptian types 10 to 15 nP dearer. Medium Assam C.T.C. irregularly easier. Best C.T.C. powdery types slightly dearer.

Export Quota:—Some business has been transacted at 24 nP. At the beginning of this week. At present, there is a slightly easier tendency in the market and there are buyers at 24 nP with sellers at 24 nP.

Forthcoming Auctions:—Sale No. 31 will be held on Tuesday, 11th August 1959 and dust sale 'V' on Thursday, 20th August 1959.

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

"Sale 31:—650,000 lbs. Market irregular. Low medium and medium broken easier, but similar fannings stronger and dearer, particularly black leaf. Limited selection best liquoring steady. Orange pekoes considerably dearer. Flower pekoes weak."

JUTE GOODS FULLY STEADY

(From Our Own Correspondent)

CALCUTTA, 11th August

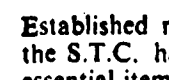
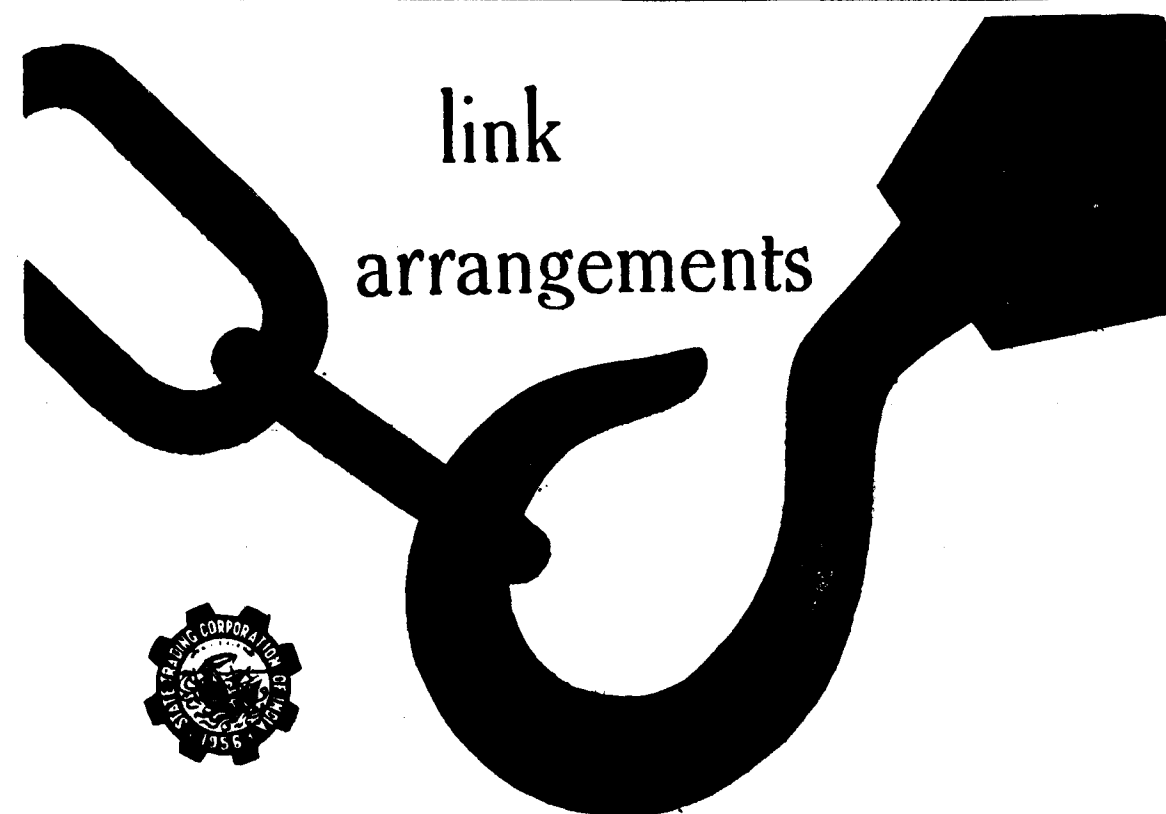
Fully steady conditions were in evidence in the jute markets during the week under review. More inquiries, keener activity in the futures market, and brisk covering of sacking against sales to China were some of the factors which led to a modest gain in prices of heavy goods, in general, and B. twills and heavy Ceas, in particular. Hessians, on the other hand, accounted for business of a routine nature only, and the fractional gain in mid-week in sympathy with the upward trend in sacking could not be absorbed as the details of mills' stock of hessian at the end of July created disappointment. Earlier in the week, mills bought substantial quantities of new raw jute. However, this failed to lead to a rise in prices, in view of the offers from sellers far exceeding the demand. Sellers put in an air of reserve, which failed to evoke response from mills on continued reports of good harvest, though there was a decline in the quality of the first arrivals on account of poor retting.

The market in heavy goods was gradually rising this week, following good business done with China and several other countries. The upward trend was, however, arrested on Saturday last when the details of stocks with mills as at the end of July were announced. Although sacking goods at 54,200 tons fell by 3,200 tons, the decline was much below the expectations of the market. In view of the very good business done for export and of satisfactory shipping instructions in the month of July, it was surprising that the fall was only 3,200 tons. Market circles apprehended that internal sales had dropped in the month. The stock of hessian at 26,000 tons rose by 2,300 tons, while miscellaneous goods at 12,600 tons accounted for a decline of 1,700 tons. The result is that the overall decline is only 2,600 tons. Market circles thought that such stock figures as these were not a strong case for a further unsealing of looms.

Purchases of sacking by China caused considerable satisfaction in the market. For these have been much more substantial than last year, and indications are that China would continue to

buy at this rate. As regards hessian, business with the United States was for insignificant quantities here and there. Argentine showed interest for near goods, while scattered purchases were made by the United Kingdom. Although, during recent months, export business in goods has been satisfactory, the picture as a whole for the jute season 1958-59 so far is not cheering. Exports in the eleven months ended May aggregated 756,900 tons at which the decline was by 6,300 tons as compared with the corresponding previous figure. A fact which market circles did not fail to take note of was that sacking exports at 421,300 tons actually fell by 67,300 tons, while hessian exports increased by 52,900 tons to 293,600 tons and other goods by 8,100 tons to 42,000 tons. On the other hand, in the same period, Pakistan increased its exports of jute goods to 121,477 tons (sacking 82,123 tons, hessian 38,667 tons and other goods 687 tons) from 98,256 tons, showing an increase of 23,221 tons or a little over 23 per cent. In May alone, the increase in Pakistani exports was by 8,694 tons as compared with May 1958. Pakistani customers included the United States, South Africa, Australia, Burma, East Africa, Belgium, the Netherlands, and Great Britain. It was officially stated in Karachi this week that, in order to encourage fibre exports to the United States, a direct monthly shipping service between East Pakistani and American ports has been started. The American Isthmian Shipping Line would operate, to begin with, between Chittagong and Boston and New York. It was also stated that, in order to co-operate with Pakistan's aim to increase exports of jute cuttings to the U.S., the steamship line had agreed to charge lower freight.

On Tuesday last, following good demand, ready B. twills scored to Rs. 101.20 from Rs. 100.85. The higher trend was interrupted by profit-taking in the course of the day, but, at the lower level, keen enthusiasm on behalf of buyers was shown. Since the recent sales to China was for August-September shipment, ready goods were subjected to substantial covering, and, as a result, scarcity was a feature which aided the gain in prices. But hessian 40" 10 oz. gave way from Rs. 40.55 to Rs. 40.30, due to lack of business. The feature on Wednesday was the business done with Australia in cornsacks. B. twills closed higher at Rs. 101.30. But for profit-taking by bulls, the gain should have been more substantial. Ready hessian 40" 10 oz. was unchanged at Rs. 40.30. Profit-taking in heavy goods continued on Thursday, and B. twills for this reason declined to Rs. 101.10. There were good reports on hessian from the futures market, and ready hessian 40" 10 oz. advanced to Rs. 40.50. While hessian 40" 10 oz. was unchanged at Rs. 40.50 on Friday (Continued on page 284)



Established mainly to organise and effect exports from and imports into India, the S.T.C. has sought to specialize in link arrangements, linking import of essential items with exports of Indian goods. Import of textile machinery and rice against export of Indian goods has been successfully effected in the past. General arrangement for sale & purchase of goods on similar link basis with countries of the world is negotiated to promote Indian trade and the business methods have been so devised as to afford to business organisations in the country, reasonable opportunities for participation in linked transactions. Among various items S.T.C. is exporting some are—Iron Ore, Manganese Ore, Chrome Ore, Handicrafts, Tea, Coffee, Coid, Cardamoms, Jute, Shoes, Salt and other products and is importing—Caustic Soda & Soda Ash, Raw Silk, Textile Machinery, Chemicals and other essential commodities.

THE STATE TRADING CORPORATION OF INDIA LIMITED.

Saraswati House, Connaught Place,
Post Box No. 79, New Delhi.

A GOVERNMENT OF INDIA UNDERTAKING

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India
Statement of Affairs for the week ended 7th August 1959

BANKING DEPARTMENT	
Capital paid-up	Rs. 5,00,00,000
Reserve Fund	Rs. 80,00,00,000
National Agricultural Credit (Long-term) Oper-	30,00,00,000
ational Fund	4,00,00,000
National Agricultural Credit (Stabilisation) Fund	4,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	53,37,36,000
(2) Other Governments	13,10,67,000
(b) Banks	76,59,99,000
(c) Others	1,01,05,30,000
Bills Payable	10,07,31,000
Other Liabilities	9,66,18,000
Total	Rs. 452,56,41,000
Assets—	
Rupee Coin	11,31,50,000
Subsidiary Coin	4,78,000
Bills Purchased and Discounted—	
(a) Internal	95,36,000
(b) External	13,83,00,000
(c) Government Treasury Bills	27,40,44,000
Loans and Advances to Government	70,07,05,000
Loans and Advances to Others	81,91,51,000
Investments	9,99,65,000
Other Assets	452,56,41,000
Total	Rs. 452,56,41,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The term "Other Loans and Advances" includes Rs. 50,00,00,000 advanced to scheduled banks against security bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT	
Notes held in the Banking Department	Rs. 11,31,50,000
Notes in circulation	Rs. 1,688,91,03,000
Total Notes issued	Rs. 1,700,22,53,000
Total Liabilities	Rs. 1,700,22,53,000
Assets	Rs. 1,700,22,53,000
A. Gold Coin and Bullion	Rs. 117,76,03,000
(a) Held in India	117,76,03,000
Foreign Securities	183,00,89,000
Total of A	Rs. 280,76,92,000
B. Rupee Coin	Rs. 193,20,06,000
Government of India Bonds	128,61,55,000
Internal Bills of Exchange and other commercial paper	1,700,22,53,000
Total Assets	Rs. 1,700,22,53,000

COMPARATIVE BANKING STATISTICS - (In crores of rupees)

	1st Sept. 1958	31st Dec. 1958	1st Jan. 1959	1st Apr. 1959	1st July 1959
RESERVE BANK					
Notes in circulation	172.37	166.04	168.34	172.40	159.91
Notes held in Banking Department	35.05	30.82	24.74	10.73	22.41
Foreign Securities	59.50	168.01	168.01	178.01	179.68
Rupee Securities	57.89	127.13	128.84	191.78	112.29
Deposits of—					
Government of India	14.59	60.18	64.52	59.04	60.25
Other Governments	22.32	32.32	27.90	13.80	24.40
Balances held abroad	10.06	9.83	12.24	12.29	13.06
SCHEDULED BANKS					
Demand Liabilities	184.86	754.98	741.03	761.18	753.75
Time Liabilities	102.24	(24.69)	(23.33)	(20.28)	(31.97)
Borrowings from Reserve Bank	1.07	0.09	0.10	0.24	0.94
Borrowings from State Bank	6.70	40.81	42.84	45.09	87.84
Borrowings from other banks	15.52	17.39	26.18	3.57	49.71
Borrowings from other financial institutions	1.06	714.43	688.43	637.87	541.30
Advances and bills	105.9	956.12	965.41	1006.26	888.10
Deposits	87.76	547.02	544.07	534.99	441.36
Investments	51.99	374.74	386.56	304.78	227.46
Advances	80.35	187.71	177.99	169.28	173.94
Cash	14.09	27.53	35.74	20.94	54.39

* Borrowings from Reserve Bank and the State Bank. † Figures are provisional. ‡ Revised. § Borrowings against security bills and promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec. 1957	3.50	4
Australia	23rd April 1959	5	4.50
Belgium	7th Jan. 1959	3.50	3.25
Bolivia	30th Sept. 1958	5	5
Canada	11th June 1954	5.00	5.75
Ceylon	11th June 1954	4	4.50
Denmark	18th Aug. 1958	5	4.50
Ecuador	30th May 1959	3.50	3
France	15th Nov. 1958	3.50	3
Germany	1st Jan. 1959	4	4
Greece	23rd April 1959	4	4
India	10th May 1957	3.50	4
Indonesia	1st Jan. 1959	4	4
Ireland	20th Nov. 1955	4.50	4.25
Italy	7th June 1955	4	3.50
Japan	1st Jan. 1959	4	4
Malaysia	4th June 1959	4	4.50
Netherlands	21st Jan. 1959	4	2.75
Philippines	14th Feb. 1959	3.50	3.50
Portugal	14th Jan. 1959	4	4
Spain	12th Jan. 1959	4.50	4.50
Sweden	3rd May 1959	2.50	4.50
Switzerland	29th Feb. 1959	2	2
Thailand	8th June 1958	4.50	4
Turkey	20th Nov. 1958	4.50	4
U.S.S.R.	1st July 1958	3	3
U.S.A.	20th May 1958	3	3.50
West Germany	9th Jan. 1959	3	2.75

† Bank Rate in Canada fluctuates in line with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India
Statement of Affairs for the week ended 7th August 1959

CAPITAL AND LIABILITIES	
Capital—	
Authorized Capital—	Rs. 20,00,00,000
Issued, Subscribed and Paid-up—	Rs. 5,62,50,000
Reserve Fund and Other Reserves	Rs. 5,62,50,000
Deposits and Other Accounts	Rs. 544,97,45,000
Borrowings from Other Banking Companies, Agents, etc.	Rs. 2,00,00,000
Bills Payable	Rs. 10,28,44,000
Bills for Collection being Bills Receivable as per contra	Rs. 1,65,94,000
Acceptances, Endorsements and Other Obligations per contra	Rs. 1,41,74,000
Other Liabilities (including Inter-Office Adjustments)	Rs. 10,21,38,000
Total	Rs. 583,17,15,000
ASSETS	
Property and Assets	Rs. 20,39,32,000
Cash in hand and with Reserve Bank	Rs. 23,97,000
Balances with other Banks	Rs. 2,50,00,000
Money at Call and Short Notice	Rs. 1,41,74,000
INVESTMENTS	Rs. 347,93,50,000
Government and other Trustee Securities	Rs. 347,93,50,000
Other Authorized Investments	Rs. 10,22,37,000
Total	Rs. 583,17,15,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
The term "Other Loans and Advances" includes Rs. 50,00,00,000 advanced to scheduled banks against security bills under Section 17(4) (c) of the Reserve Bank of India Act.

SCHEDULED BANKS*	
Statement of Affairs for the week ended 31st July 1959	
Demand Liabilities in India:	Rs. 24,68,50,000
(a) Borrowings from banks other than the State Bank and a notified bank	710,29,70,000
(b) Other demand liabilities	28,67,33,000
Time Liabilities in India:	Rs. 10,62,84,000
(a) Borrowings from banks other than the State Bank and a notified bank	28,67,33,000
(b) Other time liabilities	10,62,84,000
Borrowings in India from the Reserve Bank of India:	Rs. 40,80,79,000
Balances with the Reserve Bank in India:	Rs. 76,79,31,000
Balances with other banks in India:	Rs. 13,87,51,000
Money at call and short notice in India:	Rs. 41,06,58,000
Investments (at book value) in India:	Rs. 714,42,96,000
State Government securities including Treasury Bills and Treasury Deposit Receipts:	Rs. 833,41,55,000
Advances in India:	Rs. 58,83,43,000
Foreign bills purchased and discounted in India:	Rs. 86,87,37,000
Foreign bills purchased and discounted in India:	Rs. 86,87,37,000
Total Assets	Rs. 583,17,15,000

TREASURY BILLS

Date of tender	Amount offered (in crores of rupees)	Amount applied for (in crores of rupees)	Amount allotted (in crores of rupees)	Rate of interest per cent.	Rate of discount in full
19th May 1959	2.00	2.40	2.00	2.800	90.300
22nd May 1959	2.00	2.15	2.00	2.700	90.300
2nd June 1959	2.00	2.40	2.00	2.700	90.300
10th June 1959	0.07	0.07	0.07	2.700	90.300
18th June 1959	2.00	2.60	2.00	2.700	90.300
22nd June 1959	2.00	2.00	2.00	2.700	90.300
24th to 27th June 1959	0.10	0.10	0.10	2.750	90.320
28th to 31st July 1959	0.07	0.07	0.07	2.700	90.310
14th July 1959	2.00	2.60	2.00	2.748	90.325
15th to 18th July 1959	1.00	2.00	2.00	2.717	90.325
22nd to 25th July 1959	7.25	7.25	7.25	3.545	90.375
28th July 1959	0.08	0.08	0.08	2.510	90.375
4th August 1959	3.00	4.05	3.00	2.530	90.365
11th August 1959	3.00	3.00	3.00	2.530	90.365
Total amount outstanding	86.44	86.44	86.44		

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES (Base 1948-52=100)

Particulars	Weight	25th July 1959	18th July 1959	26th July 1959	June 1959	June 1958	Percentage increase/decrease from June 1958	Percentage increase/decrease from June 1959
Food Articles								
Cereals	504	121.0	122.7	119.8	118.4	113.4	+ 4.4	+ 10.4
Pulses	102	108.7	107.6	111.6	101.1	106.4	+ 8.8	+ 10.0
Fruits and Vegetables	43	95.4	96.3	96.4	92.4	91.2	+ 2.0	+ 8.4
Milk and Eggs	29	142.4	142.0	128.8	124.8	111.1	+ 11.5	+ 13.6
Meat and Fish	84	118.8	127.2	107.8	116.6	111.1	+ 5.5	+ 5.5
Other Food	47	115.1	119.2	129.5	132.2	122.9	+ 8.0	+ 16.4
Alcohol and Tobacco	48	146.3	145.7	137.3	146.6	106.7	+ 37.0	+ 36.9
Other	21	98.4	97.5	91.1	97.8	94.1	+ 3.7	+ 4.4
Non-Food Articles								
Textiles	158	129.4	118.7	118.6	118.2	118.2	+ 0.0	+ 0.0
Metals	60	110.0	110.3	111.5	108.1	118.2	+ 6.9	+ 13.4
Other	32	114.1	113.4	107.3	107.3	107.3	+ 0.0	+ 0.0
Manufactures								
Chemicals	109	109.1	109.1	109.1	109.1	109.1	+ 0.0	+ 0.0
Other	249	109.2	109.2	109.2	109.2	109.2	+ 0.0	+ 0.0
Construction								
Building	147	104.4	104.8	103.7	104.5	103.7	+ 0.8	+ 0.8
Other	115	115.0	115.0	115.0	115.0	115.0	+ 0.0	+ 0.0
Transport and Communication								
Transport	12	143.9	143.9	143.9	143.9	143.9	+ 0.0	+ 0.0
Communication	20	105.8	105.8	105.8	105.8	105.8	+ 0.0	+ 0.0
Other	31	105.8	105.8	105.8	105.8	105.8	+ 0.0	+ 0.0
All Commodities	1,000	116.8	117.6	116.8	116.8	116.8	+ 0.0	+ 0.0

† Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index.

State Bank of Pakistan
Statement of Affairs for the week ended 31st July 1959

BANKING DEPARTMENT	
Capital paid-up	Rs. 3,00,00,000
Reserve Fund	Rs. 3,00,00,000
Deposits—	
(a) Central Government	111,68,27,000
(b) Provincial Governments	50,83,000
(c) Banks	15,96,08,000
(d) Others	4,58,02,000
Bills Payable	Rs. 12,49,00,000
Other Liabilities	Rs. 11,84,80,000
Total	Rs. 150,50,99,000
ASSETS	
Rupee Coin	Rs. 15,80,81,000
Subsidiary Coin	Rs. 47,000
Bills Purchased and Discounted—	
(a) Internal	Rs. 4,000
(b) External	Rs. 29,68,22,000
(c) Government Treasury Bills	Rs. 6,85,00,000
Loans and Advances to Governments	Rs. 2,01,17,000
Provincial Government Debtor Balances	Rs. 2,42,80,000
Other Loans and Advances	Rs. 77,87,36,000
Investments	Rs. 8,86,40,000
Other Assets	Rs. 150,50,99,000

* Includes Cash and Short-term Securities.

ISSUE DEPARTMENT	
Notes held in the Banking Department	Rs. 15,80,81,000
Notes in circulation	Rs. 382,94,66,000
Total Notes issued	Rs. 398,75,47,000
Assets	Rs. 398,75,47,000
A. Gold Coin and Bullion	Rs. 28,39,49,000
Foreign Securities	Rs. 57,80,69,000
India Notes representing assets receivable from the Reserve Bank of India	Rs. 43,01,61,000
B. Rupee Coin	Rs. 5,00,04,000
Government of Pakistan Securities	Rs. 218,63,68,000
Internal bills of exchange and other commercial paper	Rs. 218,63,68,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—	
Gold Coin and Bullion	Rs. 19,02,000
Sterling Securities	Rs. 4,40,63,000
Government of India Securities	Rs. 1,00,90,000
Rupee Coin	Rs. 29,51,000
Total Assets	Rs. 398,75,47,000

EXCHANGE RATES

	11th August 1959	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 1/2	1-5 1/2
Sellers T.T. D.D. 3 months	1-5 1/2	1-5 1/2
Buyers T.T. Spot to 3 months	1-5 1/2	1-5 1/2
Buyers T.T. 3 months to 12 months	1-5 1/2	1-5 1/2
Bombay on New York—		
Sellers T.T. D.D. Spot	47 1/2	47 1/2
Sellers T.T. D.D. 3 months	47 1/2	47 1/2
Buyers T.T. Spot to 3 months	47 1/2	47 1/2
Buyers T.T. 3 months to 12 months	47 1/2	47 1/2
London on New York—	2.8102-2.8111	2.8117-2.8118
London on Bern—	13.80-13.801	12.12-12.121
New York on London—	2.8110-2.8113	2.8118-2.8119

CLEARING HOUSE RETURNS

Centre	Week ended 7th August 1959	Week ended 31st July 1959
Bombay	Rs. 3,12,786	Rs. 3,12,786
Calcutta	Rs. 1,78,000	Rs. 1,78,000
Madras	Rs. 97,545	Rs. 97,545
All Centres	Rs. 5,88,331	Rs. 5,88,331
1958-59	Rs. 40,00,000	Rs. 40,00,000
1959-60	Rs. 41,67,000	Rs. 41,67,000
April 1959	Rs. 48,17,000	Rs. 48,17,000
May	Rs. 4,15,000	Rs. 4,15,000

SURVEY

(Concluded from page 251)

have not attained the earlier levels. There have been wide fluctuations not only in the value of exports but also in volume, as has been the case with many other commodities. Brazil has emerged as a strong competitor for mica in the American market. There are also signs of competition from some synthetic substitutes. These developments have adversely affected the economy of mica mines and those engaged in the export of this mineral. Moreover, the absence of a proper organisation to safeguard the interests of Indian exporters have left the foreign importers free to dictate terms for this commodity.

Viewed against this background, it is highly gratifying to find that the All-India Mica Convention, which met at Giridih, Bihar, last week, should have strongly recommended the establishment of an All-India Mica Exporters' and Miners' Association and also an appropriate machinery to fix the minimum export price for mica. The Convention, inaugurated by Mr. S. K. Sinha, Chief Minister of Bihar, was attended by mica mine-owners and exporters, besides representatives of the Central Government and the Mica Export Promotion Council. It was decided that the membership of the proposed Association should be made compulsory for every mica exporter, but optional for miners. The Association would be armed with powers to formulate and enforce measures for the development of mica industry, particularly for evolving a code of conduct for exports and fixing prices. The views of the Association, it was agreed, would be considered authoritative on matters relating to production and exports of mica. The Association will have four offices at Giridih, Kodarma, Gudur and Bhilwara.

One of the important objectives of the Association will be to evolve and implement the minimum export price scheme for mica. This measure is particularly significant to the development of the industry and trade, since the steadily declining trend in the prices of loose splittings, which form the bulk of India's production, has been causing considerable concern and the prevailing prices are uneconomic. The Convention felt that no mica, other than scrap, waste or powder, should be allowed to be exported from India at less than the price fixed by the Association. One, however, wonders whether by excluding scrap and waste-mica—which amount to over 70 per cent. of the crude mica obtained from the mines—from the minimum price scheme, the value of the scheme is not limited. The so-called waste-mica, though very useful in the production of paints and boards and fillers for rubber works, is now exported from India at nominal prices. It is necessary to enable these varieties also to fetch a fair return.

The imposition of minimum prices alone will not be a sufficient solution to the various problems confronting the mica trade. The Convention did realise this. The practice of exporting mica on consignment basis, for example, has been causing considerable harm to the traders. According to this system, mica is shipped to foreign traders, who will stock it to be disposed of as and when demand arises. The Convention, therefore, urged the Government to ban the system. It suggested that export should be allowed only against a minimum of 90 per cent. letter of credit.

In order to control the quality of exported mica and to ensure healthy trade relations between Indian exporters and foreign buyers, the Convention felt that the Mica Export Promotion Council should be authorised to examine all the consignments before shipment. The Convention recommended the opening of a research centre with financial assistance from the industry for exploring new avenues for the use of mica. It was pointed out that research on mica was being done on a small scale in the Central Glass and Ceramic Research Institute, Jadavpur, which had evolved two new uses of mica. But it was felt that the work could be done on a bigger scale by a research centre exclusively for the purpose on the lines adopted by the Shellac Export Promotion Council. The Convention also urged that no sales tax be levied on mica, as it was an exportable commodity. The Convention unanimously passed a resolution that efforts should be made to increase the export of mica by 15 per cent. this year. It also decided that appropriate steps should be taken to increase production. This is essential not only to cater to foreign markets, but to meet the domestic demand, which is bound to go up with the growth of electrical industry.

MARKET REPORTS

(Concluded from page 281)

with a steady undertone. B. twills spurted to Rs. 101.45 on export inquiries and keener enthusiasm in the futures market. Towards the week-end, B. twills closed better at Rs. 101.55, but the gain would have been more impressive had it not been for the decline in stock of heavy goods with mills having been much below earlier anticipations. On Saturday, the price was steadily rising when the announcement became known; earlier in the day, the rate touched a high level. Hessian 40" 10 oz. was quiet at Rs. 40.40. Yesterday, more interest was shown in covering in heavy goods, although the market was officially closed. Near delivery goods were a close and persistent target, and B. twills rose further to Rs. 101.60. On the other hand, ready hessian 40" 10 oz. was quiet at Rs. 40.35.

Mills showed keen interest in the raw jute market and purchased substantial quantities. This, however, did not push up prices, in view of the good number of offers. In fact, August-September Northern bottoms fell from Rs. 23 to Rs. 22.50, and the old crop from Rs. 21.75 to Rs. 21.25. Daissee bottoms were unchanged at Rs. 24.25 new and at Rs. 23.25 old.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 10th August

Quiet conditions prevailed in the foodgrains market during the week. Arrivals continued to be small and the Union Food Minister admitted in the Lok Sabha that State trading in foodgrains had run into difficulty in at least two States, namely, Bihar and West Bengal, where it had to be suspended in order to ensure flow of adequate supplies in the open market. In U.P., under the wheat levy scheme, the State Government could procure only about 25,000 tons of wheat, but the scheme is proposed to be continued in the belief that as prospects of *kharij* crop are bright and the holding power of the cultivator is limited, arrivals of wheat will soon increase.

Wheat at Hapur ruled quiet with a modest decline in the price of *dara* quality. Arrivals in the open market were scarce and consumer demand was being met out of arrivals in private market from rural areas and also some from unauthorised sources. *Dara* wheat was quoted at Rs. 18 and farm quality at Rs. 19.25 a maund. The Government purchases here so far have been nominal.

Rice registered modest improvement, due to tight supply position. The week-end prevailing prices were:—*sela basmati* Rs. 33 to Rs. 36; *main-puri* Rs. 25; *ramajwayan* Rs. 25.50; *gadda* Rs. 23 a maund.

BASE METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 11th August

Greater demand against the background of brighter advices from abroad pushed up prices of base metals during the week under review. A visible increase in the demand for copper scrap was in evidence, and the rush of small-scale consumers, especially utensil makers, to purchase as much as available funds permitted resulted in firm prices. Utensil scrap was quoted at Rs. 225, with clean wire scrap being fully firm at Rs. 240.

In Calcutta, electrolytic zinc opened at Rs. 102.50 and gradually rose to close at Rs. 103.50. In view of the increase in business and the greater demand from the fabricating industry, especially the bucket galvanisers, a shortage was felt and that explained for this week's improvement in price.

Spot tin was firm but unchanged throughout the week at £7924 per ton in London, where demand from the Continent was substantial. Here the quotation closed at Rs. 575 per cwt. at which rate the week's gain amounted to Re. 1. The rise mainly due to better advices from the foreign markets. The stock position here was comfortable.

Lead was throughout the week quoted at Rs. 74.50 in Calcutta. Demand was slack. In London, lead opened at £704 per ton and rose to £714 to close at £714.

Notices

THE INDIAN IRON AND STEEL COMPANY, LIMITED

AT A MEETING OF THE BOARD OF Directors of The Indian Iron and Steel Company Limited, held on the 11th August 1959, the Directors have declared an interim dividend in respect of the year ended 31st March 1959, of One Rupee per share on the Ordinary Share Capital ranking for such dividend (that is to say exclusive of the bonus shares issued in February 1959) being at the rate of 10 per cent. per annum without deduction of Indian Income-tax. This action has been taken in order that shareholders shall not be kept waiting for their dividend in view of the closing of the accounts for the year being delayed pending notification by Government of the revised sales retention prices of steel and pig iron.

The Directors wish to make it clear in this connection that this dividend although termed "interim" will in fact be the final dividend for the year and that no further distribution in respect of the year ended 31st March 1959 will be recommended for consideration at the Annual General Meeting to be convened in due course.

As already notified, the Ordinary Share Register and the Transfer Books of the Company will be closed from the 26th August 1959 to the 3rd September 1959. Payment of this interim dividend will be made on or after the 21st September 1959, to those shareholders whose names appear on the Company's Register of Members for Ordinary Shares on the 3rd September 1959, or to their mandatees.

By Order of the Board,
MARTIN BURN LIMITED,
P. G. LIVERSEDGE,
Managing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 11th August, 1959.

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 52nd Ordinary General Meeting of Shareholders of the Indore Malwa United Mills, Ltd., will be held at the Registered Office of the Company at 139, Meadows Street, Fort, Bombay, on Tuesday, the 22nd September, 1959, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Balance-Sheet and Profit and Loss Account for the year ended 31st December, 1958.
2. To declare a dividend.
3. To appoint a Director in place of Shri Pirelal Sheoparshad Seksaria, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri Chandansinha Sagatmal Bharkatiya, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors for the current year, i.e., for the year 1959, and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from Monday, the 24th August, 1959, to Tuesday, the 22nd September, 1959, both days inclusive.

By Order of the Board,
K. L. SEKSARIA,
Chairman.

Dated 25th July, 1959.

N.B.—1. The Dividend, when sanctioned, will be made payable on and after the 3rd October, 1959, to those Shareholders whose names stand on the Register of the Company on the 24th August, 1959, at the Registered Office of the Company, Bombay 1, upon presentation of Dividend Warrants which will be posted to each Shareholder to his last given address.

2. A Member of the Company entitled to attend and vote at the said Meeting is entitled to appoint any other person (whether a Member or not) as his proxy to attend the above Meeting and vote instead of himself.

THE TWYFORD TEA COMPANY LIMITED KOTTAYAM

NOTICE IS HEREBY GIVEN THAT the Forty-fourth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, Main Meeting on the 31st August 1959, at 11 a.m., to transact the business of the Company, and to receive the Directors' Report and Accounts, and to elect a Director, to elect Auditors, and to fix their remuneration, etc., and to transact any other business of which notice is given in the notice convening the Meeting.

The Transfer Books of the Company will be closed from 24th August to 3rd September, 1959, both days inclusive. The Company is enclosing a copy of the notice convening the Meeting to each Shareholder, and is enclosing a copy of the notice convening the Meeting to each Shareholder, and is enclosing a copy of the notice convening the Meeting to each Shareholder.

By Order of the Board,
PARKINS,
KOTTAYAM, 10th August, 1959.

COMMERCE

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

William Blake.

VOL. XCIX. No. 2526

BOMBAY, 22nd AUGUST 1959

PRICE: Rs. 2

SUGAR MUDDLE—WHY?

WHITE sugar, as distinct from brown sugar, is the favourite of our politicians. Even a modest rise in its price makes them frown at its manufacturers and distributors. A substantial rise actually sends them scurrying to the floor of the House to raise a storm and shower on the Minister, the millowners and the wholesale dealers numerous epithets of a disagreeable nature. It gives them an opportunity to show to the public that they are the champions of the man in the street. But even a steep rise in the price of brown sugar (*gur* and *khandsari*) goes completely unnoticed. The three-hour debate in the Lok Sabha on Friday last was in keeping with this tradition. There was much heat and anger in the observations of most of the Members, but no light nor sense, though there were a few exceptions. Insinuations and innuendoes were hurled at the Union Food Minister, Mr. Ajit Prasad Jain, by several Members of Parliament and some even demanded his resignation. More than one Member openly alleged or implied that the Minister himself had colluded with sugar manufacturers in bringing about a rise in prices. One of them suggested that the manufacturers and traders in sugar had defrauded the public to the tune of Rs. 16 crores, though he gave no indication as to how he arrived at this figure. He also charged the officials of the Department concerned with having made large sums of money. These are serious charges to make, but it is up to the Minister to decide whether a mere denial of them is sufficient or he should go further than that to vindicate his honour and expose the hollowness of the opposition charges.

Quite a few Members of the Lok Sabha charged Mr. A. P. Jain and his Ministry with inefficiency and mismanagement. This, in our opinion, is a legitimate charge. For over a year now, this journal has drawn pointed attention to the rising trend of white sugar consumption and to the possibility of shortage of this essential food. Indeed, for the past two years, we have opposed the plan for building up an export trade in sugar and advocated, instead, the building up of a buffer stock to take care of a shortfall in production in any year for reasons beyond control. Neither the Ministry nor the Minister paid any attention to our suggestions. On the contrary, they persisted in their attempts to export sugar through persuasion and compulsion on the manufacturers. Even as early as in December last, it was quite apparent that there would not be enough white sugar to go round without inducing a sharp rise in prices. And yet the Ministry kept on saying that 100,000 tons of sugar should be exported in the 1958-59 season. At that time, it did not require much foresight to anticipate the developments that actually followed in the subsequent months. And yet the Ministry took no preventive measures. This was complacency, if not irresponsibility. It is true that, later on, the Government announced that only 50,000 tons of sugar would be exported in the first half of the current season and that the position about the export of 50,000 tons would be decided in June after taking into account the supply deposits. It is also true that actual exports have been so small as to make no appreciable difference to the prices for the domestic consumer. capital appreciation's policy has had a psycho-

Although the effect on prices which is inevitable at par, it has met faced with a tight supply. said that the list was an eye, as it were; the much maligned white sugar was the mainstay of the Bombay large-scale diversion of whom are institutions, large-scale manufacture in Uttar Pradesh which is as large as the crushing operations subscriptions for its Rs. 58 season. They pleaded that those for U.P. Government for taking effecting this diversion.

Mr. A. P. Jain and his Ministry paid no heed to these suggestions and the chances of adding 100,000 to 150,000 tons to the sugar produced in that season were missed. Again, throughout 1958 and early in 1959, the spokesmen of the industry reiterated their contention and it was only when it became patently obvious that there would be a shortage in white sugar that the Government took notice of their plea. Even then, the step it took to curb production of *khandsari* sugar was half-hearted and not sufficiently strong. The excise levy imposed on *khandsari* in the 1959-60 budget was only of a modest nature and still gave this brown sugar an advantage of nearly Rs. 11.50 per cwt. over white sugar; indeed, this advantage was raised a little when the tax proposals were finalised by the Finance Minister. Be that as it may, by the time *khandsari* was brought under a relatively small excise duty, much damage had been done, for the bulk of the crushing season was over. Thus, during the 1957-58 and 1958-59 seasons, owing to the defective excise policy of the Government, the country has lost anything between 300,000 tons and 400,000 tons of white sugar. As pointed out by us on several occasions in the past, this quantity is not entirely made up by a corresponding rise in the supply of *khandsari*, because the sugar recovered from cane in the form of this brown sugar is nearly a third less than that when the same cane is used for making white sugar. But for this loss of production, the supply of sugar in the current season would have been a little more than 2.50 million tons, instead of 2.19 million tons as is the case at present. There would have been no scarcity, no rise in prices, no need for wasting resources (men, money and precious time) for devising all the controls that have been introduced during the last two or three months, and no opportunity for an acrimonious debate of the type that took place in Parliament last week.

It was obvious early in March itself that the summer and monsoon months would be a crucial period for consumers of sugar, because by then one could get a good picture of the supply position for the current season. In his presidential speech at the annual meeting of the Indian Sugar Mills Association, Mr. P. Hadfield had given a fair estimate of the situation. That was the time for the Government to have acted promptly by introducing comprehensive controls. Instead, the Food Ministry waited and wavered. It reduced the monthly releases, or delayed them, thereby providing additional grist to the speculators' mill. Subsequently, it introduced controls but only by instalments and region-wise, instead of at one stroke and all over the country. The lessons of controls during the war and post-war

Contents

LEADING ARTICLES—	PAGES
Sugar Muddle—Why?	285
Coal Target	286
Oil and Natural Gas Commission	286
MARKET GOSSIP	287
ROUND THE EXCHANGES	288
THIS WEEK'S SURVEY	290-291
SPECIAL FEATURES—	
American Letter	292
London Letter	292
Manchester Letter	297
Notes from West Germany	293
Creeping Inflation—II	306-307
MONEY AND BANKING	294-295
TEXTILES	296
COTTON	298
SUGAR	300
PLANTING	302
ENGINEERING	304
COMMERCE AND INDUSTRY	306-309
COMPANY MATTERS	310-312
MARKET REPORTS	315-317

years had been completely forgotten. We had pointed out that partial controls would not be effective, that price control without physical control would be futile and that gentlemen's agreements would be more honoured in the breach than in their observance. This is the lesson that the country had learnt from the controls in the past. Why did the Food Ministry go about the question of controls in a half-hearted manner? The Minister gave no convincing explanation. He said that there was no machinery and that State Governments had to be consulted. These are lame excuses. Most of the controls that are in force now were introduced in the interval of a few days and much of the consultation with State Governments took place only after the situation had deteriorated and prices had gone up sharply. What prevented Mr. Jain from taking in March itself the steps that he took in June and July? The fact is he and his advisers were complacent about the position and did not want to introduce comprehensive controls.

Even now, the Food Minister maintains there is enough sugar in the country. There is undoubtedly an arithmetical balance between demand and supply. As against an estimated demand of 2.10 million tons, the supply is 2.19 million tons. But this does not leave enough margin to cover the normal stocking requirements of the trade and the demand in the initial months of the next season. Again, if production in the 1959-60 season turns out to be no better than in the current season—that is the forecast of some in the sugar industry—even the arithmetical balance will not be there next year; there will be an actual shortfall. How is the Government going to meet the situation? Surprisingly enough, none raised this question in Parliament, nor did the Food Minister care to tell the House about the difficult situation that lies ahead for consumers of white sugar. There are only two ways in which the situation can be tackled: to import sufficient sugar to cover the gap or to introduce rationing all over the country. As the foreign exchange position is not propitious to buy sugar from world markets notwithstanding the marked fall in the international price, to live within the domestic production is the more desirable, though more difficult, of the two courses. But this difficulty can be avoided, if the Government takes steps to ban the production of *khandsari* and to reduce the output of *gur*, so that all sugar factories may be assured of adequate supplies of cane for full capacity production.

Some may say that this solution is a drastic one. But a drastic malady requires a drastic remedy. Further, a little reflection will show that our suggestion is the most economic way of solving the sugar problem. Apart from avoiding the expense, trouble and political unpopularity involved in introducing rationing, more white sugar can be obtained per ton of cane than *khandsari* or *gur*. And that is exactly what the country needs. That is also what our politicians want. If there is any lesson to be learnt by the Food Ministry from the debate in Parliament last week, it is that it should take all possible steps to secure an increase in the production of white sugar and a fall in its price at least to the level that prevailed a year ago. It is significant, in this connection, that, although the price of *gur* has gone up by 30 per cent. since the beginning of this year, as against the 17.7 per cent. increase in the price of white sugar, and although *gur* accounts for about 57 per cent. of sweetening agents consumed in the country, as compared with the white sugar's share of 39 per cent., not one Member of Parliament said a word of protest against the rise in the price of this brown sugar. Incidentally, this only shows that the main object of those who raised the debate on the rise in white sugar prices was not out of any love for the consumer but out of spite against the business community and a desire to bring down the Government in the eyes of the public.

COAL TARGET

MUCH concern was expressed in the Lok Sabha last week over the unsatisfactory performance of the coal industry in the public sector and also over the trends in coal production. It was feared that the 60-million ton target fixed under the second Plan might not be reached. The Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh, however, averred that there was "every reasonable prospect" of the achievement of the target. Again, the Members on their part were somewhat critical about the manner in which the public sector was functioning. Criticism was directed against the losses in some of the public sector collieries. This, of course, is no new criticism, for similar charges have been made in the past. But the point is that they continue to be made. The Government will do well to inquire into the workings of individual collieries and adopt measures which will restore as many of them as possible to sound financial health.

Although there may well be much scope for improvement in the working of individual collieries in the public sector, it would be wrong to lose sight of the overall problem. The fact is that the public sector has had an uphill task to perform. For it has had to begin almost from scratch. And it should not occasion any surprise if its performance has not always come up to the mark. The problem should be viewed from two angles. In the first place, efforts should continue to be made towards improving the efficiency and the pace of progress in the public sector. Secondly, the Government and Parliament should not miss the wood of coal target in their pre-occupation with the trees of public sector collieries. The second is in fact the more serious danger.

The important question is whether there is sufficient evidence to justify the Union Minister's optimism about the achievement of the second Plan target for coal and also whether this is by no means a long-term issue—the ground is being prepared for the achievement of the much larger target that is to be fixed under the third Plan. Under the second Plan, the target for coal, as is well known, is fixed at 60 million tons or 22 million tons more than in 1955, which was taken as the base year. A substantial part of the increase is reserved for the public sector which is expected to increase its production from about 4.5 million tons in 1955 to 16.5 million tons by the end of the second Plan period—an increase of 12 million tons; the private sector is assigned the task of increasing its production from 33.5 million tons in 1955 to 43.5 million tons or by 10 million tons.

Trends in coal production have by no means been very satisfactory. In 1958, the output aggregated 45.3 million tons (private sector 39.5 million tons and public sector 5.8 million tons), as against 43.5 million tons in 1957 (private sector 38.2 million tons and public sector 5.3 million tons), 39.4 million tons in 1956 (private sector 34.7 million tons and public sector 4.7 million tons) and 38.2 million tons in 1955 (private sector 33.8 million tons and public sector 4.4 million tons). It will be seen that, whereas the increase in production in 1957 was of the order of 4.1 million tons, it was only 1.8 million tons in 1958. Again, between 1955 and 1958, whereas the private sector increased its output by 5.7 million tons or by 57 per cent. of its target, the public sector increased its raisings by 1.4 million tons or by a mere 11.7 per cent. of its target. For the current year, it is estimated that production may go up to 47.5 million tons. But this will still be 12.5 million tons short of the target, with only one year left for reaching it. Clearly, there is ground for misgivings over the possibility of hitting the target and also over the performance of the public sector.

In the public sector, the National Coal Development Corporation has drawn up a programme for reaching a target of additional production to the tune of 10.5 million tons in the second Plan. The chief areas from which this additional production will be raised are: Bihar collieries 6.5 million tons; Madhya Pradesh collieries 3.1 million tons; Orissa collieries 0.5 million tons and expansion of production in old collieries 0.5 million tons. With the exception of 0.5 million tons from the existing 11 old State collieries and a further 1.5 million tons from Singareni, the additional production has to come largely from virgin areas to be exploited for the first time. Among the important new mines, the Korba mine project (Madhya Pradesh)—its reserves are estimated at 400 million tons—consist of an opencast mine for 1 million tons and two pairs of inclines for raising 0.6 million tons. In the Kathara project (Bihar), the proved reserves are 251 million tons, the target for production

being 1.5 million tons by 1960-61. The targets for other leading projects with figures in brackets indicating reserves—all in million tons—are: G. di (Bihar) 1.5 (340); Saunda (Bihar) 1.2 (43); and Bachra (Bihar) 0.6 (21). The Government's review of the working of the Corporation in 1957-58 observed that, on the basis of the progress recorded so far, the Government was reasonably confident that the Corporation would be able to give a good account of itself in attaining its target of production. Available evidence does not justify this confidence. This is not to understate the pioneering efforts made by the Corporation nor the teething troubles which are an inevitable part of any organisation. Indeed, it may even be said that the public sector, in the face of heavy odds in the shape of lack of men and equipment and difficulties of opening up new areas, has acquitted itself well. All this cannot, however, add up to a confidence in its ability to reach the target within the specified date.

These considerations point to the need for the reconsideration of the whole issue of the quantum, if not the principle, of reservation of additional coal production in the public sector. It will certainly be wiser to allow more facilities to the private sector which, despite the difficulties imposed by inadequate transport facilities and the Government's failure to arrive at a decision on coal prices, has made a significant contribution to coal production. In the context of the urgent need to raise coal output and the fact that coal remains and will for long remain the staple source of commercial energy for Indian industries, the Government will be extremely ill-advised to postpone the adoption of measures which will help the industry increase its production. It is clearly unnecessary to labour the obvious point that the issue of coal prices should be decided early and in a realistic manner. In deciding this issue, special care must be taken to give the incentive for the production of the varieties of coal for which the demand from metallurgical industries is expected to go up steeply in the next few years. This, of course, is the minimum the Government must do in the cause of coal production. There is next the problem of transport facilities which should be augmented, because it cannot be too strongly reiterated that availability of wagons is a determining factor in the production of coal.

OIL AND NATURAL GAS COMMISSION

ON the legislative anvil at present is a Bill which seeks to give statutory status to the Oil and Natural Gas Commission. Established in August 1956, the Commission has been responsible for organising prospecting for, and drilling of, mineral oil and gas. In view of the fact that the Commission is engaged in a work of great national importance which demands prompt decisions and adequate powers to carry them out, it has for long been felt that it should be given the necessary status and powers which will enable it to discharge its functions in a satisfactory manner. This, in fact, was the view expressed by the Estimates Committee, which, in the course of its report on the Department of Mines and Fuel Oil Division, felt that, if the Commission "is to function efficiently as an industrial body, it must be armed with sufficient powers and given sufficient status so as to provide flexibility in administration as well as operation." Accordingly, it deplored the delay in giving the Commission a statutory status.

Explaining the factors which have led to the Government's decision in favour of giving the Commission its new status, the statement of objects and reasons in the Bill points out that "exploration work in the public sector has reached a stage, where, for efficient and expeditious progress, much more autonomy and elasticity are required than would be possible if the Commission continued to work as a Government department." Under the Bill, the Commission will consist of three members, including the Chairman, and one of the members will be exclusively in charge of the finances of that body. The Commission's chief functions are:

- (1) To organise and implement programmes for the development of petroleum resources;
- (2) to carry out necessary surveys for the exploration of such resources and the drilling and other prospecting operations required for this purpose;
- (3) to promote the production of petroleum and its refinement and the sale of petroleum and petroleum products produced by it; and
- (4) to arrange for the transport and disposal of natural gas and refinery gases produced by the Commission, provided that no industry which will use any of these gases as raw material shall be set up by it without the previous approval of the Central Government.

In the discharge of its function, the Commission will be bound by such directions as the Central Government may, for reasons to be stated in writing, give to it from time to time. In respect of certain matters, the Commission must obtain the previous approval of the Central Government before it takes action. These are: the creation of a post carrying a salary exceeding Rs. 2,000 per month; the implementation of any scheme or proposal which will involve capital expenditure exceeding Rs. 30 lakhs and the disposal of any property, right or privilege, the original or book value of which exceeds Rs. 10 lakhs. This is obviously intended as a safeguard against any possible tendency on the part of the Commission to incur large expenditure without giving it sufficient thought and attention.

Under its new set-up, the Commission should be able to turn out more and better work. That at any rate is the hope of its promoters. The Commission's sphere of activity is widening every year. In 1957-58, it employed 14 geological parties, 8 gravity-cum-magnetic survey teams and 6 seismic parties. The area covered by the geological and gravity-cum-magnetic parties was 1,818 square miles and 13,324 square miles, respectively. In the following year, the Commission employed 18 geological parties, 6 gravity-cum-magnetic survey teams and 3 seismic parties. Geological investigations have been carried on in Jwalamukhi, Janauri, Mandi, Joginder-nagar, Jaisalmer, Bikaner, Baroda and Broach, while gravity-cum-magnetic survey has been conducted in Cambay, Jaisalmer, in certain centres in U.P., and Kutch and in Cambay. For the current year, the programme of operations envisages the survey of 4,200 square miles and geophysical work by 12 field gravity and 10 seismic parties. Currently, drilling is in progress in Jwalamukhi, Hoshiarpur, Cambay and Baroda. It is reasonable to expect that the work of the Commission will be speeded up further when the Soviet team, which has arrived this week in India at the invitation of the Commission, submits its report after assessing the Commission's achievements and difficulties.

Expenditure by the Commission is increasing in proportion to the work done by it. From Rs. 80 lakhs in 1956-57, its expenditure moved up to Rs. 2.05 crores in 1957-58 and to Rs. 2.78 crores in 1958-59. In the first few months of the current year (1959-60), it spent Rs. 6.58 crores; by the end of the year, it may require Rs. 6.00 crores more to meet its capital needs. These figures ought not to cause any sense of surprise or dismay. For prospecting for oil is a laborious and expensive operation. But the reward, in the event of a lucky strike, is also great. And for a country deficient in oil supply, like India, any success in prospecting operations will make expenditure. It must be remembered (vide Commerce, 15th August 1959, page 247) that, between now and 1967, it is estimated that Indian consumption of all petroleum products will go up from 6 million tons to 12 million tons; on a conservative estimate, this would require an investment of Rs. 360 crores. A great responsibility rests on the Commission which it must discharge satisfactorily, if it is not to be said of this body that it wanted new status and enhanced powers, which it could not put to profitable use.

The Bill paves the way for much bold endeavour and constructive action by the Commission. Even so, it may be wondered whether a mere alteration in its constitution will be sufficient to enable it to deliver the goods. The change, now contemplated, will no doubt eliminate several handicaps in financial administration. Explaining one such handicap, the Union Minister for Mines and Oil, Mr. K. D. Malaviya, in the course of his speech introducing the Bill in the Lok Sabha, said: "We live from hand to mouth and quarter to quarter in the Commission. It is, therefore, imperative that this Commission is given full powers to change or shift or modify the programme of work in such a way as to lead to expeditious discovery of oil and gas which will not be possible if this Commission continues to function within the framework of the limitations in which a Government department functions." The question is whether a certain measure of freedom in financial administration is all that is needed for "expeditious" discovery of oil. Perhaps, the Government tends to underestimate the Commission's difficulties. The fact process and requires a combination of expert knowledge and courage in facing risks of failure. This suggests that, in the national interest, the Government, in addition to encouraging the Commission to face its complex tasks, should not hesitate to permit private agencies, capable of applying their resources in men, technical know-how and material, to the location and exploitation of oil reserves.

MARKET GOSSIP

A MIXED trend is depicted by the share markets, as buying has become selective. After the recent debacle, iron and steel shares have attained a large measure of stability, with fluctuations being narrow. The permission given by the Controller of Capital Issues to the T.I.S.Co. for raising new capital at par has infused some confidence. Both bulls and bears are, however, cautious, waiting to see what the Company's Chairman is going to say on the outlook. A careful study of the Company's latest statement of accounts, analysed elsewhere in this issue, reveals a disturbing increase in cost of production and a perceptible fall in profit-margin. It looks as though the Company will not be able to restore the cut in dividend for at least two years to come, unless the Government permits a substantial increase in the retention prices for steel or the productivity of workers registers a marked increase.

Textile shares have managed to retain their buoyancy, thanks to cheerful advices from the cloth market. Notwithstanding the refusal of the Controller of Capital Issues to permit the Century Mills to issue new capital at par and his virtual directive to the Company to charge a premium of Rs. 100 per share, Century's have registered a rise of Rs. 23.50 (to Rs. 562.50) from the lowest level seen after this news had reached the market. The latest closing rate is only Rs. 9 below the highest level witnessed a fortnight ago. This improvement only points to the highly speculative nature of the scrip. There are hopes that the Company's renewed representation will evoke a favourable response from the Controller, but they may well turn out to be wishful thinking. For the third week in succession, Kohinoor have marched forward, the net gain since 30th July last being Rs. 25. This appreciation is attributed to rumours that the management of the Company will soon pass into the hands of Mafatlal House. Knowledgeable circles do not give much credence to them. They, however, admit that, under the active guidance of Mr. Yogindra N. Mafatlal, the present management of the Company is striving hard to improve the profitability of the mills and that Mr. Mafatlal is devoting a little care and attention to the Company merely in his capacity as a director. These circles also say that it will take at least two years for the affairs of the mills to be improved and that one should not be surprised, if the results for the current year were to be not so encouraging as the present rise in the market value of the Company's shares may suggest. If, in spite of this, there is consistent support to this counter, it must be due to considerations of long-term outlook. Among miscellaneous shares, there is fresh buying in growth scrips. Associated Cements, however, have registered a perceptible fall on selling pressure inspired by pessimistic dividend forecasts.

State Loans

The excellent response to State loans has exceeded even the most optimistic expectations; they, therefore, deserve to be described as a resounding success. Of the 13 States that approached the market, eleven got their loans subscribed on the first day itself, while two—Assam and Kerala—had to wait for only a day more. Loans of ten States were oversubscribed and allotment has been partial, and those of the remaining three—Bihar, Assam and Kerala—were fully subscribed. Applications for amounts up to and including Rs. 10,000 have, however, been given full allotment in the case of all loans. Applications for Madras loan in conversion of the maturing loan amounted to Rs. 57 lakhs. They, too, have been given full allotment. The following table shows at a glance the results of each of the 13 State loans:

(In crores of rupees)			
State	Amount Invited	Amount offered	Percentage of allotment
Andhra Pradesh ...	6.00	11.96	52
Assam ...	2.50	2.50*	100
Bihar ...	3.00	3.30	100
Bombay ...	6.00	17.62	37
Kerala ...	4.00	4.00*	100
Madhya Pradesh ...	9.00	5.13	63
Madras ...	8.00	11.55	72
Mysore ...	5.00	8.88	61
Orissa ...	3.50	4.97	76
Punjab ...	2.00	2.97	73
Rajasthan ...	3.50	4.76	80
Uttar Pradesh ...	8.00	12.53	66
West Bengal ...	7.00	9.15	84
Total ...	61.50	99.32	

*Exact amount not known at the time of writing. This figure is inferred from the Reserve Bank's announcement that the loan has been fully subscribed.

The heavy applications for the aforesaid loans reflect the plethora of short-term funds with banks, the steadily growing resources of the Life Insurance Corporation and the sizable unemployed funds with specialised institutions. It will not be surprising if the Scheduled banks' collective decision to reduce the ceiling on interest rates for short-term deposits from 4 per cent. to 3½ per cent. from 1st September has acted as an additional factor in favour of these loans, as they give a yield of a little over 4 per cent. with the prospect of a modest capital appreciation in the coming months.

Although the issue price of the Bombay loan was at par, it has had a spectacular response. It is said that the list was closed in the twinkling of an eye, as it were; the amount offered was nearly three times that invited. This partiality for the whom are institutions and not lay, ignorant people, which is as large as that in Bombay. And yet the subscriptions for its Rs. 7-crore issue have been less than those for U.P. (Rs. 8 crores) and Andhra

Pradesh (Rs. 6 crores) neither of which can boast of any large capital market. In fact, the percentage of allotment in the case of West Bengal loan is the highest among the loans that were oversubscribed. Why is this relatively lukewarm response to the West Bengal issue? Has the Communists' General Elections anything to do with it? The response to the Madras loan has not been so large as it used to be in the past or as was expected, but that to Andhra, Mysore and Uttar Pradesh has been well above expectations. It seems that, in choosing the State loans this year, investors have been less parochial than they used to be, or were made to be, in the past. Otherwise, loans of State Governments which have no money market of any significant size would not have been so overwhelmingly oversubscribed as has been the case now.

T.E.L.Co.=Gold!

Mr. J. R. D. Tata's speech at the annual general meeting of the Tata Locomotive and Engineering Company, Ltd., on Wednesday this week (the full text of which is published on page 299 of this issue) and his reply to the shareholders' queries provide no room for doubt that the long-term outlook for the Company is quite promising if all the proposed schemes of expansion and development go through. His analysis of the prospects was well received by the share market, as witness the jump in the value of the shares today from Rs. 210 to Rs. 215. The closing was, however, a shade lower at Rs. 213.50. When the shareholders complained at the meeting about the inadequate returns they have had during the last fourteen years, Mr. Tata drew their attention to the appreciation in the value of their holdings. He even remarked that "the shares will be gold in your hands in a few years." It must, however, be borne in mind that all the schemes of expansion would involve heavy capital outlay and the maintenance of a steady return to investors will depend on the extent to which the Company will find the resources through fresh issues of capital and the profit margin on these ventures.

The details of the proposed schemes of expansion and development as given by Mr. Tata are pin-pointed here:

1. A scheme is under consideration for the manufacture of Mercedes-Benz diesel engines for locomotives and proposals have been submitted to the Railway Board. Mr. Tata was, however, somewhat doubtful whether the scheme would materialise, in view of the relatively high capital cost of the project in relation to the likely output, in the absence of standardisation in the Railway Board's requirements.

2. Preparations are well in hand for the manufacture of pulp and paper making machinery in collaboration with a well-known Swedish firm. Pending finalisation of certain details regarding the terms of collaboration, the Government of India has authorised the Company to go ahead with the project. The manufacturing operations are expected to commence by the end of the year. This plant will not cost more than Rs. 35 lakhs, as the Company has facilities for welding and fabrication. The whole programme would be phased over a period of five years. Even in the fifth year, only 78 per cent. of the plant would be completed. It is expected that the Company will be able to supply machinery for one plant per year in the first two years and about two plants in the next three years. The turnover will increase from Rs. 43 lakhs in the first year to Rs. 1.50 crore in the fifth year. This venture holds promise of a fairly good profit.

3. In the automobile division, the Government has sanctioned the expansion of the Company's truck and bus capacity to 12,000 vehicles per annum and orders have already been placed for the necessary additional equipment. The ability to reach this target by January 1961 depends on the availability of foreign exchange for essential components and raw materials. If the target is reached by then, the Company will have attained the distinction of achieving in less than six years a fourfold expansion of the original project which was based on a planned output of 3,000 vehicles per annum. The capital outlay on this programme will be Rs. 4 crores. This will, according to Mr. Tata, be found out of the Company's internal resources and no new issue is proposed to be made for this purpose.

4. The Company has submitted a scheme for the manufacture under licence of the well-known DKW light cars, a new model of which is just going into production in Germany. In this project, the Company has been assured of technical assistance from its partner firm, Daimler-Benz, and Auto-Union, the manufacturers of DKW cars. The project is based on an output of 12,000 vehicles per annum, involving a capital expenditure of about Rs. 14 crores, and will be spread over a period of three to four years. Mr. Tata was of the view that the Company would be able to sell these cars at Rs. 6,950 ex-factory and that the demand for them would exceed supply. The Company thought of embarking on this costly venture only after making sure that it was a commercially sound one. Mr. Tata, however, warned the shareholders not to expect a quick financial return for this but to view it from the long-term angle. Mr. Tata also drew attention to the fact that the T.E.L.Co. was not the only one in the field, as a number of other firms too had put forward projects of their own, though he hoped that T.E.L.Co. would be the one ultimately selected and approved by the Government as being the most complete and realistic and embodying the largest initial degree of indigenous manufacture. At the same time, he cautioned the shareholders against any undue optimism.

The Company does not propose to raise any fresh capital now, but it may consider the question

when its scheme for manufacture of light cars materialises.

In reply to the shareholders' demand that a net dividend of Rs. 9 per share should be maintained for the current year, Mr. Tata said that the Directors would very much like to do so, but much would depend on the availability of the profit. He did not, however, give any assurance on this question. He drew their attention to the large amount that the Company would have to find in order to maintain a net dividend of Rs. 9 per share for 1959-60. This will be of the order of Rs. 1.06 crore, as against Rs. 56.48 lakhs for 1958-59, as the new shares, which were entitled to dividend for a period of only two months and odd in 1958-59, would be eligible for a full year's dividend from 1959-60 onwards. Further, the Company would have to pay the 30 per cent. tax on dividends straight to the Government, while the income-tax refund of Rs. 3.15 lakhs on preference shares would not accrue to the Company under the new system. Mr. Tata also pointed out that the Company's tax liability would increase substantially, though the allocation to the development reserve would be much less than that for 1958-59.

World Sugar

An important decision designed to strengthen the marketing position of sugar exporting countries was announced by the International Sugar Council in London on Tuesday the 18th inst. The decision, which is a sequel to the recommendations made by the Council's Executive Committee three weeks ago, seeks to relieve the exporting countries of the obligation to market the entire balance of the 1959 quotas before the end of December next. This is done not only by exempting the countries from penalties but also by allowing them to carry forward into 1960 up to 10 per cent. of their 1959 export tonnages regardless of market conditions. Any country wanting to avail itself of this concession has been asked to submit particulars to the Council in time for the matter to be considered at the session called to fix initial export tonnages for the coming year (1960).

In reaching the above decision, the Council, it is said, fully endorsed the opinion of its Executive Committee that the price levels recently ruling in the world market could not be explained by the overall statistical position. In this connection, it noted that it was the aim of exporting countries to pursue a constructive marketing policy, in accordance with the objectives of the International Sugar Agreement, with a view to restoring confidence in markets.

The latest move of the Sugar Council is somewhat surprising. Only eighteen days ago, the Council's Executive Committee categorically declared that no new developments pointing to the need for energetic action had taken place. In fact, since the Committee last met, the world sugar market has been ruling distinctly firm, with a marked recovery in prices. The latest available quotation for Cuban raw sugar at New York is 2.88 cents per lb. (f.o.b. Cuba), as against the low of 2.55 cents touched on 21st July. Similarly, spot sugar at London now stands at £29½ (Rs. 355) per ton, which compares favourably with £24½ (Rs. 323) on 21st July. The recovery in sugar prices is due to two factors. One, Soviet Russia has bought a large quantity of 170,000 tons from Cuba, though the domestic beet crop is expected to be ready soon. Two, some dealers have tried to cover their position against the possibility of an interruption to Cuban sugar exports as a result of the recent political upheaval in Cuba.

Despite the recovery in sugar prices, the Council has decided to permit the carryforward of export tonnages. Does this mean that the Council has lately revised its opinion about the world sugar supply and demand position? Whatever may be the explanation of the Council, it must be admitted that a fairly large unsold stock of sugar is hanging on the market, thanks to the all-time peak level of world output (more than 50.60 million tons—raw value) in the 1958-59 season, as against 46.49 million tons in 1957-58 and 41.17 million tons in 1956-57. In Cuba alone, the total supplies are at present estimated at over 1.5 million tons, the unutilised export quota under the International Sugar Agreement being 500,000 tons. Now that political conditions in that country are reported to be settling down again, sugar exports may be expected to be smooth.

Overall then, there seems to be little reason at the moment to suppose that the rise in sugar prices will go on much longer, barring, of course, a deterioration in beet crop prospects. According to a report from London, "the basic conditions of supply and demand are still thought in trade circles to be extremely unbalanced. There may be occasional flurries in the market created by political events in Cuba or some other outside development, but it is not anticipated that there will be a sustained recovery to 3.15 cents, the minimum at which the Sugar Agreement aims." Viewed thus, the latest decision of the Council is unlikely to make much difference to the world sugar market.

Soviet Foreign Trade

Recent trade overtures by communist countries reflect a continuing desire on their part for higher trade with the free world. Poland's wish to join the G.A.T.T. and Soviet Russia's undertaking to co-operate with members of the International Tin Agreement in future are two instances which show that they want to inspire confidence among the countries of the free world in their good faith. There is no reason why the free world should shun economic intercourse with communist countries, provided they give sufficient assurances that the obligations of normal commercial relations, as

(Continued on page 328)

EQUITIES STEADY

ALL-ROUND RISE IN PRICES

(From Our Own Correspondents)

BOMBAY, 20th August

A STEADY tone prevailed on the Stock Exchange during the week under review, with an all-round recovery in prices. Though the day-to-day movement was somewhat irregular, the general trend was upward, thus sustaining the improvement noted towards the close of last week. Textiles gave a lead to the recovery movement on reports of sustained internal demand for cloth and prospects of better off-take from overseas. In the absence of any adverse news, steels too recorded modest gains. Tata Locomotives, which were a shade dull on the eve of the Company's annual meeting, staged a spurt towards the close, following the encouraging picture of long-term outlook painted by the Chairman at the annual general meeting held yesterday. Notwithstanding the various official measures to curb rise in sugar prices, sugar shares shot up during the week. Rayons, chemicals, automobiles and some of the cash scrips in the miscellaneous group of industrials were in good favour and useful gains were recorded. A notable exception to the general trend was provided by cement shares, under the lead of Associated Cements.

A feature of the week's trading was the good demand for preference shares at higher prices. Debentures too were in request and in the absence of any sellers, the turnover was small and prices were mostly unchanged.

In the steel section, Tata Ordinaries appreciated from Rs. 177.50 to Rs. 180 on Monday. After a setback yesterday to Rs. 177.25, they recovered to Rs. 179 at the close of business today. Indian Irons came up to Rs. 25.45 from last week's closing of Rs. 24.88, but finished a fraction lower at Rs. 25.30.

Century Mills advanced early in the week from Rs. 552.50 to Rs. 560 before receding to Rs. 550. The shares, however, rallied today to touch Rs. 562.50. Bombay Dyeings closed with a gain of 60 nP at Rs. 65.80. Kohinoors provided a feature with a smart rise from Rs. 311.50 to a high of Rs. 324 before closing at Rs. 320.50. A rise of Rs. 5 to Rs. 110 was noted in Central Indias, and a similar gain in Finlays to Rs. 285. Gokaks put on Rs. 3 to Rs. 167, while Indu Ordinaries were a shade quiet at Rs. 8.60. Morarjees shot up by Rs. 20 to Rs. 282.50 and Osmansahis rose from Rs. 6 to Rs. 44. Shree Niwas Cottons rose from Rs. 8.50 higher at Rs. 192.50. Simplex hardened by Rs. 2 to Rs. 164. Standards by Rs. 5 to Rs. 573. Svadeshis by Rs. 8.75 to Rs. 255.75 and Swans by Rs. 12.50 to Rs. 405, while Tatas were a fraction quiet at Rs. 47.75.

Bank shares were featureless. Barodas put on a rupee to Rs. 102.50, while Centrals were unchanged at Rs. 51 and their new shares were Re. 1.80 lower at Rs. 53.20. Bank of Indias were maintained at Rs. 114 and their new shares at Rs. 115, while United Commercials were 50 nP higher at Rs. 62.

New Indias were in favour in the insurance section and rose by Re. 1.70 to Rs. 60.70. Their new shares also gathered Re. 1.50 to Rs. 61. Vulcans were done at the self-same rate of Rs. 21.60.

Cement shares were in the background. After an early rise from Rs. 149 to Rs. 150.50, Associated Cements gave way to Rs. 148.50 on fears of a sizable cut in dividend for the year ended July 1959. Digvijays followed suit with a drop from Rs. 159 cum-div. (dividend Rs. 9) to Rs. 149 cum-div. Orissa Cements were, however, done 32 nP higher at Rs. 16.92. In the sugar group, Belapur staged a spurt from Rs. 313.50 to Rs. 321 before closing at Rs. 320. Phaltans advanced by Re. 1.50 to Rs. 169.80 and Walchandnagars by Rs. 15 to Rs. 331.25. Maharashtra Sugars put on a rupee to Rs. 229.50.

In the engineering group, Tata Locomotives rallied from Rs. 207.75 to Rs. 213.50. Premier Constructors rose by Rs. 5 to Rs. 390, thus nearly making good the previous week's loss. Alcocks were, however, unchanged at Rs. 254. Larsen and Toubros were in the limelight with a rise of Re. 1.08 to Rs. 23.08. Their rights were bid Re. 1.44 higher at Rs. 11.96. Mahindras gained 60 nP to Rs. 21.52. Shivrajpur, among mining shares, were steady at Rs. 92, as also Indian Coppers at Rs. 4.14.

Shipping shares were featureless, Scindias remaining unchanged at Rs. 17.92 and Great Easterns at Rs. 21.44. Among automobiles, Premier Auto's shares staged a spurt from Rs. 133.50 to Rs. 137.75 and Hindustan Motors from Rs. 11.60 to Rs. 12.44.

In the miscellaneous group, Bombay Burmahs were unimpressive in contrast to the general trend. The shares, which had earlier moved up from Rs. 544 to Rs. 551, dropped suddenly to Rs. 540 yesterday, as the market's anticipation of a higher interim dividend did not materialise. The Directors have maintained the distribution at 6 per cent. for the year ended May 1959. Today, however, there was a recovery to Rs. 544. National Rayons rallied from Rs. 352 to Rs. 360 and Gwalior Rayons from Rs. 23.20 to Rs. 24. Tata Chemicals moved up by 28 nP to Rs. 24.10 and their new shares by 24 nP to Rs. 16.32. Alembic Chemicals were placed higher at Rs. 195 ex-div. (dividend Rs. 12), as against Rs. 197 cum-div. Dhrangadhra Chemicals shot up by Rs. 16.75 to Rs. 120.75 and Poly Chems by Rs. 2 to Rs. 132. Amar Dyes were done Rs. 3 higher at Rs. 196 and Indian Dyestuffs were Rs. 2.50 better at Rs. 255. Ceat Tyres were a shade quiet at Rs. 172.50, while Greaves Cottons, recorded a gain of Rs. 12

to Rs. 150. Voltas were marked up by Rs. 2.50 to Rs. 175.50, while West Coast Papers dipped by Rs. 3.75 to Rs. 162.25. W. H. Bradys were done at Rs. 401.25 and Wimcos at Rs. 225.50.

Calcutta Stock Exchange

CALCUTTA, 19th August

Fully steady conditions were in evidence on the Calcutta Stock Exchange during the week under review. There was a tendency for prices to consolidate the gains at every rise. Expectations of an increase in steel retention prices without further delay, coupled with the higher trend in commodity markets, aided sentiment. The maintenance of a 10 per cent. dividend for Indian Irons was a news of special significance against the background of fears entertained in some quarters following the lower dividend for Tata Steel's, although there were many in the market who had no doubt that the dividend would be maintained. Earlier, reports of the irregular trend in Bombay, following the reported insistence of the Controller of Capital Issues that the Century Spinning and Manufacturing Company should make the proposed rights issue at a premium only, were gravely noted. However, market circles thought that Government might follow a uniform policy in allowing companies to make right issues at par. Several features were recorded in jutes following the impressive rise in prices of heavy goods and mills' decision to increase production further. Also, the pace of rise in fibre prices was much slower than that in finished goods, and trade estimates of the crop were higher than the official. A feature of this week's trading was the keen attention to paper mill shares, as it was thought that Government would allow modernisation and further expansion following the countrywide shortage of paper. The increase in demand for paper was difficult to be met otherwise. In teas, Assam gardens were in good demand following expectations of increased plucking of the good quality teas. The improvement in prices of cotton textiles was attributed to increased off-take of cloth for export, as well as to the proximity of the Poojays. In contrast with the general trend, coals idled around lower levels, in the absence of any decision in New Delhi on the long-awaited increase in coal prices.

In contrast to the general trend, coals lacked enthusiasm. Churulia, the dividend for which has been maintained at 5 per cent., fell to Rs. 4.06 from Rs. 4.12. Earlier in the week, Amalgamateds Rs. 25.75 and after rising to Rs. 26.50, disclosed a loss of 62 nP, while Burakurs were quiet at Rs. 17.50. Bengals, at Rs. 311, put on a gain of 4 points and Western Bengals hardened to Rs. 6.72 from Rs. 6.50.

Jutes attracted considerable attention, and details of this week's more important gains are given below:

	Opening	Closing	Gain
	Rs.	Rs.	Rs.
Asarpara ..	13.75	14.19	0.44
Bally ..	228.00	240.00	12.00
Karmacharya ..	216.00	218.00	2.00
New Central ..	107.50	108.06	0.56
Lawrence ..	100.00	108.00	8.00
Bahadur ..	8.00	8.50	0.50
Bahadur ..	23.94	24.25	0.31
Howrah ..	242.00	245.00	3.00
Union ..	61.75	62.50	0.75
Kudus ..	171.50	179.00	7.50
Orient ..	131.00	138.00	7.00
Delta ..	131.00	138.00	7.00

A mixed trend was in evidence among engineering shares. Hindustan Motors continued to meet with buyers and at Rs. 12.25 picked up nearly a point in this week. Angelo Bros. were lifted to Rs. 19.25 from Rs. 18.50 previously. Rohatans Industries sprang to Rs. 23.06 from Rs. 21.56 on interest buying. At Rs. 9.31, Bharat Commercials added 1 point. Bengal Flours had buyers at Rs. 40, as against Rs. 39.50 previously. Dunlop Rubbers, after being better at Rs. 34.75 against Rs. 34.44 earlier, closed at Rs. 34.62. Indian Coppers were quiet at Rs. 4.14, as against Rs. 4.15 earlier and National Insulated Cables receded to Rs. 36.87 from Rs. 37.06. Indian Oxygens met with business at Rs. 27.81, as against Rs. 26.94 previously, and Indian Cables at Rs. 32.69, as against Rs. 32.25.

Madras Stock Exchange

MADRAS, 19th August

Steady conditions prevailed on the Madras Stock Exchange during the week under review. There was revival of some buying support, while fresh offerings were scarce. Consequently, values generally tended to look up. Textiles were held firm, thanks to encouraging off-take of piecegoods and yarn as well as to the reported move of the Central Government to set up a fund of Rs. 85 crores for assisting the renovation programmes of mills. Tea shares met with good support induced by enlarged export demand for teas. Coffees and rubbers, moved up in sympathy.

Sugars, which had suffered a setback last week, registered a smart recovery. Several miscellaneous industrials elicited large buying orders.

A feature of trading in the market this week was the notable gains in values recorded by the shares of State-associated banks. Operators noted with satisfaction the Union Revenue and Civil Expenditure Minister's assurance in the Lok Sabha that compensation to be paid in the event of the State Bank acquiring the business of a banking institution would be on the basis not of share value but of assets less liabilities. This assurance, together with the declaration of higher interim dividend of 11½ per cent. for the year ended June 1959, as against 8 per cent. paid at this time last year, imparted much strength to Bank of Mysore which spurted by Rs. 3.50 to Rs. 318. Travancore advanced by 72 nP to Rs. 24.87. Indian Overseas rose by Re. 1.50 to Rs. 169.50. Punjab National improved by 5 nP to Rs. 22.50. Andhra were fully maintained at Rs. 105.50, Canaras at Rs. 67.60, and Pandyanas at Rs. 36.50. Indians, however, were a shade lower at Rs. 187 cum-div., as compared with Rs. 188 cum-div.

In the sugar section, Kilrampudis were in the limelight, the quotation climbing up by Rs. 5.00 to Rs. 70. Travancore hardened by 17 nP to Rs. 12.37. Indias and Decans gathered 10 nP each to Rs. 12.55 and Rs. 12.10, respectively. Cauverys were firm at Rs. 114.50, E.I.D.s at Rs. 39.25, Mysore at Rs. 49.50 and United Breweries at Rs. 459.

Among tea shares Twyford's attracted good attention and increased by 45 nP to Rs. 16.60. Non-such Teas were marked up by 35 nP to Rs. 28. United Nilgiris gained 15 nP to Rs. 20.90. Halcyonias, however, sagged by 20 nP to Rs. 20.40. Kil Kotagiris and Ouchterlony's shed 5 nP each, the former to Rs. 8.40 and the latter to Rs. 5.45. In the coffee group, Coffee Lands rose by 15 nP to Rs. 23.75. Osoors put on 10 nP to Rs. 3.90. Consolidated Coffees gathered 5 nP to Rs. 22.05. Wary-hullys picked up a like amount to touch Rs. 3.85. Anapara's were done at Rs. 5.15 ex-div., as against Rs. 5.45 cum-div. Babuddins were unaltered at Rs. 18.50. Among rubbers, Highlands advanced by 20 nP to Rs. 12.30, and Cochins Malabars by 8 nP to Rs. 6.95. Vaikundans were fully steady at Rs. 27.50, as also Malankaras at Rs. 19.50 and Rajagiris at Rs. 17.70.

In the textile section, Cannanore elicited good support and picked up a rupee to Rs. 139. Bangalore Woollens were fully steady at Rs. 180.25. The directors of the Company have declared an interim dividend of 4 per cent. for the year 1959. Bucking-hams were fancied at Rs. 147. Coimbatore Cottons Coimbatore Pioneers were 5 nP, same as last week. Lakshmis at Rs. 107.50, Radhakrishnas at Rs. 112, Rs. 39.50 ex-div., as against Rs. 42.50 cum-div. last week-end.

In the miscellaneous section, Western India Plywoods attracted good attention of operators and spurted by Rs. 5 to Rs. 180. Textools rallied by Rs. 2.50 to Rs. 179.50. Mysore Papers advanced by 40 nP to Rs. 22.30. Aluminium Industries were Standard Motors improved by 85 nP each to lands rose by 10 nP to Rs. 7.45. Andhra Cements at Rs. 13.60, Orissa Cements at Rs. 16.70, and Travancore Cements at Rs. 9.90. India Cements; how-ever, dropped 30 nP to Rs. 6.58. Mettur Chemicals shed 22 nP to Rs. 13.25. Dalmia Cements lost 10 nP to Rs. 10.55.

BOMBAY BURMAH REPEATS INTERIM

The Directors of the Bombay Burmah Trading Corporation Ltd. have decided to maintain the interim dividend at 6 per cent. for the year ended 31st May 1959. This works out to Rs. 7.50 per share of Rs. 125 each and Rs. 3 per share of Rs. 125 each (Rs. 50 paid-up) and Rs. 150 per share of Rs. 2,500 each. It is learnt that the dividend is on a tax-free basis, as the profits for the year are to be assessed under the old system of taxation.

The Company's production of tea during 1958-59 amounted to 6,959,132 pounds, having gone up from 6,738,359 pounds in 1957-58.

Notice

THE HAILEYBURIA TEA ESTATES LIMITED KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam, on Monday the 7th September, 1959, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December, 1958, to declare a dividend on Equity Shares, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 1st September to 7th September, 1959, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents
KOTTAYAM, 6th August, 1959.

NEWS IN BRIEF

INDIA has concluded a barter deal with France, under which it will sell manganese ore in exchange for French stainless steel and tin plates.

The Government of India is exploring the possibilities of setting up a raw film plant in Madras State with the assistance of a Japanese firm.

The production of iron ore in India during the six months ended June 1959 aggregated 3,771,000 metric tons, as compared with 3,078,000 metric tons in the corresponding half-year of 1958.

A tax research unit is proposed to be set up shortly in the Economics Division of the Department of Economic Affairs, Ministry of Finance, which will function broadly on the lines suggested by the Taxation Enquiry Commission.

A new trade agreement has been concluded between India and Afghanistan. The agreement provides for balancing of trade between the two countries and for facilities for export of Afghan goods to other countries through India.

India exported Rs. 11.27 lakhs worth of sewing machines during the first six months of 1959, as against Rs. 3.62 lakhs in the corresponding period last year. The U.K. was the leading buyer, with its purchase amounting to Rs. 4.17 lakhs.

The heating of the second coke oven battery at the Bhilai steel works was started on the 15th inst. The process will continue for about eight weeks till it attains the temperature of 1,000 degrees Centigrade. Like the first one, the second battery also consists of 65 ovens.

The complete blueprint of the proposed Oil Refinery at Nummati, Gauhati (Assam), has been delivered to the Indian Refineries (Private) Ltd., a Government-sponsored organisation, by Rumanian oil technicians. The work on the refinery, with an annual capacity of 750,000 tons, is expected to begin soon after the rainy season.

The number of small cars produced in the country during the first six months of 1959 was 4,311. Production is expected to improve considerably in the latter half of the year, as sufficient foreign exchange for the import of components and raw materials needed for indigenous manufacture has been released. It is estimated that production for the whole year may reach 12,000.

National Instruments Limited, Calcutta, a Government of India undertaking, proposes to manufacture clinical thermometers in collaboration with a Japanese firm. This information was given in the Lok Sabha the other day by Mr. Manubhai Shah, Minister for Industry. The terms of collaboration are under examination by the Company and have also been referred to the Government for scrutiny.

A small-scale industries team (Leader: Mr. P. B. Advani, Vice-Chairman of the All-India Manufacturers' Organisation) has left for a seven-week tour of some of the foreign countries, including Sweden, Holland, West Germany, the U.S.A. and Japan. The team will study the productivity techniques in small-scale industries in these countries. The team has been sponsored by the National Productivity Council.

The Coal Grading Board (Repeal) Act, passed in the last session of Parliament, has come into force with effect from the 14th inst. Accordingly, the Coal Grading Board has been dissolved; it was constituted in 1925 for the purpose of grading of export. The assets and liabilities of the Grading Board has been transferred to the Coal Board. The certificate of shipment to collieries has been arranged to be issued by the Coal Controller, Calcutta.

A techno-economic survey of Bombay State, to be undertaken by the National Council of Applied Economic Research, New Delhi, was inaugurated in Bombay on the 11th inst. The object of the survey is to obtain basic data for the preparation of a programme for the balanced economic development of all the regions of the State in all spheres of activity and to evaluate the investment necessary for power, etc., during the third and subsequent Five-year Plans. The State Government has sanctioned a sum of Rs. 2,50,000 towards the cost of the survey.

The representatives drawn from commercial banks and the Bombay State Finance Corporation held informal discussions with the Japanese team of experts on small and medium-size industries (Leader: Mr. Iwatake, Director General for Small Enterprise Agency, Government of Japan) in Bombay on the 13th inst. The discussion mostly centred round the mode of financing small and medium-scale industries in Japan and the extent to which it could be applied to small industries in India. The visiting team explained how the small and medium-sized industries in Japan were being financed mostly by commercial banks. The organisation and development of industrial co-operative societies and the credit facilities available to small industries, besides marketing aid surveys, were also discussed.

The Union Minister for Mines and Oil, Mr. K. D. Malaviya, observed in the Rajya Sabha the other day that the Government of India considered as premature a suggestion made by the three major

foreign oil companies—Burnmah-Shell, Standard-Vacuum and Caltex—for the appointment of a Government-cum-industry committee to examine the problems arising from the establishment of two refineries in the public sector. The objectives of the Committee, according to the companies, should be (1) to examine the pattern which would emerge and recommend the necessary arrangements for the movement of refined petroleum products throughout India, following the commissioning of the Government refineries at Gauhati and Barauni, and (2) to suggest ways and means of resolving the imbalance between the total production of refined products in the country and the domestic consumption.

With a view to giving a further fillip to the fisheries industry in the Konkan region, the Government of Bombay has accorded sanction to six schemes for the development of fisheries. Under the first scheme, two fish curing yards will be established in Kolaba District, where curers will be afforded facilities to cure their catch in a hygienic manner. The second scheme envisages the establishment of small units for extraction of shark liver oil at suitable places in Ratnagiri and Kolaba Districts, to enable the fishermen to extract oil at reasonable charges. Under the third scheme, it is proposed to subsidise costly fishery requisites such as nylon, fish hooks, twine, sail cloth, etc. The societies supplying the requisites will be given 64 per cent. of the cost as commission. The fourth scheme envisages mechanisation of fishing crafts. It is proposed to allot engines and diesel trucks to fishermen on loan-cum-subsidy basis. The rates of subsidy will be 50, 25 and 20 per cent. for engines, boats and trucks, respectively. Under the fifth scheme, it is proposed to undertake boat trawling through the Department of Fisheries in the coastal areas of Ratnagiri and Kolaba Districts. The sixth scheme seeks to help the fishermen to transport their catches to the chief marketing centres at a reasonable charge on a no-profit-no-loss basis.

From Abroad

The U.K. Government has removed all restrictions on imports of butter from the Dollar area.

Imports into the U.S. reached an all-time record of \$1,369.4 million in June 1959, as against \$1,263.8 million in the previous month and \$1,031.3 million in June 1958.

A new chemical compound, capable of controlling the crop disease 'grey mould', that destroys lettuce, has been developed by the British Boots Pure Drug Company.

More than 200,000 textile workers have struck work in Japan demanding wage increases averaging 2,000 yen a month and minimum wage of 8,000 yen for 18-year-old workers.

The Government of Israel has formulated a plan to plan to double industrial production in the country and increase exports by well over 100 per cent. within the next five years.

A new oilfield has been discovered in the Sudr area of the Sinai Peninsula, probably the biggest oil reserves in the United Arab Republic. The first well is yielding 700 tons of oil a day.

The Business Week Magazine, New York, has predicted that one out of every four cars sold in the U.S. during the 1960-model year will fall in the compact small-economy range—a group that was not even in the serious running three years ago.

Two of the oldest insurance undertakings in the U.K., namely, the Royal Exchange Assurance and the Atlas Assurance Company, have agreed on the proposal for an "operational and financial" merger. The new group will have combined assets of about £155 million.

Passengers in airlines flying over the north-central part of the U.S. can now make telephone calls to almost any telephone in the world. This telephone service is available to telephone-equipped aircraft flying over a large area surrounding the cities of Chicago and Detroit.

The Government of Ceylon has under consideration a plan to set up a national shipping line with 100 per cent. Ceylonese ownership and to explore the possibility of acquiring ships from Yugoslavia, under the existing bilateral trade agreement between the two countries.

The new oil refinery built at Homs, Syria, by Czechoslovakia was opened on the 12th inst. The refinery is supplied with crude oil by the Iraq Petroleum Company and includes units for distilling petrol, kerosene and gas oil. The annual refining capacity of the refinery is one million tons.

The Government of Pakistan has lifted price controls on 50 items. The items include, among others, refrigerators, air-conditioning plants, leather and leather goods, biscuits and confectionery, hosiery and cutlery. Price controls will, however, continue on such goods as foodstuffs, textiles, building materials and medical requisites.

What is claimed to be the world's largest machine for testing how much pressure different objects can withstand has been located at the U.S. Bureau of Standards in Washington. It can exert a force of 10 million pounds. This is equivalent to the weight of a pile of automobiles three miles high.

PERSONAL

MR. Sukich Nimmanheminda has been appointed Ambassador Extraordinary and Plenipotentiary of Thailand in India.

Mr. K. Rangaswami, Joint Chief Controller of Exports and Imports, Madras, has been appointed Regional Manager, State Trading Corporation, Madras.

Mr. S. Chakravarty, I.C.S., who was until recently in charge of the Nagarjunasagar dam project in Andhra Pradesh, has been appointed Principal of the high-powered Central Institute for Research in Community Development, Mussoorie.

Mr. C. T. Venugopal, Director (Finance), Railway Board, has been appointed Additional Member for Finance, vice Mr. Ajit Singh, who has proceeded on leave. Mr. D. P. Mathur, Senior Deputy General Manager of the Central Railways, succeeds Mr. Venugopal as Director (Finance).

The British Board of Trade has appointed a committee, with Mr. Kenneth Johnston, Q.C., as Chairman, to examine the question of modifying regulations for the protection of industrial designs. The Committee will also consider the possibility of enabling U.K. designs to receive cheap and effective protection in other countries on the basis of reciprocity.

Exactly 95 per cent. of the West German population over 15 years of age are presently covered by sickness insurance. Compulsory sickness insurance ends when an office employee or an independent person earns more than a highly qualified worker (DM660 per month). Industrial workers, however, never leave compulsory insurance regardless of their income.

Crude steel production in West Germany during the first seven months of 1959 was at an annual rate of 27.6 million tons, as against the record output of 23.9 million tons in 1957 and aggregate annual capacity of about 28.29 million tons. The high level of output is attributed mainly to the growing domestic orders. The backlog of orders, which stood at about 3 million tons at the beginning of the current year, had gone upto 4 million tons by the end of last month.

Finance Ministers of Commonwealth countries will meet in London for three days from 22nd September next, to discuss problems of common interest such as balance of payments, prospects for sterling area, progress of capital investment in member-countries and commodity price trends. They are also expected to examine the proposal recently made by the U.S. for the setting up of an International Development Association, with a capital of \$1,000 million.

A £30-million contract has been given by British European Airways for 24 new DH 121 turbo-jet airliners to replace its Viscounts to the Aircraft Manufacturing Company, a newly formed consortium of de Havilland Fairey and Hunting, with de Havilland having controlling interest. The DH 121 is the first of its kind designed specifically for the B.E.A. By 1967, nearly half of the B.E.A.'s traffic will be carried by this turbo-jet airliner, the delivery of which will commence in 1963.

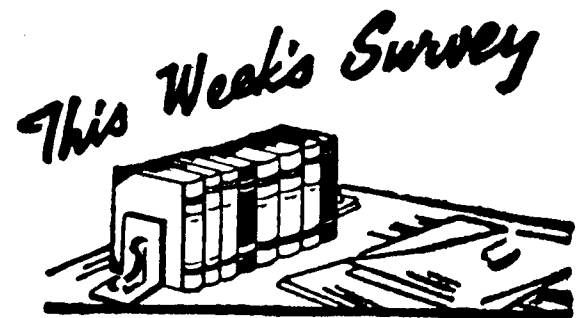
A new airline, called the Seven Seas Airlines, has been formed in the U.S. to undertake contract air services throughout the world, including freight and charters for the movement of passengers. The Company has its office at New York and will also have a base at the Schiphol airport, Amsterdam, Holland. To begin with, the Company has secured two Douglas DB4 piston-engined airliners, which will be put into service shortly.

The K.L.M. Royal Dutch Airlines has decided to purchase 12 long-range Douglas DC-8 jet airliners, instead of eight for which orders had been placed previously. The first seven jets will be fitted with the conventional turbo-jet engines (the J T-4As), while the remaining five will have turbo-fan engines, built by Pratt and Whiteys. The turbo-fan engine, it is claimed, will have 14 per cent. lower fuel consumption and makes less noise than the former type of engine. The first aircraft is expected to be put into operation for the transatlantic passenger services in March next.

An oil-tanker, the second largest maritime vessel in the U.S., the s.s. National Defender, was launched in Virginia on the 19th inst. The super-tanker, with a capacity of 65,000 tons of petroleum products, was built for the National Transport Corporation of New York by the Newport News Shipbuilding and Drydock Company. It is 810 feet in length, with a beam of 104 feet and a draft of 44 feet, when fully loaded. The potential speed of the tanker is estimated at nearly 20 knots. The National Defender has a capacity of 546,000 barrels of oil, equivalent to 20 million gallons of petroleum.

The output of radios and TV sets in West Germany rose from 2.4 million in the first half of 1958 to 2.8 million in the same period of 1959. During the first five months of 1959, exports of radio sets advanced by 27,000 to 634,000 and TV sets by 19,000 to 107,000, practically the same as those in the corresponding period of 1958.

In 1950, W. Germany produced no TV set at all, while its radio production was only 2.01 million sets. Since 1950 and up to 1958, it has produced 3.28 million TV sets and 23.77 million radio sets. For every 100 households in that country, there were, in 1958, 86 radios and 12 TV sets, as against 68 and nil, respectively, in 1953.



THE WAR AGAINST NEED

THE war against need must be fought on far wider fronts, with intensified vigour and under a grander strategy." It was in these words that Mr. Paul G. Hoffman, Managing Director of the United Nations Special Fund, stressed the urgency of the need for the economic development of the underdeveloped regions when he addressed the recent session of the U.N. Economic and Social Council at Geneva. Describing the next decade (1960-70) as the crucial one, Mr. Hoffman urged that, in this decade, proof must be given to half the world's people that it was possible to achieve decent living standards, proof in the form of a real breakthrough from poverty to reasonably prosperous conditions. And he added: "If such a breakthrough comes to pass, there will be created a thing called 'momentum.' And, with 'momentum,' we can, by the end of the century, win a resounding victory against poverty, ignorance and ill-health."

The foregoing observations admirably put into sharp focus the overall problem of the development of the less-developed countries. How staggering are the dimensions of this problem will be evident from the interesting data furnished by Mr. Hoffman. Of the 82 member-nations of the U.N.O., no less than 60 countries, with a total population of more than a billion (thousand million), can be classed as less-developed. The average per capita income in this region (on the basis of the total income of \$120 billion in 1957) is just \$120 which is only a small fraction of the average income of \$800 (it is very much more in some countries) in the advanced countries. The recent years have no doubt witnessed efforts at economic development, thanks to bilateral, inter-Governmental and fully international aid programmes, but the pace of progress has not been adequate enough. The net annual rise in national income in these countries is currently being maintained at no more than 1 per cent. (this means a net increase of \$1.20 per person in personal standards of living), the gross improvement in per capita income being 3 per cent. a year and the population growth being 2 per cent. "This rate of increase," Mr. Hoffman rightly declared, "is not acceptable; it is too slow—dangerously too slow."

The aggregate income of the less-developed countries in 1957, as already noted, was only \$120 billion, of which the amount devoted to capital formation was a bare \$6 billion. In addition to this, investment by outside sources—public and private sectors—amounted to \$3 billion. The level of domestic capital formation is thus deplorably low. If the present rate of investment continues, the total investment of the countries themselves would come to \$60 billion and that of outside sources to \$30 billion, or a total of \$90 billion in the next decade. Even with this investment, the net annual rise in national income will be about 1 per cent. Mr. Hoffman wanted this to be stepped up to at least 2 per cent. Although such an increase would not amount to very much in terms of personal income—a few dollars—it would nevertheless bring with it, as Mr. Hoffman said, a vast improvement in living conditions—clear water, better medical facilities, protection against epidemic and endemic diseases, more schools, a chance to learn to read and write and acquire knowledge for hundreds of millions of people.

Taking the annual net rise of 2 per cent. in national income as the modest goal, the investments necessary to achieve it over the next ten years, in the opinion of Mr. Hoffman, should increase from \$60 billion to \$75 billion by the countries themselves and from \$30 billion to \$60 billion by the advanced countries. In this connection, he made it clear that fresh international investment was only one factor in the economic development of the less-developed countries. He warned that any outside investment in these countries would be of little use unless the countries themselves assumed the responsibility to plan and implement self-help programmes. There is considerable truth in this statement, as also in his remark that the sound basis for a successful investment programme in any country is that the physical and human resources, which are at present underutilised, should be

developed profitably in the interest of the increased well-being of the people of that country. It is here that Mr. Hoffman spoke of the role played by the Special Fund. The Fund, we are told, will lay emphasis, to begin with, on projects which would demonstrate the wealth-producing potential of unsurveyed resources, on major training and research institutes, and on such surveys of limited cost as would lead to early investment; moreover, some prominence is to be given to pre-investment surveys which may take the form of preliminary engineering and feasibility reports.

The Fund, it will be recalled, commenced its operations in October 1958. It has already approved of 13 projects in ten countries, involving a total expenditure of \$7.5 million. This amount is, however, negligible as compared with the requests for aid aggregating over \$81 million submitted by 75 countries upto 10th April 1959. The Fund is thus operating "within very harsh limits because of lack of finance." Considering the magnitude of the problem of assisting the less-developed countries in their task of raising the living standards of the masses, it well behoves the members of the Fund, more especially the economically prosperous countries of the West, to strengthen the Fund's financial resources by making generous contributions.

COMPANY LAW ADMINISTRATION

The Central Government's move to delegate additional powers to the Regional Directors (R.Ds.) and Registrars of Companies (R.Cs.) must be welcomed for two important reasons. First, it will expedite the disposal of applications received from the companies and members of the public. Several instances are on record to show that, as a result of the concentration of power in the hands of the Department of Company Law Administration at New Delhi, there is much delay in the issue of official sanctions even to requests of a routine nature put forward by the managements of companies. Apart from the delay, the companies have to incur extra expenditure on the visit of their officials to New Delhi for obtaining the Department's permission. Secondly, the scope for the companies, especially the smaller ones, seeking the Regional Director's technical advice, guidance and clarification with regard to the various provisions of the Act will be widened. Indeed, such a delegation of powers to the regional authorities will, as Mr. Lal Bahadur Shastri, Union Minister for Commerce and Industry, stated while inaugurating the Third Conference of Regional Directors and Registrars of Companies at New Delhi last week, make the working of the Company Law Administration smooth and flexible.

One of the additional powers proposed to be given to the Registrars relates to the summoning of books and papers from companies. This measure will doubtless go a long way towards preventing and checking abuses on the part of a section of company managements. It is, however, to be hoped that the Registrars will exercise the additional power only after assuring themselves sufficiently that a particular company is not being managed properly and in accordance with the law.

Another welcome move of the Central Government as disclosed by Mr. Shastri is to appoint whole-time official liquidators in Bombay, Calcutta, and possibly Madras, and part-time official liquidators in other places. This will certainly help avoid delay, especially in the disposal of liquidation cases.

Yet another welcome step taken by the Government to simplify and expedite the administration of Company Law is the appointment of four Regional Company Prosecutors, one each at Bombay, Calcutta, Madras and Nagpur, as recommended by the Visvantha Sastri Committee on amendments to Companies Act. The Committee was of the view that the practice, followed hitherto, of entrusting Company Law cases to Prosecutors appointed by the State Governments was not conducive to the efficient or speedy conduct of prosecutions under the Act. The Committee was right in holding this view, for, in many cases of breaches of Company Law, the State Prosecutors have been extremely lenient, thereby contributing to the fall in the public esteem for this branch of law. In several instances, the Magistrates and Judges themselves have awarded very light punishment, as, for instance, the imposition of a small fine. This kind of token punishment has been responsible for delays in holding annual meetings and similar irregular actions by certain irresponsible company managements. They would have probably not happened had there been special prosecutors, answerable to

the Company Law Administration, as suggested by the Committee. These Prosecutors would not only be prompt in taking action against those guilty of offences under the Company Law but also try their best to secure maximum punishment by bringing to the attention of judges and magistrates the exact nature and implications of the offences.

It is gratifying to find that the Government of India has at last recognised the value of the Sastri Committee's suggestion. It may be mentioned, in passing, that Mr. F. R. Ginwalla, of the Bombay City Civil and Sessions Court, who has contributed a series of articles on the Company Law of 1956 to this journal and also published a book on the subject by elaborating some of his earlier articles to this journal, has been appointed one of the four Prosecutors. He will soon be in charge of Calcutta jurisdiction. It needs to be added that Company Prosecutors are vested with the powers and privileges conferred by the Code of Criminal Procedure, 1898, on Public Prosecutors appointed by the State Governments, under Section 492 of that Code. The Company Prosecutors in each of the four regions mentioned above will be entrusted with the work of conducting prosecutions and filing appeals from the orders of the Courts in trials for offences under the Act.

In his speech, Mr. Shastri alluded to the desirability of giving more powers to the auditors of companies. For he said that the auditors had no authority to go into the merits of various transactions or investments entered into by the companies and added: "Not only in India but in the United Kingdom as well, opinions have been expressed by high judicial authorities that the scope of the work of the auditors is limited and prevents them from recording their views on the merits of various transactions of different concerns. In order that the accountants and auditors should not merely do the post-mortem examination, it has been suggested that they should be able to ask for additional information from the companies over and above the examination of the balance-sheets."

It is true that some of the transactions entered into by a few companies are of a dubious nature. Even so, one would ask whether it would be advisable to vest in the auditors and accountants so much power as to investigate the merits of the various transactions and investments of companies. The whole issue is, as Mr. Shastri himself frankly admitted, a ticklish one to decide and "deserves very careful consideration."

The Commerce and Industry Minister emphasised the need for Government interest in the proper management of companies and observed:

"Companies have enormous responsibility towards their shareholders. Unless there is proper check and regulation, the companies are liable to make mistakes, if they only keep in view the limited interest of either managing agents and the selling agents or the main investors in the company. Quite a considerable amount of Government money in the form of loans, etc., is being advanced to the private companies. Sometimes, the loans are guaranteed by the Government. The Boards of such concerns to guard their own interests. It is also necessary that the Government should get the eligible taxes from these concerns."

Few would dispute the need for official checks and regulations on companies. Only, they should not be too complicated and stringent to interfere with the managements of companies in their day-to-day administration. On their part, the managements should always run the business keeping in view the larger interests of their shareholders, in particular, and of the country, in general.

BOMBAY LAND REFORMS BILL

Let it should lag behind other States in implementing the Nagpur resolution on land reforms, the Government of Bombay has hastened to frame a Bill which embodies all the essential features of the socialist philosophy of the Congress. The Bill seeks to fix a ceiling on holding of agricultural land and provides for the acquisition and disposal of surplus lands. The State Government will determine the ceiling area for each local area which will represent the extent of land that will ordinarily yield a net income of Rs. 3,600 per annum. From a specified date which will be notified by the Government, no person will be entitled to hold the ceiling area. In order to ensure that the provisions of the Bill are not circumvented by the transfer or partitions made in anticipation of the law before the notified date or before the

coming into force of the law, provision has been made to supersede such transfers or partitions as are likely to defeat the object of the Bill. These provisions will have retrospective effect from 16th January 1959.

The existing tenancy laws in the different regions of the State already contain provisions for imposition of a ceiling on agricultural holdings. These provisions are, however, not applicable to existing holdings. It has been decided to have a unified law for imposing ceiling on agricultural holdings in the entire State. The Bill, accordingly, contains provisions for placing ceilings on existing holdings and on future acquisition of land and are applicable uniformly throughout the State. The surplus land available for acquisition by the Government will be determined by a tribunal from the data of holdings submitted by farmers to *mamlatdars*. The Tribunal will prepare from the information thus collected a list of persons holding land in excess of the ceiling area and will specify the extent of surplus land held by each person.

As a measure of relief to poor landlords, who have leased their land to persons holding land in excess of the ceiling area, it has been provided that, where land held by a person from such landlords is surplus land, it shall be restored to the landlord who shall hold it subject to the provisions of the relevant tenancy law in respect of fresh tenants. Certain categories of land such as lands belonging to Government, lands reserved for non-agricultural and industrial development under the relevant tenancy law, lands held by charitable trusts for educational purposes and lands used for coffee plantations, or growing of fruits or flowers have been exempted from the operation of the law. But the extent of these lands held by a person would be taken into account in deciding the extent of other land which he would be entitled to retain within the ceiling limit. This provision is similar to the one in the Kerala Land Reform Bill passed by the Communists when they were in power.

Lands declared to be surplus by the Tribunal will vest in the Government free from all encumbrances. Compensation will be paid at the rate of 100 times the assessment of the land

plus the depreciated value of permanent structures and wells constructed by the holder of the land. Where the surplus land is held on lease from the Government, compensation will be twelve times the full assessment together with the depreciated value of structures.

Compensation shall be payable entirely in cash or in transferable bonds or partly in cash or partly in bonds as may be decided by the Government. The bonds will carry interest at the rate of 3 per cent. per annum and shall be repayable during a period not exceeding 20 years by equated annual instalments of principal and interest. In cases where the surplus land is tenanted land, two-thirds of the compensation will be paid to the landlord and one-third to the tenant.

The surplus land acquired will be allotted on payment of occupancy price in accordance with the rules framed by the Government to persons and co-operative farming societies in order of a given priority. Such lands, after they are granted, shall not be alienated or partitioned without the previous sanction of the Collector.

It is clear from the foregoing account that the Bill differs little in essence from similar measures proposed in other States including Kerala under the Communists. Ceiling on land-holdings in excess of the area sufficient to yield a net return of Rs. 3,600, when there is no ceiling on income from sources other than agriculture, and arbitrary fixation of compensation are provisions which have neither logic nor justice to support them. Apart from the fact that a ceiling on land is unsound in principle, more especially when applied to existing landholdings, there is also the danger that it may throw up a fresh crop of complicated problems in regard to the actual fixation of the ceiling. According to the Bill, the ceiling will be determined for each class of land in each area on the basis of the crop grown and the price prevailing, both of which are inadequate bases. The crop grown changes from year to year and prices are subject to frequent and wide fluctuations. Further, the calculation of net income, which will be taken as 50 per cent. of the gross income, is grossly unfair, since it is common knowledge that the actual cost of cultivation exceeds 50 per cent. of gross income.

The submission of returns by individual landholders, the scrutiny of these and the determination of the surplus by the Tribunal, etc., will involve long delays and considerable labour. In the meantime, production will suffer. It is also doubtful whether the surplus land that would be available will be large enough to justify such unproductive labour.

Apart from the disincentive effect on agricultural production of the proposed legislation, there is also the danger that the attention of the officers of the Government will be diverted to administrative problems of implementing the legislation to the neglect of the more pressing problems of increasing production. It is difficult to visualise any long-term benefit resulting from the measure. On the other hand, it might easily reduce the peasantry to perpetual penury and serfdom.

SIR DORAB TATA TRUST

The Sir Dorab Tata Trust is now so much a part of India's life that few perhaps stop to inquire into its origin. The birth centenary of its great founder, which falls on the 27th inst., provides an occasion for grateful remembrance of the generous donor's services. Established in 1932, the Rs. 1-crore Trust has made rich contributions to public welfare, in keeping with the founder's high aims. Sir Dorab laid down that the Trust money should be applied "without any distinction of place, nationality or creed," to relief of distress, the alleviation of suffering and advancement of learning. These are the objectives by which the Trustees have been guided in their choice of causes and institutions for rendering assistance.

The institutions which either owe their origin to, or have been largely benefited by, the Trust make an impressive list. The Tata Institute of Social Sciences, the first of its kind in India, was the first project to be financed and organised by the Trust. An index of the high level of education and training imparted by this institution is that its diploma continues to be a much-valued qualification for employment in many kinds of welfare institutions. The Institute has so far drawn Rs. 31.5 lakhs from the Trust.

(Continued on page 327)

MORE 'CRYSTALS' ARE BOUGHT THAN ANY OTHER ROOM AIR CONDITIONER

It's Crystal Clear

because

- 1 the 'Crystal' has more than one ton cooling capacity
- 2 the 'Crystal' has universally adjustable air-flow
- 3 the 'Crystal' protrudes less than three inches into the room
- 4 people have confidence in Voltas' unrivalled after-sales service, that never lets them down

Made, sold and serviced by VOLTAS
—the people who know air conditioning best

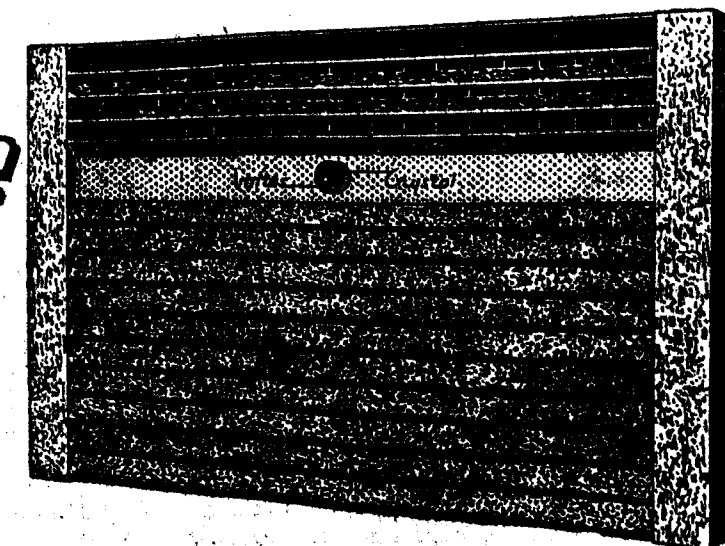
KEEP COOL WITH A

Crystal trimline

ROOM AIR CONDITIONER by

VOLTAS

VOLTAS LIMITED Head Office: Ballard Estate, Bombay 1
Calcutta • Madras • New Delhi • Bangalore • Cochin • Ahmedabad • Secunderabad • Lucknow • Coimbatore



AMERICAN LETTER

MARKED RISE IN U.S. CORPORATE EARNINGS

SPURT IN STEEL IMPORTS—DECLINE IN SAVINGS

From Our Special Correspondent

NEW YORK, 11th August

DESPITE the steel strike which will result in temporary setbacks, the United States economy is booming. Second quarter earnings reports of 395 corporations were startling. The total amounted to \$1,733,943,000, as compared with \$991,151,000 in the second quarter of 1958. This is a boost of \$742,792,000, or almost 75 per cent.

Even adjusted for inflation and somewhat higher prices, this is a considerable gain which is one of the main supporting factors of the boom talk heard in every line of business around the land. For many companies, second quarter earnings represented new highs. Setting the pace were steel, automobiles, building materials, chemicals and even the railroads which were in a very bad way a year ago. Indeed, dollar-wise and unadjusted for inflation, 1959 may turn out to be the best corporate profit year in U.S. history.

The immediate business trends are mixed owing to the steel strike, where about one half million workers are affected. Many thousands others have been laid off in related industries and other hundreds of thousands are on their annual vacations. The combined result is a slowdown in economic activity which does not yet show up in the statistics.

Will Government Intervene?

The steel strike has now lasted for about a month and there is no sign of relenting in the position of the trade unions or of steel management. The chances are that, after six weeks of a steel strike, unemployment may be so critical in some areas that there will be Federal Government pressure for a settlement which would mean higher wages, or higher fringe benefits and, perhaps, higher steel prices—another turn in the wage-price spiral and inflation.

Judged from past experience, the decline in economic activity will be relative and short-lived. In the 1952 and 1956 steel strikes, overall employment fell less than 1 per cent. The other side of the coin is that, since midnight 14th July until the end of the strike, steel workers have lost each week \$65 million in wages and the U.S. lost 2 million net tons in raw steel. These figures concern the steel industry alone and not the other related lines.

Foreign competition in the iron and steel industries has been increasing relentlessly since mid-1957, regardless of the rise and fall of domestic steel production. Pre-strike buying for inventory purposes helped to raise the import total.

Imports Exceed Exports

Thus, imports of steel mill products topped exports by more than 77 per cent. in the first five months of 1959. It was the first such sustained reversal of the traditional pattern on record. Imports in May totalled 384,787 net tons, a new high. This was 226 per cent. greater than in May 1958.

Exports of steel mill products of all descriptions declined nearly 37 per cent. during the first five months, as compared with the like 1958 period. Pipe and tubing exports were affected primarily, but shipments to foreign countries decreased in all major product categories.

Foreign steelmakers have been moving in successfully into markets formerly supplied by the U.S. Recently, the President of the European Coal and Steel Community was reported saying that wage differentials give foreign producers a price advantage. Another hike in steel wages, or fringe benefits is apt to increase still further such price advantages of foreign steel producers.

Even before the strike, the increase of steel imports was alarming. Imports were 230,599 tons last December, against exports of 169,508 tons. As indicated above, imports rose to 384,787 tons in May, against exports of 165,856 tons, although the U.S. as the largest steel producer in the world has had, traditionally, a favourable balance of steel exports. So much for steel.

One of the brightest spots in the U.S. economy is construction. Residential building in the first seven months of the year was 32 per cent. ahead of 1958. New construction expenditures for July alone were \$5,200 million, or 14 per cent. higher than in July 1958.

The same trend is reflected in mortgage recordings. Non-farm mortgages of \$20,000 or less reached a record of \$2,730 million in May. But the volume of home mortgage recordings has always been sensitive to the level of interest rates.

During periods of "easy" money there was a rising tendency in mortgage recordings and the reverse was true in times of "tight" money. The rate on conventional mortgages has been moving up. In July, the average rate was 5.9 per cent., against 5.6 per cent. twelve months previously.

Conventional mortgages are extended by banks, mutual savings banks, insurance companies and savings and loan associations. Investors prefer them over Federal Housing Administration and Veterans Administration guaranteed loans which carry lower interest rates. Conventional mortgages in June accounted for 76 per cent. of all recordings. I have dwelt on this subject at such length because building and construction are one of the mainstays of the U.S. economy, the same as steel.

Political developments have had their effects on the U.S. economy as well. The stock market reacted in the form of lower prices to the proposed exchange of visits between President Eisenhower and Premier Nikita Khrushchev. The reasoning, apparently, was that a possible period of East-West amity may lead to reduced spending for defence which constitutes presently nearly 40 per cent. of the U.S. Budget.

High Level of Spending

Otherwise, there is an atmosphere of optimism. Consumers added \$452 million to their hire-purchase debt in June. It was the largest increase since September 1955. The June rise brought the total of such indebtedness outstanding to \$35,800 million which was \$2,800 million higher than 12 months previously.

Conversely, there was a dip in the growth of savings. People were confident enough to go out and spend money. The 518 mutual savings banks in the U.S. reported a gain of \$202 million in deposits in June. This was \$80 million more than in May, but \$100 million less than the deposit gain in June 1958.

The six months' growth in savings by these banks was \$585 million, as compared with nearly \$1,300 million in the first half of 1958. In addition to increased spending for consumer goods, there appears to have been a considerable diversion of funds into rising securities' markets at that time.

There is now much talk about interest rates. The Joint Economic Committee of Congress found the Federal Reserve system to be right and proper in its monetary policy. Yet, members of Congress favouring "easy" money over anti-inflationary "tight" money have blocked, so far, the President's request for an adjustment of the interest rate ceiling on long-term Treasury bonds. Meanwhile, most of the savings banks in New York will pay interest at the rate of 3½ per cent. a year, beginning 1st October, an increase of ¼ of 1 per cent.—All Rights Reserved.

U.S. GROSS NATIONAL PRODUCT

The U.S. gross national product reached an annual rate of \$484,500 million in the second quarter of 1959, representing an increase of \$14,500 million as compared with the previous quarter, according to the Department of Commerce. The figure represents the total value of services rendered and goods produced by the nation. This advance represented a 3 per cent. increase in the real volume of national output. Overall price changes were limited during the period. Since early 1958, quarterly gains have raised the gross national product annual rate by nearly 12.5 per cent. Income moved higher in all the major non-farm industries, with compensation of employees rising to a new high annual rate of \$279,000 million.

THE RIGHT ECONOMIC POLICY

From Our Own Correspondent

LONDON, 14th August

ONE of the most interesting aspects of the Cohen Report which your correspondent referred to last week, relates to the manner in which an inflationary crisis might be tackled. The Council on Prices, Productivity and Incomes no doubt had in mind that the world of economists tends to be divided into "little inflationists" (who prefer to call themselves expansionists) and "little deflationists" (who prefer to call themselves stabilisers).

The first are all for measures "which stimulate output and employment but lead to constantly rising prices" and the second are all for measures of restraint "which stop prices rising but also hold back output and employment." The Council considers it a major problem how to hold a middle course between these two approaches.

The deflationary measures, which operated up to about 18 months ago, have, of course, been criticised, because they lead to a damping down of economic activities and a rise in unemployment, but the Cohen Council have justified themselves on the grounds that they were the only known way of tackling the problem. They do not like them, because they take a long time to become effective and because of their other obvious disadvantages. They accordingly think that some other anti-inflationary policies should be worked out. In other words, some way in which money, incomes and output can rise together without one stepping in front of the other. They are not men who have any liking for the physical controls of the political Left. What the Labour Party would have done in similar circumstances would have been to tighten up Planning Permissions, so that building was centred on the most desirable (by what standards?) objectives. They would have restrictions over import licensing to curtail the expenditure of foreign exchange and restrictions over the raising of capital. These restrictions are, of course, all designed to damp down demand but this would mean the cutting off the channels through which money can be spent. It is argued that such physical controls can be directed to the precise points on which overspending is evident and, unlike the Bank Rate and credit policy, do not indiscriminately beat down the worthy and unworthy.

The Council again would like to see a change in the climate of public opinion sufficiently marked, so that the large Unions would have to take note of it in presenting their wage demands, but they have no faith that such a change could come about merely through demonstrating that dividends and profits are being controlled.

The deflationists—or stabilisers—must, or the other hand, take to heart that there is no economic victory in carrying restraint on demand to the stage where production drops and unemployment rises. There might be economic victory in a public state of mind which deplored wage settlements that inevitably mean rising prices. That is why the Council are now pinning all their faith on the concept of reducing prices, in order to encourage demand, to remove the incentive for higher dividend distribution and equally the incentive for higher wages, unless accompanied by opinion got used to the idea that progress and falling prices went hand in hand, they would regard dividend increases with suspicion and (involved) with even more suspicion. The standard of living of all income earners would then not depend on wage tussles but upon the solid results of bigger output at lower cost; in other words, on higher productivity per man—All Rights Reserved.

The International Finance Corporation has agreed to invest U.S. \$1 million in a new Chilean company, Cementos Bio-Bio S.A., to finance a part of the latter's programme to build a new cement plant at Huachipato, about 350 miles south of approximately 132,000 tons of the new plant will be land and slag cement. The latter two types are represented by the I.F.C.'s investment of \$1 million will be and bearing interest at 7 per cent. in dollars and profits.

LONDON LETTER

NOTES FROM WEST GERMANY

PROMOTING PRIVATE PROPERTY EMPLOYERS' COMMENDABLE EFFORT

From A Correspondent

COLOGNE, 14th August

THERE is hardly anybody in West Germany today—aside from die-hard socialists—who will deny that private property as widely dispersed as possible is a precondition to the sound national and social order of the country. Private property formation not only contributes to individual security or to the promotion of self-reliance, let alone to future increases in the individual income. Private capital formation also feeds the capital market which—if sound and well-balanced—safeguards the economic and social progress of the country as well as the national currency's purchasing power.

These thoughts have led W. German industrialists to consider ways and means designed to foster private capital formation by their employees. The following guiding principles pattern industry's policy to achieve this aim: the creation of individual property, mainly of wage and salary earners, must be based upon the free wish of the individual. Neither State nor any other collective compulsory regulations and directives should interfere in this matter, so that the fundamental idea of private, that is, voluntary property formation may be preserved.

German employers are promoting—or are urged to do so by recommendations of their top-level associations—voluntary private capital formation by an extensive educational campaign. The campaign is designed to show the employee the wide range of possibilities to create individual property—from private life insurance to house building—stressing that no property can be formed without abstaining from a part of individual spendings for day-to-day consumption. A further point is to show types of risks and chances for higher

yields are involved in investments in shares or securities. Banks, savings institutions and unit trusts are co-operating with industrial employers, distributing leaflets and pamphlets popularising the idea of Mr. and Mrs. Middle Majority being small investors.

The country's business men and industrialists are helping materially to concretise the idea by supplying their own administrative services to plant-owned building and loan associations, by offering higher rates of interest for employees' savings made available to the plant, or by providing short-term credits or outright grants to help members of their staff in their effort to start creating personal property. Other ways adopted include the offer of company shares issued to the staff at preferential rates, the encouragement of private life insurance and the use of former employers' contributions to "traditional" pension funds for the purchase of investment shares. The industry's active part in promoting private capital formation of the middle and lower income brackets is not the least reason why private savings in the Federal Republic are steadily rising.

State of Economy

During the first six months of this year, the Federal Republic's economic activities were prospering. Most figures—reaching to July in part—are reflecting a rather strong upturn, here and there exceeding by far last year's respective level. Just published official figures for June this year reveal a 27 per cent. increase in overall industrial orders, as compared with June 1958, and point to a continuing upward trend.

The overall development is due partly to higher public investments, motivated by incentives coming from booming house-building activities, and partly to mounting investments in

private industry. Hitherto, the aggregate offer of goods and services has elastically met the increased demand, thereby ensuring the stability of price level. A slower growth of wage incomes and of consumer spending, as well as the lack of a further reduction in work-week, contributed to keep the country clear from inflationary tendencies so far.

The general business outlook seems to be promising. Capacity reserves and labour supply were hitherto large enough to secure a steady and well-balanced growth. But unemployment now has been reduced to an absolute post-war low, with vacancies exceeding the available labour force. Heavy new investments will, therefore, be necessary, in order to overcome the increasing labour shortage. Export markets and modernisation requirements at home will more than compensate for a slackening of building activities in the future. On the other hand, however, the rate of expansion will more and more depend on efforts to step up productivity.

In spite of some wage rises which have already come into effect, a new round of wage claims is not expected to take place. But trade unions might well be aware of the tempting situation arising from the present full employment. While they thought slack periods good for them to raise claims in order to promote a *Mengenkonjunktur* (expansion of business in terms of quantity), scarce labour would be another handy pretext to skim the milk of rising productivity. This trade union attitude would be very dangerous to W. Germany's expected sound economic development for the rest of the year, since a continuing high rate of private savings and an increasing share of imports in total supplies of goods and services may push up prices here and there.

The continuation of the generally favourable trends visible around mid-1959, therefore, largely depends on whether extreme claims for higher wages or shorter hours can be avoided.

Shipbuilders in West Germany completed 113 seagoing vessels, with a total tonnage of 598,834 G.R.T. during the first half of 1959, as compared with 142 vessels, with 527,949 G.R.T. in the corresponding half of 1958. Of these, 61 ships were for W. German shipowners and 52 ships for foreign shipping companies, the comparable figures for 1958 being 76 and 66, respectively.

MCLEOD & COMPANY LIMITED

"MCLEOD HOUSE"

3, NETAJI SUBHAS ROAD, CALCUTTA-1

JUTE MILLS

Kelvin Jute Co., Ltd., Empire Jute Co., Ltd., Presidency Jute Mills Co., Ltd., Chitavalah Jute Mills Co., Ltd., Nellimarla Jute Mills Co., Ltd., Alliance Jute Mills Co., Ltd., The Alexandra Jute Mills Ltd., Waverley Jute Mills Co., Ltd., Eastern Manufacturing Co., Ltd.

★

LIGHT RAILWAYS

Burdwan-Cutwa Railway Co., Ltd., Ahmadpur-Cutwa Railway Co., Ltd., Bankura-Damodar River Railway Co., Ltd., Katakhal-Lala Bazar Railway Co., Ltd.

★

INSURANCE

PRINCIPAL AGENTS: London & Lancashire Insurance Co., Ltd., Law Union and Rock Insurance Co., Ltd.

AGENT:

The British India General Insurance Co., Ltd.

★

SHIPPING AGENTS

FOR PASSENGER AND CARGO BOOKINGS:

American President Lines Ltd., Nitto Ship Co. Ltd., Burma Five Star Line, Zim Israel Lines, Europe-Canada Lines, Pope Talbot Lines, Societe Generale de Transport Maritimes. Booking Agents for American Railroads and Principal Airlines.

AGENCIES

E. BOYDELL & CO., LTD. Dumpers, Shunting Tractors and Loading Shovels. McDONALD'S "DEFLECTOR" TEA FANNERS.

JOSEPH HIBBERT & CO., LTD.

Jute Sizing Machines.

BRUNTONS (MUSSELBURGH), LIMITED

Bright M. S. Shafting.

COOPER PEGLER & CO., LTD.

Anti-Malarial and Anti-Blight Spraying Equipment.

W. G. BAGNALL, LTD.

Steam and Diesel Locomotives.

OMIC LTD.

Hand Pallet and Stillage Trucks.

TRUMETER CO., LTD.

Automatic Counting and Measuring Instruments for Industrial purposes.

SOC. P. AZ. ING. F. FIORENTINI & CO.

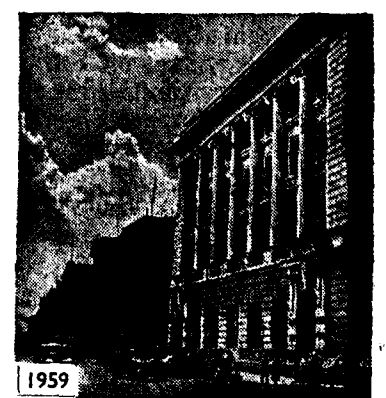
Excavators, Cranes, Concrete Mixers and Stone Crushers.

TANGYES LTD.

Hydraulic Machinery, Power Presses, Reciprocating Pumps, Steam Pumps, Centrifugal Pumps, Special Type Pumps, Diesel Engines, Machine Tools, Lifting Appliances, Industrial Heaters and Garage Equipment

RANSOMES SIMS & JEFFERIES LTD.

Battery Operated Electric Forklifts, Platform Trucks and Tractors.



"MCLEOD HOUSE"

TEA GARDENS

Bhatkwa Tea Co., Ltd., Rajabhat Tea Co., Ltd., Ranicherra Tea Co., Ltd., Tirrihannah Co., Ltd., Dibrugarh Co., Ltd., Telojan Tea Co., Ltd., Tyroon Tea Co., Ltd., Roopacherra Tea Co., Ltd., Bormah Jan Tea Co. (1936), Ltd., Baghmari Tea Co., Ltd., Amluckie Tea Co., Ltd., Dejo Valley Co., Ltd., Margaret's Hope Tea Co., Ltd., Sungma Tea Co., Ltd., (Sungma T.E., Turzum T.E.), Tingamira Tea Seed Co., Ltd.

★

ENGINEERING

[Managing Agents:]

BRITANNIA ENGINEERING CO., LTD.

Designers and Manufacturers of:

Complete Jute Mill and Tea Garden Machinery; Railway signalling equipment, lever frames, screw couplings and components of all types; Road building equipment, Steam and Diesel Road Rollers; Precision Engineering of all kinds; Structural Engineering.

Manufacturers and Distributors of:

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

CABLES: "OUTLINE," CALCUTTA. P. O. BOX 78

STRICTER CONTROL OVER BANKS

LOK SABHA PASSES AMENDING BILL

THE Banking Companies (Amendment) Bill, as reported by the Joint Committee of Parliament, was passed by the Lok Sabha on the 12th inst. after a brief discussion on the various provisions of the Bill. In essence, the Bill seeks to provide for stricter control over banking institutions by the Reserve Bank of India. The Bill, when it emerged from the Committee, was substantially unchanged from the original one, but it did not receive the unanimous approval of the members of the Joint Committee, for four of them (Messrs. S. M. Banerjee (Independent), V. P. Nayyar (Communist), Chintamani Panigrahi (Communist) and Raj Bahadur Gour) had added a minute of dissent saying that the amending Bill was "extremely inadequate to enable the Government of India to regulate banking industry in such a way as to make it function in a manner necessary in a developing economy with a socialist pattern as the goal." They even contended that some of the provisions are "retrograde in character and, in the interest of the industry and the country, ought not to have been embodied." During the debate also, some of the members were critical of the provisions and they went to the extent of suggesting more drastic measures such as fixation of a ceiling on dividends, ban on issue of bonus shares and nationalisation of banks. It is, however, gratifying to hear from the Minister that the Government is not in favour of these steps and that the provisions of the Bill as amended by the Joint Committee would serve the object in view.

The Amending Bill is described as a clarifactory and amending measure within the framework of the Banking Companies Act. The comprehensive Act was first enacted in 1949 and was amended thrice before the latest Bill was introduced. In 1950, for instance, it was amended to facilitate the speedy disposal of winding-up proceedings. The amendments were re-enacted in a more comprehensive form in 1953. In 1956, a number of new provisions were introduced extending generally the scope of the control by the Reserve Bank. It was, however, felt that the wording of the Act, as amended from time to time, had to be reviewed separately in the light of the legal decisions, the suggestions of the Reserve Bank and the difficulties experienced by banks. An opportunity has now been taken to carry out a comprehensive review and the results of this review are embodied in the latest Bill.

Definition of Branch

The Joint Committee of Parliament, as already pointed out, has not made any major changes in the Bill. In clause 2 of the Bill, which deals with the definition of "branch," the Committee has suggested a slight change. In the original Bill, "branch" was defined as any branch or branch office where any of the forms of business referred to in sub-section (1) of Section 6 of the principal Act is transacted. The Committee has felt that this definition should, except for the purpose of Section 35 of the principal Act, be restricted to only such place of business where deposits are received, cheques cashed or moneys lent. This change, as the Minister for Revenue and Civil Expenditure, Dr. B. Gopala Reddi, explained in his speech, while moving the Bill for adoption of the House, has been made in deference to the wishes of banks, as represented by the Indian Banks Association and with the object of clarifying the Government's intention that, while any office of a banking company is liable to be inspected, the time-consuming procedure of applying for permission to establish new offices should be waived, if money is not actually intended to be handled at any place of business. For instance, banks may be carrying on a few forms of business, such as holding of property as security for loans and advances at places where, for the purpose of such business, they may have only a godown and no branch. Under the original provisions of the Bill, the opening of such godown stations required permission of the Reserve Bank of India. Further, it would not have been possible for banks to carry on business as provided by sub-sections (g), (k) and (l) of Section 8 of the principal Act, namely, acquisition and holding and generally dealing with any property, or any right or title to such property, which may form security for any loans or advances, acquisition and construction of any building for the purpose of carrying on the bank's business, and selling, leasing, mortgaging or otherwise dealing with such property in any place, at which they

had no branch as defined in the Bill, without the permission of the Reserve Bank. These would have caused the banks concerned unnecessary inconvenience and hardship. The Joint Committee has recognised the strength of this argument and has amended the clause accordingly.

Management of Banks

The next amendment relates to Section 10 of the principal Act, which, inter alia, lays down that no banking company shall be managed by a person who is a director of any other company, not being a subsidiary company of the banking company. This provision was substituted in the amending Bill by the following clause:

"No banking company shall be managed by any person who is a director of any other company not being—

- a subsidiary of the banking company or,
- a company registered under Section 25 of the Companies Act, 1956,

provided that the prohibition in this sub-clause shall not apply in respect of any such director for a temporary period not exceeding three months or such further period not exceeding six months as the Reserve Bank may allow."

Bankers do not appear to be against this amendment, but they feel that the period of exemption provided in this clause is too short. For, according to them, there may be cases where the officiating manager of a banking company may have to function in this capacity for a period longer than nine months provided in the clause quoted above. They had, therefore, suggested that this period might be extended to a total of two years. The Joint Committee has, however, suggested that the period of extension can be extended up to nine months. This will mean that the Reserve Bank can grant exemption up to a period of one year, as against two years suggested by bankers.

Powers to Remove Directors and Officers

The Joint Committee has added a new sub-clause as a further amendment to Section 10 of the Act. This confers on the Reserve Bank power to remove any chairman or director or manager or chief executive officer of a banking company, if such person has been found by any tribunal or other authority to have contravened the provisions of any law and the Reserve Bank is satisfied that the association of such person with the banking company is undesirable. The Committee feels that the Reserve Bank should also have the power to prohibit such person from taking part in the management of any banking company for such period not exceeding five years as the Reserve Bank thinks fit.

Justifying the introduction of this clause, Dr. Gopala Reddi observed:

"Hon'ble members are aware of the dis-

qualifications provided for in the Companies Act, which prevent the association of certain persons with the institutions governed by that Act. The circumstances in which these provisions of the Companies Act can be applied are very rigidly prescribed and our experience has shown that, although these precise and elaborate provisions may, perhaps, be adequate in relation to industrial and commercial companies, they are somewhat unsatisfactory in relation to financial institutions like banks, which deal mainly with depositors' moneys and are especially vulnerable, in the event of difficulties being created for them either through mismanagement or fear of such mismanagement or otherwise.

"We, accordingly, felt it desirable to insert a new provision in the Act giving the Reserve Bank the power to remove from the office of the chairman, director, or manager or chief executive officer of a banking company any person if he is found by a competent authority to have contravened the provisions of any law and if the Reserve Bank is satisfied that the contravention is of such nature that the association of such a person with the banking company is or will be detrimental to the interests of the company or its depositors or is otherwise undesirable. Care has been taken to see that the power proposed to be taken is not arbitrary. The Reserve Bank of India will be required to satisfy itself regarding the facts of any particular case before any action is taken. An opportunity for showing cause against any proposed action is also intended to be given, wherever this is possible. I am sure that, in the larger interests of the banking industry, the House will welcome this provision."

This new provision has not been welcomed in banking circles on the ground that such statutory powers might seriously affect the reputation of credit institutions. There is also room for fear that such powers are likely to be misused for political victimisation. Some feel that the purpose of this provision can be achieved by friendly directives and advice. In view of certain known cases where persons associated with banks have been found guilty of malpractices and the unsatisfactory experience of the Reserve Bank in such cases, it is not undesirable to have on the Statute Book a penal provision of this nature. If credit institutions are to be aboveboard, it is necessary to have deterrent powers that will enable the Reserve Bank to eliminate undesirable persons from their management.

Declaration of Dividends

The Bill has sought to amend Section 15 of the Act which places some restrictions on the declaration of dividends by banks. These do not cover the declaration of dividend before writing off the losses arising out of depreciation in the value of investments. When there is a wide-spread depreciation in investments in Government securities, as may happen when there is an increase in Bank rate, the question arises off before a dividend is declared. There is, however, a difference of opinion on the obligation of banks to provide for this loss. In order to make the legal position in this respect beyond doubt, a provision was introduced as follows:

"Notwithstanding anything contrary contained in sub-clause (1) or in the Companies Act 1956, a banking company may pay dividends on its shares without writing off the depreciation, if any, in the value of its investments in approved securities, in been capitalised or otherwise accounted for as a loss."

After the Bill with the above provision was introduced in Parliament, it was submitted to the Government that the scope of the proposed amendment should be made wider than it was regard to depreciation on investments in shares of joint-stock companies and also in regard to auditor before any profits or dividends are declared. The Government considers this suggestion, in consultation with the Reserve Bank due course embodying the above suggestion ried out by the Joint Committee by recasting the Government's intention has now been carried out by the Joint Committee by recasting the relevant clause, permitting banking companies "to declare dividends without writing off depreciation, if any, in the value of their investments, debentures and bonds or the losses on account of bad debts, if adequate provision has been made therefor to the satisfaction of the auditor." The provision thus casts a heavy responsibility on the auditors for ensuring the safety of the depositors' money and the interest of the shareholders.

Dissenting Members' Note

The dissenting members of the Committee however, consider this provision as a retrograde step permitting banking companies greater scope for distribution of dividends and bonus shares. They go on to argue:

"A banking company is radically different from an industrial establishment. The shareholders of a banking company hardly

three per cent. of the working capital of the bank. The bulk of the funds on which a banking company operates and which bring so-called profits to the banking companies come from the depositors who have no say in the management of the banking company. It is, therefore, imperative that dividends are restricted rather than allowing greater scope for distributing dividends and bonus shares. Moreover, profit of a banking company could go to enhance the liquid reserves of the bank and be utilised for financing our developing economy instead of being distributed to this small group of shareholders. We do not see any reason for enlarging the scope of distributing dividends, when the trend in the country is of rising profits in the banks.

"We very strongly feel that this amendment should be rejected by the Houses of Parliament and the issue of bonus shares should be prohibited. We regret that the amending Bill is not only allowing increased dividends for the few but also seeking to regularise such irregularly distributed dividends in the past through clause 3 of the amending Bill."

Inspection of Foreign Branches

Another controversial provision in the Bill is the explanation added to Section 35 of the principal Act. This section provides for the inspection of banking companies by the Reserve Bank of India. It was sought to be amended so as to extend the powers of inspection to all branches of banking companies incorporated in India, whether such branches are situate in India or outside India.

Bankers are of the view that the Reserve Bank should not be given power to inspect foreign branches of banks incorporated in India. The main grounds on which they oppose this provision are: (1) such power is likely to create a wrong impression on the minds of people of the foreign countries where branches of Indian banks are situated, especially when branches of other foreign banks in the same areas are not subject to inspection by their central banking authorities; (2) Indian nationals having accounts with these branches are likely to transfer their accounts to branches of other banks which are not subject to such inspection; and (3) no such extra power is necessary, because banks in India are required to take prior permission from the Reserve Bank to open branches outside India and the Reserve Bank has thus control over such branches. The amending provision in the Bill is presumably based on the system adopted by the Federal Reserve Board in the U.S. But there is one distinction between the two, which appears to have escaped the attention of the Government. In the U.S., the F.R.B. is an organisation of the Federal Reserve Banks themselves and not an official organisation, whereas the Reserve Bank of India is an official organisation. Banking in India is modelled on the British system, but the Bank of England does not enjoy any such power of inspection of offices of British banks abroad. It is, therefore, contended, on behalf of banks, that, if banking in India were to have its legitimate growth and progress, banks should be subject to as few controls as possible.

Far from conceding this demand of bankers, the Joint Committee has extended the powers of inspection even to subsidiaries of banking companies formed for the purpose of carrying on the business of banking exclusively outside India.

Appointment of Directors

Section 35B of the Banking Companies Act provides for the approval by the Reserve Bank of the appointment and remuneration of managing or whole-time director or of a director not liable to retire by rotation, etc. This section has been amended so as to cover ordinary or part-time directors also, thus bringing it in conformity with a similar provision (Section 310) in the Companies Act 1956. The bankers are of opinion that this provision is likely to lower the prestige, position and honour attached to directors of banking companies in the estimation of shareholders and other members of the public. For directors of banking companies are not on par with those of other joint-stock companies.

Powers to Wind up Banks

The amending clause, which is to be substituted for Section 38 of the principal Act, extends the Reserve Bank's powers to apply to the Court for the winding-up of banking companies wherever this is considered necessary. This provision also is opposed by bankers. For they feel that the wording of the clause is so wide as to give almost unlimited powers to the Reserve Bank and such powers are not only undesirable but even unnecessary, as they are already provided by the Companies Act and other legislative measures and are sufficient for banking companies also.

The dissident members of the Joint Committee have also opposed the amending provision relating to winding-up of banks. Their argument runs thus:

"Here, we wish to point out emphatically that a banking company is established only after the Reserve Bank approves its establishment. The Reserve Bank regularly inspects the banking company and guides its operations. We, therefore, fail to understand why the depositors are to suffer unilaterally, if a bank is wound-up. We, therefore, propose that, just as Government and the Reserve Bank have been empowered to permit the establishment of a bank and supervise its operations, they should have statutory powers to amalgamate banks working unsatisfactorily sufficiently in time and not allow them to degenerate further and create a ground for their winding-up. We insist on this also, because, at every stage, it is the Reserve Bank which exercises control over the banks and which is in the know of the things happening in the banks and the depositors are kept all along in the dark. In fact, the depositors are attracted to the bank, because of the confidence arising out of the control of the Reserve Bank."

Penalty for Non-compliance

Section 46 relates to levy of penalties for non-compliance of the requirements of the Act, for failure to submit returns, balance-sheets or any other documents, but the provisions of this section do not now specifically apply to certain officers. The amending Bill seeks to extend the penalties to all officers to whom it does not specifically apply now. The bankers do not favour such extension, because there are genuine difficulties regarding filing of returns, particularly on account of difficulties of obtaining returns from distant and small places where branches of banks are situated and where some banks cannot afford to maintain competent and highly paid staff. The penal provision, it is felt, is likely to cause hardship to banks, to interfere with their normal working and to check the expansion of banking to remoter areas. The Joint Committee, instead of conceding this demand of banks, has actually raised the maximum fine prescribed under this clause from Rs. 500 to Rs. 2,000 and where the default is a continuing one, the amount of additional fine has been raised from Rs. 50 to Rs. 100 per day.

No Nationalisation

While some of the provisions of the amending Bill themselves are far-reaching, inasmuch

as they seek to exercise stricter control over banks by the Reserve Bank, some of the members of Parliament went further to suggest wholesale nationalisation of banks or other measures which are concomitants of nationalisation. The Minister, however, turned down these suggestions. Rejecting the demand for nationalisation, Dr. Gopala Reddi categorically stated that, as far as the Government was concerned, it did not contemplate such a measure either for the third Plan, fourth Plan or the fifth Plan. It was true, he added, larger resources were required for the third Plan and the Government was aware of the task before it in creating adequate foreign exchange and mobilising internal resources. Both the Government and the Planning Commission had considered the question of nationalisation in all its aspects and had come to the conclusion that it was not a desirable step from any point of view.

No Control on Dividends and Bonus Shares

Commenting on the suggestion for a ceiling on dividends and prohibition of bonus share issues, the Minister said that the Government did not consider such steps as necessary in the present context. As regards ceiling on dividends, the existing taxation system had sufficient deterrent effect. In respect of bonus issues, banks were already required to take the permission of the Reserve Bank. In allowing the issue of bonus shares, the Minister assured the House, the Reserve Bank considered each case carefully. The suggestion that Section 10 of the Banking Companies Act should be amended so as to permit the grant of bonuses with retrospective effect up to 1956 was also rejected by the Minister. He said that such a request asked, in effect, for the nullification of a recent judgment of the Supreme Court. "I do not see any reason why this judgment should be vacated, or why the old controversies on this subject, which fortunately seem to have disappeared for the moment, should be revived through any fresh amendment."

The Minister would appear to feel satisfied that the scheme of control, taken by and large, is not unsatisfactory, and that, within the limits of that control, the Bill will serve as a useful measure for facilitating the administration of this Act and the supervision and regulation of banking companies.

THE ENTERPRISE OF DURGAPUR

Those friends thou hast, and their adoption tried,
Grapple them to thy soul with hoops of steel

— SHAKESPEARE

Steel, for more than a generation, has grappled Simon-Carves to Indian industry in ever closer friendship. In many contracts for coke ovens and other steelworks construction at Jamshedpur and Burnpur—and now at Durgapur—Simon-Carves have contributed to India's industrial growth and have been rewarded with many friends and much experience.

The vast enterprise of Durgapur is an outstanding example of Indo-British

friendship and co-operation—an enterprise which British engineers, British banks and the British Government have united to help India to bring to reality.

Simon-Carves, as a member of the British consortium ISCON, are proud to be responsible for the coal preparation plant, coke ovens, by-products plant and power station, and for the training of many Indian engineers to build and to operate this great steelworks.

COLLIERY, STEELWORKS, POWER AND CHEMICAL PLANTS BY

Simon-Carves Ltd

Incorporated in England. The liability of the members is limited.

STANDARD BUILDINGS, 32, DALHOUSIE SQUARE SOUTH, CALCUTTA-1.

COMMON MARKET TO BAN IMPORT OF UNFINISHED COTTON GOODS

MILLOWNERS URGE OFFICIAL INTERVENTION

THE final decision on the agreement, under which the cotton industries of the six Common Market countries of Western Europe recently agreed not to buy "dumping" textiles and sell them after processing, is expected to be taken by the European Economic Community authorities in Brussels some time next month. The agreement, it is said, envisages the imposition of a blanket ban on imports of grey cotton goods from Asian, South American and Communist regions into the Common Market nations (France, West Germany, Netherlands, Belgium, Italy and Luxembourg) and their overseas dependencies, namely, Belgian Congo, Italian Somaliland, and French West Africa, Oceania, Equatorial Africa and Somaliland. "This action," to quote Mr. Bernard Herrenschildt, President of the Federation of the French Cotton Industry, "aims at all countries which have uncommercial selling or production methods. It involves cotton goods from Hong Kong, India, Japan and Pakistan, the Communist countries including China, and some South American countries, particularly Uruguay, because of special foreign exchange incentives."

The aforesaid move of the Common Market countries has evoked strong protests from the millowners in India. In the course of a communication addressed to the Secretary, Union Ministry of Commerce and Industry, the Indian Cotton Mills' Federation has urged that the Government should effectively intervene to prevent the imposition of a ban on exports of unfinished cotton goods from this country to the Common Market nations and their dependencies. It is true that the Indian piecegoods bought by the C.M. nations and their overseas territories are not substantial: they were only 11.6 million yards in 1958 and 14.0 million yards in 1957. But it is, as the Federation rightly points out, highly derogatory to India that its goods should be banned in any market on the ground of dumping, and it would be alarming if other countries begin to follow this example of the C.M. countries.

Balancing Adverse Effects

The Federation has expressed considerable surprise over the inclusion of India in the list of countries which are dumping cotton textiles and which have uncommercial selling or production methods. Surely, if that were so, the Indian cotton textile industry would not have been in such difficulties merely in maintaining exports at the level of previous years. The fact that India is being driven out of its traditional foreign markets by goods from several competitors like Hongkong, Japan and China shows that India certainly is not one of the countries having uncommercial selling or production methods. One may, of course, point to the incentives for cotton textile exports now being offered by the Government of India, but the objective behind these incentives is not to encourage dumping of textiles in overseas markets but only to balance, to some extent, the effect of the series of adverse factors confronting the mills, particularly the steep rise in raw cotton prices, mounting labour cost and heavy burden of taxation.

The Federation has done well to stress the need for India selling its textiles abroad. Drawing attention to the plans for economic development which have saddled India's economy with a heavy load of foreign loans, it says: "Every effort has to be made to earn foreign exchange and Indian textiles, which are one of the three most important foreign exchange earners of India, are pitted against goods from Hongkong, China, Japan, etc. If anything at all is to be exported, Indian textiles must be sold at prices competitive with those of other textile exporting countries." There is no exaggeration whatever in this statement of the Federation, as also in its view that, "if Indian textiles are allowed to be described by the C.M. countries as goods that are 'dumped' or 'sold under non-commercial selling methods,' this will be a matter for serious consideration, as Indian goods may have to suffer the same disability in other markets." It has accordingly called for effective official intervention.

In the absence of statistical data, it is not possible to say which of the Asian, South American and Communist countries have been dumping cotton textiles in the C.M. nations and their territories. One or two countries—China, and perhaps Uruguay in South America—may be

resorting to this practice. But it would be wrong on the part of C.M. countries to impose a blanket ban on all imports of unfinished cotton goods from the countries in the abovementioned regions. Such a move will only buttress the uneconomic and inefficient manufacturers in both the exporting and importing countries. As this journal pointed out on an earlier occasion, no one will complain if the Western nations succeed in withstanding competition from Asian textile exports through sheer weight of their efficiency, as the United Kingdom is now doing under the £30-million redundancy and re-equipment plan for the cotton industry.

Not Fair

In any case, the authorities of the C.M. countries will not be fair to India and others that export cloth to their region, if they take an *ex-parte*, unilateral decision. In fairness to the international organisations of which they are members, they should submit their grievance to the G.A.T.T. before banning imports of semi-processed cloth. The G.A.T.T. is undoubtedly the most appropriate body for deciding this issue. This will give a chance to the countries accused of dumping to prove their case. Failure on the part of the C.M. to do so will only serve to strengthen the deep-seated misgiving in this part of the world that the formation of the C.M. is only designed to achieve economic gains at the expense of other countries.

The so-called export incentives which the Government of India is providing to cotton mills are of a very modest nature and are more than offset by heavy taxation to which the cotton mill industry is subjected. There are no such burdens of comparable magnitude on the cotton mills in the C.M. countries. Further, these incentives are not so bad as some of the practices adopted by a few of the C.M. countries till very recently. We would like to remind the President of the French cotton industry, in particular, of the multiple exchange rates which his country was following until recently and the number of occasions on which his national currency was devalued. Although this journal is not a great admirer of the monetary and fiscal policies followed by the authorities in this country, it can certainly point out with justifiable pride that India's record in the field of currency and finance, especially from the international point of view, has so far been cleaner than that of

France. The findings of the I.M.F. will bear testimony to this assertion. God alone knows how many industries are being subsidised in France and other C.M. countries even today and how often some of these countries, particularly France, have taken full advantage of the waivers under the I.M.F. and G.A.T.T. rules.

The cotton millowners in these countries may forget the time-honoured adage that those who live in glass houses should not throw stones at others, but surely not their Governments. It is also necessary to add that France has enjoyed the indulgence of the whole free world and the billions of dollars made available by the U.S. for rejuvenating its economy which had been rendered anæmic as a result of its attempts to stick to its pre-war empire in Asia and Africa. If India is seeking such indulgence today, it is not for waging any colonial wars but for guaranteeing the minimum decencies of life to its teeming millions. If only India had half of the generous foreign aid which France has had, it would, perhaps, be unnecessary for its masses to forgo a part of its clothing requirements and sell the cloth thus saved in the foreign markets of the world in order to buy the plant and machinery necessary for creating employment. We would strongly urge the authorities of the Common Market countries to view the economic problems of underdeveloped nations like India against their broader perspective and not merely from their narrow angle.

CLOSURE OF MILLS

The number of cotton mills closed down as on 30th June 1959 was 39, according to the statement placed on the table of the Lok Sabha on the 3rd inst. The State-wise closures are: Andhra Pradesh 1; Bihar 1; Bombay 15; Madhya Pradesh 1; Madras 5; Orissa 2; Mysore 3; Rajasthan 4; Uttar Pradesh 5; West Bengal 1; and Delhi 1. As many as 33 mills were working partially as on 30th June 1959—23 in Bombay, 3 in West Bengal, 2 each in Madras and Pondicherry, and 1 each in Mysore, Kerala and Uttar Pradesh. Three mills that had remained closed at the beginning of the current year have since reopened. They are Aurangabad Cotton Mills, Aurangabad; Pollachi Bagyalakshmi (renamed as Kvality Textiles), Pollachi, and John Princess of Wales Spinning Mill No. 4, Agra. Under the provisions of the Industries (Development and Regulation) Act, 1951, the Government has recently taken over the Atherton West Mills, Kanpur, and the Model Mills, Nagpur. As a result of the closure of eight mills in 1959, the estimated monthly loss is 4,382 bales (1,500 yards each) of cloth and 11,495 bales (400 lbs. each) of yarn.

The Government of India has since taken over the Ajoyhva Textile Mills Ltd., Delhi. It has authorised Messrs. Karam Chand Thapar and Brothers (Private) Limited to take over the management of the undertaking and appointed restarting of the mills has commenced with effect from the 20th inst.

MORE COTTON MILLS TO SCRAP EQUIPMENT

TEXTILE EXPORTS FALL, WHILE IMPORTS RISE

From A Special Correspondent

MANCHESTER, 11th August
PIONEERS in the scheme to scrap Lancashire cotton mills in the £30-million redundancy and re-equipment plan have begun to lodge their applications for compensation with the Cotton Board. Share-

MANCHESTER LETTER

holders in a number of firms have received letters from the directors advising them to keep their shares as in the event of the scheme going through and the company closing down their value will be very appreciably increased. These communications are taken to mean that the firms involved are contemplating withdrawing from the industry.

A definite decision to close down two mills of the Irwell Bank Spinning Company at Stoneclough, near Manchester, containing nearly 300,000 spindles, has been taken by the Board. Mr. George H. Whitehead, the Chairman, in his message to shareholders, said: "We could carry on and offer in the scheme a limited number of mule spindles and with the compensation thus obtained and existing cash embark on a limited programme of re-equipment. We reluctantly came to the conclusion that the limited re-equipment which could be financed in this way would be inadequate in the likely future of the industry."

An analysis of the compensation payments for scrapped machinery and realisation of assets indicated the minimum amount available for each 10s. ordinary share would be 15s. Preference shares will be repaid at their par value of 10s.

Avoiding Sales of Shares

Among the companies which have advised shareholders to avoid selling their shares are Roundhill Textiles Ltd., a group controlling nearly 250,000 spindles in the Peel, Mossfield and Egyptian mills at Bolton, and Unity Ring Mill, which contains over 70,000 spindles at Heywood, Lancashire. Similar action is under review by many mill managements and speculation on the number of companies likely to go into liquidation is widespread throughout the industry. Conversations on the Manchester Royal Exchange at the moment centre almost exclusively on the topic. The names of several firms believed to have reached a decision to close are being constantly mentioned.

Last week, Mr. William T. Winterbottom, Chairman of the big Fine Spinners and Doublers group, announced that his combine would submit more than one million spindles for scrapping.

In order to encourage early application under the plan, a 5 per cent. bonus on compensation will be paid, if claims are put in before the end of this month. At least six million spinning spindles, 400,000 doubling spindles and 45,000 looms must be declared

redundant for the individual schemes to become effective.

Mr. William T. Sutcliffe, Chairman of Taylor and Hartley, Ltd., a group owning nearly 5,000 looms and 370,000 spindles, told the annual meeting at Westhoughton, Lancashire, that there would be some redundancy within the group. No final decisions had been taken, but some mills would be included in the scheme. He said that "whatever we get as compensation for redundant machinery, however, we shall not at present go headlong into buying new machinery." And he added: "We shall give it very careful consideration and, after time has elapsed, we shall be able to gauge the prospects. Eastern countries may well send more cloth into this country and put the trade in jeopardy." Mr. Sutcliffe was optimistic about the future for those firms which remained in the trade. "My prediction is that cloth will become a valuable commodity," he forecast.

Further Plans to Scrap

More big Lancashire spinning mills—the 100,000-spindle Falcon Mill at Bolton and the 85,000-spindle Mather Lane Mill at Leigh—are to close under the reorganisation plan. Built 65 years ago, the Falcon Mill contains outdated mule machinery all of which the Directors intend to submit for dismantling, getting in exchange approximately £75,000 in compensation. Mr. Wilfred Thornley, the Chairman, told shareholders that the Board will submit the entire plant for compensation under the redundancy scheme, after which the Company would be put into liquidation and the assets returned to shareholders. He estimated that a payment of approximately 10s. 6d. for 6s. 8d. shares would be available, as against the current Stock Exchange value of around 6s. 6d.

Commenting on the decision, Mr. Thornley added: "We had to think of the enormous cost involved in replacing old mules with modern ring frames. While doing this, we would also have to pay large sums of money to enable other firms to re-equip. Then, finally, we would have to face the intense competition of increasing yarn imports from abroad, where the cost of production is so much cheaper."

The Combined English Mills, Ltd., owners of Mather Lane Spinning Company, said that the mill would cease production in the near future. Alternative employment would be offered to displaced workers at other mills controlled by the group at Leigh and Atherton.

The Calico Printers' Association announced that 344 fully automatic looms from their Rhodes Mill, Middleton, are to be transferred to their Wellington Mills, Ashton-under-Lyne, to replace 438 Lancashire looms which are to be scrapped under the Government redundancy scheme. This transfer will affect 250 operatives at Rhodes Mills, but employment will be offered to them at Wellington Mills. The spinning section will be continued at Rhodes Mill.

In the half-year to the end of June, shipments of Lancashire cotton cloth amounted to 169,138,000 square yards, as against 207,591,000 square yards in the same period of 1958. Earnings from this source were £22,413,416, as against £27,544,673. In the corresponding months, imports of grey and finished cotton cloth from abroad reached a new high peak of 240,493,000 square yards, as against 201,738,000 square yards in 1958.

Exports of cotton yarn in the six months were only 11,861,790 lbs., as against 14,548,388 lbs. in the same period last year. As compared with the rate of shipments in 1957, sales of yarn abroad were nearly halved. The following table shows the position, with recent comparisons:

(Cloth in thousand sq. yards; yarn in thousand lbs.)

	EXPORTS		IMPORTS
	Cloth	Yarn	Cloth
1st quarter 1957	120,185	10,050	103,064
2nd "	117,030	9,960	114,720
3rd "	109,530	9,200	108,510
4th "	109,020	8,430	105,000
1st quarter 1958	118,248	8,045	118,541
2nd "	91,341	6,503	85,197
3rd "	88,326	6,139	74,893
4th "	88,161	6,110	110,132
1st quarter 1959	82,163	5,725	121,911
2nd "	86,975	6,137	118,582

A few of the smaller importing countries have taken more Lancashire-made cotton cloth, but the deficiency as compared with last year must largely be attributed to the severe curtailment in purchases by the chief Commonwealth markets, which still account for a large proportion of this business. Only Ghana has raised her takings among the markets of any importance to Lancashire. In this case, shipments have increased from 7,536,000 sq. yards to 9,867,000 sq. yards.

The leading consumers of British cotton cloth over the half-year were (in thousand sq. yards, with 1958 comparisons): Australia 26,768 (35,944); South Africa 20,211 (31,327); New Zealand 12,912 (16,900); Nigeria 11,770 (14,044); Rhodesia and Nyasaland 9,996 (10,757).

More variation occurred in the business done in cotton yarn, there being instances where some improvement in trading conditions took place. New Zealand, for example, took 1,361,246 lbs., as against 1,284,158 lbs. in the same period last year, while shipments to Canada were higher at 1,608,303 lbs., as against 1,039,965 lbs.

Against this more favourable trend, exports to Australia fell from 4,418,557 lbs. to 3,665,011 lbs. and there was a sharp slump in trade with India, which declined from 1,054,634 lbs. to 367,994 lbs. Several European countries also absorbed smaller quantities of Lancashire yarn, in particular Western Germany, which took only 92,670 lbs., as against 461,970 lbs. and the Netherlands, whose purchases dropped from 344,643 lbs. to 133,600 lbs.

Importers Still Gain

Arrivals of foreign cotton goods of all kinds continued their upward trend. In the first six months of the year, imports of cloth exceeded 240 million sq. yards, costing more than £18 million. The comparative figures a year ago were 201 million sq. yards, valued at £15 mil-

(Continued on page 327)

CHILDLIKE,...but NOT Childish

Eat more
Sathe's
Chocolates...
they're
delicious



SATHE BISCUIT & CHOCOLATE CO. LTD., POONA 2.
Hence '97.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4316

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
6-D Rashtrapati Road
HYDERABAD (Dn.)

BOMBAY STATE
Hongkong Bank Building
Vaz Narayan Road
Fort, BOMBAY

BANGALORE
Mahatma Gandhi Road
BANGALORE

SIKHAUDDIN Building
Redvi Bazar, Cross Lane
AHMEDABAD

Dharmawati Chambers
Ganga Ground
Stabaildi, NAGPUR

Dewan Para Road
BHAVNAGAR

Gandhi Road
BARODA

DELHI STATE
60, Janpath
NEW DELHI

MADRAS STATE
Finance House
Pattalam Road
MADRAS-2

MADHYA PRADESH
41, Tokogum Main Road
INDORE

MYSORE STATE
Konnur Building
Ramdeo Gali
BELLARUM

PUNJAB STATE (India)
Madan Mohan Malaviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Jwalakagar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

RAW COTTON IN PAKISTAN

CHANGE IN PATTERN OF TRADE

THE recent reduction in export tax on Pakistan cotton has failed to have any perceptible effect on the price of export varieties of cotton in both that country and India. This is because of the fact that there was only very little exportable surplus left of the current crop in Pakistan. At the end of July, unsold stocks in Karachi were estimated at hardly 50,000 bales. The prospective carryover on 31st August 1959 is expected to be one of the smallest on record. The size of the 1958-59 season cotton crop had been estimated at 1,467,000 bales, comprising 1,356,000 bales of American-seed cotton and 111,000 bales of Desi cotton. This makes the total supply of cotton for the season, including the carryover of 180,000 bales, 1,647,000 bales. The yield per acre has been estimated at 178 lbs. per acre, as against 183 lbs. in 1957-58, 176 lbs. in 1956-57 and 196 lbs. in 1955-56. Total sales registered for export from 1st September 1958 till 15th July last aggregated 382,781 bales made up of 127,906 bales of Desi and 254,875 bales of American-seed cotton, as against 626,738 bales sold during the same period of the previous season.

Purchases by domestic mills are expected to aggregate 1.2 million bales for the 12-month period ending 31st of this month. Assuming that export sales for the whole of the season would amount to 440,000 bales, there will be a balance of hardly 7,000 bales to be carried over into the next season.

As regards the new crop, sowings were completed by about the first week of July. The crop outlook at present is reported to be favourable, though the Punjab and Sind have, of late, received heavy rains. New crop is now said to require a long spell of dry and clear weather to ensure healthy development.

As will be seen from the above figures, a remarkable transformation has taken place in the pattern of trade in Pakistan cotton. Exports of cotton now account for only a minor portion of the total output of cotton in that country. The domestic textile mills absorb the bulk of the cotton crop. While in 1948-49 the crop was of the order of 1,085,000 bales, exports aggregated 1,172,502 bales, the difference between production and exports representing the quantity drawn from stocks. As compared with this, in 1958-59, out of a total crop of 1,356,000 bales, as much as 1,200,000 bales will have been absorbed by mills. This is a reflection of the growth of the cotton textile industry in Pakistan. The total number of mills in Pakistan in August 1947 was only 14. This increased to 60 in 1954, 87 in 1955 and 102 at present. Of this, 31 mills are in Karachi, 51 in West Pakistan and 20 in East Pakistan. The total installed capacity at the end of 1958 was 1,889,000 spindles and 29,000 looms, as against 117,000 spindles and 5,000 looms at the end of 1948. Of these, 1,768,000 spindles and 27,000 looms were actually working. Total production of yarn and cloth amounted to 345 million lbs. and 576 million yards, respectively. As compared with this, total production of cloth was only 88 million yards in 1948.

Earnings from cotton exports have naturally registered a corresponding decline. Thus, from Rs. 96 crores in 1951, they have declined to Rs. 25 crores in 1958. It must, however, be noted that a part of this loss is made up through exports of cotton yarn and manufacture.

CLOTH EXPORTS

If the assessment of the outlook for cloth exports made by Mr. Neville N. Wadia, Chairman, Cotton Textiles Export Promotion Council, in his speech at the fifth annual meeting of the Council held on Wednesday last, is correct, both the textile interests (mills and shippers) and the Government, which has given incentives, deserve to be complimented. Mr. Wadia revealed that exports of cloth recently had been heavier and that in the second half of 1958, we might reach the "normal figure" of 400 million yards. On this basis and taking the actual shipment of 309 million yards in the six months ended June, the aggregate exports of cloth for the whole of 1959 will work out to 709 million yards, as against just 587 million yards sold abroad in 1958, a rise of 122 million yards. Still, they will be very much less than the exports either in 1957 (840 million yards) or in 1956 (744 million yards).

The slightly better performance expected for the second half of 1959 is in keeping with the improvement reported by other exporting countries also. Advances from Britain and Japan say that offtake of cloth is picking up. This is due, to some extent, to the economic recovery in Western Europe and the U.S. and its favourable impact on prices of primary commodities.

The world market for cotton textiles, however, continues to be highly competitive. While the number of countries seeking a share in this trade

has increased with the emergence of Communist China, Hongkong, and East European countries as exporters, the market itself is shrinking. The total world exports of textiles during 1958 amounted to 4,369 million yards which represent a drop of 12.3 per cent. as compared with the exports of 5,002 million yards in 1958, with prices declining by about 15 per cent. in most cases. Mr. Wadia attributed this shrinkage in world textile trade to (1) establishment of new mills in many countries which were not self-sufficient previously such as Nigeria, Abyssinia, East Africa, Rhodesia and Ceylon, (2) expansion of the industry in Pakistan and Hongkong, and (3) reduced offtake by several of India's overseas markets, following the very unsatisfactory prices for agricultural produce. Even in this declining market, Communist China has succeeded in boosting its textile exports by openly quoting 10 per cent. less than Hongkong or Japan. The percentage share of world textile exports captured by China in 1958 stood at over 11.4 (the actual exports being 500 million yards), as against 6.9 (350 million yards) in 1957.

The slight recovery in Indian cloth exports is significant in the context of the persistently rising tendency in cost of production. The currently ruling prices of Indian cotton-cotton accounts for 50 per cent. of the cost of cloth—for instance, are higher than those of similar cottons grown elsewhere in the world. Again, the productivity of the Indian mill worker is much less as compared with his confrere in other countries. The average Indian mill employs 10 to 15 operatives per 1,000 spindles, as against 1.8 of a new mill in Europe. The incentives for exports now being given by the Government have, as Mr. Wadia stated, merely balanced the adverse effects under which the textile industry and trade suffer and, in no case could India be accused of dumping. And he made it clear that India's customers "can be rest assured that we are not using any unfair methods to upset their own industries."

The improvement in cotton textile exports witnessed lately must not, however, lead to a sense of complacency. If this improvement is to be sustained, it is of the utmost importance that vigorous efforts are made to enhance the competitive ability of the industry. Alluding to this subject, Mr. Wadia briefly stated that it was not only in the installation of automatic looms that the cotton industry needed re-equipping, but the latest methods of production, which were now common practice in the advanced textile industries, must also be adopted. Mr. Wadia had also a word of appeal to the mills manufacturing fine and superfine goods, the exports of which account for a bare 4 per cent. of India's total exports. He said that these mills must come forward "in a bold manner" to increase exports by taking advantage of the special incentive scheme. In his considered

opinion, these mills must study the requirements of the overseas markets and bring out a range of goods for their seasonal requirements. Further, styles and fashions play a most important part and must be accompanied by vigorous salesmanship and said that, if these were solved, much headway could be made in export trade.

While on the subject of cotton textile exports, it will be useful to record here the answer given by the Government's spokesman to a question in Parliament on the progress of installation of automatic looms. During 1958-59, 671 additional automatic looms were installed in the mills; 38 more of these looms were added upto the end of June 1959. The number of automatic looms used so far for replacing plain looms was 1,282. Not all the cloth produced on automatic looms has been exported.

COTTON CONSUMPTION

Preliminary figures relating to cotton consumption compiled by the office of the Textile Commissioner place Indian cotton consumption by mills during the month of June at 389,232 bales. This compares with 324,757 bales consumed in the corresponding month of the previous season. The June figure is lower than that of the previous month. But the overall consumption during the first ten months of the season ended June last is 175,000 bales higher than the quantity consumed in the corresponding period of the previous season.

Consumption of foreign cotton continued to be on a lower scale as compared with that in the last season. Consumption in June was higher than in May, but the overall figure for the ten-month period is nearly 100,000 bales lower than that in the corresponding period of the last season. The following table gives the monthly consumption of Indian and foreign cotton during the years 1957-58 and 1958-59:

	(In bales of 400 lbs. each)			
	Indian		Foreign	
	1958-59	1957-58	1958-59	1957-58
September 1958	899,499	899,125	42,554	49,310
October	884,558	872,781	41,303	46,415
November	863,550	890,784	35,644	51,021
December 1958	419,814	891,490	39,301	51,858
January 1959	418,181	892,007	34,370	48,804
February	376,105	850,474	31,580	43,866
March	380,198	854,298	34,294	47,643
April	379,338	845,743	36,225	42,984
May	380,282	860,068	38,058	46,379
June	385,232	824,757	38,821	45,702
Total	8,859,808	8,584,517	872,160	478,004

* Provisional.



When introducing the 'Legion of Honour' Napoleon was reported to have said that

MEN ARE LED BY TOYS

But honour and goodwill in business are no toys. They are real, they can make or mar your future and the country's too. It is more so in international trade.

Strict quality control, supplies according to approved samples, close adherence to delivery schedules—these are the foundations on which a lasting good name, and good business too, can be built. These conditions must be fulfilled while exporting your goods.

ENGINEERING EXPORT PROMOTION COUNCIL

India Exchange (7th Floor), India Exchange Place, Calcutta.

TATA LOCOMOTIVE AND ENGINEERING COMPANY LIMITED

SCHEME FOR MANUFACTURE OF SMALL CARS SUBMITTED

MR. J. R. D. TATA ON AUTOMOBILE INDUSTRY

THE Tata Locomotive and Engineering Company, Ltd., has submitted to the Automobile Enquiry Committee, which opened its public enquiry in Bombay this week, a plan for the manufacture under licence of a small German car of advanced design, which can be sold at Rs. 6,950 ex-factory. Disclosing this at the Fourteenth Annual General Meeting of the Company held in Bombay on 19th August 1959, Mr. J. R. D. Tata, Chairman, reviewed, in the course of his address to the shareholders, the various plans of expansion of the Company.

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

"LADIES AND GENTLEMEN,

The Year's Results

"As you will have seen from the report and accounts before you, the Company continued to make good progress in its manufacturing operations during the year under review. Our total turnover was a little lower than in the previous year, but only because the 1957-58 figure included the value of a substantial number of imported heavy trucks and other special vehicles. The output and sales of our own vehicles in fact increased substantially as compared with the previous year. We could have done even better in the automobile division had we not been limited, like everyone else in the industry, by the amount of foreign exchange available for the import of essential components and raw materials.

Profits and Appropriations

"The disposable profits were about the same as last year after providing for about Rs. 38 lakhs more for depreciation, taxation and development reserve. The large allocation of nearly Rs. 75 lakhs to this reserve is strictly in accordance with the requirements of the Finance Act and reflects the substantial increase in capital expenditure during the year. The appropriation of Rs. 10 lakhs to deferred taxation is self-explanatory, the intention being to even up the tax burden in later years, when reduced depreciation allowances will increase the ratio of tax to gross profits.

"As disclosed in the report, production in all divisions and departments showed an appreciable increase; in fact, we exceeded most of our targets. What is perhaps even more gratifying is that efficiency and productivity have also shown a marked improvement.

"We have continued to strengthen our position both in equipment and organisation and we now have solid foundations on which to build the further expansion and diversification of our activities in the years to come, for which we have a number of schemes under consideration.

Diesel and Steam Locomotives

"Beginning with the locomotive division, we have offered to undertake the manufacture of diesel locomotives for the Indian railways under an arrangement with our technical associates, Messrs Krauss Maffel. Assuming that the conversion from steam to diesel traction in India is a gradual one, we are willing to continue manufacturing steam locomotives beyond the period of the present agreement which expires on 31st May, 1961, if the Railway Board wishes us to do so. In actual fact, the orders at present in our books will not carry us beyond March 1961 when all the locomotives so far ordered from us will have been fully delivered. The advance planning, preparation and procurement of materials for the manufacture of locomotives takes at least twenty to twenty-four months and, in order to avoid a costly gap in production resulting in idle men and machinery, we have repeatedly, but so far unsuccessfully, pressed the Railway Board to place further orders on us pending a long-term decision on policy.

Locomotive Prices

"I shall not discuss here the question of current and future locomotive prices, as the matter is so complicated and delicate, except to say that, while we are willing to continue to serve the Indian railways after the expiry of the present contract and do not expect more than a modest profit from such business, recog-

nising as we do the encouragement they have given us in establishing this industry, we cannot in fairness to our shareholders and employees, agree to operate continuously at a loss. We appreciate the goodwill and courtesy we invariably received from the Railway Ministry; we believe they recognise the high level of efficiency we have reached in our operations since full production was established. We must, however, deplore the fact that, perhaps because of certain uninformed criticism on the working of their agreement with us, they seem to be unwilling to commit themselves to any basis or formula for fixing locomotive prices which would not result either in a loss to us or at least in the complete absence of any profit.

"We have repeatedly pointed out that the criticism voiced in Parliament that the prices paid by the Railway Board for our locomotives were too high, referred to a period when the factory was still under construction, and full production had not been reached. In any industry, whether in the public or the private sector, costs are high in the initial stages and fall rapidly as production and efficiency rise. Our own costs have come down steadily since 1954 and there now can be little doubt that our prices today compare favourably with those at which locomotives can be imported. In order to make things as easy as possible for the Railway Board, we have expressed our willingness to being treated in future, in regard to locomotive orders, on exactly the same footing as any other bidder in India or elsewhere. While there would be no obligation on their part to place continuous orders with us, we would be free to bid in answer to tenders along with anyone else.

Diesel Engine Project

"We have also under consideration a scheme for manufacturing Mercedes-Benz diesel engines for these locomotives and have submitted proposals to the Railway Board. The relatively high capital cost of the project in relation to the likely output, in view of the absence of standardisation in the Railway Board's requirements, makes it somewhat doubtful whether the scheme will materialise.

Pulp and Paper Machinery

"Reference is made in the report to the scheme for the manufacture of pulp and paper making machinery in collaboration with the well-known Swedish firm of Messrs. A. Johnson and Company, Stockholm, through their associates, Messrs. Karlstad Mekaniska Werkstad. With over 70 years' experience in the line, they have attained a pre-eminent position as suppliers of paper and pulp plant throughout the world. The Government of India have authorised us to commence manufacture of equipment pending finalisation of certain details concerning the terms of collaboration. Preparations for this work are well in hand and manufacturing operations should begin by the end of this year.

Expansion of Auto Division

"Coming to the automobile division, as mentioned in the report, the Government have sanctioned the expansion of our truck and bus chassis capacity to 12,000 a year and we have already placed orders for the necessary additional equipment. Production will rise by stages, but our ability to reach the rated output will depend on the availability of foreign exchange for essential components and raw materials. The raw material problem is, I hope, only a temporary one. As the new steel capacity which is being built up comes into operation and, in time, an adequate range of alloy steels is also made in the country, the need to import the bulk of raw materials for cars and trucks should largely disappear.

"By October of this year we shall have fully discharged the obligation we had undertaken vis-a-vis the Government and the country to establish in four years the full-fledged manufacture of a first-class commercial vehicle with maximum indigenous content. In fact, when the present expansion of our capacity to 12,000 vehicles per year has been completed in January 1961, we shall have achieved in less than six years a fourfold expansion of the original project which, as you will remember, was

initially based on a planned output of 3,000 vehicles a year. We feel that the next expansion of our automobile division should now be in the direction of a new product, and we believe that the best opportunity for us to diversify our operations and at the same time to render maximum service to the country by meeting a great public need, would lie in the manufacture of a small, low-cost passenger car.

Light Car Project

"In this connection, you may be aware that the Government of India recently appointed a high level Committee to examine the cost and prices of motor vehicles at present being made in the country, and also to submit recommendations for the manufacture of an economy car. In pursuance of the objective I have just mentioned, we submitted only a few days ago to this Committee a detailed project for the manufacture under licence of a small German car of advanced design. We are fortunate in that our partners, Messrs. Daimler-Benz, have recently acquired a controlling interest in Messrs. Auto-Union G.m.b.H., an old and reputed firm of automobile manufacturers in Germany, and makers for over thirty years of the well-known DKW light car. A new model of this car is just going into production in Germany, combining outstanding technical features with comfort, performance, economy and long life. Messrs. Auto-Union have agreed to licence our Company for the manufacture of this car at Jamshedpur and we are assured of their and Daimler-Benz's technical assistance. The project, which is based on an output of 12,000 vehicles per year, would involve a capital expenditure of about Rs. 14 crores, including housing, spread over a period of three to four years. The car would sell for about Rs. 6,950 ex-factory and from the enquiries we have made we are confident that at this price and for a car of such high quality, performance and sales appeal, there would be no difficulty in disposing of the entire output. In fact, we believe that, as in the case of trucks, the demand for cars will continue to exceed the supply.

Profitability

"If I am asked whether this project will be profitable, I would answer that we would not think of embarking on such a costly venture unless we believed it to be commercially sound. At the same time, I would request shareholders to view the project not as one aimed at quick financial returns, but as a long-term one. Whether from the point of view of the element of national and public service involved in the manufacture and supply of such an essential product to thousands of people of modest means, or from that of hard economic realities, it is clear that the ultimate financial success of such a project must come not from a large margin of profit on a small number of units, but from a very modest profit made on a large number of units. That, in fact, is the very essence of all modern industries concerned with the manufacture of articles destined for a mass market and has proved particularly to be the case with the low-priced automobile ever since the days of Henry Ford. A large market can be developed, particularly in a poor country like ours, only if the price of the product is low. Low prices are possible only with low costs, which can themselves be achieved only on a large volume of production which, in turn, requires a large market to sustain it. The proper way to break this vicious circle is to keep prices at the lowest possible level from the very start. Even if, applying this principle to the present project, little or no profit is made in the initial stages, the venture would still be well worthwhile in the long run and it would be very much in our interests to go ahead with it for, in the process, our Company would be greatly strengthened by the enlargement of its plant and facilities, the spread of its overheads, the diversification of its products and the development of its organisation which is perhaps its greatest asset.

"We realise that we are not the only ones in the field as a number of other firms have also put forward projects of their own. We can only hope that ours will be the one ultimately selected and approved by the Government as being the most complete and realistic and embodying the largest initial degree of indigenous manufacture. In the meantime, however, I would caution shareholders against undue optimism.

"While on the subject of the automobile industry, I should like to say a few words about the criticism we hear from time to time that

(Continued on page 327)

PLEA FOR HIGHER SUGARCANE PRICE

I.S.M.A. EXTENDS SUPPORT

IT is amazing that the sugar millowners who had all along been stoutly opposing the plea for an upward revision in the existing basic minimum price for cane (namely, Re. 1.44 per maund for gate deliveries and Re. 1.31 for delivery at rail centres) have now come out actively advocating higher cane price. Only three weeks ago, Mr. S. K. Somaiya, the erstwhile President of the Deccan Sugar Factories Association, suggested that, if the Government did not propose to remove the control on sugar, then the only alternative before it was to increase the price of cane to at least Re. 1.75 per maund. The suggested price represents a rise of over 20.5 per cent., as compared with the current price. The Committee of the Indian Sugar Mills' Association has since urged the Central Government to raise the cane price. Thus, in a letter addressed to Mr. B. B. Ghosh, Secretary, Union Ministry of Food and Agriculture, Mr. Jagdish Prasad, President of the Association, says:

"If the Government are not able to see their way to decontrol sugar during the coming season (1959-60) as recommended by the industry, the Committee would suggest that the minimum cane price be raised suitably, with a corresponding rise in the sugar price on this account. The Committee consider that, in view of the general increase in the price of other agricultural crops, it is necessary that the cane growers should also receive a better price. This we consider most essential to ensure high production of sugar."

Until recently, one thought that the persistent agitation of cane growers for an increase in price had been backed only by politicians, including Congress men, in their understandable anxiety to be on the right side of cane growers. Instead of continuing to oppose this suggestion, it is deplorable that the sugar millowners have argued the case for a rise in cane price. Hardly seven months have elapsed since a delegation of millowners in Uttar Pradesh met the Chief Minister of the State and declared that there was no case for an increase in the price of cane. They, however, pleaded that, even on the basis of the ruling price of sugarcane, there was a strong case for a rise in the ex-factory price of sugar. In support of this view, the delegation said that there had been an increase of at least Re. 1 per maund in the cost of sugar production in the current season, thanks to the three main obstacles to the smooth running of sugar mills, namely, low recovery of sugar from cane, near-certainty of a shorter crushing season and fixation of an unremunerative ceiling of Rs. 36 per maund (ex-factory). Surely, none of these

factors has changed since then so as to support the case for a higher cane price.

Few would deny that the minimum cane price has remained unchanged since 1953-54, whereas the prices of all agricultural commodities have gone up. Nevertheless, cane growing still seems to be quite profitable *vis-a-vis* several other crops. Taking the statutory minimum price of cane (Re. 1.44 per maund) and assuming that the average yield of cane per acre is 275 maunds, the gross monetary yield obtained by the farmer from one acre of land in Uttar Pradesh comes to about Rs. 400, as against the gross yield of Rs. 95 from jowar, Rs. 112 (controlled price) and Rs. 152 (open market price) from wheat, and Rs. 236 from rice. If the yield from cane cultivation had not been more profitable than the other crops, there would certainly not have been such a marked expansion in the area sown to this crop in U.P. as has been witnessed in the past four to five years. The aggregate area under cane in 1957-58 was over 3.02 million acres, as against only 1.97 million acres in 1953-54. It is true that, as compared with the area sown to sugarcane in 1956-57, there was a slight fall of 0.05 million acres, but this must be attributed to factors other than price.

Sufficiently High

The price of Re. 1.44 fixed for sugarcane is, after all, the minimum and it is always open to factories to give a higher price, if they want to. In addition to the minimum, the growers have been receiving a share in the prices realised by the factories. One, therefore, fails to understand as to why the Committee of the Indian Sugar Mills' Association should have pleaded for a rise in cane price. Even the minimum price of Re. 1.44 is sufficiently high and accounts for as much as 40 per cent. of the cost of sugar production. This cost is, as Mr. Shyam Sundar Kanoria, President of the U.P. Branch of the I.S.M.A., has stated in his article published in this journal—vide page 863 of issue dated 23rd May 1959—completely beyond the industry's power to change. To quote Mr. Kanoria:

"The prices of cane per maund are higher than in most other countries, though the quality is poorer. Whereas out of 100 maunds of cane it is possible to get 14.33 maunds of sugar in Australia, 12.25 maunds in Cuba and 11.40 maunds in Java, in India, we hardly get 10 maunds. Whereas in other countries the price of cane is fixed on the basis of its quality, in India we have to pay the minimum price of sugarcane irrespective of the quality. It is common knowledge that, in spite of

the high cost of cane, there was a serious agitation by the cane growers in Uttar Pradesh to increase the minimum prices of sugarcane. The Government of India considered their demand to be unjustified and did not agree to increase their price, as it would have further pushed up sugar prices."

The heavy incidence of cane cost is due to the low sucrose content of cane and, as we have ere now pointed out, so long as price is fixed only on the basis of quantity irrespective of quality considerations, the grower will have no incentive to grow better quality cane. Any upward revision in cane price will not only lead to a rise in the cost of sugar production, thereby penalising the consumer, but only result in the diversion of large areas now under food crops to the cultivation of sugarcane. If, however, the sugar millowners fear that the supply of cane to mills will be small, they can urge the authorities to take stringent measures to regulate production of *gur* and *khandasari* in and around factory areas, and subject *gur* also to taxation in lieu of excise duty. By advocating an increase in cane price, with a corresponding rise in the price of sugar, the millowners are ignoring the interests of consumers and want a further impetus to be given to price inflation in the country. In this connection, we would like these industrialists to read the second instalment of the article on creeping inflation appearing elsewhere in this issue.

S.I.S.M.A. Formula

So far as the coming season is concerned, the Government of India can implement the suggestion of the I.S.M.A. Committee, namely, application of the South Indian Sugar Mills' Association formula under which the cane price is calculated on the net amount realised by individual factories from the sale of sugar and on the average recovery obtained by the individual factories of the whole crop for the whole season. In his aforesaid letter to Mr. Ghosh, the I.S.M.A. President observes:

"Along with decontrol of sugar, the Government should also reassure the growers, through a fresh announcement, that the price-linking formula formed an integral part of their policy of decontrolling sugar and that the growers will be entitled to a share of the additional price, if any, realised by the industry, during the ensuing season. The formula appears to be working very satisfactorily in the South, but it has yet to inspire faith and confidence among the growers in the North. The Committee consider that a simultaneous announcement to this effect, along with decontrol of sugar, is essential to promote harmonious relations between the industry and the growers, which will go a long way towards maximisation of sugar production."

"The Committee have even considered it desirable that, with a view to creating confidence amongst the growers in the reality and efficacy of the formula, with which they are not still familiar, such factories as foresee extra payment of cane price according to the formula, as may be finally decided, will be glad to make, on a voluntary basis, pre-

(Continued on page 314)

Profits blossom when your goods fly to Tokyo

Every Tuesday, Thursday and Sunday
via Bangkok and Hong Kong

MODERN, busy, bustling—Tokyo won't wait for goods! Send yours by Air-India...and satisfy this eager market quickly. You'll cut down on transit risks and costs, increase your turnover, increase your profits.

Air-India offers three flights to Tokyo each week, via Bangkok and Hong Kong... easy connections to cities all over the Far East. Let us fly your goods!

AIR-INDIA

Cargo Department, Esplanade Mansion
Mahatma Gandhi Road, Bombay 1
Telephone: 259191



People just can't help buying things wrapped in TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

*TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little.

*TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes.

THE TRAVANCORE RAYONS LIMITED
Factory Rayonpattam P. O. Kerala State
Sales Office: 216, Second Line Beach, Madras-1

Distributor:
R. Sutramdas (India) Private Limited,
United India Building, 5th Floor, Sir Pheroze Shah
Mehta Road, Bombay 1

INSURE against Loss or Damage by FIRE AND RIOT THE BRITISH EQUITABLE ASSURANCE CO. LTD.

(Incorporated in England)

The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorised Capital Rs. 50,00,000
Subscribed Capital " 30,60,750
Paid-up Capital " 15,30,375
Reserve Fund " 29,00,000

Head Office:
1, Prince Yeshwant Road, Indore City
Bombay Offices: 44, Hamam Street, Fort and
Jai Hind Estate, Bhuleshwar.

Branch Offices: Cloth Market, Siyaganj and
Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujalpur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)

Safe Deposit Lockers are available at
Head Office, Siyaganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favourable terms.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

This expert has won the trust of millions in the label 'Sanforized'

Meet our American-trained expert who makes sure that any fabric marked 'Sanforized' won't shrink. Every day, all through the year, he tests fabrics bearing this international label; so that your clothes won't shrink out of fit—even after many, many washings!



This is how he does it:



Travelling from mill to mill, he advises and helps them with their technical problems; and makes on-the-spot tests that ensure value in the cloth you buy labelled 'Sanforized'.



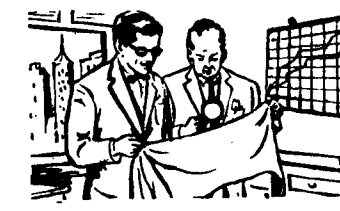
Whenever he visits the mills, he takes at random several samples from their godowns as well as off the processing machine. These samples are first measured, and then given a standard wash test.



And then, the samples are re-measured. This is the first stage of ensuring quality. All fabric must meet the Company's strict anti-shrinkage specifications before it can use the label 'Sanforized'.



These tested samples are sent to the New York office for re-checking, and with them goes the expert's detailed report. These documents record the progress and prosperity of each individual mill.



The New York office checks thousands of samples from all over the world. This is your assurance that fabric labelled 'Sanforized' is of a uniformly high standard, and is welcomed everywhere in the world!



Look for
'SANFORIZED'
on the label
and your clothes will never
shrink out of fit!

Issued by Cluett, Peabody & Co. Inc., (Incorporated in the U.S.A. with limited liability) proprietors of the Registered Trade Mark 'Sanforized'. The use of the trade mark 'Sanforized' is permitted only on fabric that meet this Company's rigid anti-shrinkage requirements.
For information: 'Sanforized' Service, 95, Marine Drive, Bombay-2

GUIDE TO COMPANY MANAGEMENT

By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price: Rs. 5/-

EXPRESS PUBLISHERS (PRIVATE) LTD.

33, BROADWAY, MADRAS-1

ECONOMIC CONDITIONS OF PLANTATION LABOUR

FINDINGS OF TEA BOARD PILOT SURVEY

MUCH interesting light on the pattern of living of plantation labour is thrown by the results of a survey of the economic life of tea garden workers conducted by the Statistics Branch of the Tea Board of India. The inquiry, which covered 10 gardens round the town of Dibrugarh in Assam, was designed to explore the need and prepare the ground for a more comprehensive inquiry into the economic and sociological behaviour of plantation workers. Since it is in the nature of a pilot survey, it should not be deemed to have given an absolutely correct and complete picture of the income or expenditure pattern or any other characteristic of plantation workers, in general, or even in Assam in particular, but it does provide a fairly representative picture of tea garden families. It enables one to gain an insight into some important aspects of the life of tea garden workers which varies but little from area to area, in spite of differences in the level of economic prosperity.

The survey was conducted during the period January to April 1958, which forms part of what is regarded as the slack season (December to April) in the tea plantations of North India. The plucking season, extending from May to November, is the peak period of activity in the gardens.

The inquiry covered 10 gardens. The selection of the gardens was purposive and care was taken to include both big and small gardens. The planted area of the selected gardens varied from 150 to 1,272 acres. Of the ten selected gardens, five were under non-Indian and five under Indian management. Among the five gardens in the latter category, two were proprietary concerns and three joint-stock companies managed by Indian managing agents.

Two schedules were used for the purpose of the inquiry, one for collecting basic information from the manager's office and the other for getting data from the selected resident families. From the list of resident labour maintained in the garden offices, one family in every 20 was systematically selected at random for inclusion in the sample. In all, 255 families were selected from the ten gardens selected for the survey.

The inquiry revealed that the proportion of resident labour to the total labour force was all throughout high, being no where less than 80 per cent. In two gardens, it was 100 per cent., the gardens employing no outside labour. The smallest garden, which relied more on outside labour, employed 63.00 per cent. of outside labour, as against 36.94 per cent. of resident labour, obviously for reasons of economy.

The extent of employment amongst the resident population in the gardens varied from 7.43 per cent. to 57.85 per cent., the overall percentage being 43.49, leaving 56.51 per cent. as apparently unemployed. Out of a total garden population of 21,474, only 10,146 were on the gardens rolls. On the basis of the age distribution of the eight gardens for which data were available, the number of children upto the age of fourteen in all the ten gardens was estimated at 10,258, while the number above that age was 11,216. Since the number on the garden rolls were 10,146 (that is, 90.46 per cent.), it appeared that unemployment among tea garden population was not very acute. It was also found that 91.83 per cent. of men, 88.97 per cent. of women, 68.24 per cent. of adolescents and 2.20 per cent. of children were actually employed at the time of the survey. Employment in busy periods would naturally be much higher. This pointed to the conclusion that unemployment as such was a problem deserving consideration only in so far as adolescents were concerned.

The bulk of the families investigated—135 out of 255, that is 52.94 per cent.—was found to be natives of Assam. Out of the remaining 120 families, 66 families or 55.88 per cent. hailed from Bihar, 21 per cent. from Orissa and 6.67 per cent. from W. Bengal. Families from M.P., Bombay and U.P. were comparatively small in number. Out of the 120 immigrant families, only 32 had some sort of family or property ties with their native places.

Community-wise, Hindus constituted the largest section of plantation workers, their percentage to total being as high as 97.6. Muslims

were 1.6 per cent. and Christians 0.8 per cent. The overall literacy percentage stood at 11.55, the literacy percentage being the lowest among women, at 1.10. Among children, the literacy percentage was 10.46. If, out of the total number of children, those of ages less than six are excluded, the literacy percentage among children of what may be called the school-going age comes to 17.92 per cent. Thus, it was seen that the overall literacy position among plantation workers was quite low and needed considerable improvement. It was also found that only about 14 per cent. of the children of school-going age were actually attending school at the time of the inquiry. This depressing situation existed, despite the fact that nine out of the ten gardens had schools within the garden. It would thus appear that parents or guardians do not fully realise the importance of providing education to their wards. This underlines the need for making primary education compulsory in tea plantations.

Information collected through the inquiry revealed that smoking was quite popular among men, 61.76 per cent. of them being addicted to it. Among women, smoking was confined only to 5.51 per cent. and among adolescents 29.41 per cent. Among children, 2.78 per cent. were smokers, the overall percentage for the whole of the plantation population being 19.79. As compared with smoking, addiction to liquor was found to be alarmingly high. Almost every adult man and woman was given to this habit, the actual proportion of liquor addicts was as high as 92.81 per cent. and 90.07 per cent. respectively. Even among adolescents and children, it was as high as 67.00 per cent. and 49.04 per cent. respectively, the overall proportion being 70.06 per cent. Another interesting revelation was that the family's economic status had little influence over the incidence of this habit.

Analysis of the composition of families showed that the average size of the family was 4.85, of which 2.33, or 47.98 per cent., were earners. The average number of earners per family also revealed a rising trend throughout, increasing from 1.19 to 5.43 between the lowest and the highest expenditure levels.

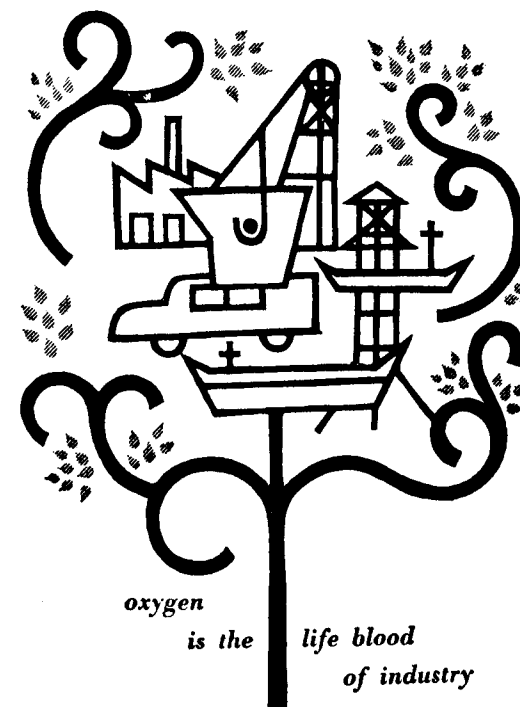
The regular income of plantation labour is generally derived from two sources: (1) cash income from the garden as wages and (2) subsidiary income from land, poultry, livestock, etc. Besides, there are non-cash concessions from the garden in the form of subsidised foodstuffs, free medical aid, etc. The value of these concessions has not been computed due to the difficulties involved in finding out their exact money equivalents. But it has been taken into account in an indirect manner. For the average family, considering all the expenditure levels, the total fortnightly income was Rs. 47.86, of which Rs. 42.53 was derived from the garden as cash wages and the remaining Rs. 5.33 from other sources such as land, poultry, livestock, etc. A comparison of the contributions of different members of the family to the fortnightly income showed that the major portion of the cash income was earned by men. But women did not fall far behind, their contribution having been a little less than that of men. Thus, concludes the survey, though the wage rate cannot be considered high in the present circumstances, the combined earnings of different members of the family place tea plantation labour in a comparatively better position than labour employed in many other industries.

The average per capita monthly cash earnings of tea plantation workers were Rs. 7.88 for men and Rs. 6.23 for women in the year 1939-40. The monthly incomes for men and women obtained from the present survey were Rs. 39.90 and Rs. 35.06. Thus, during the period earnings have increased by 406 per cent. in the case of men and 477 per cent. in the case of women. Considering that the earnings at the period of the survey were rather low and that the actual average fortnightly expenditure per family was Rs. 50.21 which is about 18 per cent. higher than the average fortnightly cash earnings of Rs. 42.53 per family, it would be reasonable to assume that the per capita cash earnings now are 597 per cent. higher in the case of men and 681 per cent. in the case of women than those in 1939-40.

There was no significant variation in the expenditure patterns among different expenditure levels. The combined pattern, taken as the pattern of expenditure among tea plantation workers, revealed that an average plantation worker's family spent about 65 per cent. of its budget on food, 11 per cent. on clothing, 9 per cent. on conventional necessities (tobacco, betel leaf, toilet and cinema) and about 8 per cent. on liquor alone. The smallest expenditure was on household purchases and equally small was the expenditure on education which stood at a little over one-third of one per cent.

An assessment of the standard of living of plantation workers, as measured by the extent of expenditure per adult unit, showed that the standard rose slowly but steadily with the rise in total expenditure. Expenditure on food, clothing and miscellaneous items mainly followed this rising trend, the rate of spending on other items remaining more or less steady. Expenditure on liquor was found to be disproportionately high, namely, Re. 1.39 per fortnight per adult consumptional unit in the lowest expenditure level but exhibited no inclination to rise as the standard of living rose, the overall value being Re. 1.10.

Two most disturbing facts revealed by the survey are thus the neglect of education among children of school-going age and the widespread addiction to liquor among plantation labour. The neglect of education of children, in spite of the existence of schools in all but one of the gardens surveyed, can be attributed to the lack of education of the parents themselves and the consequent ignorance of the value of education. By and large, addiction to liquor seems to be universal and is more of a social or environmental habit. But the wholesale indulgence in liquor, covering not only adults and adolescents but also children of less than 15 years of age, is certainly a matter for concern. Increasing emphasis on education and provision of other modes of recreation would help in weaning away some of the adults or at least to check the spread of this habit among the younger generation who are not yet addicts in the strict sense of the term. It is imperative that social workers, company managements and the Government, in fact all those who are interested in the well-being of plantation workers, should turn their attention to the twin ills, namely, addiction to liquor and lack of appreciation of the importance of education for children.



Every branch of Indian industry depends on us for supplies of Oxygen. In every phase of India's industrial development, our products and prompt technical service ensure the most modern means and methods of metal fabrication. Whether in mining or metallurgy, transport or shipping, power or irrigation, mills or factories, we serve every industry, big or small, and contribute today to the prosperous India of tomorrow as envisaged under the Second Five Year Plan.

INDIAN OXYGEN LTD

IND-718

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman
Shri G. D. SOMANI, M.P.

Authorized Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Service inclusive of Foreign Exchange.

S. L. KOTHARI,
General Manager.



The FIRST NATIONAL CITY BANK of New York

(Inc. with Limited Liability in the U.S.A.)

First in World Wide Banking

Serving India Since 1903 at Bombay and Calcutta

PNB-5.1

INDIAN ECONOMY

By L. NARAIN, M.A., Ph.D., Meerut College, Meerut
(FACTS UPTO JUNE, 1959)

SPECIAL FEATURES:

Approach to the Third Five Year Plan; New Agricultural Structure; Ceiling on Lands; Co-operative Farming; State Trading in Foodgrains; Socialist Pattern of Society; Foreign Exchange Crisis and Foreign Aid; Price Policy in Relation to the Plans; Tax Structure; Deficit Financing; Monetary Policy of the Reserve Bank; Export Promotion; Rationalisation of Industries; Policy on Foreign Capital; Employment Policy, etc., etc.

Rs. 11.00

STATE TRADING IN FOODGRAINS IN INDIA WILL IT SUCCEED?

An alternative to achieve the objectives of State Trading in Foodgrains in a better way.

Rs. 2.00

PRICE MOVEMENTS IN INDIA

A Dissertation approved for the Ph. D. Degree.

Rs. 12.50

SHRI PRAKASHAN, PUBLISHERS

Begam Bridge Road, MEERUT (India)

Daily to New York?

Yes, from Amsterdam.
Now daylight flights also!

Modern planes?

Economy class too?

What's the service like?

Any special attractions?

Sounds good!

NON-STOP DC-7Cs over the Atlantic!

Sure...or SleepAtr...or First Class with or without a berth!

Incomparable. Multi-lingual personnel at your service!

Many Tax-Free articles including cars at Amsterdam Airport!

It is—By KLM!

Choose any of the 8 weekly west-bound KLM services from Karachi, offering very good connections at Amsterdam to New York. Easy connections from Bombay to Karachi by IAC or PIA.

KLM-12

NEW YORK

Fly the Finest...

FLY TWA

TWA/1014

ECONOMICS OF NUCLEAR POWER

ATOMIC ENERGY COMMISSION'S STATEMENT

ALIVELY controversy has been sparked by the Atomic Energy Commission's announcement of a nuclear power programme, under which the first nuclear power station, with a capacity of 250,000 kw., is proposed to be sited near Bombay. There are two types of controversy. One type is purely parochial. It does not go into the economic merits of atomic power *versus* hydel and/or thermal power. It is merely concerned with the location of the proposed atomic power station. This school of thought has questioned the wisdom of locating the first atomic power station in an area for which large supplies of power will soon be available. The other type of criticism is concerned with the crucial question of economics of atomic power. Those who are responsible for it point out that nuclear power stations, both in terms of absolute cost and foreign exchange, are bound to be too costly for an underdeveloped country. The Atomic Energy Commission has, however, sought to contravert the basis on which the comparisons between conventional and atomic power stations are made. Basing itself on long-term trends in power consumption and the availability of coal and costs of transportation of coal from mines to consuming centres, the Commission has presented its case for a programme for setting up nuclear power stations in the country.

Atomic Power

The former Chairman of the Bombay State Electricity Board, Mr. M. H. Premji, states that the cost of installation of an atomic power station will be over Rs. 2,000 per kw., as against Rs. 1,400 per kw. for a hydro-electric station and Rs. 800 per kw. for a thermal station (figures calculated on the basis of maximum efficiency). He estimates the recurring cost of an atomic station at 6 to 7 nP per unit, as compared with 3 nP per unit for a hydel station and 5 nP per unit for a thermal station. Mr. Premji feels that the country cannot afford to waste valuable foreign exchange and large capital resources on setting up a costly means of generating power. He further feels that the basic cost of atomic generation and that of thermal generation would be nearer each other only if a large block of power could be consumed on a 90 per cent. factor. This, he says, is possible in an integrated electricity grid such as the one in the U.K. but is not possible in India. Some of these issues have been elaborated by a special correspondent to the *Times of India* who, in the course of an article on the subject, argues that, since power from Koyna project will become available by 1964, there will be little demand for atomic power in the Bombay-Poona region. He agrees that Gujarat can certainly do with more power but feels that "it is too exuberant to say that its power needs will grow in the next four to six years to the extent of an additional 250,000 kw." He also adduces figures to show how atomic power is much costlier than thermal and hydro-electric power. Thus, he calculates the cost of atomic power (on the basis of Rs. 55 crores for 250,000 kw. output) at Rs. 2,200 per kw. As against this, the power from the Koyna project (when it reached its full capacity of 500,000 kw.) will be only Rs. 1,000 per kw.; quoting Dr. Bhabha, he states that the capital cost of thermal plants varies from Rs. 740 (Chola second stage) to Rs. 1,370 (Korba). In conclusion, he observes that "economically—and that is what counts for an underdeveloped country like ours with limited resources—it would be wiser to have thermal plants to eliminate the power shortage."

In the course of its Press *communiqué*, replying to some of the points raised in the controversy, the Atomic Energy Commission observes that the "siting of an atomic power station is a very complicated matter, and has to be determined on the basis of many technical criteria, which are more stringent than for conventional stations." Western India, the Commission states, has been selected as the location for the first nuclear power station, in consultation with the Central Water and Power Commission, as it will have the largest power system in India, in a region remote from the coalfields. It is anticipated that, by the time the nuclear power station comes into operation in 1964-65, the present Ahmedabad grid will have an installed capacity of about 200,000 kilowatts of conventional power, while the Bombay grid will have a total installed capacity of about 900,000 kilowatts of conventional power. A nuclear power station of 250,000 kilowatts will, therefore, have an installed capacity of 25 per cent. of the Bombay grid and over 100 per cent. of the Ahmedabad

grid. While a station of this size, according to the Commission, cannot be connected solely to the Ahmedabad grid, which would be too small for the purpose, it could and should be connected to both the Ahmedabad as well as the Bombay grids, which, indeed, should form part of one large grid system, before the end of the third Five-year Plan. The nuclear power station, it is stated, will fill the shortfall of about 250,000 kilowatts, which is anticipated by then, even after taking into account all the planned projects of conventional power.

The Commission observes that the figure of Rs. 55 crores, mentioned as the cost of nuclear power stations, includes expenditure not directly chargeable to the power station; the cost of the station itself is in the region of Rs. 43 crores or Rs. 1,700 per kw.

Coal Reserves

Referring to the coal reserves in India, the Commission notes that while the total proved reserves of coal in India were till recently estimated to be roughly 43,000 million tons, the reserves of high grade coking coal (10,000 to 12,000 B.T.U. per lb.) are not much more than 3,200 million tons. Even if the reserves were double these figures, according to the Commission, India would be much poorer in coal than the U.S.A., the U.S.S.R., the U.K. and China. At present, only high grade coal is used for power generation, and it has therefore been recommended that it should be conserved for metallurgical use, while only the middlings (about 6,000 B.T.U. per lb.) from low grade coal treated in washeries should be used for power generation. It adds:

"When a private party puts up a power station, it is only concerned with the cost of that station, and it is rightly assumed that someone else will find the money necessary for producing the additional coal, and yet another party—in this case, the Government—will find whatever money may be necessary for providing transport in the shape of wagons, locomotives and rail tracks. A Government must, however, take an overall view of the entire picture, and, in planning for the future, it has to consider the total investment necessary to provide one kilowatt of installed capacity or a unit of electricity, taking into account the investment in mining, in processing the fuel, in its transport, and finally in the power station itself. The power station is only the last link of a chain. 250,000 kilowatts of thermal power would require the production of an additional 900,000 tons of high grade coal (10,000 B.T.U. per pound) per annum, and its transport from the coalfields to the site of the power station, whereas it will only require the supply and transport of a hundred tons of uranium per annum. This gives an indication of the relative burden on the railways. If middlings (6,000 B.T.U. per pound) from washeries were used, nearly twice the amount of coal would have to be produced, and the transport system would have to carry 1.5 million tons of middlings per annum, showing that thermal stations remote from coalfields will compel us to use our limited supplies of high grade coal. Even if a thermal station is something over half the cost of a nuclear power station today, a considerable amount must be added in the national investment required on the average to provide the additional mining and transport. The assessment of this additional investment is a very complicated matter, but the Atomic Energy Commission has estimated that it comes to over 50 per cent. of the cost of the thermal power station, if high grade coal is used, and the power station is located at a distance of some 700 miles from the coalfields. From the national point of view, therefore, the capital investment required for nuclear power is by no means so much greater than that required for thermal power in regions such as North-western, Western, and Southern India, which are remote from the coalfields."

Discussing the costs of hydro-electric power projects, the Commission notes that the capital costs per kw. at 80 per cent. load factor of Rihand, Koyna, Kundah I, Kundah II and Periyar are, respectively, Rs. 2,250, Rs. 1,837, Rs. 3,579, Rs. 2,824 and Rs. 2,006. These costs, it is stated, are thus higher than the capital costs of proposed nuclear power station. But the validity of some of these estimates has been questioned by the *Times of India*, according to which, the Kundah project (after the completion of the second stage) will cost Rs. 1,950 per kw. and not Rs. 2,824 as mentioned by the Commission; even this is expected to go down to Rs. 1,650 after the completion of the final stage. Similarly, the cost of Periyar is placed at Rs. 950 per kw. and not at Rs. 2,006 as mentioned by the Commission. This wide disparity requires to be explained and the Commission will, perhaps, do so.

To revert to the Commission's press statement. Referring to the cost of nuclear power, the problem of disposal of atomic waste and the importance of catching up with the progress in atomic age, it observes:

"Electricity from the atomic power station is expected to cost between 3.9 and 4.5 nP per unit.

This is comparable with the cost of power from new thermal stations in Western and Southern India. Fuel plus operating costs for a nuclear power station will only amount to between 1.3 and 2 nP a unit, the corresponding costs for a thermal station in an area remote from the coalfields being 2.6 nP per unit. It is only depreciation and interest on the higher capital investment which brings up the cost of nuclear power to roughly 4 nP, and makes it comparable with conventional power. Thus, once an investment in the power station has been made, there is no danger of a recurring uneconomic liability, since the fuel plus operating costs are much lower than for a thermal station in the same area, even at the present price of coal.

"While it must be the wish of every Indian that oil in substantial quantities will be discovered in this country, the present indications are that all oil that is likely to be discovered in the next few years will hardly suffice to meet the urgent needs of the expanding road transport system, and it is unlikely that any will be left surplus for power generation. It will, indeed, be fortunate if sufficient oil is discovered to avoid the necessity of importing oil in future.

"A nuclear power station does not directly produce nuclear waste, and no high level nuclear waste is discharged into the sea even from fuel processing plants. All discharge of radioactivity into the sea or air is very strictly controlled by international practice, and is so low as not to present a hazard either to man or marine life.

"India and the countries of Asia generally have remained underdeveloped, because they did not keep pace with new ideas and developments, when the Industrial Revolution took place over 150 years ago. If they are not to miss the bus once again in the atomic age, they have to keep step with the developments which are taking place in the industrially advanced countries. The investigations of the Atomic Energy Commission have shown that it is possible to do this without undertaking expenditure which is beyond the economic capacity of the country to bear, and in a manner which will bring immediate benefits."

Now that the controversy over the proposed nuclear stations has boiled over from experts' committee rooms into the public arena, and opinions seem to be sharply divided on the economic wisdom of setting up these stations, it seems both necessary and desirable to subject the whole programme to impartial scrutiny. While the advocates of conventional power stations obviously feel that the Commission is erring on the high side in its estimates of hydro-electric and thermal power, the Commission's critics are probably under-estimating the costs involved in mining additional coal and transporting it over long distances as well as the natural limitation to developing sources of hydro-electric power. There can be no controversy over the fact that not all the regions in India for blessed with sufficient water power for generating electricity, and that, in a few regions, as, for instance, Madras, the available water power has been fully exploited. Naturally, these areas should be given preference for setting up the proposed nuclear power station.

Heavy Price

Although nobody would like to see India miss the atomic bus—it has paid heavily for missing the bus of Industrial Revolution—it would at the same time be wrong to make the country pay a heavy price merely for acquiring the scientific distinction of nuclear power stations. While it may be advantageous to try with one nuclear power station in order to get practical experience, it is a moot point whether India should launch a programme for establishing a series of three or four stations at a time. Even though our coal reserves may not be as large or as rich as those of the U.S. or the U.K., the fact remains that even the known reserves have not been fully developed and that the exploration for fresh reserves of coal is by no means complete. Would it not, therefore, be desirable to give a higher priority to the development of coal and unutilised water power than to the establishment of a series of expensive nuclear power stations? These and other considerations demand a far more expert examination than could be given to them by press statements. Again, since the immediate participants in the controversy seem to differ even on factual data relating to the costs of the various kinds of power, it is clearly the duty of the Government to allow the controversy to be handled by a body of uncommitted experts, undivided attention.

DISCOVERER V SATELLITE

A new earth satellite, Discoverer V, was launched by the U.S. into orbit on 13th inst., carrying a 330-pound capsule of scientific equipment. Tracking stations picked up signals from the 17,000-pound satellite as it made its first pass around the earth in a 94-minute Pole-to-Pole orbit. Preliminary data set the satellite's apogee (farthest point to earth) at 136 miles. The new space exploration experiment was designed to test the vehicle's propulsion, communications, orbital performance.

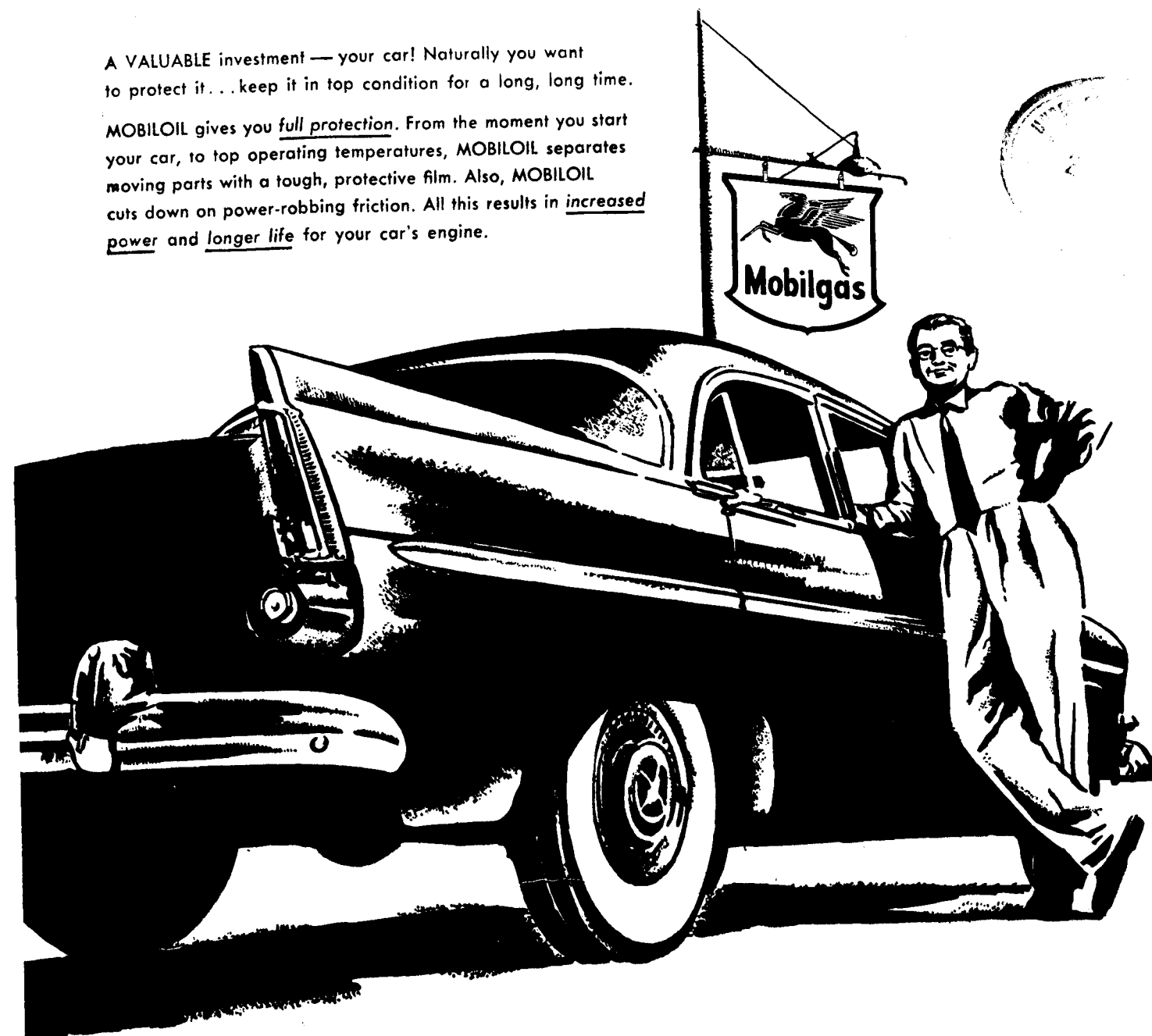
(Continued on page 327)

Because you value your car

you should use Mobiloil

A VALUABLE investment — your car! Naturally you want to protect it... keep it in top condition for a long, long time.

MOBILOIL gives you full protection. From the moment you start your car, to top operating temperatures, MOBIL OIL separates moving parts with a tough, protective film. Also, MOBIL OIL cuts down on power-robbing friction. All this results in increased power and longer life for your car's engine.



Mobiloil

FIRST IN PROTECTION — FIRST IN WORLD SALES

STANDARD-VACUUM OIL COMPANY (Incorporated in the U.S.A. with Limited Liability)

Messrs. Gazdar Private Ltd.

TAJ MAHAL HOTEL, BOMBAY

Tele. No. 211111

JEWELS - WORKS OF ART

APPOINTED

VALUERS of JEWELLERY

Under the Estate Duty Act

To

THE GOVERNMENT OF INDIA



ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited

Incorporated in England

Bombay Agents:

N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:

Dongall Road, Bahadur Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

CREEPING INFLATION—II

EFFECT ON WAGES, PRICES AND FOREIGN TRADE

[The following is the second instalment of the series of articles on "Creeping Inflation" by the Federal Reserve Bank of New York, New York. The first instalment of this series appeared in our last issue.—Ed.]

MUCH of the argument for creeping inflation has been stimulated by the fresh attention given in recent years to what have been called the twin problems of "administered" prices and "cost push" (usually "wage push"). Although it is difficult to define precisely what is meant by "administered" prices, they occur in circumstances in which a few large firms can maintain prices for their products without being closely responsive to short-run changes in supply and demand conditions. The spread of domination by giant firms in some segments of the pricing process has, probably, introduced new elements of rigidity in the price structure. Most observers, including those who accept creeping inflation, would no doubt be most gratified if ways could be found to improve the flexibility of prices through the injection, in one way or another, of more vigorous price competition. But the creeping inflationists, many with regretful resignation, consider such an alternative unrealistic, and look instead for a way of making room within the entire price structure, for the persistent upward bias in prices that they consider inevitable, so long as important sectors of the economy are dominated by administered pricing techniques. A real question is whether creeping inflation can really be only a palliative, or whether it may not simply provide a stimulant to a further spread of administered pricing, making the fundamental problems eventually much greater.

Along with the widening public concern over administered prices, there is general recognition, too, that the growing strength of labour unions, along with the natural pressures of market demand for labour, have brought about a regular, and at times somewhat arbitrary, pattern of continuing increases in money wages—often without relationship to the change in average productivity that may have occurred during the preceding year or two, or during the current year. Some of the more active proponents of creeping inflation consider continuing increases of money wages quite necessary in order to provide increased sales and profits, and thereby induce business men to expand capacity—providing the underpinning for further growth. Many others, however, are less impressed by any need to stimulate purchasing power, and concentrate their attention on the cost aspects of rising wages and labour benefits. While often concerned that such increases may disturb economic balance, they have come to regard them as virtually inevitable, and turn to creeping inflation as a way of accommodating this kind of persistent upward influence upon the price structure. As they see it, the pressure for wage increases from organised labour is so irresistible that public policies which prevented these increases from being reflected in higher average prices would result in unemployment.

Redistributory Effect on Fixed Incomes and Savings

Whether support for creeping inflation originates in a resigned acceptance of administered prices or of wage increases which exceed productivity, or whether it rests upon genuine endorsement of high wages and high costs as a deliberate means of inflating the economy to promote maximum growth, the analysis would seem to have been left surprisingly incomplete. It has to be carried one step further. If a slow but steady rate of general inflation were to be tolerated as a form of surrender to the inevitability of price increases in the "administered" price and "organised labour" industries, the end result would be the transfer of purchasing power to the workers and management in these industries at the expense of those whose savings are being depreciated or who are unable to increase income in pace with prices increases. The proponents of creeping inflation would deny, however, that they intend this type of enforced transfer and would suggest that escalator arrangements be developed in sufficient complexity to prevent the inflation from having an income redistributing effect. Assuming perfect success in this endeavour, the industries and labour groups, whose practices make creeping inflation necessary, would get the same share in the total national income that they would get at stable prices, if inflation had been prevented.

That kind of amplification points up one of the basic fallacies in the argument for creeping inflation. What reason is there to believe that these industries and labour groups would be more likely to accept a smaller share of the national product in a setting of creeping inflation than they would in a setting of broad price stability? Is it not fully as likely that they would continue to press for even larger amounts, in order to preserve at least the same relative share in the total that their strength, then as now, would lead them to expect. Could there ever be a rate of inflation large enough to disguise and mislead these underlying fundamental forces? If creeping inflation were to be accepted as public policy, therefore, the apparent result would seem to be either social injustice, if escalation were not complete, or a tendency toward a steadily more rapid rate of inflation if attempts at widespread escalation were thoroughly successful. It is also notable, though thus far apparently unnoticed by the creeping inflationists themselves, that, one by one, the countries which pioneered in escalation—in this case, a "cost-of-living" adjustment factor, beginning with Australia roughly half a century ago—are now abandoning the approach. They find it impairs needed flexibility, both in reflecting technological changes among industries as the years go by and in meeting the shifts of competition, at home and abroad. These lessons may not be conclusive; but they post a precautionary warning against this aspect of creeping inflation, too, at least until there has been much more study of this experience than has yet occurred in this country.

International Complications

From the evidence already appearing, as the other developed countries of the world reach the positions of strength toward which the United States has been assisting them since World War II, international competition is becoming significant in the domestic economy of the United States. Deliberate adoption of steady inflation would certainly impair the ability of this country's producers to compete, both in our own markets and abroad, with those other countries who have learned in their own way to combat inflation, and who are strongly committed to maintaining price stability. They would certainly be both shocked and chagrined if it appeared that the United States, after having helped them to surmount the obstacles and dislocation created by inflation, had failed to learn from their own lessons. But they would be quick to take advantage of the competitive advantages ensuing as a steady upward movement of United States prices gradually priced American products out of foreign markets.

One can hardly disregard, moreover, the very serious repercussions that continued inflation would surely have on the United States' international financial position, and indeed on this country's stature as a leader of the free world. Apart from its effect on the United States' trade balance, a sustained inflation in the United States cannot fail in the long run to undermine confidence in the dollar. Such international repercussions, in combination with the increasing competitive handicaps of American business, might have the effect of strengthening tendencies toward a new economic isolationism. These tendencies might lead to a reduction or

elimination of foreign aid and investment, in spite of the compelling considerations of world politics and our international responsibilities calling for a continuation of an aid and investment programme. They also would reinforce the pressure that even now is in many instances being mobilised to exclude, by means of tariffs and quotas, imports that are competitive with domestic products. The United States might thus be forced to retreat into a high-cost, "island" economy, while other countries, by pursuing growth in a more well-considered way, were reaping the benefits of international specialisation and a gradual removal of internal controls.

The certain knowledge of continuing inflation, even at a relatively small percentage rate per year, would, as already mentioned, discourage the holding of money, or of obligations payable in a fixed amount of money, as a store of value. Anyone lending money would want to stipulate either a very high rate of interest or repayment in "escalated dollars," or some combination of both. The impression has too often gone unchallenged that a creeping inflation would also mean "cheap" money. Quite to the contrary, of course, as expectations of rising prices are assured, interest rates must rise to provide some compensation for the decline in the value of the dollars that would ultimately be repaid. The question is just as to whether interest rates or escalated adjustments would just be 2 or 3 percentage points greater than under conditions permitting expectations of reasonable price stability, or whether the rise would be much greater. A companion development to rising interest rates or charges, perhaps particularly by concerns or individuals able directly to invest their own gross savings in this way, would be a tendency toward acceleration in investment outlays on durable or storable products. These probable characteristics of creeping inflation are significant in appraising the likely consequences of a creeping inflation policy for the growth of the economy and for the economy's vulnerability to major economic fluctuations.

In the initial transition period, for perhaps a year or more, it is entirely possible that a creeping inflation would increase the flow of resources into all kinds of investments, as an increasing number of businessmen and individuals employed their available cash (and any credit resources available to them on profitable terms) to accelerate investments in equipment, residences, and other assets that would be more costly if delayed. The income generated by this initial acceleration of expenditures would presumably add to the demands for goods of all sorts. Further investment would thus be called for to supply these demands, and the continuous accelerating tendency of the price outlook, reinforced by expanding product demand, would be most likely to have a further multiplying effect upon investment. Economic activity would blossom in the hothouse atmosphere of assured price inflation, fed by a growing volume of investment expenditures intended to create capacity and accumulate inventories to meet a firmly anticipated demand for goods—sometime in the future. What possible fault can be found with this picture?

It has already been noted that the mix of this investment boom would probably include more and more speculative buying of land, for example, and discriminate against schools and the other kinds of investments that are essential to provide the structure needed to support the steadily advancing technology that is required for long-term growth. In general, over time, basic capital would be allowed to run down as price conditions led to increasing speculation, at the expense of considered evaluation of longer range productive potentialities. But that is not all.

Incentive to Overreach

There is always a considerable time interval between the initial appearance of enlarged demand, which leads producers to plan expanded capacity, and the final appearance of this new capacity. Moreover, there is also a rather persistent and quite understandable tendency in a free market economy for businessmen initiating investment plans to reach beyond presently visible demand to provide for some further expansion. As a consequence, investment projects sometimes bunch together, especially when optimism is running high, and the new wave of productive capacity comes into use before demand is fully ready for it. There is an often leads to some reduction of further accumulation, and, if there is a spread of pessimistic concern, to some more general business retrenchment. This pattern has been a significant part of the cyclical swings that have oc-

curred since World War II, although each swing has fortunately been kept within a fairly narrow range of fluctuation. With the continuous insertion of another incentive to overreach—the desire to anticipate price increases—there would seem to be an impelling reason to expect that the forces making for both economic booms and recessions would become more pronounced.

The combination of this greater gyrations in real investment with the likely speculative boom in the stock market, and the related speculative excesses that result from losing the discipline of a stable standard of value, might create circumstances that would have to be described by a stronger word than "recession". Moreover, economic adjustments, when they occurred, would strike an economy from which the inflation prospect had absorbed any reserve of liquidity. Once a turnaround began, so long as financial markets remained reasonably free, most needs for liquidity would have to be met by selling mortgages, or equities. The effects might well be reminiscent of those more hazardous times before modern economies had developed great markets for providing secondary liquidity in periods of economic unsettlement. The tasks of limiting any thrust towards depression from purely financial factors might then become much more difficult than anything experienced in this country since World War II, while public policy has been aiming for reasonable price stability.

For the long run, therefore, it seems likely that a policy of creeping inflation would widen economic fluctuations. Certainly there is no basis for expecting any narrowing. To be sure, reliance upon growth would probably be cited again as the answer, even by those who might, on reflection, concede the possibility of greater cyclical swings. But what is left now of any stimulus to growth, in view of the prospects already described for saving and investment during creeping inflation?

In its early phases, creeping inflation might stimulate an expansion of investment in tangible assets and other equities, partly in real terms but even more as measured in shrinking dollars. Then, later on, perhaps in a year or two or three, as reliance upon the certainty of rising prices became widespread, a new phase would become clearer—that of further and further shifts into the kinds of assets offering the best possibilities for hedging against depreciation in the purchasing power of the dollar. The numerical values of investment, and of income, might still go on rising at impressive rates, although the underlying real structure of balanced productive capacity would have begun to erode. Then ultimately, perhaps after a cyclical downswing, or in a still later phase, the aggregate physical capacity of the economy to produce the goods and services that consumers really want and need might no longer rise at all. By this time, the burdens of maintaining a maze of interrelated escalators, and of diverting effort and materials into providing speculative hedges, would have become so great a drain upon the economy's resources, particularly upon entrepreneurial ingenuity and skill, that it would be difficult indeed even to maintain existing capacity in reasonable balance. Having run its course, creeping inflation would have brought the economy to a state of stagnation, and then, perhaps, creeping paralysis.

Conclusions and Implications

In looking back over all that has been suggested so briefly here, many who are already critical of creeping inflation might note the absence of several important considerations. They could suggest that a serious deterioration occurs in the moral character of a nation when its economic life is subjected continually to the strains of rising prices and deterioration in the value of its monetary unit. They could cite many instances in which countries have drifted into an acceptance of some inflation, only to find themselves eventually drawn into a labyrinth of restrictive governmental controls. And they could point, too, to the experience of a number of economies over the past half-century where, despite a multiplication of devious governmental controls, the outcome ultimately was a runaway inflation. They could then, too, elaborate convincingly upon the horrendous effects of that kind of inflation.

All of these criticisms are, of course, perfectly valid. They have, however, been stated so often and so well that they need no repetition. Any critique of creeping inflation should recognise, nonetheless, that all of these greater eventualities—the sapping of moral vitality, the stultifying influence of rigidifying governmental controls, and the collapse that ensues from runaway inflation—are indeed grave prospects that cannot be ignored whenever a modern economy acquiesces in a pattern of inflation.

The lesson of this analysis of creeping inflation, though, does not come from a parade of frightening extremes. It should be enough for a considered evaluation to recognise that, at the least, a consistent acceptance of creeping inflation will end in futility. There is nothing in the nature of the influence exerted by a steady edging upward in prices that can provide a solution to the important problems that are, indeed, quite rightly the centre of attention in the American economy. But creeping inflation would not only end in futility. The logic of the analysis and the facts of experience demonstrate that the alleged gains from acceptance of creeping inflation cannot actually materialise. At best, the result is a drastic rise in interest rates as prices mount steadily, while one escalator arrangement after another is superimposed upon those segments of the economy that can practicably make use of such devices. And, in the end, with the futility of the escape mechanism fully demonstrated, and as it becomes clear that the hoped-for gains cannot materialise, positively harmful manifestations emerge. Those who can raise prices most readily, or increase wages most effectively, or escalate themselves to a position of neutrality, get more and more of total income, while the unsheltered get less. And, in due course, total real income rises only slowly, if at all. The functioning of a market economy, upon which both the vitality and the growth potential of this country depend, becomes impaired and eventually corrupted.

All along the way, as the panorama of creeping inflation unfolds, the Federal Reserve would probably find itself called upon to attempt a succession of holding actions. Eventually, even greater reliance might actually be placed upon monetary and credit controls than is done today, but because other upward forces of price pressure would also have been condoned and strengthened, the effectiveness of the Federal Reserve would probably be weakened or even nullified. With everyone given a stake in pushing up prices, with credit relationships entangled in escalator clauses, and with interest rates held continuously at very high levels, the scope for flexible variation in monetary and credit policy, and the potentialities for sensitive response to such policy, throughout the financial structure and the economy, would soon become narrow and limited.

Central Banks' Contribution

To be sure, no central bank can be expected to bring about stability in prices and in the economy by its own actions alone. But post-war experience both here and abroad strongly suggests that an effective central bank is one essential part of the governmental apparatus, particularly under any system that aims to avoid direct governmental control over prices and wages. Without attempting to outline the positive contribution that central banking should be able to make, and without touching at all upon the potentialities of such companion instruments as fiscal policy, it should nonetheless be evident that a crippling of the central bank would have serious implications for the implementation of public policy in any market economy.

The creeping inflationist might still, however, wave all of these grave consequences aside, insisting that the principal problem still remains—that any monetary or fiscal policies strong enough to halt creeping inflation will inevitably create a volume of unemployment so large as to be wholly unacceptable, socially and politically, in a modern society. The persistence and grip of that idea, despite dramatic evidence to the contrary in several European and other countries since the war, is truly remarkable. As a theoretical concept, its appeal must come from the logical simplicity of an "either-or" proposition. There is no evidence to support it in United States' experience.

Certainly there is no demonstrated basis for viewing the supposed conflict between price stability and employment, on which the creeping inflationists have fastened so firmly, as inexorable. Even the supposed new influences of administered prices and "cost push" have scarcely been visible long enough to have set in motion the corrective forces which distortions of that kind often produce from inside themselves within a generation, or even less, so long as the force of competition remains at work. And, if competition along old paths may seem for a time to slacken, it will spring up again, so long as public policy gives its determined support, from the influence of new firms, new products or new processes displacing the old, or from the impact of new sellers or buyers abroad.

The issues confronted by the creeping inflationists do not appear to be any different in significance for the current generation from the kinds of issues visualised by the popular economics of "secular stagnation" in the 1930s, or perhaps of "bimetallism" and others even further back. Each of those new theories left behind its grain of truth, as emerging developments pushed aside the base upon which the theory itself had been erected, and there is no doubt that some gain will remain in the articulation of public policy and in the understanding of economic processes, after the creeping inflation thesis has moved on into the archives of economics. But its futility in reaching any of the underlying causes for concern, such as administered prices and wages, and the clearly harmful further consequences that it would also produce, make creeping inflation unacceptable as a basis for public policy.

AGRICULTURAL EXPORTS

The Government of India has decided to relax some of the restrictions imposed on the export of agricultural commodities. This is in pursuance of its present policy designed to meet the requirements of domestic consumption by augmenting production, instead of by resorting to quantitative restrictions on exports. It is proposed, as a first step, to license freely for export the following commodities without any quantitative limit for a period of three years: piper seed, kardi seed, sesamum seed and their oils, salad oil, niger cake, kardi cake, maize oilcake and meal, undecorticated cottonseed oilcake, other oilcakes (excluding groundnut cake, linseed cake and coconut cake) and green coconuts. Fishmeal will also be licensed freely for export for a period of two years. Provision has been made for a review of the trend in exports of these commodities from time to time so as to take necessary steps to promote production and trade.

READY

LATEST AND UP-TO-DATE

The Law of Income-Tax in India

BY

V. S. SUNDARAM

The 8th Edition of this comprehensive treatise on income-tax brings it up-to-date in the light of statutory changes and recent rulings of Courts, of both of which there has been an abundance since the last Edition was brought out in 1954. The book has been thoroughly revised, several portions re-written and some condensed, while all matter now obsolete or superfluous or of little practical importance has been excluded or referred to briefly. The Index has also been expanded. This Edition will therefore be found to be even more useful than its predecessor as a standard book of reference on this intricate and abstruse subject.

The Amendments of the Indian Finance Act of 1959 have been incorporated in the book.

"On the whole this is a most exhaustive, most comprehensive, and most elaborate commentary on the Income-Tax."—*Bombay Law Reporter*.

Price Rs. 40.

Carriage extra.

Published by:

Madras Law Journal Office, Madras - 4

SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

DEVELOPMENT OF HOTEL INDUSTRY GOVERNMENT'S NEW POLICY REALISTIC

A FIRST class hotel industry, which will be able to provide healthy and comfortable accommodation, is a *sine qua non* for facilitating expansion of tourist traffic in the country. Much attention has, of late, been devoted in India to the development of tourism. This effort will become futile, unless care is taken to see that the accommodation and catering services available in the important tourist centres are of a nature to suit the convenience of all types of tourists. In major centres, these services should be in different grades to suit the varying capacity of the visitors' purse. All the tourists are by no means rich people. A good proportion of them consists of the middle class who cannot afford to live in expensive hotels. But all of them require a clean bed and bath and healthy meals served in pleasant surroundings. It is, therefore, necessary to see that hotels even in small tourist centres pay attention to these minimum requisites of tourists.

The rapid improvement in the means of communication and transport, particularly the development of jet air services, and the high level of incomes and savings in the Western world, as well as a desire to see and learn how people in other parts of the world live, have provided a great stimulus to the flow of tourists from the West to the East. India, with its long historical background, varying climate, beautiful temples, colourful festivals, picturesque natural scenery and thrilling jungles, offers plenty of scope for a flourishing tourist industry. It is, of course, necessary to see that the country maintains its oriental traditions, that its arts and culture are preserved, that its forests and wild animals are not exhausted, and that its ancient monuments and temples of great architectural beauty and religious sanctity are maintained in good repair. It is needless to add that the temples will be lifeless, unless their chief attractions are continued in their customary glory. It will be no exaggeration to say that all these constitute the assets—the plant and machinery—of India's tourist industry.

If external tourism is to thrive, it is necessary to encourage internal tourism also. Without the latter, several of the aforesaid assets will fall into disrepair and decay. Temples and hill stations are two examples. Both these cause movement of people from one corner of the country to another. People go either for holiday or on pilgrimage. The authorities of this country, in their preoccupation with economic development, should not miss this fundamental aspect of tourism.

Enquiry Committee

Realising the importance of good hotels to tourist industry, the Government of India appointed some time ago an enquiry committee, called the Hotel Standards and Rate Structure Committee, to recommend measures for improving the hotel industry and encouraging its growth. The Committee's report has not been made available to the public yet, but, from the Government's decisions on its recommendations, it would appear that the Committee has done good work and put forward proposals with a practical approach. The Government, too, has acted in a realistic manner. It is willing to give maximum freedom and active assistance to hoteliers. This should encourage people with talent for this business to enter the field and put forth their best.

One of the important recommendations of the Committee accepted by the Government is that the "hotel industry should, by and large, be left to private enterprise, but, where the private sector is unable or unwilling to fill the gap, the Government should step in." This condition is fair enough. After all, tourism is such an important means of earning foreign exchange that if, in certain principal centres of attraction, private enterprise is not able to put up an hotel, the Government has to enter. Before doing so, the Government, however, should see whether, by offering certain incentives, private enterprise cannot be induced to do that task.

Another recommendation of the Committee is that hotels catering to foreign tourists should be classified according to internationally understood "star" system. The Committee had suggested that the hotels in India should be classified into five categories under the "star" system,

after giving sufficient time to hoteliers to improve their standards before classification is actually introduced. In order to give the hotels adequate time, the Government has decided that a three-man committee, to be known as the Hotel Classification Committee, should be set up by June 1960, so that, by the end of that year, they could complete inspection and classification of these hotels. Thus, the hotels have ten months to improve their affairs.

Finance

The growth and modernisation of hotel industry are determined by the availability of finance. Consequently, the Committee had recommended that the hotel industry should be recognised under the Five-year Plan and given financial assistance by State Corporations and banks and that a Government fund of Rs. 10 crores should be set up for the purpose of giving loans to deserving hoteliers. The Government, too, on its part has been convinced of the claims of hotel industry for credit facilities and has, therefore, decided to take steps to make hotels eligible for getting loans from Finance Corporations established by Acts of Parliament or other credit corporations. It has not, however, accepted the suggestion for a separate fund, as the proposition is not considered feasible. The Government, in our opinion, is justified in coming to this conclusion, for a fund of the nature suggested by the Committee might encourage inefficient or dishonest *entrepreneurs* to try their luck in this field with the help of cheap Government loans. All worthwhile and soundly managed hotels should be able to command the support of Finance Corporations and banks.

Foreign Capital

On the question of foreign investment in Indian hotels, the Government has decided that where there are clear and obvious advantages in permitting foreign collaboration in the setting up of any hotel, such collaboration will be permitted, subject to the condition that the foreign capital does not ordinarily exceed 49 per cent. of the total capital invested in any venture. Government will, of course, examine each case on its merits. The official Press note does not say anything about the nature of recommendation made by the Committee on this question. Whatever that might be, the Government's decision is not realistic. While the Government should take care to see that well-established Indian hotels are not placed at a serious handicap by the entry of foreign capital and talent in that field, why should it insist on a rigid condition? It would be more advantageous to the larger interests of the country if foreign capital were allowed to establish hotels on 100 per cent. ownership initially, on condition that, after a specified period, a part of equity capital will be thrown open to Indian investors. The condition now imposed by the Government will only retard the growth of hotel industry, especially in big cities such as Calcutta, Bombay and New Delhi, as there is not a sufficient number of indigenous *entrepreneurs* to join hands with foreign capital.

The introduction of prohibition in many parts of the country has a dampening effect on the development of tourism. The Government, however, says that it has already endeavoured to meet all reasonable needs of foreign tourists in obtaining drinks. It adds that it will con-

tinue to allow relaxations in prohibition to the extent considered reasonable in the interests of foreign tourists, within the broad policy of prohibition and the existing framework of law on this subject in the various States. This is another subject on which the official Press note gives no indication of the Committee's recommendation.

The recommendations of the Committee regarding the reorientation of the rate control on hotel rates have been accepted by the Government. Accordingly, it feels that rate controls existing in Bombay and elsewhere should be abolished. The State Governments have been asked to consider modifications of laws on this subject. The rate structure in hotels, according to the Government resolution, should be governed by the widely accepted "Hubbart formula" with slight modifications to suit Indian conditions. This is undoubtedly the right approach. Direct controls on rates are not suitable for ensuring the growth of hotel industry on sound lines. Complaints of profiteering, however, should be carefully looked into by the tourist promotion authorities and those found guilty should be blacklisted. The prospect of such a punishment itself will act as a deterrent to profiteering.

Other Suggestions

The Committee's suggestions for giving import licences to the hotel industry for getting essential equipments and provisions, besides air-conditioning units, to enable it to maintain proper standards, have also been approved by the Government. Among other suggestions of the Committee, it had been recommended that since the hotel industry was a highly specialised industry, interests like the jewellery and silk trade, whose main motive was to attract customers for the purpose of selling their wares at high and exorbitant prices, should not be allowed in this field. In its resolution, the Government of India has stated that, since the number of people who are exclusively hoteliers is extremely small in this country and since the hotel industry has to attract capital from every available source in order to meet the needs of ever-expanding tourist traffic, it may not be advisable to close the doors to financiers other than hoteliers who are interested in investing in this industry. However, steps will be taken by the Government to check all malpractices in the hotel industry and particularly for preventing interlocking arrangements between hoteliering and shopkeeping.

The Government has also accepted the recommendation regarding the opening of craft and managerial hotel training schools. Efforts will be made to open a first-class hotel training school as early as possible. Encouragement will also be given to schools which are already in existence and are doing useful work in the field. Besides, the Committee had suggested that a common fund should be created for the hotel industry which should be augmented by the levy of a 2 per cent. surcharge on all hotel bills. Government has taken note of this recommendation and, in view of the possibilities it offers for assistance to, and improvement of, hotels, will examine the proposal in consultation with the authorities concerned.

The recommendations of the Committee regarding the establishment of more hotels and expansion of the existing ones have been accepted by the Government. Since the hotel industry is mainly in the private sector, the Government has expressed the hope that private enterprise, given the necessary support, will be

able to put up new hotels to meet the existing and potential requirements. It has also expressed itself in favour of the Committee's suggestions to introduce suitable legislation covering all relevant aspects of the hotel industry.

ELECTROLYTIC MANGANESE

A process for producing electrolytic manganese metal from low-grade manganese ore has been developed by the National Metallurgical Laboratory, Jamshedpur. Although the present domestic demand for electrolytic manganese is very limited, it is expected to go up substantially in the coming years thanks to expansion of steel industry and other developments. Electrolytic manganese is capable of replacing nickel in the manufacture of "nickel-free stainless steel" developed by the Laboratory. The annual demand in the country for stainless steel is estimated at over 1,000 tons. It is also claimed that electrolytic manganese will find large-scale use in substituted brass and other non-ferrous alloys being developed at the Laboratory. It is also likely to yield some foreign exchange, if proper export markets are established.

India has the distinction of possessing one of the world's largest deposits of manganese ore, estimated at 150 million tons. Of this, as much as 90 million tons are considered to be low-grade with a manganese content of 40 per cent. or less. High grade ores are either exported, about one million tons annually, or utilised for the production of ferro-manganese, whereas low grade ores have been generally dumped as waste, which can now be converted into electrolytic manganese metal of 99.95 per cent. purity.

Describing the new process, a Press note issued by the National Research Development Corporation says:

"The ore is crushed to a fineness of 100 mesh and reduced to manganese oxide in a rotary reduction furnace at 500-600° C. The reduced ore is fed to reactors filled with effluent from electrolytic cells where manganese oxide is dissolved by the free acid present. The resulting solution is purified to remove iron, arsenic, phosphorus, copper, nickel, cobalt and other impurities. The purified solution after adjusting its composition is electrolysed. Manganese metal deposit on the cathodes is removed, washed and dried."

The new process has been tried on semi-pilot plant scale unit producing 32 lbs. of metal per day. Recovery of the metal from the ore has been about 95 per cent. of the manganese content. We are told that even ores containing 15 per cent. manganese can be successfully processed by adopting the new process. Iron oxide, obtained as a by-product, can find use as a pigment.

Electrolytic manganese is not so far being produced commercially in India and, consequently, its consumption is very limited. During recent years, electrolytic manganese metal has been successfully produced commercially in foreign countries and used in the manufacture of ferrous and non-ferrous alloys. Because of the many advantages it offers over low carbon ferro-manganese, the use of electrolytic manganese in metallurgical practice is rapidly finding favour. When used as an alloying element in steel making, no new impurities are introduced. The charges can be calculated and weighed accurately and sampling and analysis required to check the composition of the melt are appreciably reduced. The present annual capacity of the American Electrolytic Manganese plants is about 15,000 tons. Appreciable quantities are also being used in Europe and other countries.

BOMBAY'S MASTER PLAN

The Master Plan for Industrial Development of Bombay State will be published sometime in October next. This was disclosed by Mr. S. K. Wankhede, Minister for Planning and Development, in Bombay on the 12th inst. He pointed out that the preliminary work on the Divisional Master Plans had now been completed by the six regional committees, one in each division of the reorganised Bombay State, set up to collect data for, and make suggestions on, the proposed Master Plan. The findings of the six committees would be considered by the State Industrial Advisory Committee to draw up the final Master Plan.

Mr. Wankhede observed that, though Bombay State was considered to be the most industrially advanced State in India, there was still immense scope for planned development of industries, since almost all its industries were concentrated in five or six big cities only. One of the important recommendations of the Master Plan, he said, would be concerned with the dispersal of industries from big cities to the industrially backward areas. In order to encourage such decentralisation, the State Industrial Advisory Committee had already recommended establishment of 16 industrial estates all over the State which would be provided with all modern amenities. He urged the co-operation of industrialists to carry out the scheme, which, according to him, would not be a rigid plan, but would provide ample scope for changes which would fit in the framework of the third Plan. He felt that, if the private sector needed any assistance in this matter, Government was duty-bound to extend it. Mr. Wankhede also pointed out that the geological surveys made by the Directorate of Mining and Geology had raised high hopes of finding large deposits of high-grade quality coal in the Vidarbha area, bauxite ores in Kolhapur, lignite ores in Kutch and mineral oil reserves in some parts of the Gujarat region. The exploration of these valuable minerals will give a new fillip to the industrial development of Bombay.

INSIDE FACTS
REVEAL

Stator Core
"Pre-built" before pressing into frame. Machining of the bore avoided by special assembly tooling.

Cooling Fans
Large fans draw air from the back and blow off through the driving end shield, and thus keep away belt-dust.

Stator Coils
Heavy grade polyvinyl covered wires into mica-insulated slots and impregnated with fully polymerising formaldehyde varnish.

Rotor
Pressure die cast with aluminum and dynamically balanced. Rigidly supported on over-sized ball bearings with ample grease capacity.

Terminals
Avoiding stiff single core leads, heavy multicore flexible cables are used to make working easier and less brittle.

End Shields
Ventilating windows below the horizontal axis make the motor drip-proof.

Why ORIENT INDUSTRIAL MOTORS are a source of DEPENDABLE POWER

Orient INDUSTRIAL MOTORS

ORIENT GENERAL INDUSTRIES LTD. 6, Ghore Bibi Lane, Calcutta

Distributors for Greater Bombay, Bombay State and Madhya Pradesh:

Messrs. OPTIMUM CORPORATION
18, Hamam Street, Fort, BOMBAY

Tele: 251900

GRAM: "OPTI"

FLY—

QANTAS AND B.O.A.C.

to

BRITAIN or AUSTRALIA

See your local BOAC Appointed Travel Agent or BOAC at
Bombay, Delhi, Calcutta and Madras.

BRITISH OVERSEAS AIRWAYS CORPORATION WITH QANTAS
EMPIRE AIRWAYS LIMITED AND TEAL

MACHINERY FOR SALE

Offers are invited up to 19th Sept., 1959 for the purchase of a number of rare and useful machines like crankshaft grinders, lathes, milling machines, turret lathes, drilling machines, grinders, re-boring machines, piston grinders, valve re-facing machines, connecting rod turning machines, power pressing machines, mechanical presses, hand presses, hardness testing machines, centrifugal casting machines, hydraulic pressing machines, electric motors, generators, chucks, tools, accessories and various other machines, mostly foreign makes, in a large factory in Delhi, manufacturing automobile parts, cycle parts, etc.

Offers are also invited from those who are interested to purchase the entire factory with the goodwill. For inspection and for further particulars apply to Post Box No. 1128, Delhi 6. Telephone: 25098.

SYNOPSIS OF COMPANY REPORTS

Kumardhubi Engineering Works Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company, for the year ended 30th November 1958.

The profit and loss account, after providing for all charges and making provision of Rs. 4,35,000 (Rs. 7,21,000) for taxation, Rs. 48,000 (Rs. 92,286) for wealth tax and Rs. 3,04,562 (Rs. 2,85,718) for depreciation, shows a profit of Rs. 5,10,184 (Rs. 5,69,214) to which is added the amount transferred from reserve for bad and doubtful debts Rs. 187 (nil) and balance brought forward from the previous year of Rs. 22,949 (Rs. 25,110) making a total of Rs. 5,33,320 (Rs. 5,94,324). From this is deducted the amount transferred to reserve for bad and doubtful debts Rs. 1,626 (Rs. 18,895) and to statutory development rebate reserve Rs. 1,87,300 (Rs. 11,000) to development rebate reserve leaving an available sum of Rs. 3,44,394 (Rs. 3,59,429) after transferring Rs. 80,000 to reserve for tax contingency and Rs. 1,25,000 to reserve for plant renovation).

The directors propose to dispose of this amount as follows:

By payment of a dividend on the preference shares of 5 per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 60,000 (Rs. 60,000), by payment of a dividend on the ordinary shares at the rate of 30 (45) paise per share without any deduction for income-tax payable by the Company absorbing Rs. 1,84,320 (Rs. 2,76,480) and by carrying forward Rs. 1,00,074 (Rs. 22,949).

After careful consideration the directors have decided on this recommendation of dividends, in view of the necessity of conserving the liquid resources of the Company. They are pleased to report that the managing agents are returning to the Company the amount of commission due to them as an interest free loan until the Company's liquid position improves.

General.—Profits were again reduced compared with the previous year, largely because of shortage of steel supplies to the Structural Shop and the continued change in the pattern of demand for the Steel Foundry products.

Marked increase in competition has become evident on both the structural and foundry side and the directors feel that less satisfactory results than hitherto will continue until steel becomes more readily available and the steel foundry expansion and modernisation is completed. The directors anticipate that the structural steel shortage should begin to ease during 1960 but it is possible that shortage of work for the steel foundry will persist for some time longer until an increased and balanced activity resulting from the effects of the current Five-year Plan becomes apparent.

During the year under review an agreement was signed granting certain increases in dearness allowance to labour and there was some improvement in general labour relationships. Unfortunately this improvement has not been sustained and quite recently there has again been a decline in the situation.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	30,43,200	Gross block	87,21,589
Debitures ...	10,00,000	Less—Depreciation	29,46,713
Reserves ...	56,50,351		
Provision for taxation ...	9,32,238	Net block ...	57,74,876
Provision for wealth tax ...	96,000	Capital jobs in progress ...	14,05,771
Liabilities ...	96,01,017	Raw materials ...	29,66,069
Profit and loss account (surplus) ...	1,00,074	Work-in-progress ...	27,11,692
		Stores, tools, etc. ...	26,21,524
		Debts, deposits and advances ...	48,82,602
		Investments ...	46,421
		Cash ...	13,925
Rs. 2,04,22,880		Rs. 2,04,22,880	

Bengal Chemical and Pharmaceutical Works Ltd.

The directors of the above Company (Managing Director and Chairman: Mr. Balindra Nath Ghose, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

After meeting depreciation, bad debts and all other charges, the profit and loss account this year shows a profit of Rs. 15,85,498 (Rs. 10,49,360) against which is set off taxation reserve, development rebate reserve and income-tax paid in excess of previous year's provision leaving a net profit of Rs. 7,37,991 (Rs. 5,41,811) available for distribution. Out of this amount, the directors have transferred Rs. 2,00,000 (Rs. 1,40,000) to various reserve funds. From the balance of Rs. 5,37,991 (Rs. 4,01,811) the directors recommend payment of dividend at the following rates:—At 7½ per cent. free of income-tax on preference shares absorbing Rs. 67,500 (Rs. 67,500), at 7 (6) per cent. free of income-tax on ordinary shares absorbing Rs. 87,395 (Rs. 83,649), at 7 (6) per cent. free of income-tax on medical ordinary shares absorbing Rs. 14,357 (Rs. 12,293.50), at 7 (6) per cent. free of income-tax on 'A' ordinary shares absorbing Rs. 77,623 (Rs. 66,534), at 7 (6) per cent. free of income-tax on 'B' ordinary shares absorbing Rs. 1,57,829 (Rs. 1,35,282) and at 4½ per cent. free of income-tax on second preference shares absorbing Rs. 53,556 (Rs. 53,554) leaving a balance of Rs. 79,732 (Rs. 2,999).

The distribution of profit and transfer to various funds from the profit and loss account leaves a balance of Rs. 79,732 (Rs. 2,999) which together with the balance of Rs. 13,00,664 (Rs. 12,97,665) brought forward from the profit and loss account for the year ended 31st March 1958, amounting to Rs. 13,80,396 (Rs. 13,00,664) has been carried as undistributed profit in the balance-sheet.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	69,07,325	Gross block	1,47,81,462
Debitures ...	15,00,000	Less—Depreciation	70,85,452
Reserves ...	50,72,805		
Provision for income-tax ...	7,35,000	Net block ...	76,96,010
Provision for wealth tax ...	75,000	Stock-in-trade	43,49,254
Liabilities ...	62,33,778	Stores, spares and tools ...	8,02,149
Profit and loss account (surplus) ...	13,80,396	Work-in-progress	4,10,971
		Debts, deposits and advances ...	59,65,102
		Investments ...	16,93,103
		Cash ...	9,87,715
Rs. 2,19,04,304		Rs. 2,19,04,304	

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a loss, after charging all expenses, of Rs. 4,00,161 (Rs. 75,954 after providing Rs. 74,000 for taxation). The balance brought forward from last year was Rs. 19,790 (Rs. 62,822) and the directors have forfeited unclaimed dividends totalling Rs. 12,435 (nil) leaving a debit balance to be carried forward of Rs. 3,67,936 (credit of Rs. 1,88,776 including Rs. 50,000 transferred from reserve for repairs from which dividend at Rs. 1.20 per share, for the year absorbed Rs. 1,68,988 leaving a balance to be carried forward of Rs. 19,790). Rs. 1,989 has been transferred from investment surplus reserve to meet a small loss on the sale of investments.

Although earnings from the carriage of jute and gunnies were slightly higher than in 1957, the demand in the Port of Calcutta for lighters for general import cargo was very poor throughout the year. Freight from import cargo dropped from Rs. 19,95,918 in the previous year to Rs. 5,53,606—a decrease of nearly Rs. 14½ lakhs and the disappointing results for the year were largely due to the decrease in income under this head. Lighters for this type of work having hitherto formed a most important part of the Company's business. Not only was the import of general cargo severely restricted, but also the more expeditious handling of cargo in the docks area by the Calcutta Port Commissioners resulted in a lower demand for lighters.

In spite of the depression in the lighterage business in the port, there was considerable agitation during the year by the tug crews of the five largest lighterage companies, culminating in a strike in the second half of the year. The cost of hiring tugs to tow lighters during the strike period and expenses incurred in repairing tugs which had been maliciously damaged, amounted to approximately Rs. 40,000.

Owing to factors over which the Company has no control, immediate prospects are not encouraging. Not only is less business offering but operating conditions on the river Hooghly have deteriorated, barge tides having become increasingly stronger with consequential increased expenditure on repairs to lighters damaged during these tides and on replacement of broken mooring ropes. The rationalisation of jute mills has resulted in the closing down of certain mills whose products the Company carried for many years, and the resulting loss in lighterage business has been only partially offset by increased business from other mills. The Company has however been able to obtain two new contracts for general work since January 1959 and every possible economy is being enforced. Results for the current year should therefore show some slight improvement, compared with 1958.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	14,08,220	Gross block	50,22,939
Reserves ...	21,22,358	Less—Depreciation	11,02,899
Provision for taxation ...	52,092		
Liabilities ...	12,05,918	Net block ...	39,20,040
		Stores and spares	1,21,667
		Debts, deposits and advances ...	6,36,630
		Investments ...	1,01,500
		Cash ...	8,751
Rs. 47,88,588		Rs. 47,88,588	

Dehri-Rohtas Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

The gross earnings amounted to Rs. 39,29,709 (Rs. 27,72,895) and the working expenses were Rs. 17,44,672 (Rs. 13,94,509) leaving a surplus of Rs. 21,85,037 (Rs. 13,78,386). After deducting interest, depreciation, employees' bonus, managing agents' and directors' salaries, etc., amounting to Rs. 5,62,701 (Rs. 6,65,198) there is a net profit of Rs. 16,22,336 (Rs. 7,13,188). Out of this, provi-

sions have been made for development rebate of Rs. 16,000 (Rs. 11,000) and for taxation Rs. 8,45,000 (Rs. 3,91,000) leaving a sum of Rs. 7,61,336 (Rs. 3,11,188). To this is added balance brought forward from last year of Rs. 2,749 (Rs. 35,541) leaving a balance for distribution of Rs. 7,64,085 (Rs. 3,46,729). The directors recommend apportionment as under:

To payment of a dividend at Re. 1.70 (Re. 1.00) per share, i.e., 17 (10) per cent. (free of income-tax) on 3,00,000 shares for the year ended 31st March 1959, absorbing a sum of Rs. 5,10,000 (Rs. 3,00,000) and to transfer to general reserve Rs. 2,50,000 (Rs. 43,980) leaving a balance of Rs. 4,085 (Rs. 2,749) to be carried forward.

During the year under report, Rohtas-Pipradhi private siding was opened for the carriage of passenger traffic also. Five new railway stations have been opened on this section.

Since the close of the year, rolling stock has been further strengthened by addition of four locomotives, three passenger coaches and one brake van. The volume of goods traffic during the year has registered further increase by nearly 1,80,000 tons. Construction of women's quarters under Bihar Government Industrial Housing Scheme has been now completed at a cost of nearly Rs. 10 lakhs.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	30,02,600	Gross block	73,01,925
Debitures ...	15,00,000	Less—Depreciation	32,79,614
Reserves ...	9,27,000		
Provision for taxation ...	9,14,962	Net block ...	40,22,311
Liabilities ...	20,07,843	Workmen's quarters in progress ...	9,00,183
Profit and loss account (surplus) ...	4,085	Stores and coal	5,80,151
		Debts, deposits and advances ...	24,18,231
		Investments ...	5,361
		Cash ...	4,30,253
Rs. 83,56,490		Rs. 83,56,490	

Katras Jherriah Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st January 1959.

The accounts show a profit, after charging all expenses, of Rs. 9,81,721 (Rs. 12,10,736) of which taxation provision requires Rs. 6,73,000 (Rs. 7,55,000) leaving a sum of Rs. 3,08,721 (Rs. 4,55,736). With the balance brought forward from last year of Rs. 1,68,572 (Rs. 1,38,336) there is a total amount available for appropriation of Rs. 4,77,293 (Rs. 5,94,072). The directors have transferred to development rebate reserve Rs. 25,147 (nil) and have paid an interim dividend of Rs. 3 (Rs. 3) per share on 19th January 1959, absorbing Rs. 1,50,000 (Rs. 1,50,000). The directors now recommend that a final dividend of Rs. 3.50 (Rs. 3.50) per share be paid, absorbing Rs. 1,75,000 (Rs. 1,75,000) leaving a balance to be carried forward of Rs. 1,27,146 (Rs. 1,68,572 after transferring Rs. 500 to capital reserve and Rs. 1,00,000 to general reserve).

Wealth tax in respect of the year ended 31st January 1959 is estimated to amount to Rs. 15,500 and this has been provided for by transfer from investment realisation surplus and capital reserve.

Raisings for the year were 3,44,864 tons, compared with 3,48,065 tons in the previous year. Depatches, which included purchased coal, amounted to 3,54,154 tons as against 3,68,730 tons.

The capacity of the sand getting and stowing arrangements at Laikidh Deep colliery has recently been improved, and a small increase in raisings of the Selected "A" grade coking coal from this colliery will now be possible. The reserves of coal at Seebore colliery are, however, decreasing rapidly and will be exhausted within a few years.

In January 1959 permission was received from the Controller of Capital Issues to capitalise Rs. 7,50,000 out of reserves. In view of tax implications, however, the Board, after due consideration, have decided not to recommend any further action being taken at present. The consent of the Controller of Capital Issues is in any case valid until January 1961 and the position will, of course, be reviewed by the Board from time to time.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	5,00,000	Gross block	52,22,175
Reserves ...	19,74,252	Less—Depreciation	39,91,046
Provision for taxation ...	4,59,402		
Provision for wealth tax ...	14,232	Net block ...	12,31,129
Liabilities ...	17,84,626	Stock of coal	1,19,217
Profit and loss account (surplus) ...	1,27,146	Stores and spare parts	5,42,764
		Debts, deposits and advances ...	19,33,066
		Investments ...	3,29,200
		Cash ...	7,04,282
Rs. 48,59,658		Rs. 48,59,658	

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

BENGAL CHEMICAL AND PHARMACEUTICAL WORKS LTD.

EXPANSION SCHEMES UNDER CONSIDERATION

SPEECH OF CHAIRMAN, DR. B. N. GHOSE, AT ANNUAL GENERAL MEETING

ADDRESSING the shareholders of the Bengal Chemical and Pharmaceutical Works Ltd. at their Fifty-ninth Annual General Meeting held in Calcutta on 14th August 1959, Dr. B. N. Ghose, Chairman of the Company, said that the expansion of the Kanpur factory was progressing rapidly and was expected to be completed during the current year. The Directors, he added, had also in view a few other schemes of expansion. For instance, the capacity of the alum plant was to be increased and this would require large quantity of sulphuric acid. Consequently, the Company would have to put up a bigger sulphuric acid plant.

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

"GENTLEMEN,

"It is my proud privilege and pleasure to extend to you a hearty welcome on behalf of the Board of Directors to the fifty-ninth annual general meeting of your Company.

"The Directors' report and audited accounts for the year ended 31st March 1959 have been in your hands for some time and, with your permission, I will take them as read.

"The vacancy in the Board of Directors caused by the death of Mr. T. C. Ray has been filled by the co-option of Dr. B. P. Sur, whose experience and knowledge will be of help to us. During the year, Mr. S. P. Sen, who was the Manager and Secretary of the Company, retired from service on 31st October 1958. We must acknowledge the valuable services that have been rendered by him to the Company during the tenure of his office. Your Board of Directors have appointed Mr. N. Adhikari, who was one of the Assistant Managers, as Manager and ex-officio Director of the Company.

"After the termination of the unhappy strike on 16th June 1958, working on the whole has been satisfactory. Last year, I brought to your notice that several cases between the workers and the Company were pending before the Supreme Court or the Tribunal. Of those, the case relating to the demand for increase in D.A. has been decided by the Supreme Court in favour of the workers resulting in increase of expenditure to the extent of Rs. 2 lakhs. Other cases have not been disposed of and are still pending before the Tribunal.

Expansion of Kanpur Factory

"Expansion of our Kanpur factory is progressing rapidly and it is expected that it will be completed within this year. Incidentally, our branches both at Bombay and Kanpur have given a good account of themselves by maintaining high degree of efficiency in production and increase in the volume of sale.

"Your Company has been functioning during the year economically and it has been our attempt to reduce our expenses wherever possible, so that we can increase our savings.

"Domestic market conditions were difficult; still the Company was able to record a higher sale during the year. The available working period was 9½ months only, due to strike in two of our principal factories, namely, Maniktala and Panihati. I am glad to say that still we have been able to make a bigger profit.

"Gentlemen, incentives produce the maximum out of an individual. Following this principle your Directors have decided to give the employees a special bonus equivalent to one-fourth of their monthly basic pay as an incentive. This is apart from the bonus which the Directors may declare after the annual general meeting. I hope this special bonus will serve its object and it will create an atmosphere for industrial peace and harmony in future. Very often we get demands from labour unions out of all proportion to the profit. I would request the union leaders to guide the workers in the right direction, so that there is increased production and less wastage of raw materials. They should also be educated to be useful citizens of the country and the 'code of efficiency and discipline' should be implemented.

of the fact that the Government planned to construct roads and highways under the Five-year Plans. To our surprise our old suppliers of crude tar, two of the well-known iron and steel manufacturers, cut short and gradually stopped their supply for reasons best known to themselves. Thereupon, we approached the Durgapur Coke Oven authorities who promised to supply us half the quantity of our requirement, but they failed. Fortunately, we are getting some quantity of crude tar from Hindustan Steel who, in spite of their best efforts, are unable to increase their supply due to shortage of tank wagons.

"Any forecast about our future project is liable to a big margin of error. But generally speaking, we look forward to the future which we hope will show substantial progress, in spite of innumerable difficulties.

Profit and Loss Account

"The profit for the year, after providing for depreciation, etc., is Rs. 15,85,497.59, as compared with Rs. 9,96,518.90 for the last year. After distribution of profits and usual transfer to various funds Rs. 79,731.72 has been carried forward in the balance-sheet as undistributed profit. Your Directors have recommended a dividend of 7 per cent. on all classes of ordinary shares free of income-tax. Rs. 8,10,000 has been transferred to taxation reserves. Our net block amounts to Rs. 76,96,000.

"Examination of the profit and loss account and the balance-sheet for the year ended March 1959 will show further that there has been a reduction of expenses under the head 'consumption of raw materials' compared to last year's figure. This is due to lower arrived cost of some raw materials and other favourable factors. This has been referred to before.

"The increase in expenses under 'repairs to plant and machinery, etc.' is due to the fact that machineries remained idle for about 3½ months and had to be thoroughly overhauled before resumption of work.

"Repairs to buildings were also undertaken due to easy availability of cement and other building materials.

"The increase under 'rates and taxes' is due to the fact that Municipal Corporation rates were increased with retrospective effect and had to be paid during the year.

"The increase under the head 'miscellaneous expenses' is due to the inclusion of expenses for the publication of numerous notices appearing in the Press on account of strike.

"The increase under 'conveyance and travelling' is due to extra expenses for free transport which had to be provided to loyal employees to carry them to the factory during the strike period.

Bad Debts

"There has been considerable reduction under this head. Attempts are being made to realise debts previously written off. This year's profit and loss account shows an improvement in this direction.

Balance Sheet—Reserves and Surplus

"This shows an increase of more than Rs. 3 lakhs over last year's figure. This is due to transfer of larger amounts to reserves and higher carry forward balance of profit and loss account.

Secured Loans

"This shows a reduction of Rs. 4 lakhs over last year's figure because of our repayment of Rs. 2½ lakhs of loan to the I.F.C. in addition to the usual payment of annual instalment of Rs. 1½ lakh.

Current Liabilities and Provisions

"This shows an increase of about Rs. 7 lakhs which is principally due to provision of increased taxation and dividends due to higher profits earned.

"I should finish my statement with an expression of grateful thanks to those officers, staff and workers of the Company who have rendered valuable services. I would also thank my colleagues for their ungrudging help and our customers for their unfailing co-operation, without which successful results could not have been achieved."

Note: This does not purport to be a record of the proceedings of the annual general meeting which will be sent separately to members

STEARIC ACID

(Double Distilled)

Manufactured by:

THE MODI VANASPATI MFG. CO.

Bombay State Distributors:

RAMJILAL LAHMICHAND

Head Office: 882, Kalbadevi Road, Bombay-2

Phone: 399

Branch: 695, Rd Road, Ahmedabad

Phone: 265

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS

Notices

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE ONDAL COAL COMPANY LIMITED, will be held at the Registered Office of the Company, CHARTERED BANK BUILDINGS, CALCUTTA, on Tuesday, the 15th September, 1959, at 10.30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1958, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 1st to the 15th September, 1959, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 10th August, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 22nd September, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 15th September, 1959, or to their mandates. No application for Dividend Warrants will be necessary.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 10th August, 1959, the following Dividends were recommended to be paid for the year ended 31st December, 1958, without any deduction for Income-tax payable by the Company.

On Preference Shares ... 6½% per annum
On Ordinary Shares ... 5% do.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE CHURULIA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE CHURULIA COAL COMPANY LIMITED will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Tuesday, the 15th September, 1959, at 10.40 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1958, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividend recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Register of the Company will be closed from 1st to the 15th September, 1959, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 10th August, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 22nd September, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 15th September, 1959, or to their mandates. No application for Dividend Warrants will be necessary.

THE CHURULIA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 10th August, 1959, a Dividend of 5 per cent. per annum was recommended to be paid for the year ended 31st December, 1958, without any deduction for Income-tax payable by the Company.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, invites from reputed and established manufacturers of Electric Locomotives tenders for technical collaboration for the supply and progressive manufacture of forty-two Nos. 25 K.V. 50 Cycle A.C. Freight Locomotives in India in the Chittaranjan Locomotive Works of the Government of India at Chittaranjan, West Bengal (India). The tender documents excluding drawings and specifications can be had on payment from any of the following offices:

- (i) Research, Design and Standardization Organization, Ministry of Railways, T Block, Connaught Place, New Delhi.
- (ii) The Director General, India Store Department, Government Building, Broadway Avenue, Acton, London, W. 3.
- (iii) Director, India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington 8, D.C.

The particular specification No. EL. 104.59 and the accompanying drawings can be had on additional payment from the Research, Design and Standardization Organization, Ministry of Railways, Chittaranjan, the Director General, India Store Department, London, and the Director, India Supply Mission, Washington.

Offers should reach the undersigned not later than 12 noon on 9th November 1959.

QURBAN SINGH,

Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi-2.

NEW CENTRAL JUTE MILLS CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Company has received consent from the Controller of Capital Issues for increase of capital and issue of right shares at par in the proportion of one ordinary share for every three existing ordinary shares. The Share Transfer Books of the Company for this purpose will remain closed from 1st September to 7th September, 1959, both days inclusive.

For New Central Jute Mills Co., Ltd.,

For SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 12th August, 1959.

THE GENERAL INDUSTRIAL SOCIETY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held at its Registered Office at 8, India Exchange Place, Calcutta, on Wednesday, the 23rd September, 1959, at 2.30 p.m., for the following purposes:—

1. To receive and adopt the Report of the Directors and the Audited Accounts for the year ended 31st December, 1958.
2. To declare dividend.
3. To elect Directors in place of retiring Directors.
4. To appoint Auditors and to fix their remuneration.
5. As special business:

To consider and if thought fit, to pass the following Resolution as a special Resolution with or without any modification:

RESOLVED that the figure Rs. 50 be substituted in place of the figure Rs. 25 in the third line of the Article No. 112 of the Articles of Association of the Company.

6. To transact any other business which may be brought forward at the Meeting with the permission of the Chairman.

The Share Transfer Book and the Register of Members of the Company will remain closed from the 14th September, 1959, to the 23rd September, 1959, both days inclusive.

By Order of the Board,

For THE GENERAL INDUSTRIAL SOCIETY LIMITED,
K. C. BAGRI,
Manager.

CALCUTTA, 14th August, 1959.

N.B.—(i) The Directors have recommended dividend on Ordinary Shares at Rs. 2 per share free of Income-tax.

If dividend on shares as recommended by the Directors is approved at the meeting, the dividend will be payable only to such shareholders whose names are on the Company's Register on the day of the Annual General Meeting. No application need be sent for dividend, as relative dividend Warrants will be posted to the Shareholders by 28th October, 1959.

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

(iii) Explanatory statement to item No. 5 pursuant to Section 173 of the Act, as stated in the Notice will be issued to the individual members.

SUGAR

(Concluded from page 300)

payment of a portion of the estimated additional price, along with the minimum cane price, as a very special case for this year, without creating any precedent for the future. This will enable them to attract larger supplies of cane. As you will appreciate, it will not be possible to decide upon the exact quantum of such advance payment right now, and this would be possible only towards the end of October, when crop conditions could be fairly have to be adjusted later on, after the finalisation of the accounts, etc., against the share which may will not be refundable to the factories in any case. We suggest that, if it is necessary to amend the Government's notification on the price-linking formula, to make this adjustment possible, steps may kindly be taken in this direction. Payment of increased sugarcane price based on the price-linking formula will create a sound basis for the future and will be of great advantage to all concerned, from the long-range point of view.

The S.I.S.M.A. formula is by no means perfect, but it is a little better than the one followed in U.P., Bihar and other parts of North India. The adoption of this formula in the coming season, together with strict control on production of khandasari and gur and levy of excise duty on gur, will go a long way towards preventing large-scale diversion of cane supplies from sugar to gur and khandasari, the production of which has registered an appreciable improvement.

TEN STATE LOANS CLOSE ON OPENING DAY

(From Our Own Correspondent)

BOMBAY, 19th August

The subscription lists for the thirteen State loans for an aggregate sum of Rs. 61.50 crores opened this morning and have had a good response. At the end of the day, as many as 10 loans, accounting for Rs. 47 crores, were closed. Of these, eight loans for an aggregate sum of Rs. 38 crores were oversubscribed; they were Bombay (Rs. 6 crores), M.P. (Rs. 3 crores), Mysore (Rs. 5 crores), Rajasthan (Rs. 3.50 crores), Madras (Rs. 3 crores), West Bengal (Rs. 7 crores), Orissa (Rs. 3.50 crores) and Punjab (Rs. 2 crores). The other two, Andhra (Rs. 6 crores) and Bihar (Rs. 3 crores) were fully subscribed. It will be of interest to note that the lists for the first four loans were closed within an hour or so of their opening. The three States which are still in the market (up to the end of the day) are Assam (Rs. 2.50 crores), U.P. (Rs. 8 crores) and Kerala (Rs. 4 crores).

The immediate effect of the heavy subscriptions to the State loans on the short-term money market is a spurt in inter-bank call money rate from 1½ per cent. among the Exchange banks and big Indian banks, on Monday this week, to 3½ per cent. today. The banks were closed on Tuesday, as it was a holiday. The corresponding rate among smaller banks has also hardened from 1½ per cent. to 3½ per cent. House money at seven days' notice is, however, unchanged at 3¼ per cent. and short-term deposits at 3¼ per cent.

There has been no sale of regular Treasury Bills this week, on account of State borrowings. It will be resumed next week. Sales of Intermediate Bills were, however, held from 12th to 14th August for an aggregate sum of Rs. 2 crores.

The Reserve Bank of India statement for the week ended 14th August 1959 discloses a slight contraction of Rs. 8.79 crores in notes in circulation. Notes held in the Banking Department are higher by Rs. 9.70 crores. There is no change in foreign securities, but balances held abroad have fallen by Rs. 1.78 crore. Deposits of the Central Government are higher by Rs. 1.17 crore and those of other Governments by Rs. 28.55 crores, reflecting the recent disbursement of loans by the Central Government to the States. Deposits of banks too have gone up by Rs. 18.49 crores. Loans and advances to Governments are, however, lower by Rs. 5.35 crores. The investment portfolio discloses a sharp rise of Rs. 44.58 crores.

A further fall of Rs. 6.27 crores in demand deposits of banks is disclosed by the Scheduled banks statement for the week ended 7th August 1959. Time deposits, however, maintain their upward trend with a rise of Rs. 2.20 crores. Inter-bank borrowings have declined by Rs. 2.69 crores, while borrowings from the Reserve Bank are lower by Rs. 2.37 crores. Advances have further gone down by Rs. 2.09 crores and bills purchased and accounted by Rs. 38 lakhs. There has been a shrinkage of Rs. 2.61 crores in cash balances and of Rs. 3.03 crores in money at call and short notice.

The gilt-edged market rules dull, with the attention of investors diverted to the new State loans. Transactions have been few and far between. Some of the 4 per cent. and 4½ per cent. State loans are on offer, but there is no change in prices. 3 per cent. 1966 Conversion Loan is featureless at Rs. 73.55, 3 per cent. 1965-66 has shed 5 NP to Rs. 97.35, while 3 per cent. 1966-68 and 3 per cent. 1970-75 are unchanged at Rs. 95.20 and Rs. 92.20 respectively. 3½ per cent. 1964-65 is 5 NP lower on balance at Rs. 100.15, as also 3½ per cent. 1974 at Rs. 99.50 and 4 per cent. 1979 at Rs. 100.05.

There has been a slight weakening of the rupee in terms of the U.S. dollar, in consonance with the trend of sterling abroad. Banks' selling rate for U.S. T.T. has gone up from Rs. 476 to Rs. 478.25 per \$100 and their buying rate from Rs. 472.75 to Rs. 473 per \$100. In New York, spot sterling has dropped from 281.10-281.13 cents to 280.95-280.98 cents and three months' forward from 281.05-281.06 cents to 280.98-281.01 cents.

HIDES FIRM

(From Our Own Correspondent)

MADRAS, 17th August

The kip market ruled firm with an upward tendency in prices. Arrivals met with good clearance. Shippers expected better U.K. buying at higher levels during the second half of August and onwards. There were more enquiries for kips for all average weights from the U.K., including inferior fifth cow hides, and higher prices were said to have been paid on most of the lines.

Trading in tanned skins was patchy, because importers were not keen to follow Madras asking prices. Despite all this, goat was firm, as also semi-prime sheep skins. Medium sheep skins were a shade weak and should decline further to stimulate importers' interest in shipment business.

LINSEED RALLIES

(Messrs. A. Bradley and Co.)

CALCUTTA, 17th August

There was a sharp rise in linseed prices and a very firm undertone prevailed throughout the week. Availability of seeds was exceedingly poor, with sellers showing little interest in fairly keen enquiries from traders. This factor combined with the improved trend in the U.K. linseed cake and oil markets, caused the bullish outlook.

September futures advanced to Rs. 24 and May futures opened with buyers at Rs. 23 but no sellers.

Although the oil market improved to Rs. 60.50, it was virtually featureless. Small business was done earlier by shippers at Rs. 48.50.

The latest available quotations for Ready, August-September and September futures were Rs. 24 per maund. May futures stood at Rs. 23.

SILVER FIRM, GOLD QUIET

(From Our Own Correspondent)

BOMBAY, 19th August

A mixed trend was witnessed in the bullion market during the week under review. Thus, silver continued to rule distinctly firm, while gold was quiet, although there was a recovery today. The renewed firmness of the white metal was engendered by the tight hold of bulls over floating stocks and the nearness of the maturity of option deals. Reports from North India also were quite encouraging; the actual offtake was said to have improved markedly of late. Another factor was fresh buying from Calcutta. Gold, however, developed a sagging tendency. The appreciably high levels of prices touched last week attracted profit-taking and values suffered a setback. But, at lower levels today, there was some support which led to a rise in prices. Nevertheless, today's closing rates for gold were a shade lower as compared with last week's closing rates, though they were still substantially higher than those prevailing a fortnight ago.

August settlement in gold encountered selling early in the week and moved down from Rs. 121-6 to Rs. 120-12-6 on Saturday. After recovering to Rs. 121-9-6 today, it finished at Rs. 121-4. September settlement declined from Rs. 120-13-6 to Rs. 120-8-6 on Saturday but recovered subsequently to touch Rs. 121-7 today before closing at Rs. 121-2. The backwardation rate (buddi in favour of bulls) for August settlement was less than Rs. 8 throughout the week except on Monday, the rate today being just Rs. 2. Consequently, the margin at the rate of Rs. 10 per tola ceased to be in operation with effect from the 14th inst.

Ready gold opened the week at Rs. 121-7, as against Rs. 121-9, and receded to touch a low of Rs. 120-12 on Monday. Today, however, it improved to Rs. 121-8 before winding up at Rs. 121-3. The daily average arrivals of gold were 4,000 tolas, while the offtake was 2,000 tolas. The floating stocks of gold are reported to be around 40,000 tolas.

August settlement in silver met with excellent support and forged ahead in the course of the week from Rs. 200-5 to Rs. 203-6 today. Towards the close, it stood at Rs. 203-4. Since the closing rate for this settlement was Rs. 7 higher than the starting rate, the bulls were required to pay margin at the rate of Rs. 500 per bar in accordance with By-law 33. September settlement registered a net rise of Rs. 2-11 over the week, today's closing rate being Rs. 202-6. October settlement jumped up from Rs. 199-8 to Rs. 202-7.

The backwardation rate for August settlement widened from As. 7 on the opening day of the week to As. 14 today. In our last week's report, it was stated that the carryover rate for August settlement on Wednesday the 12th inst. was against bulls to the extent of As. 6. This is incorrect. Actually, the rate had turned in their favour to the extent of As. 10.

Under the impetus of good buying enquiries, ready silver firmed up from Rs. 200-3 to Rs. 203-2 before finishing an anna lower. The daily average arrivals and offtake of silver were 14 bars and 10 bars, respectively. The floating stocks of silver are estimated at 400 bars.

A further rise of ½d. was recorded by both ready and forward silver in the London bullion market, yesterday's closing rates being 79d. and 78½d. per ounce, respectively. Silver in New York, however, was unchanged this week too at 91.375 cents per ounce. Ready gold in London eased from 249s. 10½d. to 249s. 10d. early in the week, owing to the strength of the pound sterling vis-à-vis the dollar, but recovered subsequently to 249s. 10½d. yesterday. The latest available dollar rate for gold in London is \$35.11-\$35.13, as against \$35.11-\$35.13 last week.

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

	19-8-59	Highest	Lowest	12-8-59
GOLD				
Ready (99 fine Mint)	121 4	121 8	120 12	121 9
Forward	121 4	121 9	120 12	121 6
SILVER				
Ready (999 fine Mint)	203 2	203 6	200 10	200 8
Forward	203 2	203 6	200 10	200 8
19-8-59				
London Silver Ready	79 4	79 4	78 4	78 4
London Forward	78 4	78 4	77 4	77 4
London Gold	249 10 1/2	249 10 1/2	249 10 1/2	249 10 1/2
New York Silver	91.375	91.375	91.375	91.375

* 20th August settlement. † 21st August settlement.

METALS FULLY STEADY

(From Our Own Correspondent)

CALCUTTA, 18th August

The week under review in the metal market was short of a day on account of the holiday on the 15th, and in the remaining days prices were fully steady. With the revival in demand for copper scrap, the demand for other metals also improved, and on balance closing levels were higher on balance. The 'berry' quality copper scrap moved up to Rs. 243 from Rs. 235 per cwt. with the utensil scrap, though unchanged, being firm at Rs. 225 per cwt. Foreign advices were encouraging, on account of the strike in the United States. On the London Metal Exchange, spot copper closed higher at £238 per ton, as against £228 over the previous week-end. The price in New York also moved up. Tin here hardened to Rs. 680 per cwt. from Rs. 578. Consumers showed greater interest. The price in London, after being higher at £793 per ton, closed at £792. In New York, there was no change to the price at 101.75 cents per lb. Lead here was unchanged at Rs. 74.50 per cwt., while electrolytic zinc closed firmer at Rs. 108.50, as against the opening rate of Rs. 103.

FURTHER RISE IN COTTON

(From Our Own Correspondent)

BOMBAY, 19th August

Further improvement in values was recorded by the cotton futures market during the week under review. The week was a short one of only four trading days. The market was closed on 15th and 18th inst. on account of Independence Day and Coconut day, respectively. Trading sentiment continued to be cheerful throughout the week. Firm advices from the spot market and the small volume of fresh tenders imparted additional strength to the expiring August contract which rallied to a record high level of Rs. 725. In spite of a turn for the better in weather conditions in growing areas, the new crop contract, Jarilla March 1960, attracted fresh support from spot houses and large-scale buying by upcountry operators. Reports of higher cloth and yarn production by mills in July and the delay in the movement of new crop were other helpful factors.

Jarilla August 1959 contract commenced the week at Rs. 717, Re. 1.50 higher than the previous day's close, and advanced to Rs. 724 on Monday. Opening at Rs. 724 today, the contract gathered one rupee, but declined to Rs. 719. The close was, however, higher at Rs. 725. Tenders issued against the contract on the 17th inst., the fifth notice day, aggregated 850 bales, comprising 800 bales of Laxmi A and 50 bales of Vijay, making the total issued to date 5,750 bales.

Jarilla March 1960 contract opened three rupees higher than last week-end closing. It gradually rose, under pressure of buying, to Rs. 684.50 on Monday. Commencing at Rs. 683 today, the contract firmed up to Rs. 688.50 before closing lower at Rs. 687.75.

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

	19-8-59	High	Low	12-8-59
I.C.C. Moglai Jarilla				
August 1959	725.00	725.00	714.00	715.50
March 1960	687.75	688.50	681.00	679.50

On account of the intervening holidays, activity in the spot market was limited. Nevertheless, mills continued to evince interest in usual popular styles of current crop. Prices were fully firm. Moderate volume of business was reported in Kalyan, Wagad, Vijay, Rajapalayam, Laxmi, Berar, etc. New crop was more briskly traded.

The export front presented a dull appearance. Routine business was done in Bengal Deshi, Zoda and Yellow pickings. Interest was lacking in other varieties. Shippers were eagerly awaiting an export quota for new crop Bengal Deshi.

Interest in foreign cotton was subdued. The cut in discount on Egyptian cotton induced mills to turn to Sudanese styles. The expected import quota for 140,000 bales of cotton of 1.1/16" to 1.3/16" stapling has not yet materialised. Meanwhile, rumours are also current that the quota may not be issued at all since the Government is said to be thinking of making available U.S. cotton under P.L. 480.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 705; Berar Jarilla 755; Khandesh 880; Laxmi 1,025; Jaydhar 960.

After having remained closed for three and a half months, the Karachi cotton futures market commenced trading on the 10th inst. But business did not have a smooth run. The Karachi Cotton Association suspended business half an hour after trading began when prices dropped by Rs. 2-8—a limit set under the by-laws of the Association. On the 11th inst. also, eight minutes after the market opened, the Association applied "hella" (closure) as the January contract, which had commenced at Rs. 68-4, dropped to Rs. 68-4. In subsequent sessions also, futures quotation followed a steadily downward trend. The January contract was quoted at Rs. 61-14 yesterday and the March contract at Rs. 62-10, representing a fall of Rs. 11-14 and Rs. 11-2 respectively, from the opening quotation on the 10th inst. The spot section was subdued. Domestic mills evinced little interest. Export inquiries were few and far between.

Fully steady conditions prevailed in the Alexandria cotton futures market during the week under review. Despite the reduction in export price discount from 32.50 per cent. to 30 per cent., overseas demand was well maintained. Crop reports indicated satisfactory progress of new crop. In Upper Egypt picking will become general in about a fortnight. If favourable conditions continue, it is expected that the crop will be excellent as regards both quality and yield. In Lower Egypt, unusual cool weather has slightly delayed the crop but pickings are expected to commence in the last week of this month. The following are the latest available quotations—in talis per lb.—from Alexandria:—

Karnak: November 75.65; January 75.25. Ashmoun: August 68.90; October 67.93.

Liverpool cotton futures market ruled firm during the week under review. Values improved on short covering and good mill demand which found offerings limited. Both the American and American type contracts advanced. Sudan contracts were firm on encouraging Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 21.60; December-January 21.53; March-April 21.23; May 21.38.

American cotton mixed growths contract: October-November 21.71; December-January 21.68; March-April 21.

Sudan: September-October, November-December, January-March 20.75.

Limited turnover and narrow fluctuation in prices characterised trading in the New York cotton futures market during the week. Values

see-sawed on alternate bouts of buying and selling. Some scattered Commission House liquidation and hedge selling was absorbed in routine trade demand and local buying. Over the week, prices showed little change.

Government-controlled stock as on the 31st of July is estimated at 6,679,960 bales, made up of the 1958 loan stocks of about 6,039,060 bales taken over by the C.C.C. on 31st July and the C.C.C.-owned stocks of 1957 and earlier crops aggregating 640,900 bales.

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

	(In cents per lb.)	19-8-59	11-8-59	4-8-59
Spot	33.10	33.15	33.55	
October	32.08	32.09	32.26	
December	32.15	32.15	32.29	
March	32.55	32.51	32.57	

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 19th August
The yarn market ruled dull during the week under review. This was due to the intervening holidays and cautious attitude on the part of operators to enter into fresh commitments, as they preferred to await the recommendations of the Bombay State Legislative Assembly Select Committee on the new Sales Tax Bill. Business put through, as a result, was at a low ebb. Rayon yarns were well maintained, despite limited offtake from consuming centres. It was reported that shipments of rayon cloth under the revised Export Promotion Scheme were not quite satisfactory. Forward deliveries in staple fibres tended to improve, while spot yarns were a shade easy. There were rumours that deliveries against the tender would be heavy at the end of this month and that several Bombay mills had commenced spinning 40 x 2 and other staple fibre yarns in large quantities. But these reports had no effect on the market. Cotton yarns continued to rule firm. Several mills were quoting high prices.

Cupressa Bamberg yarn (60 x 2) August delivery recorded a rise of Rs. 6 to Rs. 1,671. October delivery improved by Rs. 9 to Rs. 1,711. Spot Cupressa, however, eased by 3 nP to Rs. 7.47. Among imported art silk yarns, 120 Japan and 150 Japan shed 3 nP each to Rs. 5.75 and Rs. 4.78, respectively. 120 Italy lost a like amount to Rs. 4.84. 150 Italy was unchanged at Rs. 4.68. Among indigenous yarns, National Rayons 150 bright cones first grade dropped 5 nP to Rs. 4.20. 120 bright cones first grade declined from Rs. 4.69 to Rs. 4.66.

Staple fibre yarn (40 x 2) October contract met with good support and rose by Rs. 6 to Rs. 658. October contract gained Rs. 2 to Rs. 663. Spot Centurys shed 3 nP to Rs. 3.53. Citys and Kohninoors were done at Rs. 3.47 and Rs. 3.59, respectively, same as last week. Among imported yarns (80 x 2), Paramounts eased by 3 nP to Rs. 7.69. Fujis were quiet at Rs. 8.56.

In the cotton yarn section, ten counts Moderns advanced by 25 nP to Rs. 14.25. Podars were fully maintained at Rs. 13.62. Twenty counts Hinds hardened by 12 nP to Rs. 17.25. Moderns were firm at Rs. 17.50. Forty counts Minaxis put on 7 nP to Rs. 26.44. Moderns were unchanged at Rs. 26.75. Sixty counts Raghuvamsis and Finlays were fully steady, the former at Rs. 57 and the latter at Rs. 63. Eighty counts Moderns and Citys strengthened by 50 nP each to Rs. 79 and Rs. 69, respectively. Finlays were firm at Rs. 83.

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

	10-8-59	12-8-59
Art silk yarn—		
60/1 Cupressa Bamberg August (100 Kg.)	1,671	1,665
October	1,711	1,702
60/1 Cupressa Bamberg spot (per lb.)	7.50	7.47
120 Japan (per lb.)	4.75	4.78
150 Japan (per lb.)	4.78	4.75
120 Italy (per lb.)	4.84	4.84
150 Italy (per lb.)	4.68	4.68
Staple fibre yarn—		
40 x 2 August (per case of 200 lbs.)	663.00	661.00
40 x 2 October	658.00	652.00
40 x 2 Kohninoor (per lb.)	3.59	3.59
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	14.25	14.00
20s Hind	17.25	17.12
40s Minaxi	26.44	26.37
60s Finlay	63.00	63.00
80s City	69.00	68.50

SEEDS STEADY

(From Our Own Correspondent)

BOMBAY, 19th August
Quietly steady conditions were in evidence in the oilseeds market during the week under review. The groundnut section was particularly cheerful, thanks mainly to the pronounced strength in the spot section, which restricted the volume of tenders issued against the maturing contract. Reports that widespread rains in the producing areas damaged some groundnut crop served to limit the offerings. Saurashtra dealers, in particular, were busy covering their sales. Groundnuts and groundnut oil, however, were a shade subdued at the close of the week, which reflected mainly the absence of fresh buying support. In the castorseed section, the continued absence of any advices from the U.S. dampened the enthusiasm of the traders. In view of this uncertainty on the export front, dealers of the maturing contract preferred to switch over to the May 1960 contract. The reports of sizable increase in the estimates of world production of castorseed, too, had a softening effect on the market. Linseed followed the pattern set by other seeds. The operators were optimistic about the prospects for Australian tenders for linseed oil. The brisk buying in linseed cake, too, imparted

some strength. Cottonseed, in sympathy with raw cotton market, continued to be firm.

Groundnut August 1959 contract, which had closed on a weak note at Rs. 189.00 last week, made a smart recovery subsequently to touch Rs. 193.00 on Monday. It, however, closed lower at Rs. 191.50 today. February 1960 contract, which had wound up last week at Rs. 166.50, improved to Rs. 168.37, but fell to Rs. 166.75 today. Bold ready rose by Re. 1.75 to Rs. 39.75, as also Comorandeli by Re. 1.50 to Rs. 39.75. Oil ex-mill gained 50 nP over the week to close today at Rs. 20.50, after moving in a narrow range over the week.

Cottonseed September 1959 contract, which had finished last week at Rs. 154, gave way to Rs. 153 today, after fluctuating between Rs. 153.62 and Rs. 154.37 over the week. May 1960 contract lost 25 nP to Rs. 155.50. In contrast, ready Madras advanced by 25 nP to Rs. 30.75. Ready Kanpur gathered 37 nP to Rs. 29.62. Oil B.S.S. rose by 6 nP to Rs. 16.56 and oil commercial by 12 nP to Rs. 15.62.

In the linseed section, the maturing contract was steady at Rs. 32.75. May 1960 contract picked up 6 nP to Rs. 32.81, after fluctuating both ways in a narrow groove. Bold ready improved by 25 nP to Rs. 32.75. Oil closed higher at Rs. 16.25 today, as against Rs. 16.19 last Wednesday. Cottonseed February 1960 contract which had closed last week at Rs. 113.50 steadily moved up to Rs. 114.75. Niger seed Madras went up by 50 nP to Rs. 31. Kardi seed remained unaltered at Rs. 23.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	10-8-1959	12-8-1959	6-8-1959
Groundnut			
August 1959	191.50	189.00	191.00
February 1960	166.75	166.50	164.87
Bold ready	39.75	38.00	39.25
Comorandeli ready	39.75	38.25	39.50
Khandesh quality	39.75	38.25	39.50
Oil ex-mill ready	20.50	20.00	20.37
Oil B.S.S.	20.25	19.69	20.37
Castorseed			
September 1959	153.00	154.00	152.87
May 1960	155.50	155.75	153.75
Ready Madras	30.75	30.50	30.62
Ready Kanpur	29.62	29.25	29.50
Oil B.S.S.	16.56	16.19	16.49
Oil commercial	15.62	15.50	15.75
Linseed			
September 1959	32.75	32.75	32.87
May 1960	32.81	32.75	32.25
Bold ready	32.75	32.50	32.37
Oil ready	16.25	16.19	16.12
Cotton seed			
September 1959	113.50	114.00	113.50
February 1960	114.75	113.50	112.50
Niger seed	31.00	30.50	31.00
Kardi seed	23.00	23.00	23.50

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

BLACK PEPPER ADVANCES

(Messrs. Parekh and Co.)

BOMBAY, 19th August

Malabar black pepper saw hectic fluctuations during the week, in sympathy with Singapore where the prices improved markedly from Str.889 to Str.898 for black and from Str.150 to Str.160 for white. Ready ungarbled at Cochin rallied from Rs. 712½ to Rs. 750, with sizable purchases by exporters and dealers. Calicut improved from Rs. 750 to Rs. 750 with good turnover at progressively higher prices. Slow but steady improvement was seen in all primary markets. The approaching Onam and the return of peaceful conditions following the exit of the Communist Government in Kerala were responsible for the recent increased arrivals. This, however, seem to be a passing phase. Arrivals are likely to decrease, as the stocks in the hands of growers are said to be not heavy.

Spot in New York improved from \$0.28½ to \$0.30, with more enquiries from grinders. As the prices are steadily moving up, the grinders are likely to increase their inventories, lest they should have to pay more in the future.

Forward market at Cochin fluctuated widely, the highest being Rs. 135 for October and Rs. 129 for December. Garbled spurted from Rs. 125 to Rs. 130 under pressure of heavy buying by exporters who had to cover their previous sales. New York continued to revise their bids for Malabar almost daily at higher prices. This phenomenon appears to be a reminiscence of the former days when India had a monopoly of supply. If reports of smaller crop of Lampong, Muntok and Sarawak prove correct, a near monopoly of supply is likely to pass virtually into the hands of Malabar once again. The estimates of Lampong, Muntok and Sarawak are variously reported by the trade as under:—

Lampong 6,000 to 8,000 tons, Muntok 3,000 to 2,500 tons and Sarawak 7,000 to 8,000 tons.

The future appears to be bright, inasmuch as the world supply position of pepper during the coming months is likely to be more tight and the present stocks with the spice mills on the Continent and the grinders in the U.S.A. are reported to be sparse. The new crop position of Malabar appears uncertain, in view of early heavy rains and recent drought in the growing belt. The unfavourable rumours that future trading in pepper at New York is likely to be resumed shortly are supporting factors. The total shipment this month to East European countries, including the U.S.S.R., Western Europe, London and the U.S.A. is likely to reach a figure of more than 2,500 tons.

Ready pepper in the local market is quoted between Rs. 100 and Rs. 107 per Bengal maund according to quality.

SCHEME FOR STABILISING SUGAR PRICES

(From Our Own Correspondents)

BOMBAY, 19th August

Sugar continues to be freely available in the different parts of the city at the officially fixed price of 51 nP per lb. The comfortable supply position is due to large arrivals of sugar by rail and road. The total of these arrivals during the week under review was 11,000 bags, as against 18,900 bags last week and 16,250 bags in the week preceding it. The following are the wholesale rates (per bag) for the different grades of sugar; they are the same as those prevailing a week before:—

A grade: Rs. 115.81; B grade: Rs. 114.08; C grade: Rs. 112.02; D grade: Rs. 111.

The Government of India is reviewing the whole question of sugar production and distribution in a comprehensive manner and a "full scheme" to stabilise prices would be prepared. Disclosing this in the Rajya Sabha yesterday, Mr. A. P. Jain, Minister for Food and Agriculture, said that there was no question of setting up any permanent machinery. The Minister admitted that prices of sugar had been high of late, but assured the members that the Government was trying its best to bring down the prices. Referring to the scheme for taking over the entire sugar production in the Punjab, Uttar Pradesh and North Bihar by a system of direct allocations, he merely observed that sugar prices were likely to come down and had come down.

The Government of Bombay has warned the wholesalers receiving sugar stocks from joint-stock sugar factories that their refusal to sell sugar to hoteliers, manufacturers of sweets, etc., and other genuine retailers will be treated as hoarding for the purpose of profiteering and suitable legal action will be taken against them. In a Press note issued by it, the Government says: "According to the scheme for distribution of sugar in this State, the licensed wholesalers in the State are free to sell sugar intended for Greater Bombay and the districts and brought into the respective areas to retailers and other consumers at the agreed wholesale rates which are not more than Rs. 111 for D29 grade of Bombay State sugar and corresponding rates for other grades and as fixed by District Magistrates for extra State sugar. The Government has received complaints from hoteliers, manufacturers of sweets, biscuits, etc., that wholesalers receiving sugar stocks from joint-stock sugar factories refuse sales on the plea that sales are to be made to retail dealers only under the Government Distribution Scheme. This contention of wholesalers is not correct. They cannot refuse to sell such sugar to genuine consumers like hoteliers, etc. There are also complaints that sales are refused even to genuine retailers in some cases. The Government desires to clarify that such refusal to sell will be treated as hoarding for the purpose of profiteering and the Controller of Foodgrains Distribution in Greater Bombay and Collectors in districts will take necessary action under powers delegated to them for requisitioning or under the Licensing Order."

HAPUR, 17th August

Sugar ruled steady during the week, due to tight supply position. Further sales against tenders helped the bullish trend, as persons whose tenders were accepted made unduly huge profits. Sugar prices improved by about Rs. 2 to Rs. 3 per bag, as sales through fair-price shops was being discontinued because the free quota released sugar towards the end of June was reported to have been exhausted. Sugar in retail was quoted at Rs. 1.09 per seer, as against the controlled price of 97 nP.

Sugar at Muzaffarnagar was steady. Owing to restrictions imposed on inter-State movement of the commodity, business put through was restricted. As the free quota releases had been exhausted, quotations for mill-delivery sugar were not available. Local stocks were fast dwindling and spot prices improved by Rs. 2 to Rs. 120 per bag.

Sugar was also steady in the Kanpur market, with short supplies in the market with good festival demand.

Khandasari sought higher levels in line with crystal sugar owing to the increase in festival demand for boora. The prevailing prices were: khandasari Rs. 36 to Rs. 41; boora Rs. 38 to Rs. 43 a maund.

Ready gur continued to rule quietly steady. Despatches during the week were small due to rains, but stocks were gradually declining and were now put at about 22,000 maunds only. Recent rains have proved very beneficial to the standing cane crops and crushing for new season is likely to begin in early October. The prevailing prices at the week-end were: gur punsara Rs. 19.75 to Rs. 21.50; shakker Rs. 22 a maund.

Ready gur improved fractionally at Muzaffarnagar during the week, due to good demand from Madhya Pradesh and Gujarat. Local gur and shakker stock was put at 55,000 maunds, as against 10,000 maunds in the corresponding period last year. Prevailing prices were: gur chaku Rs. 24.75; shakker dala Rs. 21 to Rs. 23; khandasari Rs. 34 to Rs. 41 a maund.

Gur faqun moved both ways during the week in speculative bouts of buying and selling. It opened at Rs. 13.60 last Monday and touching the highest and lowest in mid-session at Rs. 13.89 and Rs. 13.57, respectively. It was quoted today at Rs. 13.80.

TEA IRREGULAR

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

COCHIN, 13th August

A total quantity of 650,000 lbs. were offered in Sale No. 31, which was held on 11th August 1959. The quality of some medium teas offered in this sale showed a slight improvement. The market was rather irregular. Low medium and medium broken

met with only fair enquiry and were easier, whilst similar fannings were well supported and sold at dearer rates with keen competition for clean black types suitable for the Middle East. A limited selection of better liquoring high grown sold well at steady rates. Against a strong demand Orange Pekoe grades were dearer. However, Flowery Pekoe and Pekoe grades met with poor support and were easier. The following are the quotations:

	1959	1958
Low medium	1.58 to 1.63	1.55 to 1.65
Medium	1.70 to 1.80	1.70 to 1.80
Good medium	2.00 to 2.15	1.90 to 2.05
Quality	2.10 to 2.45	2.25 to 3.40

London Market:—Sale of 10th August 1959:— Strong demand quality Assams and bright liquoring Doors. Plain sorts weaker.

Sale of 11th August 1959:— Top and bottom firm to dealer. Others irregular and easier.

Colombo Market:—Sale of 10th August 1959:— Limited selection. Best quality Dimbulas Dickoyas U.V.As strong demand. Substantially dearer. Improved quality dealer. Other highgrown distinctly lower, unless colour small leaf lowgrown five to eight cents lower. Leafy Gulf types five cents dearer.

Sale of 11th August 1959:— All dusts active demand about 20 to 30 cents dearer. Bright liquoring fannings broken mixed firm. Stalky kinds lower.

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

"Sale 32:—900,000 lbs. Good demand. Low medium and medium irregularly 10 nP lower, but better liquoring prices have advanced following quality. All black leaf fannings fully firm to dealer."

GOOD DEMAND FOR EXPORT TEAS

(From Our Own Correspondent)

CALCUTTA, 18th August

Good general demand was maintained throughout yesterday's export sale, while prices during last week's sale for domestic consumption eased.

Meanwhile, the proposal to increase wages of tea garden workers in West Bengal, who threatened to go on strike, has caused some concern in the market. For tea prices only allow a low profit margin, and gardens that produce good support teas invariably suffer losses. If cost of production was further increased, the tea industry's difficulties would only increase further.

Further shipments of tea took place during this week, and shipping companies received a larger number of enquiries for tea bookings. In fact, tea bookings to the United Kingdom prevented a fall in freight market.

During last week's sale for internal consumption, dusts on offer amounted to 21,756 chests. Despite good demand, prices declined. Darjeelings were an exception to the general trend, and prices for the same were firm and sometimes dearer. Leg-cut Doors were a weak feature and orthodox teas lost by 10 nP. Medium C.T.C.s lost by 10 to 15 nP. However, the exportable types recorded a higher trend, and there was good support to the very best C.T.C.s. The quotations exclusive of excise duty were: best Assam C.T.C. Rs. 2.00 to 3.00, medium Assam C.T.C. Rs. 2.05 to 2.20, medium Doors Rs. 1.84 to 1.88, and medium Assam Re. 1.80 to 1.88.

Leaf on offer amounting to 643 chests was in good demand.

Offerings during yesterday's export sales amounted to 58,615 chests which met with good general demand. Good quality teas were shown preference by buyers. A firmer trend was in evidence in plain broken, while fannings of the same category recorded a small addition in prices. However, medium broken and fannings lost by 6 nP. There was good support for tipple teas. Although whole leaf grades received good support, prices were not any better. Darjeelings received little attention followed by withdrawals. Leg-cut teas eased, albeit the good demand. Medium C.T.C.s fell 10 to 20 nP, and in an irregular trend the best C.T.C.s gave way by 50 nP at one time. The brighter orthodox Assams and medium B.O.P.s also eased. The quotations exclusive of excise duty were: best Assam C.T.C. fannings Rs. 3.70 to 4.20, best Assam C.T.C. B.P. Rs. 3.00 to 3.40, medium fannings Rs. 2.04 to 2.14, clean black pekoe Re. 1.98, medium B.P. Re. 1.92 to 2.00, plain fannings Re. 1.94 to 2.04, and plain B.P. Re. 1.80 to 1.84.

Export quota was offered at 24 nP, but buyers were prepared to pay only 24 nP. There was no business done.

SPURT IN SACKING

(From Our Own Correspondent)

CALCUTTA, 18th August

The feature of the trading in the jute markets during the week under review was the sharp rise in prices of B. twills and raw jute, following substantial business in both with China. Purchases of hessian by North America were negligible, while those made by the United Kingdom and the Argentine were not of such an extent as to have an impress on the market. Apart from Chinese interest, other countries only accounted for small purchases. Mills also bought fair quantities of the fibre.

The Indian Jute Mills Association's recommendation to member mills to unseal 2½ per cent. of the looms as from 24th August to 2nd January 1960 was received with satisfaction in the market. It will be remembered that as from 22nd June, 14 per cent. of the looms were unsealed, and an analysis of July production showed that most of the increased production was in sacking. The 2½ per cent. of the looms, which would be unsealed as from 24th August, would be concentrated on sacking goods and would increase production by 2,500 tons. Market circles thought that mills were

following a guarded policy of increasing production by stages in order to prevent speculation from getting the upper hand. Evidently, the effect of the present move would be studied by mills at the end of September and if, despite the increased production, stocks of heavy goods continued to decline, a further increase in production would naturally be attempted.

On Tuesday last, China bought a fresh quantity of 20,000 bales of B. twills, thus bringing the total purchases by China so far this year to 100,000 bales. This has impressed the market in a remarkable way, as this has been far higher than the figure for the comparative previous periods. Ready B. twills jumped to Rs. 105 from Rs. 101.60 and the higher trend was maintained throughout the day, despite the announcement of mills' decision to unseal 2½ per cent. of the total loomage. Hessian 40" 10 oz. at Rs. 40.40 was higher only fractionally. The announcement of reduction by £5 per ton in prices of some jute yarns in Dundee, following lower prices in Pakistan was noted here. On Tuesday last, production details for July were also available. Output at 89,633 tons was higher by 6,949 tons. The increase was attributed to more working hours in the month. Also, July was the first full month when 14 per cent. of the looms unsealed towards the end of June was in production throughout the month. It was noted that, despite increased production, stocks at the end of July declined by 2,600 tons. Stocks at the end of June being 95,400 tons, the total availability of goods amounted to 185,000 tons. Stocks at the end of July were 92,800 tons. Thus, demand in July was in the order of 92,233 tons which was far higher than the increased production. Such a reading of the situation encouraged the hands of stockists, and this was a factor which contributed to Tuesday's spurt in prices. On Wednesday, B. twills scored a further gain to Rs. 106.40. There was profit-taking at the higher level, and covering business was done against ready and near delivery goods. Activity in futures was keen. Hessian 40" 10 oz. was unchanged at Rs. 40.40. On Thursday, B. twills at Rs. 107.50 registered a further impressive gain following stronger advices from the futures market. In sympathy, hessian 40" 10 oz. rose to Rs. 40.90. On Friday, B. twills were raised to as high a rate as Rs. 109.50. Profit-taking failed to reduce the overall gain. Hessian 40" 10 oz. scoring to Rs. 41.50 put on a better appearance. The market was closed on Saturday being Independence Day. Yesterday, prices sagged on account of heavy unloading. Earlier in the day, fully buoyant conditions prevailed. Ready B. twills closed lower for the week at Rs. 107.75 and hessian 40" 10 oz. at Rs. 40.80.

The feature in the fibre market was the business done by the State Trading Corporation with China. China bought about 25,000 bales, and fresh Chinese interest was anticipated. Mills also bought fair quantities, and prices for most varieties improved by 25 nP to Re. 1.25 per maund. Meanwhile, trade circles noted figures of fibre shipments from the time the export ban was removed in March last. So far, a quantity of 56,700 bales of the last season's crop has been exported. It was noted that this quantity was an insignificant percentage of the total 1958-59 crop. A feature of the business done by the S.T.C. was that, of the 56,700 bales, just over half was taken by Communist countries, whose interest in the current season, it was anticipated, would be more substantial. From Rs. 24.25, new disasse bottoms improved to Rs. 24.75 and at Rs. 23.75 new northern bottoms added Re. 1.25. The latest quotations of the new crop for ready and/or near delivery are as follows:

	Middles	Bottoms	Delivery
	Rs.	Rs.	Rs.
Indian:			
Assam Lower and			
Upper	25.75	24.25	Aug-Sep.
Northern	25.25	24.25	"
Desai	25.25	22.75	"
Cuttack	29.00	26.00	"
Murshidabad	24.50	22.00	"
Bihar	24.25	21.75	Sep-Oct.
Bimil f.a.q.	Rs. 21.50		Oct-Nov.
Pucca bales 1st mark	Rs. 17.50	per bale	ready.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 17th August

The foodgrains market ruled quiet to depressed during the week, thanks to fairly good rains and improved kharif crop prospects. Barring wheat, the arrivals of which continued to be sparse and prices stayed steady, other grains and pulses eased fractionally. Wheat held quietly steady around Rs. 18.25 per maund for average quality and upto Rs. 19.50 for farm produce. Arrivals in the open market were meagre, partly due to rains but mostly due to fears that half of the quantity brought to the market would be purchased by the Government at the controlled prices of Rs. 13 to Rs. 15 a maund. Sales through fair-price shops were being continued and supplies to consumers were available from private sources where arrivals were at an average of 100 maunds daily.

Rice ruled quiet. Supplies were better than last week. Recent rains have improved paddy crop prospects and large-scale sowings of muni crops have also been completed. The week-end prices here were: rice basmati sela Rs. 33 to Rs. 36; mainpuri Rs. 25; ramajayan Rs. 25.50; gadda Rs. 23 a maund.

Easy trend in gram prices continued on lower advices from Punjab. The U.P. Government purchased 11,000 maunds of gram here at the controlled price of Rs. 12.50 a maund. Barley and behar continued to be quiet in small turnover. New maize arrivals were delayed due to continued rains, but prices

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

State Bank of Pakistan

Statement of Affairs for the week ended 7th Aug., 1955

BANKING DEPARTMENT		
LIABILITIES		Rs.
Capital paid-up	.. .. .	3,00,00,000
Reserve Fund	.. .. .	4,15,00,000
Deposits—		
(a) Central Government	.. .. .	100,93,410
(b) Provincial Governments	.. .. .	50,40,000
(c) Banks	.. .. .	1,63,11,000
(d) Others	.. .. .	4,55,27,000
Bills Payable	.. .. .	12,55,000
Other Liabilities	.. .. .	10,65,56,000
	Rupees	140,43,20,000
ASSETS		Rs.
Notes	.. .. .	11,28,67,000
Rupee Coins	.. .. .	69,000
Unredeemed Coin	.. .. .	40,000
Bills Purchased and Discounted:—		
(a) Internal	.. .. .	1,00,00,000
(b) External	.. .. .	12,02,000
Government Treasury Bills	.. .. .	80,80,800
Advances held outside Pakistan*	.. .. .	8,39,00,000
Loans and Advances to Governments	.. .. .	34,04,000
Provincial Governments' Debtor Balances	.. .. .	9,08,05,000
Other Loans and Advances	.. .. .	72,40,000
Investments	.. .. .	8,21,02,000
Other Assets	.. .. .	140,43,20,000
	Rupees	140,43,20,000

ISSUE DEPARTMENT			
LIABILITIES		Rs.	Rs.
Notes held in the Banking Department		11,28,67,000	
Notes in circulation		937,36,33,000	
Total Notes issued			348,55,00,000
Total Liabilities			348,55,00,000
ASSETS			
		Rs.	Rs.
A. Gold Coin and Bullion ..		23,70,66,000	
Silver Bullion			
Foreign Securities		57,80,69,000	
India Notes representing assets receivable from the Reserve Bank of India		43,01,61,000	
B. Rupee Coin		4,67,91,000	124,52,96,000
Government of Pakistan Securities		213,54,07,000	
Internal bills of exchange and other commercial paper			
I. Held with the Reserve Bank of India pending transfer to Pakistan			218,21,98,000
Gold Coin and Bullion ..		19,02,00,000	
Sovereign Securities		4,40,68,000	
Government of India Securities		1,00,90,000	
Rupee Coin		29,51,000	
Total Assets			5,90,06,00,000
			348,55,00,000

	17th Annual 1969	Previo week
Sellers on London— \$ellars T.T. D.D. Spot . a.	1-5 1/2	1-5 1/2
\$ellars T.T. D.D. upto six months . a.	1-5 1/2	1-5 1/2
Buyers T.T. spot to nine months . a.	1-6 1/2	1-6 1/2
Buyers T.T. 10 to 12 months . a.	1-6 1/2	1-6 1/2
London on New York— \$ellers T.T. D.D. . Ra.	476.00	476.00
Buyers T.T. . Ra.	472.75	472.75
London on New York— London on Paris . Ra.	2.8102-2.8107	2.8102-2.8107
London on Berna . Sw. Fo.	18.784	18.784
New York on London . s.	12.1902-12.1920	12.1902-12.1920
	2.8098-2.8101	

CLEANING HOUSE RETURNS					
Centre	Week ended 14th August 1959		Week ended 7th August 1959		
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.	
Bombay	8,42,041	71,88,94,000	8,19,788	70,59,65,000	
Calcutta	1,86,000	70,74,00,000	1,73,000	70,59,65,000	
Madras	98,000	10,21,00,000	97,048	11,16,48,000	
All Centres— 1956-57	..	..	40,008,000	87,54,95,000	
1957-58	..	..	41,972,000	85,54,93,000	
1958-59	..	..	45,172,000	97,67,12,000	
April 1959	..	..	4,123,000	9,28,12,000	
	..	..	6,980,000	14,00,00,000	

RAILWAY TRAFFIC—WAGON LOADINGS

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Ten	Manganese Ore
1865-56	12,751	2,120	974	213	111	67	149	29	170	412	41	330	68	148
1857-58	13,586	2,265	1,023	219	108	58	207	24	198	427	30	388	58	167
1857-58	13,314	2,359	1,229	214	105	52	219	35	213	508	39	376	47	194
1858-59	14,365	2,588	1,296	206	92	36	221	23	184	483	36	514	46	113
May 1958	1,238	520	111	23	9	4	15	2	15	45	2	40	1	27
April	2,438	481	234	40	18	7	28	4	31	85	7	112	7	38
June	3,541	928	355	50	35	6	36	6	46	105	14	154	12	46
July	4,077	1,111	411	71	11	12	46	7	63	164	10	190	13	50
August	5,923	1,077	581	83	37	15	58	8	77	202	18	240	23	65
September	6,922	1,306	671	95	41	10	70	10	96	231	18	280	28	66
January 1959	11,734	2,228	1,083	106	70	30	180	10	151	334	32	422	43	104
February	13,018	2,481	1,194	186	80	38	201	21	189	433	34	484	46	113
March	14,465	2,655	1,286	206	92	38	216	21	201	483	36	514	46	113
April	1,285	218	122	23	13	3	16	4	12	61	4	41	2	12
May	2,534	422	262	43	24	6	33	4	33	96	6	83	3	26

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

INDUSTRIAL PRODUCTION

Industries.	1968	January 1969*	February 1969*	March 1969*	April 1969*	April 1968
Major Industries—						
Coal	.. million tons	46.82	4.09	3.94	3.96	3.90
Steel (Ingots and Metal for castings) ..	.. thousand tons	1,818	184	182	209	157
Iron (Ingots and Metal for castings) ..	.. million lbs.	1,885	151	137	141	140
Yarn	.. million yds.	4,927	430	892	406	407
Cloth	.. million tons	0.07	0.60	0.50	0.50	0.50
Cement	.. thousand tons	1,063	92	84	83	84
Jute	.. thousand tons	263	23	22	23	23
Paper and paper boards	.. cases	614,400	48,900	47,200	50,800	50,200
Matches	.. thousand tons	1,067	445	411	387	174
Sugar	.. thousand tons	1,067	445	411	387	174
Engineering and Electrical industries—						
Machine tools	Value in lakhs of Rs.	378.01	14.82	14.95	17.89	—
Electric lamps	.. millions	30.42	2.88	2.91	3.18	2.98
Electric fans	.. millions	125.24	14.94	13.68	13.85	17.78
Dry cells	.. k.t.a.	1,128,000	100,000	86,100	94,600	97,000
Power transformers	.. h.p.	624,000	54,400	50,000	51,700	48,500
Electric Motors	.. Nos.	638,000	62,400	61,100	55,200	61,100
Electric fans	.. Nos.	188,108	14,384	15,474	15,557	17,408
Radio receivers	.. Nos.	355,200	32,700	32,500	31,300	28,400
Storage batteries	.. Nos.	7,226	675	665	672	626
Copper conductors	.. Nos.	1,112	236	219	267	178
Winding wires	.. million yds.	126.60	14.84	12.59	13.67	—
Rubber and plastic ins. cables and flexibles ..	.. million yds.	746,400	51,400	52,300	52,900	28,900
Insulators—B.T.	.. Nos.	6.00	0.33	0.26	0.12	0.48
Insulators—L.T.	.. million Nos.	4,200	487	598	636	671
Diesel engines—Vehicular	.. Nos.	25,800	2,427	2,368	2,340	1,731
Do	.. Nos.	25,800	2,427	2,368	2,340	1,731
Chemical Industries—						
Salt	.. million mds.	112.55	1.73	4.16	8.06	15.40
Caustic soda	.. tons	57,192	5,179	4,925	5,242	4,991
Soda ash	.. tons	89,436	7,939	7,429	7,712	6,833
Chlorine liquid	.. tons	1,824	1,762	1,668	1,250	1,280
Bleaching powder	.. tons	6,504	539	423	583	539
Bichromates	.. tons	2,444	300	298	298	492
Sulphuric acid	.. tons	168,800	22,078	20,351	21,912	16,197
Superphosphate	.. tons	168,800	16,468	16,344	14,828	12,157
Non-ferrous Metals—						
Aluminium	.. tons	8,188	805	1,429	1,524	1,280
Antimony	.. tons	527	15	10	30	48
Copper (virgin metal)	.. tons	7,868	587	466	719	671
Lead (virgin metal)	.. tons	3,835	392	347	410	300
Gold	.. thousand so.	170	10	14	15	182
Metallurgy (Miner) Industries—						
Sewing machines	.. Nos.	208,320	19,223	18,110	19,256	—
Biocycles	.. Nos.	915,624	75,184	77,347	75,633	75,654
Automobiles	.. Nos.	26,796	1,992	2,339	2,676	2,611
Cycle tyres and tubes	.. million Nos.	16.11	1.65	1.56	1.56	1.61
Motor tyres and tubes	.. million Nos.	1.98	0.17	0.17	0.18	0.18
Clarettes	.. million Nos.	29,836	2,647	2,629	2,605	2,638
Plywood—Tee cases	.. million sq. ft.	87.50	8.86	8.25	7.44	7.38
Plywood—Commercial	.. million sq. ft.	57.98	5.78	5.15	1.92	1.92
Sheet glass	.. million sq. ft.	72.11	8.78	7.74	8.04	7.98
Woolen manufactures	.. million lbs.	19.88	1.09	0.97	1.08	1.16
Footwear—Western type (Leather)	.. million pairs	20.47	2.28	2.24	2.02	2.37
Footwear—Indigenous type (Leather)	.. million pairs	3.29	0.31	0.35	0.35	0.39
Alcohol—Industrial	.. million Bulk galls.	9.67	0.99	1.05	0.85	0.89
Alcohol—Industrial	.. million Bulk galls.	8.51	0.91	0.92	0.83	0.67
Alcohol—Potable Absolute	.. million Bulk galls.	15,512	946	1,008	9.73	1,124
Railway Wagons	.. Nos.	—	—	—	—	—
General Index—(Base 1951 = 100 Revised)		139.4	151.5	144.8	144.7	144.5
—Not Available.						

* Figures are subject to revision month to month.

FOREIGN TRADE OF INDIA

(In lakhs of rupees)				
Particulars	Jan. to Dec.		Four months ended April	
	1957	1958	1958	1959
Exports	687.74	570.56	182.23	177.47
Re-exports	5.11	8.40	2.87	1.05
Total Exports	642.85	578.96	185.10	178.52
Imports	1,026.82	864.18	262.80	275.22
Overall Balance of Trade	-382.97	-285.22	-77.70	-96.70
Exports—				
Tea	122.40	136.54	34.43	24.56
Yarns and manufactures	114.87	103.82	32.94	33.46
Cotton yarns and manufactures	69.58	52.63	19.22	18.01
Metallic ores and scrap	49.80	30.35	12.78	11.71
Cotton, raw and waste	16.96	12.20	6.04	0.03
Oil—vegetable, mineral and animal	19.81	12.35	5.17	3.19
Fruits and vegetables	18.60	21.16	6.33	7.41
Tobacco	12.83	16.23	7.89	8.13
Mica	8.67	9.84	2.99	3.23
Wool and other animal hair	12.98	9.35	2.92	3.60
Gums, resins and lac	8.59	7.14	2.70	2.60
Spices	8.43	8.62	3.50	3.75
Rides and skins, raw	0.99	7.33	2.51	2.83
Imports—				
Machinery of all kinds	232.97	188.92	72.10	62.82
Iron and Steel	144.98	97.89	35.82	30.50
Oil—vegetable, mineral and animal	113.44	80.28	24.08	21.58
Chemicals, medicines and drugs	76.77	65.28	20.63	26.63
Electrical goods and apparatus	61.14	49.04	13.39	16.28
Vehicles (excluding aircraft, ships and boats)	71.85	55.53	25.27	28.08
Fruits and vegetables	81.27	37.45	0.37	0.68
Cotton raw and waste	45.68	16.66	11.59	9.74
Paper, pasteboard, etc.	12.38	8.00	3.90	2.95
Dyes and colours	13.87	8.78	2.40	2.75
Spices	2.58	2.84	0.90	0.92
Woolens and worsteds	1.81	8.00	13	6
Cotton fabrics	2.37	1.06	24	41

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
JUTE MANUFACTURES		(In 000 tons)
Production ..	During July, 1959	89.6
	Corresponding month, 1958	89.2
	Twelve months ended June, 1959	1,041.5
	Corresponding period, 1958	1,058.2
Stocks ..	At the end of July, 1959	92.8
	Corresponding month, 1958	121.9
DISPATCHES OF GUNNIES		(In 000 tons)
For Export Purpose ..	1954-57	858.9
	1958-59	889.2
	May, 1956	61.7
	May, 1959	72.2
	1954-57	375.0
For Internal Consumption ..	1957-58	198.0
	May, 1958	17.8
	May, 1956	15.6
RAW JUTE		(In 000 bales)
Consumption by Mills ..	July, 1959	500
	Corresponding month, 1958	521
	Twelve months ended June, 1959	6,022
	Corresponding period, 1958	6,134
	1954-57	6,078
	1957-58	6,154
	1958-59	6,022

ELECTRIC ENERGY GENERATED AND SOLD

(In millions of kilowatt-hours)				No. of Consumers	Units Generated	Total Units Sold
1934-35	..	..	..	715	3,826.3	7,136.8
1935-36	..	..	..	720	3,977.3	7,311.1
1937-38	..	..	..	824	11,176.9	9,011.1
1938-39	..	..	..	819	887.0	10,890.7
Jan. 1940	..	..	..	873	973.0	928.0
Mar. "	..	..	..	889	919.7	748.3
May "	..	..	..	893	888.3	791.4
Aug. 1940	..	..	..	911	1,008.0	810.5
Jan. "	..	..	..	911	1,156.3	980.3
Mar. "	..	..	..	911	1,074.0	886.4
May "	..	..	..	941	1,121.1	901.1
Aug. "	..	..	..	918	1,017.1	825.0

Excluding railway, military and Government power stations.

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

[Page : 1953-53-100]																				
	Average of week-ends Saturday	Rice	Wheat	Java	Rubber	Gum	Tea	Milk	Sugar	Coffee	Tobacco	Raw Cotton	Raw Jute	Groundnut	Soybean	Cashew	Coconut	Castor	Other	Other
1954-55	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
1955-56	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
1956-57	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
1957-58	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
1958-59	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
May 1958	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
June	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
July	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Aug.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Sept.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Oct.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Nov.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Dec.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Jan. 1959	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Feb.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Mar.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
Apr.	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
May	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111
June	85	78	77	76	84	84	85	84	104	122	99	102	112	82	114	100	102	107	111	111

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 392 lbs.)	Particulars	From 1st Sept. to 25th July, 1958-59 Bales	From 1st Sept. to 25th July, 1957-58 Bales
Bombay Island—			From Bombay		
Cotton Receipts	Week ended 18th Aug. 1959 Corresponding week, 1958 1st Sept. 1958 to 18th Aug. 1959 Corresponding period, 1957-58	13,506(J) 20,861(J) 1,989,073 1,710,885*	Cotton Shipments to— United Kingdom Continents Hongkong China Japan U.S.A. Other Countries	7,888 22,912 37,691 6,856 199,734 8,192 2,856	10,290 19,718 12,476 184,197 8,192 926
Cotton Exports	Week ended 29th July, 1959 Corresponding week, 1958 1st Sept. to 29th July, 1958-59 Corresponding period, 1957-58	0,880* 14,800* 404,223 280,528	Total to all foreign countries Coastal Ports	284,115 111,048(a)	190,785 79,968(b)
MIN Consumption (Estimated)	1st Sept. 1958 to 18th Aug. 1959 Corresponding period, 1957-58	1,182,884 1,206,903	Total	806,178	270,701
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 18th Aug. 1959 Corresponding date, 1958	690,442 681,238	Cotton Exports from Bombay (By sea)	During May 1959 During May 1958 1st Sept. to 31st May, 1959 1st Sept. to 31st May, 1958	(Bales of 392 lbs.) 18,250 44,550 241,500 146,400
Consumption of Cotton—			Cotton Forwarded to India (In running bales)	Week ended 31st July 1959 Corresponding week, 1958 1st Sept. to 31st July 1958-59 Corresponding period, 1957-58	25,66 3,829,80 4,160,77
Indian	May 1959	379,388	Karnata (Pichhina)—		
Foreign		39,040	Receipts	1st Sept. to 30th July 1958-59 Corresponding period, 1957-58	861,30 1,007,80
Indian	Nine months ended May	8,461,578	Exports	1st Sept. to 30th July 1958-59 Corresponding period, 1957-58	661,30 940,00
Foreign		288,329			
Indian	Same Period 1957-58	2,340,280			
Foreign		480,248			
Stocks (Mills and Hosi- ery)					
Indian	As on 31st May 1959	1,441,575			
Foreign		102,792			
Indian	As on 31st May 1958	1,223,414			
Foreign		140,280			

(a) Up to 30th June, 1954. § Includes Zoda and yellow pickings, etc.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

INDEX NUMBERS OF SECURITY PRICES

Group and Sub-Group	Week ended			
	8th Aug. 1959	1st Sept. 1959	11th July 1959	9th Aug. 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	101.0	99.4
2. Government of India	101.0	101.2	100.8	99.3
3. State Government	102.5	102.4	102.4	100.7
4. Municipal, Port Trust, etc.	99.9	99.9	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.1	102.0	101.8	99.2
PREFERENCE SHARES—ALL INDIA.				
6. Total	93.0	92.7	91.9	87.0

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	154.0	151.7	155.0	138.5
8. Agriculture and Allied Activities: Total	163.0	161.8	164.7	154.4
9. Tea Plantations	158.4	158.0	159.4	149.7
10. Rubber Plantations	107.4	106.1	108.4	101.9
11. Cotton Textiles	162.5	160.2	164.9	153.5
12. Mining and Quarrying: Total	148.3	147.9	150.7	143.7
13. Coal	116.4	116.8	119.7	106.4
14. Other Mining	170.2	169.2	172.0	169.3
15. Processing and Manufacturing: Total	158.0	155.0	159.2	137.8
16. Textiles: Total	147.8	144.2	148.8	127.6
17. Cotton Textiles	123.5	122.0	122.4	119.1
18. Jute Textiles	98.4	97.9	99.1	78.3
19. Silk and Woolen	146.1	142.0	145.4	110.4
20. Processing and Manufacturing (Chemicals, etc.): Total	178.3	174.6	183.1	148.7
21. Iron and Steel	165.6	161.0	167.7	141.6
22. Transport Equipment	134.3	132.0	136.6	114.7
23. Electrical Machinery	133.2	132.0	136.6	114.7
24. Machinery other than Transport and Electrical	155.2	154.3	156.0	125.3
25. Basic Industrial Chemicals	152.5	150.9	153.0	148.3
26. Processing and Manufacturing (Food, etc.): Total	139.0	138.0	140.0	141.4
27. Cement	203.9	201.0	204.9	191.5
28. Paper	119.1	118.3	119.3	111.1
29. Other Industries: Total	94.2	93.6	92.8	92.3
30. Electricity Generation	101.4	100.2	104.0	93.6
31. Trading	129.7	129.4	131.0	124.0
32. Shipping and Other Transport	317.6	304.3	318.3	218.0
33. Construction	174.8	171.7	172.1	171.7
34. Banks	137.9	133.3	134.2	126.1
35. Insurance	99.6	98.8	98.3	79.4
36. Investment Trusts	99.6	98.8	98.3	79.4

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL

29. Bombay	158.0	154.8	160.0	141.2
30. Calcutta	146.6	145.5	147.2	134.3
31. Madras	168.6	166.2	169.9	151.4
32. Delhi	182.0	179.2	179.9	168.9

IRON AND STEEL PRODUCTION (In Tons)

Tata Iron and Steel Co., Ltd.

Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,094,300	1,106,500	795,000
Do. 31st March, 1959	1,137,500	1,149,900	884,700

Indian Iron and Steel Co., Ltd.

Year ended 31st March, 1957	495,156	532,315	441,483
Do. 31st March, 1958	738,945	507,580	401,558
Do. 31st March, 1959	959,938	608,205	496,217

January to March, 1959

January to March, 1959	252,705	176,443	165,607
January to March, 1958	252,705	176,443	165,607
January to March, 1957	252,705	176,443	165,607

April to June, 1959

April to June, 1959	94,105	57,483	49,470
April to June, 1958	94,105	57,483	49,470
April to June, 1957	94,105	57,483	49,470

July to September, 1959

July to September, 1959	79,782	62,510	55,938
July to September, 1958	79,782	62,510	55,938
July to September, 1957	79,782	62,510	55,938

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes	Total of Average number of workers involved	Number of man-days lost
-------------	--------------------	---	-------------------------

1957	1,430	890,371	6,429,313
1958	1,524	928,566	7,787,585
1959	144	57,225	396,887
January	152	84,803	449,803
February	142	89,909	545,699
March	149	65,124	507,289
April	176	64,147(8)	518,856(9)
May	160	59,820(2)	291,204(4)
June	128	55,078(11)	279,344(1)
July	134	34,365(5)	321,261(6)
August	143		

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita (Rs.)
---------------	------------	--------------------------	-------------------------------	-----------------------------	------------------

India	1957-58	392.94	...	10,830	275.6
Pakistan	1957-58	83.50	...	2,079	24.8
Burma	1957-58	20.00	...	475	23.7
Ceylon	1957-58	8.00	...	1,200	150.0
Japan	1957-58	90.00	...	1,915	21.3
Philippines	1957-58	22.00	...	1,200	54.5
Netherlands	1957-58	16.00	...	1,200	75.0
New Zealand	1957-58	2.00	...	1,200	600.0
U.K.	1957-58	51.40	...	1,200	23.3
U.S.A.	1957-58	150.00	...	1,200	8.0
France	1957-58	46.00	...	1,200	26.1
Germany	1957-58	51.00	...	1,200	23.5
Sweden	1957-58	7.00	...	1,200	171.4
Norway	1957-58	3.40	...	1,200	353.0
Denmark	1957-58	1.30	...	1,200	923.1
Switzerland	1957-58	2.50	...	1,200	480.0

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

Source: Indian Statistical Service, October 1958.

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

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

† In progress during the month. Figures in brackets show the number of cases for which relevant information is not available.

All-India (1949=100)	Bombay (1934=100)	Madras (1934=100)	Calcutta (1934=100)	Delhi (1934=100)	Aligarh (1934=100)	Gauhati (1934=100)	Jamshedpur (1934=100)	Jabalpur (1934=100)	Bangalore (1934=100)
1952 Average	103	327	259	310	95	103	349	106	104
1953	107	303	275	323	107	108	108	102	102
1954	101	359	244	294	85	99	327	106	98
1955	96	338	217	246	78	98	321	99	88
1956	103	353	259	310	95	103	349	106	104
1957	111	369	259	310	95	103	349	106	104
1958	116	395	274	313	98	120	384	124	113
1959	111	382	254	310	91	115	363	120	109
January	110	380	248	297	89	115	364	120	108
February	111	381	253	293	89	115	363	119	108
March	111	389	261	295	91	116	368	119	107
April	113	387	263	303	97	121	378	121	111
May	112	395	261	303	97	121	378	121	111
June	117	396	301	323	103	127	388	130	127
July	118	399	300	325	103	129	384	127	126
August	117	408	296	313	95	120	384	127	126
September	117	408	296	313	95	120	384	127	126
October	117	408	296	313	95	120	384	127	126
November	117	408	296	313	95	120	384	127	126
December	117	408	296	313	95	120	384	127	126

SMALL SAVINGS (In lakhs of rupees)

Year Month	5-Year A	7-Year B	12-Year C	Post Office National Bank Deposits	10-Year National Certificates D	Post Office National Bank Certificates E	10-Year Treasury Savings Deposits F	15-Year National Certificates G	Total
1954-55	4.70	4.99	124.64	134.94	130.88	7.38	37.15	56	177.36
1955-56	3.76	6.48	143.37	158.11	167.85	16.38	37.08	41.25	310.99
1956-57	3.00	6.01	160.68	171.05	183.91	23.11	39.73	43.58	388.04
1957-58	2.22	4.78	143.45	171.45	182.82	23.92	40.69	42.57	350.77
1958-59	1.73	3.79	117.11	152.48	162.82	23.92	40.69	42.57	350.77
January 1959	2.01	4.47	137.44	152.48	162.82	23.92	40.69	42.57	350.77
February	1.96	4.48	137.44	152.48	162.82	23.92	40.69	42.57	350.77
March	1.94	4.30	133.28	140.72	140.72	21.22	40.13	43.07	350.77
April	1.80	3.93	122.83	130.07	130.07	21.22	40.13	43.07	350.77
May	1.78	3.87	122.83	130.07	130.07	21.22	40.13	43.07	350.77
June	1.70	3.72	117.25	125.39	125.39	20.88	40.13	43.07	350.77
July	1.68	3.65	115.99	124.02	124.02	20.88	40.13	43.07	350.77

Note.—Outstandings relate to end of period and do not include Indian Union's share of pre-participation liabilities; repayments, however, include those from the pre-participation holdings of Indian investors. Discontinued from July 1, 1953-B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—From July 1954. H—Outstanding in respect of items in column 9 marked "Discontinued". S.B.—Five-Year Cumulative Time Deposits commenced from January 1959, 1959 and the outstandings at the end of May 1959 is rupees seven lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of May 1959 is rupees four lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation
------	--------	-------------	-----------	----------------------------

		Latest Available	Set Year	Market	Set Year	Market
--	--	---------------------	-------------	--------	-------------	--------

[illegible]

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Remarks
										1955	1956	1957	1958		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.P.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.			
ASSAM															
4,45,700	10,68,102	18,89,035	6,45,732	....	McLeod & Co. Ltd.	325	Amulucki	32.00N	10	10.00A	5.00	1.00	1.50 ^a	12	Y.P.
2,50,000	3,01,500	12,10,619	4,33,800	2,091	M. Gladders Arbuthnot & Co. Ltd.	450	Ananda (Assam) Tea ..	19.50	10	1.00	2.00	1.00	....	12	Y.
7,00,000	6,43,250	12,90,883	3,51,110	56,288	Gladders Arbuthnot & Co. Ltd.	450	Ananda Bag	25.50	10	1.00	1.25	0.50	....	12	Y.
5,50,000	13,71,541	19,67,179	8,20,191	8,20,191	McLeod & Co. Ltd.	573	Bachmari	24.50	10	1.00	2.50	1.50	....	12	Y.
5,10,000	10,70,993	15,30,210	3,00,711	40,495	Andrew Yule & Co. Ltd.	384	Baamania	25.00	10	1.50	2.00	1.75	2.00	12	Y.
4,50,000	1,50,210	14,84,973	9,25,973	64,213	National Tea Corporation	579	Baidi	19.00	10	1.00	3.00	1.50	....	12	Y.
6,00,000	8,40,000	10,90,588	4,11,900	1,12,913	Gladders Arbuthnot & Co. Ltd.	581	Betan	25.52	10	2.00	2.50	1.50	....	12	Y.
53,00,000	15,30,800	73,93,388	30,33,388	31,90,000	Williamson Major & Co. Ltd.	3,967	Bishnauth	20.06	10	2.00	2.00	1.00	....	12	Y.
2,50,000	2,50,000	13,10,965	2,81,300	46,990	Octavius Steel & Co. Ltd.	485	Bokahat	15.00	10	1.00	1.00	1.00	....	12	Y.
1,00,000	6,90,175	10,64,128	3,57,291	1,11,518	McLeod & Co. Ltd.	460	Bornah Jan Tea ..	17.31	10	2.00	1.50	NH	....	12	Y.P.
7,50,000	15,33,395	81,27,733	29,08,381	5,44,800	M.	2,884	Brooke Road	27.00	10	4.75	1.25	1.75	....	12	Y.
8,40,000	9,00,426	0,14,733	3,11,338	27,471	McLeod & Co. Ltd.	282	Dejo Valley	60.00	10	1.00	1.00	1.00	....	12	Y.
17,53,440	1,75,340	1,75,340	1,75,340	1,75,340	James Warren & Co. Ltd.	661	Dhalsakhat	23.37	10	2.50	2.50	2.50	0.251	12	Y.P.
4,50,000	4,50,000	12,48,763	4,64,779	24,797	M.	651	Dhinzari	15.51	10	1.00	1.25	2.00	....	12	Y.
4,73,400	4,73,400	11,33,651	3,08,768	39,146	McLeod & Co. Ltd.	458	Dibrugarh	32.50	10	2.00	3.00	2.50	1.00	12	Y.
70,00,000	10,30,300	25,41,375	14,18,175	4,42,523	Williamson Major & Co. Ltd.	632	Dimakhuri	33.75	10	3.00	3.00	3.00	2.50	12	Y.P.
19,00,000	7,89,277	25,29,027	11,91,227	1,01,249	Williamson Major & Co. Ltd.	642	Ditlaghar	41.12	10	4.00	4.00	3.00	4.50	12	Y.
5,03,760	1,02,425	20,32,810	42,29,083	10,99,878	Octavius Steel & Co. Ltd.	1,920	Gilhapukri	30.25	10	3.50	3.00	2.50	....	12	Y.
7,50,000	1,02,425	20,32,810	42,29,083	10,99,878	Octavius Steel & Co. Ltd.	1,920	Golpara	19.37	10	3.00	2.50	2.00	....	12	Y.
8,00,000	13,02,500	25,29,027	11,91,227	1,01,249	Williamson Major & Co. Ltd.	640	Hoojanacore	29.00	10	0.50	1.50	1.00	0.501	12	Y.
8,00,000	13,02,500	25,29,027	11,91,227	1,01,249	Williamson Major & Co. Ltd.	640	Hoojanacore	195.00	10	7.50	15.00	12.00	....	12	Y.
68,50,000	63,85,792	1,63,70,458	54,70,458	91,807	Birra Brothers Private Ltd.	4,900	Jay Shree Tea Gardens ..	14.50	10	1.00	1.00	1.00	1.00	12	Y.P.
8,00,000	7,35,000	10,62,930	4,48,908	51,671	Gladders Arbuthnot & Co. Ltd.	882	Juilbari	34.00	10	1.00	1.00	1.75	....	12	Y.
3,50,000	1,30,000	16,22,930	7,73,490	91,530	M.	1,165	Kingsley-Golaghat (Assam) ..	185.00	100	25.00	25.00	25.00	25.00	12	Y.P.
1,00,000	40,000	23,63,853	2,40,004	-2,63,641	Duncan Bros. & Co. Ltd.	1,999	Kotamullai Tea	10.94	10	NH	NH	NH	....	12	Y.P.
1,00,000	8,66,234	13,89,924	3,59,172	9,527	Duncan Bros. & Co. Ltd.	1,616	Kotamullai Tea	18.50	10	1.00	0.75	NH	....	12	Y.
6,50,000	11,40,000	12,23,877	6,28,471	42,913	O. Arun Steel & Co. Ltd.	612	Metohni	24.00	10	1.75	2.00	1.50	1.001	12	Y.
4,80,000	39,000	10,09,237	2,42,638	1,217	Duncan Bros. & Co. Ltd.	673	Moitecha	13.00	10	NH	NH	NH	....	12	Y.P.
O. 1,50,000	8,20,000	9,99,706	5,17,214	67,138	Kettiewell Bullen & Co. Ltd.	410	Moitecha	608.00	50	50.00	40.00	....	12	Y.	
O. 1,50,000	8,20,000	9,99,706	5,17,214	67,138	Kettiewell Bullen & Co. Ltd.	410	Moitecha	608.00	50	50.00	40.00	....	12	Y.	
O. 2,00,000	7,81,455	12,43,977	6,21,441	39,593	Andrew Yule & Co. Ltd.	873	Murphulan	34.00	10	1.75	2.50	2.25	2.50	12	Y.
5,55,000	1,75,000	11,48,794	4,84,702	1,912	M.	814	Nambarudi	10.00	10	1.00	1.50	1.50	....	12	Y.
5,00,000	20,000	9,06,853	3,12,392	-50,380	Duncan Bros. & Co. Ltd.	971	New Chantoolah	104.00	100	NH	NH	NH	....	12	Y.
2,00,000	20,000	9,06,853	3,12,392	-50,380	Duncan Bros. & Co. Ltd.	971	New Chantoolah	104.00	100	NH	NH	NH	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Rajkhar	45.00	10	0.25	4.00	2.50	2.50	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.	381	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
2,00,000	8,46,039	11,38,222	4,91,713	38,802	Williamson Major & Co. Ltd.	588	Sapoi	22.00	10	2.50	2.50	1.50	....	12	Y.
9,00,000	2,55,000	25,80,800	10,88,094	21,823	M.										

M.—Managed by Board of Directors. §§ Investments at cost. ¶ Includes bonus. J.—Bharat Line sub-divided ₹100 each into shares of ₹10 each in 1958. † Subject to taxation.
 Q.—Maharashtra Sugar sub-divided its shares of ₹250 each into shares of ₹50 each in 1958. The dividends for 1956 and 1957 are on shares of ₹250.
 †† Bhohtas Industries—Latest dividend is for seventeen months ended 31st March 1958. K.—Includes an additional dividend ₹7.00 per old share and ₹3.00 per new share.

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.P.	Rs.	1956	1957	1958	1959		
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,10,000	3,02,505	84,107	15,000	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.12cd	2	0.21	0.45				
26,91,270	20,25,000	50,55,438	9,98,019	15,281	Peirce, Leslie & Co. Ltd.	Cochin Malabar	6.85cd	10	0.75	0.52	0.30	0.45	5	Y.P.
22,50,000	22,50,000	45,95,649	9,51,056	1,52,298	Coca Coffee Estates (Secretaries)	Coffee Lands and Industries	23.75	10	2.50	0.52	0.30	0.45	5	Y.P.
71,55,000	99,923	1,42,78,181	30,95,427	75,545	R. C. Peterson Esq.	Consolidated Coffee	23.75	10	2.50	0.52	0.30	0.45	5	Y.P.
4,00,000	6,67,423	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	16.35cd	10	2.00	4.00	2.00		6	Y.P.
18,00,000	9,34,012	30,12,321	63,967	21,458	A. V. Thomas & Co. Ltd.	Highland Produce	12.30	10	1.50	1.75	1.50	1.50	3	Y.P.
8,00,000	6,92,899	10,05,819	11,993	8,05,819	A. V. Thomas & Co. Ltd.	Kalpetta Estates	12.30	10	2.00	1.75	1.50		3	Y.P.
13,50,000	5,55,880	20,40,926	3,38,888	15,000	K. T. Thomas & Co. Esq.	Malankara Rubber	12.40	10	2.00	2.00	1.00		12	Y.P.
40,50,000	2,09,139	86,11,082	10,80,222	2,631	A. V. Thomas & Co. Ltd.	Midland Rubber	11.70	10	2.25	2.25	1.70	1.70	3	Y.P.
3,35,000	4,08,000	15,42,851	2,26,134	22,019	A. V. Thomas & Co. Ltd.	Nemany Rubber	15.00	10	2.00	2.00	1.00		3	Y.P.
2,00,000	2,25,000	5,55,544	68,409	1,908	Associated Planters Private Ltd.	Nilambur Rubber Co.	18.15cd	10	1.50	0.75			3	Y.P.
19,45,000	3,38,102	46,93,527	1,75,048	4,912	Peirce, Leslie & Co. Ltd.	Ouchterlony Valley Estates	5.50	2	0.20	0.50	0.20		12	Y.P.
13,50,000	8,36,102	4,67,820	4,58,004	40,664	A. V. Thomas & Co. Ltd.	Rahmuri Rubber	17.70	10	2.50	2.00	2.00		10	Y.P.
5,50,170	2,44,000	8,50,861	1,07,498	686	Peirce, Leslie & Co. Ltd.	Savannal Estates Ltd.	17.70	10	2.50	2.00	2.00		10	Y.P.
12,00,000	1,35,000	18,24,855	68,427	15,748	Pateo Agencies	Sangamashwar Coffee Estates Ltd.	2.65cd	2	1.50	0.30	0.25		6	Y.P.
10,00,000	2,44,418	1,70,645	1,70,645	1,70,645	East India Agencies Private Ltd.	Trecoy Rubber (India) Ltd.	16.00	10	1.00	1.00	0.18	0.18	11	Y.P.
2,50,000	2,75,000	5,73,150	38,399	33,647	A. V. George & Co. Ltd.	Thamarappally Rubber	26.50	10	0.90	0.60	0.60		3	Y.P.
1,15,500	4,00,000	22,40,057	1,87,435	23,927	Peirce, Leslie & Co. Ltd.	Thirunadai Rubber Co., Ltd.	1.96	1	0.125	0.80	0.80		3	Y.P.
4,00,000	46,742	11,45,900	4,92,700	37,729	Ezpen Thomas Esq. (Mr. Director)	Travancore Rubber	14.00	10	2.00	1.50	1.00		9	Y.P.
41,00,000	14,20,901	85,55,546	16,43,709	23,941	Aspinwall & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co. Ltd.	22.00	25	0.75	0.40	0.50		12	Y.P.
20,00,000	96,000	81,23,163	8,27,272	9,162	P. T. Thomas Esq. (Mr. Director)	Tropical Plantations Co.	10.40cd	10	0.75	0.60	1.50		12	Y.P.
2,20,000	29,600	85,552	85,552	27,217	M. V. George & Co. Ltd.	Udaya Devi Rubber Co. Ltd.	27.10	10	0.75	0.60	1.50		12	Y.P.
6,80,100	5,90,669	9,56,500	27,217	5,672	M. V. George & Co. Ltd.	Vaidikund (Travancore) Rubber	8.22	10	1.25	1.00	0.50		12	Y.P.
9,95,000	1,94,567	14,17,507	60,561	1,47,507	M. K. Thomas Esq. (Mr. Director)	Woodland Estates		27.50	3.50	3.50	1.25		12	Y.P.

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up		Dividend per Share				Accounts Closed	Refer- ences
									Share		1956	1957	1958	1959		
	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	14.12	10	0.25	0.25	0.25		8	Y.P.	
6,00,000	10,81,600	59,82,766	40,52,871	1,66,651	McLeod & Co. Ltd.	456	Alexandra	200.00	100	1.00	1.00	1.00		12	Y.P.	
80,00,000	5,25,000	1,25,15,910	97,80,831	2,45,190	McLeod & Co. Ltd.	1,264	Alliance	127.00	100	1.00	1.00	1.00		12	Y.P.	
72,20,700	72,20,700	1,25,15,910	97,80,831	2,45,190	Duncan Brothers & Co. Ltd.	2,561	Amalgamated	259.00	100	1.00	1.00	1.00		12	Y.P.	
40,00,000	82,60,924	1,48,56,554	83,17,405	8,215	Bird & Co. Private Ltd.	810	Andhra-India	192.00	100	3.50	7.00	10.00		8	Y.P.	
20,00,000	26,83,885	1,07,52,148	71,05,808	4,265	Birra Brothers Private Ltd.	1,859	Bally	239.00	100	1.00	1.00	1.00		12	Y.P.	
48,75,000	26,83,885	1,07,52,148	71,05,808	4,265	Sir John H. Burder (Chairman)	1,989	Barragore	192.00	100	1.00	1.00	1.00		12	Y.P.	
20,00,000	28,88,408	1,48,56,554	83,17,405	8,215	Birra Brothers Private Ltd.	1,859	Barragore	192.00	100	1.00	1.00	1.00		12	Y.P.	
40,00,000	29,71,745	58,94,991	35,42,933	57,255	Andrew Yule & Co. Ltd.	820	Belvedere	12.25	10	2.50	7.50	10.00		8	Y.P.	
11,26,000	2,61,94,584	6,43,29,672	1,43,13,072	29,065	Birra Brothers Private Ltd.	1,373	Bengal	24.31	100	1.00	1.00	1.00		12	Y.P.	
80,00,000	19,35,850	1,17,96,482	70,59,451	33,240	Andrew Yule & Co. Ltd.	991	Bengal	165.00	100	1.00	1.00	1.00		12	Y.P.	
7,47,380	44,88,103	22,72,822	12,291	21,291	Dayaram & Sons	602	Calcutta Jute Mills	6.00	100	1.00	1.00	1.00		12	Y.P.	
19,00,000	26,46,123	84,40,054	45,62,038	35,722	Andrew Yule & Co. Ltd.	616	Caldcutta	190.00	100	1.00	1.00	1.00		12	Y.P.	
19,00,000	75,85,402	2,31,96,782	1,27,96,666	1,45,989	James Finlay & Co. Ltd.	600	Champania	137.00	100	2.00	1.00	1.00		12	Y.P.	
15,95,000	21,34,870	43,51,524	58,61,109	18,020	Andrew Yule & Co. Ltd.	630	Chitwan	224.00	100	1.00	1.00	1.00		12	Y.P.	
80,15,000	36,50,000	89,14,415	72,43,800	1,45,989	McLeod & Co. Ltd.	500	Chitwan	15.69	10	0.82	1.25	1.00		12	Y.P.	
24,00,000	9,00,000	81,89,984	67,13,337	31,118	Shree Krishna Investment Co. Ltd.	969	Chitwan	13.00	10	0.50	1.00	1.00		12	Y.P.	
11,49,200	45,61,566	1,39,75,669	56,08,218	11,92,367	Bird & Co. Private Ltd.	765	Chitwan	129.50	100	1.00	1.00	1.00		12	Y.P.	
28,00,000	35,56,170	1,03,58,008	58,53,995	6,792	Andrew Yule & Co. Ltd.	779	Chitwan	185.00	100	1.00	1.00	1.00		12	Y.P.	
19,00,000	86,28,450	1,01,87,736	65,92,232	26,128	McLeod & Co. Ltd.	500	Empire	18.00	10	0.50	1.00	1.00		12	Y.P.	
21,00,000	74,32,310	1,61,26,629	1,59,43,058	1,34,546	Kettwell Bullen & Co. Ltd.	1,884	Fort Gloster Industries Ltd.	370.00	100	1.00	1.00	1.00		12	Y.P.	
21,00,000	18,00,000	2,26,70,765	68,50,852	1,96,479	Bangor Bros. Ltd.	1,014	Fort William	28.00	100	0.75	1.50	1.00		8	Y.P.	
44,32,100	10,80,000	2,11,07,224	1,32,88,825	2,67,452	M. ...	1,709	Ganara Mills	92.00	100	1.00	1.00	1.00		12	Y.P.	
10,80,000	22,06,494	76,84,785	55,99,505	39,411	McLeod & Co. Ltd.	30	General Ind. Society Ltd.	30.25	10	50.00	60.00	60.00		3	Y.P.	
24,00,000	22,06,494	76,84,785	55,99,505	39,411	Lacell & Barry Ltd.	1,394	Gourapore	425.00	100	2.50	5.00	20.00		8	Y.P.	
40,00,000	65,68,430	1,32,37,430	67,67,854	3,19,473	Bangor Bros. Ltd.	1,078	Hastings	99.00	100	1.00	1.00	1.00		12	Y.P.	
16,30,000	18,61,469	66,47,781	47,79,916	2,95,253	Bainpath Jute Mills	720	Hoodby	13.00	10	1.00	1.00	1.00		12	Y.P.	
65,26,000	22,06,494	76,84,785	55,99,505	39,411	Jardine Henderson Ltd.	1,940	Howrah	24.25	10	0.25	0.50	1.00		12	Y.P.	
82,50,000	80,53,764	2,98,52,016	1,09,462	84,575	Randuti Kamkessandas	2,272	Hukmchand	23.81	10	7.50	2.00	1.50		12	Y.P.	
24,00,000	19,89,967	1,41,58,895	87,84,018	84,575	Jardine Henderson Ltd.	1,797	Kankarhat	218.00	100	1.00	1.00	1.00		12	Y.P.	
19,20,000	21,11,227	1,97,71,840	1,24,02,441	2,520	Jardine Henderson Ltd.	1,527	Kankarhat	206.00	100	1.00	1.00	1.00		12	Y.P.	
80,00,000	9,86,279	1,76,62,659	1,05,04,210	31,78,147	Jardine Henderson Ltd.	1,527	Kankarhat	103.00	100	1.00	1.00	1.00		12	Y.P.	
11,00,000	55,00,000	1,41,36,235	93,87,828	1,18,589	McLeod & Co. Ltd.	703	Kelvin	70.00	100	1.00	1.00	1.00		12	Y.P.	
44,00,000	22,59,741	2,02,52,835	1,28,97,897	45,838	Anderson Wright Ltd.	1,530	Kharad	145.00	100	1.00	1.00	1.00		12	Y.P.	
49,00,000	77,32,121	2,02,52,835	1,28,97,897	45,838	W. Helgers & Co. Private Ltd.	1,250	Kinnison	1.00	100	1.00	1.00	1.00		12	Y.P.	
24,48,000	27,76,888	1,28,97,897	1,08,51,196	2,58,657	Bird & Co. Private Ltd.	931	Landowee	163.00	100	1.00	1.00	1.00		12	Y.P.	
20,00,000	40,49,600	1,48,98,886	66,75,920	3,19,473	Bird & Co. Private Ltd.	840	Lawrence	105.00	100	1.00	1.00	1.00		12	Y.P.	
81,65,200	22,22,873	2,22,28,973	1,85,72,169	4,00,000	M. ...	1,004	Megna	15.12	10	8.75	5.00	17.50		12	Y.P.	
29,98,900	44,62,195	1,46,70,565	86,70,799	1,85,72,169	Howrah Trg. Co. Private Ltd.	818	Nahati	80.00	100	1.00	1.00	1.00		12	Y.P.	
20,00,000	13,14,376	36,84,253	24,27,490	4,929	Andrew Yule & Co. Private Ltd.	425	Nakapara	11.50	10	0.25	0.25	0.25		12	Y.P.	
85,00,000	43,58,445	1,35,56,574	61,41,213	2,45,817	Bird & Co. Private Ltd.	852	National	23.19	100	0.75	0.75	0.75		12	Y.P.	
66,79,800	7,81,861	1,78,80,167	1,19,70,167	1,19,70,167	McLeod & Co. Ltd.	314	Nellmaria Jute	31.40	100	1.00	1.00	1.00		12	Y.P.	
22,84,224	2,24,224	66,72,180	53,59,989	60,791	Andrew Yule & Co. Ltd.	1,765	Nor Central	18.00	100	1.00	1.00	1.00		12	Y.P.	
23,00,000	9,17,798	97,02,758	70,04,078	1,28,359	Bird & Co. Private Ltd.	667	Norfolk	20.00	100	1.50	1.50	1.50		12	Y.P.	
20,00,000	2,70,798	1,46,70,565	8													

MARKET GOSSIP

(Concluded from page 287)

commonly understood, would be honoured in fact, the free world countries themselves have of late shown more readiness to enter into trade agreements with communist countries. The five-year bilateral trade agreement concluded between the U.K. and the U.S.S.R. recently, the Japan-Soviet Union trade pact of last December, the increasing interest currently shown by Japan in trade with that country and the reassuring statements made by the U.S. Vice-President, Mr. Nixon, on U.S.-Russian trade are all indications of this welcome development.

The trend and pattern of foreign trade of Russia are, therefore, of more than academic interest to the world outside. But one thing that should be borne in mind is that Soviet Russia is one of the few countries having a minimum dependence on international trade. The factory endowments of that country are such as are capable of producing virtually all essential commodities. And the share of international trade in its national income is so small (hardly more than three per cent.) as to render relatively unimportant the principles on which it plans and conducts its foreign trade. The annual per capita foreign trade turnover of the Soviet Union in 1958, for instance, was \$42, as against \$175 in the U.S. and \$213 in Czechoslovakia.

While this has been the position so far, the future pattern may well be different. It is now fairly common knowledge that Soviet Russia wants to import certain types of capital goods for increasing its production of modern consumer goods, especially those based on chemicals, and consumer durables which it badly needs for raising the standard of living of its people to a level comparable with that of the U.S. and the U.K. At the same time, it also wants to export some other types of capital goods, raw materials and fuel in which it is believed to have a considerable surplus. It is thus obvious that Russia will have to play greater attention to its foreign trade than hitherto.

In 1958, the rate of expansion of foreign trade in all the centrally planned economies, excepting mainland China, slackened. The rise in trade was only five per cent., as compared with 14 per cent. in 1957. The fall in the rate of expansion was due primarily to the sharp deterioration in the trade of the Soviet Union and Eastern Germany which account, between them, for more than half of the trade of centrally planned economies. Soviet Russia's trade in 1958 recorded a rise of only 3.9 per cent., as compared with the overall rise of five per cent. for the whole of the centrally planned economies. In actual figures, Soviet trade in 1958 aggregated 34,600 million roubles, made up of exports 17,200 million roubles (as compared with 17,500 million roubles in 1957) and imports 17,400 million roubles (as against 15,800 million roubles in 1957). The surplus of 1,700 million roubles in visible trade in 1957 was turned into a deficit of 200 million roubles in the following year.

The decline in the rate of expansion reflected the fact that the steep increase in trade in 1957 was due, to a considerable extent, to the high level of exports associated with the expansion of credits granted to several countries of the Iron Curtain. A significant part of the sharp advance was also occasioned by the expansion of trade with the rest of the world.

Soviet Russia's trade with other communist countries in 1958 naturally increased at a higher rate than the trade with the countries of the free world. Thus, while the former was 4 per cent. higher at 25,500 million roubles (as against 24,500 million roubles) the latter showed a rise of only 3.7 per cent. from 8,800 million to 9,100 million roubles. A noteworthy feature of Russia's foreign trade last year was the marked rise in its purchases from and sales to South America and South-East Asia. Trade with Uruguay was higher by 65.7 per cent., with India by 43 per cent., with Indonesia by 53.5 per cent., with Malaya by 138 per cent. and with Japan by 122 per cent.

The share of capital goods and equipment, products of extractive industries and agricultural commodities in total exports and their relative rate of expansion are perhaps a reflection of the structure and output of the Soviet economy. Machinery and equipment increased their share in total exports from 14.9 per cent. in 1957 to 18.5 per cent. in 1958 and metals from 14.9 per cent. to 16.4 per cent., though exports of wheat fell from 12.9 per cent. in 1957 to 8.3 per cent. in 1958. Shipments of complete plants accounted for as much as 40 per cent. of the exports of machinery and equipment. Exports of coal and anthracite increased from 8.8 million tons in 1957 to 9.9 million tons in 1958, of crude oil from 5.9 million tons to 9.1 million tons and petroleum products from 7.8 to 9 million tons.

Imports of capital goods and equipment by the Soviet Union in the post-war years reflected partly short-term substitution of domestic investment and partly considerations of economic advantage. Last year, imports of these goods were distinctly higher by 13 per cent. at 4,300 million roubles, easily the biggest import group, representing 24.5 per cent. of total imports. If past experience is any guide, the rise in imports of capital goods is an indication of increasing substitution of investment by imports or of the relative cheapness of the imported goods or of both.

The obvious conclusion that emerges from the foregoing analysis is that the Soviet economy is beginning to respond in increasing measure to the economic forces underlying international trade. The Soviet Union's export of capital goods to underdeveloped countries and its own reliance on some Western nations for certain types of producer goods, which it either cannot produce at all or produce as cheaply, are perhaps an illustration of the operation of the principle of comparative costs in its foreign trade. It must, however, be noted that in its exports of capital goods to underdeveloped countries, there is a certain element of subsidy and political consideration.

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	1956 1957 1958 1959		
14,00,000	1,08,00,000	3,53,958	Allahabad Bank	176 50	100	18 00 18 00 18 00	12	Y.P.
14,50,000	1,08,00,000	3,53,958	Andhra Bank	176 50	100	18 00 18 00 18 00	12	H.
1,01,000	17,56,970	24,205	Bank of Baroda	101 50	50	7 00 7 00 7 00	12	Y.
1,00,00,000	1,59,50,000	3,03,522	Bank of Bihar	101 50	50	7 00 7 00 7 00	12	Y.
25,00,000	27,00,000	1,880	Bank of India	114 00	50	8 00 8 00 8 00	12	R.L.Y.
50,00,000	3,10,00,000	12,79,476	Bank of Mysore	115 00	50	8 00 8 00 8 00	12	Y.
15,30,375	29,00,000	47,153	Bank of Orissa	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	25,50,000	20,356	Bank of Punjab	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	96,70,613	4,70,232	Bank of Rajasthan	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	11,24,246	37,384	Bank of Saurashtra	115 00	50	8 00 8 00 8 00	12	Y.P.
7,50,000	14,40,000	6,716	Bank of United Provinces	115 00	50	8 00 8 00 8 00	12	Y.P.
5,86,540	26,50,000	12,532	Bank of Western India	115 00	50	8 00 8 00 8 00	12	Y.
2,62,11,875	4,04,68,517	17,32,515	Central Bank of India Ltd.	115 00	50	8 00 8 00 8 00	12	R.L.Y.
1,00,00,000	46,00,000	3,02,015	Devkaran Nanjee Banking Co.	115 00	50	8 00 8 00 8 00	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	115 00	50	8 00 8 00 8 00	12	Y.
1,25,00,000	10,00,000	29,609	Hindustan Commercial Bank	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	2,08,000	12,536	Hindustan Mercantile Bank	115 00	50	8 00 8 00 8 00	12	Y.
44,00,000	98,91,884	60,933	Indian Bank	115 00	50	8 00 8 00 8 00	12	R.L.Y.
22,40,000	62,58,660	2,05,141	Indian Overseas Bank	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	10,00,000	30,428	Pandyan Bank Ltd.	115 00	50	8 00 8 00 8 00	12	Y.
18,75,000	1,27,00,000	48,690	Punjab National Bank—K	115 00	50	8 00 8 00 8 00	12	Y.
1,00,00,000	5,62,50,000	55,73,153	State Bank of India	115 00	50	8 00 8 00 8 00	12	Y.
1,00,00,000	27,72,000	11,452	Travancore Bank	115 00	50	8 00 8 00 8 00	12	Y.
50,00,000	1,48,00,000	62,098	Union Bank of India	115 00	50	8 00 8 00 8 00	12	Y.
2,00,00,000	80,80,000	1,81,542	United Commercial Bank	115 00	50	8 00 8 00 8 00	12	H.
2,68,05,596			United Bank of India	115 00	50	8 00 8 00 8 00	12	R.L.Y.

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation	Principal Repayable
Rs. or £	per cent.				Rs. or £	
22,00,000	6	1st December and 1st June	British Bank of the Middle East	1953	107 10	1st June 1958
50,00,000	6	1st March and 1st September	Chartered Bank	1953	107 10	1st March 1958
H.K. \$50,000,000	H.K. \$128,000,000	H.K. \$2,086,475	Hongkong and Shanghai Banking Corp.	1953	H.K. \$125 5	1st March 1958
534,800,506	23,950,000	2708,010	Lloyds Bank	1953	137 13	1st March 1958
22,940,000	22,00,000	223,407	Mercantile Bank Ltd.	1953	141 18	1st March 1958
2,851,568	63,168,579	2351,349	National and Grindlays Bank Ltd.	1953	141 18	1st March 1958

Includes bonus. * Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (I) Interim. * £ per share free of tax. X—Ex-Right. Z.—The final dividend of £1.12-6 is on the increased Capital. Excludes share premium amounting to £100,000. C—On Increased Capital. K—Furness National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation	Principal Repayable
Rs. or £	per cent.				Rs. or £	
19,50,000	6	1st December and 1st June	Carw & Co. (2nd mortgage)	1953	92 00	1st June 1958
4,00,000	6	1st March and 1st September	Ravalnagar Sugar	1953	100 25	1st March 1958
10,00,000	6	1st April and 1st October	Ravalnagar Sugar (New)	1953	97 00	1st April 1958
10,00,000	4	1st May and 1st November	Ravalnagar Sugar (New)	1953	95 00	1st May 1958
25,00,000	4	1st May and 1st November	Walchandnagar Industries (New)	1953	95 00	1st May 1958
80,00,000	6	30th April and 31st October	Bharat Collieries	1953	90 00	30th April 1958
20,00,000	6	30th June and 30th December	Bharat Collieries	1953	87 00	30th June 1958
47,86,000	6	15th June and 15th December	Equitable Coal Co.	1953	100 00	15th June 1958
7,00,000	6	30th June and 31st December	Basant Cotton Mills Ltd.	1953	85 00	30th June 1958
4,00,000	6	10th May and 10th November	Bengal-Nagpur	1953	100 00	10th May 1958
67,94,000	6	1st April and 1st October	Buckingham and Carnatic	1953	100 00	1st April 1958
40,00,000	6	1st April and 1st October	Gokak Mills	1953	100 00	1st April 1958
18,71,000	6	30th June and 31st December	Jayshree Textiles	1953	98 25	30th June 1958
29,51,000	6	1st June	Tata Mills	1953	98 25	1st June 1958
10,00,000	4	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90 00	31st March 1958
1,25,00,000	4	15th June and 15th December	Andhra Pradesh Electric Co. Ltd.	1950	90 00	15th June 1958
12,00,000	4	1st April and 1st October	Andhra Pradesh Electric Co. Ltd.	1950	90 00	1st April 1958
12,00,000	4	30th June and 31st December	Renares Electric Light and Power Co. Ltd.	1950	97 75	30th June 1958
3,32,80,400	4	1st January and 31st December	Gorepur Electric Supply Co. Ltd.	1950	84 00	1st January 1958
25,00,000	4	30th June and 31st December	Gorepur Electric Supply Co. Ltd.	1950	84 00	30th June 1958
1,00,00,000	4	1st January and 1st July	Sijua (Jharkhand) Electric Supply Co. Ltd.	1950	95 00	1st January 1958
1,00,00,000	4	1st January and 30th September	South Madras Electric Supply Co. Ltd.	1950	95 00	1st January 1958
1,00,00,000	4	1st April and 1st October	Tata Power	1950	95 00	1st April 1958
47,73,000	4	1st April and 1st October	Tata Power	1950	95 00	1st April 1958
3,50,00,000	4	1st April and 1st October	Tata Power	1950	95 00	1st April 1958
6,00,000	4	30th June and 31st December	Britannia Engineering	1950	94 00	30th June 1958
1,50,00,000	4	1st January and 1st July	Britannia Engineering	1950	94 00	1st January 1958
29,18,000	4	15th September and 15th March	Indian Home Pipe (Rearer)	1950	96 50	15th September 1958
10,00,000	4	31st May and 30th November	Kumarbudi Engineering Works Ltd.	1950	96 50	31st May 1958
8,00,00,000	4	1st April and 1st October	Indian Locomotive	1950	96 50	1st April 1958
40,00,000	4	31st December	Textile Machinery Corporation Ltd.	1950	96 50	31st December 1958
12,00,000	4	1st October and 1st April	Asarpara	1950	92 00	1st October 1958
4,00,000	4	30th June and 31st December	Alexandra	1950	92 00	30th June 1958
15,00,000	4	31st December and 30th June	Auckland	1950	92 00	31st December 1958
20,00,000	4	30th June and 31st December	Benzel Jute Mills Co. Ltd.	1950	90 00	30th June 1958
1,00,00,000	4	1st January and 31st December	Calcutta	1950	90 00	1st January 1958
10,00,000	4	30th June and 31st December	Calcutta	1950	90 00	30th June 1958
20,48,000	4	31st March and 30th September	Chittagong Jute Mills	1950	90 00	31st March 1958
6,56,00,000	4	15th January and 15th July	Empire	1950	90 00	15th January 1958
20,00,000	4	31st March and 30th September	Empire	1950	90 00	31st March 1958
20,00,000	4	30th June and 31st December	Khairpur Jute Mills Co. Ltd.	1950	90 00	30th June 1958
20,00,000	4	30th June and 31st December	Nahati	1950	90 00	30th June 1958
20,00,000	4	14th November and 14th May	Reddipura Jute Mills Co. Ltd.	1950	90 00	14th November 1958
20,00,000	4	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	90 00	31st March 1958
20,00,000	4	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	90 00	31st March 1958
20,00,000	4	30th June and 31st December	Union	1950	90 00	30th June 1958
10,00,000	4	31st January and 31st July	Waverley	1950	90 00	31st January 1958
10,00,000	4	1st January and 1st July	Calcutta Tramways	1900	266 10N	1st January 1958
682,580	4	1st January and 1st July	Calcutta Tramways	1900	274 10N	1st January 1958
618,798	4	1st January and 1st July	Calcutta Tramways	1900	274 10N	1st January 1958
6,50,000	4	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85 00	30th June 1958
530,000	4	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1945	85 00	30th June 1958
4,14,18,000	4	1st March and 1st September	Scindia Steam Navigation	1949	97 75	1st March 1958
10,00,000	67.7	31st March and 30th September	Nigdi Tea	1955	100 00	31st March 1958
6,00,000	67.7	1st January and 1st July	Kalika Rubber Co. Ltd.	1955	100 00	1st January 1958
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92 00	1st January 1958
22,00,000	4	1st January and 1st July	Associated Refining of India	1948	92 00	1st January 1958
8,00,00,000	4	1st March and 1st September	Burns-Bell	1948	102 25	1st March 1958
2,50,00,000	4	1st February and 1st August	Calcutta Refining (India) Ltd.	1948	102 25	1st February 1958
51,00,000	4	1st January and 1st July	Chowringhee Properties	1948	98 00N	1st January 1958
15,98,000	4	1st January and 1st July	Dr. J. B. Chatterjee (Calcutta) Ltd.	1948	98 00	1st January 1958
80,00,000	4	15th March and 15th September	Dalmeida Properties	1948	98 00	15th March 1958
1,00,00,000	4	31st March and 30th September	Dalmia Cement (Bharat) Ltd.	1948	84 00	31st March 1958
2,04,25,000	4	1st January and 1st July	Gunpowder Rubber Co. (India) Ltd.	1948	101 50	1st January 1958
1,00,00,000	4	1st January and 1st July	Indian Cable Co. Ltd.	1948	101 50	1st January 1958
14,00,000	4	2nd January and 2nd July	Mettur Chemical Industries	1948	83 00	2nd January 1958
8,89,500	4	31st March and 30th September	Mettur Chemical Industries	1948	83 00	31st March 1958
45,00,000	4	30th June and 31st December	Mettur Chemical Industries	1948	83 00	30th June 1958
75,00,000	4	1st April and 1st October	Macmillan and Barry Ltd.	1951	85 00N	1st April 1958
1,50,00,000	4	30th June and 31st December	Kodak Paper Mills Ltd.	1951	92 00	30th June 1958
1,50,00,000	4	30th June and 31st December	Kodak Paper Mills Ltd.	1951	92 00	30th June 1958
10,00,000	4	1st January and 1st July	Kodak Paper Mills Ltd.	1951	92 00	1st January 1958
10,00,000	4	1st January and 1st July	Kodak Paper Mills Ltd.	1951	92 00	1st January 1958
4,00,00,000	4	1st May and 1st November	Standard Vacuum Refining Co. India Ltd.	1952	102 50	1st May 1958
20,00,000	4	30th June	Tata Chemicals Ltd.	1948	92 25	30th June 1958

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time after 15 years. (c) With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. (d) Rs. 80 lakhs will be redeemed on 1-4-60. (e) On 1-4-60 onwards. The Company has option to redeem debentures at 101 per cent. on 1-4-60 onwards. (f) Rs. 100 lakhs will be redeemed on 1-4-60 onwards. (g) On 1-4-60 onwards. The Company has option to redeem debentures at 101 per cent. on 1-4-60 onwards. (h) Rs. 100 lakhs will be redeemed on 1-4-60 onwards. (i) On 1-4-6

SHARE MARKET EASY

ALL-ROUND FALL IN PRICES

(From Our Own Correspondents)

BOMBAY, 25th August

THIS week's review of the Stock Exchange covers only four working sessions, as the market was closed on Wednesday and Thursday on account of *Gokulashtami*. During this brief period, there was a fall in the prices of most counters. Reports from New Delhi that the Union Government was actively considering the question of splitting the bilingual Bombay State led to some selling pressure. The real reason for the easier trend of the market was the lack of fresh buying support, notwithstanding comfortable money supply position and declining yields on gilt-edged securities. The sentiment of operators was also affected by the persistently rising trend of production costs in industries. In particular, textiles were depressed on fears of reduced profits, due to payment of heavy dearness allowance to workers and firmness of raw cotton prices. Steels lacked support, as operators preferred to await the assessment of the outlook for steel industry by the Chairman of the Tata Iron and Steel Company, Ltd., at the Company's ensuing annual general meeting to be held on Wednesday, 2nd September. The Calcutta report that the Indian Iron and Steel Company might issue right shares earlier than anticipated and vague talks about enhancement of retention prices for steel did not have any sustained effect, as the Calcutta share market itself encountered profit-taking on Tuesday. Engineering, cement, sugar and other shares, too, came in for profit-taking and drifted lower. The undertone of the market was distinctly easy.

Tata Steel Ordinaries moved down from Rs. 179 last week-end to Rs. 176 on Monday. At this level, there was some bear-covering and the quotation recovered to Rs. 177.75. But, on Tuesday, they fell again to Rs. 176.25 before finishing at Rs. 176.50. The net loss over the week was Rs. 2.50. Indian Irons opened at Rs. 25.35, against Rs. 25.30, and receded to Rs. 25.10. After rising to Rs. 25.45, they wound up the week lower at Rs. 25.20.

In the textile section, Svadeshis fell by Rs. 9.25 to Rs. 246.50. Centurys climbed down from Rs. 562 to Rs. 553 on Saturday, but recovered to Rs. 561 on Monday on rumours that the Company would obtain official sanction for the issue of new shares at par either on the proposed basis or at two shares for five held. On Tuesday, however, they came in for selling again and dropped to Rs. 554 before closing at Rs. 556. Khataus suffered a loss of Rs. 6.25 over the week, the closing rate being Rs. 236.25. Simplex, Standards, Podars, Morarjees and Swans declined by Rs. 5 each to Rs. 159, Rs. 568, Rs. 277.50 and Rs. 400, respectively. After a wide erratic fluctuation, Kohinoors shed Rs. 3.50 to Rs. 317. Central Indias eased by Rs. 3 to Rs. 107. Both Gokaks and Shree-nivas lost a like amount; the former were done at Rs. 164 and the latter at Rs. 189.50. Bombay Dyeings were subjected to tired long liquidation and retreated from Rs. 65.80 to Rs. 63.70, as its interim dividend was not encouraging. Tatas shed Rs. 1.50 to Rs. 46, Vishnus Rs. 1.25 to Rs. 110 and Finlays Rs. 1 to Rs. 284.

Activity in the banking and insurance sections was at a low ebb, with values moving narrowly. Among banks, United Commercials receded by 50 nP to Rs. 61.50 and Punjab Nationals by 12 nP to Rs. 22. Barodas were quiet at Rs. 102.50 as also India at Rs. 115 and Jalpurs at Rs. 39.50. Central Banks were quoted at Rs. 50 ex-div., against Rs. 51 cum-div. last week. In the insurance group, New Indias dropped 50 nP to Rs. 60.20, British Indias declined by 28 nP to Rs. 14.24. Jupiters lost 16 nP to Rs. 5.64.

Cement shares also were quiet. Digvijays retreated from Rs. 149 to Rs. 145.50. Associated Cements declined from Rs. 146.50 to Rs. 143 on Saturday, owing to large offerings by a big investor. Subsequently, however, they recovered and touched Rs. 146, only to finish at Rs. 144.75. Jaipur Udyogs and Ashokas lost 16 nP each to Rs. 10.84 and Rs. 8.84, respectively. Orissa Cements, however, picked up 4 nP to Rs. 16.96, following the announcement of a dividend of Re. 1.50 per share on the increased capital.

Sugar shares encountered liquidation and suffered a modest setback. Walchandnagars lost Rs. 7.50 to Rs. 323.75. Belapurs receded from Rs. 320 last week to Rs. 314. Towards the close, they were better by a rupee, but the net loss over the week was Rs. 5. Phaltans fell from Rs. 169.50 to Rs. 164.50. Changdeos were dull at Rs. 27.50. Bhopals, however, gained 28 nP to Rs. 24.

In the engineering group, Premier Constructions were subjected to heavy selling and came down from Rs. 366 to Rs. 348. Tata Locomotives fell by Rs. 9 to Rs. 204.50. Alcocks eased by Re. 1.50 to Rs. 252.50. Larsen and Toubros shed 20 nP to Rs. 22.80. Structural Engineerings fell by Rs. 7 to Rs. 255.50. Mahindras were done at Rs. 21.56, against Rs. 21.52. Among mining shares, Shivrajputs were marked down by Rs. 3.50 to Rs. 88.50. Indian Coppers receded by Rs. 2.50 to Rs. 157.50.

Shipping shares changed hands at lower levels. Scindias declining by 20 nP to Rs. 17.72 and Great Easterns by 8 nP to Rs. 21.36. Automobile shares also drifted downwards; Premier Automobiles dropped Rs. 5.25 to Rs. 132.50. Hindustan Motors shed 20 nP to Rs. 12.24.

Several scrips in the miscellaneous section suffered a setback. Bombay Burmahs moved down

in the course of the week from Rs. 544 to Rs. 528.50. National Rayons declined by Rs. 9.25 to Rs. 350.75 and Gwalior Rayons by 76 nP to Rs. 23.36. Wincos receded by Rs. 8.50 to Rs. 217. Indian Dyestuffs eased by Rs. 11.25 to Rs. 242.75. Greaves Cottons by Rs. 7 to Rs. 143. Alembic Chemicals by Rs. 4.50 to Rs. 190.50. Voltas by Rs. 3.50 to Rs. 172. West Coast Papers by Re. 1.75 to Rs. 150.50. Coat Tyres by Re. 1.50 to Rs. 171 and Polychems by Re. 1 to Rs. 131. In contrast to the general trend, Killick Industries evoked excellent buying support; the new shares forged ahead from Rs. 76 to Rs. 109.50 and old shares by Rs. 5.75 to Rs. 145. Kemp and Cos were also well favoured, the quotation advancing by Rs. 11.25 to Rs. 241.25.

Madras Stock Exchange

MADRAS, 25th August

For the second week in succession the Madras Stock Exchange ruled fully steady, several scrips continuing to move up. Buying support was generally well sustained. The sentiment of operators was influenced favourably by the statement of Mr. Morarji Desai, Union Finance Minister, at the annual conference of the United Planters Association of Southern India (U.P.A.S.I.) at Coonoor yesterday, that the Government would not impose "harassing taxation" on industries, without taking into consideration their capacity to pay. Tea shares, particularly those of companies producing high-grown teas, elicited enlarged buying enquiries, induced by good export demand. Coffees moved ahead on reports of higher prices fetched at auction centres. Rubbers, too, were well supported, thanks to reports of lower rubber stocks, following the increasing trend of domestic consumption. Textiles ruled strong, due to renewed reports regarding good offtake of yarn and piecegoods. Sugars and miscellaneous industrials, particularly cements and chemicals, firmed up on investment buying. Banking shares recorded further gains during the week on hopes of higher profits in the current half-year, following the move of banks to control interest rates on deposits.

Among banking shares, Bank of Mysore were in the limelight, the quotation climbing up by Rs. 24 to Rs. 330. Indian Overseas spurred by Rs. 6.50 to Rs. 176. Travancore advanced by 88 nP to Rs. 25.75. Indias were firm at Rs. 187. Punjab Nationals, however, eased by 30 nP to Rs. 22.20.

A feature of trading in the sugar section was the marked improvement of Rs. 16 registered by Kirlampudis which stood at Rs. 86 today. Cauverys strengthened by Rs. 2.50 to Rs. 117. Indias advanced by 55 nP to Rs. 13.10. E.L.D.s gained 40 nP to Rs. 39.65. Decans gathered 15 nP to Rs. 12.25 and Travancores 13 nP to Rs. 12.50. Mysore were fully maintained at the last week's level of Rs. 49.50.

Among tea shares, Nilgiris rose by 10 nP to Rs. 8.10. Periakaramais and Oucherlonys picked up 5 nP each to Rs. 4.06 and Rs. 5.50, respectively. Nelliampallis gathered 4 nP to Rs. 2.83. Hailey-burias were steady at Rs. 20.40 and Kil Kotagiris at Rs. 8.40. United Nilgiris were unaltered at Rs. 20.90. The directors of the Company have declared a final dividend of 12 per cent., making a total of 19½ per cent. for the year ended March 1959, as against 16 per cent. in the previous year. Among coffees, Coffee Lands put on 40 nP to Rs. 24.15. Wartyhullis improved by 18 nP to Rs. 4.03 and Ossoors by 10 nP to Rs. 4.00, following the announcement of dividend of these two companies—enlisted in the cash section of these two companies—exchange three months back—each at 15 per cent. for the year ended March 1959. Anaparaais gained 7 nP to Rs. 5.22. Among rubbers, Rajagiris advanced by 40 nP to Rs. 18.10. Highlands increased by 15 nP to Rs. 12.45. Vaikundams were firm at Rs. 27.50, Malankaras at Rs. 19.50 and Teekays at Rs. 7.50.

In the textile section, Buckingham's met with good support and recorded a rise of Rs. 2 to Rs. 189. Rajalakshmis rallied Re. 1.25 to Rs. 62.75. Bangalore Woollens were enquired at Rs. 180.25. Cannanores at Rs. 139. Coimbatore Cottons at Rs. 142 and Coimbatore Pioneers at Rs. 280. Today's closing rates for a few other scrips were the same as those prevailing a week ago; the rates are: Dhanalakshmis Rs. 197.50, Radhakrishnas Rs. 112, Trichinopolys Rs. 11, Vasantas Rs. 211, Venkatesas Rs. 121, Virudhunagars Rs. 39.50.

The star feature in the miscellaneous section was provided by Western India Plywoods which jumped up by Rs. 15 to Rs. 195. Textools spurred by Rs. 2.50 to Rs. 132. Rallis hardened by 50 nP to Rs. 77. Mysore Papers improved by 32 nP to Rs. 22.62. Cement shares attracted good attention of operators, Dalmias strengthening by 45 nP to Rs. 11. Orissas by 30 nP to Rs. 17. Andhra Cements by 27 nP to Rs. 9.62, and Travancore Cements by 10 nP to Rs. 10. Spencers gained 25 nP to Rs. 20.50. Indian Steel Rollings rose by 15 nP to Rs. 13.75. F.A.C.T.s and Mettur Chemicals improved by 10 nP each to Rs. 9.45 and Rs. 13.45, respectively.

A sum of DM.96 million has so far been drawn from the West German loan of DM.168 million. Further sums will be drawn in coming weeks. This information was given last week by the Deputy Minister of Finance, Mr. B. R. Bhagat, in reply to a question in the Lok Sabha on the utilisation of the West German loan. Mr. Bhagat added that the object of the loan was to enable the Government of India to obtain funds for meeting the payments due on imports from West Germany. The actual imports from West Germany after the relevant date had been, in fact, more than the total value of the loan.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend o transactions on the Bombay Stock Exchange during the week ended 25th August 1959.

TEXTILES	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Ahm. Adv. (100)	157.50	—	—	157.50
Apollo (2)	1.28	1.30	1.26	1.26
Bombay Dyeing (25)	65.80	65.80	63.60	63.70
Bradbury (50)	118.75	120.00	118.25	120.00
Central India (100)	110.00	110.00	106.00	107.00
Century Mills (100)	662.50	661.00	653.00	656.00
Edward Textile (200)	220.00	—	—	220.00
Elphinstone (50)	38.00	41.00	38.00	41.00
Finlay (100)	187.00	184.50	184.00	184.00
Gokak (100)	253.00	264.00	253.00	254.00
Ind. Untd. Defd. (1)	1.08	1.12	1.08	1.10
Ind. Untd. Ord. (10)	8.00	8.00	8.48	8.52
Indore Rawas (100)	91.50	92.50	92.00	92.50
Khatana (100)	242.50	242.50	236.25	236.25
Kohinoor (100)	320.50	328.00	314.00	317.00
Lakshmi (250)	460.00	—	—	460.00
Minerva Mills (100)	60.00	65.00	60.00	65.00
Model Nagpur (250)	66.25	—	—	65.00
Moravia (25)	222.50	280.00	276.50	277.50
Mysore (50)	77.50	—	—	77.50
National Rayons (100)	360.00	359.00	348.50	350.75
New City (100)	110.50	115.00	110.50	112.50
New Great (100)	182.00	181.00	182.00	183.00
Phoenix (100)	143.75	146.00	143.00	144.00
Podar Mills (100)	140.00	140.00	144.00	144.00
Sassoon Mills (10)	10.00	—	—	10.00
Sassoon Spg. (10)	67.30	67.20	67.00	67.00
Sholapur (1,000)	410.00	—	—	410.00
Shriharas (100)	192.50	191.00	188.00	189.50
Simplex (50)	154.00	153.00	153.00	153.00
Standard (100)	573.00	573.00	569.00	570.00
Swadloon (100)	235.75	236.00	236.50	236.50
Swan (100)	405.00	405.00	400.00	400.00
Tata Mill (25)	47.75	47.50	45.50	46.00
Vishnu (100)	111.25	112.00	110.00	110.00
Western India (1,000)	4,476.00	—	—	4,476.00

BANKS	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Bank of India (50)	114.00	114.00	113.00	114.00
Bank of Baroda (50)	115.00	115.00	114.00	115.00
Central (25)	102.50	—	—	102.50
India (100)	51.00	51.20	50.00	51.00
Dena Bank (50)	53.20	—	—	53.20
Punjab National (100)	82.00	82.50	82.30	82.50
Union Bank (5)	22.12	22.12	21.40	22.00
United Com. (50)	6.06	7.08	6.92	7.00
United Com. (50)	62.00	61.50	61.20	61.50

ELECTRIC COS.	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Ahmedabad (100)	94.00	94.30	93.20	93.50
Amalgamated (10)	11.20	—	—	11.20
Andhra Valley (1,000)	1,182.50	1,180.00	1,150.00	1,150.00
Hom. Sub. El. (100)	113.00	113.00	112.25	112.75
Sural (100)	111.00	—	—	111.00
Tata Hydro (100)	118.50	118.50	117.75	118.25
Tata Power (1,000)	1,205.00	1,207.50	1,195.00	1,197.50

INSURANCE COS.	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Bitliah India (10)	14.52	14.52	14.24	14.24
Empire of India (100)	200.00	—	—	200.00
Ind. Mercantile (20)	50.00	—	—	50.00
Jupiter (100)	6.80	6.80	5.64	6.00
New India (15)	60.70	60.80	60.00	60.20
Vulcan (10)	21.80	21.76	21.60	21.76

STEEL COS.	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Ind. Iron (10)	25.30	25.45	25.10	25.20
Mahand Iron (10)	18.80	18.80	18.40	18.40
Tata Steel Ord. (75)	170.00	178.75	176.00	176.50

SUGAR COS.	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Belapur (50)	320.00	321.00	314.00	315.00
Bhopal (10)	25.72	—	—	24.00
Changdeo (12.50)	27.50	—	—	27.50
Phaltan (100)	109.50	109.00	104.50	104.50
Walchand Ind. (100)	331.25	332.50	323.75	323.75

CEMENT COS.	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Associated Cts. (100)	146.50	146.25	143.00	144.75
Digvijay (100)	149.00x2	147.00	144.00	144.50

MISCELLANEOUS	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
Alcock Ashdown (100)	254.00	254.00	252.00	252.50
Bom. Burmah (125)	644.00	644.00	628.00	628.00
De. New (50)	190.00	190.00	187.00	187.00
Br. B. Petrol (4 sh.)	1.58	1.58	1.54	1.54
Br. I. Corp. (5)	5.00	5.00	4.40	4.40
Hindustan Lever (10)	30.80	31.00	30.20	30.20
Hindustan Motors (10)	12.44	12.44	12.24	12.24
Ind. Lat. (100)	4.14	4.16	4.08	4.08
Kilicks (100)	139.25	150.50	138.50	145.00
Larsen & Toubro (10)	23.08	23.24	22.60	22.88
Malindra & Mahindra (100)	21.52	21.96	21.56	21.56
Polson (100)	142.00	142.00	142.00	142.00
Pre. Automotives (100)	127.50	138.00	132.25	132.50
Premier Con. (50)	366.00	387.50	345.00	344.00
Salinda (20)	17.92	17.92	17.56	17.72
G. E. Shipping (10)	21.40	21.40	21.36	21.36
Shivrajput (10)	92.00	92.00	88.50	88.50
Super Paper (10)	14.08	14.00	14.20	14.20
Tata Chemicals (10)	17.04	17.00	16.72	16.76
Tata Locomotive (100)	213.60	214.00	204.00	204.50
Tata Oil (25)	83.80x2	84.50	83.00	81.00
Voltas (100)	175.80	175.00	170.75	172.00
W. I. Match (100)	220.50	220.00	217.00	217.00

GOVERNMENT SECURITIES	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
2½% 1961	98.20	—	—	98.20
2½% 1960	99.60	—	—	99.60
2½% 1959	97.00	—	—	97.00
2½% 1976	97.00	—	—	97.00
3% 1964	97.40	—	—	97.40
3% 1963-65	97.40	—	—	97.40
3% 1970-75 1st Div.	97.40	—	—	97.40
3% 1968 Con. Loan	97.40	—	—	97.40
3% 1964 N.P. Bonds	100.20	—	—	100.20
3% 1965 N.P. Bonds	100.15	—	—	100.15
3% 1966 N.P. Bonds	99.05	—	—	99.05
3% 1967 N.P. Bonds	99.55	—	—	99.55
3% 1974	99.55	—	—	99.55
3% 1967 N.P. Bonds	100.65	—	—	100.65
3% 1968 Con. Loan	99.05	—	—	99.05
3% 1963 N.P. Bonds	100.20	—	—	100.20
3% 1964 N.P. Bonds	100.05	—	—	100.05
4% 1972 Loan	101.75	—	—	101.75
4% 1973 Loan	101.50	—	—	101.50
4% 1974 Loan	101.10	—	—	101.10

BRITISH GOVERNMENT SECURITIES	Closing quotations 25-8-1959	High	Low	Closing quotations 25-8-1959
2½% Brit. Consols.	53½	—	—	53½
3% Savings Bonds	74½	—	—	74½
3% War Loan 1955-59	99½	—	—	99½
4% Victory Bonds	95½	—	—	95½
4% Funding 1960-60	91½	—	—	91½

*Current Income x.d.—Ex-dividend. x.f.—Ex-float.

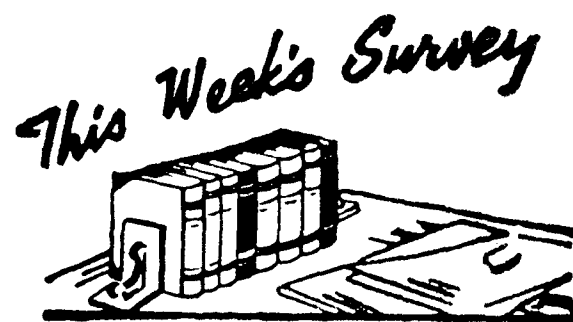
NEWS IN BRIEF

THE Industrial Finance Corporation of India will henceforth grant loans to hotels run as public limited companies or co-operatives.

Two study teams to observe the working of co-operatives in Israel and Yugoslavia are proposed to be sent by the Government of India shortly.

The Deputy Minister for Commerce and Industry, Mr. Satish Chandra, stated in the Lok Sabha that Messrs. Birla Brothers were studying the possibility of securing collaboration from a U.S. firm to set up a fertiliser factory.

The Central Glass and Ceramic Research Institute has developed a new process for manufacturing optical glass.



WHITHER RUPEE?

A LITTLE over two years ago—on 15th August 1957—we observed in the course of an editorial that the supreme task of the hour was to defend the rupee, for, if our currency fell, the whole nation would go down with it. This statement holds good today, with greater urgency and significance than it did then, for, since then, the price level has gone up considerably and the competitive capacity of Indian goods in overseas markets has fallen further. The force of this contention has been acknowledged by no less a person than Mr. H. V. R. Iengar, Governor of the Reserve Bank of India and President of the Indian Institute of Bankers. Addressing the Institute's annual general meeting in Bombay on Thursday the 20th inst., Mr. Iengar declared that the internal value of the currency had declined by about 29 per cent. since independence; between 1951-52 and 1958-59, monetary demand (that is, the combined expansion in the rate of growth of both money supply and income velocity of money) has gone up by 32.8 per cent., while national income (at constant prices) has risen by just 26.2 per cent. It is true that the purchasing power of currency has also fallen in several other countries also—the decline being 69 per cent. in France, 46 per cent. in Britain and 19 per cent. in the U.S.—but Mr. Iengar did concede that such comparisons, though they may serve to show that India "has come off pretty well in the international setting" would be misleading, as "it is necessary always to keep in mind that the physical distress to people on the margin of subsistence can be far greater than the measure indicated by a moderate rise in statistical averages."

Mr. Iengar did well to warn that "the pressure of money supply on available goods and services has reached proportions which we cannot ignore" and that "we cannot afford to allow the real worth of the rupee to go down further." Any failure to take effective steps to maintain the stability of the rupee now is beset with dangerous consequences, what with the huge development outlay—as much as Rs. 10,000 crores—contemplated for the third Five-year Plan. The task involved is, indeed, colossal and it cannot be discharged successfully without a concerted and co-ordinated approach. Mr. Iengar certainly put the whole issue in its correct perspective when he observed:

"The task of maintaining the stability of our currency is beyond the sole competence of the Reserve Bank. Monetary controls by themselves can for a time mitigate the effect of inflationary forces in the economy, but they cannot afford a lasting solution. For this purpose, fiscal and monetary policy must be integrated—fiscal policy including, of course, a policy with regard to deficit financing; in other words, both Governments, Central as well as State, and the Reserve Bank have to adopt co-ordinated measures. The essence of the solution lies in increased production both in agriculture and industry. On Government lies the responsibility for assessing and reassessing, from time to time, every aspect of policy and administration on the criterion of whether it stimulates the maximum increase of production. On employers and labour lies an equal responsibility; for, if, for whatever reason, production is not increased, the country is bound to suffer."

Although nearly eight and a half years have elapsed since planned economic development was initiated, the progress actually achieved has not been satisfactory. During the period 1951-52 to 1958-59, the average rate of increase in per capita income in this period was no more than 2½ per cent. per annum (the rise in the gross national income was 4 per cent.), which compares unfavourably with that noted in some other countries in the period 1950 to 1956—the percentage rise being 7.8 in Japan, 5.4 in Italy and 3.7 in France—and even with Brazil which reported an average of 3.2 per cent. But far more significant than these international comparisons is, as Mr. Iengar said, the fact that the current rate of progress in India has made inadequate impact on the unemployment situation. The number of persons remaining unemployed at the beginning of 1961 is expected to be of the order of 7 million. This number, together with the 14 million new entrants to the labour market in the third Plan period, will bring the total em-

which is nearly equal to three times the population of Sweden in 1958. Considering the magnitude of the problem, the opportunities for employment to be provided in the third Plan will naturally have to be on a substantially larger scale than in the second Plan which is possible only if the investment in the economy is sufficiently heavy. Mr. Iengar pertinently remarked:

"How to mobilise the necessary resources for such increased investment is the basic problem before the country. A fundamental question in any developing economy is the degree to which stability is maintained during the development process. This question is of importance in all countries, even the most advanced, but is of special importance in an underdeveloped country like ours where price increases may affect the living standards of people already leading a marginal or submarginal existence. The question of prices is thus a highly sensitive one."

While admitting that banks in India had continued to render good service to the community, Mr. Iengar pointed out that it was "only on traditional lines." There is justification for his statement that the time has come when the banks should address themselves more actively to a reorientation of their policy with a view to rendering greater service to industry without detracting from the soundness of their lending. In particular, Mr. Iengar urged a more vigorous drive on the part of banks to meet some part of the growing medium-term credit requirements of industries, especially the medium-scale and small-sized enterprises. While the suggestion is quite a valuable one, it must be stressed that the ability of banks to expand their lending activities will depend, to a considerable extent, on the freedom and encouragement given to them by the authorities and on the creation of conditions under which the industries and trade in the private sector are able to expand. The fact that the Re-finance Corporation has made negligible progress though well over a year has passed suggests that, at present, the scope for banks to branch into the new line of business suggested by Mr. Iengar is not that large as is imagined. Conditions, however, may well change for the better in the coming years and the banks should keep themselves in readiness to take the tide when it comes.

CO-OPERATIVE FARMING

There has of late been some indications of the Congress Government's soft-pedalling on the issue of co-operative farming. While the Nagpur resolution of the Congress on agriculture breathed passionate faith in the immediate feasibility and urgency of co-operative farming as a panacea for all the ills of the countryside, the spate of criticism which the proposal has encountered seems to have induced some rethinking in official circles at least in respect of the practical problems of implementing the programme of co-operative farming. It is significant that, in reply to a question in Parliament, Mr. B. S. Murthy, Deputy Minister for Community Development and Co-operation, recently stated that the programme is to be spread over a period of years. He disclosed that a working group had been set up to help formulate an action programme based on available experience. This programme would be finalised in consultation with the State Governments, which would be the principal authority for executing the policy and programmes on co-operative farming.

Co-operative farming has not been practised in this country on any considerable scale to yield data to serve as guide to policy. But available evidence, however, goes to prove that many of the co-operative farming societies are spurious enterprises, formed with a view to circumventing the law on ceilings or with the objective of gaining certain financial benefits open to co-operatives. In any case, a study of the available experience in India and abroad should have preceded the taking of the decision on co-operative farming as was done at Nagpur.

Quite apart from the lack of logic in this habit of putting the cart before the horse, there is the more pertinent reason that to dig out some stray evidence from the results of past experiments is no way of justifying the decision on co-operative farming or demonstrating that it commands popular support. The Congress Party should make co-operative farming and ceiling on land its central election issues and seek a mandate for a land reforms policy clearly laid down in all its details. It is idle to claim that co-operative farming figured in the past election manifestos of the Party. The exact scope and implications of its land reforms policy have never been spelled out in detail in any past election manifesto. It was only at its last session at ... that the Congress ...

adumbrated its land policy in relation to ceiling and co-operative farming. It is now trying to make it a fait accompli before the next elections.

Mr. N. G. Ranga, Chairman of the Swatantra Party, was, therefore, right in maintaining in his reply to the Congress General Secretary's letter asking him to resign his seat in the Lok Sabha, that the Nagpur resolution was a new lead by the Congress independently of the Party's election manifestos. Quoting chapter and verse from the Congress election manifestos, he maintained that this was the first time the issue of co-operative farming was thrown prominently before the people. The 1945 manifesto of the Congress Party, Mr. Ranga pointed out, referred to the necessity for "some system of co-operative farming suited to Indian conditions," while the 1951 manifesto made bold to say that "the line of advance should be co-operative farming, with the object of making the whole or a substantial part of a village a unit of co-operative management." By 1957, according to Mr. Ranga, the Congress came to speak in more moderate terms and contented itself with the statement that "it is desirable to encourage intensified methods of cultivation on a co-operative basis." It was indefensible, therefore, according to Mr. Ranga, for the Congress, or Mr. Nehru, to claim justification for the Nagpur resolution on the basis of the 1957 manifesto which superseded the earlier manifestos.

Such hair-splitting by the Congress Party over a basic issue is, in a sense, futile. Whether co-operative farming has been mentioned in election manifesto or not is not the point. The question is whether such a basic and controversial "reform" could be pushed through without getting a clear verdict of the voters specifically on it.

WAGE RISE FOR W. BENGAL TEA LABOUR

By a stroke of the pen, the West Bengal Government has substantially stepped up the wage bill of the Dooars and Terai tea gardens, to the extent of as much as Rs. 12 lakhs per annum, with effect from 1st June 1959. Thus, the minimum daily wages of nearly 200,000 workers employed in these gardens have been enhanced by As. 2 irrespective of the categories to which they belong. The revised wages are as follows:

	Gardens of 500 acres and above		Below 500 acres	
	Rs.	a. p.	Rs.	a. p.
Male	1	13 6	1	13 0
Female	1	11 6	1	11 0
Child	1	1 0	1	1 0

As regards the Darjeeling tea gardens, the Government says that it will announce the revision only in the first week of October next, that is, after the Minimum Wages Committee submits its report.

The anxiety of the authorities in West Bengal to better the lot of tea garden workers, which stems partly from political considerations, is understandable. Even so, one wonders whether the time chosen for an upward revision in wages is quite opportune. As it is, the tea companies of Dooars and Terai are suffering from the impact of high cost of production, thanks to heavy taxation and various obligations under the Plantation Labour Act, while prices actually fetched are rather unremunerative. It is common knowledge that Dooars and Terai produce mainly common teas which are meeting with stiff competition in world markets from similar teas sold by the low-cost countries such as Ceylon and Africa. The increase in wages is opposed by the owners of tea gardens on the following grounds:

1. The cost of living of plantation workers in Dooars and Terai has actually fallen since the minimum wage was first fixed in 1951 and, despite this, the As. 3 additional wage has been continued since 1st January 1955.

2. The industry is not in a position financially to stand the rise. About 47 per cent. of the Dooars gardens and 77 per cent. of the Terai gardens in 1957 and about 30 per cent. of the Dooars and 50 per cent. of the Terai gardens in 1958 sustained losses. The prices for Dooars tea since the beginning of the 1959 season have been 29 n.p. lb. below last year's figure. If the wages were increased now and the present price trend continued, incur losses in the 1959 season.

3. Hitherto, the industry had generally avoided taking serious measures for retrenching workers and, despite statements to the contrary, the most recent Government statistics obtained by inquiry workers show that the ratio of dependents to workers is no higher than it was previously.

Viewed thus, there is certainly no exaggeration whatever in the statement of Mr. B. P. Bajoria, President of the Tea Association of ... latest addition to the wages.

especially at a time when there is urgent need for financial relief to the industry, will add to the difficulties of the industry and many a tea garden will have to close down. Mr. H. B. Kanoi, Chairman of the Assam Tea Planters Association, has also warned that the Dooars and Terai gardens are already financially hard hit; the increase in wages will result in the closure of several gardens, causing serious unemployment.

It may be noted that labour on plantations, unlike that in other industrial concerns, is employed on a family basis, the wife and children working in the same concern that employs the head of the family. In view of this and considering that free housing is provided by employers, it would be unrealistic to disregard the earnings of wives and children while fixing wages. Since the women and children, more particularly the former, form the more important part of the labour force where plucking is concerned, the earnings of these people also must be taken into account for the purpose of fixing the minimum wages. Judging by this standard, the revised minimum wages, we are told, are on the high side. If so, the tea companies should not be blamed, if they are forced to curtail their operations by retrenching workers. This would result in much distress to workers and their families.

DURGAPUR COKE OVENS

An important stage in the construction of the Durgapur steel works was reached this week, when the coke ovens were lit up nearly ten weeks ahead of schedule. The steel works, as is well known, is designed to produce initially one million tons of ingots per annum; the lay-out allows for the future expansion of capacity to 2½ million tons. Before a single ton of pig iron can be produced, there must be coke for the blast furnace. The coke ovens plant is thus the first step towards the production of iron and steel. For the next two months, the coke oven battery at Durgapur will be gradually heated up to operating temperature and will then start making coke for the steelworks' first blast furnace.

The coke oven battery has been built by Simon-Carves Ltd., a member of the Indian Steelworks Construction Company, Ltd. (I.S.C.O.N.) which is a consortium of leading British mechanical, structural, civil and electrical engineering companies. The contract with I.S.C.O.N. for the building of the steelworks at Durgapur, it may be recalled, was signed on 30th October 1956. Simon-Carves had first to survey their own portion of the site and carry out soil tests in order to enable the foundation of their plants to be designed in detail; actual construction commenced on 1st April 1957. The coke ovens have thus been got ready within 28 months, a record period for the construction of a project of this kind. It may be mentioned here that Simon-Carves have extensive experience (extending over a period of 50 years) in building coke oven plants in India. Their first coke ovens in India were built in 1908 at Giridih for the East Indian Railway. Since early 1920's they have carried out a long series of coke oven contracts for the Indian Iron and Steel Company, Ltd., at Burnpur and reconstructed the coke ovens at the Jamshedpur steel works of the Tata Iron and Steel Company, Ltd. When the expansion programme of India's steel industry is completed, over 60 per cent. of India's pig iron will be made with coke from Simon-Carves ovens. It is gratifying to note that these great coke oven plants in India have been built largely of Indian materials and by Indian labour and also supervised by Indian staff. Over a long period, Simon-Carves have trained many Indian operators who have now acquired the knowledge and experience that are necessary for the installation and operation of coke oven plant.

EFFICIENCY DRIVE

Like the fond parent reluctantly forced to admit the faults of his pampered child, the Union Home Ministry has at last discovered the "tendency of a negative attitude to work" among Government employees, "particularly noticeable among officers of the intermediate grade." It is strange that it took thirteen years for the Ministry to discover this and, even then, it has discerned only a "tendency." But the fact, widely known, as anyone who had at some time or other something to do with Government officials will testify, is that this tendency has hardened into a habit. One of the first tasks the Ministry should have addressed itself to soon after the attainment of independence was the tuning up of the efficiency of the administration. By allowing this to go by default, the

Ministry has only encouraged, though indirectly, indolence among its employees. And there was nothing to keep them on their toes, what with absolute security of service, the eternal enemy of enterprise, and assured promotions, at least in their stipulated grades. The negative attitude has been further encouraged by the tendency of higher authorities not to be satisfied with a reasonable explanation by the officer in the event of his decision going wrong. If, therefore, the Ministry now finds a widespread habit among officers to shirk responsibility and shun decisions it has only to thank itself.

It is heartening to note that the Ministry has now not only realised the full import of this state of affairs but is also determined to take corrective measures. The Union Home Minister, Pandit Pant, in a circular sent to all the Central Ministries, has expressed concern over the situation. He observes that more ingenuity and time are devoted in finding out how a thing is not to be done rather than in processing it constructively towards its speedy disposal. Consequently, the circular adds, schemes which are desirable get held up for long over small objections.

This tendency, the Home Minister feels, reflects itself in the unwillingness to take a decision on a case and in the attempt to move it up to the higher officers. The inevitable result is that the higher officers have themselves to deal with a large number of cases, many of which might as well have been dealt with by officers at the lower level. The latter often wait for their superiors to put up suggestions or papers, instead of taking the initiative and thinking ahead in regard to the work entrusted to them.

The circular makes certain suggestions in this regard. First, it lays down the types of cases on which final decision must be taken by an officer of a specific level who will hold himself responsible for that decision and the speed with which it is taken. The second suggestion is akin to the German system of keeping, the officers under observation for some time to judge their ability and aptitude before they are finally promoted. It is proposed that rules should be evolved under which an officer, on his first posting, could be kept under watch for some period, particularly to see whether he has a positive approach to work. If he fails to make the grade and does not display a clear capacity for assuming responsibility, he might be reverted if he has gained his first posting on promotion or sent back to his State or parent service if he were taken on deputation.

But, as the Home Minister himself recognises, all these will be of no avail, unless there is increased delegation of powers and responsibilities. There should be delegation not only between one office and another but also

lights the nation's industries

The right light for the right job in factories and workshops can be ensured by the use of GI fluorescent fixtures.

- Manufactured to international standards
- Modern in design
- "Ferracoated" against rust
- Approved by Fire Insurance Association

Please consult our "Illumination Engineering Service," without obligation, for free advice on all your lighting problems.



Trade enquiries solicited

HINDCO LIGHTING INDUSTRIES PRIVATE LTD.

29 New Queen's Road, Bombay-4.

within the hierarchy of an office. This will reduce the need for time-consuming references back and forth and thereby speed up work.

LIVESTOCK IN INDIA

The Indian cattle were characterised by the Royal Commission on Agriculture as pointers to the poverty of Indian agriculture. Even after decades, the position remains more or less unaltered. The numerical strength of livestock is, no doubt, considerable. But their quality, by any standards, is deplorably low. According to the Eighth All-India Livestock Census (1956), the total population of livestock is as much as 306.5 million, or an increase of about 5 per cent. over that in 1951. The productivity of these cattle, however, is none too impressive. For instance, the average annual milk yield per cow in India is roughly 400 pounds—lowest in the world—as against 8,371 and 4,796 pounds in the Netherlands and Belgium, respectively. What is more, the availability of milk per capita per day is five ounces in India, as compared with 16 ounces in the U.K. and 32 ounces in New Zealand.

Cattle play an indispensable part in the economic life of this country. It is computed that, even today, coal, oil and electricity contribute only 20 per cent. of India's total energy requirements, the balance being provided by bullocks, horses and other animals. Total annual production of milk is estimated at about 477 million maunds, of which cows contribute no less than 45 per cent. About 16 million hides are available to the processing departments of leather factories. Moreover, it is computed that livestock provide about 500 million tons of manure. The livestock population in India, it must, however, be conceded, is far in excess of the available supplies of fodder and also of the country's needs. With the increase in food requirements of human population, much land is not left for producing food for animals. This leads to the under-nourishment of livestock, which, in turn, tells upon their efficiency and milk yields. It is, therefore, better to have a smaller but more useful number of cattle.

A general scheme for the improvement of cattle was initiated during the first Plan period, known as the "key village scheme," which seeks to ensure co-ordinated development of cattle in selected areas. The scheme consists of castration of scrub bulls, breeding operations controlled by artificial insemination centres—each of which is intended to serve about 5,000 cows of breeding age—rearing of calves on a subsidised basis, development of fodder resources and the marketing of animal husbandry products on co-operative lines. During the first Plan period alone, 555 key village scheme implementation blocks and 146 artificial insemination centres were established in different parts of the country. The target for the second Plan is 1,258 key village blocks and 245 artificial insemination centres. This should lead to the production of about 22,000 improved-breed stud bulls, 950,000 improved bullocks and about an equal number of improved cows. During 1956-57, about 59 existing artificial insemination centres were expanded, besides establishing 26 key village blocks, nine urban artificial insemination centres and seven key village extension centres. In the following year, 89 existing artificial insemination centres were expanded, and 57 new ones were established in rural areas, 23 in urban areas and another eight with dairying schemes. Twenty-three extension centres were also set up and the rearing of over 6,300 calves was subsidised. During 1958-59, six existing artificial insemination centres were expanded and 47 new centres were set up. Ten extension centres were also established during the year.

Apart from improving the breed, the key village scheme also seeks to increase the quality and production of fodder. But the progress of fodder development has been slow in many States, particularly because of the priority assigned to the development of cereals and cash crops. Among the other programmes for the development of livestock, mention may be made of *Gaushala* and *Gosadan* development schemes. The *Gaushalas*, while breeding better types of cattle, will also help augment the supply of milk in urban areas. The *Gosadan* scheme aims at the removal and segregation of old, un-economic and unproductive cattle from the areas of active development work and maintain them economically in *Gosadans*. In a country like India, where a certain uncritical sanctity is attached to livestock it would be better to popularise the *Gosadan* scheme which satisfies the sentiment of the people and also serves at economic purpose.

THE EXPOSURE OF MONETARY POLICY RADCLIFFE COMMITTEE REPORT

From Our Own Correspondent

LONDON, 21st August

THE Radcliffe Committee of Bankers and Industrialists, appointed by the then Chancellor of the Exchequer two years ago, has produced an outstanding report on the structure and working of the British monetary system that will outshine, as it

LONDON LETTER

outdates the only previous study of this kind made by the Macmillan Committee in 1931. That Committee published a report prepared with the thunder of crisis all about it, obsessed with the need for a stable rate of exchange; but it was far from unanimous. The present Report has two outstanding virtues: in the first place, it is unanimous and, in the second place, it is clear it has achieved this only by a wide tolerance of approach to this difficult subject and an omission of positive recommendations. It preferred, instead, to study the working of the monetary system, to point to its weaknesses as well as its virtues and to draw a number of important conclusions. The rest, in the view of the Committee, is a matter of policy. The true importance of the Report lies in its thesis that monetary policy today is far too important a matter to be left to bankers or to the Bank of England. It is a matter of high Government policy—and this in a unanimous report from men who can mainly be regarded as political supporters of a right wing Government.

The Committee begins by analysing the objectives of monetary policy and lists them as follows:

1. The maintenance of employment.
2. The maintenance of the external purchasing power of the pound.
3. The improvement of living standards.
4. The building-up of an external surplus on the balance of payments, both to facilitate overseas lending and to strengthen the external reserves.

There is no mention in these objectives of the maintenance of a stable exchange rate, although the Committee regards this as highly desirable and as bound up with the achievement of the other objectives. It is clearly a point on which there was a difference of view and, because it may often be impossible to achieve all the objectives together, the maintenance of a stable rate of exchange is regarded as a matter of policy, decision about which must be taken in the light both of Britain's external obligations and the impact on the internal objectives.

Having stated the objectives, the Committee then says that these can be achieved by three weapons—monetary policy, fiscal measures and direct controls. Here it makes a plea that Governments should study these matters dispassionately, not in a doctrinaire manner, and be prepared to give each a place in their armoury. The Committee is as critical of the present Government's reliance on monetary measures alone as they are of the Opposition's denial of their significance.

Of monetary measures, it says that "no method, new or old, provides the remedy for all our troubles. We do not find any solution of the problem of influencing total demand in more violent manipulation of interest rates; we find control of the supply of money to be no more than an important facet of debt management; we cannot recommend any substantial change in the rules under which the banks operate; we do not regard the capital issues control as useful in ordinary times; and we believe that there are narrow limits to the usefulness of hire purchase controls... our conclusion is that monetary measures cannot alone be relied upon to keep in nice balance an economy subject to major strains from both within and without. Monetary measures can help but that is all."

On the other hand, the Committee believes "that the authorities could make more deliberate use of interest rates" and they stress that far more can be done by the way in which the

vast National Debt is managed to influence the total "liquidity of the economy." It does not like the way in which the credit squeeze really squeezed the small firms, the light engineering industries and the great nationalised public services; hence, instead of restriction of Bank credit, the Committee looks in future for something wider—what it calls the liquidity of the economy as a whole. It is particularly opposed to hire purchase controls, with their narrow industrial application, though, in times of crisis, it would use that control along with others, if need be.

Having thus put monetary policy in its place, the Committee makes important recommendations concerning the Bank of England. It should be "a highly skilled executant in the monetary field of the current economic policy of the Central Government." The Bank's independence, which has been whittled away since the days of the Macmillan Committee, should be finally stripped by the setting up of a Government Committee responsible for policy. This Standing Committee should be under the chairmanship of the Chancellor of the Exchequer. Other departments would be represented and so would the Bank. The present Court of the Bank would then be concerned with executive matters on which the expertise of the private bankers and financiers would remain. To underline the firm depositing of monetary policy in the hands of the Government, Bank Rate change announcements should be made by the Chancellor of the Exchequer and not by the Bank. In brief, the Committee want to make it quite clear that the Bank's function is to do what the Government decides; and so that the public may be better aware of what it is doing and why it is doing it, it is recommended that an Intelligence Department should be set up inside the Bank and the Old Lady of Threadneedle Street should in future become much more talkative. —All Rights Reserved.

The number of overseas tourists who visited the U.K. during the first six months of 1959 touched an all-time peak of 544,500, about 8 per cent. more than in the same period 1958. The total number of tourists visiting the country in the whole of 1959 is expected to be about 1.40 million, as compared with 1.25 million in the previous year and their expenditure in the U.K. is estimated at £220 million as against £196 million in 1958.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED Rs. 5,50,00,000
CAPITAL PAID-UP Rs. 3,00,00,000
RESERVE FUND Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA

AHMEDABAD Bhadra (Main Office) Ellis Bridge Gandhi Road Manek Chowk Navrangpura Station Branch	BANGALORE BARKODA BOMBAY Andhri Bandra Bulfinch Colaba Churchgate Fort Kalbadevi Malabar Hill Santa Cruz	BHUL (Kutch) CALCUTTA 23-B, Netaji Subhas Road (Main Office) Barr Bazar Chowringhee Square CALCUTTA COCHIN COIMBATORE DELHI GANDHIDHAM HYDERABAD (Deccan) JAMSHEDPUR VISAKHAPATNAM	JUNAGADH KANPUR MADRAS Armenian Street Sowcarpet NAGPUR Kingsway Jewari Bazar NEW DELHI PALANPUR POONA POONA CITY RAJKOT SURAT SHOLAPUR VERAVAL VISAKHAPATNAM
---	---	--	---

BRANCHES OUTSIDE INDIA:

LONDON—17, Moorgate, London, E.C. 2.
ADEN, DAR-ESSALAM, JINJA, KAMPALA,
KARACHI, MOMBASA, NAIROBI, OSAKA,
SINGAPORE, TOKYO.

DIRECTORS

SIR COWASJEE JEHANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHA
Mr. RAMNIVAS RAMNARAIN
Mr. BHAGYANAND C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA

Current Deposit Accounts—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 4 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, General Manager.

SAVED

Rs. 45,000 a year!

A textile mill which was spending Rs. 120,000 a year on baling materials before we undertook our studies is now spending only Rs. 75000 after carrying out our recommendations. Economies are possible in your line of business too.

Call in

acbi

Management Consultants
Bhopal—Bhopal
TRIVANDRUM &

Zonal Offices:
48/4 Poorvi Marg, Karolbagh
NEW DELHI-1

Management House,
Banarasi Road,
BANGALORE-5.

Acbi-5

IRONUK

For

- Polishing & buffing compositions
- Prepared plating salts for all metals, Metal bronzes, Alkali metal cleaners, Anodes.
- Fibre & wire wheels, Calico mops.
- Design fabrication & erection of complete plants for

ELECTROPLATING

& ANODISING

IRONUK INDUSTRIES LTD.,
11A, world sea face, Bombay 18.

LIMITED NUMBER OF COPIES ARE STILL AVAILABLE

THE BANKING ALMANAC 1958-59

Complete Reference Volume on International Banking

The Almanac is the only complete work of reference published in the East on Indian and International Banking and is an indispensable publication for Banks and Insurance Companies, Importers and Exporters, Manufacturers, Merchants, Stock and Share Brokers, and in fact for all those having dealings with banks.

Summary of Contents

- (1) **Bank Branches in India:** Contains an alphabetical list of towns and places in India with names and addresses of banks therein.
- (2) **Indian Banks:** This section contains complete particulars of all Indian Banks as to addresses, directorate, management, telephone numbers, telegraphic addresses, date of establishment, summary of balance-sheets for the last two years, dividends declared and branches.
- (3) **General Information:** This section contains information and statistics about matters of general banking interest, viz., institutional organizations of banks, Reserve Bank's Returns, Bank failures in India, India currency circulation, Prices of gold and silver in Bombay, World Gold and Silver production, Banks removed from the 2nd Schedule to the Reserve Bank of India Act, Prices (in Bombay) of Government of India Securities, Capital issues sanctioned, etc., Transactions of Post Office Savings Banks, Central and State Governments Loans, Changes in Central Bank discount rates, Members of Clearing Houses and Coins and Notes of the world.
- (4) **International Banks Section:** This section gives complete particulars of all the principal banks of the world as to addresses, management, date of establishment, telegraphic addresses, telephone and telex numbers, codes used, correspondents, dividends, shares and summary of balance-sheets for last two years.
- (5) **Index to Places and Banks:** Contains list of all commercial centres throughout the world with names and addresses of the banks therein. There are separate sections for all principal countries, viz., Argentina, Austria, Belgium, Brazil, Canada, Chile, China, Cuba, Cyprus, Czechoslovakia, Egypt, Finland, France, Germany, Greece, Iran, Ireland, Israel, Italy, Japan, Mexico, Netherlands, New Zealand, Norway, Pakistan, Peru, Spain, Sweden, Switzerland, Turkey, U.K., U.S.A., Uruguay, Venezuela and the remaining countries are grouped under "Other Countries."

Over 800 pages in Demy Octavo Size, Full cloth bound and cover printed in gilt letters.

Price—Rs. 25 plus Rs. 2.50 for packing and postage.

INDIAN BUSINESS PUBLICATIONS

G.P.O. Post Box 548,

8-A/91, W.E.A., NEW DELHI.

CHEMICALS THAT HELP INDUSTRY TO BRING A BETTER FUTURE CLOSER

Monsanto works constantly both to develop new, better chemicals—and to improve those chemicals already used in every major industry.

PHARMACEUTICALS—acetylsalicylic acid, phenacetin, benzoic acid, phenol, phenolphthalein, germicides are but a few of the many Monsanto products in this field.

RUBBER—Monsanto's accelerators help speed vulcanisation, add quality. Anti-oxidants improve resistance, prevent early cracking, give increased flexibility.

TEXTILES—Monsanto Syton is widely used in spinning cottons and woollens, increases yarn strength, allows for reduction in twist.

PRESERVATIVES—Monsanto's pentachlorophenol chemicals help to preserve a wide range of products. Monsanto sodium benzoate helps prevent corrosion.

PAINT—Monsanto's chemicals are used extensively in the manufacture of high-quality paints, varnishes and lacquers.

CHEMICALS FOR EVERY INDUSTRY



MONSANTO CHEMICALS OF INDIA PRIVATE LTD.

Wakefield House, Sprout Road, Ballard Estate, Bombay 1.

Also at: Calcutta, Delhi and Madras.

Monsanto Chemicals Limited, London • Monsanto Chemical Company, St. Louis, U.S.A. Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris, Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal cities of the world.

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAT; BY-PRODUCTS.



FUJI IRON & STEEL CO., LTD.

Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano, Room 805, 52 Broadway, New York 4,
N. Y., U.S.A. Tel: Bowling Green 9-8675/8

President: Shigeo Nagano

STATE BANK SUBSIDIARIES BILL PASSED MINISTER JUSTIFIES SCHEME

THE State Bank of India (Subsidiary Banks) Bill, as amended by the Joint Committee of Parliament, met with little opposition in Parliament when it debated the Bill and passed it last week. There was, however, strong criticism from a section of the Houses representing the extreme leftists, of the Government's decision to reconstitute the State-associated banks as subsidiaries of the State Bank of India and thus keep their separate entities intact, instead of straight-away merging them with the latter. Even in the Joint Committee report, in which seven members out of a total of 45 have added four separate notes of dissent, the main brunt of the dissenters' criticism was against the Government's action in not accepting the Rural Credit Survey Committee's recommendation of an amalgamation of these banks with the State Bank of India.

Another point of criticism was that the Bill represented almost a *fait accompli*, on the ground that the directors and shareholders of the State-associated banks themselves had accepted the scheme of things, and the members of the Joint Committee or of Parliament, therefore, had very little to do. It is, perhaps, not widely known that the managements of the majority of these so-called State-associated banks were actually forced to accept his course by the authorities through persuasion.

The other points of criticism made by the dissenting members of the Joint Committee were: (1) no step has been taken to effect rationalisation and economy; (2) the status of employees of subsidiary banks has not been raised on par with that of State Bank employees; (3) the existing rights and privileges of the subsidiary banks have been deprived by giving power to the State Bank to regulate the service conditions of these employees; (4) the power of the tribunal constituted for the purpose of determining the compensation should not be curtailed and it must have the power to call for any documents; and (5) the Reserve Bank, the State Bank and the Central Government have assumed sweeping powers over these banks.

Before proceeding to the Minister's reply to these criticisms, it is worthwhile recording here the main changes made by the Joint Committee in the provisions of the Bill itself. These are of a minor nature and some of them are in favour of the shareholders. The sub-clause (4) of clause 13 of the original Bill, for instance, had provided that, in the event of the compensation offered by the State Bank being not acceptable to the shareholders of a bank, at least one-fourth of the number of shareholders holding not less than one-third in value of the paid-up share capital of the bank concerned should represent to the Central Government before the date notified by the latter. On receipt, of such a representation, the Government will have the matter referred to a tribunal. The Joint Committee has reduced the value of shareholding prescribed in this clause from one-third to one-fourth, as it considered this limit as onerous. Sub-clause (7) of the same clause had fixed a time limit of three months from the date of final determination of the compensation for any shareholder to apply for shares of the reconstituted bank in lieu of compensation. The Joint Committee has liberalised this provision enabling the State Bank to extend, in appropriate cases, the period within which the application for allotment is to be made.

Clause 14 relates to the amount of compensation payable to the State Government of Punjab in respect of the Bank of Patiala, the Bombay Government in respect of the Saurashtra Bank and the Reserve Bank of India in regard to the State Bank of Hyderabad. The original provision had empowered the State Bank, in the first instance, to determine the amount of compensation. This has now been amended so as to provide that the State Bank would fix the compensation in consultation with the Reserve Bank. An anomaly in this amendment is that the Reserve Bank, as the shareholder of the State Bank of Hyderabad, is in a privileged position as compared with the shareholders of the Bank of Patiala and the Saurashtra Bank, or those of the other subsidiary banks, in the matter of determining the compensation receivable by it.

Clause 19 of the original Bill had placed a limit of 200 shares on the holding in the share capital of a subsidiary bank by an individual either in his own name or jointly with any other person. It had also stipulated that such a person would not be entitled to any dividend on the

excess shares held by him over this limit. The Joint Committee has suggested that this limit on shareholding or on payment of dividend should not be enforced in respect of the initial allotment of shares to a shareholder of an existing State-associated bank.

Clause 25 deals with the composition of the Board of Directors of a subsidiary. The clause in the original Bill did not provide for the representation on the Board of a nominee of the Central Government. The Joint Committee has suggested that the Central Government should be empowered to nominate a director in consultation with the State Bank, if it considers it necessary or desirable to do so in the case of any particular bank. The Committee has also reduced the period of office of the Directors appointed by the State on the first constitution of the Board from two years to one year. The officers of the State Bank of India, Reserve Bank of India or the Central Government, who are nominated as Directors of a subsidiary will, however, hold office during the pleasure of the authority nominating them. The non-official directors will hold office for a period of three years. All the directors will be eligible for renomination or re-election.

Clause 27 gives a list of persons who are disqualified to be a director of a subsidiary bank, among which is one who has been removed or dismissed from the service of Government. The Committee has extended the disqualification to persons removed or dismissed from the service of a local authority or a corporation or a company in which not less than 51 per cent. of the paid-up share capital is held by the Government. The original Bill had provided for the disqualification for directorship of a person convicted of an offence which, in the opinion of the State Bank, involved moral turpitude. The Committee has changed this clause to the effect that it is the Central Government and not the State Bank which should decide whether or not an offence involves moral turpitude.

All the aforesaid changes suggested by the Committee have been accepted by both the Houses of Parliament.

Referring to the main criticism in the minutes of dissent, which was supported by some in the Lok Sabha and Rajya Sabha also, namely, that the Rural Credit Survey Committee's recommendation for amalgamation of all State-associated banks had not been carried out, Dr. Gopala Reddi, Minister for Revenue and Civil Expenditure, who piloted the Bill, said that this criticism was based on inadequate appreciation of facts. "We considered it necessary, after careful thought, to depart from this recommendation," he added, "as there was no justification for conferring unjustified benefits on the employees, because we happen to be reconstituting the banks for certain other desirable ends." Dr. Reddi also gave an account of the advantages of the present scheme of things over the scheme of complete merger. First, the State Governments would continue to hold some interest in the subsidiaries, instead of being paid cash compensation and terminating their long association with these banks, as would happen in the event of an amalgamation. It would be advantageous to have this association, because the State Governments concerned know the local conditions and the non-official directors of the banks. All these advantages would be lost if there was a straightaway merger.

The second advantage, according to the Minister, is that the management would be cheap. Elaborating this point, he said:

"We are allowing 45 per cent. of the shareholders to continue. They also have a legitimate claim on the profits of the bank, being shareholders, and if the management suddenly becomes very costly, what they are likely to gain by way of dividends will be reduced to a considerable extent. We know that these subsidiary banks have about 7,000 employees. Last year, they paid about Rs. 150 lakhs as salaries. After paying that, they have declared profits of Rs. 85 lakhs or so last year, that is, 1958 accounts. If suddenly the employees are to be given the State Bank salaries, perhaps, it will be another Rs. 30 lakhs or Rs. 40 lakhs and to that extent their profits will be reduced. The profits will come down and it will not be an incentive for those 45 per cent. shareholders to continue as shareholders of the subsidiary banks. So, all told, there will be cheap management."

It is thus clear that the Government does not mind having under its dominant ownership banking institutions of varying strength and status as it is more economical than to increase the size of the State Bank of India to that of a

great giant and thereby add to its already vast powers and influence.

The third advantage relates to the credit policy. The State Bank of India, the Minister added, had many restrictions in regard to advances. Being an all-India bank, being a State bank as it were, it could not participate in certain types of businesses. Whereas a commercial bank or a subsidiary bank could operate or could give advances in a particular situation, the State Bank of India was precluded under its own rules from such advances. There was, therefore, more elbow room for these banks in the matter of giving advances than would be the case if they were to be merged with the State Bank.

Answering the point raised by some members that no steps had been taken to curtail expenses, as the State-associated banks would continue to remain top-heavy administrative machinery with separate managing directors, board of directors and general managers, Dr. Reddi drew their attention to the provision in the Bill (clause 23) under which they would all cease to exist on the "appointed day." Their services would be retained, if the State Bank so desired, on such terms as they thought fit. Otherwise, their services might be terminated and they might be paid some small compensation.

Referring to the possibility of duplication of branches, the Minister said that these matters would have to be looked into by the State Bank after these banks were taken over. "As far as we can see," he added, "all these banks are operating in areas which before the States reorganisation constituted Part B States, which were generally underdeveloped so far as banking institutions were concerned. The policy is that, in one or two important places, if there are State Bank branches already existing, they may continue, but otherwise the State Bank will try to see that there is not any duplication. If the State Bank has to withdraw a branch office, it may do so and allow the subsidiary banks to open up new branches. This is a matter of detail, about which I am sure the State Bank, together with the directors of the subsidiary banks, will be able to formulate a policy of its own and try to avoid all duplication with regard to branch offices."

Answering the criticism that the Bill does not give all the principles of compensation, the Minister said that these details would have to be given elaborately only if the banks were acquired by force or compulsion. This was a case where a compromise had been arrived at "after persuasion and negotiation." The directors and shareholders were all agreeable. There was, the Minister contended, no question of elaborating the principles and no constitutional impropriety had been committed.

WORLD BANK LOAN TO IRAN

The World Bank has granted a loan of \$5.2 million to Iran to help finance the development of private industry. The loan will be made to the Industrial and Mining Development Bank of Iran (I.M.D.B.I.), which is being formed by private investors from Iran, the United States, the United Kingdom, France, Belgium, Germany, Holland and Italy. Arrangements are nearing completion for the establishment of the Bank, which is expected to be in operation by the end of 1959.

The Development Bank will help stimulate private industrial development in Iran by making medium and long-term loans and by investing in share capital. It will promote and develop a capital market, and guarantee loans and commitments of other investors. The new bank will also provide technical and managerial assistance to Iranian industry. The origin of the Development Bank goes back to September 1957, when Lazard Freres and Company of New York and Chase International Investment Corporation of New York agreed, at the request of the Iranian Government, to sponsor a private industrial credit and investment bank in Iran. The World Bank advised the Government of Iran and the sponsors on the establishment of the new institution.

The initial share capital of the Development Bank will be 400 million rials (\$5.3 million). Sixty per cent. of the shares will be offered shortly to the Iranian public through Bank Mellat, Iran's largest commercial bank, as well as its central bank. The remaining 40 per cent. have been placed abroad. The Government of Iran will make a 30-year interest-free advance of 600 million rials (\$8 million). The U.S. Development Loan Fund is lending \$5.2 million to the bank. In addition, the Government of Iran will turn over to the Development Bank for management a loan portfolio of 1,400 million rials (\$18.7 million); funds arising from repayment of these loans will be available to the Bank for reinvestment. In all, therefore, the Development Bank will start business with the World Bank loan. The proceeds of the \$5.2 million World Bank loan, to be guaranteed by Iran, will be used to pay for imported materials, equipment and services required to carry out industrial projects financed by the new institution. The loan is for 15 years. The rate of interest on the loan has not been fixed, but it has been agreed that interest will be charged at the World Bank rate current for similar loans at the time that portions of the loan are committed for the development projects.

NATIONAL DIRECTORY OF MANAGEMENT EXECUTIVES 1960 (ILLUSTRATED)

—the first of its kind in India

SPONSORED BY

INDIAN COUNCIL OF MANAGEMENT EXECUTIVES

(Registered under Societies Act 1860)

POST BOX 1914, BOMBAY 1

BOARD OF CONTROL: Mr. S. M. Dahanukar, M.L.C.; Prof. A. R. Wadia, M.P.; Mr. G. D. Sonani, M.P.; Sir B. P. Singh Roy; Mr. Ramnivas R. Bais; Mr. K. T. Chaudry; Mr. Y. A. Fazalbhoy; Mr. Mohan Singh; Major General Shanta Shamsheer J. B. R.; Mr. M. G. Vohra; Mr. G. Wilhelm; Mr. T. O. Caulkins.
MANAGING EDITOR: Mr. K. S. Gupta (Bombay Labour Bureau)
SECRETARY: Miss F. H. Hamzawala

EDITORIAL BOARD: Dr. M. V. Moorthy (Tata Institute of Social Sciences)
Prof. R. J. Taraporevala (University of Bombay)
Prof. D. K. Sanyal (University of Calcutta)
Mr. C. L. Gheovalva (Indian Merchants' Chamber)
Mrs. Shera N. Vajifdar (Progressive Group)

CONTENTS

COPYRIGHT RESERVED

- FIFTY MEN BEHIND PRIVATE SECTOR IN INDIA
- WHO'S WHO OF TOP EXECUTIVES IN PRIVATE SECTOR
- WHO'S WHO OF TOP EXECUTIVES IN PUBLIC SECTOR
- LIST OF MANAGING DIRECTORS OF PUBLIC LIMITED COMPANIES
- LIST OF MANAGING DIRECTORS OF PRIVATE LIMITED COMPANIES
- SURVEY ON INDIA'S MAJOR INDUSTRIES
- (i) TEXTILES: Cotton, Silk and Art-Silk, Jute, Rayon, Hosiery, Woollen, etc.
- (ii) MINING AND MINERALS: Iron and Steel, Mica, Aluminium, Copper, Manganese, Lead, Coal, Cement, Asbestos, Tiles, Abrasives, Petroleum, etc.
- (iii) ELECTRICAL AND ELECTRONIC ENGINEERING: Heavy Electricals: Motors, Transformers, Cables, Wires, etc. Light Electricals, Radios, Phonograph, Telephones, Electric Lamps and Accessories, Appliances, Fans, Batteries, etc.
- (iv) MECHANICAL AND STRUCTURAL ENGINEERING: Industrial Machinery, Machine Tools, Locomotives, Shipbuilding, Aircraft, Automobiles, Bicycles, Sewing Machines, Steel Furniture, Office Equipments, Typewriters, Structural Fabrication and Castings, etc.
- (v) PROCESSING: Paper and Boards, Plywood, Leather and Footwear, Rubber, Paints, Plastics, Wood, Coir, Glass and Glassware, etc.

- (vi) CHEMICALS AND PHARMACEUTICALS: Acids, Alkalies, Salts, Fertilisers, Dyestuffs, Starch, Oils, Soaps and Toilettries, Drugs, Antibiotics, Hormones, Injectables, Liver Extracts, Antiseptics, Disinfectants, Insecticides, Perfumes, Tooth Pastes, Ayurvedic Medicines, Vitamins, Baby Foods, etc.
- (vii) PLANTATIONS AND Eatables: Tea, Coffee, Sugar, Tobacco, Canned Foods, Dairy Products, Biscuits, Confectionery, Ice Creams, Beverages, Aerated Waters, etc.
- (viii) TOURISM AND TRANSPORTATION: Railways, Roadways, Shipping, Aviation, Clearing and Travel Agencies, Hotels and Restaurants, etc.
- (ix) BANKING AND GENERAL INSURANCE.
- INDIAN ECONOMIC INDICATORS 1959-60: Prices, Cost of Living, Wages, Labour, Industrial Production, Foreign Exchange, Foreign Trade, Foreign Aid, etc.
- LIST OF BRITISH, AMERICAN AND FOREIGN FIRMS IN INDIA
- 1000 appx. pages, Roxine Cloth-bound on Art Paper, Profusely Illustrated
- PRE-PUBLICATION PRICE Rs. 40/- } postage extra
- POST-PUBLICATION PRICE Rs. 60/- }

BOOK YOUR COPY IN ADVANCE TODAY

Announcing

Publication of
**National Directory of Management
Executives 1960**
—first of its kind in India

Sponsored by
Indian Council of Management Executives
Post Box 1914, Bombay-1

Published by
Bombay Labour Bureau
Post Box 2394, Bombay-2

FOR FREE WRITE-UP OF
EXECUTIVES
Subscribers of the Commerce
Weekly

Miss F. H. HAMZAWALA
Secretary, National Directory of Management Executives
Post Box 1914, BOMBAY - 1

Please register my name for FREE WRITE-UP in Who's Who of National Directory of Management Executives.

Name

Occupation

Company

Date

Signature

PLEASE MAIL THIS COUPON TODAY OR BEFORE 30th SEPTEMBER 1959

OFFTAKE OF MILL TEXTILES IMPROVES MANY UNITS, HOWEVER, STILL REMAIN CLOSED

THERE has of late been a distinct improvement in the offtake of cotton mill piecegoods and yarn for both domestic consumption and exports. This is clearly indicated by the appreciable reduction in the stocks with the mills. The total of these stocks (both unsold and sold but delivery not taken) at the end of last month was about 618.00 million yards—it was lower still at 567.30 million yards in May 1959—as against 870.60 million yards at the close of December 1958 and 871.35 million yards a year before. The reduction has taken place in both sold and unsold stocks, but it is larger in the latter. The unsold stocks have come down from 505.65 million yards in July 1958 and 491.40 million yards in December 1958 to 310.50 million yards, the corresponding figures for sold but not taken delivery being 365.70 million yards, 379.20 million yards and 307.50 million yards, respectively. Similarly, the stocks of unsold yarn were lower at 15.48 million lbs., those at the end of December 1958 and July 1958 being 25.56 million lbs. and 34.72 million lbs., respectively.

Encouraged by the rise in the offtake of cloth and yarn, the mills are endeavouring to maintain as high a level of output as possible. The quantity of cloth that actually came off the looms of mills during the month of July 1959 aggregated 424.00 million yards, which compares favourably with 405.09 million yards in the previous month and 419.44 million yards in the corresponding month of 1958. With the increase recorded in July, the overall production in the first seven months of 1959 was of the order of 2,868.86 million yards, almost the same as in the January-July 1958 period. If the upward trend in output noted in July were to persist in the remaining months of the year, the total production for the whole of 1959 would be much higher than the 4,926.97 million yards woven during 1958. The improvement in cloth production has naturally followed a notable rise in yarn output which in July 1959 amounted to 146.00 million lbs., as against 135.66 million lbs. in June 1959 and 145.00 million lbs. in July 1958. The aggregate output in the seven months ended July 1959 was a shade higher at 963.86 million lbs., as compared with 963.86 million lbs. in the same period last year; the production in the whole of 1958 was 1,685.38 million lbs.

Trend of Output

The following table indicates the trend of mill yarn and cloth production—month by month—in the January-July periods of 1959 and 1958:

	Cloth (million yards)		Yarn (million lbs.)	
	1959	1958	1959	1958
January	430.09	436.53	150.55	148.70
February	391.75	391.45	136.06	132.86
March	405.78	405.56	141.46	139.48
April	406.86	407.77	139.86	134.07
May	405.29	421.25	136.53	138.70
June	405.09	398.32	135.66	128.05
July	424.00	419.44	146.00	145.00
January-July ..	2,868.86	2,870.32	968.72	963.86

The production performance of mills would have been more encouraging but for the series of stresses and strains, especially the continued high prices of raw cotton, mounting wage bill

and heavy taxation. Over the past one year, raw cotton prices have gone up by nearly 8 per cent. The mills are also paying markedly higher dearness allowance to their workers, consequent on the rise in cost of living. The average amount of allowance paid (for 26 working days) per worker in July 1959 was as high as Rs. 87.15, as against the average of Rs. 81.58 and Rs. 73.99 paid in the whole of 1958 and 1957, respectively. While costs have gone up thus, there has been no corresponding increase in the prices realised by mills on cloth and yarn sales. In fact, in the first quarter of this year, several mills continued the practice of getting rid of their stocks at cut prices. It is only during the last one and a half to two months that prices have registered some improvement. The index number of cotton manufactures (1952-53=100) which stood at 113 in June 1958, fell to 110 in July 1958 and again to that level in January 1959, after being at 111 in the intervening months. It continued to stay at 111 upto April 1959 and improved to touch 113 in June 1958, that is, the same level as a year before.

Employment Shrinks

In view of this disquieting state of affairs, several mills continue to remain closed—39 units as on 30th June 1959—and many others (33 units) are working partially. It is not surprising, therefore, that the daily average number of workers (including budhis) employed in mills continues to be much lower than in previous years. In Bombay mills, for instance, the total number of workers at work as on the first working day in the current month was 195,036, as against 199,532 a year before and 208,983 on the first working day in January 1958.

The current calendar year, may, as already stated, witness a small rise in cloth output as compared with 1958. The rise is expected to be accounted for by medium and superfine counts, while the production of coarse and fine varieties is likely to show a fall. An idea of the pattern of cloth output in the first six months of 1959 and 1958, as also in the whole of 1956, 1957 and 1958 can be had from the figures given below:

	(In million yards)				
	Coarse	Medium	Fine	Super-fine	Total
1958					
January	88.36	290.88	26.76	21.62	436.53
February	74.20	271.74	25.19	19.57	391.45
March	73.77	284.59	26.28	20.92	405.56
April	73.38	286.69	26.54	21.15	407.77
May	70.32	291.81	27.98	22.54	421.25
June	77.81	283.94	26.62	19.95	388.32
January-June 1958 ..	461.84	1,698.65	161.72	125.65	2,450.86
1959					
January	88.94	302.81	20.25	23.10	430.09
February	71.85	280.24	18.82	20.84	391.75
March	69.76	292.84	21.30	21.89	405.78
April	67.89	295.19	21.12	22.70	406.86
May	66.57	294.68	21.49	22.55	405.29
June	69.82	290.07	21.67	23.53	405.09
January-June 1959 ..	429.80	1,755.83	124.65	134.61	2,444.89
Whole of 1958	960.96	3,395.81	303.08	258.14	4,926.97
Whole of 1957	1,153.71	3,502.91	388.07	287.73	5,317.42
Whole of 1956	718.64	3,796.61	444.04	347.29	5,004.47

The performance on the export front in recent months has been somewhat encouraging. On the basis of the actual shipment of 309 million yards in the first half of 1959 and the

anticipated figure of 400 million yards in the second half, the aggregate exports of cloth for whole of 1959 will come to 709 million yards, as against just 587 million yards sold abroad in 1958, a rise of 122 million yards. Still, they will be, as was mentioned in this journal last week (vide page 298), very much less than the exports of 840 million yards in 1957 and 744 million yards in 1956. There is thus not much to crow about the achievement on the export front.

It is stated that, after a long spell of dull conditions, export demand for cloth is satisfactory and has coincided with the revival of business in the domestic sector. Sudan has purchased a large quantity—estimated at 20 million yards—since the beginning of July. The U.K., too, is reported to have bought a fairly large quantity of grey sheetings and some mills have sold for shipment upto November next. There has also been a sizable volume of business on account of Australia, Persian Gulf ports, East Africa and West Africa.

AUTOMATIC LOOMS

It will be recalled that, towards the end of July last, the Central Government announced its decision to permit the installation of 3,000 additional automatic looms in composite cotton mills with past export performance, as an export promotion measure. The actual allotment, it was said, would be subjected to three conditions. First, the entire production of looms would be exported. Secondly, in addition, 50 per cent. of exports in any of the three calendar years 1954, 1955 and 1956 should also be maintained. Thirdly, the two conditions would be enforced by a simple bond. The Government has since issued a circular letter which says that, since it is not possible to identify the cloth produced from the additional automatic looms from that produced from other looms, the mills will be required to give a guarantee to export a quantity of cloth equivalent to the estimated output of additional automatic looms on the following basis:

1. At the rate of 17,000 yards per loom per year for mills, at least 75 per cent. of the total production (in yardage) of which in 1954, 1955 and 1956 was of fine and superfine varieties.
2. At the rate of 21,000 yards per loom per year in all other cases.

In addition to the guarantee mentioned above, the composite mills which have shipped cloth in the past are required to give an undertaking to continue to ship at least 50 per cent. of their exports on the basis of these guarantees, export quotas will be fixed for such mills as are ultimately allotted additional automatic looms. The mills will have to give a bond in a suitable form with respect to the implementation of their export quotas fixed on the basis explained. The number of looms to be allotted to various mills will be decided upon after taking into account all factors relevant for promotion of exports to the maximum.

The last date for submitting applications is the 31st inst. The mills are also required to apply simultaneously to the Union Ministry of Commerce and Industry in form 'E' for a licence to effect substantial expansion in their existing undertaking under the Industries (Development and Regulation) Act.

Replying to a question in the Lok Sabha the other day, Mr. Manubhai Shah, Minister for Industry, disclosed that it was proposed to set up a spun silk mill at Jagi Road in Assam in the public sector under the second Five-year Plan. According to the Minister, the Government of Assam has concluded an agreement with a Japanese firm for import of machinery on deferred payment basis. The contract entered into has been registered with the State Trading Corporation of India and essentially certificate and import licence have been obtained. The State Government is also making efforts to procure items of machinery which are available in the country.

COTTON INDUSTRY REDUNDANCY PLAN RESPONSE FROM MILLOWNERS ENCOURAGING

From A Special Correspondent

MANCHESTER, 18th August

THE Government-supported scheme to reduce the size of the United Kingdom cotton industry has got off to a good start. Scarcely a day has elapsed since the redundancy proposals in spinning, doubling and weaving became effective without an announcement from some firm in the trade that they are contemplating scrapping some, if not all, of their machinery. In the weeks to come, this trend can be expected to continue and, if the rate

MANCHESTER LETTER

of applications for compensation is maintained, the minimum targets should be reached well before the end of September. These targets are: 6 million equivalent mule spindles in the spinning section, 400,000 spindles in doubling, and 45,000 looms in weaving.

By mid-August, within a fortnight of the start of the plan, the special committee of the Cotton Board responsible for dealing with the schemes reported a "very encouraging" response. The number of mule equivalent spindles participating in the compensation plan was given as just over 2,500,000, together with 2,313 carding engines. Looms submitted for scrapping numbered 27,778, and in the doubling section 113,836 spindles had been offered for disposal.

Proper Perspective

To gain a proper perspective of the full response, the returns from individual firms are required and these, of course, are not forthcoming. The intentions of one large group, for instance, have been widely publicised and a good deal depends on how many of the spindles have yet been submitted by this company. On the basis of the actual returns completed, however, it is clear that the half-way mark has been virtually reached towards the minimum targets. In the manufacturing branch, it has already been passed and, in spinning, the plans of several companies should soon bring the total up to 3 million spindles. Lagging behind is the doubling section, where little more than a quarter of the minimum quantity has so far been offered for scrapping.

Considering that the period under review included the August holiday week, the extent of the trade's participation can rightly be regarded as "a good start." It seems safe to assume that those who have been cautiously awaiting information as to how the scheme is going will now be encouraged to make up their minds relatively quickly.

Strange Comparisons

Observers of economic trends have often used the cotton industry as a "guinea pig" in making their predictions about prospects and describing business conditions. No better opportunity has arisen for a long time than the present state of transition in which to attempt an assessment of the position of individual firms. Theory, however, is far removed from practice

and the suggestions now being made in some quarters about the standing of cotton companies lack a good deal of reality.

It is a traditional jibe against statisticians that figures can be made to prove anything and without a thorough background knowledge of every case, it is unwise to generalise. These reflections are stimulated by the prominence given to the exercise in mathematical calculation of cotton company share values and current prices contained in a circular issued by a firm of London stockbrokers. Its reasonings may be logical, but its conclusions about certain mill combines tend to be very wide of the mark.

Taking a number of cotton textile firms, including several of the large groups, as examples, the report compares the maximum compensation available under the reorganisation plan and the net liquid assets in each case with the current price of the shares. The results may be a little surprising even to those closely connected with the industry, but they cannot constitute any guide to the action likely to be taken by the companies concerned in relation to their future trading activities.

Quoting from the document, the following details are given:

	Compensation and assets s. d.	Actual price s. d.
Amalgamated Cotton Mills Trust ..	19 0	14 4½
Berber Textile Corporation ..	6 9	5 0
Combined English Mills ..	1 10	12 6
Crosses & Heaton Lancashire Cotton Corporation ..	6 11	14 6
Shiloh Spinners ..	48 1	46 6
Fine Spinners and Doublers ..	5 6	3 7½
Swan Lane ..	9 11	24 7½
	7 11	6 6

The variations indicated in this cross-section of some of the major companies is quite remarkable, but the authors of the document are surely aware that the most unlikely firms to be involved in any complete closure are those controlling the substantial quantities of plant included in these household names in the industry. Possibly details are more difficult to secure in the case of the smaller units, but it is in this direction that these commentators should look.

Naturally, the combines have the facilities to concentrate their output by switching modern machinery into mills where the older plant is to be dismantled, but to suggest that companies of the calibre mentioned are likely to submit all their machinery for scrapping and go into liquidation shows a total misapprehension of the mechanics of the redundancy scheme.

Scrapping Plans

Since the plan came into operation at the end of last month, a number of companies in every section involved have issued statements giving shareholders and the trade at large an indication of their future plans. No doubt many more will be made public within the next few

weeks, together with some guide to the response from official sources. The progress made in dealing with the proposals by individual companies must be governed by individual circumstances; there can be no hard and fast rule as to the attitude of either boards of directors or shareholders.

In some instances, special meetings have already been called to consider recommendations by the management; in others, those responsible have taken decisions on their own accord. Complete disposal of machinery and subsequent liquidation is to be adopted in certain cases; others believe that their plant is sufficiently up-to-date to require no major adjustment and have declared that they look forward to the re-equipment subsidy providing them with an opportunity to modernise to an even greater extent.

The theoretical mathematician can, by using a slide rule, work out the value of any company on paper. What is omitted in these sums is the practical content of man and machinery and the special circumstances surrounding each firm. Locality, availability of labour, the age and enthusiasm of those in charge, and the thousand and one other items which add up to a commercial enterprise, cannot be measured by a row of figures.

Limiting Imports

Leaders of the United Kingdom cotton industry have noted reports from Hong Kong that the cotton industry there may ask for a "holiday" from its voluntary 3-year undertaking to limit shipments of cotton goods to Britain. A spokesman of the Cotton Board said in Manchester that the Hong Kong industry had not made any official approach. He added: "The view here is that these are only Press reports operating in Hong Kong. We are not prepared to comment on them at the present time."

Asked if he would comment on the complaint that, when Hong Kong entered into its voluntary agreement, it did so in the belief that India and Pakistan would follow suit, the official spokesman said: "At the present time, final agreement has not yet been reached with India and Pakistan." He could not go beyond this statement.

The feeling among Lancashire cotton industry leaders is that to grant Hong Kong a "holiday" from its obligations at the present time because of local difficulties would be to undermine the large-scale reorganisation now in progress within the U.K. industry and to jeopardise Lancashire's future during a difficult period of transition and adjustment. The view is firmly held that, during this period, nothing should be allowed to affect the industry's confidence in its future such as would be the case, if imports of cheap cotton goods from Hong Kong and other Commonwealth markets were allowed to rise unconditionally.

Lancashire millowners are themselves dissatisfied that no voluntary agreement has yet been finalised with the cotton industries of India and Pakistan, although originally co-operation was pledged provided agreement could be reached with Hong Kong first. It is known that a meeting between two Lancashire trade leaders—one of them Sir Cuthbert Clegg—has taken place in London with two representatives of the Indian textile industry. The outcome was inconclusive.—All Rights Reserved.

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,

are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

in all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

in all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4316

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
69-D Rashtrapati Road
SECUNDERABAD (Dn.)

DELHI STATE
60, Janneth
NEW DELHI

PUNJAB STATE (India)
Madan Mohan Malaviya Road
AMRITSAR

BOMBAY STATE
Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

MADRAS STATE
Finance House
Puttaswami Road
MADRAS-2

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

Sir Chinnubhai Building
Redvi Bazar, Cross Lane
AHMEDABAD
Dhanwatey Chambers
Geeta Ground
Sitabdi, NAAGPUR
Diwan Park Road
BHAVNAGAR
Gandhi Road
BARODA

MADHYA PRADESH
41, Tokogum Main Road
INDORE
MYSORE STATE
Konnur Building
Ramdas Gaili
BELGAUM

UTTAR PRADESH
Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR
Jwalanagar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON PRESS, FRERE ROAD, BOMBAY, Telephone: 26-3201/2

COTTON TEXTILES IN THE THIRD PLAN

MILLOWNERS' APEX BODY'S MEMORANDUM

THE Committee of the Indian Cotton Mills' Federation has submitted to the Planning Commission a memorandum, setting out the production targets for the mill and non-mill sectors for inclusion in the third Plan. The basis adopted for fixing the targets differs markedly from that followed jointly by the Millowners' Associations of Bombay and Ahmedabad when they recommended targets for the second Five-year Plan in August 1955. Thus, the *per capita* requirement of cloth in 1965-66 is expected to be of the order of no more than 20.3 yards, which is less than the figure of 22.0 yards assumed by the Associations for 1960-61. Similarly, the annual export demand is estimated lower at 800 million yards, as against 1,000 million yards. Accordingly, the total requirements of cloth (for domestic consumption and export) at the end of the third Plan that is, in 1965-66) are put at 9,600 million yards, as compared with the 10,000-million-yards target for the second Plan. The Committee has fixed the target for the mill sector lower at 6,300 million yards, as against 7,800 million yards for 1960-61, while that for the non-mill sector is fixed higher at 3,300 million yards, as against 2,200 million yards.

The following is the text of the memorandum of the Committee of the Federation:

"It will be remembered that the Millowners' Associations of Bombay and Ahmedabad had jointly submitted to the Planning Commission, in August 1955, a memorandum about the role of the cotton textile industry in the second Five-year Plan. In that memorandum, estimates were made on the basis of the information then available about the level of *per capita* income and *per capita* consumption expenditure that was likely to be attained in the last year of the second Plan. The probable increase in consumption expenditure was split up among foodgrains, cotton textiles and other items and, with the help of estimates of cloth prices, it was estimated that the consumption of cloth by the end of the Plan period would reach the figure of 22 yards *per capita*.

Excise Duties Raised

"The brisk upward movement in the *per capita* consumption, which was occurring just before and after the submission of the memorandum in August 1955, justified the industry's estimates and, a year later, actually a shortage of cloth supply was apprehended. Instead of considering the ways and means of increasing the supply so as to meet the demand, the Government of India decided to increase the excise duties in September 1956 with a view to inhibiting consumption and increasing exports. In the words of the Textile Enquiry Committee (1958): 'Before 1956, there was increase in prices, larger off-takes and dwindling stocks, which unmistakably represented an inflationary condition. The somewhat drastic measures adopted in September 1956 would seem to have set the pattern in the contrary direction. In the opinion of the Committee, neither of these factors is a healthy feature either for the industry or the country's economy.'

"Apart from the impact of the sudden increase in excise duties, certain other factors also came into play in the subsequent period. Owing to the increase in the cost of living, brought about primarily by an increase in the foodgrains prices, the common man was required to divert his consumption expenditure from cotton textiles to foodgrains and other essentials. At the same time, there was an increase in cotton prices and in dearness allowance, resulting in higher costs of production. Starting with failure on the foodgrains front, there was a setback in the progress of the country's economy and in the rate of increase of real income, and these also had their repercussions on the consumption of mill cloth.

"Ignoring all these factors, for which the responsibility was not that of the industry, the industry was blamed for its estimate of a *per capita* consumption of 22 yards. Because of this experience, it is with some hesitation that the industry can once again attempt to formulate ideas about the likely trend of consumption of cotton textiles in the third Plan. The estimates that are given hereafter, it must, therefore, be mentioned, are based on the following presumptions:

1. The excise duty and other burdens on the industry are maintained at reasonable levels.

2. Cotton and other raw materials are made available at reasonable prices.

3. Any changes in the wage structure that may take place hereafter will be based on scientific correlation between wage rates and workloads.

4. The economy of the country progresses along the lines of the basic targets of the Plan.

"It is only subject to these safeguards that certain estimates are set forth in this note.

Per Capita Consumption

"The *per capita* availability of cloth in the recent past has been as under:

	Yards
1952	14.4
1953	15.2
1954	15.2
1955	16.1
1956	16.6
1957	16.5
1958	16.7

"The Textile Enquiry Committee (Joshi Committee), which submitted its report in July 1958, stated: 'Since the economic development is not at the rate envisaged in the second Five-year Plan, we do not anticipate that the *per capita* consumption will exceed 17.5 yards.' The *per capita* consumption having reached the figure of 16.7 yards in 1958, the increase in the next three years has thus been pitched by the Enquiry Committee at less than 0.8 yard and it may, therefore, be assumed that the *per capita* consumption would actually reach, if not exceed, the figure of 17.5 yards by 1961.

"We may now proceed to estimate the *per capita* consumption of cloth that is likely to be reached in 1966, if the various Plan targets are fulfilled. The following table attempts to estimate the probable consumption expenditure at 1952-53 prices:

mate the probable consumption expenditure at 1952-53 prices:

	In 1961, i.e., end of Second Plan	In 1966, i.e., end of Third Plan
National income at 1952-53 prices (Rs. crores)	13,480	17,260
Rate of investment as percentage of national income (per cent.)	10.7	13.7
Hence, consumption expenditure in the last year of the Plan (Rs. crores)	12,038	14,895
Population at the end of Third Plan (millions)	408	434
Consumption expenditure <i>per capita</i> (Rs.)	295	343*

*An increase of 16 per cent.

"It will be seen that, at constant prices, the consumption expenditure *per capita* is estimated to go up from Rs. 295 in 1961 to Rs. 343 in 1966, which is an increase of 16 per cent. If the increase in the consumption of cloth is just equal to the increase in consumption expenditure, that is, 16 per cent., the *per capita* consumption of cloth will go up from 17.5 yards in 1961 to 20.3 yards in 1966. In technical parlance, the elasticity of demand for cloth, we postulate, will be unity. In 1966, for a population of 434 millions, the requirement for domestic consumption will, at 20.3 yards *per capita*, amount to 8,810 million yards. Putting the estimated exports at 800 million yards, the total requirements by the end of third Plan will be around 9,600 million yards.

Ambar and Powerloom Sectors

"The revised targets of production in 1961 for various sectors are as under:

	Million yards
Mills	5,100-5,200
Handlooms	2,100
Ambar cloth	300
Powerlooms	400
	7,900-8,000

"The additional production required by the end of the third Plan is thus of the order of 1,600 to 1,700 million yards, and the next question for consideration is how it should be divided among the various sectors of the industry.

"The Ambar scheme has not been able to make progress on the scale originally envisaged, and it is doubtful if the production of Ambar cloth will reach even the second Plan target of 300 million yards. It is also doubtful how far the Ambar scheme is fulfilling its main purpose, namely, that of providing a worthwhile secondary occupation to the village folk. It might, therefore, be assumed that the scope of Ambar cloth might not be expanded in the third Plan beyond what has been allotted to it in the second Plan.

"The additional production of 1,600 million yards required by the end of the third Plan, we suggest, should be allocated between the mill sector and the handloom and powerloom sectors, in the proportion of their targets for the second Plan period. The mill sector with a target of 5,200 million yards for 1961 will thus be required to produce 6,300 million yards by the end of the third Plan, and the handloom and powerloom sectors, with a target of 2,500 million yards for 1961, will be required to produce 3,300 million yards by 1966. We have, in the following paragraphs, analysed from various angles the production that might be allocated to the various sectors and it transpires that the targets arrived at through this analysis coincide with the figures that have just been suggested.

"The production on powerlooms has expanded progressively from 278 million yards in 1956 to 303 million yards in 1957 and 331 million yards in 1958. The powerloom sector, which has been allotted a target of 400 million yards by the end of the second Plan, bids fair to reach and even exceed this target and, if the special privileges now available to the small powerloom units are continued as at present, we should not be surprised if their production reaches even 500 million yards by 1961. However, there seems to be a realisation all round that the small powerloom sector is getting away with the best of both the worlds. While, on the one hand, it pays little or no taxes and is not hampered by any labour legislation, on the other, it can produce all the varieties reserved for the handloom sector. We shall, therefore, assume that the production on powerlooms will not be allowed to exceed 500 million yards in the third Plan, although, with proper vigilance, it might and should be possible to restrain production in the small powerloom units to even smaller proportions. This means that the powerloom sector, whose target for the second Plan is 400 million yards, may be given another 100 million yards for the third Plan.

Handloom and Mill Sectors

"Out of the extra 1,600 to 1,700 million yards to be produced in the third Plan, we are left with 1,500 to 1,600 million yards for being distributed between the mill sector and the handloom sector. It is not for the industry to determine how this extra production should be divided between the two sectors, and all that we can do is to consider the various possibilities as well as the advantages and disadvantages which will flow from allotting this production to one or the other sector. The very first thing which has to be considered in this connection is the policy which is likely to be adopted towards an expansion of the handloom sector. In this connection, it would be useful to turn to the Karve Committee's report published in October 1955. In paragraph 32 of the report, the Karve Committee administers a warning that measures taken during the second Plan should not put handicaps in the way of progress or planning in the future five-year periods. The Committee then goes on to say:

"The importance and relevance of this consideration may be illustrated as follows: The objective of providing additional employment may be achieved by creating special opportunities of work for large numbers of people in productive activity carried on in ways which may yield only a very small amount of net income to them. Programmes of creation of such work would then have to be supported by direct or indirect subsidies to yield a minimum level of subsistence income. In effect, this would involve relief of the unemployed through public funds with only a very small contribution being received from the fruit of their employment. Further, if this involves either bringing in new persons who are not engaged traditionally in those occupations or creating new equipments for the purpose, it would result in the employment of labour in directions where its use is patently uneconomic. In a programme of future development, this would prove a handicap, as, presumably, these resources and personnel will soon have to be withdrawn from these uses. The same reasoning applies to the extent and duration of the protection given to existing employment in means of production which have become completely obsolete or relatively very uneconomic."

"This paragraph applies fully to the handloom industry. The earning of a handloom weaver being almost on the starvation level, the employment provided by handlooms may aptly be described as one which 'yields only a very

small amount of net income.' Handloom cloth is free from excise and additional excise duties, which amounts to an indirect subsidy, and there are direct subsidies as well. Applying, therefore, the criteria of the above paragraph of the Karve Committee's report, future progress or planning of the country would be handicapped, if persons who are so far not traditionally engaged in handloom weaving are allowed to enter this fold. In other words, while the existing handloom weavers should be provided with gainful employment, care would have to be taken to see that there is no fresh accretion to the ranks of handloom weavers.

"If this conclusion arrived at from the recommendations of the Karve Committee's report is made the basis of Governmental policy towards handlooms, the target of production for the handloom sector will have to be set in such a manner that it can be achieved only with the existing handlooms and existing handloom weavers without calling for the creation of new potential. We shall, therefore, estimate how much cloth can be produced on the existing handloom equipment.

"According to the Karve Committee, a daily production of six yards *per loom* may be expected after various technical improvements are made in the existing handlooms. That Committee also suggest that employment should be provided for 300 days in a year, which means an annual production of 1,800 yards *per handloom*. There is a wide difference of opinion about the number of active handlooms. The Kanungo Committee puts this figure at 1.2 million and the Karve Committee at 2.0 million. If it is the former, the maximum possible production from handlooms will be 2,160 million yards, and if the latter, 3,600 million yards, on the assumption that technical improvement is brought about in respect of every single handloom and that all

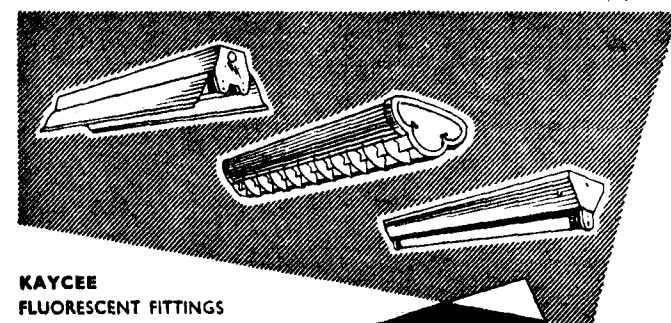
looms work for 300 days in a year. The Chairman of the Handloom Board recently gave his estimate of the number of handlooms as 2.5 million. Be that as it may, the production of handlooms in 1958 amounted to 1,800 million yards, and the point for consideration is what should reasonably be considered the production potential of handlooms in order to give to handloom weavers full-time employment on existing handlooms. We would regard 2,500 million yards as a realistic estimate of what the handlooms can be expected to produce. As the revised target of production for handlooms for 1961 is 2,100 million yards, the additional quantum to be allotted to them for the third Plan would amount to 400 million yards. The balance of 1,100 to 1,200 million yards of additional production for the third Plan should be allotted to the mill sector.

Other Good Reasons

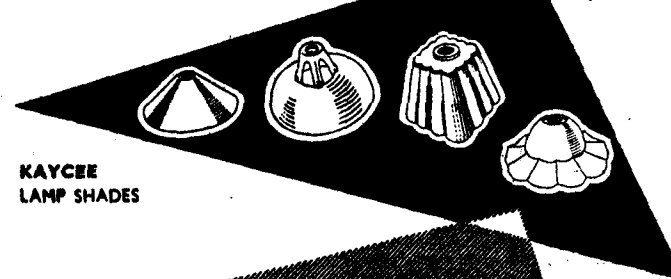
"Apart from the sound economic argument advanced by the Karve Committee for not allowing expansion of an occupation which requires subsidies to yield even subsistence incomes, there are other good reasons why it would be beneficial to the economy to allot more production to the mill sector than to the handloom sector. The mill cloth, we may assume, will continue to yield to the Central exchequer a revenue of round about 20 nP *per yard* in the shape of excise duty, additional excise duty, income-tax, etc. On this basis, for every 100 million yards allotted to the mill sector, the Central exchequer will derive a benefit of Rs. 2 crores. Over and above that, the consumer will also get his cloth cheaper, which means an advantage to the common man in terms of real income. If the mill sector is allotted 1,200 million yards, it means a benefit of about Rs. 24 crores to the Central exchequer and this will

(Continued on page 358)

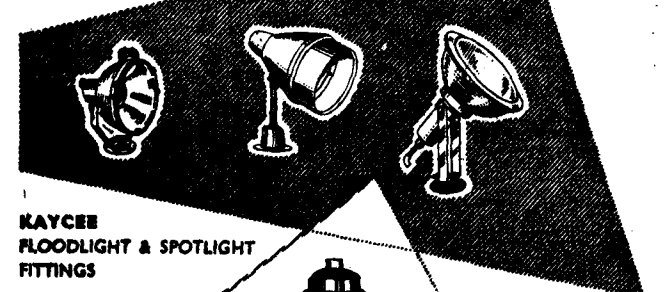
Complete LIGHT FITTINGS range...



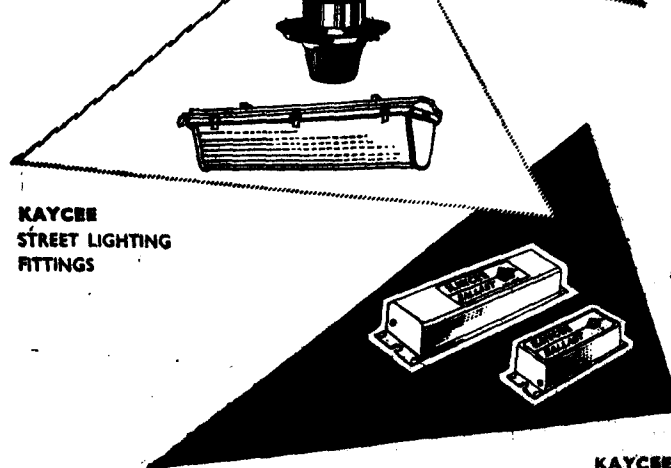
KAYCEE
FLUORESCENT FITTINGS



KAYCEE
LAMP SHADES



KAYCEE
FLOODLIGHT & SPOTLIGHT
FITTINGS



KAYCEE
STREET LIGHTING
FITTINGS

KAYCEE
BALLASTS

RADIO LAMP WORKS LTD.

BOMBAY CALCUTTA NEW DELHI MADRAS KANPUR BANGALORE
PATNA INDORE WARDHA GAUHATI

Heros

National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., and Grindlays Bank Ltd.)

Registered in London under the Companies Act of 1862 on the 23rd March 1866.
The liability of members is limited.

Bankers to the Government in
Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Capital
(Authorized and Subscribed) £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,168,579

Head Office: 26 BISHOPSGATE, LONDON, E. C. 2,
London Branches: 54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1

BRANCHES throughout India, Pakistan, Ceylon, Burma,
Aden, Somaliland Protectorate, Zanzibar Island, Kenya,
Uganda, Tanganyika Territory and Northern and Southern
Rhodesia.

The Bank conducts all classes of Banking and Exchange
Business throughout the world. Trusteeships and Executor-
ships are undertaken.

The Bank undertakes the recovery of Income Tax and the
preparation of Income Tax returns on behalf of constituents.

Bombay Branches:
90 Mahatma Gandhi Road
Mint Road (Corner of Mint Rd. and Sir P. M. Rd.)

BID TO CURB POWER OF LABOUR UNIONS IN THE UNITED STATES

BILL GETS APPROVAL OF LOWER HOUSE

THE growing power wielded by labour unions in the United States has been the subject of much concern and comment in that country. American public opinion, which has always opposed monopoly control of Government or the economy by any one group, whether it be labour, industry or trade, has now strongly reacted to the power excesses of and corruption in labour unions exposed by the recent Congressional investigations. In the teeth of opposition by organised labour, the U.S. House of Representatives has passed an Administration-backed Bill, known as the Landrum-Griffin Bill, which drastically curtails the power of labour unions.

Under a series of privileges and immunities conferred by legislative enactments designed to protect the interest of workers, the power of trade unions in the U.S. has expanded enormously. Consequently, from its comparatively weak position a century ago, labour has transformed itself into a very powerful body to be reckoned with. In fact, many in the U.S. feel that the power pendulum has swung the other way.

The biggest enterprises in the U.S. operate under the fierce blasts of intense competition, but trade unions thrive under virtual monopoly conditions. Thus, while the former are prohibited from concluding price-fixing agreement or otherwise trying to blunt the edge of competition under the anti-trust laws, labour unions are exempt from such legal restrictions. They are free to enter into nation-wide combinations for the purpose of fixing the price and conditions of labour.

No Longer the Under-dog

The workers in the United States no longer constitute the under-dog. In fact, they are powerful enough to hold the employers and the whole body of consumers to ransom. Membership of labour unions has increased from less than three million in 1933 to more than 17 million now. Taking into account the worker's family members, the total voting strength controlled by unions amount to 30 to 40 million. According to the estimate of the National Industrial Conference Board, the unions collect a minimum of \$620 million (about Rs. 300 crores) annually as dues. Employee pension funds run into billions. Mr. Donald R. Richberg, in his book *Labour Union Monopoly*, summed up the changed position of labour in the U.S. thus:

"Fifty years ago, the picture of the labour union as a weak, idealistic organisation of down-trodden workers, struggling against an oppressive concentration of property power, was often accurate. Any such picture of an established union today is not merely ridiculous; it is wilfully or ignorantly untruthful."

It must be noted that American public opinion is not averse to labour enjoying its due position and influence in the affairs of the nation. But there has, of late, been repeated charges against unions. One of the charges is that their powers are being misused. Labour intellectuals themselves, whose sympathies are generally with workers and their leaders, have expressed the view that the unions are taking too much from the workers. To take one instance. Prof. Kermit Eby of Chicago University, and at one time Director of Education and Research for the Congress of Industrial Organisations, one of the federating units of the A.F.L.-C.I.O., has observed: "unions are failing at the point of the strongest claim for their existence: respect for human dignity." There have also been corruption and misuse of funds. These have been brought to light by successive Congressional investigations.

Strong Public Reaction

Public opinion in the U.S. has, therefore, now crystallised strongly in favour of clipping the power wings of labour unions. And, in response to pressure from the Administration and members of both the political parties for legislation to correct abuses, the Senate passed in April last a labour reforms Bill, sponsored by Senator John F. Kennedy. The Bill attempted a compromise between the liberal and conservative views on the subject, with the result that it satisfied neither group. A fresh start was made and, after a month of debate in the Labour Committee of the House of Representatives, three different Bills emerged—the first, sponsored by Mr. Carl Elliot (Democrat), the second, sponsored jointly by Mr. Phil-Landrum (Democrat) and Mr. Robert Griffin (Republican), and

the third by Mr. John F. Shelly (Democrat). The Elliot Bill enjoyed the majority support of the Labour Committee, while the Landrum-Griffin Bill was supported by the Administration. The Shelly Bill was acceptable to labour but had little support in the House and it was, therefore, not reckoned as a serious contender for Congressional approval.

One thing common between these Bills is that all the three contain sections aimed at preventing corruption and racketeering and provisions requiring unions to make detailed financial statements. But, on many other issues, there are wide differences. The conservatives think that the Elliot Bill is much too soft on labour, while labour union leaders consider the Landrum-Griffin Bill as outrageously hard on legitimate trade unionism.

Basic Differences

The real differences between the two Bills concern boycotts and picketing. President Eisenhower lent weight to a third issue, in his broadcast talk on TV, namely, the so-called "no-man's land" problem in labour relations. The problem springs from the existence of some areas where the National Labour Relations Board (N.L.R.B.) refuses to assert federal jurisdiction because the number of workers involved is too small but where State laws do not clearly apply.

The differences in the approach of the aforesaid Bills to the main issues, have been summed up by the *New York Times* thus:

Rank-and-file rights: The Kennedy Bill and the Elliot Bill contain a broad code of union members' rights to protect the rank and file against leadership abuses. The Kennedy Bill contains criminal penalties for violations; the Elliot Bill contains

civil remedies. The Landrum-Griffin Bill, on the other hand, contains a more stringent code of rights, makes it enforceable by the Secretary of Labour or Federal courts, and provides criminal penalties for violations.

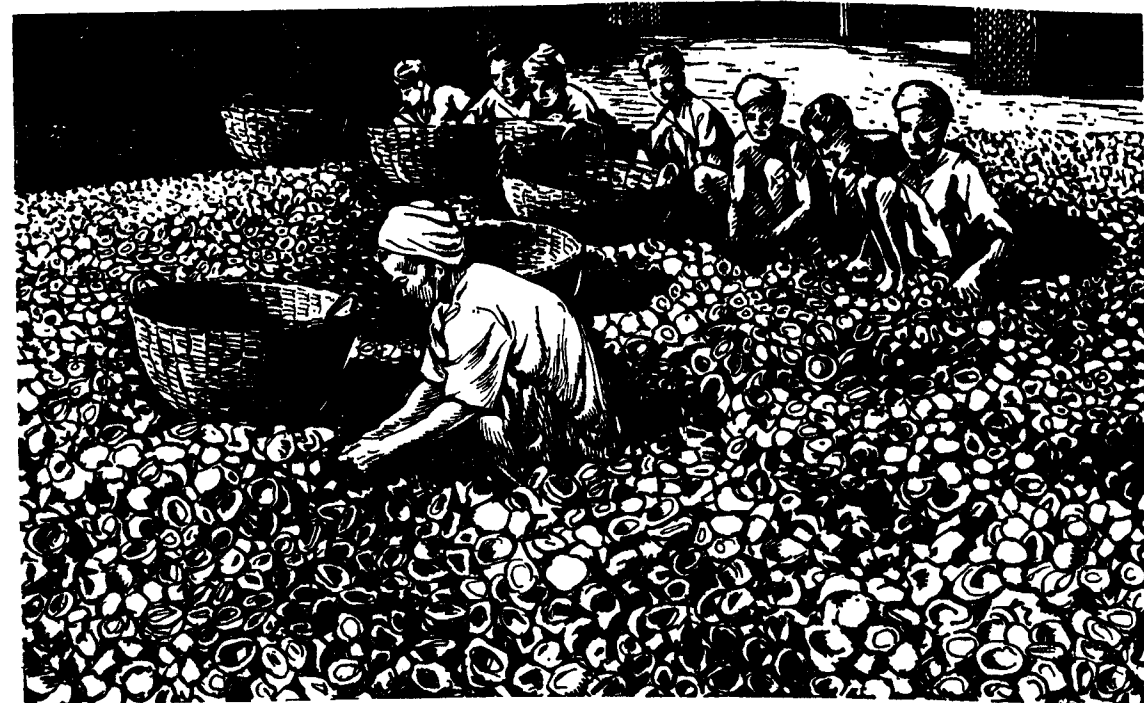
Picketing: The Kennedy and Elliot Bills bar picketing to force an employer to recognise a union if the employer has already recognised another union or if, within the preceding nine months, the union seeking to picket has lost a plant election. The Landrum-Griffin Bill would outlaw picketing for purposes of union organising, harassment of employers or pressure for union recognition unless the union could show it had considerable support among plant employees....

Secondary Boycott: The boycott, in origin and practice, for many years was accepted by society as a civil rebellion against injustice. Today's problem is a development, if not a corruption of the old-fashioned consumer boycott. It is called a "secondary boycott," because, by definition, it involves a secondary employer who is affected by strike or other economic pressure as a way of punishing the primary employer. In other words, if one union can get one (secondary) employer to stop buying materials from another (primary) employer, the primary employer may come to terms with it. The secondary employer sometimes, but not always, is an innocent victim....

The Taft-Hartley Act bars the secondary boycott but there are certain loopholes in the law. Under one such loophole, the International Brotherhood of Teamsters refuses to handle cargoes to or from firms involved in labour disputes; this is embodied in Teamster contracts as the "hot cargo" clause.

The Kennedy and Elliot Bills would outlaw the "hot cargo" clause but would not deal with other forms of secondary boycotts. The Elliot Bill also contains a safeguard for unions; it would prevent them from being penalised if they refuse to cross a picket line at a plant other than their own. The Landrum-Griffin Bill, more stringent than the others, would outlaw the "hot cargo" clause and other forms of secondary boycott. All three Bills seek to end the so-called "no-man's land" problem in labour relations. Under the Kennedy Bill the N.L.R.B. would retain jurisdiction but could cede its jurisdiction to State labour relations agencies. Under the Elliot Bill, the Board must assert its jurisdiction in all areas where State laws do not apply.

The contest between the sponsors of the
(Continued on page 358)



How banking helps the COCONUT OIL INDUSTRY

India ranks second among the coconut growing countries of the world. During the Second Five Year Plan, the Coconut Oil Industry, which is almost exclusively South Indian, has to fulfil a target of 210,000 tons!

Banking has greatly helped in the rapid growth of this industry. The facilities and guidance of a good bank, such as the availability of ready funds when needed, and the collection of dues in any part of the country, are an essential part of good organisation in the industry.

We at Palai are proud that so many leading coconut oil producers of South India employ the complete banking service we offer.

Current Accounts—Demand Drafts—
Telegraphic Transfers—Investments—
Letters of Credit—Bill Collection—
Deposits—Loans and Overdrafts—
Confidential Credit Reports, etc.

PALAI CENTRAL BANK LTD.

Branches:
MADRAS: 362, Esplanade.
MADURAI: 73, South Main Street.
BANGALORE: 25, Mahatma Gandhi Road.
MANGALORE: Light House Hill Road.

21 OTHER BRANCHES IN IMPORTANT CENTRES IN INDIA

PC. 9273

Union Bank of India Limited.

(ESTD: 1919)

Head Office:
Union Bank Building
Apollo Street
BOMBAY-1

★

WITH WORLD-WIDE CONNECTIONS
WE ARE FULLY EQUIPPED TO
HANDLE EVERY KIND OF FOREIGN
EXCHANGE BUSINESS

CALL AND FIXED DEPOSITS
ARE ACCEPTED AT ATTRAC-
TIVE RATES

F. K. F. Naziman, General Manager.

★

FOR
INTERNATIONAL
AND
DOMESTIC
BANKING SERVICE

CONSULT

THE BANK OF TOKYO LIMITED

(Incorporated in Japan under the special law)

30 Overseas branches and representative offices
and

1 Affiliate Bank 1 Trust Company

All information concerning foreign trade
available

All the latest information in respect of the
Japanese pattern of industry and business
and the names of all the principal industrial
manufacturers and manufactured com-
modities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital	Rs. 8,00,00,000
Subscribed Capital	Rs. 4,00,00,000
Paid-up Capital	Rs. 2,00,00,000
Reserve Fund	Rs. 1,48,00,000

Working Funds
(31.12.58) ... Over Rs. 114,00,00,000

BRANCHES ALL OVER INDIA AND
ABROAD.

AGENTS THROUGHOUT THE WORLD.
PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA S. T. SADASIVAN.
Chairman. General Manager.



The story of Sulekha is that of a mission in operation. A humble beginning faced prolonged days of struggle. Research continued.

Sulekha service was widened by introducing other products. In no time, Sulekha Ink made a name for itself that out-rivalled imported brands. To-day Sulekha commands the highest sale. Quality has scored.

But Research continues. An additional unit of production is in the making. The spirit of service lives to march ahead.

25 Years of Service to the Nation

Sulekha WORKS LIMITED

CALCUTTA • DELHI • BOMBAY • MADRAS SW-26

ANNOUNCEMENT

Two More Offices in the South

We have pleasure in announcing that under the scheme of our steady expansion, we are opening two more offices of our Bank shortly at

COIMBATORE AND SALEM

All kinds of Banking business including foreign exchange will be transacted.

THE ANDHRA BANK LIMITED

Head Office: MASULIPATNAM

T. R. BHAGAVAT, B.A., B.L.
General Manager.

TOBACCO DIRECTORY

containing names and addresses of wholesale dealers, commission agents, grower-curers, warehouse-keepers, manufacturers and exporters, handling 2,000 mds. or more of different varieties of Indian tobacco, prominent tobacco growers, tobacco growers' and traders' associations and co-operative societies, importers of Indian tobacco in different countries, Indian Government Trade Representatives abroad and Trade Representatives of Foreign Governments in India is to be published shortly by the

INDIAN CENTRAL TOBACCO COMMITTEE

Those who desire their names to be included in the Directory may furnish information before 15th September, 1959 in the prescribed proforma which can be obtained on request from the

Secretary, Indian Central Tobacco Committee
38, Mount Road, Madras-6

U.S. INVESTMENT IN EUROPE CONTINENTAL COUNTRIES PREFERRED TO U.K.

[In the context of India's need for foreign private capital, this article, prepared by the Economic Research Department of the Chase Manhattan Bank and published in its latest Report on Western Europe, will be found interesting by our readers. In it, the authors have brought out the factors that attract U.S. private capital to Western Europe and the prospects for this capital movement, following the formation of the Common Market. It will be noted that total U.S. investment is significantly higher in Britain than in any other European country. Within the Common Market area, both Holland and Belgium have attracted the most American capital relative to their size. By industry, over half of U.S. invested capital in Western Europe is in manufacturing industries (mainly machinery, autos and chemicals). Almost 30 per cent. is in petroleum, the balance in trade, mining, public utilities, finance and other industries. There are, however, substantial differences by country. Britain has relatively more investments in manufacturing. Holland has more in oil. Italy has more in both oil and other non-manufacturing industries. It will also be noted that the main reasons for U.S. capital preferring Continental countries to the U.K. is that, in respect of taxes, labour, raw material costs, growth prospects, tariff structure and geography, the situation in these countries is more favourable than in the U.K. The conditions provided by Italy, Holland and Belgium are very tempting and deserve to be carefully studied in this country, so that it may know what more could and needs to be done for attracting foreign capital.—Ed.]

IN less than ten years, U.S. industry has almost trebled its investment in Western Europe. This is so-called "direct investment," representing both new capital and reinvested profits of U.S. companies operating in the area. In 1950, total investment in Europe was \$1.7 billion. It is now an estimated \$4.5 billion—and growing even more rapidly under the impact of the European Common Market.

There have recently been a number of well-publicised moves of U.S. industry in Western Europe. Du Pont, for example, announced in late 1958 that it would set up plants in both Holland and Belgium. Westinghouse International has concluded several agreements with French firms in the nuclear energy field. The Container Corporation of America made two recent moves in Germany. Such steps—and there have been many more—all indicate wide-scale American participation in the first stages of the Common Market.

This new interest in the European market prompts several questions. For example:

How important are U.S. investments in Europe?

Will the Common Market change the established pattern of investment?

Which countries and which industries are attracting U.S. Capital?

Behind the Figures

Measured by some yardsticks, U.S. investment in Western Europe does not look very significant. It is, for example, less than half of the U.S. capital invested in either Canada or Latin America. And the annual flow of American capital to Europe—recently some \$400 million a year—is only about 1 per cent. of the total amount invested each year in the European economy and is less than 1 per cent. of domestic investment in the U.S.

These comparisons overlook some basic facts about U.S. investments in Europe. In the past, such investment has been largely concentrated in one country (Britain), confined to a few industries, and pretty much a large company affair.

As it now stands, Britain has almost half of all U.S. capital invested in Western Europe. Almost 85 per cent. of this is in oil and manufacturing industries (autos, chemicals, machinery). And the ten largest U.S. companies in the U.K. account for almost two-thirds of such capital. This same concentration holds true on the Continent. In Holland, 56 per cent. of all U.S. investment is in oil. Just three U.S. companies account for close to half of American investments in Germany.

Put in this framework, it can be seen that American capital is already more important than the figures suggest. Subsidiaries of Standard Oil of New Jersey, Ford and General Motors are among Germany's largest companies. A G.M. subsidiary is France's largest producer of refrigerators. In the U.K., the 400 or so U.S. and Anglo-American firms account for over 10 per cent. of all British manufacturing exports.

This has been the post-war pattern of American investment in Europe—highly concentrated by country, by industry and by company. Now, under the impact of the Common Market and the accelerated flow of U.S. capital to Europe, this pattern is gradually changing.

The New Pattern

Over the long run, the U.K. can be expected to lose its "lion's share" of American capital in Western Europe. Britain alone now has more U.S. investment than the six Common Market countries (Belgium, France, Germany, Italy,

Luxembourg and the Netherlands) combined. U.S. investments in the U.K. will continue to expand, of course, but investments will be expanding faster on the Continent. Actually this trend had started to develop gradually before the Common Market. From 1950 to 1957, U.S. investment in the Common Market area increased 145 per cent.—compared to 124 per cent. in the U.K.

This long-term shift is not alone due to the uncertainties surrounding Britain's relationship to the Common Market. It is the much more basic fact that growth in the six Common Market countries has been substantially higher than in the U.K. If this trend continues, relatively more capital will flow to the Continent. Just the idea of the Common Market has dramatised the growth potential of the wider "European" market, as opposed to any single national market.

The net result is that more and more U.S. companies are moving on to the Continent. They include U.S. firms in the chemical, rubber and machinery fields, many of whom in the past considered the U.K. as the main base of their European operations. And they include many U.S. firms who are making their first venture into the European market.

Another change under way is in the means of financing European ventures. In the post-war period, most of the increase in U.S. investment in Europe came from reinvested profits of large wholly-owned subsidiaries. The current trend is towards more new capital from the U.S., and more joint ventures with foreign firms. In addition, there is more diversification in U.S. investment. In the U.K., there is a new interest in electronics and atomic energy by American companies. In Italy the activities of U.S. business are expanding beyond oil and chemicals into appliances, food processing and light metal goods. In the Benelux area the new U.S. ventures include machine tools, construction and special fields in engineering. Medium-sized and smaller companies are important in all these industries within the U.S.—many of them are beginning to invest in Europe.

No Losers in Common Market

One of the interesting facts about the flow of American capital to the Common Market areas is that all countries are sharing in it. This is important since it supports the central idea of the Common Market that all of its members will gain over the long run.

Take Italy, for example. In terms of U.S. investment per capita, she has always ranked behind her Common Market neighbours. Recently, Italy has attracted U.S. capital faster than any other country. In 1958, some \$173 million of private foreign capital went into Italy—almost half of which was of U.S. origin. Much of this is based on Italy's potential gains under the Common Market. There is little doubt that the first rank of Italian industry—companies such as Fiat in autos, Montecatini in chemicals, Olivetti in office machinery—will do well in a

U.S. Investments by Country
(As of December 1957)

	Belgium	France	Germany	Italy	Holland	Britain
Total U.S. investment (million \$)	156	457	496	228	213	1,800
U.S. investment per capita	17.90	10.30	9.80	4.90	19.20	37.70
By industry—						
Manufacturing ..	57	58	54	31	21	88
Petroleum ..	58	32	80	46	56	21
Trade ..	18	5	10	5	11	8
Others ..	2	10	6	18	12	8
Total ..	100	100	100	100	100	100

Source: U.S. Department of Commerce and The Chase Manhattan Bank.

large European market. Many U.S. firms see equal opportunities—based on Italy's large pool of low cost labour, a rapid rate of industrialisation and special tax incentives in the underdeveloped south of Italy.

Meanwhile the other Common Market countries are also attracting U.S. investments. In France, the plus factors for American companies have always been a rich home market, close ties with French overseas markets, skilled labour and a rapid rate of industrial growth. Most of the post-war growth in American investments in France has come from reinvested capital of well-established U.S. subsidiaries. Indications are that more new capital will be moving into France in the next few years—attracted in part by the new financial stability which seems to be emerging after the 1959 reforms.

Holland has attracted U.S. firms for a variety of reasons—geographical location shipping and excellent banking facilities. Dutch labour costs are relatively low and corporate taxes are moderate, particularly with the accelerated depreciation and special investment deductions that are available for foreign companies. Also, the Dutch authorities have actively encouraged U.S. investments. In 1958, some 23 U.S. companies set up new branches in the Netherlands, compared to an annual average of seven in the three years 1955-57.

Belgium has vied successfully with the Netherlands in attracting American capital. In 1958, it was a case of matching the Dutch virtually company for company, since 24 U.S. firms moved into Belgium. As a country, Belgium offers highly skilled labour, a high level of productivity, and good trade, technical and banking facilities. Belgium has also been strongly oriented towards private enterprise (no sector of Belgian industry has ever been nationalised). Tax laws are favourable, particularly for growth companies that are planning to finance expansion through reinvested profits.

In Germany, the advantages are a booming economy in which technological advances have been rapid, strong export markets and a fully convertible currency. German tax legislation is extremely favourable for companies planning to pay out large dividends—since the tax is only 15 per cent. on distributed earnings.

These are just a few of the factors which are influencing the location of American investments in the Common Market area. Needless to say, there are important differences in the economic advantages offered by each country. However, under the economic integration and "harmonisation" envisioned in the Common Market, some of these will disappear over the long run. In fact, a good case can be made that the basic factors taken together—taxes, labour and raw material costs, growth rates, existing tariff structure, geography, attitudes towards foreign investment—already tend to balance out in the six countries. Because of this, it is quite probable that no one Common Market country will have a marked advantage over the others in attracting American capital.

Future Significance

In the move towards economic integration of these six countries, U.S. investment can play an important role. Under the Common Market, Europe's industrial structure is already changing. European companies are merging into larger units—often with American partners.

In this process, one of the major contributions of American capital, as it moves into the Common Market, will be the managerial and technical skills that go with it. Over many years, U.S. industry has developed techniques which up to now have been suitable only for the large American market. Now these are being transplanted to Europe.

Thus, the rise in living standards envisioned in the Common Market will include a good dose of American "know-how," mass production, even products developed by U.S. companies. And competition from U.S. companies will play a role in spurring the growth of effective competition inside Europe. As such, it is not just a case of U.S. investment being attracted to the Common Market and Western Europe. Such investment can also make a significant contribution to the success of the Common Market and to future European growth and prosperity.

May
we
oblige?



There is more to buying non-ferrous metals from abroad than meets the eyes. Metal Distributors—experienced importers of non-ferrous metals for the past many years—offer you their contacts and experience. Their intimate knowledge of international markets and wide resources will give you the advantage of the best terms and lowest prices. Why not give the specialised man the job?

METAL DISTRIBUTORS PRIVATE LIMITED

38 Strand Road, Calcutta-1

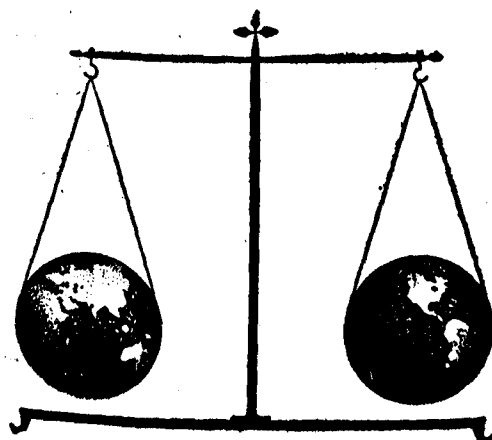
Branches:

12/18 Vithalbhai Patel Road, Bombay-4.
Dhondhikatra, Mirzapur.

London Associates

Metal Distributors (UK) Ltd.
13-14, King Street, London E.C. 2

MO-2 EVEREST



In both hemispheres . . .

... there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA
BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

It's
Crystal clear..

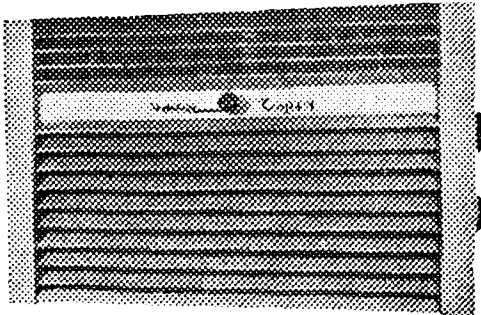
more
people
buy
'Crystal'

than
any
other
room

air conditioner

because:

- 1 the 'Crystal' has more than one ton cooling capacity
- 2 the 'Crystal' has universally adjustable air-flow
- 3 the 'Crystal' protrudes less than three inches into the room
- 4 people have confidence in Voltas' unrivalled after-sales service, that never lets them down



LIKE YOU



...AND YOU



...AND YOU



...AND YOU



...AND YOU

Crystal trimline

ROOM AIR CONDITIONER

MADE, SOLD AND SERVICED BY

VOLTAS

THE PEOPLE WHO KNOW AIR-CONDITIONING BEST

VOLTAS LIMITED Head Office: Ballard Estate, Bombay 1

Calcutta • Madras • New Delhi • Bangalore • Cochin • Ahmedabad • Secunderabad • Lucknow • Coimbatore

MANUFACTURE OF LOW-PRICED CAR AUTOMOBILE COMMITTEE EXAMINES PROSPECTS

THE search for a low-priced car is proving even more of a will-o'-the-wisp than had been feared before. The Automobile Committee (Chairman: Mr. L. K. Jha), which is now engaged in investigating, among other issues, the prospects for producing a low-cost vehicle, is faced with evidence which leaves no one in doubt that the day is far off when a Rs. 5,000-7,000 car can be seen on the road. This must hurt the industrial pride of India, considering that few industries in this country commenced their career with a greater appeal to popular imagination than the automobile industry. A low-priced car, within the means of the middle-income groups, has for long remained a tantalising objective. The more one approaches it, the more it recedes. The result is that it remains where it was—a distant possibility rather than something within the realm of practical economy.

The history of automobile industry is a story of missed opportunities, shortsighted policies and thoughtless misadventures. But nothing has perhaps contributed more to its misfortunes than the Central and State Governments' inability to reconcile themselves to a lower level of taxation on the motor vehicle and petrol. The motor car has invariably been the red rag to the Indian socialist bull. An important consequence of this attitude has been that, in Parliament and the State Legislatures, all decisions affecting the fortunes of the industry or the owners of motor cars are loudly acclaimed as great socialist measures. This has intensified the problem of the restricted market which, in turn, has prevented the industry from utilising mass-production methods which alone can serve to reduce costs. India now presents a depressing contrast to other industrial countries. It faces a restricted market, whereas other automobile manufacturing countries, in an effort to meet a rising demand, are scrapping old plants and production methods, in order to replace them by technologically advanced plant and automation techniques.

Terms of Reference

The Automobile Committee's present task is, of course, much wider than the search for a low-priced car, though it is the latter aspect of its investigations that has attracted wide notice in its public inquiries. The principal terms of the Committee's terms of reference are:

(1) to review the progress of the automobile and ancillary industries and recommend measures to increase the indigenous content of the different vehicles in the shortest time, keeping in view the targets and schedules envisaged in 1956, when the manufacturing programmes of the different producers were approved;

(2) to recommend measures to be taken to reduce the cost to the consumer of different vehicles (car, jeep and truck) under manufacture by the automobile industry and suggest the most appropriate pattern of organisation for the future expansion of the industry to ensure low-cost production;

(3) to examine the feasibility of producing a low-cost passenger car within the price range Rs. 5,000-7,000, including within the scope of such examination not only schemes previously presented to Government, but also other models of cars that have been developed in different countries and suggest ways and means of manufacturing such a car in the country;

(4) to recommend targets of production of different types of vehicles for the third Five-year Plan; and

(5) to indicate the financial implications, including foreign exchange, and development programmes that might be suggested under (1), (2) and (3) mentioned above.

In view of the great importance of the automobile industry to national economy, the Government might have been well advised to have formed a more broad-based committee. Since it may not be possible to do so now, the least the Government should do is to provide sufficient facilities for the Committee to make a good job of its task and, if necessary, extend the time for submission of its report. The Committee must go into the causes which impede a rapid increase in the output of automobiles. It may be mentioned here that it is estimated that production this year is likely to reach 34,500 vehicles (13,000 cars, 5,500 jeeps and 16,000 trucks), as against 25,631 vehicles (8,113 cars, 4,118 jeeps and 13,400 trucks) in 1958 and 31,735 vehicles (12,171 cars, 3,899 jeeps and 15,665 trucks) in 1957. The types of vehicles, as is well known, have been rationalised to three passenger cars, three medium type trucks, one

heavy truck, one jeep and one light truck. Cars: Standard Ten; Fiat 1,100; Hindustan Ambassador/Landmaster; trucks: light (1 ton) Dodge (petrol and diesel), medium (3-5 tons) Dodge (petrol); Mercedes-Benz (diesel) and Bedford; heavy: (5 tons and above) Leyland Comet, Tiger/Titan, and jeeps: Willy's jeeps. Production of vehicles is still far below current demand and very much below estimates of prospective demand, which, according to the Tariff Commission, is likely to reach 65,000 vehicles by 1960-61 (20,000 cars, 40,000 commercial vehicles and 5,000 jeep type vehicles). It is not clear whether this estimate takes into account any backlogs in demand that are likely to persist by 1960-61.

DKW Car

An important development in the sphere of automobile production is the light car project of the Tata Locomotive and Engineering Company, Ltd. It would appear that the Company has submitted to the Committee a detailed project for the manufacture under licence of a small German car of advanced design. The Company's foreign collaborators, Messrs. Daimler-Benz, it is stated, have acquired a controlling interest in Messrs. Auto-Union G.m.b.H., the makers of the well-known DKW light car. Messrs. Auto-Union have agreed to licence T.E.L.Co. for the manufacture of the car at Jamshedpur. The project, which is based on an output of 12,000 vehicles per year, will involve a capital expenditure of Rs. 14 crores (inclusive of housing facilities) over a period of four years. The car is likely to sell at Rs. 6,950, ex-factory. The Chairman, Mr. J. R. D. Tata, has expressed his confidence that "for a car of such high quality, performance and sales appeal, there would be no difficulty in disposing of the entire output."

While the above project is still in the blueprint stage, the Automobile Committee is engaged in collecting evidence as to whether a low-priced car is within the realm of possibility. The Committee is also engaged in the study of the other aspects of the automobile industry, covered by its terms of reference. Three independent studies, according to the Chairman, are now in progress. First, a team of cost accountants is examining the cost structure of the industry. Secondly, a technical sub-committee is assessing the progress as well as the problems of the industry on the technical side. Thirdly, a study group is examining the problem of future demands for automobiles during the third Five-year Plan. As regards the problem of producing a low-priced car, the Committee, at its sitting in Madras, was told that the present set of production of models was unsuitable for the manufacture of cars at a low cost. Further, the witnesses urged the creation of a suitable climate in the country by giving relief in taxation and making available raw materials at reasonable prices. At its sitting in Bombay, the evidence led before the Committee was to the effect that a people's car in the price range of Rs. 5,000-6,000 could not be produced in the absence of a widespread ancillary industry, good roads and cheap rail freight for transporting

vehicles. It was pointed out to the Committee that the freezing of models might be helpful in reducing costs of production, provided such a measure did not hamper the progress of the industry.

In assessing the problem of producing the low-priced car, it is well to bear in mind that, in the early stages of automobile manufacture, the understandable anxiety to maximise indigenous content may conflict with the objective of low-cost production. It must be said to the credit of automobile manufacturers that, by and large, they have sought to increase the indigenous content of their vehicles. The break-down of domestic content of different automobiles—arrived at by comparing the c.i.f. price of imported components with ex-factory cost—is: Standard Ten 49.4 per cent., Fiat 1100 56.6 per cent., Hindustan Ambassador 73.4 per cent., jeeps 66.1 per cent., Dodge (3-ton) 62.0 per cent., Mercedes-Benz 64.4 per cent., and Leyland Comet 52.0 per cent. It is believed that, by the end of the second Five-year Plan, the indigenous content of the cars and vehicles will be raised to 75-85 per cent. on an average. A wide-spread ancillary industry—a complete automobile is built up of as many as 4,000 to 5,000 components—specialising in the production of one or more components could, of course, serve to reduce production costs. In the West, an automobile manufacturer produces only 35 to 45 per cent. of the total components he needs and buys the rest from the ancillary industry. In India, there are 44 units engaged in the production of such components as piston assembly, cylinder liners, thin-wall bearings, valves, fuel injection equipment, radiators, brake linings, leaf springs and spark plugs. The Automobile Committee will do well to investigate whether there is scope for reduction in manufacturing costs by the units of the ancillary industry.

Lower Prices

The Committee could, with advantage, examine whether the models now being produced cannot themselves be sold at lower prices. This might be a more practicable alternative to producing a new small-sized car which might not fit into the context of the unsatisfactory nature of India's roads, the relatively large size of an average Indian family, and the scarcity of resources. Whichever way the matter is looked at, it should be clear that the essence of the problem of producing a low-priced car lies in enlarging the market for cars. The vicious circle of a limited market and high-priced cars must be broken. The one point where it should be broken is at the production side. Economy in production costs by streamlining production, increasing man-hour productivity and providing facilities for ancillary industry should receive high priority. The other point at which it should be broken is the consumer end. By appropriate relief in taxation, the cost of car as well as maintenance costs could be reduced. This would serve to enlarge the market which, in its turn, could facilitate larger production and lower costs.

JET AGE

It has been known for sometime now that the jet age in aviation is here to stay. By its sheer speed, the jet plane is bound to make a compelling appeal to the world's air travellers. A typical jet plane can travel at a speed of nearly 600 miles per hour, as against the conventional planes' 350 m.p.h. It can thus complete the journey round the world in about 32 hours, or 2 hours less than day's scheduled flying time, from New York to Bombay. The economics of jet operation has, however, remained a subject of some speculation. As against its speed and larger carrying capacity, which are the jet's chief advantages, must be set its higher cost, which is almost double that of an ordinary plane.

Available evidence, however, seems to suggest that the jet plane is worth its higher cost. Thus, according to the Air Correspondent of the *Financial Times*, the TWA will shortly announce operations inside the U.S. He also cites the evidence of the Pan American's Atlantic Division operations in the first three months of this year. During this time, the airline was running regular daily jet flights between the U.S. and Europe. The Division sustained a loss of only \$3.1 million, as against \$4.9 million in the same period of 1958. A good deal of this improvement, according to the correspondent, is "attributable to jet travel, with types."

It is reasonable to expect that, as jet traffic increases and more and more airlines equip them-selves with jet planes, the costs of operation as well as of equipment will decline. Already, the B.O.A.C.'s Comets and Pan American's Boeing 707's began Atlantic operations last autumn, some 500,000 people are estimated to have flown in jet planes on various routes so far. Of these, nearly

(Continued on page 358)

NEW PRODUCTS AND PROCESSES

Nylon from Sugarcane Waste

AN important material used in the production of nylon—the popular textile fabric of the fashionable city folk—is sugarcane waste which the village people can spare in large quantities after extracting juice.

Sugarcane waste, called bagasse, consists of fibrous and pithy materials left after the extraction of juice. Although it is used as a fuel in all sugar factories for producing steam to work engines and pumps and also for boiling the juice, large surpluses develop, particularly in Uttar Pradesh and Bihar, as a result of increased efficiency of boilers and the development of special varieties of sugarcane.

Bagasse also contains pentosans and Lignins, besides fibrous material. On being treated with an acid under special temperature conditions, Pentosans yields a light yellow oily liquid called fufural. This forms the starting material for production of nylon.

Besides being used in the manufacture of nylon, fufural has wide industrial applications. It is used in petroleum industry as a solvent for refining high grade lubricating oils and in the manufacture of synthetic resins.

The cost of production of fufural, however, is found to be high on account of the costly acid which is used for treating bagasse to yield fufural. The National Sugar Institute, Kanpur, is, therefore, working on a different process of the manufacture of fufural which would eliminate the use of this costly acid. The results achieved so far are very encouraging.

Since bagasse can be obtained in large quantities, there is large scope for the manufacture of fufural at a low cost which will result in increased production of nylon. This could enable the country to meet the home demand and also have an exportable surplus.

Adulteration Test for Ghee

The Central Food Technological Research Institute, Mysore, has worked out two simple modifications of the Baudouin test which is applied for detecting adulteration of ghee with hydrogenated vegetable oil, known as vanaspati. These modifications are intended to overcome one big drawback which made it difficult for the layman to employ the test.

Under the Baudouin test, an alcoholic solution of fufural is added to the sample under test in the presence of hydrochloric acid. If the ghee is adulterated, a pink colour comes over the sample.

However, fufural is not stable under ordinary conditions of storage and it is liable to undergo discoloration. It has, therefore, to be distilled afresh before use. With the modifications worked out at the Mysore Institute, it will now be possible to get the amounts of fufural and hydrochloric acid required for a single test in separate sealed

glass ampoules. In this way, the properties of fufural can be preserved for at least three months.

The second modification involves the use of hydrofuramide powder in place of fufural. This powder, if protected against light and moisture, can be preserved for three months and fufural can be obtained from it instantaneously on treatment with hydrochloric acid. Under the modified system, the test can be performed on ten drops of ghee and adulteration to the extent of 10 per cent. or more with vanaspati can be detected.

Stasol

A new product of considerable importance to the textile industry is claimed to have been developed by Messrs. Arshaws, 7/10, Horniman Circle, Bombay-1. Styled Stasol, it is a silicate-free stabiliser for hydrogen peroxide bleach bath. Sodium silicate is universally used as a stabiliser in peroxide bleach bath and today the long-felt demand for non-silicate stabilisers has been adequately met by products like Stasol. Insoluble silicate salts are formed in hydrogen peroxide bleach bath when sodium silicate is used and these are deposited in the form of scales on the bleaching equipment, these scales affect adversely the metallic surface and entail considerable labour and loss of time in descaling; as also insoluble silicates are carried over by the bleached material resulting in higher ash content and harsh feel to the fabric. Stasol, its makers claim, is free from all these drawbacks common to sodium silicate. Since Stasol works at a lower pH concentration there would be little chance of the formation of oxy- and hydrocellulose. Lower alkalinity with Stasol in the bleached bath, coloured goods, wool, silk and other artificial fibres could be bleached with hydrogen peroxide more conveniently. Furthermore, Stasol has a remarkable property of sequestering, that disperses any metallic particles present in bleach bath, thus preventing rapid oxidation of bleach bath and the formation of oxy- and hydrocelluloses on the bleached fabric. In fine, Stasol is said to have scored on all points as a stabiliser for peroxide bleach bath and it can replace the conventional sodium silicate with advantage.

Spectrometer

A British firm, the Metropolitan-Vickers Electrical Company, Ltd., has manufactured the first production model of a new mass spectrometer—an instrument designed specifically for measuring minute impurities in solid substances by a technique known as spark ionization. The instruments are being produced in the first instance for Britain's National Physical Laboratory, the Services Electronics Research Laboratory, and the Atomic Energy Authority. Orders have also been received from France and the United States. The spectrometer is claimed to be of invaluable use in fields of science and engineering where it is essential to use materials of the highest purity.

such as in nuclear engineering, semi-conductor research and manufacture, and in the development of non-ferrous metals and alloys.

Radio Transmitter

Another British firm, Marconi's Wireless Telegraph Company, Ltd., has announced that two of its engineers have developed a high-frequency (short-wave) radio communication transmitter of revolutionary design. It is claimed that it is the only equipment of its type which can simultaneously radiate two or more completely independent transmissions on entirely different wavelengths.

The secret of the new transmitter is a device known as a distributed amplifier. This, unlike the conventional types, dispenses with tuning controls entirely. The first production equipment to embody the new concepts—the one-kilowatt Marconi HS-113 transmitter—is now on offer to world markets.

Plastic Rope

A new plastic rope made from polypropylene is undergoing tests in Britain on a supertanker. Tests carried out earlier showed that a 7-inch circumference hawser could safely hold on its own a smaller tanker in winds which were so strong that two tugs could not hold the tanker in check. The rope, its makers claim, not only has high strength, but also resistance to rot and mildew. It is waterproof, and has good resistance to chemical attack. It is also very light—a manila rope weighs about two and a half times as much as a polypropylene rope of equivalent strength.

Food for Space Travellers

Food for space travellers poses one of the difficult problems facing future space flights. Scientists at the Massachusetts Institute of Technology are conducting research in the hope of finding the answer. If three men were to take a "short" space journey lasting one year, they would need at least five tons of food, oxygen and water if these substances were used in their natural form. A trip to Mars would take three years and the three travellers would need 15 tons of food, oxygen and water. Dr. Bernard E. Proctor, Head of M.I.T.'s Department of Food Technology, concludes that food for space travellers must be greatly reduced in size and weight and yet retain its high energy. How this can be done in the most effective manner is as yet unknown.

Ceramic Magnets

The Institute of Automobile Electrical Equipment, U.S.S.R., has produced a ceramic magnet which is pressed from iron oxide and barium oxide powders, caked in an electric furnace and then placed in a magnetic field. On an experimental basis 100,000 ceramic magnets have been produced. Mass production will be launched at two factories. Substitution of ceramic magnets for the conventional magnets consisting of nickel and cobalt alloys, it is said, will result in an economy of millions of roubles worth of the expensive metals annually.

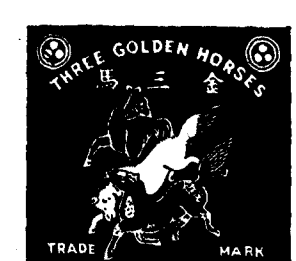


REPUTATION

for
Quality, Uniformity, Reliability



CLARETTA



THREE GOLDEN HORSES
TRADE MARK

High Rayon Fabrics

# 6040	M/a Habutae
# 6080	Chiffon
# 6280	Silver Crape
# 6300	Georgette Crape

Rayon Yarn

Filament	Yarn
Spun	Yarn
Twisted	Yarn
Staple	Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umada, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"

**THE
BANK OF MAHARASHTRA
LIMITED**

Estd. 1935
Scheduled Bank

CAPITAL

Paid-up Capital	Rs. 30,00,000
Reserves	Rs. 13,00,000
Total Working Funds exceed ..	Rs. 13 Crores

BOARD OF DIRECTORS

Shri V. P. Vardé (Chairman)	Shri N. G. Pawar (Vice-Chairman)
" D. K. Satche	" F. G. Pudumjee
" M. V. Shah	" B. M. Gupte
" M. B. Jambhekar	" M. S. Parakhe
" V. S. Shirgaonkar	" J. K. Raje
[Shri R. B. Benthia]	

The Bank of Maharashtra Ltd. has subscribed the recent issue of 3½% Government of India Loan (1969) to the extent of Rs. One crore and more and has thus supported the progressive plans before the nation.

Head Office: **C. V. JOAG,**
Bajirao Road, Poona-2. Manager.

CONTROLS ON GENERAL INSURANCE HAVE THEY SERVED THE PURPOSE?

By "Arby"

GENERAL insurance business has been passing through a very trying period during the last decade. Matters have been very unsettled, so much so that over 25 companies have gone out of existence, due to some reason or other, in the course of last four years. The way in which general insurance functions during the next couple of years will, in all probability, determine its future, that is, whether it will continue in its present shape or whether the Government will unwillingly be compelled to take it over. The most important problem which the Controller of Insurance and the trade are trying to solve is the practice of granting illegal rebates to the public. It is only due to this problem that the other difficulties confronting the insurers today have been created and, if somehow this complex point is got round, the other difficulties will automatically vanish.

In order to understand the reasons as to why this sorry state of affairs exists, it is necessary to recall briefly the past history of legislation on the insurance business in India.

Prior to 1938, there were very few statutory rules or limitations regulating general insurance business. There were some restrictions, but they were evolved by the various associations themselves and were generally of a voluntary nature. All the commission payments made were recorded correctly in the account books of the companies.

The introduction of the Insurance Act, 1938, brought into force many important and far-reaching provisions. They related to the statutory deposits, prohibition of rebates, limitation of commission to agents, licensing of agents and submission of periodical returns to the Controller of Insurance.

It was only in 1938 that a statutory control on payment of commission was brought into force. Had there been no limitation, the problem of rebating that has to be faced today would not have cropped up at all. All the legislation passed after that date has a bearing on this serious point.

Restriction on Expenses

The next significant amendment to the Insurance Act was made in the year 1950. The underlying principle of the amended Insurance Act was greater control on, and supervision of, the working of insurance companies. The main provision relating to general insurance business was the restriction placed on the amount of expenses that a company could incur as compared with the gross direct premium written by that company. This measure was mainly designed with a view to curbing rebating and thus strengthening the financial position of companies.

This regulation has, of late, been criticised by several insurance companies and a suggestion is being put forward to change this formula from gross direct premium to net premium. It has been contended that the system of basing expenses on gross direct premium has made companies to secure higher premium without caring as to whether the business canvassed is healthy or profitable. It is further stated that the companies are procuring a big block of business which they cannot easily digest.

It was evident in the year 1952 that all was not well with the insurance trade and some urgent steps were necessary to regularise the working of insurance companies. As a result of deliberations amongst the insurers and the Controller of Insurance, a voluntary Code of Conduct was started in February 1952. The Code of Conduct covered matters relating to insurance agents, inspectors, organisers, field workers, branches and some other general matters. It was also decided to limit the granting of credit to insurance agents to 90 days and also to request companies to declare to the Controller of Insurance their fictitious assets, so as to clean up their balance-sheets. Administrative machinery was also set up at important centres to register all appointments made by the insurers in terms of the Code of Conduct and to examine the complaints received regarding the diversion of business by one insurer to another by using unfair means.

The insuring public was also informed of the impending changes and it was felt that some solution has at last been found to put the insurance industry on sounder lines, but, alas, as ever, the Indian habit of not trusting the other came into play, with the result that

within a few months of the introduction of the Code of Conduct, rebating came back with a vengeance. The insuring public was thus able to see that whatever the measures the companies or the Government took, rebating would continue. Some of the companies, which had seriously tried to adhere to the provisions of the Code, found that, by strictly adhering to the regulations, they lost a good part of their business to other companies which had not changed their practice of offering higher commissions. As a result, they were forced to change their policies and went back to their old method of working.

After the introduction of the first Code of Conduct in 1952, several important changes were made, all half-heartedly, to do away with the evil of rebating. The Controller of Insurance was also seriously trying to solve this problem. It was felt by him that the rates prevailing in India in the fire department were high and that it was only because of this that the companies could show profits, in spite of paying heavy rebates to the public. Accordingly, in the year 1955, the fire rates were reduced to some extent and it was stated that, after a lapse of another three years, some further reduction in rates would follow. The reduction in rates did have some temporary effect on the question of rebating, but, after a lapse of a few months, matters were back to their original state.

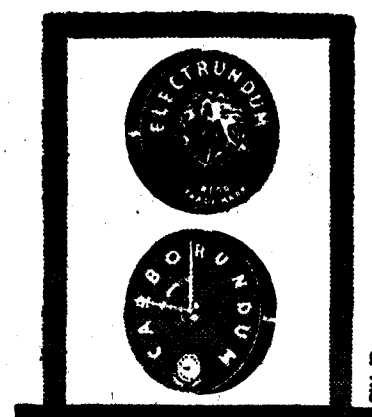
New Code

The unsettled state of affairs continued till the end of 1956, when a new and entirely changed Code of Conduct was introduced early in 1957. A lot of propaganda was carried out informing the public as well as the trade of the drastic nature of measures contemplated in the new Code of Conduct. The public was very reluctant to take matters seriously in view of their sad experience in the past.

The new Code is on a voluntary basis and does not have any legal backing behind it. The provisions contained in it were of a radical nature and as such a lot was expected from it. Unfortunately, it contained some provisions, which were impracticable and hurriedly drawn up. The mere fact that 29 circulars have had to be issued clarifying and changing the original Code during the 28 months of its existence will prove this point.

The most important provisions of the Code of Conduct relate to:

1. Collection of premiums before assumption of risks.
2. Maintaining certain minimum departmental reserves.
3. Registration of field workers and their attaining certain educational standards.
4. Having certain minimum margin between their assets and liabilities called minimum security margin.
5. Allowing the Controller of Insurance to carry out an inspection of all insurers as often and at such intervals as he deems fit.



best for
every grinding job

GRINDWELL ABRASIVES LIMITED
Army & Navy Bldg., Bombay 1.
Branches: New Delhi, Calcutta,
Madras & Jamshedpur.
The Pioneers of the Precision
Grinding Wheel Industry in India

6. Maintenance of records by the insurers in such a manner that information required by the Administrative Machinery could be readily available.

The most outstanding and beneficial provision of the Code of Conduct which has considerably strengthened the financial position of the insurers relates to the collection of premium before the assumption of risk. For no company can accept any cover note issued by the agent, unless and until it is accompanied by the relative premium. The agent is also forbidden to issue a cover note, unless and until he collects the premium immediately. The agent must send the premium so collected within 24 hours. Relaxation in certain cases where premiums cannot be ascertained immediately are allowed.

It was at first felt, when this clause was being discussed, that it would be impossible to follow it strictly and that insurers would find out some way of circumventing this regulation also. However, it must be said to the credit of insurers that, for once, they have tried to follow the conditions laid down strictly. The main reason for this achievement is that this measure is entirely to their benefit. They stand to gain as money is in their hands immediately the cover note is issued.

Balance-sheets of insurance companies prior to 1957 contained two items, the agents' balances, and outstanding premiums, which amounted to lakhs. These items were shown on the assets side of the balance-sheet and those persons or shareholders who did not understand the real position felt that amounts shown under these heads must definitely be of a realisable nature. But it is a well-known fact that one-third, or, in some cases, even half, of such items could not be collected and, in due course, would have to be written off as bad debts. Before the introduction of this regulation, the companies had a hectic time in collecting the premiums from the insured or the agents. Companies had to employ permanently some members of the staff only for doing this work. It was a well-known fact that, in certain cases, the insured refused to pay premiums for six to nine months.

After the introduction of the new provision, however, matters changed considerably, so much so that companies had considerable surplus money left with them for investment. They were able to collect premiums immediately and invest it in shares and thus earn more income and possibly their assets appreciated in value. Gradually all the old outstandings were collected or written off, so that, today, at least there are no fictitious assets left in most of the companies' balance-sheets.

Another beneficial measure contained in the Code of Conduct is the one requiring the companies compulsorily to increase their unexpired risk reserves, starting from December 1957, by 2 per cent. every year in the fire and miscellaneous departments so as to raise it to 50 per cent. in due course. Similarly, in the marine department, the reserve was to be increased by 2 per cent. every year to make it 100 per cent. This has forced the companies to build up their reserves and has thus strengthened their financial position. The 2 per cent. required to be increased annually in the fire and miscellaneous departments is very small and should have in fact been at least 5 per cent. with a limit upto 75 per cent. This would have enabled the companies to show lesser profits but would have helped them to increase their reserves substantially.

Drawbacks

The Code of Conduct contains, at the same time, some clauses which have not been beneficial to the companies and have in fact meant considerable increase in their expenses. The most important provision which comes in this category relates to the registration of organisers, inspectors and field workers, that is, branch managers, branch superintendents and other persons whose duty mainly lies in the procurement of business. These appointments are to be registered with the Administrative Machinery in their respective regions, namely, Madras, Calcutta, Bombay and Delhi. This was done in order to find out as to whether the persons appointed by the companies were actually procuring business or represented mere appointments on paper. It is a well-known fact that such appointments form one of the important sources by which the insurers are able to pass on rebates to clients. Keeping this in mind, one would naturally feel that the idea that such field appointments should be registered and screened would be a step in the right direction towards curbing rebating. Unfortunately, the

users of this regulation did not envisage the task that the Administrative Machinery would have to handle. The Administrative Machinery of various regions should have had a trained and experienced staff at their disposal. It is obvious that this is not the case, as could be clear from the fact that, during the years of their existence, the authorities concerned have not been able to even make any significant beginning. They have not been able to visit most of the areas where the branches and inspectors are numerous. At present, all the energy of controllers is concentrated in the cities in which their headquarters are situated. The cost of the Administrative Machinery, which has not proved very useful, ultimately falls on the insurers themselves and thus increases their expenses.

The Code of Conduct requires all the field workers to appear in an examination conducted by the Federation of Insurance Institutes. The Federation deserves high praise for the practical manner in which it has conducted the examinations. In order to minimise the language difficulty, only such questions are being asked as do not need any elaborate answers; at the same time, the answers required are such as to enable the examiners to know whether the student knows something about insurance or not. The position has, as a result, improved in the sense that the companies nowadays appoint only those persons who can pass the examinations. However, there is an absurdity in these regulations also which would be apparent from the fact that even branch managers of companies who usually have years of experience are required to sit for the same examination for which new trainees of nine months also appear.

The question of abolishing the system of inspectors and organisers is under serious study and as such it is felt that, in all probability, it may be done away with.

Another important clause of the Code of Conduct relates to the necessity of insurers having an excess of assets over liabilities by a certain margin calculated according to a set formula. Insurers have been given time up to December 1959, to fall in line with the rules laid down on this subject. Those companies which are not able to comply with the "solvency margin" will have to close down. The formula laid down is, however, quite liberal and as such practically all companies have been able to fulfil it. Those companies which are not able to do so will have to close down sooner or later.

Costly Failure

The Code of Conduct has given the Controller of Insurance wide powers, inasmuch as he is allowed to inspect or get inspected the account books of the companies as often and at such intervals as he finds necessary. The purpose of this regulation is to find out whether the business is being conducted in accordance with law, Tariff Regulations and directives of the Controller of Insurance. Furthermore, this clause would enable the Controller of Insurance to find out if an appropriate value is placed by the companies on their assets and liabilities. In 1958, a beginning was made in this direction and almost all the companies were investigated, albeit by the auditors appointed by the Executive Committee. These auditors inspected the books of the companies and tried to find out whether the business was being conducted in accordance with the provisions of the Code of Conduct. Unfortunately, the method of inspection followed by these Government auditors were not uniform, with the result that, in certain cases, the auditors took about three months to complete their investigations, while, in other cases, a time of not more than 10 days was taken. The results of these investigations, it is learnt, have not been very useful and it is understood that these inspections have been dropped altogether. Besides, the inspections carried out have proved very costly. The insurers have had to pay very high fees to the Executive Committee for this purpose.

The Code of Conduct also lays down elaborate conditions regarding the information that should be readily available from their books of accounts. The information required is of such a nature that companies have had to change their system of accounting entirely. New stationery had to be printed and the staff had to be trained to keep the records in a particular manner. Some information required was of such a nature that insurers could not gather it in spite of their willingness to carry out the rules laid down for the purpose. It is a moot question whether the enormous expenditure incurred for this purpose has been useful or not. Matters would have been much easier, if a set of forms had been devised, so that all the insurers could have followed it uniformly.



when tomorrow comes...

For him a spade is not yet a spade.

The telegraph wires hum a strange tune, the

distant drone of a plane means faraway places, mystery,

And imitating father is a new kind of play.

When tomorrow comes, play will turn to work.

Life will take on a different purpose. A spade will be a spade, and care will be part of living.

Today's striving and effort is for the world

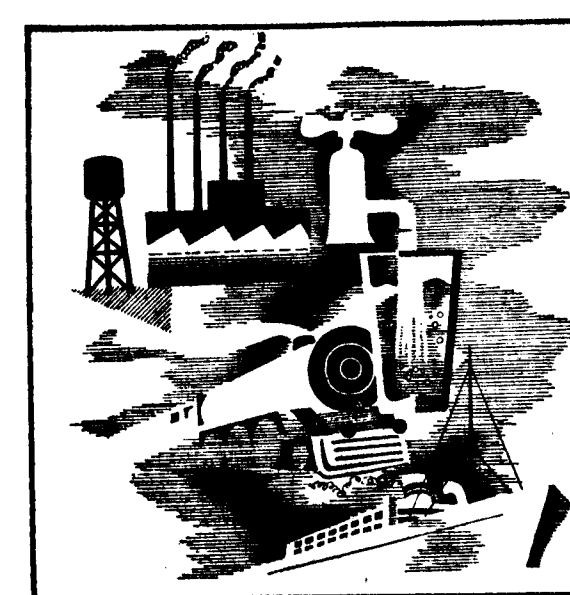
he will grow into, a world that offers a little more—

a little less of the care, a little more of the joy.

Today, as in the past, our products help to make homes cleaner, healthier, happier. But today we are also working for... Tomorrow, when the evergrowing urge for better living will demand still greater efforts. And we shall be ready with wider service, new ideas, new products...

Today and Tomorrow... Hindustan Lever serves the home.

PLJ-3-X52



water treatment

WHEREVER WATER IS USED, AND FOR
WHATEVER PURPOSE, IT PAYS TO CONSULT

'Alfloc' WATER TREATMENT SERVICE

Specialists in the treatment of industrial,
marine, railway and municipal water.

Enquiries to:
Imperial Chemical Industries (India)
Private Limited
Calcutta Bombay Madras New Delhi



ICG 8-4

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD

RAMTIRTH

BRAHMI OIL.

(AYURVEDIC MEDICINE)

Useful for Eyes, Memory and Sound Sleep. Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients. Useful to everybody in all seasons.

Available everywhere:
Price: Big Bottle Rs. 4/- Small Rs. 2/-
YOGIC ASANA CHART
is also available from here on payment of
Rs. 2/50 including Postage to be sent by M. O. only.

New Bottle with Unbreakable Seal



SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

MINERALS IN THE BOMBAY STATE

PROSPECTS FOR DEVELOPMENT ANALYSED

THE development of minerals has received considerable attention in India in recent times. The known reserves of some of the minerals in the country is not inconsiderable. Nevertheless, the pressure of demand for minerals, such as various metallic ores, oil and some other materials of strategic importance, is fast increasing in the context of rapid industrialisation envisaged under the Five-year Plans. Besides, minerals are earners of valuable foreign exchange. Appropriately enough, the Geological Survey of India has launched country-wide surveys and exploration for minerals, although its work is much handicapped by the scarcity of technical personnel and inability to spend large financial outlays necessary for such schemes. The establishment of the Oil and Natural Gas Commission, the Atomic Energy Commission, the Hindustan Steel Corporation, the Natural Coal Development Commission, the Neyveli Lignite Corporation and the National Mineral Development Corporation, indicates the vital importance the Government attaches to the intensive development of the mining industry. The Geological Survey of India has advised the States to set up their own Directorates of Geology and Mining as it is difficult for the Centre to cope with the huge requirements of mineral activity. Many State Governments have been making earnest efforts to investigate and explore the mineral reserves in their respective regions. The Bombay State, true to its traditions as a premier industrial State, has set up a Directorate of Geology and Mining with Nagpur as headquarters, and commenced many surveys and investigations. The discovery of oil at Cambay and some other parts of Gujarat region has enhanced the position of the State as a mineral producer and opened out new vistas for industrial development.

With the reorganisation of the Bombay State, about eight districts with the richest mines of manganese, limestone and lignite, namely, Bhandara, Nagpur, Chanda, Yeotmal, Jamnagar, Rajkot, Bhavnagar and Kutch have been added to the six mineral-bearing districts in the erstwhile State, namely, Ratnagiri, Kolhapur, Baroda, Panchmahals, Banaskantha and Broach. The State exhibits practically all the geological formations from the ancient Archeans to the Recent Deposits. Out of these, Dharwars, Gondwanas, the Vindhyan, and the lateritic formations are of particular importance from the mineralogical point of view. About 90 per cent. of the manganese and iron ore of the State is mined from the Dharwars. The Gondwanas account for the whole of the coal production. About 60 per cent. of the area within the Deccan Trap bears bauxite and other minerals. The limestone deposits of the State belong to the Vindhyan and the tertiary formations. Saurashtra is said to possess gypsum. Aromatic minerals such as ilmenite and monozite are found in the Ratnagiri coast.

Manganese

Manganese ore is by far the leading mineral produced in the Bombay State. The total annual production in the State is estimated at about 500,000 tons. The ore is particularly useful in the iron and steel industry. While the low-grade ore is normally used in the blast furnace for the production of pig iron, the high-grade ore is employed in the open hearth furnaces in the manufacture of steel production of ferro-manganese. Manganese ore is also used in chemical industry for preparing various salts and chemicals such as decolouriser in glass industry. There is, it is suggested, good scope for setting up a number of ferro-manganese plants in the State, particularly in Nagpur and Bhandara districts in Vidarbha, Panchmahals district in Gujarat and, possibly, Ratnagiri district of Maharashtra. Two ferro-manganese plants, one at Kanhar and the other at Tumsar, are already being set up, which will utilise manganese and limestone available in plenty in these areas.

The Bombay State accounts for about 500,000 tons of coal per year, produced mainly in the Vidarbha region. In this region, coal occurs in a very large area in the Wardha Valley coalfield (Yeotmal and Chanda districts) and in Kamptee coalfields in Nagpur district. Some coal deposits are known to exist in Saurashtra and Kutch areas also. It has not been possible to locate metallurgical coal in the State. Nevertheless, coal is used mainly by the industry as a fuel. There are also small industries based on coal. Low temperature carbonisation of coal can produce very useful pro-

ducts such as soft coke and coal tar. Coal tar is utilised for the manufacture of a large number of products such as phenol, plastics, liquid fuels like diesel, gaseous fuels and road tar.

Iron ore is another important mineral available in the State. Most of the iron ore is smelted for producing pig iron for the manufacture of steel. We are told that Chanda district in Vidarbha and to some extent Ratnagiri district of Maharashtra possess large deposits of iron ore and are suitable for location of steel plants. The Ratnagiri iron ore could be smelted in electric furnaces, now that power will be available in plenty from the Koyna hydro-electric project.

According to 1956 figures, about 13,000 tons of bauxite are available in the State, mainly in Kolhapur district. The very large reserves available there can give good quality of bauxite which can be utilised for aluminium plant. This is all the more possible because the Koyna power is readily available nearby. Again, the extensive limestone deposits located in Vidarbha, Saurashtra and Gujarat could be utilised for setting up a large number of new cement factories in addition to the existing ones. The lime industry can also be developed in Vidarbha, Marathwada, Maharashtra, Gujarat and Saurashtra as several limestone deposits are concentrated in these places. At present, there are three cement factories at work in Saurashtra. The limestone deposits in this area can easily support another two or three factories. Similarly, it is said that a cement factory can be established somewhere in Kutch and near Rajur in Vidarbha. Industries like potteries, glass, refractories and ceramic can be established in each of the regions utilising clay deposits. As limestone and gypsum are utilised for the manufacture of fertilisers and cement, a fertiliser plant could also be established in Saurashtra and Kutch areas where sizable deposits of gypsum occur.

Discovery of Oil

Far more important to the development of industry in the State, as well as in other parts of the country, is the discovery of oil and natural gas in the Gujarat region. It is expected that the new oilfields will yield oil in commercial quantities. The Oil and Natural Gas Commission, set up by the Government of India, is engaged in the prospecting of oil in the region.

The occurrence of metallic minerals in the State affords opportunity to build up many industries based on them. Alloys of iron and other metals, such as chromium, manganese, tungsten, nickel and vanadium can be manufactured in the State, since their raw materials are available in plenty. The raw materials for titanium are also available in the State. Ratnagiri beach sand gives indication of the occurrence of ilmenite in plenty. The bauxite deposits in Kolhapur and iron ore in Vidarbha and Ratnagiri districts are also found to contain titanium.

Industries based on clay minerals can also be developed in the State, in view of the existence of their raw materials such as quartz, silicious sand and feldspar in Vidarbha, Kutch and Saurashtra. Various types of clay minerals such as kaolin, fire-clay, stoneware clays, bentonite, fuller's earth, etc., occur in various parts of the State and a number of industries like the manufacture of pottery, stoneware, tiles, bricks, fire-bricks, high alumina bricks, etc., can be set up. Natural abrasives such as flint and agate stones, garnet sand, quartz pebbles, silicious clays, etc., occur in various parts of the State and a plant to prepare abrasives could be set up.

Refractories could also be prepared out of bauxite, fire-clay, kyanite, talc, mica schists, etc., and industries to prepare these could be set up.

SOME USEFUL BOOKS

	Rs. n.p.		Rs. n.p.
EQUITY, TRUSTS AND SPECIFIC RELIEF		MODERN ECONOMIC DEVELOPMENT OF GREAT POWERS	
By JAMES MENEZES	10.00	By D. S. SAVKAR	8.00
MERCANTILE LAW		INSURANCE	
By JAMES MENEZES		By R. S. SHARMA	8.00
Seventh Edition	12.50	ECONOMIC ANALYSIS	
STATISTICS		By B. S. BHANAGE	7.00
By Y. D. KESKAR		FACTORY MANAGEMENT AND BUSINESS ORGANISATION	
5th Revised Edition	11.00	By A. S. DESHPANDE	8.00
BUSINESS ORGANISATION AND MANAGEMENT		PRINCIPLES OF LITERARY CRITICISM	
By SEVERAL CONTRIBUTORS	12.50	By LASCELLES ABERCROMBIE	3.75
(Will be out in September)		SALESMANSHIP, SALES MANAGEMENT AND ADVERTISING	
INTRODUCTION TO ECONOMICS		By M. SATYANARAYAN	7.50
(C. N. VAKIL and H. N. PATEAK)	5.00		

VORA & CO. PUBLISHERS PRIVATE LIMITED
3, ROUND BUILDING, BOMBAY 2.

at suitable places. Red and yellow ochres are known to occur in various parts of Vidarbha and Maharashtra and these could be utilised for the manufacture of paints. Saurashtra had good deposits of calcite which could be utilised for preparation of whitening the chalk. Besides, Bombay State is one of the largest producers of salt in India. It is produced largely in Saurashtra, and Kolaba and Thana districts. Since salt is available in plenty and at a cheap rate, steps can be taken to set up soda ash plants.

INDIA'S FOREIGN TRADE

India's adverse balance of trade increased by Rs. 15.07 crores to Rs. 147.15 crores during the six months ended 1959, as compared with the corresponding half-year 1958. Total exports rose from Rs. 257.94 crores to Rs. 268.64 crores. At the same time, imports, too, went up but at a greater pace from Rs. 390.02 crores to Rs. 415.79 crores.

In the month of June 1959, the latest month for which figures are now available, India's exports of merchandise fell short of imports by Rs. 33.74 crores, as against Rs. 23.61 crores in the previous month and Rs. 35.81 crores in the corresponding month of 1958. Imports increased from Rs. 66.11 crores in May 1959 and Rs. 63.93 crores in June 1958 to Rs. 77.28 crores. Exports at Rs. 43.54 crores were lower by Rs. 96 lakhs, as compared with the previous month, but higher by Rs. 15.12 crores, as compared with June 1958.

The following table shows the trend of trade, month by month, during the six months ended June 1959, as compared with that in the corresponding period of 1958:

	(In crores of rupees)		
	Imports	Exports (including re-exports)	Balance of trade
1959			
January	66.58	45.34	-21.24
February	59.79	42.90	-16.89
March	65.61	47.22	-18.39
April	80.42	45.14	-35.28
May	66.11	44.50	-21.61
June	77.28	43.54	-33.74
Total	415.79	268.64	-147.15
1958			
January	66.05	54.77	-11.28
February	66.21	41.92	-24.28
March	70.58	46.68	-23.88
April	59.98	41.73	-18.25
May	63.29	44.71	-18.58
June	63.93	28.12	-35.81
Total	390.02	257.94	-132.08

DAIRY PROJECTS FOR SAURASHTRA

The Government of Bombay has approved four milk supply schemes for Saurashtra, costing Rs. 7,42,300 during 1959-60. These schemes include the establishment of a rural creamery at Junagadh, milk supply schemes at Surendranagar and Jamnagar and a project for ensuring orderly management of grass lands. An amount of Rs. 3,25,000 has been sanctioned for setting up the rural creamery at Junagadh, with the assistance of the Technical Co-operation Mission. The T.C.M. will supply the requisite machinery for the creamery. The Government of Bombay has also decided to wind-up the existing joint-stock dairy company in Junagadh, for which the former Saurashtra Government had contributed Rs. 3 lakhs, representing 60 per cent. of the share capital. The company is said to be experiencing difficulties because it could not secure the remaining 40 per cent. share capital from the public, as originally planned.

Similarly, owing to lack of public response to the participation in share capital of two dairy companies at Surendranagar and Jamnagar, sponsored by the former Saurashtra Government, it has now been decided to run them departmentally. The Government of Bombay has sanctioned Rs. 1,98,000 for the former milk supply scheme and Rs. 2,02,000 for the latter. In order to keep a check on proper and orderly utilisation of the grass lands, such as *vidis*, in Saurashtra and to ensure optimum quantity of milk from the grass lands for Government milk supply schemes, a sum of Rs. 17,300 has been sanctioned. Under this scheme, grass land inspectors will be appointed to ensure proper management of grass lands.

The export bonus scheme, implemented in Pakistan seven months ago, has produced "very good results," according to Mr. Mohammed Shoaib, Finance Minister of Pakistan. He conceded, however, that a better assessment of the working of the scheme would be possible only by the end of 1959. Speaking to the Press last week, he disclosed that certain international organisations had taken technical objection to this scheme, but Pakistan has been defending its action and hoped to uphold its position successfully.

The
difference
between
LAST WEEK



and
THIS WEEK
is
Amazing
HADENSA
for PILES

AVAILABLE
AT ALL CHEMISTS

For Service & Security
PANDYAN BANK LTD.
Central Office: MADURAI

THE BANK THAT SERVICE BUILT

To Know
PANDYAN BANK
is to Know
SOUTH INDIA

79 Convenient Offices in South India

Banking Business of every description transacted.

S. N. K. SUNDARAM,
Managing Director.

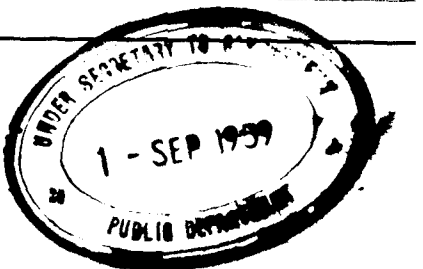
SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233
EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

'BEHAR' the dependable name
in FIRECLAY & SILICA
Refractories

For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cotton Mills and other industries in the country.
Phone: 22-5952
22-3101
Gram: "BANCO"
The BEHAR FIREBRICKS & POTTERIES LTD.
22, STRAND ROAD, CALCUTTA-1.



OUR
SHOPPING
BAG

TEXMACO

serves India's basic industries

TXC-47

100 years of service to the nation marks the famous leading House of JUGGILAL KAMLAPAT. Founded in the middle of last century, this illustrious house by steady and consistent progress has become a gigantic institution of its type in India—a truly national concern having in its fold multifarious manufacturing and commercial lines.

J.K. ORGANISATION
KANPUR — BOMBAY — CALCUTTA

By setting up factories all over India of such goods as were imported from abroad A. K. Industries have planted India's feet firmly on the road to adult self-sufficiency and material prosperity. The trade mark of this House is your guarantee of quality.

NATIONAL TOBACCO'S GROSS PROFIT HIGHEST SINCE 1945

MARKED RISE IN SALES—DIVIDEND RAISED

THE financial results of the National Tobacco Company of India Ltd. (Managing Agents: Messrs. B. N. Elias & Co. Private Ltd., Calcutta) for the year ended 31st December 1958 have more than justified the Directors' hopes, expressed last year, that it was reasonable to expect the results for 1958 to be "no worse than in 1957." Thus, the Company's turnover during the year under review has recorded a rise of Rs. 1.81 crore to a peak of Rs. 8.35 crores and the gross profit has gone up by Rs. 19.83 lakhs to Rs. 65.03 lakhs, the highest level touched since 1945 when it had stood at over Rs. 82 lakhs. The bulk of the increase in gross profit has been absorbed by the larger provisions for Managing Agents' remuneration, depreciation and taxation, the last mentioned item alone accounting for a rise of Rs. 9 lakhs to Rs. 27.83 lakhs. These leave a net profit of Rs. 23.21 lakhs, representing an increase of Rs. 7.28 lakhs over the year.

Almost 50 per cent. of the net profit (Rs. 11.54 lakhs to be precise) has been ploughed back to the reserves. This has been done by transferring Rs. 53,810 to the development rebate reserve, Rs. 9 lakhs to the reserve for capital expenditure and Rs. 2 lakhs to the general reserve. The total addition to the reserves may appear to be substantially lower than that (Rs. 30.74 lakhs) transferred last year, but it must be noted in this connection that the entire sum added a year ago did not come out of the profit for 1957. As much as Rs. 24 lakhs of this represented the provision for taxation no longer required and written back.

The transfer of Rs. 9 lakhs to the reserve for capital expenditure, however, requires some explanation. The Directors point out that the Company has been working to its full capacity for most of the year and the machinery and equipment require replacement due to excessive usage. In addition to replacement of worn out machinery, the Company has to keep pace with modern manufacturing techniques and this calls for frequent changes in equipment. All these require large capital expenditure. With this end in view, the Company has, in the last four years, set aside Rs. 22.50 lakhs out of its profits for this purpose.

In consonance with the rise in profit, the distribution on ordinary shares is also to be stepped up from 9 per cent. to 11 per cent. This is the second year in succession for which the dividend is being raised; last year, it was increased from 7 per cent. to 9 per cent. In recommending the higher dividend of 11 per cent., the Directors say, they have borne in mind the recent budgetary changes.

During the last few years the Company has been doing consistently well, as will be borne out by the following comparative table:

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds	8,85.10	6,58.77	5,18.64	3,98.43
Closing stocks	59.74	50.80	46.45	46.14
Raw materials consumed	1,05.82	1,73.79	1,00.49	1,23.87
Stores and spares consumed	1,63.99	1,20.26	84.91	62.55
Customs and excise duty	2,65.18	1,98.28	1,29.54	99.67
Other expenses	1,81.18	1,45.06	1,25.17	100.88
Gross profit	65.03	45.20	32.70	30.25
Managing Agents' remuneration	7.51	5.87	4.08	0.96
Provision for—				
Depreciation	6.49	5.08	5.04	5.10
Taxation	27.53	19.83	18.11	11.48
Net profit	23.21	15.98	11.45	12.61
Provision for taxation written back		24.00		
Transfer to reserves	11.54	30.74	8.67	4.00
Dividend—				
Preference	2.15	2.15	2.15	2.15
Ordinary	8.10	7.20	6.00	6.40
Carry forward	9.80	8.88	9.08	9.00

The increase in sales of the Company's cigarettes during the year under review is in consonance with the rising trend of cigarette consumption, but it was much in excess of the all-India average of 4 per cent. As in the previous year, the increase in sales was almost exclusively in "one of the most important but relatively less remunerative price categories." Despite the efforts made to increase the sales in other grades, the Company has not been able to achieve its target, due to severe competition.

Though the increased turnover during the last three years has been accompanied by the rising trend in cost of raw materials, stores and spares consumed, as well as in customs and excise duty, the profit margin, it is noteworthy,

has not been affected. On the contrary, the ratio of gross profit to sales in 1958, at 7.8 per cent., is even a shade higher than that of 7.3 per cent. in 1955. This clearly reflects an improvement in the Company's efficiency.

The abolition of sales tax on cigarettes and the imposition, instead, of an increased rate of excise duty has been welcomed by the Company, for the reason that, while it had virtually no effect on the Company's profit, it enabled it to achieve a uniform price structure throughout India. Local terminal and octroi taxes continue to be heavy, but these are being absorbed by the Company in order to keep the prices uniform.

During the year under review, the Company has been able to participate in the increased volume of exports of unmanufactured tobacco.

The Company's paid-up capital stands at Rs. 124.95 lakhs and reserves and surplus at Rs. 90.11 lakhs. Besides a debenture loan of Rs. 12 lakhs, borrowings from banks and the Managing Agents amount to Rs. 53.10 lakhs. The other current liabilities and provisions aggregate Rs. 95.87 lakhs. The gross block of the value of Rs. 130.39 lakhs has been written down to Rs. 58.95 lakhs. The current assets amount to Rs. 317.08 lakhs, of which stock-in-trade and stores alone account for Rs. 240.55 lakhs.

Towards the close of the year under review, the Company introduced the first machine-made filter-tipped cigarettes to be manufactured in India. The Directors are confident that the sales of filter-tipped cigarettes in India will assume greater importance in the years to come. While they do not venture to forecast the outlook for the Company, particularly in view of rising costs and keen competition, they add that the sales during the first few months of the current year have been satisfactory.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 18 *ex-div.*, at which rate and on the basis of the latest dividend, they provide a yield of 6.1 per cent. per annum, free of income-tax.

SWASTIK TEXTILE MILLS

Notwithstanding the withdrawal of the concession given to powerloom factories having over 100 looms in regard to excise duty, the Swastik Textile Mills Ltd. (Managing Agents: Messrs. P. Kashinath & Co., Bombay) has done well during the year ended 31st December 1958. The Company has had to bear an additional burden to the tune of about Rs. 2.20 lakhs by way of excise duty. Nevertheless, the gross profit for the year under review has gone up from Rs. 6.40 lakhs (for 1957) to Rs. 7.80 lakhs. This is due to the enlargement in turnover, higher income from dyeing and printing charges and a reduction in the cost of yarn consumed.

The provision for depreciation has been raised slightly from Rs. 1.63 lakh to Rs. 1.68 lakh and that for taxation from Rs. 2.22 lakhs to Rs. 2.50 lakhs. The managing agency commission is also higher at Rs. 60,653 as against Rs. 46,704 for 1957. Even after these larger appropriations, the net profit, at Rs. 2.92 lakhs, compares favourably with Rs. 2.08 lakhs earned in the previous year. Out of this profit, the Directors have set aside a sum of Rs. 1.01 lakh, as against nil a year ago, for development rebate reserve. The transfer to the general reserve has, however, been slightly reduced from Rs. 1 lakh to Rs. 75,000. After paying the 5 per cent. preference shareholders, the dividend on ordinary shares is kept unchanged at 7 per cent. and that on deferred shares at 12 per cent. The dividend distributions (less tax) absorb, as in the previous year, Rs. 1.35 lakh, leaving a surplus of Rs. 7,170 to be carried forward.

The Company's sales of saris, dhotis, cloth and waste have gone up during the year from Rs. 50.93 lakhs to Rs. 58.30 lakhs and the income from dyeing and printing charges shows a rise from Rs. 22.24 lakhs to Rs. 23.39 lakhs. The cost of yarn consumed has declined from Rs. 34.40 lakhs to Rs. 31.47 lakhs. The excise duty paid during the year amounts to Rs. 5.11 lakhs, as against Rs. 2.89 lakhs in the previous year.

The following synopsis of the Company's balance-sheet as on 31st December 1958 gives an idea of its financial position:

LIABILITIES	Rs.	Assets	Rs.
Capital	26,50,800	Gross block	39,54,837
Reserves and surplus	8,83,538	Less—Depreciation	18,11,227
Current liabilities and provisions	11,07,650	Net block	21,43,610
		Stock-in-trade	16,79,181
		Stores and spares	1,58,737
		Debits, deposits and advances	5,10,922
		Cash	1,49,318
			Rs. 46,41,768
			Rs. 46,41,768

CHEMBRA PEAK RAISES DIVIDEND LEVEL

EARNINGS, TOO, IMPROVE

THE Directors of the Chembra Peak Estates Ltd. (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Calicut) have recommended a higher dividend of 15 per cent. for the year ended 31st March 1959, thus restoring half of the cut effected last year when the distribution was reduced from 20 per cent. paid for 1956-57 to 10 per cent. This action is in consonance with the Company's trend of earnings. The gross profit, which had dropped precipitously from the record level of Rs. 9.39 lakhs for 1956-57 to Rs. 3.93 lakhs in the following year, has improved to Rs. 6.83 lakhs in the year under review. The net profit, too, has gone up to Rs. 2.99 lakhs from Rs. 1.58 lakh to which level it had dwindled in 1957-58 from Rs. 4.17 lakhs earned in 1956-57.

The improvement in earnings is mainly due to the substantially large coffee crop harvested during the year. Both tea and coffee crops are higher, touching new high levels. But the rise in tea crop from 1.62 million lbs. to 1.69 million lbs. is only fractional, whereas that in coffee crop is impressive, such having gone up from 139.48 metric tonnes to 273.88 metric tonnes. The estate cost of production has been brought down substantially from Re. 1.24 to Re. 1.13 per lb. in the case of tea and by nearly 50 per cent. from Rs. 1,671.01 to Rs. 871.26 per metric tonne in the case of coffee. The average price realised for tea, at Re. 1.35 per lb., is nearly the same as that in 1957-58. The average price realised for coffee, on the basis of the valuation, at Rs. 2.12 per point, however, was very much less, being Rs. 2,204.79 per metric tonne, as compared with Rs. 2,613.45 per metric tonne received in the previous year on the basis of a final payment of Rs. 2.51 per point and Rs. 2,928.14 per metric tonne at Rs. 2.81 per point for 1956-57.

Out of the net profit of Rs. 2.99 lakhs, the Directors have transferred to the general reserve Rs. 1.50 lakh, which compares favourably with Rs. 1.00 lakh added last year. The allocation to the development rebate reserve has also been increased from Rs. 9,262 to Rs. 20,460. After writing back a sum of Rs. 12,093 representing the excess provision for income-tax, the Directors propose to pay the aforesaid dividend absorbing Rs. 1.40 lakh, as against Rs. 93,340 in 1957-58, leaving Rs. 75,555 to be carried forward.

The following comparative table reflects the progress of the Company in recent years:

	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds of tea	25,92,589	26,06,706	24,38,988	20,89,822
Pool dividends from coffee	3,97,028	4,82,272	3,82,248	3,09,570
Closing stocks	6,82,087	7,22,498	6,44,208	4,74,067
Estate expenditure	20,82,955	21,28,209	17,52,584	14,82,468
Other expenditure	8,34,890	6,56,578	2,53,325	4,85,238
Gross profit	6,82,571	5,92,082	9,39,325	4,85,238
Managing Agents' commission	45,290	25,000	66,291	48,706
Provision for—				
Depreciation	64,840	62,825	65,778	86,855
Taxation	2,74,000	1,47,000	4,60,000	1,13,000
Net profit	5,98,641	4,56,307	4,17,258	1,56,722
Excess provision written back	12,093	60,888		
To reserves	1,70,480	1,09,282	2,00,000	1,50,000
Dividend	1,40,010	93,340	1,86,580	93,340
Carry forward	75,555	75,261	1,58,000	25,622
Tea crop harvested (lb.)	1,686,968	1,618,987	1,860,470	1,203,192
Estate cost of production				
All-in cost (per lb.)	1.13	1.24	1.38	1.41
Average price realised (per lb.)	1.21	1.31	1.22	N.A.
Tea crop (metric tonnes)	1.85	1.38	1.80	1.69
Estate cost of production (per metric tonne)	278.87	159.477	160.879	113.174
All-in cost (per metric tonne)	871.26	1,671.01	1,292.00	N.A.
Average price (per metric tonne)	945.95	1,775.98	1,898.47	N.A.
	Rs. 2,204.79	2,613.45	2,928.14	N.A.

As will be noted from the above table, the slight fall of Rs. 95,000 in total estate expenditure has been more than offset by the rise of Rs. 1.78 lakh in other expenditure, of which export duty alone, at Rs. 2.59 lakhs, accounts for Rs. 1.66 lakh. The Company was allotted 1.06 million lbs. of tea as export quota for the year 1958-59, being 67 per cent. of the best crop basis.

The Company's estimate of tea crop for the current year is 1.5 million lbs., to be harvested at an all-in cost of Re. 1.28 per lb. The blossom estimate of coffee for 1959-60 was originally put at 152 metric tonnes, but much of the blossom is reported to have failed to set, due to unfavourable conditions at the time of blossom, and the estimate has, therefore, now been revised downwards to a mere 76 metric tonnes.

The Company's balance-sheet as on 31st March 1959 discloses a sound financial position. The paid-up capital of Rs. 9.33 lakhs is supplemented by reserves and surplus aggregating

Rs. 15.55 lakhs. The current liabilities and provisions stand at Rs. 6.44 lakhs. The gross block of the value of Rs. 24.70 lakhs has been written down to Rs. 17.30 lakhs. The current assets amount to Rs. 14.03 lakhs, of which stock-in-trade alone accounts for Rs. 12.08 lakhs. During the year under review, the Company made a capital expenditure of Rs. 1.64 lakh and it proposes to spend another Rs. 2.81 lakhs during the current year, the largest item of which is the new factory extension and machinery at an estimated cost of Rs. 2 lakhs.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 4.27 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 7.5 per cent. per annum.

ASSOCIATED RUBBER INDUSTRIES

A decline in the offtake of automobile components and footwear, resulting from the general recession in industrial activity in the early part of 1958, and a fall in the production of textile accessories, due to shortage of imported raw materials consequent on the serious foreign exchange position, have had an adverse effect on the working of the Associated Rubber Industries Ltd. (Managing Agents: The Associated Agencies Private Ltd., Bombay) during the year ended 31st December 1958. Sales of finished products show a setback from Rs. 22.33 lakhs (in 1957) to Rs. 19.32 lakhs and the gross profit has shrunk from Rs. 3.54 lakhs to Rs. 2.66 lakhs. The fall in gross profit during the year under review is in distinct contrast to the upward trend noted in the preceding few years, that is, from Rs. 1.82 lakh earned in 1954 to Rs. 3.54 lakhs in 1957.

The provision for depreciation has been reduced from Rs. 1.29 lakh (which had included a part of the previous years' arrears) to Rs. 1.09 lakh. There are still arrears to the extent of Rs. 62,045 to be provided for in respect of buildings. The provision for taxation has been raised from Rs. 10,000 to Rs. 49,000. The managing agency commission is also lower at Rs. 9,405, as against Rs. 22,574 for 1957. These allocations leave a net profit of Rs. 98,877, as compared with Rs. 1.93 lakh in the previous year. A sum of Rs. 8,325 has been set aside for development rebate reserve and Rs. 41,321 in respect of bonus for 1955, as against nil last year. No amount has been added to the debenture redemption reserve, which had received Rs. 1.35 lakh a year ago. After payment of a dividend of 5 1/2 per cent. free of tax, for nine months and at 7 per cent. free of tax, for three months on the old preference shares, and at 7 per cent. on the new tax-free preference shares from the date of allotment, the Directors have recommended a dividend of 7 per cent. on the old, as well as new, ordinary shares (on the latter from the date of allotment). The dividend on the old shares is the same as that paid for each of the previous two years after it was raised from 6 per cent. for 1955.

During the year under review, the Company's paid-up capital was raised from Rs. 8.26 lakhs to Rs. 13.25 lakhs, by the issue of 2,740 7 per cent. (free of tax) preference shares of Rs. 100 each and 2,250 ordinary shares of Rs. 100 each. Simultaneously, the 3,010 5 1/2 per cent. old preference shares, which were due for redemption after 31st December 1958, were converted into 3,010 7 per cent. preference shares.

The Company's plants for production of cots and aprons for the textile industry, which were commissioned in November 1956 and March 1957, respectively, could not be worked to full capacity during the year under review, due to shortage of raw materials, although the demand for these items was said to be good. The plant for the production of surgical gloves and prophylactics, which was slightly damaged as a result of an accident, is now said to be operating to full capacity. The demand for these products is stated to be growing, but is not yet sufficient to keep the plant (which is claimed to be the largest of its kind in India) fully occupied.

The Company's products, according to the Directors, have been well received in the market and some export orders have also been secured. Early in the year under review, the Company's Chairman (Mr. Kishore M. Premchand) toured the U.K. and the Continent to explore the possibility of expanding the Company's exports of footwear and increasing the production of cots and aprons. As a result of this, the exports of footwear rose by about 200 per cent., as compared with 1957, and, "with the connections now established, it is hoped that more export business will be booked during 1959."

The Company has entered into an agreement with Armstrong Cork Company, Ltd., for the joint manufacture of the latter's brand of "Acotex" cots and aprons in India. A licence has been obtained to increase the production by about 175 per cent. and, in order to simplify the operation of a joint undertaking with Armstrong Cork Company, Ltd., a separate company, named Inarco Private Ltd., has been formed, the share capital of which will be equally held by the Associated Rubber Industries Ltd. and the Armstrong Cork Company, Ltd.

The Directors have decided to renovate the footwear manufacturing unit and orders for new machinery of the value of Rs. 3.33 lakhs have been placed abroad. The new rubber mixing machinery was received early this year has been already been commissioned.

SWASTIK TEXTILE MILLS LTD.

SPEECH OF CHAIRMAN, MR. P. K. DIVEKAR

ADDRESSING the shareholders of the Swastik Textile Mills Ltd. at their Twelfth Annual General Meeting held in Bombay on 20th August 1959, Mr. P. K. Divekar, Chairman, referred to the heavy burden of excise duty on powerloom factories with over 100 looms and said that no powerloom factory could exist by paying excise duty at standard rates applicable to composite mills.

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

"GENTLEMEN,

"I have great pleasure in welcoming you to this twelfth annual general meeting of our Company.

"From the audited accounts of the Company for 1958, which are already in your hands, you will please note the progress made by the Company and hence I will not deal with it again here.

"As far as the working of the Company is concerned, I desire to point out to you only few important events during 1958.

"First, in March 1958, due to the bracketing of powerloom factories with over 100 looms with the composite mills, for levy of excise duty, the Company had to close down its weaving department with 240 looms, entirely. The Government, however, reconsidered the matter and allowed the concessional rates of excise duty on compounded system up to February 1960 and the weaving department restarted on 4th April 1958. The rate of excise duty, which was Rs. 70 per loom per shift per month, was raised to Rs. 110 and the Company now pays Rs. 52,000 and more per month as excise duty, which is quite a heavy burden for a small company like us.

"As regards the limit of February 1960, laid down by the Government, the Company is trying in all possible directions to see that the Government change their views. However, it may be stated here that no powerloom factory can exist in the present circumstances by paying excise duty at standard rates applicable to composite mills.

"Secondly, I am glad to inform you that for improving the processing, the Company has installed two new machines, viz., one 5-bowl Briem rolling and friction calender and one 3-bowl pneumatic operated padding mangle. The Company has made various other improvements in machinery and we are getting good results.

"It is also gratifying to note that we have recently placed our order with Messrs. Voltas Ltd. for one complete Benninger-Maneklal cloth mercerising plant, which will be ready early next year. The Company has approached the Central Government for registration and their reply is still awaited.

"In general working, it may be noted that excise duty on powerlooms is very heavy and any further increase will be unbearable. The Government have also imposed differential duty on processing and hence our Chembur dye-house is also covered under excise rules from 4th July 1958.

"Though we are not so far exporting our products outside India, cloth processed by us is exported by our merchants. We are, however, trying to find out the foreign markets for processed fabrics, that is, dresswares, tapestry, warp printing. Present enquiries are not substantial, but there is a ray of hope in the same and we hope we will make definite progress.

"One of your Directors, Shri S. P. Divekar, is shortly leaving India in order to explore new avenues for future prospects of the Company and I, on behalf of the Board and the Company, wish him bon voyage. Let us hope he will bring for the Company some new lines of manufacture and open up new markets for the Company's products either with or without collaboration with some foreign firms.

"In spite of various difficulties, I, on behalf of the Board of Directors, assure you that we shall spare no pains to see that both of our factories work quite normally and also keep our usual progress.

"I would end this address of mine to this twelfth annual general meeting by thanking you all, our esteemed customers, merchants, the suppliers and the trusted staff and labour for the co-operation the Company has been receiving in its working."

COMPANY MEETINGS AND DIVIDENDS

DHARAMSI MORARJEE CHEMICAL CO., LTD. Annual General Meeting, Bombay, 2nd September 1959. Dividend: Rs. 6.00 per share, payable on and after 4th September 1959. Transfer books remain closed from 31st July to 29th August 1959, both days inclusive.

HASTINGS MILL LTD. Annual General Meeting, Calcutta, 7th September 1959. Dividend: Rs. 6.00 per share, free of tax. Transfer books remain closed from 25th August to 7th September 1959, both days inclusive.

FORT WILLIAM JUTE CO., LTD. Annual General Meeting, Calcutta, 7th September 1959. Dividend: Re. 1.50 per share. Transfer books remain closed from 25th August to 7th September 1959, both days inclusive.

WESTERN INDIA PLYWOOD LTD. Annual General Meeting, Balapattanam, 7th September 1959. Dividend: 10 per cent. or Rs. 10.00 per share, free of tax. Transfer books will remain closed from 1st to 7th September 1959, both days inclusive.

RELANCE JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 8th September 1959. Dividend: Nil. Transfer books will remain closed from 1st to 8th September 1959, both days inclusive.

SUNGMA TEA CO., LTD. Annual General Meeting, Calcutta, 10th September 1959. Dividend: Re. 1.50 per share (includes interim dividend of Re. 1.00 per share), payable on or after 21st September 1959. Transfer books will remain closed from 1st to 10th September 1959, both days inclusive.

ASSOCIATED RUBBER INDUSTRIES LTD. Annual General Meeting, Bombay, 10th September 1959. Dividend: 7 per cent. or Rs. 7.00 per share, free of tax, payable on and after 25th September 1959. Transfer books remain closed from 26th August to 10th September 1959, both days inclusive.

CLEVEDON TEA CO., LTD. Annual General Meeting, Calcutta, 11th September 1959. Dividend: 10 per cent. or Re. 1.00 per share (subject to funds being available in India). Transfer books will remain closed from 3rd to 11th September 1959, both days inclusive.

SASSOON AND ALLIANCE SILK MILLS CO., LTD. Annual General Meeting, Bombay, 11th September 1959. Dividend: Nil. Transfer books will remain closed from 8th to 11th September 1959, both days inclusive.

PHILIPS INDIA LTD. Annual General Meeting, Calcutta, 12th September 1959. Dividend: Re. 0.85 per share. Transfer books remain closed from 24th August to 12th September 1959, both days inclusive.

CHURULIA COAL CO., LTD. Annual General Meeting, Calcutta, 15th September 1959. Dividend: 5 per cent. (without deduction of income-tax). Transfer books will remain closed from 1st to 15th September 1959, both days inclusive.

ONDAL COAL CO., LTD. Annual General Meeting, Calcutta, 15th September 1959. Dividend: 5 per cent. (without deduction of income-tax), payable on or after 22nd September 1959. Transfer books will remain closed from 1st to 15th September 1959, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 22nd September 1959. Dividend: Rs. 5.00 per share, without deduction of tax, payable on and after 3rd October 1959. Transfer books remain closed from 24th August to 22nd September 1959, both days inclusive.

GENERAL INDUSTRIAL SOCIETY LTD. Annual General Meeting, Calcutta, 23rd September 1959. Dividend: Rs. 2.00 per share, free of income-tax. Transfer books will remain closed from 14th to 23rd September 1959, both days inclusive.

BOMBAY BURMAH TRADING CORPORATION LTD. Interim dividends of Rs. 150 per share on original shares of Rs. 2,500 each, Rs. 7.50 per share on shares of Rs. 125 each and Rs. 3.00 per share on shares of Rs. 125 each (Rs. 50 paid-up), payable on and after 28th September 1959. Transfer books will remain closed from 8th to 22nd September 1959, both days inclusive.

KUMARDHURI FIRECLAY AND SILICA WORKS LTD. Dividend of Re. 1.25 per ordinary share, without deduction of income-tax, for the year ended 31st December 1958.

MLAMALLAY TEA ESTATES LTD. Dividend of 20 per cent. or Rs. 5.00 per share, for the year ended

**BANK OF
NEW SOUTH WALES**

HEAD OFFICE, SYDNEY, AUSTRALIA

Over 1,000 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, and three branches in London.

ESTABLISHED 1858

Notices

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Forty-eighth Annual General Meeting of The Imperial Tobacco Company of India Limited will be held at Virginia House, 37, Chowringhee, Calcutta, on Friday, the 25th September, 1959 at 3.30 p.m. for the transaction of the following business:—

To receive and adopt the Accounts for the year ended 31st March, 1959 and the Reports of the Directors and Auditors thereon.

If considered desirable to declare a dividend.

To elect Directors.

To appoint Auditors and fix their remuneration.

The share transfer books of the Company will be closed from the 31st August to the 25th September, 1959, both days inclusive, and transfers received in order at the registered office of the Company by the 29th August, 1959, will be in time to be passed for payment of the dividend, if approved, to the transferees.

The dividend, if approved, will be paid on the 28th September, 1959, to the Shareholders whose names appear on the Company's Register on the 25th September, 1959, or to their mandatees.

By Order of the Board,

B. GRANGER PEARSON,
Assistant Secretary.

7th August, 1959
VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA.

Notes:—A member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a member, to attend and on a poll to vote on his behalf.

Shareholders are requested to notify the Company immediately of any change in address.

CALTEX OIL REFINING (INDIA) LTD.

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5½ per cent. Debenture Stocks 1966-70 will be closed for transfers from 17th September 1959 to 30th September, 1959, both days inclusive.

N. A. KRISHNAN,
Secretary and Treasurer,
State Bank of India,
Agents for Caltex Oil
Refining (India) Ltd.,
for the management of the
Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 31st August, 1959.

ANGLO-INDIA JUTE MILLS CO., LTD.

THE DIRECTORS AT THEIR MEETING held on 17th August, 1959 decided to recommend to the shareholders in the Annual General Meeting dividends for the year ended 31st March, 1959, as follows:—

On Preference Shares at the rate of 7 per cent. per annum (Rs. 7.00 per share)

On Ordinary Shares at the rate of 12½ per cent. per annum (Rs. 12.50 per share)

(both dividends without any deduction for income-tax paid by the Company).

By Order of the Board,

DUNCAN BROTHERS & CO. LTD.,
Managing Agents.

CALCUTTA, 18th August, 1959.

THE PHOENIX MILLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Tuesday, the 22nd September 1959, at 4.30 p.m. (S.T.), at the Registered Office of the Company, State Bank Building Annexe, Bank Street, Fort, Bombay, to transact the business specified in the Notice dated 23rd July 1959 already forwarded to the Shareholders.

For THE PHOENIX MILLS LTD.,
RAMNARAIN SONS, PRIVATE LTD.,
Agents,
RAMNIWAS RAMNARAIN,
Director

THE DAWN MILLS CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 23rd September 1959, at 4.30 p.m. (S.T.), at the Registered Office of the Company, State Bank Building Annexe, Bank Street, Fort, Bombay, to transact the business specified in the Notice dated 23rd July 1959 already forwarded to the Shareholders.

For THE DAWN MILLS CO., LTD.,
RAMNARAIN SONS, PRIVATE LTD.,
Agents,
RAMNIWAS RAMNARAIN,
Director.

THE BRADBURY MILLS LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 24th September 1959, at 4.30 p.m. (S.T.), at the Registered Office of the Company, State Bank Building Annexe, Bank Street, Fort, Bombay, to transact the business specified in the Notice dated 23rd July 1959 already forwarded to the Shareholders.

For THE BRADBURY MILLS LTD.,
RAMNARAIN SONS, PRIVATE LTD.,
Agents,
RAMNIWAS RAMNARAIN,
Director.

COTTON TEXTILES IN THE THIRD PLAN

(Concluded from page 343)

more than compensate whatever doubtful advantages that may be supposed to be available to the economy due to the potential of the handloom industry to provide employment.

"In order to produce a total quantity of 9,600 million yards and provide the usual extra factory demand, the requirement of cotton will be around 7.2 million bales. If imports of cotton are to continue at the present level of around 600,000 bales, the target for production of Indian cotton will have to be fixed around 6.6 million bales.

"We thus arrive at the following targets to be attained by the end of the third Plan:

(Million yards)	
Total production of cloth	9,600
To be produced as under:	
Mill sector	6,300
Non-mill sector	3,300*
Requirement of cotton (Mill. bales)	6.6

* The indicated division of this being 2,500 million yards for handloom sector, 500 million yards for powerloom sector and 300 million yards for Ambar cloth.

LABOUR

(Concluded from page 344)

scheme was a keen one. The Elliot Bill, strengthened by the majority support of the House Labour Committee and Speaker Rayburn, was considered to have had a better chance before President Eisenhower, in his TV broadcast, lent the weight of his powerful support to the Landrum-Griffin Bill which the House of Representatives has now voted. Observers in Washington are confident that the Bill will also get the approval of the Senate.

The very fact that the Administration was able to get a Bill such as the Landrum-Griffin Bill passed, an achievement which would have been virtually impossible some ten years ago, is a measure of the reaction of the American public to the power excesses and corruption in labour unions. Some say that the move will spark off a more aggressive attitude by unions, so as to recapture a part of their lost power. They, accordingly, feel that the stage is set for a serious labour struggle. This, however, is unlikely, for the labour union leaders and their advisers are intelligent enough to sense that public opinion is not in their favour. The indifference shown by the public to the latest steel strike must have opened their eyes. They may, therefore, quietly reconcile themselves to the new legislation and concentrate their energy in winning the support of middle class workers and the new young entrants to the ranks of labour fresh from schools and colleges. It must be noted here that every year about three million persons are added to the working population of the U.S. These young people belong to the age of prosperity, have had a liberal education and the best of comforts of life which their parents did not enjoy in their childhood and adolescence. They are, therefore, of a different mental make-up and it will require a gentle, dignified and persuasive approach by trade union leaders to bring the younger generation to their fold. May be, the new legislation will help the unions to develop that approach and spread their influence.

REFUND OF PROVIDENT FUND

Appropos our suggestion (vide page 224 of Commerce dated 8th August 1959) that employees' provident fund should be refunded to the workers in cheques rather than in cash, Mr. S. N. Mubayi, Central Provident Fund Commissioner, in a letter to us says that the scheme already has a provision to this effect. Payment of provident fund amount is made at the option of the payee by (1) a crossed cheque sent through post, or (2) deposit in the payee's postal savings bank account or (3) postal money order. As most of the subscribers to the fund do not have a bank account, the Commissioner points out, they desire payment to be made by money order, the cost of the remittance being met from the Funds "Forfeiture Account" and not by the payees.

Since this provision is already there, we hope that the retiring members of the Fund would make use of it, and the employers would advise them to do so, lest they should expose themselves to danger of their life savings being lost in transit as happened in the case of a railway worker in Bombay recently.

ENGINEERING

(Concluded from page 348)

400,000 have flown in Boeing 707's run by such U.S. airlines as American, Continental, National, Trans World and Pan American, while the remainder have flown in Comets or in Caravelles run by Air France and the Scandinavian Airlines system. The world jet passenger figure, it is stated, continues to rise by about 3,000 daily. For these passengers, the chief point of appeal is the speed of jet travel which virtually halves their travel time. Load factors are also believed to be unprecedentedly high—well over 90 per cent. on nearly every flight on every route. Utilisation has also been high; it averaged around 10 hours or more a day for some Boeing 707's. These developments clearly point to the increased profitability of jet operations.

NUCLEAR PROJECT

Against the background of the controversy over India's first nuclear power station—the different views on the subject were summarised last week—it must interest those who are not initiated into the mysteries of this science to know that no country can make a sudden bid for nuclear power. Thus, according to the U.K.'s Select Committee on Estimates, it will take at least 10 to 15 years to develop a new nuclear reactor system from the time of the feasibility studies to the commissioning of a commercial power station. In this period, it is stated, some 1,000 to 2,000 man-years of professional scientific and engineering effort will be required at a cost of between £10 and £20 million and another £20 million of capital expenditure for development facilities and for the building of experimental reactors and the prototype. This is one example given by the Committee to illustrate the vast amount of effort and organisation for a nuclear project. So far as India is concerned, Atomic Energy Commission before the Government contemplated the setting up of a nuclear power station. Be that as it may, in the U.K., there are now five nuclear power station construction groups engaged in building of new nuclear generating stations. Two of them, namely, the Nuclear Power Plant Company and the A.E.I.-John Thompson Nuclear Energy Company, it is stated, are holding negotiations for submitting a joint tender for the Dungeness, Kent; a similar procedure will be followed for the 600 M.W. station to be built at Sizewell, Suffolk. Of these two groups, the former station at Bradwell, Essex and A.E.I.-John Thompson on the 275 M.W. station at Berkeley, Gloucestershire; the N.P.P.C. is also co-operating on a 200 M.W. nuclear power station at Latina, South of Rome.

TREND OF PRIVATE CAPITAL MOVEMENTS IN BRITAIN

OUTWARD INVESTMENT EXCEEDS INWARD

IN the seven years to 1958, outgoing private investment from the U.K. averaged £330 million a year. Inward private investment from other countries to the U.K. averaged £130 million. So the U.K. was a net investor abroad on private account to the extent of about £200 million. Its net investment in the sterling area was only a little less than this. There were also private capital exports from that country to outside the sterling area, mostly Canada, but they were largely offset by incoming private capital, mostly from the U.S.; the annual average, both ways, was something over £100 million. These figures are given by the British Treasury in the August issue of *Bulletin for Industry*.

In the flow of capital, there are two main types of transaction. The first is direct investment, involving active participation in industry and usually controlling policy and profit distribution; this type of investment may take place through the re-investment of locally-earned profits or through the export of capital equipment rather than the transfer of cash. The second type is portfolio investment, the purchase of securities for interest and dividends, and perhaps for capital gains, but not normally associated with control.

U.K. residents may transfer capital freely for both types of transaction to other sterling countries. Direct investments are allowed in non-sterling countries, if they are genuine market transactions to establish or acquire a controlling interest and seem likely to benefit the sterling area. Portfolio investment in non-sterling securities is not allowed, except by money raised from selling other non-sterling securities, as, for example, through "switch dollars."

Direct investment in the U.K. by overseas firms is also virtually free of control, with no restriction on the repatriation of capital or profits. Such investment creates tangible benefits in a number of ways, for example, by enlarging capacity and increasing employment, increasing exports or saving imports; and it serves to introduce scientific and technical discoveries and improved managerial methods. Portfolio investment by non-sterling residents is permitted; it cannot be repatriated across the exchanges, but the proceeds of any sale, called "security sterling," may be used to buy other long-dated U.K. securities. Investment of this type does not have the same advantages as direct investment, but it can make a useful contribution to the finance of industry and help to sustain the U.K.'s own overseas lending. Not being tied to physical assets, it is, however, inclined to be more volatile.

How Big is the Flow?

There are big statistical difficulties in measuring capital movements to and from overseas. Apart from problems of definition, many of the available figures are inadequate in their coverage; in particular, estimates of re-invested profits, as well as of investment in kind, are available only in a few cases. There are also serious problems in the collection of data (the U.K. Government recently announced measures which should lead to a considerable improvement in the available figures in this field).

Broad estimates of the movements of total long-term private investment to and from the U.K. are given in the accompanying table. The gross outward movement during 1952-58 was some £2,300 million, rising fairly steadily up to 1956 but falling back in the last two years

probably as a result of the credit squeeze and world recession. The inward movement—totalling about £930 million—appears to have moved similarly. The net outflow therefore totalled £1,400 million, or £200 million a year.

Sterling Area

Gross U.K. investment in the sterling area totalled about £1,450 million; the inflow (which stopped in 1957) was about £150 million. The net outflow was, therefore, around £1,300 million, or £190 million a year. This included Commonwealth Government issues on the London market subscribed from private sources; issues by sterling area public corporations and public companies; and portfolio and direct investment, including the re-investment of locally earned profits such as those made by the oil companies. Sums raised annually by the first of the above methods were:

(In million £s)			
	Governments and local authorities	Public Corporations and public companies	Total
1954 ..	34	39	73
1955 ..	18	38	56
1956 ..	14	36	50
1957 ..	12	48	60
1958 ..	49	19	68

Commonwealth Countries

For a country breakdown of capital movements between the U.K. and overseas, the main source is the information published by the countries themselves. In many cases, however, the information available is inadequate, largely because the figures cover re-invested profits only in a few cases. Within the sterling Commonwealth, the main recipients were probably the Colonial Territories, the Federation of Rhodesia and Nyasaland, Australia and New Zealand. Total private investment from all sources in the Colonial Territories (mostly direct investment including reinvested profits) rose from £56 million in 1955 to £100 million in 1956, and to £114 million in 1957; more than half is estimated to have come from U.K. sources, of which about £10 million a year is accounted for by Colonial Government issues in London.

U.K. private investment in the Federation of Rhodesia (including Rhodesian Government borrowing on the London market of some £10 million a year but excluding re-invested profits) has averaged about £25 million a year in the last few years. Comparable estimates for Australia (but including reinvested profits) show a steady increase in U.K. investment, mainly direct investment in Australian industry, with the total reaching over £50 million a year by 1957; in the few years before 1957 London market loans were negligible. The scale of British private investment in New Zealand is far smaller; direct investment, including re-invested profits, runs at about £6 million a year and London market loans have averaged about £10 million a year. Indian balance of payments figures of capital transactions with the U.K. indicate very little movement of funds; but separate investigations by the Reserve Bank show that the value of U.K. investments in India increased by about £12 million between 1955 and 1956, and at the end of 1956 were valued at £305 million out of a total of foreign-owned assets in India of £380 million. South African official estimates of foreign-owned capital assets show the U.K. to be the largest single investor. Out of a total of direct investment of over £800 million at the end of 1956, the U.K. was responsible for £556 million; and in addition the U.K. has long-term portfolio investments amounting to some £300 million.

Private Investment To and From the U.K.

(In million £s)									
	1952	1953	1954	1955	1956	1957	1958	Total 1952-58	Annual Average
Rest of Sterling Area									
Outward ..	—169	—212	—221	—182	—221	—261	—187	—1,453	—210
Inward ..	+ 19	+ 22	+ 41	+ 72	+ 31	— 19	— 13	+ 153	+ 20
Net ..	—150	—190	—180	—110	—190	—280	—200	—1,300	—190
Non-Sterling Area									
Outward ..	— 88	— 77	—110	—140	—210	—140	—113	— 878	—120
Inward ..	+ 58	+ 57	+ 70	+120	+200	+160	+123	+ 778	+110
Net ..	— 30	— 20	— 40	— 20	— 10	+ 10	+ 10	— 100	— 10
All Areas									
Outward ..	—257	—289	—331	—322	—431	—401	—300	—2,331	—330
Inward ..	+ 77	+ 79	+111	+192	+231	+131	+110	+ 931	+130
Net ..	—180	—210	—220	—130	—200	—270	—190	—1,400	—200

Direct U.K. investment in Canada has averaged about £30 million a year. (The figure excludes reinvested profits; allowing for these and for other factors the total value of U.K. direct investments in Canada increased by about £45 million a year.) Up to mid-1957 purchases of non-sterling securities were possible through sterling area "free" markets; and in fact they rose sharply towards the end of 1956 and the first half of 1957, accounting for a big increase in portfolio investment. Canadian investment in the U.K. is small:

(In million £s)				
	1954	1955	1956	1957
U.K. to Canada ..	28	25	36	24
Portfolio ..	11	11	43	47

Bringing these estimates together, the total of British private investment in the Commonwealth would appear to be well over £150 million a year.

U.S. Capital

American business began to invest here in the second half of the last century and their stake has grown enormously since then. According to private estimates, there are about 400 United States subsidiaries and Anglo-American firms engaged in the U.K. manufacturing industry. They employ about 375,000 people, some 4 per cent. of the labour force in manufacturing, and may have accounted in 1957 for 5½ per cent. of the gross output of manufacturing:

(In million £s)					
	1954	1955	1956	1957	1958
U.S. to U.K. ..	5	12	99	56	21
Direct (net flow) ..	31	45	30	46	n.a.
Undistributed profits ..	36	57	129	102	n.a.
Portfolio ..	1	14	38	19	—9

Direct investment rose particularly sharply in 1956 (because of the exceptional purchase of a British oil company) and in 1957. In 1958 it fell back, reflecting a decline in United States direct investment throughout the world, because of recession at home and in the world industrial activity. Portfolio investment also rose steeply in 1956, but has declined rapidly since then, and provisional figures indicate a net disinvestment in 1958. The U.K. also invests in the U.S.:

(In million £s)					
	1954	1955	1956	1957	1958
U.K. to U.S. ..	46	34	61	44	—13
Portfolio and direct investment other than U.S. Government securities ..	46	34	61	44	—13

Other Non-sterling

Statistics on the U.K.'s capital transactions with other non-sterling countries are virtually non-existent. There is certainly a two-way flow with Western Europe—particularly close capital links exist with the Netherlands, for example—and U.K. investment in Latin America, especially the oil-producing States, is important. There is probably a small net outflow on these other non-sterling transactions taken together.

Notice

THE PUNJAB NATIONAL BANK LIMITED

Parliament Street, NEW DELHI

NOTICE OF INTERIM DIVIDEND

THE DIRECTORS OF THE PUNJAB NATIONAL Bank Limited, New Delhi, have decided to pay an Interim Dividend for the current year at the rate of Re. 1 gross per share. The dividend will be payable at the Registered Office of the Bank at New Delhi on or after 22nd September, 1959, to the shareholders whose names stand on the register of members of the Bank as on 12th September, 1959.

The Transfer Books and Register of members of the Company will remain closed from 7th September, 1959 to 12th September, 1959 (both days inclusive).

By Order of the General Board of Directors,

A. M. WALKER,
General Manager.

DATED 21st August, 1959.

Note:—Shareholders are requested to intimate change of addresses, if any, to the Bank immediately.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India			
Statement of Affairs for the week ended 21st August 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	5,00,00,000		
National Agricultural Credit (Long-term Operations) Fund	30,00,00,000		
National Agricultural Credit (Stabilisation) Fund	4,00,00,000		
Deposits:			
(a) Government—			
(1) Central Government	58,11,09,000		
(2) Other Governments	2,07,00,000		
(c) Banks	17,77,47,000		
(d) Others	23,50,25,000		
Bills Payable	14,92,57,000		
Other Liabilities	533,73,63,000		
Assets			
Notes	23,67,14,000		
Subsidiary Coin	2,07,00,000		
Bills Purchased and Discounted—			
(a) Internal	5,13,50,000		
(b) External	15,84,70,000		
(c) Government Treasury Bills	17,97,60,000		
Loans and Advances to Governments	83,52,25,000		
Loans and Advances to Others	37,84,72,000		
Investments	8,96,62,000		
Other Assets	533,73,63,000		
Total	533,73,63,000		
* Includes Cash and Short-term Securities.			
The item 'Other Loans and Advances' includes Rs. 2,84,50,000 advanced to scheduled banks against uncollateralised bills under Section 17(4) (c) of the Reserve Bank of India Act.			
ISSUE DEPARTMENT			
LIABILITIES			
Notes held in the Banking Department	Rs.		
Notes in circulation	23,67,14,000		
Total Notes Issued	23,67,14,000		
ASSETS			
(a) Held in India	Rs.		
(b) Held outside India	117,76,03,000		
Foreign Securities	163,00,88,000		
Total of A	280,76,92,000		
B. Rupee Coin	135,62,44,000		
Government of India Rupee Securities	127,18,50,000		
Internal Bills of Exchange and other commercial paper	168,47,86,000		
Total Assets	168,47,86,000		

COMPARATIVE BANKING STATISTICS*					
(In crores of rupees)					
	1st Sept. 1958	1st Aug. 1959	1st July 1959	1st June 1959	1st May 1959
RESERVE BANK					
Notes in circulation	172.37	168.12	168.91	170.58	170.72
Notes held in Bank	35.05	35.02	35.02	35.02	35.02
Foreign Securities	159.63	163.01	163.01	173.01	173.01
Rupee Securities	17.39	16.65	16.65	17.39	17.39
Banking Department					
Deposits of					
Government of India	14.39	14.39	14.39	14.39	14.39
Other Governments	41.75	41.75	41.75	41.75	41.75
Other Depositors	10.06	11.65	11.65	11.65	11.65
State Bank	184.86	179.40	179.40	179.40	179.40
Time Liabilities	102.24	102.24	102.24	102.24	102.24
Borrowings from					
Reserve Bank	1.54	3.45	3.45	3.45	3.45
State Bank	3.80	3.40	3.40	3.40	3.40
Cash in India	6.70	41.14	40.80	42.05	39.13
Balance with Reserve Bank	25.17	89.37	73.16	84.78	93.30
Excess over statutory limits	15.52	30.74	15.15	26.88	38.40
Balance with other banks in current accounts in India	15.36	18.72	14.48	12.49	
Money at call and short notice in India	38.35	38.08	38.29	38.11	
Investments (at book value)	712.10	714.82	714.82	714.82	714.82
Advances and Loans	105.9	94.08	93.68	97.00	97.45
STATE BANK					
Deposits	61.99	56.10	56.10	56.10	56.10
Investments	80.35	149.16	138.25	138.80	170.56
Advances	14.09	34.53	22.77	40.52	45.74

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

PRINCIPAL BANK RATES %				
Centre	Changed on	From	To	
Argentina	23rd Dec. 1958	8.50	6.50	
Austria	14th Apr. 1959	5.00	4.50	
Belgium	7th Feb. 1959	5.50	5.25	
Bolivia	30th Sept. 1958	8.00	6.00	
Canada	1st Jan. 1959	6.00	6.25	
Ceylon	11th June 1958	2.50	2.50	
China	18th Aug. 1958	3.50	4.50	
Denmark	8th May 1959	5.00	4.50	
Egypt	15th Nov. 1958	3.50	3.00	
El Salvador	1st Apr. 1959	8.50	8.50	
Finland	1st Mar. 1959	6.00	5.50	
France	23rd Apr. 1959	4.25	4.00	
Greece	16th May 1959	6.00	5.00	
India	14th May 1959	8.50	8.50	
Indonesia	1st Apr. 1959	4.50	4.25	
Ireland	28th Nov. 1958	4.50	4.50	
Italy	7th Jan. 1959	8.50	8.50	
Japan	4th Feb. 1959	7.50	6.25	
Netherlands	21st Jan. 1959	3.00	2.75	
New Zealand	10th Oct. 1958	6.50	7.50	
Philippines	14th Jan. 1959	3.00	4.00	
Pakistan	15th Nov. 1958	8.50	8.50	
Portugal	12th Jan. 1959	4.50	4.50	
Spain	3rd Mar. 1959	4.50	4.50	
Sweden	3rd Mar. 1959	4.50	4.50	
Switzerland	26th Feb. 1959	2.50	2.50	
Thailand	1st Jan. 1959	4.50	4.50	
United Kingdom	30th Nov. 1958	8.50	8.50	
U.S.A.	1st July 1959	3.00	3.00	
West Germany	30th Jan. 1959	3.00	3.50	

† Bank Rate in Canada fluctuates in line with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India			
Statement of Affairs for the week ended 21st August 1959			
CAPITAL AND LIABILITIES			
CAPITAL			
Authorised Capital—	Rs.		
20,00,00,000 shares of Rs. 100 each	20,00,00,000		
Issued, Subscribed and Paid-up—			
6,62,50,000 shares of Rs. 100 each	6,62,50,000		
Reserve Fund and Other Reserves	5,62,50,000		
Deposits and Other Accounts	7,00,00,000		
Borrowings from Other Banking Companies, Agents, etc.	561,70,11,000		
Bills for Collection being Bills Receivable as per contra	1,54,76,000		
Acceptances, Endorsements and Other Obligations per contra	1,44,27,000		
Other Liabilities (including Inter-Office Adjustments)	10,39,42,000		
Total	598,39,91,000		
ASSETS			
Cash in hand and with Reserve Bank	34,03,72,000		
Loans and Advances to Governments	1,87,25,000		
Loans and Advances to Others	3,16,00,000		
Investments	1,13,80,000		
Government and Other Trusts	347,27,88,000		
Other Authorized Investments	85,57,15,000		
Advances	163,30,84,000		
Bills Discounted and Purchased—	10,95,42,000		
Bills Receivable being Bills for Collection as per contra	1,54,76,000		
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	1,44,27,000		
Furniture and Fixtures less Depreciation	1,13,80,000		
Other Assets (including Inter-Office Adjustments)	21,78,24,000		
Total	598,39,91,000		

Scheduled Banks*			
Statement of Affairs for the week ended 14th Aug. 1959			
LIABILITIES			
Notes held in the Banking Department	Rs.		
Notes in circulation	23,67,14,000		
Total Notes Issued	23,67,14,000		
ASSETS			
(a) Held in India	Rs.		
(b) Held outside India	117,76,03,000		
Foreign Securities	163,00,88,000		
Total of A	280,76,92,000		
B. Rupee Coin	135,62,44,000		
Government of India Rupee Securities	127,18,50,000		
Internal Bills of Exchange and other commercial paper	168,47,86,000		
Total Assets	168,47,86,000		

Scheduled Banks*			
Statement of Affairs for the week ended 14th Aug. 1959			
LIABILITIES			
Notes held in the Banking Department	Rs.		
Notes in circulation	23,67,14,000		
Total Notes Issued	23,67,14,000		
ASSETS			
(a) Held in India	Rs.		
(b) Held outside India	117,76,03,000		
Foreign Securities	163,00,88,000		
Total of A	280,76,92,000		
B. Rupee Coin	135,62,44,000		
Government of India Rupee Securities	127,18,50,000		
Internal Bills of Exchange and other commercial paper	168,47,86,000		
Total Assets	168,47,86,000		

TREASURY BILLS					
Date of tender	Amount (In crores of rupees)			Average rate of discount Per cent.	Rate of interest in full Rs.
	Offered	Applied for	Allotted		
2nd June 1959	2.00	2.40	2.00	2.780	99.805
9th June 1959	0.07	0.07	0.07	2.780	99.805
16th to 18th June 1959	2.00	2.56	2.00	2.784	99.810
23rd June 1959	0.07	0.07	0.07	2.784	99.810
30th June to 20th June 1959	2.00	2.00	2.00	2.760	99.810
27th June 1959	2.10	0.10	0.10	2.760	99.810
7th July 1959	2.00	2.05	2.00	2.759	99.820
14th to 17th July 1959	0.07	0.07	0.07	2.748	99.831
21st July to 27th June 1959	2.00	2.60	2.00	2.748	99.831
16th to 18th July 1959	1.20	1.00	1.00	2.717	99.825
23rd July 1959	0.90	0.90	0.90	2.717	99.825
22nd to 26th July 1959	7.25	7.25	7.25	2.645	99.871
28th August 1959	3.00	5.85	3.00	2.619	99.877
4th September to 1st Aug. 1959	0.06	0.06	0.06	2.619	99.877
4th August 1959	2.00	4.00	2.00	2.590	99.893
11th August 1959	2.00	2.00	2.00	2.590	99.893
12th to 14th Aug. 1959	2.00	2.00	2.00	—	—
19th to 22nd Aug. 1959	0.98	0.98	0.98	—	—
25th August 1959	2.00	2.00	2.00	2.520	99.970
Total amount outstanding					
	38.80		38.80		

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 26th August

The short-term money market has once again turned comfortable, following the refund of excess subscriptions to the State loans. The total amount offered was Rs. 100.27 crores (including conversions to the extent of Rs. 57 lakhs), as against an aggregate sum of Rs. 61.50 crores invited. After retention of an extra 10 per cent. the over-subscriptions came to Rs. 32.05 crores and the return of such a large amount has improved the supply position. The result is a drop in inter-bank borrowing rates from 34 per cent. a week ago to 2 per cent. among the Exchange banks and big Indian banks and from 34-37 per cent. to 3 per cent. among the smaller banks.

The Treasury Bill rate has also declined slightly from 2.530 per cent. two weeks ago to 2.520 per cent. per annum at yesterday's sales. The amount offered was, however, no more than that invited, that is, Rs. 2 crores. Presumably because of the return of comfortable conditions in the short-term money market, the tenders for next week's sales have been raised to Rs. 3 crores. Sales of Intermediate Bills during the period 17th to 22nd August amounted to Rs. 36 lakhs at Rs. 99.381 per cent., representing a discount rate of 2.476 per cent. per annum. Sale of these bills will be held from 26th to 29th August at Rs. 99.386 per cent., which works out to a discount rate of 2.456 per cent. per annum.

A drop of Rs. 16.31 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 21st August 1959. This is on top of a fall of Rs. 8.79 crores in the previous week. Notes held in the Banking Department are higher by Rs. 2.63 crores, so that there is a contraction of Rs. 13.68 crores in total notes issued. This is covered by a decline of Rs. 14.98 crores in rupee securities and a rise of Rs. 1.32 crore in rupee coin. While foreign securities are unchanged, balances held abroad have recorded a rise of Rs. 3.90 crores, lifting the total foreign assets to Rs. 178.56 crores. The deposits of the Central Government are higher by Rs. 3.56 crores and those of other Governments by Rs. 20.14 crores, while deposits of banks have declined by Rs. 16.15 crores and those of others by Rs. 16.70 crores, reflecting the withdrawal of funds by banks and other institutions for subscription to the State loans. Loans and advances to Governments have declined by Rs. 4.07 crores while other loans and advances have risen sharply by Rs. 14.33 crores, of which advances to Scheduled banks against usance bills account for Rs. 2.44 crores.

The Scheduled banks' statement for the week ended 14th August 1959 shows a rise of Rs. 11.21 crores in demand deposits and of Rs. 1.32 crore in time deposits. Inter-bank borrowings also are higher, but by only Rs. 24 lakhs. Borrowings from the Reserve Bank, however, declined by Rs. 1.90 crore. There has been a fall of Rs. 9.47 crores in advances and a rise of Rs. 1.88 crore in bills purchased and discounted.

The gilt-edged market is ruling firm, with a spurt in the price of many issues of the Central and State Governments. The easy conditions in the money market have brought about fresh demand for securities. The absence of sellers and the increase in the Reserve Bank's selling prices for 34 per cent. 1969, 34 per cent. 1974 and 4 per cent. 1979, have also aided the bullish sentiment. Almost all the new State loans command a premium over their issue prices.

3 per cent. 1966 Conversion loan has spurred from Rs. 73.55 to Rs. 74.05, 24 per cent. 1960 has hardened by 10 nP to Rs. 99.60 and 3 per cent. 1963-65 by 15 nP to Rs. 97.50. 3 per cent. 1966-68 and 3 per cent. 1970-75 have each gained 5 nP to Rs. 95.25 and Rs. 92.25, respectively. 34 per cent. 1962 has moved up by 10 nP to Rs. 99.60, 34 per cent. 1964 shows a rise of 5 nP to Rs. 100.20; as also 34 per cent. 1965 to Rs. 100. 34 per cent. 1969 has been put up by 10 nP to Rs. 99.15, 34 per cent. 1974 by 5 nP to Rs. 99.55 and 4 per cent. 1979 by 5 nP to Rs. 100.10.

Among the State loans, Bombay 4 per cent. 1967 has spurred by 20 nP to Rs. 100.70, 1970 by 35 nP to Rs. 100.60 and 1971 by 30 nP to Rs. 100.40. West Bengal 4 per cent. 1971 has gone up by Rs. 10.20 to Rs. 99.85, Madras 1971 by 40 nP to Rs. 99.90 and Andhra 1971 by 25 nP to Rs. 99.75. U.P. 1971, at Rs. 99.90, commands a premium of 40 nP over the issue price, M.P. 50 nP at Rs. 99.50 and Bihar 55 nP at Rs. 99.75. Punjab 1971 is quoted 50 nP higher at Rs. 99.50, as also Orissa at Rs. 99.50. Mysore 1971 has gone up by 40 nP to Rs. 99.90, Rajasthan by 30 nP to Rs. 99.80 and Assam by 50 nP to Rs. 99.50.

The rupee has weakened further in terms of the U.S. dollar. Banks' selling rate for U.S. T.T. has gone up from Rs. 478.25 to Rs. 478.75 per \$100 and their buying rate from Rs. 473 to Rs. 473.25 per \$100. This is in sympathy with the persistent downward trend in sterling abroad. Thus, in New York, spot sterling has fallen from 28.95-28.98 cents to 28.74-28.77 cents and three months forward from 28.98-28.101 cents to 28.80-28.84 cents.

KIPS FIRM

(From Our Own Correspondent)

MADRAS, 24th August

Kips arrivals were small and prices ruled firmer. Shipment business with the U.K. was patchy, with emphasis on top marks and lower selections. Offers of heavy weight kips were small, as arrivals were meagre. Buffalo hides were weak, because the average weights available were too heavy for export market. Arrival of tanned cow calf and buff calf were small; sellers were quoting high prices and the market was firm.

There was good demand for tanned goat skins 54/6 and 54/9 lbs. average. But, as the tanners were quoting fancy prices, importers were making counter-offers which, however, were declined by the shippers at this end.

SILVER TOUCHES HIGHEST LEVEL FOR THE YEAR

(From Our Own Correspondent)

BOMBAY, 25th August

Ready silver in the bullion market touched the highest level of Rs. 204.4 per tola on Thursday last week as well as today. This rate was just Rs. 3 below the all-time peak of Rs. 207.4 seen in June 1951; last week's closing rate was Rs. 203.1. The spurt was due to strong bull support and nervous short-covering, induced by fears of an acute shortage of supplies. The floating stocks of silver throughout the country have shrunk to no more than 1,300 to 1,500 bars. Such poor stocks must be attributed to the virtual cessation of arrivals of silver coins from Tibet, the principal source of supply to India during the past few years. Political developments in Tibet and the declaration of Indian currency as illegal tender in Tibet by the Chinese authorities there have made matters worse and rendered the prospects of early resumption of the flow of silver coins from that region remote. The supply position of silver is expected to be tighter still in the next few weeks, that is, after the seasonal festival demand arises. The abolition of restriction on silver bullion, metal and alloys covered by entry XVI of item 9(A) of Schedule I to the Exports (Control) Order 1958 and silver ores and concentrates covered by entry XXI of item B2 (A) of the same Order with effect from the 19th inst. has also imparted some strength to the metal. Although the world price of silver is far below the Indian price and the prospects of exports of either silver bullion or silverwares are nil, this announcement has had bullish psychological effect. Consequently, the price has gone up markedly.

In sympathy with the white metal and following heavy buying by local and upcountry dealers, gold has also registered a handsome improvement. The rise in values would have been more marked but for intermittent large-scale corrective profit-taking.

Replying to a question in the Rajya Sabha the other day, Mr. B. B. Bhagat, Union Deputy Minister for Finance, revealed that the customs duty derived by the Indian Treasury had diminished as a result of less silver coins being brought by Indian traders from Tibet. He disclosed that, between 30th November 1958 and 30th June 1959, 2,028,259 silver coins were brought into India from Tibet through authorised land customs against import licences issued by the prescribed authority. The customs duty derived on this account was Rs. 8,45,156.

August settlement in gold went off the board on Thursday, the 21st inst., the rate prevailing then being Rs. 121.12, as against Rs. 121.4 on the previous day. September settlement spurted from Rs. 121.2 to Rs. 122.3 on Friday. Since the rate was Rs. 5 more than the starting rate, margin at Rs. 7 per tola became effective on open bull position in this settlement. Notwithstanding the margin, the settlement moved up and touched Rs. 123 today.

Ready gold opened the week at Rs. 121.13, as against Rs. 121.3, and advanced in the course of the week to Rs. 122.4 today. The daily average arrivals and offtake of gold were 2,800 tolas and 2,600 tolas, respectively. The floating stocks of gold are estimated at 37,000 tolas.

September settlement in silver forged ahead from Rs. 202.6 to Rs. 204.4 on the opening day of the week under review. Since the quotation was higher by Rs. 7, as compared with the rate at which business in this contract commenced, the bulls in this settlement were required to deposit a margin at the rate of Rs. 500 per bar in accordance with Bylaw 33 (C) (1) (A). The operation of this Bylaw led to some liquidation and the rate declined to Rs. 202.3 on Saturday. The subsequent sessions, however, witnessed a recovery once again and the settlement rose to Rs. 204.4 today before finishing at Rs. 204.4. October settlement recorded a rise of Rs. 2.1 over the week, today's closing rate being Rs. 204.8, the highest level touched was Rs. 204.10. August settlement ran off the board at Rs. 203.2 on Friday, the 21st inst., as against Rs. 203.4 on Wednesday last week.

Ready silver registered an overnight gain of Re. 1-3 and touched Rs. 204.4 on Thursday, the 20th inst. After declining to Rs. 202.3 in the next two sessions, it rallied again to Rs. 204.4. The closing rate was a shade easy at Rs. 204.2. The daily average arrivals of silver were 11 bars, while the offtake was 9 bars. The floating stocks of silver are reported to be around 400 bars.

Both ready and forward silver in the London bullion market was unchanged during the week, the former at 79d. per ounce and the latter at 78½d. Silver in New York, too, was unchanged at 91.375 cents. Ready gold in London firmed up from 249s. 10½d. to 250s., following the easiness of the pound sterling vis-a-vis the dollar. The latest available dollar rate for gold in London is \$35.94-\$35.11, as against \$35.11-\$35.13 last week.

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

	25-8-59	Highest	Lowest	10-8-59
GOLD				
Ready (99 fine Mint)	122 14	122 14	121 1	121 8
Forward	123 0	123 0	121 10	121 2
SILVER				
Ready (999 fine Mint)	204 2	204 4	202 8	203 1
Forward	204 2	204 4	202 8	203 1
LONDON SILVER READY	91 375	91 375	91 375	91 375
LONDON GOLD	2500	2500 4d.	2490 11½d.	2490 11½d.
NEW YORK SILVER	91 375	91 375	91 375	91 375

* 17th September settlement. † 18th September settlement.

JARILLA AUGUST EXPIRES

(From Our Own Correspondent)

BOMBAY, 25th August

The Jarilla August contract went off the board today. In contrast to its recent hectic career, the contract finished on a subdued note at Rs. 705. In fact, it displayed distinct weakness prior to expiry owing to fears that higher levels might attract larger tenders on the last notice day, that is, today. The contract, which has through most part of its career, been a support position of cotton and the Indian textile activity and trade. It opened at Rs. 675 on the 24th June 1959 and closed at Rs. 728 on the 21st inst. Tenders issued on last notice day amounted to 900 bales, with 1,150 bales issued on the previous day. Total tenders against the contract were 1,500 bales, comprising 8,250 bales of Kalyan, 300 bales of Laxmi B, 50 bales of Cambodian and 100 bales of Vijay. This must be deemed fairly large considering that tenders against the May and March 1959 contracts were 4,750 and 3,650 bales respectively.

The new crop contract, Jarilla March 1960, could not remain unaffected by the fortunes of the August contract. The weakness of August influenced the March to some extent which after a rise early in the week, registered a sympathetic decline subsequently. Market observers feel that attention will now be focussed on the March contract and its course influenced by weather news and other related market factors.

I.C.C. Moglai Jarilla August 1959 opened the week at Rs. 724, and after rising to Rs. 728 the next day, declined to go off the board at Rs. 705 today.

I.C.C. Moglai Jarilla March 1960 commenced the week at Rs. 688. The contract followed more or less the course of the August contract. After rising to Rs. 694.50 on Friday, it receded to Rs. 690.25 on Monday. It declined further to Rs. 687 today, but recovered to finish at Rs. 688.75. The market is closed tomorrow and day after on account of Jammashtami.

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

	25-8-59	High	Low	19-8-59
I.C.C. Moglai Jarilla:				
August 1959	705.00	728.00	705.00	725.00
March 1960	688.75	694.50	687.00	687.75

In the spot section, good demand was noted for available lots of current and new crop. Current crop Laxmi, Jaydhar, Wagad, Kalagin 197/3 and Kalyan were well favoured. Southern mills were particularly interested in all new crop, especially 197/3 and Rajapalayam.

Permission having been obtained, business in new crop delivery contracts started on Monday. In view of the tight supply position and keen mill interest in new crop, prices showed a firm trend.

Export demand was confined to Bengal Deshi and Yellow Pickings. Moderate business was reported in these qualities. Shippers were anticipating an improvement in demand from Japan in the coming weeks. Many Japanese mills are said to be expecting better offtake of yarn and cloth in the last quarter of the year. This is expected to spark off demand for raw cotton.

The Government of India has extended, up to 30th September 1959, the shipment period of cotton in respect of contracts registered up to and including 21st August 1959. This was welcomed by the trade, although it had requested an extension by two months up to the end of October.

The foreign section was subdued. Following the representations made by the trade, the validity period for shipment of 60,000 bales of raw cotton stapling 1.3/16" and above has been extended up to 15th September. This quota was due to expire at the end of this month. The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal Deshi 695; Berar Jarilla 765; Khandesh 870; Laxmi 1,000; Jaydhar 850.

After a sharp setback early in the week, thanks to hedge pressure, the Karachi cotton futures market recovered in subsequent sessions on renewed export demand. Mill inquiries for new crop also broadened. Cotton futures, consequently, made up the lost ground. The following are the latest available spot quotations—in rupees per 82 lbs.—from Karachi:

Sind Deshi 84; Punjab Deshi 72-8; 4F Punjab Roller 71-8; S.G. 73; L.S.S. Punjab Roller 73-8; S.G. 74-8; N.T. Roller 73-8; S.G. 74-8; 289F Punjab Roller 73-8; S.G. 74-8.

The Alexandria cotton futures market ruled subdued during the week reflecting the poor overseas demand and small export turnover. The export price discount remained unchanged at 30 p.c. Weather news was favourable and indicated the prospect of a good crop. The latest available quotations—in tallars per lb.—from Alexandria are as under:

Karnak: November 73.45; January 72.50. Ashmouni: August 67.55; October 66.20.

With the auction held on the 11th inst. at Khartoum, the Sudan Gezira Board has completed the marketing of its 1959 crop. Commenting on this, the Patel Cotton Company, Bombay, observes: "In January this year, the Sudan was faced with long-staple cotton being the 1959 crop of about 600,000 bales in prospect and unsold stocks of about 200,000 bales. The Nuba crop in prospect of about 5,000 bales. By switching to a new realistic approach and then market levels, prices considerably below the varieties, the Gezira Board have not only successfully completed the sales programme but have also created a wider market for Sudan long staples."

Cotton futures values in Liverpool scored handsome gains during the week under review. There was sustained support from American interest in Liverpool and short-covering which met with only limited offerings. The more distant positions were comparatively firmer on account of transfer of holdings to forward positions. Sudan contracts, however, remained unchanged at last week's levels. The following are the latest available quotations—in pence per lb.—from Liverpool:

American Cotton One-inch Staple Contract: October-November 21.74; December-January 21.74; March-April 21.60; May 21.85.

American Cotton Mixed Growth Contract: October-November 22.00; December-January 22.00; March-April 21.95; May 21.95.

Sudan: September-October, 21.75; November-December, January-February 21.75.

Cot futures values in New York advanced on trade demand and commission house buying. Rates were, however, held in check by reports of favourable weather in the growing regions. Many observers were of the view that the crop would exceed the recent official estimate of 14.8 million bales. Improved crop prospects discouraged follow-up support.

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

	25-8-59	19-8-59	11-8-59
Spot	33.15	33.10	33.15
October	32.20	32.08	32.09
December	32.22	32.15	32.15
March	32.65	32.55	32.51

RAYON YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 25th August

Barring cotton yarns which continued to rule firm on good export demand, the yarn market presented a bearish trend during the week under review. Rayon yarns were subjected to selling pressure on reports that several lots of rayon cloth for export had been rejected. Demand for yarn from weaving mills was at a low ebb. Staple fibre yarns were depressed, thanks to slackness in inquiries from consuming centres on account of recent heavy rains and sales of yarns at lower prices by some mills. There would have been a renewal of demand in the next two or three weeks.

Cupressa Bamberg yarn (60x2) August delivery fell from Rs. 1.671 to Rs. 1.642. October delivery dropped Rs. 29 to Rs. 1.682. Spot Cupressa was quoted at Rs. 7.50. Among imported art silk yarns, 150 Japan receded by 7 nP to Rs. 4.71. 120 Italy declined by 3 nP to Rs. 4.81. 120 Japan was negotiated at Rs. 4.75, as also 150 Italy at Rs. 4.68.

Staple fibre yarn (40x2) August contract moved up by Rs. 15 to Rs. 648. October contract suffered a loss of Rs. 10, today's closing rate being Rs. 648. Spot yarns were a shade easy as compared with the closing rates last week.

CASTOR GIVES WAY

(From Our Own Correspondent)

BOMBAY, 25th August

The oilseeds market ruled easy during the week under review. There were widespread rumours in the market regarding the possibility of stricter controls on food prices, following the heated debate on the question in the Lok Sabha and the resignation of the Union Food and Agriculture Minister. Oils and seeds drifted to lower levels, on heavy bull liquidation and lack of up-country support. Castorseed futures touched a new low of the season on Monday, thanks mainly to ears of heavy tenders against the maturing contract. The offerings, too, were sizable. Moreover, he prospects for the exports of oil continued to be bleak, since the U.S. buyers did not seem to entertain Indian offers at the current level of prices. The situation has not improved, notwithstanding the lower estimates of Brazil's castor crop or this year. Groundnuts also gave way, particularly on reports of favourable rains in the major producing centres, such as Saurashtra and other places. Crushers and vamsapati manufacturers referred to wait and watch, in anticipation of a further decline in prices. At the close of the week, oilseeds tended to move up slightly, following me reports of an early announcement of export quota for groundnut oil under the old incentive scheme. The linseed section was subdued in the absence of fresh buying enquiries. The export outlook for linseed oil, however, is said to be improving at the close of the week. Cottonseed, moved in sympathy with other major seeds, its price being determined chiefly by Ahmedabad and kola interests.

In the castorseed section, September 1959 contract, which closed last week at Rs. 153, came in selling subsequently and touched Rs. 149.87 on Monday. It, however, recovered today to Rs. 150.37. Technical grounds, May 1960 contract eased on Rs. 155.50 to Rs. 152.62 on Monday, but rose day to close at Rs. 153.12. Ready Madras lost nP to Rs. 30.12. Ready Kanpur closed lower Rs. 28.94, as compared with Rs. 29.62 last week. Oil B.S.S. released by 31 nP to Rs. 16.25 and commercial by 37 nP to Rs. 15.25.

Groundnut August 1959 contract, which had jund up last week on a weak note at Rs. 191.50, fell by one rupee to Rs. 190.50, after moving in a row range in the course of the week. February 60 contract also lost one rupee to close at Rs. 167.75, after fluctuating over the week between Rs. 166.75 and Rs. 165.50. Bold ready was marked up by 63 nP to Rs. 19.87, Oil ex-mill was up by 69 nP at Rs. 19.58.

In the linseed section, September 1959 contract, which stood at Rs. 32.75 last Wednesday, declined to Rs. 32.37 by Monday, but recovered to Rs. 32.62 today. It, however, recovered today to Rs. 32.62. Technical grounds, May 1960 contract eased on Rs. 155.50 to Rs. 152.62 on Monday, but rose day to close at Rs. 153.12. Ready Madras lost nP to Rs. 30.12. Ready Kanpur closed lower Rs. 28.94, as compared with Rs. 29.62 last week. Oil B.S.S. released by 31 nP to Rs. 16.25 and commercial by 37 nP to Rs. 15.25.

Groundnut August 1959 contract, which had jund up last week on a weak note at Rs. 191.50, fell by one rupee to Rs. 190.50, after moving in a row range in the course of the week. February 60 contract also lost one rupee to close at Rs. 167.75, after fluctuating over the week between Rs. 166.75 and Rs. 165.50. Bold ready was marked up by 63 nP to Rs. 19.87, Oil ex-mill was up by 69 nP at Rs. 19.58.

In the linseed section, September 1959 contract, which stood at Rs. 32.75 last Wednesday, declined to Rs. 32.37 by Monday, but recovered to Rs. 32.62 today. It, however, recovered today to Rs. 32.62. Technical grounds, May 1960 contract eased on Rs. 155.50 to Rs. 152.62 on Monday, but rose day to close at Rs. 153.12. Ready Madras lost nP to Rs. 30.12. Ready Kanpur closed lower Rs. 28.94, as compared with Rs. 29.62 last week. Oil B.S.S. released by 31 nP to Rs. 16.25 and commercial by 37 nP to Rs. 15.25.

TEAS IRREGULAR

(Messrs. Forbes, Ewart and Piggis (Private) Ltd.)

COCHIN, 21st August

Sale No. 32 which was held on 18th inst., amounted to 900,000 lbs. The quality of medium teas offered in this sale showed a slight decline. Amongst high growers there were some teas with improved quality. The market met with a good demand, but prices were irregular. There was only fair enquiry for low medium and mediums which sold at easier rates than last. Buyers showed better interest in improved liquoring high growers which were dearer following quality. Clean black fannings grades suitable for the Middle East continued in demand and were firm to dearer. Whole leaf grades, with the exception of orange pekoes, were easier. There was a useful demand for a small selection of C.T.C. teas at slightly easier rates. The quotations were:

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	25-8-1959	19-8-1959	12-8-1959
Groundnut			
August 1959	190.50	191.50	189.00
February 1960	165.75	166.75	166.50
Bold ready	37.50	39.75	38.00
Commercial ready	38.50	39.75	38.25
Kandesh quality	38.50	39.75	38.25
Oil ex-mill ready	29.87	29.50	29.00
Railway receipts	19.50	20.25	19.60
Castorseed			
September 1959	150.37	153.00	154.00
May 1960	153.12	155.50	155.75
Ready Madras	30.13	30.75	30.50
Ready Kanpur	28.94	29.62	29.25
Oil B.S.S.†	16.25	16.50	16.50
Oil commercial†	16.25	16.62	16.50
Linseed			
September 1959	32.50	32.75	32.75
May 1960	32.75	32.75	32.75
Bold ready	32.37	32.75	32.50
Oil ready†	16.06	16.25	16.19
Cotton seed			
September 1959	137.00	—	136.00
February 1960	114.50	114.75	113.50
Niger seed			
Ready	81.25	81.00	80.50
Kardhi seed			
Ready	22.75	23.00	23.00

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

SUGAR ARRIVALS LARGE

(From Our Own Correspondents)

BOMBAY, 25th August

Arrivals of sugar by rail and road to the City during the week were fairly large. The daily average of arrivals was about 2,100 bags, same as that in the previous week. Consequently, the supply position was quite comfortable. The wholesale rates (per bag) for the four representative grades of sugar continued unchanged at Rs. 115.21 for A grade, Rs. 114.08 for B grade, Rs. 112.02 for C grade and Rs. 111 for D grade.

The Government of Bombay has clarified that the retail price of Rs. 1.02 per seer fixed for sugar in Greater Bombay pertains to E27 grade, and not E29 grade as stated earlier. The prices per seer for the various other grades of sugar are: A29; Re. 1.08; B29; A28 and A27: Re. 1.07; B28: Re. 1.06; C29 and B27: Re. 1.05; D29 and C28 Re. 1.04; E29, D28, E28, C27, and D27: Re. 1.03. All retailers of sugar are required to exhibit these prices.

The total sugar production during the season 1958-59 (up to 31st July 1959) was 1,904,000 tons, as against 1,971,000 tons by the same date last season. The offtake of sugar from factories during the month of July 1959 was 175,000 tons, as against 170,000 tons in the corresponding period last season. This brings the total despatches from factories upto 31st July 1959 to 1,576,000 tons, as against 1,521,

Doors Re. 1.80 to Re. 1.84; and medium Assam Re. 1.76 to Re. 1.82.

Leaf offerings amounting to 702 chests were in good demand.

Chests numbering 8,324 were offered in the sales held in Chittagong on 19th August. Demand was good, but the price trend was irregular. Thus, while clean orange fannings possessing good liquors gained by 2 to 4 as., B.O.P.s eased. Legg-cut fannings were about steady. The quotations (in rupees per lb.) were: O.F. 1-11; B.O.P. 1-6-6; P.F. 1-6; and B.P. 1-3.

Offerings during yesterday's export sales amounting to 56,256 packages met with fair demand. However, an irregular trend with regard to prices prevailed and, towards the end, a definite easing tendency resulted. Broken and fannings in the orthodox varieties were firm at about previous rates, while fannings recorded slightly dearer prices. Medium B.O.P.s of the same category eased by about 15 p to 20 p. Plain fannings were taken at higher rates often with a firm trend in plain B.P.s. Tippy teas eased, as also whole leaf grades. Among the latter, there were some withdrawals. Darjeelings receded by 30 p to 50 p below valuations. Non-withered Doors lost 10 n.p. and a similar recession was recorded in poorer C.T.C.s. Other C.T.C.s were weaker by 20 to 40 p. The quotations (in rupees) were: Best Assam C.T.C. fannings 3.30 to 3.70; best Assam B.P. 2.70 to 3.00; clean black pekoe 1.92 to 1.94; medium fannings 2.08 to 2.18; plain fannings 1.96 to 2.04; medium B.P. 1.94 to 2.04; and plain B.P. 1.80 to 1.84.

Export quota changed hands at 2½ n.p. the price subsequently receding to 2½ n.p. However, sellers were not interested in offers less than 2½ n.p. towards the close.

JUTES WELL SUPPORTED

(From Our Own Correspondent)

CALCUTTA, 25th August

Fairly steady conditions were in evidence in all sections of the jute goods and fibre markets during the week under review. Although prices closed below the best levels for the week, speculative enthusiasm for goods was keen and activities in the futures markets interesting. In heavy goods, orders from foreign countries were considerably less than last week, but stockists anticipated that interest would soon widen. In hessian, shipping this week took place to Cuba and Argentina in small quantities.

Contrary to earlier expectations, lack of orders from the U.S. for hessian in larger quantities was disappointing. The perceptible fall in burlap consumption in that country in July—it was only 68.8 million yards, as against 81 million yards in the previous month—was a factor which kept down speculative interest in hessian constructions. The fall was attributed to the steel strike in the U.S. but consumption there was expected to pick up. Stocks in that country at the end of July, though they fell by 14 million yards to 271 million yards, were sufficient to meet the needs for about 15 weeks. It was believed here that the U.S. buyers were holding off in the hope that prices would decline further. However, the bullish trend in heavy goods in the last two weeks and its sympathetic effect on hessian and miscellaneous goods had introduced a new situation. For, although hessian prices had not improved, the buoyant conditions in sacking goods arrested the declining trend in hessian, and it was expected that a slight change in demand in hessian would push up prices impressively. It was known here that Argentina had yet to buy a good portion of its requirements and, considering this, the stock position in hessian was not a matter of concern to buyers. There was no doubt that most of the increase in production, if not all, in the unsealing of 24 per cent. of the looms from 24th August would be concentrated in sacking to meet the increased demand in the latter. Also, hessian looms were being continued to switch on to sacking wherever possible. The U.S. has yet to buy in a considerable way, considering the meagre purchases made by it so far. Viewed thus, the outlook for hessian is not less encouraging than heavy goods.

Despite the disappointing figure for July consumption in the U.S., it was noted here that the total consumption for the seven months ended July disclosed an average of 74.6 million yards which surpassed the monthly average in the same period during any of the recent years. The New York report that consumption was picking up was considered significant. It was reported in cabled advice from New York that consumption in the coming months would be running high. The realisation in the market that hessian output here was not expected to improve at least up to the end of this year was apparent. All the same, New York prices did not harden, as buying in the primary market had been cautious. There were reports from France that bulk handling there was becoming more and more popular and, reflective of this, mills in France had curtailed production by about 20 per cent.

Although, in sympathy with the finished goods market, fibre prices were quiet and a few varieties recorded a fractional insignificant recession, the undertone was fully steady. Stockists were confident that conditions would soon improve, in view of the need of mills to replenish stocks. In recent months, the mills had adopted a policy of slow buying as a result of the earlier heavy purchases. The result is that they have to pay greater attention to the fibre market. Meanwhile, crop reports continue to be encouraging, and several areas have experienced rains this week followed by sunshine at intervals. Water levels in rivers, tanks and canals improved, and steeping facilities are now more satisfactory. However, in Northern Bengal more rains are required, and anxiety about satisfactory retting continued.

On Tuesday last, ready B. twills hardened from Rs. 107.75 to Rs. 107.85. The rise followed

fair speculative interest, although genuine business passing was negligible. Further, the market was closed on account of a local festival on that day. Hessian 40" 10 oz. remained unchanged at Rs. 40.80. Note was taken of the figures in respect of July despatches released on the previous day. Total despatches from mills at 91,397 tons accounted for a rise of 4,827 tons or just over 5 per cent. as compared with June. While despatches against local consumption fell in respect of sacking and miscellaneous goods, that in hessian recorded a small rise. For export, both hessian and sacking improved, but other goods were lower. On Wednesday, there was keen activity in futures market, and B. twills jumped to Rs. 109.35. Opportunity was taken by bulls for profit-taking. Hessian 40" 10 oz. hardened to Rs. 40.85. Covering business in heavy goods was fair and, on Thursday, profit-taking continuing, B. twills sagged to Rs. 109.50, while, on better reports from New York burlap market, hessian 40" 10 oz. scored to Rs. 41. There were indications of fears in New York as to whether the good business done in Calcutta in sacking would lower hessian production. That explained the firmness of hessian 40" 10 oz. at Rs. 41 here on Friday, while B. twills gave way to Rs. 107.50 on profit-taking. Over the week-end fluctuations in the futures market made ready hessian 40" 10 oz. fall to Rs. 40.90 and ready B. twills to Rs. 106.80. Although genuine business transacted yesterday was limited, prices steadied up, following keener activity in the futures market and good reports over the week-end. Ready B. twills scored to Rs. 107.95, and hessian 40" 10 oz. to Rs. 41.10.

During the week, mills showed less interest than last week in raw jute. Sellers thought that mills were not happy about the rising trend of the fibre, although the rise in goods prices as had been experienced in the last two weeks was significant than in fibre. In the last two weeks, the gain in fibre prices was just fractional, while that in B. twills and other sacking constructions was several points. Sellers, however, did not lose their balance, as they knew that mills would soon buy in larger quantities. Further export commitments by the State Trading Corporation would claim a portion of the crop. New daissee bottoms August-September was unchanged at Rs. 24.50, while the old daissee bottoms lost to Rs. 23.75 from Rs. 24. New northern bottoms at Rs. 23 receded by 50 p. Latest quotations for the new crop are as follows:

	Middles Rs.	Bottoms Rs.
Upper and Lower Assam	26.00	23.50
Northern	25.50	23.00
Desal	24.75	22.75
Cuttack	28.50	25.50
Murshidabad	24.50	21.50
Daissee	26.00	24.00
Agartala	25.00	24.50
Mesta	24.00	21.50
Jungli	23.50	21.00
Bihar and U.P.	26.00	24.00
Bimli f.a.q.	Rs. 21	
Pucca bales 1st mark	Rs. 170 per bale ready	

BASE METALS MOVE UP

(From Our Own Correspondent)

CALCUTTA, 25th August

Base metals and copper scrap recorded a fair improvement during the week under review, following greater demand and higher advices from foreign markets. Tensile copper scrap moved up from Rs. 225 to Rs. 230 per cwt. and, at Rs. 240, the berry quality recorded a similar rise. The strike in the principal copper mines and refineries in the U.S., namely, Phelps Dodge, Anaconda and Kennecott, began from the 20th inst. If the strike were to continue, it would, it is felt, mean a production loss of 75,000 tons a month, which is only 25 per cent. less than the total monthly American output. In New York, the price hardened from 11.38 cents to 11.45 cents per lb. It was noted that, in July, the American output of copper recorded a seasonal decline. Thus, primary production at 81,835 tons was lower by 17,584 tons than in June, and refined output was only 134,020 tons, as against 138,403 tons. However, stocks at the end of July were higher than in June because of lower deliveries to industry. Reports from the U.S. also indicated that lead and zinc mining were being affected. On the London Metal Exchange, spot copper opened at £227 per ton and rose to as high as £245½ to close at £235½.

There was an improvement in demand for tin, as a result of which the price hardened from Rs. 581 to Rs. 587 per cwt. The stock position was far from satisfactory, and this added to the improved sentiment. An improved trend was also reported from Singapore. In London, tin, although unchanged, remained fully steady at £792½ per ton, while, in New York, the closing level at 102.37 cents recorded a fractional recession.

Electrolytic zinc opened at Rs. 106 and, after hardening to Rs. 107, closed at Rs. 106. Greater demand in the face of reduced stock contributed to the upward trend. Lead at Rs. 75 was steady. In London, zinc at £86½ per ton touched the highest level for the week, but returned to the opening level of £86½.

LINSEED DECLINES SLIGHTLY

(Messrs. A. Bradley and Co.)

CALCUTTA, 26th August

Although prices of linseed declined slightly, the undertone of the market remained firm. Business was rather limited. Crushers showed some interest, but sellers were reserved. Despatches from the centres were very poor.

In the options market, trading continued to be on a small scale. Both September and May positions registered small losses with buyers hesitant.

There was good demand for oilcake on the whole, mainly from local buyers and prices advanced above Rs. 14.50; shippers showed no interest beyond Rs. 14, owing to the decline in overseas price to £35.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

The oil market was firm. Prices showed little change, but sellers were very reserved. Shippers re-entered the market and business was done up to Rs. 50.25. Overseas price advanced to £106.

COMMERCE

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

VOL. XCIX. No. 2528

BOMBAY, 5th SEPTEMBER 1959

PRICE: Rs. 2

WANTED A FOOD POLICY

THE compelling logic of the high food prices in

India must make one wonder whether the time has not arrived for the formulation of a realistic food policy for the country. The new Food and Agriculture Minister, Mr. S. K. Patil, has all that a Minister can want. He enjoys the confidence of Parliament and of the country. Again, on his own admission, he is "unconventional and unorthodox." So was the late Mr. Kidwai, who has gone down in India's agricultural history as the man of the hour, who successfully removed controls without any ill-effects on the economy. Mr. Patil has other qualities too. He can persuade people and carry conviction to them. And in food, as in many other aspects of Governmental policies, half the battle consists in convincing others, the other half being the possession of conviction in one's own policies. It cannot be said that Mr. Patil has yet arrived at the stage where a new food policy can be formulated straightforwardly. But, in the course of his speech at the Rajya Sabha this week, he gave ample evidence of the fact that he knows his own mind. What stands out prominently from his long address is that he is not prepared to be hustled into action. He did much audible thinking, but resolutely set his face against being stampeded into any particular policy on purely doctrinaire considerations.

Although Mr. Patil has not made up his mind on the question of formulating a food policy, he gave some indications of the lines on which he was thinking. Obviously, they are tentative. Even so, they indicate a realistic approach to the food problem. In the first place, he emphasised that there must be an all-party approach to the problem. This has often been said before but has seldom been implemented. Secondly, he recognised that the essence of the problem lay in increased production. This point too has found eloquent supporters in the past, though food ministers, once they are in office for sometime, get lost in the problem of distribution of available food supplies. Mr. Patil, with his characteristic good humour, remarked that he would rather become a Minister of Agricultural Production than remain a Minister of Food Distribution. He stressed that food self-sufficiency must be achieved "under any circumstances and by any means." Thirdly—and this is by far the most important aspect of the problem—Mr. Patil pleaded for inspiring the rural sector with a sense of security. He gracefully conceded that the food problem had been "aggravated or complicated by the fear complexes that we have developed." Illustrating the impact of this man-made complex on the food problem, he referred to the hoarding by farmers out of fear of lean years. Finally, he made the point that what the situation demanded was the provision of incentives for the farmers which would make them "become food-conscious and produce more."

Little exception can be taken to these considerations. It must, however, be admitted that, when it comes to applying them, there are bound to be differences of opinion. Thus, it would be an over-simplification of the problem to suggest that the mere grasp of fundamentals will automatically ensure the evolution of a right food policy, productive of positive results. At the same time, it must be recognised that no food policy which ignores them can deliver the

goods. Again, in formulating a policy, it is necessary to harmonise it with the overall economic policy. The significance of this was brought out by Mr. Jain himself in the course of his letter of resignation to the Prime Minister. He pointed out that "in the complex economy under which we are living, the prices of commodities are affected by the export and import policy, budgetary and monetary policies." He added: "In a developing economy, all these have an effect on food prices." Yet another illustration of the effect of the general economic policy on the food problem was brought out by Mr. Jain as well as by Mr. Patil and the Union Deputy Minister, Mr. A. M. Thomas. This refers to the results of certain agro-economic surveys. It would appear that these surveys reveal that wholesalers do not have much stocks in the country but the stocks are with producers who are now more conscious of price considerations and have larger holding capacity, thanks to liberal supply of credit from co-operative institutions. In other words, the Government cannot with one hand provide liberal credit to farmers with no means of checking upon its being put to correct use and, with the other, seek to stabilise the price levels. Although there were some angry protests in Parliament against this line of reasoning, it is undeniable that there is a certain element of truth in the widely held view that individual farmers have now a better capacity to hold on to their produce. The situation could be corrected only through the adoption of a policy which reconciles the need for meeting credit requirements of the farmers with the equally imperative need for ensuring that the credit is applied only to genuine agricultural operations and is used for preventing distress sales by farmers. Co-operative humanitarianism should not degenerate into a cloak for covering inflationary sins.

Contents

LEADING ARTICLES—	PAGES
Wanted a Food Policy	365
Coal Prices	366
China's Economic Limp	366
MARKET GOSSIP	368
ROUND THE EXCHANGES	368
NEWS IN BRIEF	369
PERSONAL	369
THIS WEEK'S SURVEY	370-371
SPECIAL FEATURES—	
National Income and Saving	372
London Letter	372
American Letter	373
An Objective Study of Gift Tax	375
Manchester Letter	380
CHAIRMEN'S SPEECHES—	
Tata Iron and Steel Co., Ltd.	376-378
India Cement Ltd.	386
Mysore Paper Mills Ltd.	391
Sterling General Insurance Co.	395
Mettur Chemical and Industrial Corporation Ltd.	399
WEEK'S STOCK EXCHANGE TREND	368
MONEY AND BANKING	374
TEXTILES	379
SUGAR	381
JUTE	382
ENGINEERING	384
NEW PRODUCTS AND PROCESSES	385
INSURANCE	392
COMMERCE AND INDUSTRY	393
COMPANY MATTERS	394-395
COMPANY MEETINGS AND DIVIDENDS	395
COMPANY REPORTS	396
MARKET REPORTS	400-402
MISCELLANEOUS STATISTICAL INFORMATION	403-404
STOCK AND SHARE QUOTATIONS	405-410

The problem of providing incentives to farmers resolves itself into the adoption of a large variety of measures. If the "fear complex" among farmers is to be removed, there must necessarily be an extensive price support programme, if not also crop and cattle insurance schemes. The emphasis on co-operative farming is yet another factor in the farmers' fear complex. It must be abandoned, except in certain special cases. Again, there is the question of providing the physical means by which production could be stepped up. The target for foodgrains (inclusive of pulses) in the third Five-year Plan has been set at 100 million tons. It would appear that this target is based on the assumption that 6.2 million tons of additional foodgrains and pulses over the base figure of production in 1960-61 would be obtained by the use of fertilisers. Clearly, the production of fertilisers, both organic and chemical, should be increased. Again, as is well known, there is wide scope for the application of scientific methods to Indian agriculture. This has now been confirmed by no less an authority than Professor J. B. S. Haldane. In the course of his speech at the Tata Institute of Social Sciences, in June last, this distinguished scientist averred that there were many "vested interests" in India who might persuade people to believe that adequate research was being done to increase food production. "I venture to doubt it," he said. He was of the view that the problem could be solved if scientific methods were applied to the production of food; at present, the country had the resources to produce the food it required. More agricultural research and more application of such research to land are what the country needs today. This is not a mere platitude. The man who can translate research results into actual practice in Indian agriculture may crown himself with glory.

There are, of course, quite a few specific issues which deserve utmost consideration. State trading in foodgrains is one such issue. Mr. Patil made it clear that he would neither swear by it nor swear at it. While the need for some means of State intervention in foodgrain trade is generally conceded, it would be wrong to continue to experiment in State trading, especially when, on official admission, it has proved a failure. Mr. Patil, on his part, confessed that he would be a happier man if he could achieve the objective of adequate food at reasonable prices through free market economy than through State trading. There is next the zonal system of distribution. Mr. Patil pleaded for treating the entire country as a single unit. It is true that the zonal system has had a certain measure of success. It deserves to be examined whether its more recent failure is to be attributed to any inherent defect in the system or to the Government's attempt to dovetail State trading into it. In any case, if the system is retained, the pre-condition for its successful operation, namely, the willingness of the surplus States to share their surplus with the rest of the country, should be fulfilled. Finally, there is the wide range of purely administrative problems of co-ordination of the work of the Central and State agricultural departments and also of the work of the different departments at the Central and State levels. Available evidence shows that agriculture is the least administered of the State subjects from the positive angle. It is only when this defect is remedied that agriculture can come into its own.

COAL PRICES

THE meagre increase of fifty naye paise per ton in prices of coal up to grade IIIA and IIIB in Bengal-Bihar coalfields, announced last week, is not calculated to give satisfaction to the industry. For one thing, it does not fully meet the rise in production costs the industry has had to contend with. Secondly, the revision reflects the findings of the Coal Prices Revision Committee, based on cost data which have been outdated by the delay in the framing of its suggestions. Indeed, it is the second factor which greatly vitiates the Committee's recommendations. Appointed in 1957, the Committee took nearly two years to submit its report. The situation has been rendered worse by the fact that the Government has taken nearly nine months to accept the Committee's recommendations in their entirety. Even for this country which is accustomed to deplorable official delays, the extent of the Government's delay in the revision of coal prices constitutes a very unworthy record. And, as it has now turned out, the Government's decision on coal prices is not likely to make coal producers feel that it was worth waiting for. The only justification which a delay of this magnitude could have would be an attempt to reach a decision that would give all-round satisfaction.

The industry's demand for a more substantial increase in prices had been based on very valid considerations. On behalf of the industry, it has been pointed out that production costs have risen by about 52 per cent. since 1947, whereas the permitted increase in prices has been of the order of only 31 per cent. The fact that an increasing number of collieries are carrying on their operations at a loss has served only to strengthen the industry's case for a larger increase in prices than has been vouchsafed to it. A survey of the financial position of 45 representative coal companies revealed that only 15 of them were in a position to declare dividends in 1958. A similar survey of 19 units, made in 1957, showed that the profit, after providing for taxation, worked out to Re. 1.21 per ton, out of which dividends accounted for Re. 0.54 per ton. It further revealed that the total dividends paid were only 3.4 per cent. of the total value of investment. Surely, this is a very meagre return for an industry with a wasting asset like coal. The financial resources of the industry are being fast depleted, with no prospects of their being replenished. A joint note on coal prices, issued recently by the representative bodies connected with the industry, placed the depletion of reserves in coal industry in 1958 alone at Rs. 1 crore. It emphasised that "no industry can continue to suffer the depletion of its resources to such an extent and the coal industry particularly is one which has to meet regular demand for capital expenditure due to its very nature."

It is, therefore, somewhat deplorable that the Government should have failed to concede the industry's case for a reasonable increase in prices. The increase of half a rupee per ton now permitted falls far short of the industry's demand for a rise of Rs. 3.50 per ton. It must be remembered that, barring South Africa, India produces the cheapest coal in the world. A larger increase in coal prices than the one now permitted would certainly not have entailed too heavy a burden on industries. The increase in cost to the consumer now is only one rupee per ton, consisting of an increase of 50 nP per ton in price, the increase of 25 nP per ton in excise duty and a cess of 25 nP per ton. It is difficult to resist the temptation of contrasting the Government's niggardly attitude towards the industry's case for revision of prices with the attitude which industrial tribunals adopt towards the upward revision of wages. We are far from suggesting that the wages and amenities to workers, in general, and coal miners, in particular, should not be increased. Only, in a commodity like coal, the prices of which are controlled, the Government owes it to the industry, producing the commodity, to ensure that increases in wages and other costs of production are satisfactorily reflected in controlled prices.

In the absence of the text of the report, which has not been made available to the Press, it is difficult to assess the validity of the considerations which prompted the Committee to recommend a negligible increase in coal prices. From Press reports, it would appear that the Committee has assessed the production cost of coal in the Bengal-Bihar region at Rs. 17.90 per ton (exclusive of the cost of stowing operations). A profit-margin of Re. 1.75 per ton is considered fair and reasonable in relation to the capital employed. At the existing level of prices, the average sales realisation, it is stated, works out to Rs. 19.18 per ton. It is on this basis that an

increase of 50 nP per ton has been granted. For the outlying regions of Madhya Pradesh, Bombay, and Orissa, the cost structure has been assessed at Rs. 19.35 per ton. The increase of Re. 1.45 per ton over the Bengal-Bihar coalfields is attributed to higher cost of stores. The graded prices recommended would yield an average sales realisation of Rs. 21.11 per ton, at which level the margin of profit would work out to Re. 1.75 per ton (the same as in the case of Bengal-Bihar fields). The Coal Board has been instructed to fix the final grades for the outlying coalfields. This means that there will be inevitable delay in the application of revised prices to those fields.

Perhaps, the Government, if it was really earnest about taking the industry into confidence, could have released the report earlier, especially because it has taken nearly nine months to announce its decision on the Committee's findings. The intervening period might have been better utilised by inviting the industry to a discussion of the cost and other data on which the Committee's recommendations have been based. Be that as it may, it is not clear whether the Government has taken into account the fact that the provision of appropriate incentives is necessary in the interests of a substantial increase in coal production which the third Five-year Plan will call for. Announcing the decision on coal prices, Sardar Swaran Singh, Union Minister of Steel, Mines and Fuel, said: "I venture to express the hope that the recommendations of the Committee, as accepted by the Government, would go a long way towards the achievement of the targets we have laid down under the second Plan." It is a pity that the Government, in deciding the crucial issue of coal prices, should have limited its vision only to the second Plan. And, even here, it is doubtful if the meagre increase, now granted, will be a sufficient stimulus to the industry to increase its production to the target level.

Two welcome features of the Government's decision are those relating to the provision of incentive for stowing and of subsidy to uneconomic collieries. The Government has agreed that the subsidy on stowing by the Coal Board should meet the full cost of stowing operations, instead of its being limited to 75 to 85 per cent. of the cost, as at present. Additional funds for this purpose are to be obtained from the consumer by increasing the rate of excise duty by 25 nP per ton. Again, a subsidy will be given to uneconomic collieries, the funds for this purpose being provided by a cess of 25 nP per ton on the lines of the cess under the Coal Mines (Conservation and Safety) Act. While this decision may be commendable, it is not clear what considerations will guide the Government in the choice of collieries for purposes of granting financial aid. The relevant recommendation in the Committee's report, it is stated, observes that collieries which are handicapped by one or other of the adverse factors specified by the Committee which inevitably raise their cost of production should be given a suitable subsidy, provided it is found that they have to be maintained in production in the national interest. It would be interesting to watch how these considerations would be applied. In any case, it would be surprising if the queue of the collieries in want of assistance did not grow rapidly with the passage of time. There is bound to be murmurs of discontent among the beneficiaries, though they may well console themselves with the thought that it is wrong to look a gift horse in the mouth.

CHINA'S ECONOMIC LIMP

CHINA has decided to look before leaping further. Its much-publicised "great leap forward" economic programme has now been modified in the light of a sober appraisal of last year's achievements. The Central Committee of the Communist Party, at the end of a two-week conference at Lushan (Kiangsi Province) last month, has scaled down the targets for the current year. The party leaders have admitted that, contrary to their earlier claims of 100 per cent. increase in output in 1958, actual production showed only modest gains; grain output increased by 35 per cent., cotton by 28 per cent. and steel by 50 per cent. Grain and cotton targets for this year have been reduced to about half of the original figures set earlier this year. Steel target is reduced by one-third and is only one million tons higher than the figure of 11 million tons claimed last year. This year's coal target has been reduced by 45 million tons. The general verdict on original targets in the current year's plan is that they were too high and needed readjustment. So the leap has become a limp. Nevertheless, it is still claimed by the Communists that, even if the readjusted targets for the current year alone were reached, China would still

reach the targets, fixed originally for 1962, in respect of a wide range of commodities, including steel, coal, timber, metallurgical equipment, power generation equipment, machine tools, cotton yarn, paper, salt, grain and cotton.

Although a sober approach is always to be welcomed in economic as well as political affairs, it is only in Communist countries that one finds wild and almost hysterical jubilation followed invariably by cautious reappraisals. There is a certain amateurish element in Communist planning. Often, high hopes are raised and great gains are promised or are believed to have been won. But, on closer examination, it is found that the best laid plans of even the Communists may go awry. China's experience is true to type. Less than five months ago, China's Prime Minister, Mr. Chou En-lai, averred that the expansion of the national economy in 1958 was "clearly not just an ordinary advance but a gigantic and all-round leap forward." It was then claimed that, in the case of many industrial and agricultural products, increases in output in 1958 alone exceeded the improvement over a 1952-57 period. Thus, it was stated that whereas in the 1952-57 period, steel output increased by four million tons, coal output by 64 million tons and food crops by 61,200 million catties, the corresponding increases in 1958 were steel 5.73 million tons, coal 140 million tons and food crops 380,000 million catties.

The fact that the 1958 output figures have been markedly cut must raise doubts about the reliability of earlier statistics. It is true that much progress was made by China during the period of the first Five-year Plan (1953 to 1957). Many foreign observers have testified to the immense activity in that country. But, in the light of what has been stated about 1958, it may be wondered whether the earlier official versions of China's progress could be taken as correct. These estimates place the value of industrial output at 65,020 million yuan and that of agricultural output at 60,350 million yuan in 1957, as against 27,010 million yuan and 48,390 million yuan, respectively, in 1952. In 1958—it is the figures relating to this year that have come in for reappraisal at present—the total value of output of industry and handicraft sector was originally placed at 117,000 million yuan and that of agriculture at 88,000 million yuan. Since it has now been discovered that the 1958 figures have greatly erred on the high side, it is not inconceivable that the figures relating to earlier years have been similarly vitiated.

Appropriately enough, some voices of protest against uncritical acceptance of reports of China's achievements were raised in our Parliament. If this indicates a genuine desire to look within, rather than the good. The well-tried Japanese method of growing rice was given up in favour of the new Chinese method, under which the land is to be dug several feet before replanting paddy saplings. God only knows why such deep ploughing has to be done when the roots of paddy plants do not go down beyond a few inches. Yet this method was seriously advocated for Indian peasant, despite the fact that he has not farmer as can be found anywhere. There is little ideology, can give to this country. Further, not every innovation tried in China has been successful. Thus, its programme for producing iron and steel at the backyard through the establishment of numerous cottage furnaces has not achieved any notable result. Many of these furnaces are reported to have been converted into junk. The Government of India was so charmed by the earlier Chinese propaganda that it sent China to study the "magic" of manufacturing one's kitchen garden.

Above all, by accepting without inquiry the Chinese methods, India runs the danger of losing its democratic soul. For, a somewhat deplorable feature of economic planning in China—as, in fact, in all centrally controlled economies—is the attempt to find scapegoats when things go wrong. Thus, in China, the Central Committee of the Party, which has apparently been sorely exercised over the failure of the leap forward programme, speaks of "enemy elements hostile to the socialist cause of our country, both within and without our country" who have tried to "infiltrate" the Party and "sabotage" its work. The Party exhorts the people to "determined blows to disruptive activities of anti-socialist elements." Generally speaking, this complex of fixation of ambitious targets and its covary of failure, followed by the purge of alleged "enemies of people's democracy."

MARKET GOSSIP

THE annual meetings of the Tata Iron and Steel Company, Ltd., India's largest industrial concern in the private sector, have always been an entertaining and enlightening affair to students of company finance. Many questions, relevant and irrelevant, sensible and nonsensical, are raised at these meetings and it has been customary for the Chairman to answer them with unfailing courtesy and remarkable patience. The fifty-second annual meeting of the Company held on Wednesday this week was no exception to this pleasant feature. For the first time, so far as this writer can recall, the meeting was held outside Bombay House, the home of Tatas, in the spacious air-conditioned auditorium of Birla Matushri Sabhagar, in deference to the wishes of the shareholders who had complained in the past two or three meetings that the hall in Bombay House was not large enough to accommodate all the shareholders who wanted to participate in the meeting. As many as 720 shareholders had turned out this year and a very large number of them stayed through the six-hour long session which ended a little after 10 p.m. Of these six hours, the first two hours were spent on a discussion of the proposed increase in the capital of the Company and the remaining four hours were devoted to the Directors' report and statement of accounts for 1958-59. Despite a slight indisposition, Mr. J. R. D. Tata conducted the meeting with a sparkling sense of humour and satisfied the inquisitive-minded shareholders by giving information liberally. He exercised commendable patience, paying close attention to almost every one of the questions.

Quite a few amendments were moved to the resolutions on the increase in capital. One of them sought to make the proposed cumulative non-redeemable preference shares into redeemable after 10 years. But this amendment was withdrawn by the mover, after the Chairman had explained that any amendment to the scheme proposed by the Directors and approved by the Government would only delay its implementation as the change would have to secure the Government's consent again. This explanation, however, did not deter another shareholder, who insisted that no preference shares should be issued and that the portion of capital covered by this class of share should be raised in the form of debentures, as, in the long run, it would be more advantageous to equity shareholders, because interest on debentures was allowed as a charge on the profit for tax purposes. He, however, got no support to his amendment and registered his protest by voting against the main proposition. Mr. Tata gave a convincing reply to this dissenting shareholder and to others of his way of thinking. While he agreed with the point about the tax advantage arising from the debenture finance, he averred that there was a limit upto which this could be done and that that limit had already been reached. He also drew the attention of shareholders to the agreement with the World Bank for maintaining a certain proportion between paid-up capital and loans.

From the speeches made at the extraordinary general meeting on the capital increase, one got the impression that quite a number of shareholders would have liked the entire amount of the proposed increase in capital in the form of equity shares only. The Chairman, however, maintained that the proposals put forward by the Directors were the best and that it was in the interest of ordinary shareholders themselves to let the preference shareholders carry a part of the burden of providing the large capital required for financing the expansion that has been carried out.

Surprisingly enough, the question as to how soon the Directors of the Company would again approach the shareholders for fresh capital was not raised. Since even after the proposed issue of new capital the gap between the net block account and the paid-up capital will be large, there is bound to be another issue of capital after some time, presumably a couple of years later.

T. I. S. Co. Dividend

Both at the extraordinary general meeting and the ordinary general meeting, the question of dividends figured most prominently. Anticipating the criticisms from shareholders on this issue, Mr. Tata had explained the position lucidly in his speech (published in full on pages 376-378 of this issue). Nevertheless, several shareholders strongly voiced their dissatisfaction with the dividend of Rs. 6.80 per share for 1958-59. "Stepmotherly treatment," "badly let down," and "kick in the pants" were some of the expressions used by the disappointed shareholders, who even felt that nothing would have been lost had the Directors drawn from the reserves to pay a dividend of at least Rs. 7.50 per share. A few contrasted the liberal treatment given to the labour, through a progressive rise in wages, bonus and fringe benefits, with the falling rate of return to shareholders. In their anxiety to establish a case for better dividends, some of the shareholders were rather harsh on labour and Mr. Tata did well to bring this point forcefully to their notice and present the issue in its proper perspective.

An impressive and convincing reply was given by Mr. Tata to the shareholders' criticisms on dividends. He denied that the dividend had been cut. On the contrary, he argued that the assurance given by him in 1957 had been more than maintained. The assurance was to the effect that it was the intention of the Directors to pay, until the one-million ton new plant gave full production and yielded adequate additional profit, a dividend that would be equal to a dividend of

Rs. 10.8 per share on the old ordinary share capital and a return of five per cent. on the new ordinary capital. He contended that the dividend of Rs. 6.80 per share for 1958-59 was equivalent to Rs. 10.8 per old ordinary share and a return of 3½ per cent. per annum on the new ordinary share, inclusive of the premium of Rs. 30 per share. He explained at length that a dividend of Rs. 7.50 per share (old and new) would have amounted to raising the dividend over Rs. 10.50 per old share and how such an increase would have been thoroughly unsound. Here are the main points of his case:

1. The shareholders have completely lost sight of the magnitude of the task of building a million-ton new plant, involving a capital cost of over Rs. 100 crores. If a separate company had been formed for this purpose, it would have taken that company four or five years to give any return at all. They should compare this prospect with the fact that they have been receiving a dividend equivalent to Rs. 10.8 on old shares and Rs. 5.8 on new shares right from the date of allotment.

2. In order to see that the shareholders are not inconvenienced to any great extent, the Company has been following a policy of raising capital to the minimum extent and financing the expansion through loans to the maximum extent possible.

3. The new plant has only just begun to yield production and has not contributed to any significant extent to the earnings for 1958-59.

4. Unlike any consumer goods industry, the steel industry was totally controlled by the Government. The Company has to make the steel it is told to do, has to give it to those directed by the Government and at a price fixed by it. There was little discretion for the Directors in these matters.

5. If a higher dividend were paid, the labour would claim full bonus for 1958-59—an issue which yet remains to be settled—and the Tribunal would uphold such a claim, if the matter were to be referred to adjudication or arbitration.

6. A higher dividend would have spoiled the Company's case for getting the permission of the Controller of Capital Issues to issue the new ordinary capital at par. In fact, it would have strongly supported the Government's case for collecting a premium of Rs. 30 per share.

While all this is true, the fact remains that none had expected a dividend of Rs. 6.80 for 1958-59 and that it came as a shock to the market. Why was the share market (we are using the term "market" here to include both speculators and genuine investors) anticipating at least a minimum dividend of Rs. 7.50 on both old and new ordinary shares? Actually, many were expecting something more than this figure. There are several shrewd operators in the market. Yet it does not seem to us that they had placed the same interpretation to Mr. Tata's 1957 assurance as was given by him on Wednesday and in the latest Directors' report. Apparently, there has been a lot of confusion between the quantum of dividend and the rate of dividend and this is due to the fact that, when one says, or gives rise to the impression that the dividend will be maintained, it is generally taken to mean that the rate of dividend will be maintained. This confusion could have been avoided, if the Chairman had clearly spelled out the meaning of his 1957 assurance when it was made.

It would now appear that the Chairman is alive to this point. For, when several shareholders sought to find out as to what would be the dividend for 1959-60, he indicated, without giving any definite undertaking, that, barring unforeseen circumstances, it would be about Rs. 6.64 per share on all the existing ordinary shares and about 26 nP on the proposed new ordinary shares, representing a return of about 5½ per cent. per annum for the short period from the date of allotment upto the end of March 1960.

There were several questions and answers (from the Chairman) about the Company's production, programme, its investments in subsidiary and associate companies, etc. There is no space here to record them. It must, however, be mentioned that the shareholders were quite satisfied with the explanations given by Mr. Tata for the delay in getting full production out of the Company's new plant. No one questioned him on this issue. Nor did the shareholders remember to ask him about the Company's plans for inclusion in the third Plan for the steel industry now being actively discussed by the Government. Whatever that might be, it is evident from the observations of Mr. Tata that, barring Government interference and given normal working conditions, the shareholders can hope to get a better deal from the financial year 1960-61 onwards.

A striking statement made by Mr. Tata on labour relations in his company was that, during the last thirty years (1928 to 1958), there was only one strike by the workers of T.I.S.Co. in 1958 and that too, for political reasons, whereas, in the U.S., steel workers went on strike almost every two years. This is, indeed, an important point which many shareholders conveniently overlook whenever they complain that the management of T.I.S.Co. has been overgenerous to the workers.

Equities Down

For the second week in succession, equities have followed a downward trend. In several counters, the extent of fall has been sharper than in the previous week. It would have perhaps been more, but for a number of holidays this week, for the market sentiment has undergone a distinct change in favour of the bears. This is due more to cold

feet developed by the bulls than to any aggressive pressure by the bears. There are good reasons why the markets should be on the quieter side now. In addition to the move to reorganise the Bombay State on linguistic lines, referred to in these columns last week, there have at least been three disquieting developments since then. First, the unwarranted Chinese intrusions into Indian territory in the Himalayas and the failure of the Chinese Government to make amends, despite the repeated protests by our Government. Second, the mischievous violent demonstrations and riots at Calcutta engineered by the Communist Party of India. Third, the unfortunate misunderstanding between the Defence Minister and the Chief of Staff of the Indian Army which has only been "patched up" to quote the words of the Speaker of Parliament. It is true that none of these developments has in any way seriously upset the earnings of industries. But it is common knowledge that Stock Exchanges are very sensitive even to remote possibilities and immediately react. Further, Mr. J. R. D. Tata's speech at the T.I.S.Co. annual meeting on Wednesday is not such as to revive the drooping trend of the key scrip, Tata Steel Ordinary. While it is undoubtedly encouraging so far as the long-term outlook is concerned, it offers no tonic for the short-term. In its present mood, the market attaches greater importance to short-term prospects than to long-term.

It must be said to the credit of the bears on the Stock Exchanges that they have not behaved so badly as the Communists in this country and their Chinese brethren on our Himalayan borders. They could have easily exploited the aforesaid developments and brought about worries to investors. They have, somehow, refrained themselves from raiding the market. Apparently, they have not yet recovered their strength lost in the recent bull phase.

Bullion Bullish

The very factors that depressed the bulls in the share markets have served as stimulants to their confreres in the bullion market. Although the monsoon period is supposed to be the slack season, the prices of both gold and silver have moved up. The Chinese aggression on our northern and north-eastern frontiers has helped to impart fresh momentum to the bullish trend engendered by the developments in Tibet earlier. In recent years, Tibet has been the principal source of supply for silver to this country. Although the Government had banned imports of silver from abroad, it gave an exemption to the import of Tibetan silver coins as a special case. This source has completely dried up now. Even before the shooting started across the Himalayan borders, the Chinese had placed several impediments in the way of Indian and Nepal merchants functioning in Tibet, replaced the Tibetan currency in circulation with their own currency, and refused to allow Indian currency to function, thereby committing a breach of the agreement on Indo-Tibetan trade. These steps alone were sufficient to stop the flow of Tibetan silver coins into India. The subsequent border incursions have removed what little chances there were of getting them.

In gold, too, there seems to have been a marked fall in smuggling. Thanks to the commendable co-operation given by the management of the B.O.A.C., the efforts of a big gang involved in bringing gold from Hong Kong have been frustrated. On a representation made by the Government of India, the B.O.A.C. has cashed as many as 51 of its staff suspected to be helping the smugglers. These include 46 stewards, three navigating officers, and two engineer officers. Besides, these 51, two stewards and an engineer officer have also resigned following the Corporation's investigations. This is the outcome of action taken by only one airline. It is not unfair to draw the inference that similar action by the other airlines may uncover quite a few persons engaged in this illegal traffic. Officers and men of airlines are well-paid and well-educated people. That quite a number of them should fall victims to the temptations of contraband trade is a striking indication of the highly lucrative nature of this trade.

Disturbance to peace anywhere is a bullish factor to bullion. It is more so when such disturbance takes place on our borders with an external power under a totalitarian regime. News of Chinese aggression at N.E.F.A. and Ladakh came at a time when arrivals were shrinking and the floating stocks were not large. No wonder that silver and gold have shot up during the last few days. While details of changes in bullion prices can be had from our Market Reports Section, it may be mentioned here that, since the unfriendly attitude of China towards India became quite clear by about the middle of last month, silver and gold have gone up by Rs. 8.8 and Rs. 2.8 to Rs. 207.7 per 100 tolas and Rs. 123.12 per tola, respectively. In the last week of June (that is, at the commencement of the slack season), it may be interesting to note, silver was in the neighbourhood of Rs. 190 and gold Rs. 117. Indeed, in the feverish trend caused by China this week, the prices would have gone up higher still but for the decision of a leading bull in Calcutta to book profit on a large sale.

Night Allowance

Apocryphal reference in these columns last week to the Provident Fund contributions of industrial workers, with particular reference to "night allowance," we have just received the following elucidation from Mr. S. N. Mubayi, Central Provident Fund Commissioner:

"As regards the deduction of provident fund contributions on 'night allowance,' the Government of India have advised that it forms part of the basic wages as defined in Employees' Provident Funds Act, 1952. This clarification was given for the first time in December 1957, when the question of 'night allowance' paid by the Western India Match Co., Ltd., Ambarnath, was (Continued on page 412)

SHARE MARKET QUIET

FURTHER DROP IN PRICES

(From Our Own Correspondents)

BOMBAY, 3rd September

AFTER the recent hesitancy to steer a clear course, the share market has taken a definite turn for the worse, with almost all shares staging a sizable retreat. Barring a brief session on Saturday last, which was lively, when the previous day's losses were made up in some selected counters, the market ruled distinctly quiet throughout the week, which, thanks to the intervening holidays, was a short one of no more than three trading days. Reports of Chinese violation of Indian territory caused considerable nervousness. Textile shares were exceptionally weak reflecting anxiety about the working results of mills. The increase in D.A. to mill workers, the high price of raw cotton and increasing operating costs led to fears that these might offset any possible improvement in cloth and yarn sales. The operators now seem to feel that, in the more recent weeks, these shares had been boosted up unduly. Steel shares came down due to lack of support. Interest was subdued in the absence of any further news about the issue of right shares by the Indian Iron and Steel Company. Cement, sugar, and electric shares gave way on selling pressure from investors.

Steels

Tata Steel Ordinaries declined on liquidation from Rs. 176.50 last week-end to Rs. 172.75 on Saturday at which level it attracted bear-covering and improved to close at Rs. 175.75 yesterday. Indian Irons opened the week at Rs. 25.15, as against the previous day's close of Rs. 25.20, and steadily drifted downwards, touching a low of Rs. 24.36 yesterday. The finish was, however, fractionally higher at Rs. 24.40.

Textiles

Textile shares registered all-round decline. Kohinoors reacted sharply, dropping Rs. 16 to Rs. 301, following stale liquidation by those who had bought in the hope that a change in the management of the Company was imminent, a hope which has now been belied. Century Mills moved erratically. Opening Rs. 4 lower at Rs. 552, they climbed down to Rs. 540 on Saturday and recovered subsequently to close at Rs. 547, the net loss over the week being Rs. 9. Bombay Dyeing opened at Rs. 63.60 and, after easing to Rs. 62 on Saturday, partially regained the lost ground to finish at Rs. 62.90, showing a net loss of only 80 p over the week. Simplex suffered a drop of Rs. 4 over the week, the closing quotation being Rs. 158. National Rayons were marked down by Rs. 11.75 to Rs. 339, as against last week's quotation of Rs. 350.75. Central Indias declined by Rs. 5 to Rs. 102. Elphinstones were marked down by Rs. 6.50 to Rs. 34.50. Finlays dropped Rs. 14 to Rs. 270. Gokaks drifted lower to Rs. 158.50, as against last week's quotation of Rs. 164. Khataus dropped Rs. 11.25 to Rs. 225, and Morarjee's Rs. 6.25 to Rs. 271.25. Podars and Shreenivas were done Rs. 5 and Rs. 5.50 lower at Rs. 139 and Rs. 184 respectively. Even Standards declined by Rs. 11 to Rs. 557. Svadeshis changed hands Rs. 8 lower at Rs. 238.50.

Bank and insurance shares were practically neglected. But for minor losses in selected scrips that encountered some selling, values showed very little change. Among bank shares, Baroda 'B' eased by 50 p to Rs. 47. United Commercials were quietly steady at Rs. 61.50. Punjab Nationals remained unchanged at Rs. 22. In the insurance section, New India eased by Rs. 1.20 to Rs. 59, Vulcans softened by 52 p to Rs. 21.24 and Jupiters by 64 p to Rs. 5.

Cements

Cement shares were subdued. Associated Cements declined from Rs. 144.75 last week-end to Rs. 141, representing a net fall of Rs. 3.75. Jaipur Udvoos receded by 28 p to Rs. 10.56. Ashokas and Dalmias eased by 12 p each to Rs. 8.72 and Rs. 10.60.

Sugar shares generally drifted downwards. Belapur opened at Rs. 313 and, after reacting to Rs. 303 on Saturday, recovered to close at Rs. 307.50, as against last week-end closing of Rs. 315. Walchandnagars lost Rs. 6.25 to Rs. 317.50. Phaltans were done Rs. 5.50 lower at Rs. 159. Bhopals eased by 20 p to Rs. 23.80.

Engineering and Others

T.E.L.Cos. in the engineering group, suffered a setback, declining by Rs. 7 to Rs. 197.50. Alcock's eased further by Rs. 5.50 to Rs. 247. Premier Constructions dropped Rs. 8 to Rs. 340. Voltas were weaker by Rs. 6.50 at Rs. 165.50. Among mining shares, Shivrampurs eased further by Rs. 3.50 to Rs. 85.

Shipping shares, too, were quoted lower. Great Eastern declined by Rs. 1.56 and Scindias by 44 p to Rs. 19.80 and Rs. 17.28 respectively. Bharat Lines changed hands Rs. 2 lower at Rs. 12.

In the miscellaneous section, several scrips receded. Bombay Burmahs sharply declined from Rs. 526 at the beginning of the week to Rs. 509.50 on Saturday, though they improved later to close higher at Rs. 514, as against last week's finish of Rs. 528.50. Alembic Chemicals climbed down by Rs. 10.50 to Rs. 300 and Ferro Alloys by a like amount to Rs. 80. Ceat Tyres receded by Rs. 4 to Rs. 167. West Coast Papers declined by Rs. 7 to

Rs. 143.50. Killick Industries (old shares) receded by Rs. 3 to Rs. 142. National Rubbers by Rs. 2.50 to Rs. 13.90 and Hindustan Levers by Rs. 1.25 to Rs. 29.75. Gwalior Rayons were a shade lower at Rs. 23.16 but Wimcos came down by as much as Rs. 6 to Rs. 211.50.

The market was closed today on account of a sectional holiday, but the trend in the kerb was clearly quiet.

Madras Stock Exchange

MADRAS, 2nd September

Equities on the Madras Stock Exchange turned generally easy during the week under review, after remaining distinctly steady during the previous fortnight. The sentiment was somewhat subdued on reports of Chinese infringement of India's territory along the northern borders and riots in Calcutta. Plantations were featureless. Tea shares were dull in the face of reports suggesting declining trend in tea production in the South which, it is estimated, was lower by about 18 per cent. in the first half of the current year, as compared with the corresponding period last year. Coffee shares, too, drifted to lower levels and so also rubber scrips. Miscellaneous industrials were generally easy, but met with selective support. Sugars also lacked fresh buying support. Textiles, however, were active as a result of encouraging enquiries for yarn and piecegoods.

In the sugar section, Kirlampudis suffered a setback of Rs. 2.00 to Rs. 84. Travancores shed 5 p to Rs. 12.45. But E.I.D.s were firm and closed today at Rs. 38.80 *ex-div.*, as against Rs. 39.65 *cum-interim div.* last week-end, the interim dividend being a little over 94 p. Indias were unchanged at Rs. 13.10. Mysore were neglected at Rs. 19.50. Decans at Rs. 12.25 and United Breweries at Rs. 459.

Among tea shares, Kil Kotagiris declined by 10 p to Rs. 8.30. Periakaramalais lost 9 p to Rs. 3.97. Twyfordes were dull at Rs. 16.60, as also Chembras at Rs. 4.25. Oucherlonys at Rs. 5.50. Halleyburias, however, moved up by 10 p to Rs. 8.30. Nelliampathys gathered 5 p to Rs. 2.88. In the coffee section, Wartyhullis fell by 18 p to Rs. 3.85. Coffee Lands were lower by 15 p at Rs. 24. Osoors receded by 12 p to Rs. 3.88. Consolidated Coffees by 10 p to Rs. 22 and Anaparis by 7 p to Rs. 6.15. Cowcoodys, in contrast, picked up 3 p to Rs. 6.13. Among rubbers, Malankaras sagged by 10 p to Rs. 19.40. Cochin Malabars shed 5 p to Rs. 6.87. Vaikundams were unaltered at Rs. 27.50 and Teekovs at Rs. 7.50.

In the textile section, Coimbatore Pioneers were in the limelight with the quotation rallying by Rs. 5.00 to Rs. 285. Dhanalakshmis improved by Rs. 2.50 to Rs. 200 and Coimbatore Cottons by Rs. 2.00 to Rs. 144. Bangalore Woollens were marked up by Rs. 1.25 to Rs. 181.50. Cannanores gained Re. 1.00 to Rs. 140. Trichinopolys were fancied at Rs. 11 and Vasantas at Rs. 211. Radhakrishnas, however, lost Rs. 3.00 to Rs. 109. Buckinghams were lower by Re. 1.00 at Rs. 188. Rajalakshmis dropped 75 p to Rs. 62.

Among miscellaneous industrials, Mettur Chemicals came in for selling and fell by Re. 1.30 to Rs. 12.15. Cement shares, which had ruled steady last week, gave way during the week under review. Orissa Cements and Dalmia Cements lost 20 p each to Rs. 16.80 and Rs. 10.80, respectively. India Cements were lower by 5 p at Rs. 6.60, as also Andhra Cements by 3 p at Rs. 9.59. F.A.C.T.s were pushed down by 15 p to Rs. 9.30. Parry's Confectionery dropped 3 p to Rs. 4.20, though the dividend of the Company, announced this week, has been maintained at 20 per cent. for the year ended March 1959. Indian Steel Rollings were dull at Rs. 13.75 and Textools at Rs. 182. Western India Plywoods, however, elicited keen enquiries and climbed up by Rs. 5 to Rs. 200. Rallis went up by a rupee to Rs. 78. Standard Motors increased by 50 p to Rs. 16.75. The directors of the Company have announced a dividend of 7½ per cent. for the year 1958, the same as that for the previous year. Spencers rose by 25 p to Rs. 20.25. Mysore Papers gained 13 p to Rs. 22.75. The speech of the Company's Chairman, Mr. Shivnanjappa, makes encouraging reading.

SPACE SHIPS

The U.S. National Aeronautics and Space Administration has announced that a nuclear-fuelled electric power plant has been designed to propel large space ships deep into interplanetary space. The planned power plant would weigh about 60 tons and supply 20,000 kilowatts of electricity. It would have a full-power life of about two years. The Space Administration indicated the power plant would enable a manned space ship to leave an orbit around the earth, travel through space to an orbit around Mars, and return to an orbit around the earth in about 250 days. When Mars is closest to the earth, it is about 35,000,000 miles away.

The volume of sales in Sweden's retail textile trade has shown an upward trend during the first half of this year, after having remained largely unchanged throughout 1958, according to the annual report of the Swedish Textile Dealers' Association. It is said that the pessimism voiced earlier by the spokesmen of some sections of the trade has turned into cautious optimism. Sales of leisure clothes are expected to show a continued expansion. This is also true of ladies' and children's readymades, as well as of leather clothes, while total sales of piecegoods will probably show a corresponding decrease.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd September, 1959.

	Closing Quotation 25-8-1959	High	Low	Closing Quotation 2-9-1959
TEXTILES				
Ahm. Adv. (100)	157 50	—	—	157 50
Apollo (2)	63 70	63 80	1 24	62 90
Bombay Dyeing (25)	120 00	120 00	62 00	62 90
Century Mills (100)	107 00	108 00	102 00	102 00
Edwards Textile (200)	550 00	552 50	540 00	547 00
Elphinstone (50)	220 00	—	—	220 00
Finlay (100)	41 00	41 00	34 00	31 50
Gokak (100)	284 00	280 00	270 00	270 00
Ind. Unit. Delf. (1)	104 00	105 00	158 00	158 50
Ind. Unit. Ord. (10)	1 10	1 10	1 04	1 06
Indore Malwa (100)	92 50	92 50	8 64	8 60
Khatana (100)	236 25	235 50	91 00	91 50
Kohinoor (100)	517 00	517 00	225 00	225 00
Lakshmi (250)	460 00	460 00	301 00	301 00
Milana Mills (100)	65 00	—	—	65 00
Model Nagar (250)	65 00	—	—	65 00
Moraji (100)	277 50	277 75	56 25	56 25
Nayad (10)	77 50	77 25	271 25	271 25
National Rayons (100)	350 75	348 00	337 50	337 50
New City (100)	112 50	—	—	112 50
Phoenix (100)	183 00	—	—	183 00
Podar Mills (100)	140 00	139 50	135 50	135 00
Sassoon Silk (10)	144 00	144 00	138 00	138 00
Sassoon Spg. (10)	10 00	—	—	10 00
Shriharipur (1,000)	410 00	—	—	410 00
Simplex (50)	189 50	189 00	183 00	183 00
Standard (100)	159 00	159 50	152 00	152 00
Swan (100)	568 00	568 00	552 00	552 00
Swan (100)	246 50	246 00	235 00	235 00
Tata Mill (25)	400 00	—	—	400 00
Vidana (100)	45 00	45 75	44 00	44 00
Western India (1,000)	4,475 00	4,475 00	108 75	108 75

BANKS				
Bank of India (50)	114 00	114 25	113 75	114 00
Bank of Baroda (50)	118 00	114 75	114 50	114 50
Central (25)	102 50	104 50	102 50	104 50
Central (100)	50 00	50 00	49 50	50 00
Dena Bank (25)	53 20	53 00	49 50	50 00
Punjab National (10)	52 50	52 50	52 50	52 50
Union Bank (5)	22 00	22 00	22 00	22 00
United Com. (50)	61 50	61 80	61 20	61 50

ELECTRIC COS.				
Ahmedabad (100)	98 50	—	—	98 50
Amalgamated (100)	112 50	93 20	91 80	91 20
Andhra Valley (1,000)	1,150 00	1,145 00	1,140 00	1,145 00
Bom. Sub. El. (100)	115 75	112 50	112 00	112 50
Surat (100)	111 00	111 00	111 00	111 00
Tata Hydro (100)	118 25	118 25	117 50	117 50
Tata Power (1,000)	1,197 50	1,197 50	1,182 50	1,183 75

INSURANCE COS.				
British India (10)	14 24	—	—	14 24
Empire of India (20)	60 00	—	—	60 00
Ind. Mercantile (100)	50 00	—	—	50 00
Jupiters (15)	6 64	6 64	6 00	6 00
New India (15)	60 20	60 20	59 00	60 00
Vulcan (10)	21 76	21 72	21 24	21 24

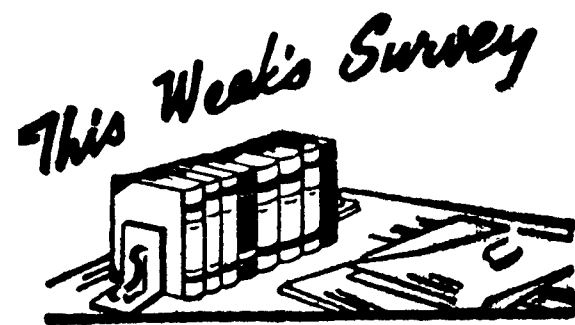
STEEL COS.				
Ind. Iron (10)	25 20	25 15	24 30	24 40
Mukand Iron (10)	18 40	18 24	17 92	17 92
Tata Steel Ord. (75)	178 50	178 75	172 75	174 75

SUGAR COS.				
Belapur (50)	315 00	314 00	303 00	307 50
Bhopal (10)	24 00	24 00	23 75	23 75
Chandeed (12.50)	27 00	27 00	27 00	27 00
Phaltan (100)	164 50	164 00	160 00	160 00
Walchand Ind. (100)	323 75	320 00	312 50	317 50

CEMENT COS.				
Associated Cts. (100)	144 75	144 50	141 00	141 00
Diyalpur (100)	145 50	145 50	144 00	144 00

MISCELLANEOUS				
Alcock Ashdown (100)	252 50	252 00	247 00	247 00
Burmah (125)	528 50	527 00	509 50	514 00
Do. (New) (50)	187 50	187 50	187 50	187 50
Br. B. Petrol (4 ab.)	5 34	5 34	5 34	5 34
Br. B. Petrol (5)	5 34	5 34	5 34	5 34
Hindustan Lever (10)	5 34	5 34	5 34	5 34
Hindustan Motors (10)	21 00	21 00	20 75	20 75
Indian Copper (2 ab.)	12 24	12 04	11 56	11 56
Ind. Iron (100)	4 08	4 12	4 04	4 04
Killicks (100)	61 00	61 00	61 00	61 00
Larsen & Toubro (10)	145 00	142 50	140 00	142 00
Mahindra & Mahindra (10)	22 48	22 48	21 76	21 84
Poison (100)	21 56	21 56	21 44	21 48
Pr. Automobiles (100)	142 00	142 00	142 00	142 00
Premier Con. (50)	132 50	132 50	132 50	132 50
Scindia (20)	845 50	845 50	845 50	845 50
G. E. Shipping (10)	21 36	21 36	21 36	21 36
Shriram Paper (10)	88 50	88 50	88 50	88 50
Tata Chemicals (10)	14 20	14 20	14 20	14 20
Tata Commercials (100)	106 75	106 75	106 75	106 75
Tata Oil (25)	204 50	204 50	204 50	204 50
Voltas (100)	64 00	63 50	63 00	63 00
W. I. Mash (100)	217 00	217 00	217 00	217 00

GOVERNMENT SECURITIES		25-2-1959	Gross Yield		2-0-1959
		Ra.	Earlier Redemption	Later Redemption	Ra.
2½%	1961	98 20			98 20
2½%	1962	99 50			99 50
2½%	1963	97 80			97 80
2½%	1964	97 80			97 80
2½%	1965	98 20			98 20
2½%	1966	98 20			98 20
2½%	1967	97 50			97 50
2½%	1968	95 80			95 80
2½%	1969	95 80			95 80
2½%	1970-75 1st Dev.	95 80	2 74	3 42	97 65
2½%	1968 Con. Loan	95 80	3 88	4 01	98 35
2½%	1969 Con. Loan	74 00			74 00
2½%	1969 N.P. Bonds	100 10			100 10
2½%	1969 N.P. Bonds	100 10			100 10
2½%	1969 N.P. Bonds	99 50			99 50
2½%	1967 N.P. Bonds	99 50			99 50
2½%	1967 N.P. Bonds	99 50			99 50
2½%	1968 Loan	99 15			99 15
2½%	1968 Loan	99 20			99 20
2½%	1968 N.P. Bonds	99 20			99 20
2½%	1968 N.P. Bonds	100 60			100 60
2½%	1968 N.P. Bonds	100 60			100 60
2½%	1972 Loan	101 50			101 50
2½%	1972 Loan	101 50			101 50
2½%	1972 Loan	101 50			101 50
2½%	1972 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			100 10
2½%	1973 Loan	100 10			



LAND REVENUE IN KIND

THE suggestion made by Mr. Khandubhai Desai, a former Labour Minister of the Government of India, during the debate on food in the *Rajya Sabha*, that land and irrigation revenues should be collected in kind is as outdated as it is impracticable. It is outdated, because it has been tried long ago in the British and pre-British period and found to have serious imitations. It was also seriously considered by the present Government in the past and given up. A similar scheme in respect of supply of fertilisers to agriculturists was sought to be evolved but it met with resistance from the States on many practical grounds. In a country which is fast growing into a modern economy, such hangovers from the barter days will strike a discordant note and retard the progress of monetisation of the various sectors. The practical difficulties are numerous. For instance, even conceding that the scheme may have smooth running in surplus States, in deficit States it will prove unworkable. Farmers in the latter will prefer to pay land revenue in cash, because they can realise a better price for their grain in the free market. The Government cannot legally refuse to accept land revenue in cash should the farmers so choose. And surely there cannot be two systems of land revenue collection, one for surplus States and another for deficit States.

According to Mr. Desai, if land and irrigation revenues are collected in kind, that itself would yield three million tons of foodgrains which could be supplemented by imported grains to build up a food reserve. This, according to him, would constitute a kind of State trading which, in his view, is good in principle. It is obvious that his suggestion stems from the desire to preserve at least the ghost of State trading in foodgrains which has now, even on official admission, proved to be a failure.

ROLE OF ADVERTISING

Mr. N. T. Thakur, President of the Organisation of Advertising Agents, certainly did not carry coals to Newcastle when he emphasised, in his speech at the second session of the Advertising Agents Conference, held in the City on Saturday last, the vital role played by advertising. It is true that people in the advertising profession know the value of advertising. But there are many outside this circle who do not realise the full implications or the value of advertising in building up sales. Mr. Thakur rightly sought to dispel the wrong notion in certain quarters that advertising raises prices of products and this tendency ultimately fleeces the consumer. He declared that advertising will, by increasing demand for products and their mass production, benefit the consumer in the form of lower prices. This explains why colossal amounts of money are spent on advertising in the industrially advanced countries of the U.S., the U.K. and Japan. In the U.K., for instance, advertising accounts for as much as 2 per cent. of national income; the sum actually spent in 1958 was £364 million (Rs. 485.3 crores), of which the share of publicity in Press was £172 million (Rs. 228.7 crores), that of television and radio being £48 million (Rs. 64.0 crores). Similarly, in Japan, the annual advertising budget has reached Rs. 150 crores, representing 1.25 per cent. of national income. When compared with these countries, the advertisement expenditure in India is very negligible, a drop in the ocean.

The need for attaching utmost importance to advertising in India is especially great in the present context in which, with the increasing production of a vast number of goods and commodities, there is the need for not merely "nourishing desire," to borrow the inimitable phrase of Sir Winston Churchill, but also disseminating information about the usefulness of the product. By this process, advertising contributes, as Mr. Ayaz S. Peerbhoy of Everest Advertising aptly says in a communication addressed to us, directly to the social betterment of the community. "Advertising," to quote him, "has assumed new importance of becoming a highly skilled activity in the contemporary world of technological advancements and im-

proved techniques of production." The need for advertising is no less imperative from the point of view of stimulating export demand for Indian products. This aspect was well brought out by Mr. Thakur. He observed:

"It is in fitness of things that the Government of India is much anxious about exporting indigenous products saleable in foreign countries. I am aware that there are many factors, such as the prices, the quality, and the shipping freight, which govern the export markets. But the question of properly advertising Indian products abroad is equally important and I venture to say that, on this score also, we have suffered a great deal. The publicity campaign made by the United Kingdom, Japan, Germany, etc., should be a lesson to us. The Government of India is no doubt spending what seems suitable on this item, but it appears that a still more effective campaign is necessary to popularise our products abroad. Some of our engineering goods have made a remarkable headway in this export drive; and the methods of advertising these products abroad have proved successful. I hope other industries, too, will take suitable steps to publicise their goods in suitable markets all over the world."

Considering the valuable part played by advertising thus, the necessity for providing proper facilities for the training of the personnel of advertising agencies cannot be too strongly emphasised. Mr. Thakur did well, therefore, to suggest the introduction of an integrated course in universities, covering the important branches of the work of an advertising agency. As he rightly pointed out, young men trained in subjects like market research, mechanism of distribution and sales, available and effective media of publicity, psychological effects of publicity campaign and the day-to-day technical functions of an agency should prove useful assets to modern advertising campaigns.

Mr. Thakur touched on the latest move of the Central Government to gather all its advertising and the advertising of Government corporations into the hands of the Directorate of Advertising and Visual Publicity and to seek concessional rates from publications. He endorsed the plea of the Advertising Agencies Association of India for the continuation of Government advertising through private agencies as before. Since the Government's decision has caused much resentment among the advertising agencies, Dr. B. V. Kestkar, Union Minister for Information and Broadcasting, who inaugurated the session, would certainly have done well to explain the reasons which weighed with the Government in taking the decision. All that he stated was simply this: "Government advertisements are mainly for reaching the masses, without expecting any returns, whereas commercial advertising is a business proposition. . . . The percentage of Government advertisement business is less than 10 per cent. of the total advertisements."

It is, however, not so much the loss of revenue that the advertising agencies will suffer as the highly disquieting effect of the move that has given rise to fears in the minds of the agencies and the Press. Mr. Peerbhoy is quite right when he observes that the Government's decision will result in the general lowering of the standard of advertising directly by producing advertising which is of no credit and indirectly by making advertising a source of official patronage. Indeed, the decision is, as this journal warned on a previous occasion, fraught with a danger to the freedom of the Press and the growth of advertising in India.

PUBLIC BORROWING

There was a brief but interesting debate on the issue of public borrowing in the Lok Sabha the other day when Mr. A. C. Guha (Congress), a former Minister for Revenue, moved a motion urging the Government to undertake necessary legislation regulating its borrowing power as envisaged in Article 292 of the Constitution. In accordance with this Article, "the executive power of the Union extends to borrowing upon the security of the Consolidated Fund of India within such limits, if any, as may, from time to time, be fixed by Parliament by law and to the giving of guarantees within such limits, if any, as may be so fixed." All that Mr. Guha wanted was Parliamentary control over Government borrowings and expenditure. His plea was supported by another Congress member, Mr. Sinhasan Singh, as well as by a Communist, Mr. C. Panigrahi, and an Independent, Mr. N. C. Bharucha. The plea was, however, categorically rejected by Mr. Morarji Desai, Union Finance Minister, on the following grounds:

1. What is required under Article 292 is merely permissive and not mandatory legislation. It will be a thoroughly unjustified remark to say that the Government is disregarding this Article by not bringing forward legislation in the matter.
2. The whole programme of loans is put before the House at the time of the Budget and in the Appropriation Bills. The Government works

according to the plan approved by the House and has not gone beyond the limits laid down by it. But, if a limit is to be fixed on borrowing, it should be sufficiently elastic to permit any development work to be executed. This matter (of borrowing) has to be left to the executive Government, if the Plan is to be implemented properly.

3. The Government takes sufficient care to see that there is no misuse of funds and, wherever it occurs, action is taken against those responsible for it.

It is true that Parliament has various opportunities and powers under the law and practices as they stand to exercise a check on Governmental policy in regard to borrowing, rate of interest, etc. Nevertheless, in the absence of legislation, Parliament does not have the proper authority to control the Government's borrowing powers. Mr. Morarji Desai was not justified in asking as to why Mr. Guha did not think it proper to bring forward such a legislation when he was a Minister. As Mr. Guha replied, there was no need for such legislation then. Things have lately changed and the reliance placed by the Government on borrowing—internal and external—has increased very appreciably. The share of internal borrowing alone in the revised second Plan outlay of Rs. 4,500 crores comes to as much as 16.9 per cent. (Rs. 700 crores—original estimate), as against 10.1 per cent. (Rs. 204.4 crores) in the first Plan outlay of Rs. 2,012 crores.

Thanks to large-scale domestic borrowing thus and to the markedly rising loans raised abroad, on the one hand, and to the huge investments without proper returns in several public sector projects, on the other, the Union Government's interest-bearing obligations not covered by interest-yielding assets have gone up sizably. The total of these obligations at the end of the current financial year (1959-60) is expected to be of the order of over Rs. 1,105 crores as against Rs. 793 crores at the end of the first Plan, or a net rise of Rs. 312 crores in four years; the actual increase in the first Plan period was just less than Rs. 55 crores. The position will be worse still in the third and subsequent Five-year Plan periods. India's borrowings (domestic and foreign) in the third Plan period are likely to be of the order of Rs. 1,100 crores annually, according to Mr. Guha. These are colossal amounts and the need for legislation on Government's borrowing policy under Article 292 of the Constitution is, therefore, urgent. In all democratic countries, there is provision for some kind of Parliamentary control on the raising of loans. The Union Finance Minister should certainly have conceded the demand for vesting Parliament with some authority to control the Government's borrowing powers. If this cannot be done, the Government should at least ensure that ample opportunities are afforded to Parliament to exercise careful scrutiny over its borrowing programme and the subsequent stages of the execution of the expenditure programme. There is a widespread feeling that spending departments do not always realise the importance of modifying their expenditure practices in the light of the report of the Audit Department and the Estimates Committee.

TEA INDUSTRY

The importance of maintenance of quality in tea output and of consultations among tea producers at the international level was emphasised by Mr. D. L. Betts, Chairman, India Tea Association, Calcutta, in the course of his speech at the recent annual meeting of the United Planters' Association of Southern India held last week, at Ootacamund. Discussing the problem of prevention of sale of substandard teas and maintenance of a reasonably marketable quality in all common teas, Mr. Betts felt that the Tea Waste Control Order did not go far enough. The sale of substandard teas in the market, he said, depressed the prices of common teas. Accordingly, he appealed for the industry's co-operation in evolving suitable regulations for enforcing quality output. He felt that some form of statutory control might be necessary in the interests of strict quality control in the fields.

Mr. Betts did well to stress the need for consultations among producers, at the national and the international levels. In India, tea produced in two regions, geographically separated from each other. But both regions are important producers of tea. In 1958, the output of tea of 711 million lbs. was shared between North Indian gardens (554 million lbs.) and South Indian gardens (157 million lbs.). It is gratifying to note that the Consultative Committee of Tea Producers' Associations in North and South India have been endeavouring to evolve common policies. Although each region has a few specific problems of its own, there is a wide common ground between them.

from both regions. It is, however, in the international field that much new ground has still to be covered. Perhaps, it would be truer to say that there is ground which needs to be recovered. Since world output of tea is in excess of demand, it will be obviously in the interests of producers to come to some agreement on regulation. In this connection, Mr. Betts had some notable remarks to make. Referring to the question of revival of the International Tea Agreement, he deplored that even the little progress made last year in talks at Colombo had not been maintained and that a good deal of ground had thereby been lost. India and Ceylon, as is well known, are together responsible for the major portion of world production. Between them, India (711 million lbs.) and Ceylon (413 million lbs.) accounted for 1,124 million lbs. of tea, out of the world tea output of 1,343 million lbs. in 1958. Surely, if these two countries alone reached a workable agreement, they could exercise sufficient influence in order to secure its acceptance by other producers.

SMALL-SCALE INDUSTRY

The importance of small-scale industries in the economic framework of India arises from the fact that they provide relatively abundant employment potential, entail limited capital outlay and at the same time serve to diffuse technical know-how. It is, however, puerile to imagine that these units are a substitute for the organised sector of industry. By the very nature of things, these units are incapable of competing with the phenomenally more efficient large-scale sector. There is, however, no doubt that the small units can be profitably dovetailed into the industrial structure in India, as in the case of such developed countries as the U.S. and Japan, if they are assigned a role ancillary to the large-scale industries. This will be possible only if the small units keep up a fairly high level of technical efficiency. The small units in India suffer from many handicaps, which include lack of access to right type of raw materials at a reasonable cost, unsatisfactory state of equipment, insufficiency of credit facilities, inadequacy of marketing arrangements and lack of contact with new techniques of production and with changing requirements of markets. These problems, as is well known, are sought to be solved, among others, by the establishment of proto-type production centres, small industries service institutes and industrial estates in urban and rural areas all over the country. The hire-purchase system for the supply of machinery introduced by the National Small Industries Corporation has helped the small entrepreneurs to overcome the difficulties in procuring relatively costly fixed assets.

One of the major problems for a small-scale unit is the marketing of finished products. The National Small Industries Corporation has been making every effort to secure markets for these products. The Corporation itself is trying to open wholesale depots for specific products of small-scale industries, such as the depot for the hosiery industry in Ludhiana. Besides, it has secured about 20 to 30 per cent. of orders placed by Government bodies, such as the Director-General of Supplies and the Defence Ministry, for these products. Attempts are also being made by the Corporation to secure the co-operation of large industries for enabling a few small units to be permanent feeders of some products

used by the organised sector. Its functions are thus steadily growing. It is only appropriate, therefore, that the Government should be considering plans to set up a marketing corporation in every State before the end of the second Plan. This was disclosed in the Lok Sabha the other day by Mr. Manubhai Shah, Minister for Industry, while intervening in the debate on the annual report of the Small Industries Corporation (1957-58) in the Lok Sabha. He said that the Government of U.P. had already constituted such a body. West Bengal, it is stated, has promised to follow suit. We are also told that a similar proposal has come from the Kerala Government. With barely a couple of years to go for the completion of the second Plan, it is, however, doubtful whether it will be possible within this short period to set up as many as a dozen corporations in the various States.

Mr. Shah averred that the hire-purchase system for the supply of machinery introduced by the Small Industries Corporation had been a great success. He said that orders for more than 100,000 machines had already been placed by the Corporation and, out of them, 4,000 had been delivered. He explained that the delay in getting the machines was due to engineering concerns taking 12 to 18 months to execute the orders. The Government, he pointed out, was now considering a new proposal designed to popularise further the hire-purchase system and enable even small entrepreneurs to set up industries. Under this scheme, if a State Government were prepared to extend a guarantee of at least 15 per cent. of the earnest money and the entrepreneur deposited a mere five per cent. of the cost of machinery, the Corporation would supply the machinery. In the meantime, the Government proposes to increase the capital of the Corporation by Rs. 50 lakhs to Rs. 1 crore. This will go a long way towards increasing the capacity of the Corporation to meet the rapidly growing demand on its meagre resources.

PROGRESS OF STATE PLANS

The poor progress of State plans during the first three years of the second Plan underlines the fact that finding the necessary resources is not the only problem in planning. Proper spending of the allocated sums on the scheduled schemes is an equally, if not more, important task. The average of plan outlays by all the State Governments taken together has been found to be as low as 48 per cent. of the target. What is more discouraging is that the performance of the States has been very uneven. Thus, while Madras topped the list, with an outlay of 59 per cent. of the target, Mysore was at the bottom with only 37 per cent. Other States fell at different positions within these upper and lower limits. States with the above average record are Uttar Pradesh (53 per cent.), Punjab (53 per cent.), Assam (51 per cent.), Bombay (50 per cent.), Orissa (50 per cent.), Andhra (49 per cent.) and West Bengal (49 per cent.). Rajasthan, Kerala, Bihar, Jammu and Kashmir and Madhya Pradesh ranked as below average, with performances of 46 per cent., 45 per cent., 45 per cent., 40 per cent., and 40 per cent., respectively.

The uneven progress of the States' plans is perhaps an indication of the varying levels of administrative efficiency of the State Governments, although other factors may also be responsible for it. While retarding the progress of

the Plan in general, the disparity in the rate of progress will make the economic imbalance between the different regions of the country, which the Plans seek to correct, more glaring. The performance thus reflects little to the credit of the State Governments. Nor does it justify their claim for larger allocation under the third Plan, now under formulation, unless the deficiency is made up in the remaining years of the Plan.

EXTRACTION OF COAL UNDER RIVER BED

The world's first experiment in underground coal-getting at a low depth under the bed of a big river has been carried out in the Vorkuta coal-fields, beyond the Arctic circle. The coal reserves in the Pechora river basin, which includes Vorkuta, are immense. But much of the fuel lies under the rivers. Some 117,000,000 tons of coal are confined within the underwater Vorkuta incline. Until quite recently it was believed that the coal seams under rivers could not be worked, unless the top layers was at least 300 to 350 times as thick as the seams themselves. Repeated attempts to open up coal seams at a low depth under the rivers have been made both in the U.S.S.R. and abroad. However, sporadic achievements did not justify large-scale coal-getting under the rivers. The engineers and technicians of the Vorkuta coal combine spent more than 12 years working on this problem. Studies of the movement of the earth's crust and rock layers were conducted there in 20 surface and 14 underground observation stations. More than 50 wells were drilled for geological and geophysical surveys. A chart of the basic rocks was compiled on the grounds of this drilling. Experimental work to study the deformation of rock was also carried on at two pits. The analysis of these complex observations showed that the underground extraction of coal beneath the Vorkuta river is safe at a depth of over forty thicknesses of the seam. The extraction of coal under the river will boost production by one million tons without the commissioning of new collieries.

AIR TRANSPORT

The International Air Transport Association reports that its 86 member airlines carried a record 69,249,000 passengers last year. This is a 7.3 per cent. increase over 1957. International passengers increased by 12.4 per cent. and domestic passengers by six per cent. Cargo traffic was up 21.5 per cent. Average international passenger in 1958 travelled 1,803 kilometres, an increase of 63 kilometres over the 1957 average. Average domestic or inland journey was down 24 kilometres to 899 kilometres. I.A.T.A. member airlines carried an estimated 87 per cent. of the scheduled traffic, both domestic and international, of all the world's airlines, except those of the Soviet sphere last year. Revenue passenger kilometres flown were 75,165,000,000, an increase of 7.4 per cent.; load factor at 59.6 per cent. was down by 3.1 per cent. The upswing in traffic in the last half of 1958 gave Pan American Airways an increase of 11 per cent. over 1957. An overall increase of 10 to 15 per cent. for international air travel in 1959 over last year's has been predicted by Mr. W. G. Lipscomb, Traffic and Sales Vice-President of Pan American Airways.

CAPITAL ISSUES CONTROL

The Government of India has had under consideration the revision of the exemption limit laid down in the Capital Issues (Exemption) Order, 1949. In view of the rise in prices since the present exemption limit was set and the fact that the capital required for even small and medium scale industries is often well above Rs. 5 lakhs, it has decided to raise the present exemption limit of Rs. 5 lakhs to Rs. 10 lakhs. As at present, the exemption limit will apply to all issues of capital except those by banking and insurance companies and provident societies incorporated as a company. The exemption limit will not apply to the issue of bonus shares by capitalisation of reserves of share premium, for which Government's permission under the Capital Issues (Control) Act, 1947, would still be necessary irrespective of the amount of issue involved.

Choice of Cement

in every field

FOR BUILDING CONSTRUCTION

IN INDUSTRY

OR ROADWAYS

DALMIA

CEMENT

AND BRIDGE MAKING

the better make for better construction

DALMIA CEMENT (BHARAT) LTD.
DALMIAPURAM (TIRUCHIRAPALLI)

NATIONAL INCOME AND SAVING SOME RELEVANT FIGURES

By Prof. S. Kesava Iyengar

THE third Plan is being moulded, and at this juncture, it may be useful to gather some relevant figures. According to the first Plan Report, the national income of India was expected to be raised from Rs. 10,800 crores (by the end of the first Plan period) to Rs. 27,270 crores (at 1948-49 prices) by 1975-76. Per capita income was expected to go up from Rs. 281 to Rs. 546 during the same period. The rate of investment was estimated to rise from 7.3 to 17.0 per cent. per annum of the national income. Recently, the Deputy Chairman of the Planning Commission announced that, between 1956 and 1976, the target was to double the per capita income (of course at 1948-49 prices). This would involve trebling the national income, because, in the meanwhile, the population would have increased at least by 200 million to 600 million (at an average rate of plus 8 million net per annum). The latest is the forecast by the Dhebar Committee of the A-I.C.C., which has foreshadowed a rise in national income by 6 per cent. per annum (in real terms) and the rate of saving at 14 per cent. by the end of the third Plan period. Experience has been that the Planning Commission and Parliament generally accept figures and programmes indicated by the Congress. In view of the forthcoming A-I.C.C. Session in the Punjab, it may be worthwhile scrutinising national income and saving figures not only here but also in countries like Britain and the U.S.A. A comparison with other countries on subjects like these may not help much on account of climatic conditions, the philosophy of life and statistical material varying in different countries. Yet, a study of available figures may prove interesting and contribute towards the development of a sense of proportion.

Per capita income is about Rs. 10,000 in the U.S.A. (1958), about Rs. 4,600 in Britain (1957) and Rs. 275.6 in India (1957-58). Facilities for economic development are much greater in the first two countries, and, in any schedule of progress, India would have to adopt a much smaller yardstick. In Britain, the national income rose from £4,816 million in 1938 to £9,507 million in 1948, and to £17,604 million in 1957. The percentage of increase per annum on the average works at 13 as between 1938 and 1957; it was 9.4 as between 1948 and 1957. These percentages are compound rates and the actual annual rate would be slightly lower. It is significant that, in spite of the advancement of science in its application to industry, the national income increased more slowly as between 1948 and 1957 (9.4 per cent.) than in the longer period 1938-57 (13 per cent.).

In the U.S.A., the national income rose from \$87.8 billion in 1929 to \$241.9 billion in 1950, and to \$360.5 billion by 1958. The average annual rate of increase works out to 21 per cent. as between 1929 and 1958, while the same percentage goes down to 6.1 during the period 1950-58. The trend is the same as in Britain, though the range of difference is wider. On account of the Partition in 1947, national income figures of India are available only from 1948-49 onwards. The figure was Rs. 8,650 crores during 1948-49 and Rs. 10,830 crores in 1957-58. The average rate of increase works out to 2.8 per cent. Thus, during the last 10-12 years, the average annual rate of increase in national income was at 6.1 per cent. in the U.S.A., 9.4 per cent. in Britain and 2.8 per cent. in India. Whether we compare our own figures with regard to the past, or figures relating to the United States and Britain, Mr. V. T. Krishnamachari's target of 6 per cent. increase in the national income of India by the end of the third Plan period appears rather too ambitious. It may be remembered, incidentally, that, as between 1956-57 and 1957-58, there was a slight decrease in the national income (from Rs. 11,080 crores to Rs. 10,830 crores).

The Deputy Chairman of the Planning Commission expects the rate of saving in India to go up to 14 per cent. of national income by 1965-66. In the U.S.A., figures stand as follows:

(In billion dollars)

Year	National Income	Disposable personal income	Personal saving	Percentage of personal saving to disposable personal income	Percentage of personal saving to national income
1929	40.2	45.7	0.8	..	..
1950	241.9	207.7	17.6	6.1	5.2
1958	360.5	311.6	21.0	6.7	5.8

It must be noted here that 1933 was the peak depression year and it is no surprise that there was considerable dis-saving: national income was \$40.2 billion while personal income aggregated to \$47.2 billion. In 1950 and in 1958, the ratio of personal saving to national income was at 5.2 per cent. and 5.8 per cent., respectively. The difference between national income and personal income was not much in 1950: the national income was \$241.9 billion while personal income stood at \$228.5 billion. Institutional incomes therefore amounted to \$13.4 billion. Similarly in 1958, the national income was \$360.5 billion, personal income \$354.4 billion and institutional income \$6.1 billion. Institutional income having been so minor, savings out of them could not have added much to personal saving. In the face of these facts, the ambition to raise the saving margin in India to 14 per cent. by 1965-66 lacks a sense of realism, particularly in view of the fact that the average Indian exists on just about the margin of subsistence, with a bleaker future on account of price spirals.

It is held in some quarters that taxation is low in India and it should be practicable to raise more revenues from that source. Such an opinion is not based on facts. The following are pertinent figures:

During 1958-59, tax revenue in India (Central and State put together) was Rs. 1,044.2 crores against the national income of Rs. 10,830 crores (1957-58), working out to 9.6 per cent. In the U.S.A., the corresponding figures for 1958 were \$42.8 billion and \$360.5 billion, working out to 11.9 per cent. The incidence of taxation is today heavier in India than in the U.S.A. Arithmetically, 9.6 is smaller than 11.9, but taxable capacity in India is incomparably much lower on account of the abominably low per capita income. As such, the room for additional taxation is just not there, and the prospect has been worsened by the public sector advancing against a receding private sector. These figures indicate that, on items such as national income, saving and taxation, it is all uphill work, and it would be more realistic to adopt lower targets and thus avoid embarrassment and frustration.

(Concluded from next column)

authorities, and the Committee accepts this view, it is as useless to raise the Bank Rate without taking any other measures as it is to take the other measures without Bank Rate. For, however unreal it may seem, overseas opinion regards movements in Bank Rate as symbolic of Governmental intention. If Bank Rate goes up, that is regarded as "a symbol of determination to defend the pound." Even the Bank of England did not care to defend the practical virtues of the rise in Bank Rate itself but they valued its influence on overseas opinion so highly—its symbolic significance is as great today as a century ago—that its inclusion in the armoury is and must continue to be vital.—All Rights Reserved.

THE SYMBOLISM OF BANK RATE

From Our Own Correspondent

LONDON, 27th August

ONE of the principal matters which the Radcliffe Committee on Monetary Policy examined is the mechanism by which the authorities have sought to control economic crisis. An important branch of this study has been the use of interest rates as part of what the Committee calls a "package deal" approach to monetary policy.

The "package deal" has been the announcement, when restrictive action has been thought necessary, of several restrictive measures together—"usually a rise in Bank Rate, stern words on Bank advances, hire-purchase controls and a pruning of capital programmes in the public sector." One cannot avoid the impression that the authorities have not used the "package deal" simply as a shock measure, but, because they were not sure what the relative efficacy of each weapon would be, they fired off their whole armoury at once, in the hope that something or other would hit the quarry.

When it came to lifting restrictions, then the authorities were so equally uncertain of the effect of taking the lot off that they gingerly put back into the armoury one weapon at a time, looking to see what happened before touching the next.

The measures used always implied a rise in short-term rates and it seems there has been little conscious use of the weapon of long-term rates, which the Committee considers should be examined very fully. Its idea is that operations on the National Debt, reducing it or increasing it, and helping this along with a long-term rate policy, may become an important device in future monetary policy.

Meanwhile, the Committee has noted that one of the immediate effects of a move in short-term rates is on the balance of payments. It calculates that 1 per cent. on the Bank Rate adds, as a result of inflow of foreign money on which interest has to be paid, about £15 million to an adverse balance of payments. If the foreign funds are mainly from the sterling area, then the sterling balances only are affected, but, if they are outside, then the ultimate effect will be a gold loss, screened, for the time being, by the capital inflow.

And here the Committee throws doubt upon the virtues of Bank Rate moves in helping the short-term international position, though it concludes that, nowadays, nearly all movements of foreign funds are covered in the forward exchange market, thus an inflow of hot money is matched by forward outflow and the authorities rightly regard a heavy debit position in the forward market as the next worst thing to immediate gold payments.

Why then, asks the Committee, must the Bank Rate always figure as part of a general attack on inflation and the answer is "the rise in Bank Rate is symbolical." In the view of the

(Continued in previous column)

AMERICAN LETTER

IMPACT OF STEEL STRIKE SEVERE INFLATION PSYCHOLOGY PERSISTS

From Our Special Correspondent

NEW YORK, 28th August

THE steel strike, which is still continuing at the time of writing, has raised havoc with economic statistics in the United States. It has reversed a 14 months' rise in industrial output last month and halted an eight months' climb in pay-rolls. The Federal Reserve Board's industrial production index fell from 155 in June to 153 in July. The index is based on the average industrial output of 1947-49, represented as 100. The impact of the steel stoppage which began in mid-July, has not shown up in statistics in other segments of the economy by the end of the month. Rises in other production, again statistically speaking, held the overall drop in July to just 1 per cent. below the June level.

While personal income, seasonally adjusted, increased to a record annual rate of \$384,100 million which was \$300 million higher than in June, wage and salary payments slumped \$500 million to a rate of \$261,200 million. Pay-rolls in all manufacturing industries were off \$1,000 million, but other types of businesses and various Government bodies reported higher pay-rolls.

Also, for the second successive month, the number of persons at work in the U.S. established a new high. The new peak in July of 67.6 million represents a gain over June of 252,000. This compares with 65.2 million employed in July 1958, or an increase of 2.4 million. These Government figures do not reflect the impact of the steel strike, because workers on strike are not counted as unemployed, unless they seek jobs actively. July unemployment was 3.7 million which was 3,55,000 higher than in May when the figure fell to 3.4 million. Meanwhile, the steel strike caused steel production for the month of July to fall 53.5 per cent. from the June level.

Feelings Running High

Secretary of Labour Mitchell called the impact of the steel strike "severe." It is to be felt increasingly in the weeks to come, he added. He also suggested that he did not expect the walk-out to end for some weeks to come.

Mr. Mitchell estimated there were about 625,000 workers either on strike or on enforced lay-offs. This constitutes less than 1 per cent. of the labour force. Pay-roll losses are estimated at \$70 million a week. In addition to the steel mills themselves, industries hardest hit so far by lay-offs traceable to the steel strike are railroads and coal mining. Construction, shipping and ore transport have also been affected.

Feelings are running at fever temperature in the steel strike. Labour accuses management of exorbitant profits and management quite patiently is trying to explain the fiction of such profits in terms of inflation. Indeed, the entire United States has become highly inflation-conscious. The danger is portrayed in cartoons and editorials as well as in advertisements from coast to coast.

For the first time in many years, labour is a bit on the defensive. I have just returned from a swing through the New England States of the U.S., the oldest industrial section of the country. A prominent textile machinery manufacturer, who also has an establishment in England, told me a story which is symptomatic of what is going on.

In his plant at Taunton, Massachusetts, he employs among other people, 150 persons who are members of the United Steel Workers. They threatened to strike with the rest of their brethren in the middle of July. He told them he would abandon this particular work for good if they struck and transfer this operation to England. The 150 never did walk out.

Inflation

The Commerce Department documented inflation the other day. It said the average per capita income was slightly higher in 1958 than in the previous year, but it added that price increases counterbalanced the gain to make real income for the country as a whole a bit less than it was in 1957—a fact which is simply not understood by the masses of the people including the labour leaders.

U.S. Industry and the Space Age

There are vast changes in store for U.S. industry which will have it repercussions all over the world. Just as the battleship has been made obsolete by the aircraft carrier and missile-carrying crafts, private industry is feeling such changes as well.

These changes are, for instance, that the industries involved will not be "heavy industry," in the sense that vast quantities of raw materials are consumed, or that large quantities of individual end-items will be produced. This is apt to pose fascinating and challenging engineering and production problems for many years to come.

In the U.S., these changes are sparked by the National Aeronautics and Space Administration which came into being in October 1958. Its efforts are aimed at three major fields, essentially peaceful. One is the development of higher thrust rocket engines. Several new power plants are under intensive development by several aerospace companies, including a single chamber rocket engine which would have a thrust of 1,000,000 to 1,500,000 pounds, or 450,000 to 675,000 kilograms. This is considered the necessary first step, (i.e., sufficient power) to propel larger instrumented payloads and man into space.

The second aim is the development of greater reliability in all components, particularly in control, tracking and telemetry systems. Finally, development of more knowledge about man himself and the physiological and psychological problems of space flight. The National Aeronautics and Space Administration has a 1959 budget of \$385 million to carry out its new responsibilities. Out of it may come, a vast increase of knowledge about the human race and the universe and also a considerable increase in economic benefits, but vast changes as well.—All Rights Reserved.

Braithwaite's contribution to India's progress

STEEL STRUCTURES

PRESSED STEEL TANKS

STEEL WAGONS

BRAITHWAITE & CO (INDIA) LIMITED
HIDE ROAD, KIDDERPORE, CALCUTTA

100 years of service to the nation marks the famous leading House of JUGGILAL KAMLAPAT. Founded in the middle of last century, this illustrious house by steady and consistent progress has become a gigantic institution of its type in India—a truly national concern having in its fold multifarious manufacturing and commercial lines.

J.K. ORGANISATION
KANPUR — BOMBAY — CALCUTTA

By setting up factories all over India of such goods as were imported from abroad & K. Industries have planted India's feet firmly on the road to self-sufficiency and material prosperity. The trade mark of this House is your guarantee of quality.

IRON, STEEL, ALUMINIUM, PLASTIC, RUBBER, TEXTILES, CLOTHING, WOOD, SUGAR, SOAP, OIL, BANKING, INSURANCE, MINING, RAYON, YARN, PAINT

CREeping INFLATION—III AN EFFECTIVE REPLY TO ITS PROTAGONISTS

By Dr. Wilhelm Vocke

FORMER PRESIDENT OF THE BANK DEUTSCHER LÄNDER, NOW THE DEUTSCHE BUNDESBANK, THE CENTRAL BANK OF WEST GERMANY

[This article is in continuation of the series on the subject of "Creeping Inflation." It is of special interest to this country, in view of the recent remarks of the Governor of the Reserve Bank of India on the lessons of experiment in West Germany.—Ed.]

THE current debate over the future of the dollar and economic growth has advanced to the stage where the issues are now clearly drawn. The choice is between the path of creeping inflation and that of a strong and stable dollar. A clear decision as to which path is to be taken must be made now in the interest of the business community and the nation, which must know the direction in which the economy is moving and how much trust can be placed in the currency. Things cannot be permitted to drift, creating uncertainty and confusion among long-term investors who must plan ahead and on whose appraisal of the future the economic growth of the country depends.

The Lessons of the German Experience

Let me first make a few observations on the German monetary experience, from which some fundamental lessons can be drawn. When I assumed office as President of the Bank deutscher Länder ten years ago, monetary conditions in Germany were in a desperate state. Several experts, both German and foreign, with world-wide reputation and extensive experience, declared frankly that the Deutsche mark had virtually no prospects of ever becoming a hard currency. That these well-meant opinions proved wrong, as time has shown, is no doubt in part due to a good deal of luck and favourable circumstances. But I, for one, never wavered in my conviction that a monetary policy, consistently and energetically pursued in order to establish and maintain a stable currency, must succeed.

There are, perhaps, two principal lessons to be learned from the German experience. The first is that currency stability can be achieved and preserved even under the most adverse circumstances. The second, and even more significant, is that a monetary policy, firmly committed to currency stability, not only does not conflict with a high rate of economic growth but indeed is essential to its achievement. Germany's remarkable economic recovery and expansion over the past decade was closely linked to the restoration and preservation of a strong and stable monetary unit.

Obviously, these policies did not escape the test of public opinion. In 1955, the German economy was unmistakably headed toward a dangerous boom. All economic indicators—production, employment, income, exports, and above all wages and prices—were surging upward at a high pitch. Under these conditions, prompt and energetic measures by the central bank were called for, in order to keep the economy from losing balance. The steps taken to bridle the inflationary forces proved highly unpopular and were severely criticised by industrialists, Government officials, and the public on the grounds that they would undermine economic growth. As matters turned out, none of the sombre predictions came true. On the contrary, as a result of the early efforts to defend the Deutsche mark, the economy quickly regained both its equilibrium and the basis for continued expansion in an orderly manner. This experience proves that a central bank must be persistent and unruffled in its pursuit of a determined course of action, and must not shrink from occasionally taking unpopular measures if its obligations and responsibilities to the nation are to be properly fulfilled. In Germany, such monetary measures had to be taken on several occasions in the face of widespread criticism. But now that the economy is vigorously moving forward at a high level of prosperity and on the basis of a stable currency, what were once unpopular policies have now become the object of rather general praise.

The experience in the rest of Western Europe has been much the same. Comprehensive monetary and fiscal measures have helped restore financial stability and have revitalised the economies. The United States may regard the accumulation of gold by these countries with mixed feelings, but the fact remains that the gold had to be earned by productive effort. After years of bitter experience with inflation, Western Europe has now turned to monetary

stability. The rejection of policies leading to continual depreciation of the currency was dramatised last December, when thirteen European countries took steps to make their currencies fully convertible.

The "Creeping Inflation" Thesis

To a foreigner it seems almost absurd that there should be certain quarters in the United States where inflation is tolerated or even recommended. Surely, any price to be paid for inflation must be excessive, considering not only the adverse economic and social effects, but the irretrievable losses in national prestige it may entail. The path of inflation in the United States would not only mean the depreciation and ultimate devaluation of the dollar, but also an acute decline in the moral authority, power, and international stature of the United States. That there are close links binding a nation's prestige to its financial posture is evident from the manner in which the emergence of the Deutsche mark as a sound and stable monetary unit has enhanced the stature of the new western Germany in the family of nations.

The arguments advanced by the advocates of inflation must be earnestly and thoroughly considered. To begin with, the arguments set forth are, above all, political in character. The inflationists purport to show that inflation is an inevitable tide that can be stemmed only at the cost of economic progress. Consequently, they say, the attitude toward inflation must be rendered more flexible, and economic doctrine and policy must be adapted to a new institutional setting, instead of plodding along the old rut of a stable currency.

Certainly, the proponents of this thesis by no means favour galloping inflation, but only the mild, creeping kind. In fact, they would, for the most part, readily admit that even a moderate inflation entails certain evils. Nevertheless, they would argue also that, whatever these evils may be, they are far less serious or significant than the grave political repercussions bound to result from a policy that tolerates an impairment of full employment, however temporary. To the advocates of creeping inflation, full employment and monetary stability are incompatible. And, if there exists a choice, the decision would have to be in favour of full employment, for political reasons. Superficially, at least, these arguments may appear more or less plausible, particularly since they rest on political considerations. Yet on closer examination their contradictory nature becomes self-evident.

Let us turn first to full employment. What does it mean and to what degree can it benefit the nation and the economy? If full employment should mean that the labour force is occupied 100 per cent., the law of supply and demand cannot function normally in the labour market, and there exists, in effect, a state of overemployment. Under such conditions, employers can expand output only by outbidding each other for the available work force and by drawing workers away from one another. Labour, in turn, is enabled virtually to dictate its own wages. Such a state of affairs clearly cannot be regarded as the desirable optimum for the nation or the economy, either in its domestic or international aspects.

It is also evident that, in a free economy, the level of employment cannot be maintained constant to any greater degree than the level of production, consumption, investment, or trade. But, while it may not be possible to eliminate economic fluctuations entirely, the magnitude and duration of the cycles can be at least minimised. In this connection, one ought to bear in mind that, even at fairly high levels of prosperity, it is easier to influence or control the oscillations in employment and business activity than to bridle a cumulative inflation which must eventually lead to the proverbial bust. Nonetheless, the proponents of creeping inflation recommend yielding to overemployment, continually rising wages, and the price-wage spiral, while declaring at the same time that what they envisage is merely an inflation that

crawls along at the leisurely rate of, say, 2 per cent. per annum. Let us examine how this invention will work.

The Cumulative Process of Inflation

The initial phase of inflation has a certain appeal. Rising money income activates the economy like a breath of spring that brings out the blossoms everywhere. Industry invests and production expands; credit volume rises, with borrowers planning to repay loans in depreciated money as inflation progresses. Employment climbs, and, for a considerable part of the population, the standard of living actually increases as consumption moves up, while the incentives to save wane. All economic indexes surge upward, mutually reinforcing each other, and setting the inflationary spiral in motion. At this stage, and at this stage only, inflation finds many adherents. But this happy state is usually short-lived and lasts only as long as some faith in the currency is still maintained. Even while this phase continues, an increasing segment of the population, dependent on fixed incomes, begins to feel the ruthless grip of the inflationary pressures.

The inflationists have a remedy at hand for the sectors that are squeezed between rising prices and lagging incomes: the escalator clause. This clause, which automatically links wages, salaries, and even some business transactions to the cost-of-living index or gold, was widely used in France, but with results that proved far from encouraging. In fact, the escalator clause is merely an illusion. As long as the depreciation of the currency is minor, the clause is not invoked. And when inflation progresses, it is satisfactory neither to income receivers nor to income payers; meanwhile, the Government is forced to inflate to an ever greater extent, in order to compensate those groups that remain unsheltered by the index clause. More importantly, however, the escalator clause, in itself, officially discredits the currency and therefore intensifies inflation. Moreover, what it clearly reveals is that, once the currency no longer serves as a stable standard of value, a substitute must be found. Since stability is, after all, essential, the absurdity of abandoning a stable standard of value in the first place becomes patently obvious.

All the various adaptations, compensations, and adjustments to a rising price level may well be bearable as long as inflation remains within narrow limits. But the fact is that inflation is progressive and eventually becomes full-blown. That point is reached when the public begins to lose faith in the currency and the material-value psychosis spreads. The scramble for goods is matched only by the rush into equity investments, while the bond market sags. The damage that inflation inflicts on the market for fixed-interest securities eventually makes it virtually impossible for the Government to consolidate its short-term debt. For no one will acquire bonds when the money invested continually shrinks. The inevitable consequence is that the central bank will be asked to absorb the unmarketable public debt, which adds further fuel to the inflationary surge.

The reluctance to hold money or fixed-interest securities finds expression also in the rapid decline in savings. Wasteful consumption and misdirected investments suddenly become rational economic actions, compared with the foolishness of saving money that is rapidly becoming worthless. At this point, the reckless and amass fortunes, while the honest, conscientious, and weak lose the little they have. As the process continues, customary standards of behaviour are swept away and accepted moral attitudes are shattered. Soon everyone flees from the currency and joins in the furious dance of inflation, while the nation is rapidly moving to the brink of disaster.

No Exaggeration

The succession of events that I have just outlined would probably be considered a gross exaggeration by the proponents of creeping inflation. They would assert that the idea is to let the inflation get out of hand, but to confine it to a delightful 2 per cent. per annum. How is this feat to be accomplished? Obviously, prescribed limits cannot be kept automatically within of inflation. Once begun, inflation spreads like fire and feeds on itself. Moreover, even if a public will try to protect itself, and by doing price rise, stability of the rate of inflation is an illusion, for, if the public knows that there will be a creeping inflation of 2 per cent. per

(Continued on page 411)

AN OBJECTIVE STUDY OF GIFT TAX

By R. K. DALAL, B.Com., F.S.A.A., F.C.A.

THE object of taxing gifts, as the statement of objects and reasons to the legislation points out, is to check avoidance or reduction of estate duty, income-tax, wealth tax and expenditure tax.

When a person gives gifts, there is a voluntary transfer of property without any consideration, so that the donor's estate is depleted by the gift. This depletion affects wealth tax, for wealth is reduced by the amount of gift. It also affects estate duty, for, if the donor were to die, the estate passing on death, will stand reduced by the amount. It affects income-tax, if the funds or asset depleted by gift was income-earning. It affects expenditure tax, for, to the extent of such depletion of cash resources, the funds out of which to expend is reduced. Expenditure can arise out of wealth and savings. If savings are depleted by gifts, the right to collect tax on such funds when expended ceases. Thus gifts also affect expenditure tax. If there is no levy on gifts, it will mean encouraging indirect avoidance of other taxes. In fact, its absence will be a loophole in an integrated system of tax structure, the professed object of which is to check tax avoidance.

Section 3 creates a charge. The charge, when analysed, has the following elements:

- (i) the subject matter of the charge, e.g., gifts;
- (ii) the persons to be charged, e.g., person;
- (iii) the rates of tax, e.g., as per the schedule;
- (iv) the period during which the gifts given are brought to charge, e.g., previous year; and
- (v) the first financial year when it commences operation, that is, year commencing from 1st April, 1958.

Thus, gifts made during twelve months called previous year, that is, the year ending on or before the 1st day of April each year, are subject to tax.

The charging section, unlike the other taxing Acts, does not recite the categories of assesses, e.g., individual, firm, company, Hindu undivided family, association of individuals, but only uses the word 'person.' The word 'person' has been defined as

"including a Hindu undivided family, or company, or an association or body of individuals or persons whether incorporated or not."

A 'firm' is thus not expressly included, but the phrase "body of individuals whether incorporated or not" would seem to include a firm. A firm has been defined as having the same meaning as assigned in the Partnership Act, which is

"Persons who have entered into partnership with one another are called individually partners and collectively a firm."

Gift Defined

The subject matter of the charge is 'gift'. What is a gift? The defining section says:

"Gift means a transfer by one person to another of any existing movable or immovable property made voluntarily and without consideration in money or money's worth and includes a transfer of any property deemed to be gift under Section 4."

The importance of the definition is to give a concrete definition to a gift. The essence of a gift is:

- (1) a transfer of movable or immovable,
- (2) which is made voluntarily, and
- (3) which is without consideration.

The first two are self-explanatory and need no comment. The last one does. Now, consideration may be natural love and affection. It may be adequate or inadequate. It may be valuable or otherwise. The gift tax recognises only one kind of consideration, namely, money. Therefore, so long as there is no consideration in money, the fact that there are other types of consideration will not defeat the provisions of gift tax.

Gift must be a voluntary transfer of property without consideration. Consideration, as defined in the Contract Act, does not apply to gift tax, for the consideration must be in money. Natural love and affection, for instance, may be a good consideration for a contract, but not for a gift under gift tax. Consideration must be money, before a parting of property under the Gift Tax Act is exempted. Money or money's worth is put in perhaps to cover a transaction which is not a sale, in which the question of price, that is, money would arise, but to provide for exemption where there is alienation by exchange of property of equal value.

Adequacy of consideration will also be a factor to determine what part of the property which is not covered by consideration is regarded for purposes of gift tax as a gift.

Gift tax for purposes of assessment will be on aggregate gifts made during twelve months, that is, the previous year. The insertion of the year, therefore, enables both aggregation for determining the tax and also exemption under the Act. The definition of the previous year also secures that all gifts made during the period between the valuation dates determined for two consecutive wealth tax assessments are charged to gift tax in one year. It thus secures a check on the accuracy both of wealth tax and gift tax.

The charging section also makes it expressly clear that gifts made before 1st April 1957 will not attract gift tax, even though such gifts legally may be caught in the definition of the previous year.

To Check Evasion

In order that gift tax may not be avoided by certain known devices, Section 4 expressly provides for the inclusion of the following transactions:

(a) Where a property is transferred otherwise than for adequate consideration, the question of including the deficiency between actual consideration paid and its market value may arise. In the absence of an express provision, this transfer might escape gift tax; hence the express provision.

Consideration is defined as consideration in money or money's worth. The further addition of the words "money's worth" has been found necessary to catch as gift the deficiency in price as compared with market value. A person sells a property for Rs. 50,000. Its market value is Rs. 75,000. Rs. 25,000 deficiency in price is deemed thus to be a gift, for it is a transfer of property without consideration in money's worth, if not in money.

(b) Where a property is transferred for consideration, though ostensibly agreed, but is not intended to pass from transferor to transferee, the property will be deemed to be a gift, notwithstanding that, ostensibly, there is consideration, whether in fact it is not intended to pass in full or part.

(c) Next is a discharge or abandonment of debt. Where such discharge, release or abandonment shall be bona fide, such release or abandonment shall be deemed to be gift, notwithstanding that it does not fall within the definition of gift.

(d) Then there is the case of a person, who vests his property in himself and another. When that another person appropriates such property to himself, it will be deemed to be a gift by the person responsible for release, though such appropriation may not strictly satisfy the definition of a gift.

Exemptions

Just as there are transfers which do not partake of the character of gifts, and therefore deemed to be gifts and taxed as such, there are also gifts pure and simple, for which the Government has given an express exemption from the tax. These are:

(1) Gifts made by a person of his immovable property situated outside India are exempted. This seems to be motivated by the fact that such gifts would normally be subjected to tax in the countries where immovable property of the resident or non-resident is situated and therefore to avoid complication of double income-tax relief, etc., the Government has thought it best to exempt it in the hands of both resident and non-resident, whether a citizen of India or not.

Immovables governed by Lex situs: This rule is also firmly established in private international law. All rights over or in relation to an immovable asset are governed by the law of the place where the immovable is situate (Lex situs). Any other rule, indeed, would be entirely infructuous, because, in the last resort, land can only be dealt with in a manner which the Lex situs would be prepared to recognise.

(2) If one is a resident and a citizen, then gifts of movable property situated outside India will be subjected to tax. If one is not a citizen, then even gift of movable property abroad will not attract tax.

Movables of a resident or a non-resident in India, if he is a non-citizen, are expressly exempt from gift tax. The underlying idea seems to be this. Wealth of a non-citizen outside India is entirely exempted from wealth tax. Now gift tax is a tax for alienating wealth, but, if wealth itself is not liable to wealth tax in the hands of a non-citizen, whether resident or not, it would be illegal to tax it to gift tax which is but an extension of wealth tax. Wealth tax is for the possession of wealth. Gift tax is for parting with such wealth.

Whether one is resident or non-resident will depend upon one's status as determined for income-tax purposes. This is clear from the explanation to Section 5.

(3) Property in the form of savings certificates issued by the Government notified as exempt from gift tax will not attract the tax. Just now, there are no such exempted savings certificates. Therefore, any such gifts of savings certificate will attract tax. In future, however, Government may issue savings certificate expressly exempted from gift tax or make the existing particular savings certificate exempt from gift tax by a notification in the Gazette. This exemption is actuated by the need for encouraging Government's drive for collecting small savings from people to help the development projects and plans in the public sector.

(4) Gifts to Government and local authority are also exempt.

(5) Gifts to charitable institutions which enjoy exemption under Section 15B of the Income-tax Act are also free from the tax. This is a most controversial clause, because communal charities fall outside the exemption. The conditions attached to exemption under Section 15B are: (a) income must be exempt under the Income-tax Act; and (b) it is not for the benefit of a particular religious community.

There has been voluble opposition to taxing charities to gift tax, charities, which though communal, yet enjoy exemption under the Income-tax Act. But, by making this exemption subject to Section 15B, communal charities are brought in for gift tax. The only justification, perhaps, that may be advanced is that, in a secular State, Government should encourage only secular charities—not communal. If benefits of exemption under Section 15B is tolerated, although it does not extend to communal charities, there is no justification for raising objection to gift tax.

(6) If the charities do not fall within Section 15B, on the ground that they are communal, they will be exempted, provided they have been made to such charities before 1st April 1958, although they may fall within the previous year of an assessee, who closes his accounts earlier than the last day of the financial year. If gifts are made after 1st April 1958, they would normally fall within the charge, for clause (5) will not cover this. This clause gives an express exemption, if the gifts in money value do not exceed the maximum of Rs. 100 in value in respect of one previous year to the same donee, in aggregate not exceeding Rs. 500. Small gifts not exceeding Rs. 100 are exempted, if they are for charity. The object behind this is that, if such exemption is not available, then it is possible to tax every rupee of such gift in excess of Rs. 10,000, the maximum limit provided. This, therefore, avoids keeping of accurate and precise account of all such petty gifts made. There is, however, a check, namely, that to the same individual it shall not exceed Rs. 500 in the aggregate. But for this check, it would have been possible to give, for instance, to a communal charity a gift of Rs. 100 per day and defeat the purposes of taxing communal gift.

Gifts To Relatives

(7) If a relative is dependent upon the assessee for support and maintenance, then on occasion of the marriage of the relative a gift of a maximum of Rs. 10,000 in value in respect of each such relative is permissible. This exemption seems to be based on the principle that if a relative is so dependent on a person for his support and maintenance, meeting marriage expense forms part of such maintenance and duty and hence the exemption. It may be noted that the exemption is Rs. 10,000 in respect of each such relative, irrespective of whether more than one marry in the same previous year, so that for each marriage a gift of Rs. 10,000 is permissible. The limit is on each gift and not on the aggregate.

Inasmuch as there is gift tax as well as expenditure tax, it would be interesting to note the distinction between the two. This distinction is important in order to determine which of the two taxes an assessee attracts. Broadly speaking, both gift and expenditure involve disbursement. One takes the shape of disbursement of cash for services. If a person gives his property without consideration, it will be gift but where cash is disbursed for services it is expenditure. An assessee gives a cash gift to the daughter for her marriage expense. It will attract gift tax. But suppose he spends on the marriage of his daughter a large sum. Is it a gift or is it an expenditure? If the moneys are spent by the father in the marriage, he makes no gift. But it is possible for him, instead, to give his daughter a lump sum of Rs. 10,000 and ask her to spend the whole or part, as she may choose on her marriage, and it will be a gift.

Gifts To A Spouse

(8) A gift to a spouse may be of Rs. 1 lakh but here Rs. one lakh is in the aggregate in one or more previous years. What happens if a man has more than one wife? Is it a lakh of rupees in respect of each wife? The clause specifically provides that 'spouse' in such case will mean plurality of wives and Rs. one lakh will be free, taking all wives together. This is with a view to avoiding unpleasant discrimination between a monogamous marriage and a polygamous one.

(9) Gift of policies of insurance or annuities to any person other than wife is restricted to a maximum of Rs. 10,000 in value in aggregate in one or more previous years for the benefit of a person who is dependent for support and maintenance on the assessee. Life insurance is one of the recognised modes of saving which the Government has blessed by exemption even under the Income-tax Act. Following the policy, exemption is provided here for gifts of life policies or annuities to a dependent relative, excluding wife, who has been provided in clause 8 for cash gifts to a maximum of Rs. 1 lakh.

(10) Gifts under a will are exempted. These are ambulatory gifts and come into operation only in case of death. When death occurs estate duty

(Continued on page 411)

THE TATA IRON AND STEEL COMPANY LIMITED

MR. J. R. D. TATA REFUTES RUMOURS ABOUT NEW PLANT

NEW SYSTEM OF TAXATION WILL IMPOSE HEAVIER BURDEN, UNLESS AMENDED

ADDRESSING the Fifty-second Annual General Meeting of the Shareholders of the Tata Iron and Steel Company, Ltd., held at Bombay on 2nd September, 1959, Mr. J. R. D. Tata, Chairman of the Company, flatly refuted the adverse rumours about the new plant and explained in detail the reasons for the delay in getting full production out of it. Other subjects covered by him included the dividend policy, outlook for the current year, the implications of the new system of taxation and relations with the Company's labour.

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

"LADIES AND GENTLEMEN,

"It has been customary for me to open my remarks at these meetings with a review and discussion of important economic trends and events with special reference to those which impinge on business and industry in general and our own affairs in particular. I shall this year curtail such remarks to the minimum, as I know that shareholders are specially concerned with the situation and developments within our own Company and would wish me to give them as complete a picture as possible.

Economic Trends

"On the international front, the year under review was highlighted by the spectacular end of the third economic recession in the Western world since the war, by the outstanding economic progress made by most of the countries of Western Europe and, unfortunately, by the developing crisis in many parts of South Asia reflecting growing political or economic chaos, in striking contrast with the situation in Europe.

"What do these world-wide trends portend for India? The troubles in a number of countries in South Asia, which have led in most of them to the emergence of military dictatorships, naturally have for us potentially serious repercussions. They contain a warning of the inevitable consequences of poor or corrupt administration, doctrinaire or unrealistic economic policies and of the resultant dissatisfaction amongst the people.

"The political stability of our governmental institutions, with the temporary exception of Kerala, and, even more, the stability of the Indian rupee, have brought prestige to India and confidence in her future throughout the world. In political circles abroad there is goodwill and real appreciation of our needs and of what we are trying to achieve for our people. In financial and business circles there is growing confidence in our ability to withstand disruptive forces and to ensure orderly development along with a dawning realisation of the long-term potentialities of the Indian economy; there are also in Europe and America increasing funds seeking investment abroad and a growing willingness to invest both money and technical and managerial skills in underdeveloped countries.

"To the extent that the buoyant economies and general feeling of optimism in the Western world must lead to increased prosperity, world trade and travel, the favourable background to our own situation, which I have just mentioned, should be further improved. With restraint in international affairs in keeping with a genuine policy of neutralism and with realistic economic policies at home, there is much that we could legitimately gain from the present world situation.

"In that context the portents would be discouraging if one were to judge only by the views expressed from time to time by the left wing of the ruling party which is also the most vocal, as often happens with minorities, and which, unfortunately, seems to influence the long-term economic thinking of the Government and the Planning Commission.

Doctrinaire Socialism

"On the eve of the third Plan, little seems to have been learnt in these doctrinaire circles from the mistakes of the past or from the post-

war economic history of Western Europe and Japan. They still cling to an outmoded nineteenth century conception of socialism; they stubbornly ignore the immense changes which have taken place since then, which have led, on the one hand, to the modern democratic welfare State nurtured by a dynamic form of 'people's capitalism' and, on the other, to the totalitarian socialist State generally under Communist rule. They still believe in ideological solutions for economic problems. For instance, the food problem is to be solved not so much by meeting the down-to-earth needs of the farmer in water, seeds, fertilisers, credit, storage, marketing facilities and the like, as by the magic wands of land reform, co-operative farming, State trading and bureaucratic intervention; the growth of industrial production is to be achieved not so much by stimulating initiative and rewarding honest and productive work and thus encouraging people to work, save and invest, as by State capitalism and the heavy hand of bureaucracy. According to them the private sector, with its wicked profit motive, should be eliminated. Pending that happy day it should be rapidly superseded by the public sector and made more subservient to it. Banks and large-scale industry should be nationalised forthwith; there should be ceilings on holdings and incomes; interest or dividend incomes, being immoral, should be taxed out of existence; only self-employment or employment by or through the State should be permitted; above all, people should not be allowed to exercise individual judgment or initiative; only Government and Government officials really know what is good for them. Therefore the bigger the Government, the more pervasive its controls, the more obedient and docile the people, the happier everyone will be!

"In a way, the fact that this sort of thinking has recently been openly and seriously discussed in the higher counsels of the party in the context of the third Five-year Plan, is a good thing, for it brings out in the open the present schizophrenia in the Congress Party's economic philosophy and makes thinking people realise fully where they might be led. Already there are signs of a restiveness in the country and in the party itself against extreme leftist doctrines and policies. In this context, the categorical assurance recently given in Parliament that Government had no intention to nationalise the banking system either today or in the foreseeable future is very welcome and I hope that Government will find opportunities to make similar reassuring statements of policy in regard to other sectors of business and industry.

Progress and Setback

"To come to our own affairs, the year under review has been one of the most difficult ones in our history. It has been a year of achievement as well as of disappointment. On the credit side we may count the completion and commissioning of the new plant, and the conclusion of a three-year agreement with the Union for a comprehensive revision of the wage structure. On the debit side were the lamentable communist-led disturbances and strike of May 1958, the delay of about six months in the completion of the plant as compared to the original target, and the low rate of initial production achieved, reflected in the low profits for the year. We have thus made considerable progress and at the same time suffered some setbacks. Although we may deplore the latter, there is no cause for despondency, for the setbacks are temporary while the achievements are of a permanent nature and should soon bring their expected rewards.

New Plant

"Although it will have taken us longer than we hoped to get the planned additional output from our new plant, there is no question but that we shall get it. I believe some stories have been circulated to the effect that the new plant built is incapable of producing the rated output although Kaiser Engineers have spent on it far more money than was originally sanctioned.

There is no truth in these rumours. It would have been surprising if a project of such magnitude and complexity and carried out with such speed had been wholly free from errors or defects, but the design, lay-out and quality of the new plant as a whole and of all the major units in it are entirely sound. A large iron and steel plant, however carefully designed and built, cannot produce at the maximum rate immediately after its construction and it is the common experience of steel-makers throughout the world that it takes considerable time for all the new facilities included in an integrated plant to be brought into full operation. So far as the capital cost of the plant is concerned, the excess over estimates has been on the whole quite small. Excluding such items as enhanced import duties, increases in the amount of spares purchased by the management and additional items of construction or plant not included in the original scheme, the net excess has been well below 10 per cent.

"Paradoxically, we have suffered to some extent from the very maturity and long experience of our organisation. Had we been entirely new to this industry we would have employed a large number of foreign experts and technicians for starting and operating the plant while our men were being trained. For reasons of economy as well as morale we did not do so, except to a very small extent, and our staff have had to learn the hard way to operate new equipment and to adapt themselves to new techniques and new processes. It is, incidentally, interesting to note, and to the credit of Kaiser Engineers, that in the construction of our new plant, which is comparable in size and capacity to that of the Government plants, the number of foreign engineers and technicians employed on the project was only a small fraction of the number employed at Rourkela and Bhilai. Even the construction labour force at Jamshedpur was, at its peak, much smaller than at the other plants.

Initial Operating Difficulties

"The difficulties we have had, and still have, in achieving a higher rate of output in the plant, have been largely concerned with the quantity and the quality of the raw materials received at Jamshedpur, with the operation of the ore crushing and screening plant, and with Steel Melting Shop No. 3.

"There has been a progressive deterioration in recent times in the quality of both iron ore and coal received at our works and it is most unfortunate that this trouble should have reached its climax just as the new plant was coming into operation and when we could least afford it.

"In the case of coal, the situation has been aggravated by the delay in the installation by Government of a coal washery at Bhojudih earmarked for washing coal destined for Jamshedpur. In consequence we are compelled to use an excessive amount of high-ash coal which adversely affects the quality of iron as well as the rate of output of iron from the blast furnaces.

"In the case of iron ore, our operations had been planned on using a certain proportion of ore from our new Joda mine which, mixed with ore from our older mines, would have given us the most suitable blend. Unfortunately, the Government railway line to Joda was considerably delayed and is still in the process of consolidation. It suffered heavily during the present monsoon, and could not deliver to Jamshedpur anything like the required tonnage of Joda ore. We therefore had to use larger quantities of ore from the other mines with the result that the composition of the ore mixture has been unsatisfactory and has led to irregular blast furnace operation and low production of iron.

"The initial operation of the ore crushing and screening plant has not been satisfactory upto now partly owing to troubles with the plant itself and partly owing to the high moisture content and irregular quality of the ore received during the present monsoon.

"To turn to steel making, the new Steel Melting Shop utilises a scrap/blown metal process which is new to this country. Although the very different from those in S.M.S. No. 2 which more complicated and requires greater speed, timing and co-ordination between the various sections of the shop and between the latter and the blast furnaces. These we hope to achieve in the coming months.

"Furthermore, we are for the first time using oil in open hearth furnaces and lack of experience in the use of this 'hotter' fuel has resulted in an abnormally large incidence of furnace breakdowns, and consequently in poor furnace availability and output, apart from considerable added expenditure on repairs which is lected in the relevant part of the profit and account. In order to expedite progress in the plant, we have recently decided to secure abroad the temporary services of a very minor expert in steel making and also of some minor operators. With their help and the owing experience of our own men, we hope to get over most of the present difficulties in S.M. No. 3 in the reasonably near future. There could also be an appreciable improvement in iron output from the next month onwards when we may expect more regular supplies of better blended ores. I must repeat, however, at full production from the blast furnaces and steel melting shops will always depend on the regular supplies of suitable ores and reasonably low-ash coals. The latter requirement must await the completion of the delayed Bhojudih coal washery to which I referred earlier.

"I am glad to say that, apart from minor tuning troubles, the new rolling mills have shown themselves to be sound and will undoubtedly roll all the steel the melting shops can supply to them.

Financial Results

"While the difficulties and problems from which the plant has suffered in its initial period of operation are not of a serious or permanent character and will undoubtedly be put right in time, they have, in combination with the delay of about six months in completing the plant, had a serious effect on our profit and loss account as shareholders will have found, possibly to their dismay, from the accounts for the year 1958-59. The reasons for the lack of any distributable profits last year have been set out in the Directors' report. The basic cause, of course, was that after spending about Rs. 100 crores on the plant, we produced during the year under review only about 100,000 tons more steel than the rated capacity of the old plant. It is obvious that the additional revenues from such a small tonnage could not bear the overhead charges on Rs. 100 crores, in addition to the heavy non-recurring expenditure incurred in bringing the new plant into operation and the losses inflicted by the strike which took place during the year.

"It must also be remembered that the gross profit earned per ton during the year was substantially lower than in the preceding years owing to increases in costs which have been only partially compensated by increases in prices and also owing to the composition of the output which consisted of an abnormally high proportion of semi-finished products on which the margin of profit is naturally lower than on fully finished products.

"Most of these adverse factors will automatically disappear when the plant operates at full or near full capacity. Only then will we obtain the benefit of lower costs and higher labour productivity resulting from the vast investment we have made in new plant and machinery. The most determined and comprehensive efforts are being made to overcome present difficulties as quickly as possible and we hope that we shall reach an acceptable rate of production by the end of the current financial year. Because of the poor production in the first half of the year, however, the total output for the year must remain substantially short of the original target and the benefits of a higher output can therefore only be expected from 1960-61 onwards.

Current Year Prospects

"While we shall, I hope, make substantially more steel, the overheads per ton will probably be almost as heavy as in the past year. For instance, even at the flat rate of 6½ per cent. on gross block which the Board have decided to adopt for depreciation from this year onwards, the charge on this account next year is likely to be in the neighbourhood of nine crores of rupees while interest charges will rise to about three and three-quarter crores. The increase in wages under the new agreement with the Union will also swell our costs so long as we do not get the full output.

"Much will depend again on the extent to which the Tariff Commission and Government are willing to compensate us for increased costs and on the price scheme they will adopt from 1960 onwards. I am sorry to say in this regard that in the last year or two Government have been somewhat unresponsive to our problems.

For instance, we have been claiming, unsuccessfully so far, legitimate increases in the price of pig iron due to us under the uniform price scheme adopted by Government. Again, although Government had undertaken to increase retention prices to the full extent required to compensate for the increase in excise duty on ingots from Rs. 4 to Rs. 40 per ton from 16th May 1957, they have chosen to adopt a formula under which we have recovered something less than the extra duty paid and we have not been able so far to make Government see the justice of our claim.

"A number of other items of increase in costs, including the higher cost of power supplied by Government from the D.V.C. grid, has been similarly disallowed with the result that we are suffering in the aggregate a loss of revenue under these heads of about Rs. 19 per ton.

Government's Attitude Towards Private Sector

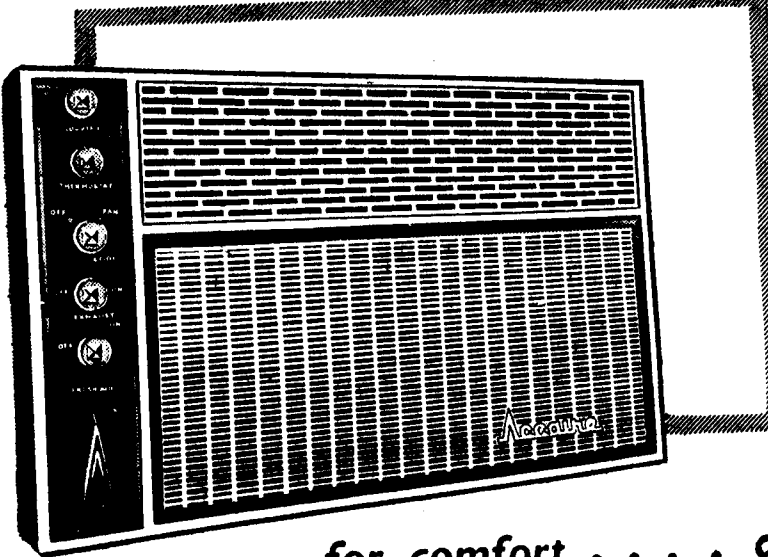
"I hope that this unsympathetic approach to the legitimate problems and difficulties of our industry does not reflect a hardening attitude on the part of Government towards the private sector. While those forming part of this sector may not agree with all the present economic policies of Government, they have repeatedly made it clear that the private sector accepts the general objectives of a Welfare State; it favours a reasonable degree of planning and control; it does not ask for or believe in nineteenth century *laissez faire*; it condemns corrupt practices and abuses wherever they occur, and particularly in its own ranks. All it wants is to be allowed to contribute to the fullest extent to the industrial development of the country and, in the process, to earn and pay a reasonable return on the moneys entrusted to it. It asks no special favour but claims the right to live and serve the country in dignity and in peace and to be

afforded some relief from the surfeit of Government controls and interference.

"In our own Company we have gone to great lengths to be helpful and co-operative. Not only have we willingly undertaken a crushing load of debt and imposed upon our management and staff a great burden of added responsibility and strain in the construction of our new works, but we have gone out of our way to co-operate with, and to be helpful to, the public sector of the steel industry. Our relations with Hindustan Steel could not be more cordial at all management levels and their spokesmen have been good enough to recognise our helpfulness and co-operation. There is a natural fraternal spirit among steel makers anywhere, and I am happy that our and Hindustan Steel's staff, some of whom, incidentally, have come from our own ranks, are mutually so friendly and co-operative.

Dividends for 1958-59

"I am aware that some shareholders of this Company have felt somewhat aggrieved at this year's dividend and are worried as to the likely dividend next year and in subsequent years on the much enlarged capital. I would like first to put the record straight in regard to the dividend your Directors have recommended. From the sharp reaction in the market when the announcement was made, it is clear that many shareholders either expected an increase in dividend this year or have wrongly interpreted the Directors' decision as a cut in the previous year's dividend. I have not been able to understand how such an impression was created in the minds of shareholders, as I thought I had made the position amply clear at the annual general meeting in 1957 and again last year. Shareholders had then asked me what dividend they could expect on the new ordinary shares issued in 1956-57 for an aggregate amount of



for comfort and efficiency

Accaire AW-102 (A.C.) DW-102 (D.C.)

WINDOW-TYPE ROOM AIRCONDITIONER

- Low upkeep cost • Silent operation
- Trouble free service • One year guarantee

acc cooler WATER COOLERS

- Constant supply of hygienically cool water
- Rust-proof cabinet • Easy to install

Storage capacity : From 10 to 300 gls.

Nominal cooling capacity : From 4 to 105 gls. per hour.

AIR CONDITIONING CORPORATION PRIVATE LTD.

Also manufacturers of Buffalo Industrial Fans

BOMBAY CALCUTTA NEW DELHI

Well-organized Service Dept. at your command

* Bombay Garage Private Ltd., Bombay, Tel: 77121 • Parekh & Modak, Bombay, Tel: 253171 • Bombay Garage (Poona) Private Ltd., Poona, Tel: 3023 • Bakubhai Ambalal Private Ltd., Ahmedabad, Tel: 51001 • Bombay Garage (C. P.) Private Ltd., Nagpur, Tel: 2108 • Bombay Garage (C. P.) Private Ltd., Jabalpur, Tel: 91 • Bombay Garage (Rajkot) Private Ltd., Rajkot, Tel: 63.

Rs. 13½ crores including premium. I stated clearly then that, barring unforeseen circumstances, it was the intention of the Directors, until the new plant was in full operation and additional profits earned therefrom, to pay such dividends as would in effect maintain the previous dividend of Rs. 10.50 on the old shares and give a return of about 5 per cent. on the new shares, including the premium.

"Your Directors have more than fully carried out this undertaking during the last two years and the dividend this year is in fact equivalent to maintaining the dividend on the old ordinary shares of Rs. 10.50 and to paying 5.54 per cent. on the new capital including premium, which is ½ per cent. more than the rate promised in 1957. While there has thus been no cut in the dividend, I put it to you that it would have been little short of irresponsible for the Directors to have raised the dividends in one of the worst years of the Company's history when there were no disposable profits and dividends had to be paid out of reserves, when the outlook for the subsequent year was still uncertain, when labour had to bear a heavy cut in their bonus and when the Company had applications pending before Government for the issue of new share at par and for a review of retention prices.

Dividend Policy

"The position was fully explained to a delegation of shareholders sponsored by the Bombay Shareholders' Association at the end of July and I think it is only fair that I should repeat today the statement I made at the time regarding the next year's dividend. I was asked whether shareholders could at least count next year on the same net dividends after deducting the 30 per cent. tax under the Finance Act, 1959 or whether the same gross amount would be paid with a resultant cut in the hands of the shareholders. My answer was that, barring unforeseen circumstances, it would be the intention of the Directors to gross up the dividends so that, after deduction of tax, shareholders would earn approximately the same return as under the present formula, that is, Rs. 10.50 on the old ordinary shares and five to five and a half per cent. on all shares issued after April 1956. The additional cost to the Company of such grossing up during the next three or four years under the provisions of the Finance Act, 1959, will amount to about one crore per year, including the loss of income-tax recovered on dividends on preference shares which the Company used to retain but which will now have to be paid over to Government.

"I must warn the shareholders that, unless the provisions of the Finance Act, 1959, are amended, the tax burden will be substantially heavier from the current financial year onwards. While the tax on companies has been reduced under the new system, the total taxes which the Company and the shareholders will pay between them on profits and dividends respectively in a normal year will be substantially higher than under the existing tax system as relief from income-tax will no longer be granted to shareholders on their dividends. Furthermore, under the new system, approximately, Rs. 4 crores of tax relief accumulated in reserves built up from past taxed profits will be lost. The Finance Minister, when introducing these tax proposals, stated that it was Government's belief that the new system would not add to the tax burden and promised to review the position next year if it is shown to him that, in fact, Government would recover substantially higher taxes. I sincerely hope therefore that as a result of the representations made on behalf of industry and commerce, there will be an appropriate adjustment in the tax proposals next year.

Labour

"I am glad to be able to report that after the violent happenings of May 1958, which ended in the total failure of the Communist attempt to capture by force the labour movement at Jamshedpur, the labour situation greatly improved during the year and has since remained satisfactory. The great majority of our workers are intelligent and responsible men who did not take long to realise how grossly they had been misled by the Communists. Such doubts as had been created in their minds as to the Company's intention to carry out its undertaking to grant an appreciable increase in wages once the new plant came into operation, were dramatically set at rest by the comprehensive agreement on a new wage structure, which the Company entered into with the Tata Workers' Union in February of this year. The negotiations in their final stages were assisted by the Labour Commissioner of Bihar acting as Conciliation Officer.

We are grateful to him and to the Government of Bihar for their help in the matter.

New Wage Structure

"The new wage structure which came into force in April 1959 was the end-product of two full years of study and preparation and, finally, of intensive negotiations with the Union. The old wage structure was cumbersome and complicated and suffered from many anomalies. The new structure is a much simplified and streamlined one, reflects a better balance between basic wages and earnings depending on results and has been so devised as to absorb in the next few years, without stress or strain, the gradual changes required under the agreed job evaluation scheme.

"Finally, it carries out in full the promise of a substantial increase in total wages and emoluments which we made in an agreement with the Union in January 1956. The new wage structure will bring our employees at Jamshedpur an immediate increase in their emoluments of about Rs. 1.8 crore in the current financial year, rising gradually to about Rs. 2.25 crores in the fifth year. This is equivalent to an increase of nearly 23 per cent. at the beginning, rising to 28 per cent. in the last year.

"While this additional burden on the Company is a heavy one for us to bear at a time when production is low as at present, it will not be an unreasonable one when spread over the larger output of the plant after normal production is established. It affords a just and fair recognition of the co-operation we have received from the workers and the Union in the reallocation of the existing labour force as between the old and the new units.

"The modernisation and expansion of our plant will automatically result in a marked increase in average labour productivity and even though it will have been achieved at a cost of over Rs. 100 crores on which the additional burden of depreciation and interest will be of the order of some Rs. 10 crores a year, it is fair and in keeping with modern practice throughout the world that the workers should share in the fruits of increased productivity, even when achieved through plant improvements.

Bonus

"The agreement signed by the Union and ourselves in February this year includes a provision under which a new bonus scheme is to be negotiated to replace the old profit-sharing bonus scheme which expired last year. As such a scheme would necessarily be based on the results of a reasonably normal rate of output, it was also agreed that any payment of bonus this year arising from the operations of 1958-59,

should be negotiated on an *ad hoc* basis. When, some months later, the accounts for that year disclosed the fact that there were no disposable profits, we informed the Tata Workers' Union of the situation and also pointed out that the workers themselves had largely contributed to the situation by joining the illegal strike last year which had cost the Company over a crore of rupees.

"The Union have on their side claimed, in our view wrongly, that the annual bonus should be treated as a deferred wage, that the men produced more steel than in the previous year and that, except for the loss of production due to the strike, they had worked hard and under difficult conditions during the year and were not responsible for the poor financial results. On those grounds the Union has demanded the payment of a bonus comparable to the previous year's which is of course unacceptable to us. We have not upto now succeeded in reaching a settlement and the matter may have to be referred to arbitration or adjudication.

"As regards the new bonus scheme for the next three to five years, we are continuing our negotiations with the Union. The scheme in force since 1949 was based on the distribution of a share of the net profits calculated according to a formula which provided for depreciation on the gross block and a return on the issued capital. While this scheme was theoretically sound and attractive, it is a fact that it caused a great deal of trouble and argument in its annual interpretation and application. In fact, I do not remember a single year in which the bonus paid was not made the subject of negotiations.

"We feel therefore that any new bonus scheme should be based on a simpler formula and one less liable to fluctuations due to causes beyond the control of the workers themselves. No final agreement has yet been reached and negotiations are still going on.

"I shall end, as in past years, with an expression of thanks to the management and staff of the Company. The members of management and supervisory staff deserve our special gratitude for their devotion and loyalty to the Company during a most trying year in which they were subjected to tremendous strain and long hours of work, at first in connection with the strike and later, with the operating difficulties to which I have referred earlier. On behalf of the shareholders and the Board, I extend our sincere thanks to them and also to all employees who have worked hard and done their best to increase the output of the plant."

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

BOMBAY DYEING AND MANUFACTURING COMPANY

FULL EIGHTY YEARS COMPLETED

WHAT began as a humble venture with a paid-up capital of just Rs. 1 lakh eighty years ago ranks today as one of the biggest and most efficient cotton textile units of India. This is the Bombay Dyeing and Manufacturing Company, registered on 23rd August 1879. So remarkable has been the growth of the Company since its inception that those who are at the helm of affairs can certainly look back, on the occasion of the company's eightieth anniversary, with justifiable pride and satisfaction. The Bombay Dyeing is one of the few companies which have had the good luck of being managed by a galaxy of persons with enlightened interest and progressive outlook. The galaxy includes, among others, Messrs. Dinshaw Manekji Petit, Nowrojee N. Wadia, Nusservanjee N. Wadia and the present inspiring and energetic Chairman, Mr. Neville N. Wadia.

To begin with, that is, in 1879, the Company had only a small "Dye Works" set up with a paid-up capital of Rs. 1 lakh. It required six years for the works to be on a sound paying basis. The capital of the Company was doubled in 1885 and again in 1886 and reached Rs. 8 lakhs in 1890. It was, however, only in 1895 that a Textile Manufacturing Company was established, with a capital of Rs. 14 lakhs; 30,000 spindles were first installed in this mill, followed by the installation of 700 looms in 1904. Both the Companies continued to flourish and the capital of the former Company was raised to Rs. 12 lakhs in 1900. A new unit of the first Company, the Spring Mill, began working in May 1908, with 32,280 spindles and 630 looms. In that year, the capital of the Company was increased to Rs. 18 lakhs. The Bombay Dyeing Company and the Textile Manufacturing Company remained as separate units until 1918, when the latter was merged with the former, the combined capital being Rs. 32 lakhs which was raised to Rs. 64 lakhs in 1920-21 by the issue of bonus shares. The Spring Mill was trebled in size, so that it became the largest spinning and weaving mill under one roof in the British Empire. The subsequent years witnessed further marked expansion.

Present Position

The following is the present statistical picture of the Bombay Dyeing:

	Rs. (crores)
Paid-up ordinary capital	2.51
Reserves	3.46
Gross block	9.01
Net block	4.58
Turnover (1958)	9.01
Spring Mills: 132,092 spindles, 1,482 ordinary looms and 1,152 automatic looms.	

Textile Mills: 88,400 spindles, 2,328 waste plant spindles, 1,632 ordinary looms, 56 blanket looms, 54 automatic looms for towels and damasks, and the new bleach works and yarn dyeing department.

The Company owns a 100 per cent. subsidiary company, namely, the Nowrojee Wadia Ginning and Pressing Company, Ltd., with ginning factories at Nanded and Umri. A model high-pressure yarn dyeing plant with super high-speed dryers is now being put into production. Orders have been placed for a completely new blowroom at Spring Mills, high-speed draw frames, combers, 100 new Indian-made ring frames and 22 doublers, 576 more Ruti automatic looms, a resin finishing range and four more steam-bloc boilers. Applications have been made for more automatic pirn winders and an open width bleaching range.

Rehabilitation

The Bombay Dyeing has spent quite a large amount—Rs. 5.67 crores—on the rehabilitation of plant and equipment since 1952. The major items of interest are the installation of 106 modern ring frames made by the National Machinery Manufacturers near Bombay, Barber-Colman high-speed winding and warping machines, new Ruti hot-air sizing machines, 1,206 of their finest automatic looms, and a completely new bleach works with a continuous peroxide bleaching range, mercerising, molten metal dyeing, high-speed jet stenters and sanforising. The rehabilitation programme has enabled the Company to augment its output of cloth and yarn by as much as 50 per cent. The new bleaching, dyeing and printing works is now capable of producing 200 bales of finished goods or approximately 250,000 square yards per day.

The Company employs over 11,000 staff and workers, with salaries, wages, dearness allowance, bonus and workmen and staff welfare expenses aggregating Rs. 2.30

crores (1958). It will be interesting to note here that the average earnings of an automatic loom weaver in Bombay Dyeing come to more than Rs. 270 per month, as against the average total monthly earning of about Rs. 201 per worker derived by the majority of workers employed in Bombay mills. Since 1940, the average annual wage of a worker in the Bombay Dyeing has gone up by four times, from about Rs. 450 to Rs. 1,900, while the output per worker continues to be low, being about 13,000 lbs. Wages now account for the major portion of the cost of production, being over 55 nP per lb., as against less than 15 nP in 1940.

Special mention must be made of the part played by Bombay Dyeing in the textile export trade. The Company's exports account for over 10 per cent. of the total quantity of textiles exported from India every year. During 1958, its actual exports were of the order of 53.5 million linear yards, the foreign exchange earned being Rs. 4.84 crores. Surely, it is difficult "to find," as the brochure commemorating the eightieth anniversary aptly says, "another textile manufacturing company which gins, spins, weaves and finishes such a large quantity for export."

HONG KONG-U.K. TEXTILE PACT

The textile interests of Hong Kong have made representations to their Government urging it to assume responsibility for approaching the British authorities concerned for a "quota holiday" (temporary suspension of the three-year agreement signed on 28th December 1958). Even if the Government takes the view that this is outside its province, it should, they point out, take the initiative "to clear the way for a delegation representative of Hong Kong to visit Britain to conduct appropriate negotiations." It is further suggested that a special advisory committee should be set up to assist the Government in administering the ceiling arrangement, as originally planned. The representations have followed the reported proposal of the Hong Kong Government with a suggestion that the second year's ceiling on exports of cloth to Britain (168 million square yards) be allocated almost entirely on the basis of past performance during the first year, that is, 1958, with only two million

square yards set aside for free quota intended exclusively for new entrants. The plea of Hong Kong millowners for a quota holiday is based on the following grounds:

Hong Kong's ceiling has been in force for more than six months, but Lancashire has still not entered into ceiling agreements with India and Pakistan; this is said to be unfair and unjust. It is recalled that Lord Rochdale had clearly stated when he visited Hong Kong last year that he had in his pocket some voluntary agreements with India and Pakistan and that the agreements were dependent on his getting something satisfactory in the Colony.

No attempt has been made in Lancashire to put back to an appropriate ceiling the subsequent re-exports of Hong Kong's cotton textiles from Britain against the Colony's quota, as is specifically laid down in Article 9 of the original agreement.

The ceiling on Hong Kong's cotton piecegoods exports to Britain has caused much difficulty to the Colony's industry. It is said that so far, about 30 million square yards contracted for delivery to Britain have been cancelled, because current quotas have been exhausted.

The Hong Kong industry is facing mounting pressure from the U.S. for a similar quota arrangement.

The reactions of Lancashire millowners to the aforesaid plea of Hong Kong are not known. Many are likely to oppose the plea, especially now that the implementation of the U.K. Government's £30-million redundancy programme for cotton industry has just commenced.

RAJASTHAN WOOL BOARD

The Rajasthan Sheep and Wool Development Board was formally inaugurated at Jaipur on 20th August by Mr. M. V. Krishnappa, Union Minister for Agriculture. The Board was recently constituted under the chairmanship of the State Agriculture Minister Mr. Nathuram Mirdha, to advise the Government on matters relating to promotion of wool production and trade, and to make recommendations regarding sheep and wool development in Rajasthan. In his speech, Mr. Krishnappa emphasised the need for improving shearing grading and marketing systems during the third Five-year Plan. He said that the superior breeds of local sheep might be used for further breeding so as to evolve sheep producing wools in quantity as well as quality. And he added: "High yielding breeds of sheep which can be profitably reared on farms will have to be selected so that it would be economical to rear flocks under intensive farming conditions. The Board discussed the policy to encourage private sheep stud farming and extension facilities to be provided to the flock masters in Rajasthan. It also discussed the possibilities of the extension of community sharing sheds at suitable places to help flock owners shear, grade and pool their wools in a better way. In order to improve the community grazing lands, the Board considered the possibilities of establishing pasture protection boards in the various sheep rearing areas.

UMESH YOGA DARSHAN (First Part)

In Four Languages: English, Hindi, Gujarati and Marathi.

(Author: SHRI YOGIRAJ UMESHCHANDRAJI)

An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE: Rs. 15/- Plus Postage Rs. 2/- extra.
No V.P.P. sent.



SHRI YOGIRAJ UMESHCHANDRAJI

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M. O. only.

YOGIC CLASSES

are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

RAMTIRTH BRAHMI OIL Special No. 1. Registered.

An Invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

SHRI RAMTIRTH YOGASHRAM,

Dadar, Central Railway, Bombay-14.

Telephone: 62899



National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., & Grindlays Bank Ltd.)
Registered in London under the Companies Act of 1962 on the 23rd March, 1966. The liability of members is limited.

Bankers to the Government in Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Capital (Authorized and Subscribed)	£4,562,500
Paid-up Capital	£2,851,563
Reserve Funds	£3,168,579

Head Office: 26 BISHOPSGATE, LONDON, E.C.2,
London Branches:

54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somaliland Protectorate, Zanzibar, Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

The Bank undertakes the recovery of Income Tax and the preparation of Income Tax returns on behalf of constituents.

Bombay Branches:
90 Mahatma Gandhi Road
Mint Road (Corner of Mint Road and Sir P. M. Road)

MORE APPLICATIONS FOR SCRAPPING SPINDLES AND LOOMS

DECLINE IN TEXTILE OUTPUT PERSISTS

From A Special Correspondent

MANCHESTER, 25th August

It can be said that the destiny of the Lancashire cotton industry in the foreseeable future has now been determined. In the past week, the two key sections of the industry—spinning and weaving—have moved towards their minimum redundancy targets under the reorganisation scheme with an alacrity that must have surprised those who tend to think that some at least of the industry's troubles stem from indecision and caution and lack of clear-cut action. Indeed, the weaving mills have already achieved their target of 45,000 looms for scrapping; by Friday noon of last week, the Cotton Board could report applications aggregating 46,305 looms, and it can be assumed that the steady flow of application forms is continuing.

Since each sectional scheme is quite independent of the others (a subtly compelling incentive in itself), the weaving reorganisation scheme became a reality immediately the 45,000-loom mark was reached. This in turn meant that work could start on administering parts two and three of the scheme—that is, the calculation of compensation due and the raising of levies.

It seems certain that, in the very near future, possibly even before the end of the current week, the Cotton Board will be able to announce that the spinning scheme has also come into operation. Against its minimum target of 6,000,000 mule equivalent spindles for scrapping, the spinners had offered 5,014,417 by noon last Friday, together with 5,589 carding engines.

Doublers Lagging

The only doubt now centres on the doubling section which at the latest count was less than half-way towards its target (182,524 doubling spindles, as against the 400,000 called for). This represents only an additional 70,000 spindles in the week since the Cotton Board's first interim report on the response to date.

With the weaving scheme assured and the spinners' as good as, all within a mere three weeks or so from the opening date, some people are now asking: Where will it end? If the redundancy targets are only a "floor," how high is the "ceiling" going to be?

It is true that the schemes still have another five weeks to run before the closing date for applications. It is equally true that no upper limits have been set. Yet it hardly seems likely that the volume of machinery for scrapping will become so overwhelming as to be embarrassing to the architects of the scheme (although a London firm of stockbrokers has commented in a circular that "few shareholders have yet realised how generous are the terms

offered by the scheme... they are far better than the industry had expected"!)

For one thing, the targets were hardly over-ambitious ones, considering the amount of idle machinery in the industry (it will be remembered that the spinners themselves estimated that no fewer than 12,000,000 spindles were surplus; the weavers put their figure at no less than 70,000 looms). For another, the main weight of the applications can be expected before the end of August, the closing date for the special "early bird" 5 per cent. bonus on compensation rates. On the other hand, it is known that a number of companies have yet to hold meetings to decide their future, although, by and large, these are not among the "big boys" of the industry.

It has been suggested, too, that some mill directors have been deliberately holding back from participation in the redundancy schemes until they could feel certain they would get the necessary support to bring them into operation; if this is so, the next week or two may well bring further substantial offerings of surplus plant. To be set against this argument, however, is the likelihood that some directors who were undecided may now elect to continue in business, in view of the substantial quantities of plant put forward for scrapping.

From the customers' viewpoint—and Lancashire will need the support of as many of them as it can get if the big reorganisation is to succeed in the final analysis—there is everything to be said for producing firms making known their intentions for the future as quickly as possible.

Naturally enough, the Cotton Board is not prepared to name individual firms participating in the redundancy scheme and the information at this stage can only come from the firms themselves. Many have already made announcements and others have promised to do so in the near future.

Goodwill on all sides will be essential during the difficult period of transition and adjustment, and the sooner the picture becomes clear the better for all concerned. Similarly, it seems good business sense for firms to make it clear—as Hayeshaw Ltd. did the other day—when they take a decision to continue in business without joining in the redundancy scheme.

Decline Continues

Yarn and cloth production figures for the first half of the year, available at a timely moment in the industry's affairs, should provide some serious, perhaps sombre, thinking for those firms still undecided about their future under the reorganisation scheme. At 377,810,000 lbs., output of single yarn for the half-year was 40,530,000 lbs. down on the corresponding period last year. The trend in manufacturing followed a similar pattern; production over the

six months fell away by 131,450,000 yards to 973,570,000 yards.

In their cold, detached way, the statistics reflect what the bystander, nurtured on accounts of short-time working and closing mills, has come to accept as the inevitable, depressing transformation in the industry's fortunes. The industry has tested the bitterness of recession; there can be no gilding the lily on that score. But closer analysis of the figure lends a faint touch of relief to the shadow which—superficially at least—seems to make up the broader canvas.

Production in both spinning and weaving in the second quarter of the year showed a definite improvement on the first quarter and bore more relation to the returns for the comparative period of 1958 than could be said for the first three months. Indeed, in the case of single yarn, output was actually slightly higher than in the April to June period of last year.

Yarn production reached 194,560,000 lbs., as compared with 183,250,000 lbs. in the first three months and 194,100,000 lbs. in the second quarter of last year. In the case of cloth, the figures were 500,750,000 yards, as against 472,820,000 yards in the period January to March and 525,490,000 yards in the second three months of 1958.

More Shift-working?

How radical a change can be expected in the volume of production and the "muster" of workers when excess capacity has been eliminated under the reorganisation schemes must be pure conjecture at this stage when many firms are still considering their future. But developments in the manufacturing section over the last few days perhaps provide a pointer to a changing pattern of working over the next year or two. Within the last week, eight more weaving concerns have lodged applications with the trades unions for permission to start or extend shift-working.

Four of them are anxious to introduce night shifts, two want to start double-day shift-working, and the remaining two are seeking authority for evening shifts. None of the firms, apparently, is planning to take advantage of the reorganisation schemes to close down. This, probably, is merely an early milestone in a gradually accelerating change-over to a more widespread shift-system in Lancashire—the planners' dream suddenly promising to mature.

Two factors seem bound to lend speed to the operation. More firms would doubtless like to introduce night shift-working were they able to recruit sufficient male labour to staff the machines. The wholesale scrapping of plant now envisaged seems certain to divert enough skilled men on to the market to encourage its more positive consideration. The second, and more telling, influence is likely to be the Cotton Industry Act itself. In the process of deciding whether or not to scrap surplus plant, no firm is likely to have overlooked the re-equipment grant offered by the Government towards the installation of new machinery or the modernisation of existing plant undertaken within the next three years and completed within five.

And in contemplating re-equipment they must also consider shift-working. For how else can they operate the new machines more economically to reduce costs and meet successfully the challenge of competition from abroad?—All Rights Reserved.

EXPANSION OF SUGAR INDUSTRY GOVERNMENT'S RECENT DECISION EXAMINED

In the course of a Press note issued recently, the Union Commerce and Industry Ministry announced that the Government had decided to license additional capacity in the sugar (white) industry. The new capacity to be installed, it is said, would be partly for the establishment of new factories and partly for the expansion of the existing units. On the face of it, the decision may appear somewhat surprising, considering that licences fully covering the net expansion of one million tons in the installed capacity of the industry envisaged in the first and second Five-year Plans have already been granted and that the Planning Commission has still not prepared even the draft outline of the third Plan. But, according to the Government, the decision has been taken in view of the likely increase in sugar consumption during the third Plan period and the time required for putting up the additional capacity.

The Press note has not, however, indicated the extent to which new capacity will be licensed. Presumably, the basis would be the production target of 3.00 million tons recommended by the Indian Central Sugarcane Committee at the end of a two-day session at New Delhi on 21st March last. This target, it will be recalled, represents an increase of 750,000 tons, as compared with the production target of 2.25 million tons fixed under the second Plan. Although the basis on which the target is fixed is not made known, a rough idea can be had on the question whether the target is realistic, on the basis of the available projected statistical data relating to the size of population and per capita income.

Conservative Estimate

Let us take the sugar season 1957-58. The per capita annual consumption of white sugar in that season was 11.7 lbs. (the aggregate consumption was 2,042,000 tons and the population of the country was 393 million). On this basis and taking the average retail price of 48 nP per lb. prevailing then, the average amount of money spent on sugar by one person comes to Rs. 5.62 per annum. This expenditure accounts for as much as 2.02 per cent. of the per capita income of Rs. 275.6 (1948-49 prices). The per capita income is expected to rise to Rs. 396.00 at the end of the third Plan, that is, 1965-66. The 2.02 per cent. of this income, or nearly Rs. 8, will represent the average per capita expenditure on sugar. Even assuming that the present level of sugar prices—average of 52 nP per lb.—will continue, the per capita consumption of sugar will be about 15.4 lbs. per annum. Taking the projected estimate of population, namely, 434 million, the total domestic requirement of sugar will work out to 3.0 million tons per year, which is just the target recommended by the Central Sugarcane Committee.

The estimate of 3.0 million tons is, however, a conservative one. It does not, for instance, take into account the continued shift in consumer preference from brown sugar (*gur* and *khandsari*) to white sugar as a result of the improvement in the living standards of the masses, following the implementation of the series of development schemes, the spread of urban ideas in rural areas, and the increase in consumption of soft beverages such as tea, coffee and cool drinks. A look at the trend of consumption of the different sweetening agents over the past seven years (from 1950-51 to 1957-58) will reveal that the per capita consumption of sugar has gone up from 6.7 lbs. to 11.7 lbs., while that of *gur* has declined from 21.0 lbs. to 17.0 lbs.; the consumption of *khandsari* does not show any marked variation, the figure for 1957-58 being 1.2 lb., as against 0.8 lb. in 1950-51. Again, the target of 3.0 million tons does not take into account the nutritional requirement of sugar which, on the basis of experts' suggestion, comes to nearly 23 lbs. (white sugar alone) per capita, as against 15.4 lbs. now tentatively assumed for the third Plan period. The fulfilment of this requirement will mean a sugar production target of approximately 4.5 million tons.

Progress of Expansion

Be that as it may, licences for the additional installed capacity of one million tons envisaged in the first and second Five-year Plans—the target for 1960-61 being 2.5 million tons, as against 1.5 million tons in 1950-51—have already been granted. This capacity is being achieved by the establishment of 55 new mills with an aggregate daily cane-crushing capacity of 53,600 tons and expansion of 68 existing units involving a fresh cane-crushing capacity of 35,356 tons per day. Already, 29 new factories, with a total annual production capacity of 333,000 tons, are said to have gone into production. Seven more units, with a capacity of 72,000 tons, are expected to commence operation in the ensuing season (1959-60) and the rest—10 mills—in subsequent years. As regards progress in expansion, 31 existing units, with an additional annual production of 164,000 tons, have completed their schemes, eight more units involving a fresh capacity of 60,000 tons are expected to complete their programme in 1959-60, and the remaining 29 factories in subsequent years. Some sugar factories have also made partial expansion of their plants covering an additional production of 50,000 tons.

While the Government of India's decision to license additional capacity well in advance must be welcomed, it remains to be seen whether the Government will be able to sanction the necessary foreign exchange required for import of machinery and equipment, in view of the tight exchange position

which is bound to continue throughout the third Plan period. It may be noted here that the total foreign exchange requirements per factory with an average daily cane-crushing capacity of 800 tons, come to about Rs. 75-80 lakhs. As it is, the Government has stopped giving licences for import of sugar machinery, so that 12 new sugar mills are being set up by fabricating the machinery in India by using such minimum essential imported component parts as are necessary for the fabrication of complete plant and machinery. The creation of additional capacity will, therefore, depend on the ability of the six firms, licensed to fabricate complete sugar plants in collaboration with foreign manufacturers of repute, to expand their production and/or on the willingness of the Government to provide foreign exchange.

FRESH RELEASE OF SUGAR

The Government of India has released 175,000 tons of sugar for sale, according to a Press note issued by the Ministry of Food and Agriculture on 30th August 1959. There will be no free sale release from factories in the Punjab, Uttar Pradesh and North Bihar. A small quantity will, however, be released to each factory for sale to its employees. Allotments of sugar to Madhya Pradesh, Rajasthan, Uttar Pradesh, Bombay State and Himachal Pradesh from factories in the controlled region will be made only to the nominees of the State Governments.

In the case of Punjab and Jammu and Kashmir, the allotments will be made direct to the State Governments or their nominees. As regards Bihar, Orissa, West Bengal and Assam, and the Union territories of Delhi, Manipur and Tripura, applications for allotments will be considered by the Directorate of Sugar and Vanaspati according to the existing system or according to the arrangements indicated by the respective State Governments or administrations.

All allotments would be made at prices fixed under the notification of 22nd December 1958.

SUGAR EXPORTS

The Government of India has not yet decided to join the new International Sugar Agreement. Revealing this in the Lok Sabha the other day, Mr. A. M. Thomas, Union Deputy Food Minister, pointed out that there was no urgency in coming to a decision. According to the Minister, without being a signatory to the Agreement, a country cannot export sugar to another signatory country. If India joins the Agreement, a basic export quota will be allotted to it.

Mr. Thomas said that it had to be seen whether any further exports of sugar could be made by India. "We have exported sugar to a small extent, as we have to maintain our contacts with markets like Malaya." In this connection, the Minister admitted that an increase in the production of *gur* and *khandsari* has affected sugar production.

The U.P. Government has ordered 24 sugar factories in the State to pay a total bonus of Rs. 10,84,250 to their workers for the crushing season 1957-58. According to the order, payment is to be made within six weeks of the notification. These factories had previously urged for exemptions and their cases were referred to a sub-committee. The order followed the recommendations of the sub-committee and will remain in force for a period of one year in the first instance and the period may, if necessary, be extended from time to time.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4316

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
99-D Rashtrapati Road,
SECUNDERABAD (D.C.)

BOMBAY STATE
Hongkong Bank Building
Veer Nariman Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

DELHI STATE
60, Janpath
NEW DELHI

MADRAS STATE
Finance House
Pattalao Road
MADRAS-2

MADHYA PRADESH
41, Tokhgun Main Road
INDORE

MYSORE STATE
Konnar Building
Ramdeo Gali
BELGAUM

PUNJAB STATE (India)
Madan Mohan Malaviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moona Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Jwalnagar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

B. I. C.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

Branches—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company—
BEGG, SUTHERLAND & CO. PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champaran Sugar Co. Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:
Authorized - - - - - \$2,500,000
Issued and Fully Paid - - - - - \$2,000,000
Published Reserves - - - - - \$2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN (Crescent)
INDIA BOMBAY
IRAN BAGHDAD (3 branches)
JORDAN AMMAN
LIBYA BENGHAZI
TUNISIA TUNIS

PERSIAN GULF
ABU DHABI
BAHRAIN
DUBAI
KUWAIT (2 branches)
(AND AHMADI)
MUSCAT
QATAR (DOHA)
SHARJAH

SAUDI ARABIA
AL KHOBAR
(for DHAMRAN)
JEDDAH

U.A.R.
Syrten Region
ALEPPO
DAMASCUS

BOMBAY OFFICE:
314, Dr. Dadabhai Navroji Road, Fort
Telephone No: 25-2267 Cable Add: BACTRIA
Associated Bank in Iran
THE BANK OF IRAN AND THE MIDDLE EAST

ESTD: 1906 HEAD OFFICE: UDIPI, S. I.

THE CANARA BANKING CORPORATION LIMITED

54 years strong, the Bank is transacting business of every description with a fine network of 53 branches spread over the States of Madras, Andhra Pradesh, Kerala, Bombay, West Bengal and Mysore and agency arrangements throughout the Indian Republic.

It's the oldest of all the Scheduled Banks founded in the State of Mysore!

Branches in Bombay City:

FORT OFFICE:
"Lentin Chambers," Ground Floor, Dalal Street,
(Phone No. 282777)

MANDVI OFFICE:

First Floor, 209/211, Naraina Street, Mandvi
(Phone No. 73342)

ECONOMICS OF JUTE PRODUCTION FINDINGS OF AN INVESTIGATION RELATING TO 1955-56 SEASON

MUCH interesting light on the economics of jute and paddy growing is thrown by the latest investigation conducted by the Economic Research Section of the Indian Central Jute Committee. The inquiry, which is the eighth in the series conducted by the Committee, relates to the 1955-56 season, makes a comparative study of the cost of growing and the income and net profit from jute and paddy, the principal crops grown by farmers in certain districts of W. Bengal, Bihar, Orissa and Assam. The authors of this research are Mr. K. C. Basak, Director, Economic Research, and, Mr. S. M. Ganguli, Statistical Officer, of the Committee. Their report contains an analysis of the farmers' income and expenses, giving an insight into the balance-sheet of the economic position of typical farmers.

The inquiry under reference covered, in all, 196 jute growing farms, in the Hooghly and Jalpaiguri districts of West Bengal, Purnea district of Bihar, Cuttack district of Orissa and Nowgong district of Assam. The number is the same as that covered in 1954-55, but five among them failed to produce any jute and eleven of the selected growers received no paddy from their farms. Only 191 jute and 185 paddy farms were, therefore, actually covered by the investigation. The average area sown to jute per farm recorded an increase in 1955-56 to 1.25 acres from 0.97 acre in 1954-55. The proportion of land under jute to the total cultivated area also increased from 25.90 per cent. in 1954-55 to 34.10 per cent. in 1955-56. The increase in area under jute is attributed to (1) fairly good weather, (2) better pre-sowing jute prices, (3) the higher parity ratio in 1954-55, as compared with that in 1958-59 between jute and paddy prices, which is known to influence jute acreage with a time lag of one year.

The study under review showed that a definite relationship could reasonably be expected to exist between the size of holding and the area under jute—the bigger farms sowing jute more extensively than the smaller ones. The same trend was also noticed in respect of the total cultivated area of the average farmer.

Cost of Production

As regards the cost of production of jute, it was found that, though there was a sizable reduction in yield, the average cost of jute production remained unchanged at Rs. 19.14 per maund, because the lower yield was followed by a fall in the per-acre cost of fibre preparation. The estimates for individual centres showed that, except at Bedakoba, where a significantly lower cost followed higher production, the cost per maund registered an increase in all other centres. While the average cost of production remained the same in both 1954-55 and 1955-56, the price received by the growers declined in the latter year by a little more than a rupee per maund. So, the profit per maund came down from Rs. 6.60 to Rs. 5.37. It is noteworthy that, after a continuous rise in jute prices since 1953, some recession was noticeable in 1955-56 more or less in all the centres, though the extent of fall in prices varied from centre to centre.

The average farmer received during the year more fibre from a larger area sown to jute than in 1954-55. Consequently, though jute production showed a comparatively smaller profit per unit of output in 1955-56, the total net return from the crop was not correspondingly low and worked out to Rs. 63.47 per farm, as against Rs. 55.67 in 1954-55. Indeed, his net income can be said to have increased if the contribution of the farmer's self-labour is taken into consideration. Under a cost concept which ignores the value of farm labour as an element of cost, the net income is much higher than that otherwise calculated, that is, Rs. 147.35, as against Rs. 63.47 per farm. Measured thus, even loss in some centres turn out to be comfortable income. It may be noted that, in the case of most farms, the labour contributed by the farmer and the members of the family was substantial.

An analysis of the cost structure indicated that, of the two principal cost elements, namely, operational expenses and rent, the latter was fairly susceptible to variation caused mostly by the changing value of share rent. The cash rent, constituting about only 2.3 per cent. of the total cost on an average, remained, as usual, very low while the average share rent registered

an increase from 14 per cent. in 1954-55 to 16.3 per cent. in 1955-56. This was obviously not due to any better production, or higher jute prices, which are known to inflate the share rent, but because more land in the sample was cultivated under that system.

A breakdown of the operational cost showed that in 1955-56 human labour accounted for 81.46 per cent., cattle labour 11.77 per cent., seeds 3.22 per cent. and manure 3.55 per cent. of cost, as compared with 80.80 per cent., 10.60 per cent., 4.20 per cent. and 4.30 per cent., respectively, in 1954-55. It is evident from this that, in contrast to the previous year, there was a fall during the year under review, though not a significant one, in the proportional cost of seed and manure and an increase in the percentage costs of human and cattle labour. Still, the overall cost structure maintained an almost identical pattern marked by an overwhelming importance of human labour, as compared with other cost items. This is an indication that there has practically been no improvement in the production technique so far as jute is concerned. The characteristic feature of age-old methods, namely, very large input of human labour but not much of cattle labour and insufficient manuring, was clearly evident.

Input

A study of output in relation to input per acre showed that input, as shown by the operational cost, steadily decreased with increases in the size of holdings. In other words, bigger-size farms spent less per unit of area in men and materials on jute cultivation than the smaller ones. This is in keeping with the observed patterns. It is common knowledge that agriculture, in general, and jute cultivation, in particular, still follows the primitive method and to this big growers are no exception. There is as yet hardly any attempt at effecting improvement. Rather, their managerial incapacity, combined with other limitations, prevents them from devoting simultaneous attention to, and making adequate outlay for, all their plots. The smaller farms, on the other hand, do their utmost and put in whatever resources they have in order to make a living out of their tiny holdings.

What is more important to the cultivator is not so much the total cost, as the actual cash expenditure he has to incur for jute cultivation. This is because, not only does he feel the burden of cash cost, but his limited cash resources also impede the progress and improvement of jute cultivation. Cash expenditure on human labour, which is the most important cost item, largely determines the cash requirement of the farmer. This, in its turn, is dependent, first, upon the proportion to which hired labour is employed and, secondly, on the mode of wage payment, that is, whether it is in cash or in kind. In 1955-56, it may be noted, 55.50 per cent. of human labour was supplied by the farmers' family and 45.78 per cent. by hired labour. Of the cattle labour, 99.04 per cent. came from the farmer's own cattle and 0.90 per cent. hired. The average proportion of hired labour moved within a narrow range as between one year and another. Per-acre cost of hired labour was Rs. 61.78 in 1955-56, of which Rs. 46.83 or 75.80 per cent., was paid in cash and Rs. 14.95 or 24.20 per cent. in kind. On an average, nearly three-fourths of the wages were paid in cash. Cash expenses on seeds and manure were very small, being only about 5 per cent. of the total cost.

Cash Payment

Nearly 40 per cent. of the total operational cost had to be paid for—30 per cent. in cash and 10 per cent. in kind. Of the total paid cost, again, 95 per cent. was accounted for by hired labour. With the fall in the operational cost in 1955-56, the cash expenses on jute cultivation declined to Rs. 50 per acre, that is, by Rs. 10, as compared with the previous year. But the average farmer, growing jute on a larger area, that is, 1.25 acre, spent about Rs. 58, as against Rs. 55 in 1954-55. If, however, the rent in cash is included, the total cash expenses work out to Rs. 54.12 per acre or Rs. 63.10 per farm which is about 27 per cent. of the total jute production cost. Considering the total input in labour and materials, whose money equivalent works out to Rs. 164.8 per acre or nearly Rs. 191 per farm, the total cash expenditure is not much,

But continuous investigation over a number of years has shown that the small growers, who form the bulk of the farming community, do not have the wherewithal to invest even this small amount of money. Whatever little is spent imposes a great stress on their meagre resources. This is obviously the reason why no improvement in agriculture has been effected, although there is great scope for increasing output through higher input.

Conclusions

The report sums up the conclusions of the investigation thus:

(a) Better pre-sowing jute prices and a favourable parity ratio between the prices of jute and paddy helped expansion of jute acreage. The increase was more on the share-rented than on the cash-rented lands.

(b) The cost of jute production moved up in some centres and came down in some others according as bad or good weather prevailed, but the overall cost remained unaltered.

(c) Except for a tendency to lower the seed rate and thereby reduce the cost of seed and of thinning, virtually no improvement was noticeable in the production technique. That is why the cost and its distribution over the different items maintained nearly the same pattern as before.

(d) Manuring practices, in particular, made little progress; rather the quantity of manure applied per acre somewhat declined due to the difficulties of application. The use of ammonium sulphate was also very insignificant.

(e) Money cost closely followed the real cost owing to little fluctuation in the wage and cattle hire rates ever since 1953.

(f) A similar cost structure and equal labour rates meant nearly the same volume of cash outlay per unit area under jute as a year ago. But a larger acreage sown in 1955-56 somewhat increased the total cash expenses of the average grower.

(g) The profit on jute cultivation which involved the same cost as in 1954-55, was a little less with the decline in the grower's average price of jute by more than a rupee per maund.

Jute and Paddy Compared

A similar investigation was conducted into the economics of paddy growing and the results of the two studies were compared. The following conclusions emerged from the comparison:

1. Though paddy sowings did not increase to the extent jute sowings did, still, the former were more than two and a half times larger than the latter.

2. With an average yield per acre nearly 2 maunds less than that of paddy but a much higher cost per acre, the cost per maund of jute was double the corresponding paddy cost.

3. The parity ratio between jute and paddy prices slightly declined but it still remained significantly higher than the cost ratio. The average profit per unit of output was, therefore, larger for jute than for paddy.

4. The paddy grower gets a stabler income than the jute grower, because rice is always available for consumption on the farm while jute brings in income from sale in an uncertain market. This, among other reasons, explains why a large shift from paddy to jute cultivation is not always possible, even though the latter is more profitable.

5. The comparative costs nearly followed the proportion of human labour input for the production of the two crops. Jute required somewhat more cattle labour and manure, while paddy had a higher seed cost.

6. The rent (cash and kind), bearing an equal percentage of cost for both the crops was considerably higher for jute than for paddy.

7. A greater input of human labour for jute, of which a larger proportion is hired, than for paddy, increased the paid cost (operational) of jute calculated at four times the corresponding cost of paddy cultivation. So the fibre crop requires a substantially higher investment than the food crop both in the total as well as in cash.

A significant point that emerges from the investigation is that, in respect of both paddy and jute, the small growers make a heavier input per unit of land despite their meagre resources. The big farmers, on the other hand, are not as efficient, as their input is not large; rather, it is less, in relation to the income. There is, therefore, considerable scope for improvement in the productive efficiency of the big growers through diversion of savings into agriculture, although this cannot solve the problem, because the big growers account for only a relatively small cultivated area.

CHINA BUYS INDIAN JUTE

It is reported that China has been buying raw jute from India through the State Trading Corporation. Its orders so far are placed at 25,000 bales. Total exports of raw jute from India to all countries since March 1959 to 15th August amount to 72,100 bales.

China's purchases of raw jute from India in preference to Pakistan must be attributed to the relative cheapness of the Indian material. At one time, it was believed that China was self-sufficient in raw jute. But now it seems that its internal capacity has been expanded to meet its growing domestic requirements.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED .. Rs. 5,50,00,000
CAPITAL PAID-UP .. Rs. 2,00,00,000
RESERVE FUND .. Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY

BRANCHES IN INDIA
AHMEDABAD Sion JUNAGADH
Bhadra (Main Office) BHUJ (Kutch) KANPUR
Ellis Bridge CALCUTTA MADRAS
Gandhi Road 23-B, Netaji Subhas Road Armenian Street
Manek Chowk Navrangpura (Main Office) SOWCARPET
Station Branch Bara Bazar KINGWAY
ANRITSAR Chowringhee ITWARI BAZAR
BANGALORE Square NEW DELHI
BARODA CALCUTTA PALANPUR
BOMBAY COIMBATORE POONA
Andheri Bandra COCHIN RAJKOT
Bullfin DELHI SURAT
Exchange COLABA GANDHIDHAM (Kutch) SHOLAPUR
Colaba Churchgate HYDERABAD (Deccan) VERAVAL
Fort Kalbadvi JAMSHEDPUR VISAKHAPATNAM
Malabar Hill Santa Cruz

BRANCHES OUTSIDE INDIA:

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

DIRECTORS

SIR COWASJEE JEHANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABAI
Mr. RAHIMJI RAMNARAIN
Mr. BHAGYANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGHMOHAN PRASAD GOENKA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 2 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, General Manager.

INSURE

against Loss or Damage by
FIRE AND RIOT
GRESHAM
FIRE & ACCIDENT
Insurance Society, Limited
(Incorporated in England)
(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED

9, BAKEHOUSE LANE, FORT, BOMBAY-1.
(ESTABLISHED IN 1911)

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

Money deposited with this Bank helps the
Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL: Rs.

Subscribed by the Shareholders .. Rs. 48,00,000

Subscribed by the Government of Bombay .. Rs. 51,00,000

RESERVE AND OTHER FUNDS .. Rs. 58,00,000

TOTAL DEPOSITS .. Rs. 17,25,00,000

WORKING CAPITAL .. Rs. 20,00,000

BRANCHES AND AFFILIATES AT 304 PLACES IN BOMBAY STATE

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

Deposits of all kinds accepted. Terms on application.

G. M. LAUD, Managing Director.

Bombay State Co-operative Bank Ltd.

Hastings Belting

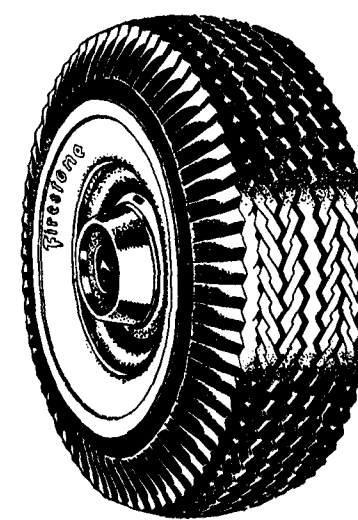


BIRKMYRE BROTHERS LIMITED
P. O. BOX 14, CALCUTTA

WORLD CHAMPIONS CHOOSE Firestone ..SO SHOULD YOU



Jimmy Bryan, winner of the world-famous 'Indianapolis' 500-mile race, paid a glowing tribute to Firestone tyres, which stood up so well to a speed of 180 miles an hour, subjected to brutal pounding, twisting and grinding on this exacting race track. You, too, can have this same safety and dependability because the Firestone tyres for your car are built with the same safety construction features as racing tyres. Firestone tyres are Safety-Proved by performance.



Firestone

New DeLuxe Champion
TUBELESS OR WITH TUBE

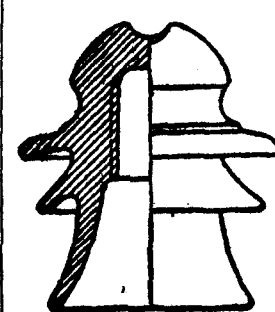


Our fleet of sixteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST

INDIA STEAMSHIP CO., LTD.

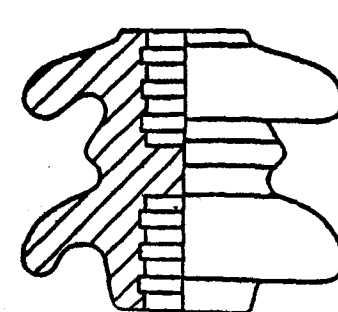
"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents:—LIONEL EDWARDS (PRIVATE) LTD.



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



BILL TO AMEND ELECTRICITY ACT ADOPTED BY PARLIAMENT SIGNIFICANCE OF NEW PROVISIONS

THE Bill to amend the Electricity Act, just passed by both Houses of Parliament, marks a definite stage in the evolution of electricity legislation in the country. The original Act, enacted in 1910, had remained largely unchanged, except for some minor modifications made in 1920, 1937 and 1950. The Bill, now adopted and pending the President's assent, brings the Act in line with the provisions of the Electricity Supply Act 1948. It also embodies the Government's decisions on the findings of the Advisory Board which submitted its report on electricity industry in 1954. Although nearly five years had elapsed between the submission of the Board's report and the formulation of the Bill, the intervening period was well spent in ascertaining the views of all the parties concerned. The result is that the Bill reflects the considerable measure of agreement which exists between the Government and the industry.

The amended Act confers several benefits on the consumers in areas remote from sources of electricity supply. From their point of view, a notable change is in respect of conditions which must be fulfilled before they get supply of electricity. For the purpose of obtaining the supply, the number of requisitionists has been reduced from 6 to 1. Again, whereas the requisitionists had to guarantee offtake for not less than two years and also a "reasonable return" to the licensee, the amended Act lays down that the sole requisitioner or two requisitionists between them need only "assure to the licensee at the current rates charged by him an annual revenue not exceeding 15 per cent. of the cost of the distribution mains (not including transformers and other sub-station equipment)" so as to make it obligatory for the supplier to comply with the requisition.

An Anomaly

The new Act rectifies an anomaly which had crept into the electricity industry. Under the original Act, State Governments, which engaged themselves in supply of power, often claimed certain privileges which were not available to the State Electricity Boards or licensees. The amended Act confers on consumers of Government electricity departments the rights which are enjoyed by those receiving supply from a State Electricity Board. This will put to an end any tendency on the part of electricity departments of States to bring into their work considerations which have no relevance to supply of power. For instance, a certain State Government, which has a departmental framework for the supply of electricity, is reported to have insisted that an industrial undertaking should have its head office within the State before it claims power. A parochial outlook of this kind is certainly detrimental to the industrial progress of the region itself. Again, the Bill, in its original form, sought to vest the State Governments with sweeping emergency powers empowering them to give directions to licensees in regard to supply of energy to essential services. The Select Committee has held the view that "the State Government should not have any power to direct a licensee to supply energy, in preference to any other consumer, to any establishment merely on the ground that it is a Government establishment." The powers of the State Government have, therefore, been limited to establishments "used or intended to be used for maintaining supplies essential to the community."

Tenants

A welcome change made by the amending Act concerns the rights of tenants in buildings. Formerly, a tenant in a building had to get the consent of the landlord in order to get electricity for his premises. Under the Act now, an occupier of premises, who is not the owner himself, enjoys the right to obtain supply of electricity without the consent of the owner. This must be a boon to tenants who are harassed by landlords who are unwilling, for some reason or other, to give their consent to their tenants' plea for electrical installations.

Yet another change, which has evoked satisfaction, is the composition of the Central Electricity Board. The Board is a body which will make rules so as to regulate the generation, transmission, supply and use of energy and generally to carry out the purposes of the Act. The Board has been made a fully representa-

tive body. Besides the representatives of the Central and State Governments, the Board will consist of nominees of the State Electricity Boards, the Railway Board, the Chief Inspector of Mines, the Indian Standards Institution and the Federation of Electricity Undertakings of India. The fact that the Board is a broad-based one will enable the interests concerned with the supply of electricity to be closely connected with the functions of the Board.

Compensation

An important amendment to the Act which was adopted by Parliament during the passage of the Bill refers to the compensation to electricity undertakings which are taken over by the State. It may be mentioned here that, during the period of the first Plan, 71 undertakings were taken over by the State and before the end of the second Plan, another 26 undertakings would have been taken over. Be that as it may, the amendment relating to compensation provides that the undertakings will receive interest at a rate of one per cent. above the prevailing Bank rate for the period the compensation is not paid. This provision will compel the authorities to take prompt decision on payment of compensation.

In the course of the debate on the Bill, the plea was made from many quarters that the supply of electricity should be nationalised. The Union Minister for Irrigation and Power, Mr. Hafiz Mohammad Ibrahim, averred that the nationalisation of existing electrical undertakings in the country was "impracticable at present." He revealed that the Planning Commission had come to the conclusion that electrical undertakings should not be disturbed except in cases of "bad conduct." While this assurance, as far as it goes, will be welcomed, it is a pity the Government has not been able to give electrical undertakings a positive assurance of immunity from nationalisation. It is also deplorable that a section of opinion in India should clamour for nationalisation of electrical supply, considering that few industries or services are more rigorously controlled than electrical undertakings. By the device of rigid controls over the profit-margin which an undertaking can earn, the Government has acquired a very effective means of control over the fortunes of an electrical enterprise. This virtually reduces the enterprise to an agency working for the Government for a modest remuneration. Thus, the present arrangement has the virtue of nationalisation, without the handicap of actual State ownership.

Finance

It must be emphasised that, so long as electrical undertakings are in the private sector, they should be allowed facilities for strengthening their financial position which alone will determine their capacity for extending their services. In this connection, a serious disability of electrical undertakings, to which reference was made by Mr. P. D. C. R. Clark, Chairman of the Bombay Suburban Electric Supply Ltd., will be read with interest. Mr. Clark, in the course of his speech at the annual meeting of the Company, held recently in Bombay, said:

"A development of far-reaching consequence which has taken place since we last met, and on which you will certainly expect me to speak today, is the new scheme of corporate taxation introduced by the Finance Act of 1959. I am sure you have read and discussed the implications, in general terms, of the arrangement whereby all future dividends will be subjected to deduction of tax at the source at the prescribed rate of 30 per cent. The position of electricity companies in general is very much more complicated, in that these companies come under the dual control of the provisions of the Indian Income-tax Act and the much more technical and restrictive regulations of the Electricity (Supply) Act, 1948. The reality in terms of available net earnings for distribution of dividends in the case of an electricity supply undertaking is set by the exhaustive financial provisions embodied in the Sixth Schedule of the latter Act and while there has been divergence of views as between the authorities and the industry over what should constitute the "fair return" to the investor, there has been no two opinions that the return fixed by law should be "net" and free from income and all other taxes. This position would be seriously undermined, if, for purposes of determining "clear profit" under the Electricity (Supply) Act, the tax deducted from dividends at the prescribed rate and payable to Government under the Finance Act, 1959 (and applicable and effective from the assessment year 1958-59) is not also permitted as a charge to the consumers."

It would appear that a representation has been made by the industry to the Government of India, suggesting that the tax deducted from dividends should be reckoned as an expense for the purpose of computing "clear profit." It is to be hoped that the industry which has already suffered heavily through deferred taxation and the denial of "grossing-up" of dividends in the hands of shareholders, will not be denied the facility now sought.

LOW-SHAFT FURNACE

A landmark in the history of iron manufacture in India was made last month when the first low-shaft iron furnace, with a capacity of 120 to 150 tons of pig iron per day, went into operation at Barbil (Orissa). This is the first of the five such furnaces now being set up by the Kalinga Industries Ltd. B. Patnaik of the Company is reported to have stated at Calcutta that their next plant would be set up in Salem (Madras State) and that 95 per cent. of the plant would be fabricated by Indian engineers.

The plant at Barbil was designed by Messrs. Fried-Krupp of Essen, West Germany; 50 per cent. of the plant was manufactured in India. Ore size 10 to 40 mm. which cannot be used in any large quantity in conventional blast furnaces, waste, is the principal raw material for this plant. Experiments are under way to use ore fines which are lying in large dumps at pit mouths. Nut coke which cannot be used in blast furnace to the extent of more than 5 per cent. is used as fuel in this furnace. It has been established elsewhere that such furnaces can be operated with poor quality coke or coke out of lignite and in due course such experiments on commercial scale will be carried out in this furnace. After observing the performance of this furnace for 2 days, the Company's Technical Adviser is convinced that any grade of pig iron can be produced in this furnace.

These plants it is stated, have a great future in India as well as Asian countries where good quality metallurgical coke is not available easily. Sardar Swaran Singh, Union Minister for Steel, Mines and Fuels, indicated the Government's policy all over the country for supply of pig iron to foundries.

Since 80 to 90 per cent. of such furnaces can be manufactured in India, these plants can go up all over the country without any drain on our foreign exchange resources. Production of iron can be decentralised and transport bottlenecks obviated, thereby assuring timely and regular supplies to the consuming points all over the country without unduly loading the already strained railway capacity. With the new steel plants producing steel to full capacity by 1960-61, foundry pig iron of proper grade available from these plants will not be sufficient to meet the country's estimated requirement of 1.5 million tons by the end of the third Plan. The deficiency of about one million tons of foundry iron could easily be met by such furnaces as these erected in various parts of the country.

AIR FRANCE

As a result of negotiations that have taken place between the French and the Americans at Paris, the two French companies, Air France and Transports Aeriens Intercontinentaux, will be able to open a round-the-world service by the spring of 1960. By virtue of this Agreement which will be ratified in the very near future by the French and the American Governments, Air France is authorised to operate a new service connecting Paris and Los Angeles, with a call at Montreal, Transports Aeriens Intercontinentaux, on its part, is authorised to operate a service Papete/Los Angeles via Honolulu. In other words, for the first time, on board the aircraft of French companies, the world in a single change of plane at Los Angeles. The operation of a service to Papete. This round-the-world trip ex Paris via Montreal, Los Angeles, Honolulu, Tahiti and Saigon will cost approximately Rs. 10,510 in first class and Rs. 7,730 in tourist class.

By the end of June 1960, Air France will operate a service Paris/Montreal/Los Angeles with Boeing Intercontinentals at a frequency of twice a week in each direction. Air France will add the capital of California to the 210 stations already operated by its planes, and its network will extend to 196,250 miles, the largest in the world.

KALINGA TUBES LTD.

The expansion scheme undertaken by the Kalinga Tubes Ltd., established in April 1955, and step drawn poles by middle of 1960. The target is 100,000 tons of pipes and 300,000 poles per year. Since its inception, the Company's factory, which is situated at Choudwar (Orissa) has saved Rs. 10 crores of foreign exchange. The Tube Mill is equipped with the most modern high frequency electrical induction welding process, suitable for water and gas connection and embarked upon an ambitious export programme and expects to earn valuable foreign exchange during the first year to the tune of Rs. 60 lakhs, and Rs. one crore next year. The quality of the produced anywhere in the world. The Company employs about 700 people.

NEW PRODUCTS AND PROCESSES

Improved Forsterite and Dolomite Refractories

As a result of prolonged research efforts, two types of refractories, forsterite refractories from magnesium silicate, and completely stabilised dolomite refractories from dolomite have been developed by the National Metallurgical Laboratory, Jamshedpur. Forsterite refractories are used as substitutes for magnesite, chrome or chrome-magnesite refractories in the walls of basic open-hearth steel melting furnaces above the slag line, in non-ferrous metallurgical furnaces like those used for copper and lead smelting and refining, glass tank super structures and checkers, rotary cement kilns and ceramic kilns. Apart from their low production costs, forsterite refractories, developed by this process, possess higher refractoriness-under-load than magnesite (forsterite 1600°C, magnesite 1500°C) and a thermal spalling resistance of more than 32 reversals (magnesite 8, chrome magnesite 30). Chrome magnesite bricks have a tendency to burst due to the action of reducing atmosphere and iron oxide, whereas, forsterite bricks are immune to bursting on exposure to iron oxide or reducing atmosphere. Forsterites are volume stable at high temperatures, while magnesite bricks shrink gradually with time and temperature. Thermal conductivity of forsterite is also less than magnesite and silica at higher temperatures. Forsterite refractories, are made by mixing magnesite with cheaper ores like serpentine, saxonite and dunite, in specified proportions with suitable binders, pressing and firing at 1600°C. The grog so obtained is pressed into bricks and finally fired at 1500°C. Similarly stabilised dolomite refractories find application in the iron and steel industries, copper converters and refining furnaces, cement kilns, etc. as substitutes for magnesite and chrome magnesite. Apart from their comparable refractory properties, stabilised dolomite bricks are volume stable and cheaper as compared to magnesite bricks. For producing stabilised refractories from dolomite, the mineral is mixed with stabilisers such as serpentine, dunite, borates, apatite, chromite, etc., in suitably adjusted proportions, crushed and fired at 1400°-1650°C. The fired material is graded, blended and mixed with a green bond, pressed into bricks and refired at 1400°-1600°C before storage.

Novel Flywheel Converter

The growing transition from direct links to coaxial or radio links for long-distance transmission of telephone traffic has resulted in a Swedish company, Asea, initiating the manufacture of a flywheel converter for supplying continuous A.C. current at a constant voltage to the repeater stations essential for this type of linkage. So far, 71 sets have been supplied to the Swedish Board of Telecommunications, 13 sets for telephone stations in Colombia and a similar number to the Finnish Postal and Telegraph Authorities.

The flywheel converter, of which sets of outputs up to 63 kW have been made, consists of a three-phase induction motor and a single-phase synchronous generator, linked together by means of a flywheel. In the case of a break in the power supply system, the energy stored in the flywheel is intended to provide power until the automatic standby power plant has had time to start and take over the feeding of the flywheel converters. The wheel is designed to be able to provide full output for 30 seconds. During this time the frequency drops by 20 per cent., while the voltage is kept constant with an accuracy of ± 3 per cent. Since the starting time of a standby power plant is about 5 seconds, the drop in frequency is, in fact, not more than 3 per cent. and the variation in voltage is reduced to ± 1 per cent. The generator is fitted with a rectifier exciter.

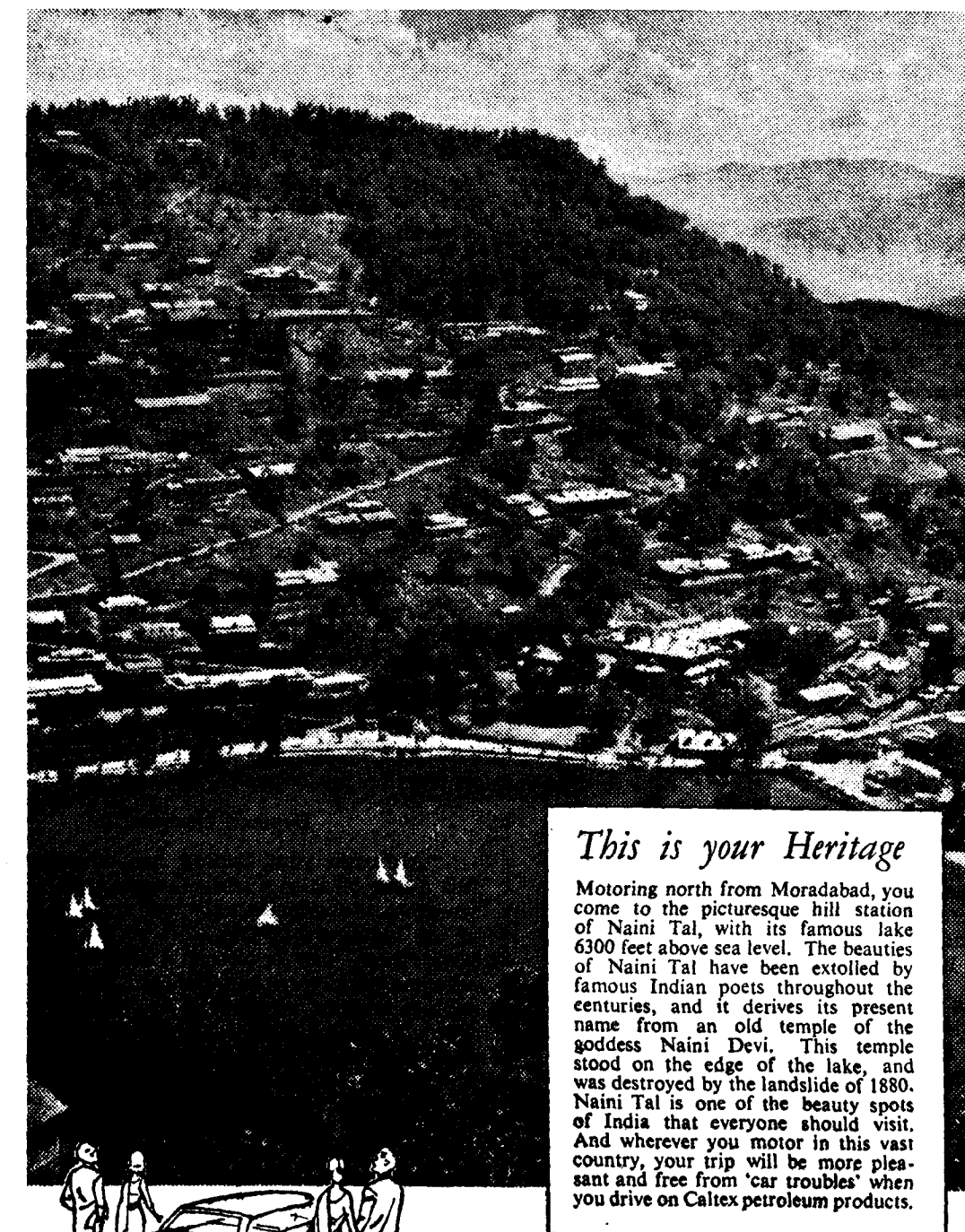
In order to avoid the necessity of having large and bulky switching starters which would otherwise be required for a set of this kind, it is connected to the standby plant, the speed of which is slowly increased to full speed. The standby power plant is also used for braking the converter.

Acid Bath Tapers for Aircraft

A \$100,000 chemical milling system has been built by engineers at Lockheed's Marietta Georgia plant to "melt" surplus weight of the JetStar—the Company's 600-m.p.h. 10-passenger utility jet transport. In this process, etching acids eat away surplus metal in areas of parts inaccessible to mechanical machining methods. In a test, a JetStar wing was dipped first into a tank containing an etching bath, then into a tank containing a fixing agent, and finally into a tank of water to rinse. Each tank is 30 feet deep and 5 feet in diameter. The rate of shaving off surplus metal is automatically controlled by the speed of immersion and withdrawal from the etching tank. Thickness of a 30-foot wing panel can be tapered in thickness from one-fourth inch at one end to paper-thin tolerances on the other.

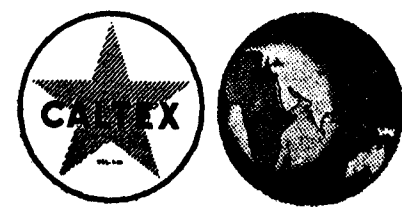
High-precision Surface Grinding Machine

A high-precision surface grinding machine capable of working material up to 72 in. long, 18 in. wide, and 20 in. deep has been produced by a Sheffield engineering firm—Snow & Co. Ltd. It will be shown at the European Machine Tool Exhibition to be held in Paris this month. The machine is controlled electronically by push-buttons and selector switches from an elevating control panel which can be raised or lowered hydraulically to the height most convenient for the operator. Automatic downfeed is incorporated, which gives an independent choice of roughing and finishing feeds, working in conjunction with automatic sizing equipment. This sizing equipment not only compensates for the amount of abrasive removed from the grinding-wheel during the truing operation, but also compensates for loss of abrasive during the actual grinding.



This is your Heritage

Motoring north from Moradabad, you come to the picturesque hill station of Naini Tal, with its famous lake 6300 feet above sea level. The beauties of Naini Tal have been extolled by famous Indian poets throughout the centuries, and it derives its present name from an old temple of the goddess Naini Devi. This temple stood on the edge of the lake, and was destroyed by the landslide of 1880. Naini Tal is one of the beauty spots of India that everyone should visit. And wherever you motor in this vast country, your trip will be more pleasant and free from "car troubles" when you drive on Caltex petroleum products.



SEE YOUR COUNTRY ON CALTEX PETROLEUM PRODUCTS

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines)

— MADURAI —
SOUTH INDIA

Telegrams: 'Harvey'

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles
Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEADS — CANVAS — TAPES
BELTING DUCK — TYRE CORD — SEWING THREAD
MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines)

Telegrams: 'HARVEY'

THE INDIA CEMENTS LIMITED, MADRAS

MR. P. SURYANARAYANA'S SPEECH AT ANNUAL MEETING

NEED FOR STIMULATING DEMAND FOR CEMENT BY LOWERING EXCISE DUTY MOST URGENT

ONCE again, Mr. P. Suryanarayana, Chairman of the India Cements Limited, stressed, this time at the Thirteenth Annual General Meeting of the Company, held at Madras on Friday, 31st July 1959, that the most urgent need today was to stimulate demand and increase sales of cement. One of the specific measures suggested by Mr. Suryanarayana was a reduction in excise duty on cement which, he said, had been raised from Rs. 5 per ton to Rs. 20 on 16th May 1957 and then to Rs. 24 on 1st March 1958. These increases, it may be noted, were made mainly for restraining demand for cement. Now that the situation had changed, it was but right, he declared, that the excise duty should be brought down to Rs. 5 per ton "to wear down consumer resistance."

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

"GENTLEMEN,

"I extend to you all a cordial welcome to this thirteenth annual general meeting of the Company. The report of the Directors and accounts for the year ended 31st March 1959 have been in your hands for some time and, with your permission, I shall take them as read.

"It is needless for me to offer any detailed explanation regarding the financial and other aspects of the accounts of your Company, as the figures in the balance-sheet bear testimony to the strong, sound and stable position of your Company. The working of the Company during the year has been quite satisfactory, excepting for the first quarter when there was a heavy power cut. This power cut necessitated the closure of one unit during the period which resulted in a net loss in production of 20,000 tons, in spite of our best efforts to make up the deficit during the remaining period.

Growth of Production

"The year 1958 has been marked by a slowing down of the tempo and pace of industrial production, the average general index of 139.4 representing an increase of only 1.5 per cent., as compared to 3.5 per cent. in 1957 and 8.3 per cent. in 1956. The rate of growth of cement production also slowed down. Production of 6.1 million tons in 1958 showed a rise of 8.3 per cent., as compared to 13.7 per cent. in 1957, as against a target of 9 million tons visualised in 1958.

"The year has also been conspicuous by a remarkable rise in production in certain categories like machine tools, industrial machinery, light engineering items, electrical and scientific equipment, etc., and for branching out into new fields of enterprise and production of goods which have not been attempted in this country before, despite handicaps and obstacles which, at one time, almost threatened to halt industrial growth to a standstill. The fact that the industrial advance was not only not halted but fresh strides were taken by a large number of industries does credit to a country's capacity to withstand difficulties in the march forward towards economic progress. These difficulties were the difficulties of growth and not of stagnation. They were caused by the shortage of foreign exchange, by the fact that a number of industrial projects in the middle of the second Plan had reached an advanced state of execution, but had not reached fruition and by the rapid growth of industry in the previous years which meant greater consumption of raw materials, spare parts and capital equipment.

The Company's Achievements

"Against this background of the general economic picture of the country, the achievements of your Company in respect of its expansion programme, I have no doubt you will agree, are creditable. In my speech at the last annual general meeting in August 1958, I adverted to the fact of our having secured the necessary permission from the Government of India for the installation of a 750 tons plant in furtherance of our programme for raising the rated capacity of our Talayuthu factory to 500,000 tons cement per annum. It was then visualised

that the additional capacity will go into production by September this year. I am happy to inform you that erection of this plant has almost been completed and it is proposed to put the new plant into commission in the next week or ten days. Your factory will then be one of the biggest factories, producing 500,000 tons. This has been rendered possible by clearing the heavy machinery at Tuticorin by a highly technical floating process. The Managing Agents are to be congratulated for their careful planning and expeditious execution.

"The starting of the branch factory at Visakhapatnam, I am sorry to say, is delayed due to circumstances entirely beyond the control of your Directors. The preliminary work connected with the starting of the factory, as you are all aware, has already been completed. The Government of Andhra Pradesh is expected to sanction the necessary mining rights shortly.

Demand Declines

"Although your factory has maintained its full quota of sales during the year, as you will see from the astonishingly low stock of cement of the value of only Rs. 1,871 at the end of the year, there has occurred a serious imbalance between supply of and demand for cement in various regions, as well as in the country as a whole. The immediate cause for the sudden drop in demand since August last has been the fall in the offtake by Central and State Governments and various project authorities, as a result of the slowing down of the second Five-year Plan schemes and, secondly, a sharp recession in industrial and private consumer demands because of the high price of cement and slowing down of building activity, generally due to non-availability of steel. In 1957, the Government and quasi-Government demand stood at 50 to 55 per cent. of the output, whereas, during 1958, the demand fell to 30 to 35 per cent. of the total output.

"You may remember that I referred to the necessity of a reasonable reduction in the price of cement to the consumers when I spoke to you last. I would like to reiterate that it is essential that certain remedial measures are now taken for increasing the consumption and demand for cement. Up to 15th May 1957, the excise duty on cement was only Rs. 5 per ton. The duty was increased to Rs. 20 per ton on 16th May 1957, and then to Rs. 24 per ton on 1st March 1958 for inhibiting the demand, and it is but right that the excise duty should be brought down to Rs. 5 per ton to wear down consumer resistance. With the Government steel projects going into production and constructional steel becoming increasingly available, the demand for cement is also likely to be greater. In this connection, I welcome Government plans for concrete.

MERCANTILE BANK LIMITED

(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

Authorised Capital - £4,000,000
Issued and Fully Paid - £2,940,000
Capital - £2,940,000
Reserve Fund - £2,200,000

Head Office:

15, GRACECHURCH ST., LONDON, E.C. 3

West End Office:

123, PALL MALL, LONDON, S.W. 1

Agents in New York: BANK OF MONTREAL

AND THE CHASE MANHATTAN BANK

Branches and Agencies:

INDIA, PAKISTAN, CEYLON, BURMA,
MAURITIUS, SINGAPORE, MALAYAN
FEDERATION, HONGKONG, THAILAND
AND JAPAN

The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits are received on terms which may be ascertained on application.

Trusteeships and Executorships accepted.

Safe Deposit Lockers available.

52/54, Mahatma Gandhi Road,
Bombay.

J. R. N. SHIRREFF,
Manager.

ing of roads. The most urgent need today is to stimulate demand and increase sales of cement, particularly in view of the fact that the installed capacity may go up to about eight to nine million tons before the close of the second Five-year Plan, as against the ambitious target of 16 million tons visualised for the second Plan, which now has to be spread over to the third Plan also.

Future for Industry Bright

"Taking an overall view, the industry's future must be regarded as bright. It should not be forgotten that the per capita consumption of cement in India does not exceed 33 lbs. a year, which is remarkably low, when compared with Switzerland's 1,084 lbs. Even comparable Asian countries such as Thailand, Ceylon and Malaya consume 46 lbs., 63 lbs. and 134 lbs., respectively. The scope for raising the consumption of cement in India is, therefore, colossal, considering the fact that millions of tons will be required for providing rural and urban housing, national highways, dams, bridges and a host of other things.

"Last year I referred to the necessity of developing an export market for the industry to augment the much needed foreign exchange to carry out our national development programmes. I am happy to inform you that the export of cement from the South Indian factories to Ceylon has now become a regular feature and your factory has been regularly exporting cement to Ceylon. During the financial year under reference, your factory has exported over 15,000 tons of cement to Ceylon, which has now been stepped over to 3,000 tons per month from the beginning of this financial year. I reiterate, once again, here what I have said at the last general body meeting that a foreign trade policy in respect of cement and other essential commodities should be framed and executed, not by reference to surpluses as may become occasionally available, but rather as part of a deliberate and steady policy to suit the needs and requirements of the importing countries. I hope that the Government will take up this question in all seriousness at the earliest opportunity.

Wage Board

"Shareholders are perhaps aware of the fact that the Government of India have constituted a Central Wage Board for Cement Industry. The Board is charged with the task of determining fair wages and recommending principles governing payment of bonus, etc. The deliberations of the Board in regard to its hearing the views of the labour and management are over. A heavy responsibility rests, therefore, upon them to make recommendations which would in no way disturb the economic equilibrium of the country, and which will help the fulfilment of the Plan target and be acceptable to both the labour and the producer, the investor and the consumer.

"I am happy, indeed, to be able to report once again that our relations with labour continue to be harmonious. I would like to congratulate our employees on their sense of realism, maturity and increased awareness of their responsibilities in our common and joint endeavour.

"Your Company has always been keen on providing facilities to the employees and in furtherance of this aim has embarked upon a housing scheme, which was recently inaugurated by the Hon'ble Minister for Industries and Labour of the Government of Madras.

"Before I conclude, I should, on your behalf and on my own behalf, like to express our thanks to all employees at the Company's offices, works, and quarries for their unremitting hard work and unstinted co-operation. The Company looks forward to their sustained, loyal and devoted services in the years to come."

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

Messrs. John Dalglisch of Glasgow has developed a new process which is claimed to improve productivity in the textile industry. The process relates to the use of a combined pin and clip, instead of the traditionally septic pin and clip. It is stated that up to 500 of the traditional pins and clips may be used in one chain to hold fabric taut during processing. They are required to operate at high speeds and temperatures. The novel design of the new combined device has to meet these conditions and is said to eliminate all screws, springs and material requiring lubrication.

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKACID BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of

FIRST CLASS BRICKS

for

Nearly Half a Century

RELIANCE FIREBRICK AND POTTERY CO., LTD.

4, LYONS RANGE, CALCUTTA 1.

Bombay Branch:

35A, HOSPITAL AVENUE, PAREL.

A Policy Issued By

The

Bombay Fire & General Insurance Company, Ltd.

(Incorporated in India)

Your Symbol of Security in the Event of

FIRE, ACCIDENT OR A MARINE PERIL

Head Office:

Henley House, Graham Road
Ballard Estate, BOMBAY 1

Represented In

INDIA, BURMA & PAKISTAN

SNOTTIK OVERSEAS ENTERPRISES

P. O. Box 233

EBUTE — METTA — NIGERIA

Are interested to represent manufacturers and/or sole exporters of all kinds of textiles, crockeries, cutlery, iron goods, leather goods, sports goods, cement, household goods, office equipments, ornamental goods, rain equipments, grocery goods, beverage, alcoholic drinks and children's toys. We are also importers of those products as enumerated above, and free valid samples for effective showroom display should accompany all offers to us. Also looking for Commission Agents in any country to cater for our interests by negotiating on our behalf.

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital - Rs. 2,00,00,000

Issued and Subscribed Capital - Rs. 1,00,00,000

Paid-up Capital - Rs. 50,00,000

Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.

FOR REALLY EFFICIENT BANKING SERVICE CONTACT THE BANK OF BARODA

Our business is based on efficient, courteous service to our customers...to you! We believe that such service has helped us to grow from one office in Baroda 50 years ago, to over 80 offices (in India and abroad) with a paid-up capital of Rs 1,25,00,000! Today we offer you all types of banking service, including foreign exchange business through our foreign offices and correspondents.

Why not call at your local Bank of Baroda office and find out what a difference really efficient banking service can make?



The Bank of Baroda Limited

Current Accounts • Saving Bank Accounts • Fixed Deposits • Loan, Overdraft and Cash Credit Accounts • Discount of Bills and Hundis • Safe Custody • Foreign Bills and Letters of Credit • Travellers Cheques and Cash Certificates • Demand Drafts • Telegraphic Transfers • Executor and Trusteeship • Safe Deposit Lockers

Advertising helps you to buy better quality goods

YOU CAN TRUST THE ADVERTISING IN YOUR PAPER



Inserted by
The Indian & Eastern Newspaper
Society and the Advertising
Agencies Association of India



This is only an Announcement for information and not a Prospectus and applications are invited on the basis of the Prospectus copies whereof are available from the Company and its Bankers and Brokers mentioned herein.

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

A licence has already been obtained from the Central Government for effecting a substantial expansion of manufacturing capacity. A copy of this licence is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to them.

Star Paper Mills' shares are already quoted on the Calcutta and Bombay Stock Exchanges. Application has also been made for enrolment on the Delhi Stock Exchange.

The subscription list will open on Thursday the 17th day of September, 1959, and will close on Tuesday the 22nd day of September, 1959, or later at the discretion of the Directors.

STAR PAPER MILLS LIMITED

(Incorporated on the 31st day of August, 1936 under the Indian Companies Act, 1913)

AUTHORISED CAPITAL

Divided into :—			
10,000	5%	Cumulative tax-free Preference shares of Rs. 100/- each	Rs. 10 lakhs.
30,000	6½%	Cumulative tax-free Second Preference shares of Rs. 100/- each	Rs. 30 "
60,000	7%	Cumulative tax-free Third Preference shares of Rs. 100/- each	Rs. 60 "
40,000	7%	Cumulative tax-free Convertible Third Preference shares of Rs. 100/- each	Rs. 40 "
5,00,000		Equity shares of Rs. 10/- each	Rs. 50 "
1,00,000		"A" Equity shares of Rs. 10/- each	Rs. 10 "
			Rs. 200 lakhs.

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

10,000	5%	Cumulative Preference shares of Rs. 100/- each fully paid-up in cash	Rs. 10 lakhs.
30,000	6½%	Cumulative Second Preference shares of Rs. 100/- each fully paid-up in cash	Rs. 30 "
5,00,000		Equity shares of Rs. 10/- each fully paid-up in cash	Rs. 50 "
1,00,000		"A" Equity shares of Rs. 10/- each fully paid-up in cash	Rs. 10 "
			Rs. 100 lakhs.

The First Preference shares are repayable at a premium of Rs. 5/- per share at any time at the option of the Directors. The Second Preference shares are redeemable at par at any time after 30th September, 1965, but not later than 30th September, 1971.

ISSUE OF NEW SHARES

40,000	7%	Cumulative tax-free Third Preference shares of Rs. 100/- each redeemable within a period of 15 years from the date of allotment	Rs. 40 lakhs.
30,000	7%	Cumulative tax-free Convertible Third Preference shares of Rs. 100/- each convertible into Equity shares at par on the expiry of 7 years at the option of the shareholders and redeemable at par in case of non-conversion within 15 years from the date of allotment	Rs. 30 "
			Rs. 70 lakhs.

The holders of the said Preference shares shall be entitled to be paid out of the profits of the Company a fixed cumulative preferential dividend @ 7% per annum free of income-tax and to a preferential right of payment, on winding up, subject to payment to the holders of the First and Second Preference shares, of all arrears of dividend whether or not earned or declared down to the commencement of the winding up and also to be repaid the amount of capital paid-up and/or credited as paid-up on the said Preference shares held by them respectively, but shall not be entitled to any other rights, profits or assets of the Company.

OFFER FOR SALE

Out of the said issue of Third Preference shares 40,000 Third Preference shares of Rs. 100/- each and 5,000 Convertible Third Preference shares of Rs. 100/- each have been either taken or agreed to be taken by the existing shareholders, and by the Directors, Managing Agents and their friends. The balance 25,000 Convertible Third Preference shares are now offered at par to the public for subscription.

AMOUNT PAYABLE { With application Rs. 25/- per share.
On allotment Rs. 25/- do.

Balance Rs. 50/- per share will be payable in two instalments of Rs. 25/- each, when called up by the Directors. Due notice will be given for such calls in accordance with the provisions of the Companies Act, 1956.

DIRECTORS:		MANAGING AGENTS:	
Name and Address.	Description.	Messrs. Bajoria & Co.,	
1. Shri NAND KISHORE BAJORIA, 125, Shyama Prasad Mukherjee Road, Calcutta-26.	Ex-officio Director & Chairman. Director of: Beisund Sugar Co. Ltd., Mozufferpore Electric Supply Co. Ltd., etc., etc.	27, Brabourne Road, Calcutta-1.	
2. Dr. NARENDRA NATH LAW, 96, Amherst Street, Calcutta-9.	Banker & Merchant. Director of: Indian Iron & Steel Co. Ltd., Hindusthan General Insurance Society Ltd., United Bank of India Ltd., India Re-Insurance Corporation Ltd., etc., etc.		
3. Sir CHUNILAL B. MEHTA, 43, Mahatma Gandhi Road, Bombay-1.	Merchant. Director of: Scindia Steam Navigation Co. Ltd., United Bank of India Ltd., Indian Rayon Corporation Ltd., Bombay Silk Mills Ltd., etc., etc.		
4. Shri BISHAMBHAR NATH CHATURVEDI, 54, Vivekananda Road, Calcutta-6.	Stock Exchange Broker and President of Calcutta Stock Exchange Association Ltd. Director of: United Bank of India Ltd., Orient Paper Mills Ltd., Rohas Industries Ltd., Aluminium Corporation of India Ltd., etc., etc.		
5. Shri BALDEODAS JHUNJHUNWALA, 1/B, Nanda Mullick Lane, Calcutta-6.	Solicitor. Director of: Bank of Bikaner Ltd., Mirzapore Electric Supply Co. Ltd., Khas Kajora Coal Co. Ltd., Dhunsari Tea Co. Ltd., etc., etc.		
6. Shri BADRI PRASAD BAJORIA, 125, Shyama Prasad Mukherjee Road, Calcutta-26.	Ex-officio Director. Director of: Shree Hanuman Cotton Mills Ltd., Mozufferpore Electric Supply Co. Ltd., etc., etc.		
7. Shri MADANLAL CHAMARIA, 23/1, Tagore Castle Street, Calcutta-6.	Merchant. Director of: Shree Krishna Investment Co. Ltd.		
BANKERS:		SOLICITORS:	
1. The State Bank of India, Calcutta and Saharanpur.		Messrs. P. D. Himatnigra & Co., 6, Old Post Office Street, Calcutta-1.	
2. The Bank of Baroda Ltd., India Exchange, Calcutta.			
3. The Union Bank of India Ltd., 8, Clive Row, Calcutta.			
AUDITORS:		MANAGING BROKERS:	
Messrs. Lodha & Co., 1-B, Old Post Office Street, Calcutta-1.		1. Messrs. G. M. Fyne, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.	
		2. Messrs. Lewis & Jones, Bank of Baroda Buildings, Apollo Street, Fort, Bombay.	
BROKERS:		REGISTERED OFFICE:	
1. Messrs. Paterson & Co., Post Box No. 48, 22, Errabalu Chetty Street, Madras-1.		27, Brabourne Road, Calcutta-1.	
2. Messrs. Harbans Singh Mehta & Co., 33, Regal Buildings, Parliament Street, New Delhi-1.			

STAR PAPER MILLS LIMITED—Cont'd.

HISTORY AND BUSINESS

The Company's paper mills are situated at Saharanpur, U.P. One Fourdrinier paper machine with the daily production capacity of 15/16 tons of paper from sabai grass was installed in October, 1938. The renovation of the paper machine and the addition of certain modern equipment in the pulp plant enabled the Company to step up the production from 15/16 tons to 21/22 tons a day in May 1955. The present annual production of about 6,500 tons consists mainly of writing and printing papers such as (1) White Printing, (2) Creamlaid, (3) Azulelaid, (4) Coloured Printing, (5) Covers, (6) Bonds, etc.

DEVELOPMENT AND EXPANSION

It is now proposed to increase the annual output of the mills to about 21,000 tons, by installation of two M.G. paper making machines, one having a daily production capacity of 30/25 tons thin substance paper, the other one of 30/35 tons paper of heavy substance. A licence No. L/21/13/54 dated L/24/1/8

1st December 1954, under the Industries (Development and Regulation) Act has been granted to the Company. It is proposed to manufacture on the new paper machines M.G. Kraft paper of genuine quality not hitherto manufactured in India. Besides M.G. Kraft paper, M.G. Sulphites, Pressings, Manila, Posters and other varieties of M.G. papers will also be manufactured.

RAW MATERIAL

At present, paper is manufactured from sabai grass which is obtained from the Western Circle forests of U.P. The manufacture of M.G. papers on the new plant will be made from pine wood which is an excellent raw material for the production of the high grade Kraft paper. The Company has been fortunate in obtaining sanction of a long-term lease of twisted pine, available in the Almora and Naini Tal forest divisions of U.P. It is estimated that the cost of twisted pine delivered at the mills will be about Rs. 120 a ton or say Rs. 2 a cu. ft. which is a comparable price for raw materials in the industry, if yield and quality of pulp made from it are taken into consideration.

POWER

The normal capacity of the existing steam and power plant is 50,000 lbs. of steam an hour obtained from two boilers at a pressure of 250 lbs. a sq. inch, and 2,000 Kw. power obtained from one 2,000 Kw. turbine. There is one stand-by boiler with a capacity of 25,000 lbs. of steam an hour at the above pressure. There is also a stand-by turbine of 1,200 Kw. capacity. The total requirement of power after expansion is expected to be about 5,500 Kw. The existing stand-by turbine of 1,200 Kw. will be modified to suit the increased

demand for power and steam. The U.P. Government having agreed to make available to the Company, during the current year 2,000 Kw. of power from their existing hydro-electric power station. They will also supply further power later on, when required by the Company.

COST OF EXPANSION SCHEME

The total investment of capital for the implementation of the expansion scheme is estimated at about Rs. 330 lakhs made up as follows:—

1. Plant and machinery including erection	Rs. 260 lakhs
2. Factory buildings and staff and labour quarters	Rs. 40 "
3. Working capital	Rs. 30 "
	Rs. 330 lakhs

The Industrial Finance Corporation of India, after carefully examining the scheme, sanctioned a loan of Rs. 1 crore to the Company. This loan will be available against existing as well as future assets. Deed of Mortgage has been executed in favour of the Corporation and the Company has so far received the sum of Rs. 30 lakhs from them.

DEFERRED PAYMENT FACILITIES FROM THE MACHINE SUPPLIERS

The total f.o.b. cost of the imported plant and machinery has been estimated at Rs. 185 lakhs out of which machinery worth about Rs. 20 lakhs is being imported from the U.S.A. on cash terms. Machinery for the remaining amount of Rs. 165 lakhs f.o.b. is being imported from the U.K. and the Continent under deferred payment terms. The Company has received necessary Government sanction for the foreign exchange for the import of the entire plant and machinery required for the expansion scheme. Orders for the entire plant and machinery and auxiliary equipments have been placed. One of the two machines has been shipped and it is anticipated that this will be installed and started by the end of 1959. The other machine is expected to be shipped by September, 1959, and installed by the middle of 1960. As it will take some more time for the delivery and erection of the Soda recovery plant, full anticipated production from the new plant is expected to be achieved by the end of 1960. By the end of 1960, a total amount of Rs. 60 lakhs will have to be paid to the machine suppliers in the U.K., Sweden and West Germany, which will leave a balance of about Rs. 105 lakhs payable later by the Company to the machine suppliers out of profits earned on the new plant. The total estimated cost of the expansion scheme assessed at Rs. 330 lakhs, will thus be

financed as under:—

Deferred payment facility from machine suppliers	Rs. 105 lakhs
Loan from Industrial Finance Corporation of India	Rs. 100 "
Company's finances out of previous issue of share capital	Rs. 55 "
New Issue of share capital	Rs. 70 "
	Rs. 330 lakhs

PROFITS AND DIVIDENDS

At present, the average profit per ton of paper is about Rs. 200 which means an annual profit of about Rs. 13 lakhs on a production of 6,500 tons. After full implementation of the scheme the average profit per ton of paper is estimated at Rs. 467. After allowing Managing Agents as well as Directors' commission, the annual profits on the basis of the said estimate are expected to be about Rs. 87 lakhs, which will be sufficient to declare a dividend of 10% on the Equity share capital of the Company as well as fixed dividends on the entire Preference share capital.

CAPACITY TO REPAY LOANS

As stated above, the net annual profits after expansion are estimated at about Rs. 87 lakhs, after making provision for depreciation. Taking annual gross profits, before allowing depreciation, at Rs. 100 lakhs, the tax liability for the first three years, after taking into account Development Rebate, is estimated at Rs. 54 lakhs, which leaves a balance of Rs. 246 lakhs. The amount of dividend payable on preference shares at the fixed rates of 5%, 6½% and 7% free of income-tax and on Equity shares calculated at 10% comes to Rs. 16,50,000 per year, which means a total sum of Rs. 49,50,000 for three years. After deducting this amount of dividend, the sum of Rs. 196.5 lakhs, remains with the Company as surplus for repaying the loans. This amount will be sufficient to pay off the liability of Rs. 105 lakhs to the foreign machine suppliers. From out of the future profits it will be quite convenient for the Company to make payment of yearly instalments with interest against the loan taken from the I.F.C. which is repayable within 15 years from March 1962. Even if there is a fall in selling prices to the extent of Rs. 100 per ton due to competition, profits earned by the Company after expansion will be sufficient to meet the Company's liabilities to the machine suppliers and to the I.F.C.

LAND AND BUILDINGS

The Company has got sufficient land for the erection of the new plant as well as for the construction of staff and labour quarters. The construction of buildings for the new plant has started. The Preparatory, Machine and Finishing Houses will be completed shortly when installation of the new plant will be started.

AUDITORS' REPORT

THE DIRECTORS,
STAR PAPER MILLS LIMITED, 27, BRABOURNE ROAD, CALCUTTA-1.
DEAR SIR,

We have examined the books of Accounts of the Star Paper Mills Limited for 5½ years ended 31st March 1959, in which for the half-year ended 31st March 1959, Statement of Accounts of Mills at Saharanpur duly certified by the Mill Manager are included which have been audited by us and report that the profits of the Company are as set out below. The Profits have been arrived at after charging all the expenses of Manufacture, working and Management and after making such adjustments as are in our opinion appropriate.

	Year Ended 30th Sept., 1954	Year Ended 30th Sept., 1955	Year Ended 30th Sept., 1956	Year Ended 30th Sept., 1957	Year Ended 30th Sept., 1958	Six Months to 31st March, 1959
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME:						
Sales	56,93,180	67,50,735	90,03,497	90,47,841	1,11,87,652	57,78,128
Interest	41,861	9,851	47,896	47,896	68,613	18,746
Miscellaneous Income	73,966	24,393	955	454	1,11,240	95,571
	58,07,987	67,85,078	90,03,452	90,95,891	1,13,67,505	58,92,445
EXPENDITURE:						
Cost of Sales	38,20,887	41,87,474	53,24,787	53,28,731	60,74,451	30,21,900
Excise Duty		3,17,755	9,44,792	10,59,101	14,74,855	7,98,181
Salary and Wages		8,74,865	7,91,520	9,14,364	10,18,721	12,38,291
Office and Administration		1,91,516	2,27,987	2,41,844	2,19,086	3,37,590
Selling Expenses		1,28,205	1,49,078	2,52,560	1,85,489	2,28,381
Miscellaneous Expenses		2,46,584	3,53,638	3,16,438	8,61,286	4,22,911
Debt Interest		50,000	49,861	..	..	..
	53,12,027	60,78,052	80,44,646	81,72,414	97,76,479	49,25,061
Net Profit before Depreciation and Taxation	4,95,960	7,07,026	9,58,806	9,23,477	15,91,026	9,67,384
Depreciation as charged by the Company	1,17,051	1,74,268	2,38,368	2,95,785	3,32,508	1,61,390
Net Profit before Taxation	3,78,909	5,32,758	6,70,438	6,27,742	12,58,518	8,05,994
Taxation Provision	1,60,000	1,00,000	2,25,000	2,00,000	5,15,000	3,00,600
	2,18,909	4,32,758	4,45,438	4,27,742	7,43,518	5,05,394

We also report that the Assets and Liabilities of the Company as at 31st March 1959, which is the last date to which the Company's Accounts were made up, prior to the date of this report are as set out below:—

	Rs.	Rs.
ASSETS:		
Capital assets less depreciation and Capital Work in Progress	48,32,272	
India Government Securities and Other Investments at cost	1,07,101	
Stock and Stores in hand and goods in transit	39,46,747	
Sundry Debtors (Unsecured)	11,03,209	
Loans and Advances and Others (Unsecured)	37,21,890	
Cash in hand and at Banks	9,38,562	
Commission and Brokerage on issue of shares to the extent not written off	2,26,990	
	1,48,77,801	1,48,77,801
LIABILITIES:		
Sundry Creditors and other liabilities	24,79,320	
Provision for Taxation—Less advance payment	8,66,140	
Trade and Other Deposits	86,741	
	34,32,201	34,32,201
Net Assets :—		1,14,45,600
Represented by :—		
Issued and Subscribed Capital :—		
10,000 5% Cumulative Redeemable Preference Shares of Rs. 100 each (fully paid-up in cash)	10,00,000	
30,000 6½% Cumulative Redeemable 2nd Preference Shares of Rs. 100 each (fully paid-up in cash)	30,00,000	
5,00,000 Ordinary Shares of Rs. 10 each (fully paid-up in cash)	50,00,000	
1,00,000 "A" Ordinary Shares of Rs. 10 each (fully paid-up in cash)	10,00,000	1,00,00,000
Reserve and Surplus	14,45,600	1,14,45,600

STAR PAPER MILLS LIMITED—Cont'd.

We further report that in respect of 5 years ended 30th September, 1958, the dividends paid by your Company out of Profits on its paid-up Capital are as follows:—

Year Ended 30th September, 1954:—			Rs.	Rs.
Preference Shares	5 %	Free of Income Tax	50,000	
Ordinary Shares	7½ %	"	2,25,000	2,75,000
Year Ended 30th September, 1955:—				
Preference Shares	5 %	"	50,000	
Ordinary Shares	12½ %	"	3,75,000	4,25,000
Year Ended 30th September, 1956:—				
Preference Shares	5 %	"	50,000	
Ordinary Shares	9 %	"	4,05,000*	4,55,000
Year Ended 30th September, 1957:—				
Preference Shares	5 %	"	50,000	
2nd Preference Shares	6½ %	"	17,148*	
Ordinary Shares	6 %	"	3,60,000*	4,27,148
Year Ended 30th September, 1958:—				
Preference Shares	5 %	"	50,000	
2nd Preference Shares	6½ %	"	1,42,863*	
Ordinary Shares	6 %	"	3,60,000*	5,52,863

* This Dividend has been declared on increased Capital.

1B, OLD POST OFFICE STREET,
CALCUTTA, the 8th day of June, 1959.

Yours faithfully,
LODHA & CO.,
Chartered Accountants.

MAIN OBJECTS

The main objects of the Company include the manufacture and sale of all kinds and classes of paper, board and pulp including writing paper, printing paper, wrapping paper, tissue paper, anti-lake paper, bank or bond paper, azulelaid, cream-laid, creamwove, drawing paper, kraft paper, manilla paper and other varieties of paper.

MINIMUM SUBSCRIPTION

The minimum subscription in respect of the present offer on which the Directors will proceed to allotment is Rs. 10,00,000.

BROKERAGE

Brokerage will be paid to the brokers and banks at the rate of Re. 1 on each Preference share

of Rs. 100 each on allotments made in respect of applications bearing their stamps. An additional brokerage at the rate of Re. 1 on each Preference share will be paid to the Managing Brokers.

INSPECTION

Originals and/or copies of the Memorandum and Articles of Association of the Company, Balance-sheet and Profit and Loss Account and the above-mentioned Auditors' Report, Consent Order of the Controller of Capital Issues, licences issued by the Government of India permitting expansion of manufacturing capacity, contracts and agreements can be inspected at any time during the usual office hours at the Registered Office of the Company for a period of 14 days from the date of this announcement or until the subscription list closes, whichever is earlier.

APPLICATION FOR SHARES

Applications for the said Preference shares should be made on the respective forms accompanying the Prospectus and delivered before the closing of the subscription list. The Application form together with the remittance for the full amount payable on application should be sent to the Registered Office of the Company at Calcutta or to the branches of the Company's Bankers.

Copies of the Prospectus and Application forms will be available from the Company's Bankers, Managing Brokers and the Brokers to the issue and also from the Company's Registered Office.

Dated at Calcutta, 21st day of August 1959.

MYSORE PAPER MILLS LIMITED, BANGALORE

VIGOROUS STEPS TAKEN TO BRING DOWN COSTS AND RAISE PRODUCTIVITY

MR. M. D. SHIVANANJAPPA, CHAIRMAN, STRIKES A NOTE OF CONFIDENCE ON OUTLOOK

THE Twenty-fourth Ordinary General Meeting of the Mysore Paper Mills Limited was held at Bangalore on Friday, 28th August 1959. Mr. M. D. Shivananjappa, I.A.S., Chairman and Managing Director, presided. In his speech to the shareholders on this occasion, Mr. Shivananjappa briefly recounted the main difficulties confronting the Company in securing certain raw materials, chemicals and spares and outlined the measures taken to overcome them and to bring down the cost of production through improvements to plant and machinery. He disclosed that the Company had sought the Government's permission to double its productive capacity from 8,000 to 16,000 tons and that its application was receiving the active and sympathetic consideration of the Government.

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

"GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to the twenty-fourth ordinary general meeting of the shareholders of the Company and to place before you the report of the Directors and the audited balance-sheet for the year ended 31st March 1959. These have been circulated already and, with your permission, I shall take them as read and would proceed to review the salient features of the year's operations.

"I assumed charge of the office of the Chairman and Managing Director in October last, in succession to Sri T. Shamanna, I.A.S., Director of Industries and Commerce. Your Directors have placed on record their high appreciation of the valuable services rendered by him to the Company during the period he held office as Chairman and Managing Director.

"I am happy to be able to report that, during the year under review, 8,000 tons of paper have been produced in your mills, registering an increase by 10 per cent. over the previous year's level and reaching the near rated capacity. The chief factor that contributed to the achievement of this result is the policy steadily pursued to increase the production of pulps in our mills from indigenous materials and that too mainly the bamboo-pulp which has touched 6,400 tons, surpassing all previous records. Still our paper-making potential exceeds our pulp-making capacity and advantage has been taken of the favourable market conditions obtaining in the wood-pulp exporting countries to import some quantities of wood-pulp to supplement our own pulp production to keep the two paper machines running continuously and concurrently to obtain increased production.

Supply Position of Materials

"Mention has been made in your Directors' report that considerable difficulties were experienced during the year under review for securing steady, sustained and timely supplies of certain raw materials, chemicals and spares, and I do not propose to give an exhaustive review of the difficulties faced and difficulties continuing, but I do wish to inform you a few of them which sometimes tend to develop critical situations that threaten operations in the factory.

"The supply position of bamboo was far from being satisfactory during many months in the year. Action has been taken to secure regular and even flow of this essential raw material and it would be of some relief to hear that arrangements to ensure regular and adequate supplies have been recently made, thanks to the co-operation of the Mysore State Forest Department and the Mysore Iron and Steel Works, the former having agreed to make available the requisite quantities and the latter to transport appreciable quantities to mill site.

"Another disturbing factor was the difficulty experienced in the matter of procurement of waste paper at economic prices and it was with very great difficulty that a minimum quantity of this material was procured and I may add that new sources of supply are being tapped. Likewise, the supplies of chemicals,

particularly of Glauber's salt and caustic soda, rosin, etc., have been irregular and inadequate during some months in the year. Previously, Glauber's salt used to be procured from Rajasthan and the sources there having been dried up and the indigenous production being inadequate, we have to depend on imports at higher costs. Again, in the case of caustic soda also, we have to depend on imports for part of our requirements. Thanks to the State Trading Corporation, New Delhi, we have been able to secure stocks without much delay. However, I should state that all these factors have added to our production costs to a considerable extent.

Improvements

"Referring to the question of higher working expenses this year, I deem it appropriate to say a word or two by way of elucidation regarding the work of renovation, replacement and improvements undertaken during the year under review. Many units of production like beaters, electrolyzers, bamboo pulp and first paper machine had been working continuously for the past two decades and many of the parts had been worn out, and required urgent attention. I attach very great importance to the maintenance side of plant and machinery and am of the view that they should be kept in a high state of efficiency, if we have to put the various equipments installed to effective and efficient use to procure maximum benefits of production and economy. With this end in view, necessary licence to import the spares and machine parts had been procured, orders placed with the foreign suppliers and equipments acquired and I am glad to inform you that major works relating to renovation, replacement and other essential repairs were undertaken, carried out and completed during the year under review and some portions of the work still remaining are being completed during the current year. With these improvements and replacements, it is expected to carry on the operations in the factory smoothly, as several of the bottlenecks have been eased or eliminated, which would secure better results by way of increased production and reduced costs.

Fair Price Question

"Despite the mounting manufacturing costs necessitated by the upward trend of prices of raw materials, chemicals and spares and on account of heavy repairs described just now and due to substantial additions to the wages' and salaries' bill as a result of the Industrial Peace Agreement concluded with our Labour Association in May 1958 and payment of a month's salary and wages to our staff and labour as a mark of recognition of the successful implementation of the expansion scheme, we have, keeping in view the interests of the consumers, continued to maintain our price structure unaltered as in the previous year. In this connection, I have to inform you that the Government of India in September 1958 have referred the question of paper prices to the Indian Tariff Commission for investigation and fixation of prices and the Tariff Commission have concluded their labours and is understood to have submitted their report to the Government of India. At this stage, I could only express the hope that the prices to be fixed would be fair and reasonable both to the producers and the consumers, allowing a fair return on capital. In spite of the difficulties referred to above, and the execution of the major works, it is a matter for gratification to your Directors—and I have no doubt it would be to you—to hear that the production during the first few months of the current year has been quite promising and I can hold out hopes to maintain the progress, provided the arrangements made for procuring the essential materials within the country work satisfactorily and licences would be forthcoming to import the necessary materials in requisite quantities from abroad without undue delay.

"I shall now turn to a brief review of the main features of the balance-sheet. As I have earlier stated, there has been increased produc-

tion this year and this has helped to reduce costs and to secure favourable results. But the financial results would have been better but for further upward trend of prices of raw materials and chemicals consumed and other items of expenditure to which I have already made a reference.

Heavy Demand

"The turnover this year, amounting to Rs. 125,35,169, has exceeded that of last year by Rs. 16,81,942. Demand for our products was heavy and was far in excess of our productive capacity. The tonnage that we are called upon to supply to the Central Government and State Government further reduces the tonnage available for the civilian market. Steps have been taken to arrange for distribution of our products on equitable basis and in conformity with the instructions of the Paper Directorate of the Government of India. Besides distribution through regular trade channels as per normal practices, we have, as in the previous years, made arrangements for direct supplies from the mills to essential users of paper like text book publishers, schools, and colleges and co-operative societies and particularly to those affiliated to educational institutions. In spite of all this, I have a feeling that these arrangements have not given total satisfaction to all parties concerned. In my opinion, the solution to the problem is to be found in expanding the activities of the manufacturing units and I shall come to this aspect later.

"Coming back to the consideration of the balance-sheet, we have provided for depreciation on fixed assets amounting to Rs. 8,94,326 calculated on the basis of rates allowed for normal depreciation and extra shift allowances as per I.T. Rules and have paid interest amounting to Rs. 1,62,084 on borrowings. A sum of Rs. 80,000 has been provided this year in addition to a sum of Rs. 3,30,000 provided to meet the liability towards payment of retirement gratuity to employees in terms of the Industrial Award. A further sum of Rs. 24,142 has been provided towards development rebate in accordance with the Finance Act of 1958. Though provision for income-tax as in the previous year is not considered necessary, a sum of Rs. 70,000 towards future tax liability has been provided, besides providing Rs. 30,000 towards wealth tax. After making all these provisions, the net profit for the year stands at Rs. 6,29,158.52 nP, as against Rs. 5,29,437.85 nP in the previous year.

I.F.C. Loan Repayments

"Before I proceed to the question of disposal of surplus, I wish to state that, as on today, the Industrial Finance Corporation of India loan stands reduced to Rs. 16 lakhs, payable in four instalments of Rs. 4 lakhs, each falling due in July 1967, 1968, 1969 and 1970. In terms of the Mortgage Deed dated 31st March 1953 executed in favour of the Industrial Finance Corporation of India, the loan of Rs. 50 lakhs was repayable in 16 instalments with the first instalment commencing on 1st July 1955. It had been reported to you at the last meeting that the fifth, sixth, seventh and eighth instalments falling due on 1st July 1959, 1960, 1961 and 1962 amounting to Rs. 12,00,000 had been repaid, reducing the loan to Rs. 30,00,000. Agreeably with the policy of repayment, we have since paid the ninth, tenth, eleventh and twelfth instalments falling due on 1st July 1963, 1964, 1965 and 1966 amounting to Rs. 14 lakhs, thus reducing the loan to Rs. 16 lakhs payable in four equal instalments of Rs. 4 lakhs each, and these payments ahead of due dates would go to reduce interest charges appreciably.

"In regard to disposal of surplus of Rs. 6,56,294.03 nP, inclusive of carryover, your Directors have decided to set apart Rs. 3,00,000 towards the Industrial Finance Corporation of India loan redemption fund and to recommend declaration of 10 per cent. dividend plus 2½ per cent. bonus absorbing Rs. 3,12,500 the balance being carried forward. After a careful consideration of all the aspects of the question whether the present rate of 10 per cent. dividend should be maintained or a slightly higher rate should be recommended, your Board of Directors, in deference to the wishes of the shareholders expressed at previous meetings, have decided to recommend declaration of 10 per cent. dividend plus 2½ per cent. bonus, in all 12½ per cent., and, in arriving at this decision,

(Continued on page 411)

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAST; BY-PRODUCTS.



FUJI IRON & STEEL CO., LTD.

Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano, Room 805, 62 Broadway, New York 4, N. Y., U.S.A.
President: Shigeo Nagano
Tel: Bowling Green 9-8675/6

RATE OF EXPANSION OF GENERAL INSURANCE SLOWS DOWN FURTHER REPORT OF THE CONTROLLER OF INSURANCE

THE Indian Insurance Yearbook, containing the annual report of the Controller of Insurance, Government of India, is by far the most authoritative document on general insurance in India. In addition to giving a consolidated picture of the income and outgo during the year and the financial position of the companies as at the close of the period, it also provides an insight into the quality of business transacted as revealed in the claims, expense and lapse ratios. Although the report refers to a period which is generally one year behind the financial year of insurance companies for which they publish their statement of accounts, the range and comprehensiveness of the data presented more than compensate their belated publication. Together with the Controller's comment on the working of insurers in the light of the statutory requirements, the report constitutes an official balance-sheet of general insurance in the country.

At the end of December 1957, according to the Indian Insurance Year Book 1958, published by the Controller of Insurance, there were 184 insurers registered under the Insurance Act 1938 for transacting one or more classes of general insurance business of which 91 were Indian and 93 non-Indian. Of these, 49 Indian and 38 non-Indian insurers were registered for all the three classes of general insurance business, 13 Indian and 20 non-Indian insurers were registered for two of the three classes and the rest, namely, 29 Indian and 35 non-Indian, were registered for only one class.

Indian insurers registered in Bombay State, numbering 52, accounted for 59 per cent. of the total premium income. Among foreign insurers, British companies, numbering 66, accounted for the bulk of the premium income of non-Indian insurers, their share being as high as 71 per cent. Net premium income in India of the seven non-tariff Indian insurers transacting miscellaneous insurance business was about 8 per cent. of the premium income in India of all Indian (tariff and non-tariff) insurers.

Commenting on the growth of general insurance, the Controller observes that the rate of increase of general insurance business in India was further reduced in 1957. Thus, the index number of general insurance business in India rose by 0.7 in 1957, as against 4.2 in 1956 and 23.1 in 1955. The gross premium written direct in India by both Indian and non-Indian insurers aggregated Rs. 27.79 crores, of which Indian insurers accounted for Rs. 17.93 crores, made up of Rs. 7.17 crores from fire business, Rs. 4.39 crores from marine business and Rs. 6.37 crores from miscellaneous business and non-Indian insurers for Rs. 9.86 crores, comprising Rs. 4.70 crores, Rs. 2.65 crores and Rs. 2.51 crores from fire, marine and miscellaneous insurances, respectively. Gross premium from business written direct outside India by Indian insurers aggregated Rs. 6.37 crores, comprising Rs. 2.06 crores from fire business, Rs. 1.97 crore from marine and Rs. 2.34 crores from miscellaneous insurance.

Gross Premium

The gross premium written direct in India by Indian insurers during 1957 was higher than that during 1956 in marine and miscellaneous insurance business, while it was lower in fire insurance business. The non-Indian insurers wrote a larger gross premium in India in fire and miscellaneous business during 1957, as compared with 1956, but their gross premium income from marine business was less in 1957 than in 1956. The gross premium written direct outside India by Indian insurers during 1957 was less than during 1956 in fire and marine insurance business but it was higher in the miscellaneous business.

The net premium income from business both in India and outside India of Indian insurers was higher in 1957 than in 1956 in all classes of insurers. The net premium income in India of non-Indian insurers was also higher in 1957 than in 1956 in fire and miscellaneous insurance business but was less for marine insurance business. The combined net premium income in India during the year of Indian insurers amounted to Rs. 10.93 crores made up of Rs. 3.76 crores from fire insurance, Rs. 2.09 crores from marine insurance, and Rs. 5.08 crores from miscellaneous insurance. Net premium income of non-Indian insurers aggregated Rs. 7.16 crores, of which Rs. 3.11 crores were from fire insurance, Rs. 1.91 crore from marine insurance and Rs. 2.14 crores from miscellaneous insurance. Net premium outside

India of Indian insurers, including reinsurance, amounted to Rs. 11.59 crores made up of Rs. 6.93 crores, Rs. 2.05 crores and Rs. 2.61 crores from fire, marine and miscellaneous insurance business, respectively.

The ratios of the net premium income to the gross premium written direct for fire, marine and miscellaneous insurance business in India ranged between 44 per cent. to 53 per cent., 43 per cent. to 51 per cent. and 75 per cent. to 81 per cent., respectively, for Indian insurers and between 59 per cent. to 66 per cent., 69 per cent. to 74 per cent. and 85 per cent. to 95 per cent. respectively, for non-Indian insurers during the seven years from 1951 to 1957. The corresponding ratios in respect of business written outside India by Indian insurers ranged between 263 per cent. and 336 per cent. for fire, 76 per cent. and 124 per cent. for marine and 100 per cent. and 115 per cent. for miscellaneous insurance business. It will be seen from the foregoing data that the percentage of net premium income to gross premium is lower in the case of Indian insurers than that of foreign insurers.

The share of Indian insurers in the total gross as well as net premium income in India, however, rose further during 1957 in all classes of general insurance business except for gross direct fire insurance business. In 1957, Indian insurers wrote 60 per cent., 62 per cent., and 72 per cent. of the total gross premium written direct in India in fire, marine and miscellaneous insurance business, respectively, while their share in the total net premium income in India was 55 per cent., 52 per cent., and 70 per cent. respectively. Of the total gross premium written direct by Indian insurers in the classes of fire, marine and miscellaneous insurance business, 78 per cent., 69 per cent. and 73 per cent. respectively was written in India and of their total net premium income, 35 per cent., 51 per cent. and 66 per cent. respectively was earned in India.

Income and Outgo

An analysis of the consolidated income and outgo of Indian insurers indicates that, of the total income of Rs. 23.13 crores, premium income from business written outside India amounted to Rs. 11.59 crores and premium income from business written inside India aggregated Rs. 10.93 crores. Interest, dividends and rents amounted to Rs. 0.33 crore and the balance of Rs. 0.28 crore came from miscellaneous sources. The total outgo of all Indian insurers amounted to Rs. 20.47 crores, comprising claims, commission expenses and miscellaneous outgo of Rs. 10.69 crores, Rs. 3.31 crores, Rs. 6.16 crores and Rs. 0.31 crore, respectively. Of the balance of Rs. 2.66 crores, Rs. 1.63 crore was absorbed by the increase in reserves for unexpired risks and additional reserves. The net profit transferred to the profit and loss account aggregated Rs. 1.03 crore. This, together with Rs. 0.09 crore brought in from the previous year and Rs. 0.75 crore and Rs. 0.17 crore received by way of interest and miscellaneous income, amounted in all to Rs. 2.04 crores. Expenses of management absorbed Rs. 0.13 crore, taxes paid and provided for Rs. 0.77 crore, transfers to particular funds or accounts Rs. 0.27 crore, dividends for the year 1957 paid or provided for Rs. 0.15 crore (dividend paid in the previous year Rs. 0.56 crore), additional dividend paid for the year 1955 Rs. 0.91 crore and miscellaneous expenditure Rs. 0.37 crore. The balance carried forward amounted to Rs. 0.34 crore.

Commenting on the underwriting experience in respect of gross direct business in India in all classes, the Controller of Insurance observes that the claims experience of non-Indian insurers during the year was better than that of Indian insurers. The following table illustrates the position:

Ratio to net premium income of	(Percentage)					
	Fire		Marine		Miscellaneous	
	Indian	Non-Indian	Indian	Non-Indian	Indian	Non-Indian
Net claims	38.8	16.9	62.2	46.6	51.1	44.0
Commission and expenses	46.7	64.8	28.7	40.9	42.9	46.7
Increase in reserves*	4.3	1.8	0.8	-1.6	7.1	2.7
Miscellaneous outgo	1.2	6.9	2.3	4.1	1.1	2.7
Balance	9.0	29.3	-0.5	10.0	-2.2	4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

* Increase in reserves is obtained by taking 40 per cent. in the case of fire or miscellaneous and 50 per cent. in the case of marine insurance business of the increase in net premium income during 1957 over that of the preceding year.

Non-Indian insurers had a better claims experience throughout the six years from 1952 to 1957, except during 1957 in respect of miscellaneous insurance business. On the other hand, the proportions of the gross premium income spent by way of commission throughout the period and by way of expenses and miscellaneous outgo from 1954 onwards were higher for non-Indian insurers than for Indian insurers.

Reviewing the experience of insurers in the matter of expenses of management, the Controller remarks that, during the year 1957, a larger number of groups (of parent and subsidiary companies taken together) of both Indian and non-Indian insurers contravened the provisions of Section 40C of the Insurance Act than during 1956. Nearly one-third of the groups of insurers who contravened the said provisions during 1956 were administered a warning in terms of Section 64M(2) of the Act in respect of the said contravention. The Controller also states that, of a total of 144 groups, both Indian and non-Indian who transacted business during 1957, 22 groups of insurers contravened Section 40C of the Act four or more times during the years from 1952 to 1957 and that 16 of these groups were warned one or more times in terms of Section 64M (2) of the Act.

The groups of insurers who spent less than the basic limits in terms of Rule 17B of the Insurance Rules, 1939, wrote a decreasing proportion of the total gross premium written direct in India. Considering the aggregate experience of all insurers for all classes of business together for the period 1954 to 1957, the Controller observes that, though the actual expenses were less than the basic limits, the margin between the two has been narrowed down.

As compared with 1956, a larger share of the gross premium written direct in India went to insurers spending more than the basic limits for fire and miscellaneous insurance business, while the position was the opposite in marine insurance business. In respect of the groups of insurers spending more than the basic limits, the percentage of such excess to their gross premium income steadily decreased from 4.9 per cent. in 1955 to 3.0 per cent. in 1957 for fire and miscellaneous insurance business, but increased from 4.3 per cent. in 1955 to 5.8 per cent. in 1957 for marine insurance business.

Assets

An analysis of the assets held by Indian insurers showed that, at the end of 1957, total assets aggregated Rs. 49.02 crores, as compared with Rs. 43.00 crores at the end of 1956 and Rs. 41.65 crores at the end of 1955. Of this, 15.9 per cent. were invested in securities of Government and public authorities, 4.2 per cent. in foreign Government securities, 22.6 per cent. in shares and debentures of Indian companies, 1.7 per cent. in land and house property, 28.0 per cent. in deposits, cash and stamps 2.7 per cent. in loans, 7.3 per cent. in miscellaneous assets and the balance of 17.6 per cent. in agents' balances, etc. The assets in India of the non-Indian insurers as on 31st December 1957 were of the order of Rs. 11.91 crores, of which 23.0 per cent. were in securities of Government and public authorities, 24.6 per cent. in shares and debentures of Indian companies, 3.3 per cent. in land and house property, 27.8 per cent. in deposits, cash and stamps, 2.0 per cent. in loans, 7.4 per cent. in miscellaneous assets and 11.9 per cent. in agents' balances. It may be noted here that, as compared with this, the non-life assets of British insurers in the U.K. at the end of 1956, were distributed as follows: 4.3 per cent. in mortgages, 16.7 per cent. in British Government securities, 7.6 per cent. in Commonwealth securities, 22.3 per cent. in foreign Government securities, 22.9 per cent. in debentures, preference shares, etc., 18.6 per cent. in ordinary stocks and shares, 5.2 per cent. in properties and 4.4 per cent. in other securities.

Growth of General Insurance

	(1951=100)					
	1958	1953	1954	1955	1956	1957
Index number of general insurance business written direct in India (pro-duction)	112.3	194.7	112.2	185.3	159.5	140.2
Gross premium written direct in India (Rs. in crores)	108.6	105.6	112.9	122.1	132.6	137.3
Net premium (Rs. in crores)	21.94	20.82	21.35	23.10	26.00	27.79
Net premium (Rs. in crores)	18.81	18.12	18.00	14.41	16.04	18.00

DEVELOPMENT OF FERTILISERS GREATER IMPORTANCE TO BE GIVEN IN THIRD PLAN

THE inadequate attention given to the replenishment of soil in India is one of the important causes of low productivity in agriculture. The average consumption of fertilisers per acre of cultivated land in this country is no more than 1.05 lb., as against 193 lbs. in Japan, 175 lbs. in the Netherlands, 125 lbs. in Norway, 121 lbs. in W. Germany, 107.38 lbs. in Denmark, 46 lbs. in the U.K. and 32 lbs. in Italy. India's backwardness in the application of chemical manures is due not only to its non-availability in sufficient quantities but also to the poor supply of irrigation. That there is good scope for boosting agricultural production by the application of chemical fertilisers is borne out by a recent official estimate that one ton of ammonium sulphate, at the rate of 80 to 100 lbs. per acre, is capable of raising an additional production of two tons of foodgrains, that is, an increase of 27 to 30 per cent., depending upon the type of foodgrain. There is, however, a growing recognition of the importance of fertilisers, as is evident from the widespread demand for fertiliser factories in every State and the readiness of the authorities to fall in line with it. All available indications suggest that the development of fertilisers is bound to receive the pride of place in the programmes for agricultural development in the third Plan. It was only a fortnight ago that Mr. Manubhai Shah, Minister for Industry, admitted, while inaugurating the annual meeting of the Andhra Chamber of Commerce, Madras, that fertiliser was "one of the highest priority items in the national economy today." He hoped that every State in India would have one major fertiliser factory established by the end of the third Plan. This emphasis on fertilisers is quite welcome, since consumption of fertilisers is rapidly going up in the country during recent years, resulting in widespread shortages. It will go up even faster when irrigation facilities now being made available are fully utilised. In view of the foreign exchange difficulties, it is unwise to rely on imports. The only alternative left is to increase indigenous production.

Third Plan Target

This point was effectively stressed by Mr. K. R. Damle, Secretary of the Union Food and Agriculture Ministry, in his speech to the fourth annual general meeting of the Fertiliser Association of India, at New Delhi on 29th August 1959. He referred to the tentative target of 100 million tons for foodgrains (both cereals and pulses) and revealed that, of the increase of 19.5 million tons envisaged over the basic figure of 80.5 million tons in 1960-61, about 6.2 million tons are expected to be raised by the use of fertilisers. The supply of organic manures is extremely insufficient even for maintaining the poor fertility of the soil. According to figures quoted by Mr. Damle, approximately 982 million tons of bulky organic manures will be needed by 1965-66 only to maintain the present low fertility level of the soils. As against this, the availabilities of such manures in that year is expected to be no more than 309 million tons. This leaves a gap of 673 million tons (in terms of bulky manure) to maintain the present fertility of the Indian soil. There is thus enormous scope for the production of both organic and chemical manures.

At the aforesaid meeting, Mr. Damle estimated the demand for nitrogenous fertilisers to go up to 1,250,000 tons of nitrogen by the final year of the third Five-year Plan. Besides, India would need 500,000 tons of phosphatic fertilisers and 200,000 tons of K₂O (potassic fertilisers). He pointed out that steps had already been taken to license capacity to the tune of 470,000 tons of nitrogen and that the establishment of some of these units had already reached a fairly advanced stage. This was a part of the Government's plan for the establishment of an additional capacity of 750,000 tons of nitrogen by the middle of the third Plan. For the second half of the third Plan period, the Government proposed to license and set up a further capacity of 500,000 tons, thus seeking to fulfil the target of 1,250,000 tons, which compares with the current output of about 79,000 tons of nitrogen.

The prospects for the development of phosphatic fertilisers, Mr. Damle averred, was not so bright as in the case of nitrogenous fertilisers, because it was dependent on the availability of the imported raw material, namely, rock

An idea of the development of the industry envisaged at present can be had from the following table, which gives the proposed scheme for expansion of the existing factories and also for the establishment of new units.

Name	Nitrogen production per annum (tons)	Type of product	Expected time of starting production
Expansion programme			
1. Sindri	47,000	Urea and ammonium sulphate-nitrate	1959
2. F.A.C.T., Alwaye	9,000	Ammonium sulphate and ammonium phosphate	1960
3. Iron and Steel Works, New factories	6,000	Ammonium sulphate	..
1. Mangal	70,000	Calcium ammonium nitrate	1961
2. Kourkela	80,000	Do. do.	1962
3. Neyveli	70,000	Urea	1962
4. Sahu Chemicals	12,000	Ammonium chloride	1959
Total	294,000		

Side by side with the increase in the production of nitrogenous fertilisers, imports also have been going up in response to higher domestic demand. The value of imports (excluding those on Government account) of all the nitrogenous fertilisers and allied materials, including ammonium sulphate, nitrate of lime and urea rose to Rs. 7.61 crores in 1958, from no more than Rs. 3.5 crores in 1957 and Rs. 2.8 crores in 1956. Many are, perhaps, not aware that India also exports some fertilisers. There was, however, a fall in these in 1958. Exports of nitrogenous fertilisers, including guano, horn-meal and other natural fertilisers, suffered a sharp setback from Rs. 2.16 crores in 1956 to Rs. 32 lakhs in 1957 and Rs. 17 lakhs in 1958. This decline is apparently due to the increase in domestic consumption.

Among phosphatic fertilisers, the production of superphosphate has gone up, from 46,650 tons (7,464 tons nutrient P₂O₅) in 1952 to 167,404 tons (26,784 tons nutrient) in 1958. The existing installed capacity for these fertilisers is estimated at 334,300 tons. This indicates that as much as 50 per cent. of the capacity remains unutilised. Imports of phosphatics were of the order of Rs. 3.14 crores in 1958, as compared with Rs. 3.02 crores and Rs. 2.11 crores in 1957 and 1956, respectively. India depends on imports for practically all its requirements of potassic fertilisers. The imports of muriate and sulphate of potash amounted to Rs. 82 lakhs last year, as against Rs. 88.15 lakhs in 1957 and Rs. 58.62 lakhs in 1956. It is, however, a pity that concerted efforts are yet to be made to produce indigenously the phosphatic fertilisers. The development and popularisation of non-nitrogenous fertilisers are yet to make headway in this country. Experts are of the view that a balanced development of all the three kinds of chemical manures (nitrogenous, phosphatic and potassic) is essential for enriching the fertility of Indian soil. Alluding to this aspect of the fertiliser problem, Mr. Smith, Chairman of the Association, observed that the targets for phosphate and potash were on the low side and that steps should be taken to ensure a closer approximation to the world ratio of 1 : 1 : 1 in India's plan for the establishment of fertiliser factories.

INDIAN BICYCLES FOR BURMA

Under the recent bilateral trade agreement between Burma and India, it is expected that, by December 1959, Indian bicycles to the value of Rs. 8 lakhs will be exported to Burma. Mr. S. Sen, Director of Sen-Raleigh Industries of India Ltd., who has just returned from a tour of Burma, told Pressmen in Calcutta that, in view of Burma's continuing sterling shortage, there were bright prospects of increasing the quantum of Indian bicycle exports from year to year under the Indo-Burma Trade Agreement which will operate up to the end of 1963. He estimated that Burma's yearly requirement of bicycles was 50,000.

Exports of Indian bicycles up to date to Burma and elsewhere have been negligible. For instance, barely half a dozen Indian bicycles have been exported to Burma during the last two and a half years. The bicycle market in Burma is highly selective and has traditionally favoured certain well-known U.K. models. It is stated that about 80 per cent. of the total value of Indian bicycle exports to Burma up to December 1959 will be accounted for by two U.K. models, which have always been popular in Burma, and which are now being made in India under licence from the U.K. manufacturer. In Mr. Sen's opinion, the established popularity of these bicycle models in Burma will be of long-term advantage to India.

These models—Raleigh and Humber—fetch the highest price in the Burmese bicycle market and are the only Indian bicycles which are being quoted to Burma at a price equal to that of similar machines imported from the U.K. This implies that India will earn more foreign exchange with each such bicycle exported. Mr. Sen added that, of the approximate export value of Rs. 150 per bicycle manufactured by his firm, less than Rs. 1.50 represented the value of imported components; new material imports accounted for a further Rs. 40. Thus, India's net foreign exchange earnings from each such bicycle exported would be above Rs. 100.

Name of the firm	Installed capacity in tons	
	Material	Nutrient (N)
1. The Baran Coal Co. Ltd., Loyalabad	1,155	236.8
2. The Burmah Coal Co. Ltd., Bauxford	1,250	236.8
3. The Indian Iron and Steel Company, Ltd., Burnpur	9,240	1,894.2
4. The Indian Iron and Steel Co. Ltd., Kulti	1,650	338.2
5. Sindri Fertilisers and Chemical Private Ltd.	350,000	71,750.0
6. Tata Iron and Steel Co. Ltd., Jamshedpur	16,500	3,352.5
7. Fertilisers and Chemicals Travancore Ltd., Alwaye	44,500	9,122.5
8. The Mysore Chemicals and Fertilisers Ltd., Belagola	6,500	1,332.5
Total	480,795	88,812.9

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

For over 25 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tea Industries, Sugar and Cane Mills and other industries in the country.

Phone: 22-5952
22-3101
Cable: "BEHARCO"

THE BEHAR FIREBRICKS & POTTERIES LTD.
22, STRAND ROAD, CALCUTTA

PROFIT OF HINDUSTAN MOTORS UP BY MORE THAN 50 PER CENT.

BEDFORD TRUCKS TO BE MANUFACTURED

THE sustained rise in the market value of the ordinary shares of the Hindustan Motors Ltd. (Managing Agents: Messrs. Birla Brothers Private Ltd., Calcutta) from Rs. 10.52 to a peak of Rs. 12.60—they are now placed at Rs. 11.84—following the declaration of a maiden dividend of 50 nP per share of Rs. 10 for the year ended 31st March 1959, would appear to be justified by the excellent results of the Company for the year under review and the Directors' indications of the Company's future programme. Though the turnover was sizably lower, due to lower output of cars and trucks consequent on the inadequate and irregular supply of imported components, the large savings in the cost of raw materials, stores and spares consumed has resulted in a sharp rise in profit. The gross profit has jumped up from Rs. 83.54 lakhs to Rs. 126.87 lakhs, an increase of Rs. 43.33 lakhs or nearly 52 per cent. This is on top of a rise of Rs. 36.92 lakhs (that is, from Rs. 46.62 lakhs to Rs. 83.54 lakhs) recorded in the previous year.

The net profit, which had been marked down from Rs. 16.62 lakhs to Rs. 12.97 lakhs in 1957-58, has advanced to Rs. 50.85 lakhs in the year under review. This is after the provisions for taxation and depreciation. After setting aside a sum of Rs. 2.13 lakhs for managing agents' remuneration—this is the first time, after a lapse of many years, that the managing agents have drawn any remuneration—the Directors have raised the provision for depreciation from Rs. 63.60 lakhs to Rs. 69.63 lakhs. They, however, point out that, while all normal depreciation has been provided, initial depreciation and development rebate are still in arrears to the extent of about Rs. 97 lakhs. In view of these arrears, there is no liability for taxation, excepting wealth tax for which a sum of Rs. 4.25 lakhs has been provided out of the profit for the year under review. A sum of Rs. 8.10 lakhs has been transferred to the development rebate reserve and of Rs. 7.87 lakhs to write off discarded machinery and equipment. The 6 per cent. tax-free preference dividend absorbs Rs. 14.28 lakhs and the ordinary dividend at 5 per cent. Rs. 24.81 lakhs, leaving to be carried forward Rs. 5.19 lakhs, as against Rs. 9.39 lakhs, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	8,69.08	10,45.68	10,02.82	7,72.89
Other income	20.62	6.98	7.25	10.27
Closing stocks	92.90	78.32	1,08.16	1,04.24
Raw materials, stores and spares consumed	6,08.69	7,02.15	8,60.08	6,50.91
Other expenses	1,70.72	1,75.11	1,67.09	1,18.58
Gross profit	1,26.87	83.54	46.62	47.32
Managing Agents' remuneration	2.13	..	..	..
Provision for—				
Depreciation	69.63	63.60	30.00	37.36
Taxation	4.25	6.97	..	..
Net profit	50.85	12.97	16.62	9.96
To reserves	8.10	1.41	..	9.00
Discarded machinery written off	7.87	..	6.99	..
Preference share issue expenses	..	..	..	..
Adjustment of income-tax for 1950-51 and 1951-52	..	..	1.40	..
Dividend—				
Preference	14.28	10.10	8.75	..
Ordinary	24.81	..	7.93	6.16
Carry forward	5.19	9.39	7.93	6.16

As is evident from the table above, the sales have dwindled by Rs. 1.76 crore. This is partially made good by the rise of Rs. 13.54 lakhs in other income, a decline of Rs. 93.56 lakhs in cost of raw materials, stores and spares consumed and of Rs. 4.39 lakhs in other expenses.

The fall in the Company's output—the exact number of vehicles produced is not given in the report—is due to scarcity of imported components. During the last few months, however, the Government has liberalised, to some extent, the imports, but it is, in the opinion of the Directors, far short of the requirements of the Company on the basis of its productive capacity and market demand. They hope that the production of cars and trucks during the current year will be maintained at a higher level than in 1958-59 and "should meet, to some extent, the demand for Hindustan Ambassador cars and Bedford trucks." The Company has made representations to the Government for larger imports of materials to enable the Company to maintain an even flow of production according to its capacity. The Directors point out, in this connection, that that the Ambassador model needs the lowest amount of foreign exchange per unit, the imported components representing 21 per cent. in the sale price of this model.

Another development of interest which will have a bearing on the outlook for the Company is the proposed progressive manufacture in India of Bedford trucks. It will be recalled that, in pursuance of an agreement with the General Motors Corporation of the U.S., the Company started assembly of Chevrolet and Bedford trucks. It is now stated that the Bedford truck has been selected by the G.M.C. for progressive manufacture in this country and necessary arrangements are being made for this purpose. Some of the machinery and equipment ordered for the same are said to have already been received. Already a high percentage of local manufacture has been achieved. The Directors hope that, by the end of the current financial year, the chassis frame of the truck would be manufactured in India. The gear box and the axle are also expected to be taken up for progressive manufacture by then. The Company is awaiting sanction for the manufacture of engine for the Bedford truck.

The manufacture of low-priced small cars is now the subject of an enquiry by a committee appointed for the purpose. In this connection, the Company has represented to the Government that, if a reasonable volume of Baby Hindustan cars can be sold in addition to its other lines of approved models, it will be feasible to sell a Baby Hindustan, when in full production, at a price below Rs. 7,000 to the dealers in India.

The Directors hope to raise the indigenous content of Hindustan cars to about 90 per cent. in the next two years, saving thereby a good deal of foreign exchange, as also to increase production according to demand. The Company's heavy engineering shop for steel fabrication has started working. It has also been allowed by the Government to take up the manufacture of shovels, towed scrapers, dumpers and cranes. Necessary arrangements will be executed with foreign collaborators in due course.

During the year under review, the Company made a capital expenditure of Rs. 70.45 lakhs, bringing the total as at the end of the year to Rs. 580.44 lakhs. The depreciation provided on this amounts to Rs. 286.53 lakhs, so that the net value of the assets stands at Rs. 293.91 lakhs. The other assets aggregate Rs. 657.42 lakhs, of which stock-in-trade accounts for Rs. 332.70 lakhs and cash balance for Rs. 186.38 lakhs. As against these, the current liabilities and provisions come to Rs. 145.54 lakhs, leaving net assets of Rs. 805.79 lakhs, represented by a paid-up capital of Rs. 781.09 lakhs and reserves and surplus of Rs. 24.70 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 11.84 cum-div. in Bombay. On an ex-div. basis, the yield on the shares works out to 4.4 per cent. per annum, free of income-tax.

FOREIGN COMPANIES

The Finance Minister, Mr. Morarji Desai, told Mr. M. Basavapunniah in the Rajya Sabha that, according to the March 1959 issue of the *Monthly Blue Book on Joint Stock Companies in India*, the number of foreign companies (i.e., incorporated elsewhere other than in India, but having places of business in this country) at work was 572 as on 31st March 1959. This number included branches of foreign banks, non-profit organisations, purely agency offices in India of foreign firms and some very small units which did not figure in the Reserve Bank's data relating to non-banking foreign investments. The approximate number of foreign controlled Indian joint-stock companies was 563 as at the end of 1958.

Mr. Desai said further that the non-banking foreign business investments in branches of foreign companies was Rs. 281.68 crores as at the end of 1957.

KHANDELWAL FERRO ALLOYS LTD.

Share Certificates of the recent offer of Messrs. Khandelwal Ferro Alloys Limited of 34,937 equity shares and 50,000 7½ per cent. tax-free, redeemable cumulative preference shares covering an aggregate value of Rs. 84,93,700 have been issued to the allottees. It may be recalled that subscription lists for the issue opened on 30th May 1959 and closed on 3rd June 1959, with both the Ordinary and Preference capital being oversubscribed. The allotment was made on 25th June in consultation with the Bombay Stock Exchange authorities. Letters of regret, together with refund cheques, were posted on 7th July, while intimations of allotment were sent out on 10th July 1959.

The speed and efficiency with which the Company handled the issue have been commended by the investing public.

Mr. Madanmohan Ruia has joined the Board of Directors of the Company, making the total number of Directors ten.

HOWRAH JUTE RETURNS TO DIVIDEND LIST

IMPROVEMENT IN WORKING MAINTAINED

AFTER a lapse of two years, the ordinary shares of the Howrah Mills Company, Ltd. (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta), have returned to the dividend list, following the Directors' recommendation to make a distribution of 10 per cent. per annum for the year ended 31st March 1959. This is twice the amount distributed on the last occasion, namely, 5 per cent. paid for 1955-56. Although the higher distribution does not fully make good the absence of any return to shareholders in the previous two years, it could be considered satisfactory, having regard to the substantial depreciation charge and the necessity to restore the Company's liquid position which had been weakened by the financing of the modernisation programme which unfortunately coincided with a period of difficult trading, resulting in a heavy loss of nearly Rs. 25 lakhs during the year 1956-57.

The declaration of a dividend of 10 per cent. for the year under review has been rendered possible by the sustained improvement in the working of the Company, thanks to the availability of raw jute in larger quantities and of the right qualities at prices which made the manufacture of goods more profitable. The better results also "reflect a sustained effort to improve manufacturing efficiency and to reduce working costs." Thus, the gross profit has gone up from Rs. 23.61 lakhs in 1957-58 to Rs. 31.48 lakhs in the year under review. The provision for depreciation has been slightly reduced from Rs. 14.10 lakhs to Rs. 12.34 lakhs. There is no liability for income-tax and super-tax, in view of the past losses and depreciation allowances. A sum of Rs. 69,500 has been provided for wealth tax, as against Rs. 60,385.

The net profit, after making these provisions and providing for Managing Agents' commission, amounts to Rs. 16.73 lakhs, which is nearly double that (Rs. 8.41 lakhs) earned in the previous year. Last year, the net profit was supplemented by a sum of Rs. 34.50 lakhs withdrawn from the machinery renewal reserve, whereas this year the Directors have drawn Rs. 4.20 lakhs from the general reserve. They have, however, transferred back Rs. 12.20 lakhs to the general reserve, as against Rs. 14.24 lakhs a year ago, and added a small sum of Rs. 8,008 to the development rebate reserve.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)

	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds (gross)	3,78.75	4,02.12	3,65.22	3,71.47
Other income	0.35	4.36	4.37	2.09
Closing stocks	90.02	91.98	1,05.30	82.84
Manufacturing and other expenses	3,45.63	3,82.86	3,89.42	3,72.72
Gross profit (+) or loss (-)	+21.48	+23.61	+13.83	+1.04
Managing Agents' commission	1.71	0.50	0.50	0.36
Provision for—				
Depreciation	12.34	14.10	10.33	7.25
Taxation	0.69	0.40	..	..
Net profit (+) or loss (-)	+16.73	+8.61	+24.66	+6.37
Transfer from reserves and provisions	4.20	34.50	..	12.44
To reserves	12.28	14.24	..	1.09
Dividend—				
7 per cent. preference	1.84	3.67	..	1.84
Ordinary	6.56	..	..	3.24
Carry forward	0.38	0.33	24.66	0.57

The decline of Rs. 25 lakhs in sales has been more than made good by the reduction of Rs. 37 lakhs in manufacturing and other expenses.

The Company worked, throughout the year under review, additional loomage through the purchase, in terms of the Working Time Agreement, of 12,960 loom-hours per week from the Reliance Jute Mills Company, Ltd. This agreement, which was for an initial period of one year to 8th September 1958, has been renewed for further periods of six months to 8th March 1959 and 8th September 1959, respectively.

The Company experienced some trouble in the operation of some of the mill machinery during the year. While modifications have been carried out on these machines with beneficial results, the Directors believe that "there is further scope for an increase in productivity, which compares unfavourably with that of other mill units under the same management."

As a result of modernisation of mill machinery and the concentration of the Company's production in Nos. 1 and 2 mills, the No. 3 mill is said to be lying idle since its closure in February 1957. The Directors have for some time past been thinking of putting it to useful

purpose, either by installing some new manufacturing process or its disposal by sale or lease. The first two solutions present some difficulties. Negotiations are, however, in progress for a twenty-year lease of the mill to Remington Rand of India, with break clauses after ten years and fifteen years on reasonable terms. If these negotiations are successfully concluded, the lease will take effect from 1st September 1959.

The Company's paid-up capital of Rs. 91.87 lakhs is supplemented by reserves and surplus aggregating Rs. 36.66 lakhs. In addition to a debenture loan of Rs. 30 lakhs, the Company's borrowings stand at Rs. 89.29 lakhs, having been reduced from Rs. 113.56 lakhs. The other current liabilities and provisions amount to Rs. 37.45 lakhs. The gross block of the value of Rs. 235.37 lakhs has been written down to Rs. 98.89 lakhs. The current assets and investments aggregate Rs. 156.39 lakhs.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 23.62 ex-div., at which rate and on the basis of the latest dividend, they provide a yield of 4.2 per cent. per annum, without deduction of tax.

STAR PAPER'S NEW ISSUE

The Star Paper Mills Ltd. (Managing Agents: Messrs. Bajoria & Co., Calcutta) proposes to raise fresh capital to the tune of Rs. 70 lakhs to finance a part of the Company's development and expansion programme. A detailed announcement about this issue appears on pages 388 to 390 of this issue. This will be in the form of 40,000 7 per cent. cumulative tax-free third preference shares of Rs. 100 each and 30,000 7 per cent. cumulative tax-free convertible third preference shares of Rs. 100 each. The one is redeemable within a period of 15 years from the date of allotment, while the other is convertible into ordinary shares at par on the expiry of 7 years at the option of the shareholders and redeemable at par, in case of non-conversion, within 15 years. Out of the above issue, the entire 40,000 third preference shares and 5,000 convertible third preference shares have been either taken or agreed to be taken by the existing shareholders, the Directors, Managing Agents and their friends. The balance of only 25,000 convertible preference shares are now available to the public.

The Company's present annual production is 6,500 tons mainly of writing and printing papers. This is proposed to be raised to about 21,000 tons per annum by taking up the manufacture of M.G. kraft paper of genuine quality not hitherto manufactured in India, and other varieties of enough papers. The Company has assured itself of enough supplies of pine wood, which is an excellent raw material for the aforesaid variety of papers. The total cost of the project is Rs. 3.30 crores, which will be financed thus: deferred payment facility from machine suppliers Rs. 1.05 crore, loan from I.F.C. Rs. 1 crore, Company's own resources Rs. 55 lakhs and the proposed new issue of share capital Rs. 70 lakhs.

The management feels that the expansion programme will prove to be very profitable. At present, it is earning an average profit of Rs. 200 per ton on a production of 8,500 tons. After full implementation of the scheme—the full anticipated output from the new plant is expected to be achieved at the end of 1960—the Company is expected to earn a profit of Rs. 467 per ton, which the management feels will be enough to pay the preference dividends and to declare a dividend of 10 per cent. on ordinary shares, as also to meet the Company's loan liabilities.

The Company's working during the year ended September 1958 was good, the gross profit having gone up from Rs. 81.72 lakhs to Rs. 97.76 lakhs. During the current year also, its performance is encouraging; the gross profit for the first six months amounts to Rs. 49.25 lakhs. The financial position of the Company is satisfactory. In view of the shortage of paper in the country, the Company's venture holds promise of success.

STERLING GENERAL INSURANCE COMPANY, LTD.

A steep rise in the gross premium income is disclosed in the audited accounts of The Sterling General Insurance Company, Ltd. (General Manager: Mr. M. N. Seth), for the year ended 31st December 1958. Gross premium during the year increased by Rs. 16.52 lakhs to Rs. 1.21 crore, as against Rs. 1.04 crore in 1957, representing a rise of 16 per cent. The net premium income, however, increased by only Rs. 1.45 lakh to Rs. 56.51 lakhs, as compared with Rs. 55.01 lakhs in 1957, thanks to the larger volume of reinsurance effected during the year. Claims and expenses showed a rising trend. Nevertheless, the year's working resulted in a net profit of Rs. 1.40 lakh, as against Rs. 1.20 lakh in the previous year. The dividend has been maintained at last year's level of five per cent. per share of Rs. 55 paid-up, free of tax. The following table indicates the salient features of the working of the Company during the three years ended 31st December 1958:

(Rs. in lakhs)

	1958	1957	1956
Fire—			
Premium	14.16	12.71	11.00
Claims	3.33	3.35	3.35
Expenses of management	4.46	4.14	3.31
Fire fund	6.37	5.27	4.90
Marine—			
Premium	5.57	4.60	4.32
Claims	3.67	2.80	2.92
Expenses of management	2.01	1.38	1.13
Marine fund	3.38	3.44	2.95
Accident and miscellaneous—			
Premium	36.78	37.69	32.23
Claims	25.50	23.70	16.09
Expenses of management	12.85	11.12	6.31
Miscellaneous fund	16.18	15.58	15.31

THE STERLING GENERAL INSURANCE CO., LTD.

NEW DELHI

GROSS PREMIUM EXCEEDS RUPEES ONE CRORE TWENTY LAKHS

THE fifteenth Annual General Meeting of the Sterling General Insurance Company Limited was held on 31st August 1959 when the Accounts of the Company for the year ended 31st December 1958 were passed. The following is an extract from the Directors' Report.

The gross premium booked during the year amounted to Rs. 1,20,88,518 (Rs. 1,04,36,280 in 1957), showing an increase of about 15.8 per cent. and the net premium amounted to Rs. 56,50,889 (Rs. 55,01,062 in 1957).

Reserves Exceed Rs. 25 Lakhs

The reserve for unexpired risks at the end of the year amounted to Rs. 25,94,355, as against Rs. 25,04,427 at the end of the previous year.

Increase in Profit and Dividend

After providing for various reserves, writing off bad debts and increasing the reserves against doubtful debts, the working of the year resulted in a net profit of Rs. 1,39,838. Adding to this Rs. 4,096 brought forward from the previous year, the total profit came to Rs. 1,43,934 which has been appropriated as follows: Rs. 72,000 as provision for income-tax and Rs. 68,324 as provision for dividend to shareholders. The balance of Rs. 3,610 has been carried forward to next year.

All-round Progress

The working of the Company during the year under report resulted in all-round progress in business development and financial strength of the Company. The gross premium increased by over Rs. 16 lakhs over the figures of the previous year. The net premium increased, however, only by Rs. 1,49,827 because of larger reinsurance effected. Paid up capital increased by over a lakh and the Company has been able to declare a dividend to shareholders at 5 per cent. free of income-tax on the increased capital.

Assets Exceed Rs. 89 Lakhs

The total assets of the Company amounted to Rs. 89,01,253 at the end of the year (Rs. 83,39,640 as at 31st December 1957).

The combined net premium in all the three departments amounted to Rs. 56.51 lakhs, as against Rs. 55.01 lakhs in 1957, comprising Rs. 14.16 lakhs in the fire department, Rs. 5.57 lakhs in the marine department and Rs. 36.78 lakhs in the accident and miscellaneous department.

Claims, as noted above, showed a rising tendency in all the departments. Claims paid and outstanding in all the departments taken together amounted to Rs. 35.45 lakhs, as compared with Rs. 30.33 lakhs in 1957, made up of Rs. 6.26 lakhs in the fire department, Rs. 3.67 lakhs in the marine department and Rs. 25.50 lakhs in the accident and miscellaneous department. The higher claims ratio in the fire department is attributed, partly, to the reduction in premium rates effected at the instance of the Government. Despite increases in premium rates in several countries in which the Company operates, claims ratio in the motor department was higher. The marine and aviation sections too could not show a better record in respect of claims ratio. Effective steps are, however, being taken to bring the claims ratio under control.

Net commission amounted to Rs. 78,333, as against Rs. 3.25 lakhs in 1957. Expenses of management were of the order of Rs. 19.38 lakhs, as compared with Rs. 17.09 lakhs in 1957. The fire, marine and miscellaneous funds at the end of the year stood at Rs. 5.66 lakhs, Rs. 2.23 lakhs and Rs. 14.71 lakhs respectively, each being 40 per cent. of the respective premium income. Besides this, provision has also been made for additional reserves to the tune of Rs. 71,000 in the fire department, Rs. 1.16 lakh in the marine department and Rs. 1.47 lakh in the miscellaneous department.

Income from all sources amounted to Rs. 58.39 lakhs, made up of a net premium of Rs. 56.51 lakhs and interest, dividend, rent and miscellaneous receipts of the order of Rs. 1.88 lakh. Total outgo aggregated Rs. 55.62 lakhs, leaving a balance as profit of Rs. 2.77 lakhs which, after writing off and making provision for bad and doubtful debts and strengthening the reserves for unexpired risks, yielded a net profit of Rs. 1.40 lakh, as against Rs. 1.21 lakh in 1957. This, together with Rs. 4,096 brought in makes in all Rs. 1.43 lakh. Provision for taxation absorbs Rs. 72,000 and dividend Rs. 68,324, leaving a balance of Rs. 3,610 to be carried forward.

As a result of the year's working, the total assets of the Company increased from Rs. 83.39 lakhs at the end of 1957 to Rs. 89.01 lakhs at the end of 1958.

COMPANY MEETINGS AND DIVIDENDS

INVESTMENT AND FINANCE CO., LTD. Annual General Meeting, Calcutta, 8th September 1959. Dividend: 5 per cent. or Rs. 5.00 per share. Transfer books remain closed from 25th August to 8th September 1959, both days inclusive.

GENERAL INVESTMENT AND TRUST CO., LTD. Annual General Meeting, Calcutta, 8th September 1959. Dividend: 3½ per cent. Transfer books remain closed from 25th August to 8th September 1959, both days inclusive.

CHEMBRA PEAK ESTATES LTD. Annual General Meeting, Calcutta, Kerala State, 9th September 1959. Dividend: 15 per cent. or Re. 0.30 per share. Transfer books remain closed from 25th August to 9th September 1959, both days inclusive.

BAGHMARI TEA CO., LTD. Annual General Meeting, Calcutta, 10th September 1959. Dividend: Re. 1.50 per share. Transfer books remain closed from 1st to 10th September 1959, both days inclusive.

KALASA TEA AND PRODUCE CO., LTD. Annual General Meeting, Bangalore, South Kanara, 12th September 1959. Dividend: 15 per cent. or Re. 0.30 per share. Transfer books remain closed from 1st to 12th September 1959, both days inclusive.

SEN AND PANDIT INDUSTRIES LTD. First Annual General Meeting, Calcutta, 14th September 1959. Dividend: Nil. Transfer books will remain closed from 8th to 14th September 1959, both days inclusive.

CHOONARHUTTI TEA CO., LTD. Annual General Meeting, Calcutta, 16th September 1959. Dividend: Rs. 22.50 per share. Transfer books will remain closed from 10th to 16th September 1959, both days inclusive.

NEW DOOARS TEA CO., LTD. Annual General Meeting, Calcutta, 16th September 1959. Dividend: Rs. 25.00 per share. Transfer books will remain closed from 9th to 16th September 1959, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 17th September 1959. Dividend: 15 per cent. or Re. 1.50 per share. Transfer books remain closed from 2nd to 17th September 1959, both days inclusive.

AMLUCKIE TEA CO., LTD. Annual General Meeting, Calcutta, 17th September 1959. Dividend: 15 per cent. or Re. 1.50 per share, free of tax, for the year. Transfer books will remain closed from 7th to 17th September 1959, both days inclusive.

DIBRUGARH CO., LTD. Annual General Meeting, Calcutta, 17th September 1959. Dividend: Rs. 3.00 per share (includes an interim dividend of Re. 1.00 per share). Transfer books will remain closed from 7th to 17th September 1959, both days inclusive.

GHELLE TEA CO., LTD. Annual General Meeting, Calcutta, 17th September 1959. Dividend: Nil. Transfer books remain closed from 4th to 17th September 1959, both days inclusive.

SWINTON ESTATES CO., LTD. Annual General Meeting, Madras, 17th September 1959. Dividend: 7½ per cent. or Re. 0.15 per share. Transfer books will remain closed from 11th to 17th September 1959, both days inclusive.

BARABE COKE CO., LTD. Annual General Meeting, Calcutta, 18th September 1959. Dividend: Nil. Transfer books will remain closed from 11th to 18th September 1959, both days inclusive.

MOTHOLA CO., LTD. Annual General Meeting, Calcutta, 18th September 1959. Dividend: Rs. 40.00 per share. Transfer books will remain closed from 8th to 18th September 1959, both days inclusive.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 21st September 1959. Dividend: Nil. Transfer books will remain closed from 6th to 15th September 1959, both days inclusive.

PHOENIX MILLS LTD. Annual General Meeting, Bombay, 22nd September 1959. Dividend: Rs. 10.00 per share, free of income-tax, payable on and from 28th September 1959.

INDIAN COPPER CORPORATION LTD. Annual General Meeting, Calcutta, 23rd September 1959. Dividend: 18 per cent. free of income-tax.

NOT BE A MEMBER.

(b) The Transfer Books of the Company will remain closed from 7th September 1959 to 23rd September 1959, both days inclusive.

(c) The Relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business under item 5 is annexed hereto.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to the special business under item 5 mentioned in the accompanying Notice dated 28th August, 1959.

Under Article 134 of the Articles of Association, Mr. I. H. Cameron was appointed a Director in the vacancy caused by the resignation of Mr. J. A. Andrew. In accordance with the said Article, Mr. I. H. Cameron retains his office only upto the date of the Annual General Meeting of the Company but is eligible for re-election. He is a businessman of wide experience and it is in the interest of the Company that he be re-appointed as a Director.

By Order of the Board,
D. V. SHIVESHWARKAR,
Secretary.

THE KARANPURA DEVELOPMENT COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KARANPURA DEVELOPMENT COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday, the 30th September, 1959 at 11 a.m., for the following purposes:—

- To consider and approve the Audited Accounts of the Company for the year ended 31st December, 1958 and to receive the Directors' and Auditors' Reports thereon.
- To appoint a Director in place of a retiring Director.
- To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 15th September to 30th September, 1959, both days inclusive.

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

CALCUTTA, 24th August, 1959.

Note:—A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE BORREA COAL COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday, the 30th September, 1959, at 10.50 a.m., for the following purposes:—

- To consider and approve the audited Accounts of the Company for the year ended 31st December, 1958, and to receive the Directors' and the Auditors' Reports thereon.
- To declare the Dividends recommended by the Directors.
- To appoint a Director in place of Mr. S. B. Bose, who retires by rotation and being over 65 years of age is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required under Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended below.

To be Proposed as an Ordinary Resolution:

"That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Mr. S. B. Bose and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

- To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 15th to the 30th September, 1959, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 24th August, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 7th October, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 30th September, 1959, or to their mandatories. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

In the special notice given to the Company of the resolution under item No. 3 of the above notice it has been stated that the services of Mr. S. B. Bose have proved most useful to the Company and as he has considerable experience and personal knowledge of the affairs of the Company, he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

THE BORREA COAL COMPANY LIMITED

THE BOARD OF DIRECTORS HAVE recommended payment of the following Final Dividends for the year ended 31st December 1958, without any deduction for Income-tax payable by the Company.

On Preference Shares for half-year at 6½ per cent. per annum.

On Ordinary Shares at 2½ per cent. making a total of 7½ per cent. per annum for the year.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 24th August, 1959.

GREAVES COTTON AND COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-ninth Annual General Meeting of the Shareholders of GREAVES COTTON AND COMPANY LIMITED, will be held on Monday the 28th September 1959 at 4.30 p.m. (I.S.T.) at the Registered Office of the Company, 1, Forbes Street, Bombay, to transact the following business:—

- To receive and adopt the Directors' Report and Audited Balance-sheet and Profit and Loss Account for the year ended 31st March 1959.
- To declare dividends on preference and equity shares.
- To elect a Director in place of Mr. Karamchand Thapar who retires by rotation and, being eligible for re-election under Article 148 of the Articles of Association, offers himself for re-election.
- To elect a Director in place of Mr. H. D. Varma who retires by rotation and,

being eligible for re-election under Article 148 of the Articles of Association, offers himself for re-election.

- To appoint Auditors to hold office for the period from the conclusion of the meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
- To consider and, if thought fit, to pass with or without modifications the under-noted Resolution which will be proposed as a Special Resolution:

"RESOLVED that Article 101 of the Company's Articles of Association be deleted and that the following be substituted therefor, namely:—

"The Chairman of the Directors shall be entitled to take the chair at every General Meeting, whether Ordinary or Extraordinary. If there be no such Chairman, or if at any meeting he shall not be present at the time appointed for holding such meeting then the senior Managing Director present thereat shall be entitled to take the chair and failing him the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman."

Notes:—

(a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

According to Article 118 of the Articles of Association, the instrument appointing a proxy and the power-of-attorney or other authority (if any), under which it is signed or a notariably certified copy of that power or authority, shall be deposited at the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting; in default the instrument of proxy shall not be treated as valid.

(b) The Share Transfer Books of the Company will be closed from the 14th day of September 1959 to the 28th day of September 1959 both days inclusive.

(c) The dividend when sanctioned at the Annual General Meeting will be payable to those members whose names have been registered on the Company's Registers on 14th September 1959. It will be payable at Lloyds Bank Ltd., Bombay, on and after 12th October 1959.

By Order of the Board of Directors,
N. M. WAGLE,
Managing Director.

BOMBAY, 31st August, 1959.

ANNEXURE TO THE NOTICE

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

The following explanatory statement as required by Section 173 of the Companies Act 1956 sets out all material facts relating to the special business under item 6 mentioned in the accompanying Notice dated the 31st August 1959.

The Article 101 sought to be amended provides, *inter alia*, that if at any meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such a meeting then the senior Managing Director present thereat shall be entitled to take the chair. It therefore happens that even although prior notice of the Chairman's inability to be present at a meeting is duly received the senior Managing Director cannot take the chair until the prescribed period of fifteen minutes has lapsed resulting in the proceedings being unduly delayed. The amendment therefore is designed to avoid this delay, and the Board of Directors, including the Chairman, recommend the adoption of the proposed new Article 101.

By Order of the Board of Directors,
N. M. WAGLE,
Managing Director.

BOMBAY, 31st August, 1959.

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, the following items of Steel Track materials:

- | | |
|----------------|---------------|
| (a) Rails | 1,50,000 tons |
| (b) Fishplates | 5,309 " |

The tender documents including drawings and specifications can be had on payment of Rs. 15 per set (or equivalent) from any of the following offices during working hours:

- The Director, Railway Stores, Ministry of Railways (Railway Board), State Entry Road, New Delhi,
- The Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3, and
- The Director, India Supply Mission, 2536 Massachusetts Avenue, N.W. Washington 8, D.C.

Tender will be received by the undersigned upto 12.00 hours on the 28th October 1959 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

DIRECTOR, RAILWAY STORES,
Railway Board,
State Entry Road,
New Delhi.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on Thursday the 27th August, 1959, the following interim dividends were sanctioned to be paid for the year ended 30th June, 1959.

- 1st Preference Shares—3½ per cent. from which will be deducted Income-tax in accordance with the provisions of the Indian Finance Act, 1959.
- 2nd Preference Shares—3 per cent. from which will be deducted Income-tax in accordance with the provisions of the Indian Finance Act, 1959.
- Ordinary Shares—5 per cent. from which will be deducted Income-tax in accordance with the provisions of the Indian Finance Act, 1959.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 27th August, 1959.

SONE VALLEY PORTLAND CEMENT COMPANY, LIMITED

NOTICE

IS HEREBY GIVEN THAT THE ANNUAL General Meeting of the Shareholders of Sone Valley Portland Cement Company Limited will be held on Wednesday, the 30th September, 1959, at 4.30 p.m., at the Registered Office of the Company at 11, Clive Row, Calcutta, to transact the following business:—

- To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1958.
- To declare a Dividend.
- To elect a Director in place of Shri V. Poddar who retires by rotation, but being eligible, offers himself for re-election.
- To appoint Auditors for the current year and to fix their remuneration. The retiring Auditors, Messrs. Lovelock and Lewes, Chartered Accountants, being eligible, offer themselves for re-appointment.

The Transfer Books and Register of Members of the Company will remain closed from the 18th September to 30th September, 1959, both days inclusive.

By Order of the Board,
S. L. TAPARIA,
Secretary.

CALCUTTA, 25th August, 1959.

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

THE METTUR CHEMICAL AND INDUSTRIAL CORPORATION LTD., METTUR DAM R.S.

DR. P. S. LOKANATHAN ON COMPANY'S PROGRAMME TO EXPAND PRODUCTION

ADDRESSING the Twenty-second Annual General Meeting of the Company held at the registered office of the Company at Mettur Dam R.S., on Saturday, 29th August 1959, Dr. P. S. Lokanathan, Chairman of the meeting, said:

"GENTLEMEN,

"I have great pleasure in welcoming you all to this twenty-second Annual Meeting. The Directors' report and audited accounts have been with you for some time which I believe you must have perused with interest and I, therefore, take it as read.

"I have to refer with profound regret to the death of Sri S. Vaidyanatha Iyer and Sri V. Seshasayee in September and October last year. Sri S. Vaidyanatha Iyer was a Director of this Company from February 1941 and its Chairman since November 1948. He guided the activities of this Corporation with great ability and helped to place it on a firm foundation. Sri V. Seshasayee was a pioneer industrialist in South India and his contribution to the growth of chemical and fertiliser industries will always be remembered.

Power Shortage

"It is rather unfortunate that the problem of mounting power requirements, particularly in the industrial sphere, has not been handled satisfactorily yet. In consequence, most of the industries that have not installed standby generating units have to cut down production substantially below installed capacity in the summer months, when the water levels in the hydel reservoirs get depleted due to the vagaries of the monsoon. Considering that power cuts have become an almost annual feature, the economic waste involved in working available productive plant below capacity has been a source of some concern to industrialists, particularly when the Central Government is so anxious that India should reach high production targets. Let us hope that, with the Neveli thermal scheme now afoot and the commissioning of the Kundah project, a more satisfactory solution to the chronic power shortage will be found. The expansion of alkali industry is very much dependent on the uninterrupted availability of power from the grid, since it is a major electro-chemical industry using nearly 4,000 k.w.h. per ton product. A more permanent solution lies in the regional development of power potential supplemented by the establishment of an atomic power plant. The future growth and prospects of Madras depend upon a bold and imaginative effort in developing power and transport facilities.

"Since independence, the country has made impressive progress in the alkali industry. The production of caustic soda prior to 1947 was only about 3,000 tons per annum, but, during the past twelve years, we have covered a lot of ground attaining a level of 60,000 tons in 1958. Production is expected to be stepped up to over 110,000 tons by 1961 so as to meet the full demand for this important chemical. As against two units in 1947, there are now 15 units in operation and licences for more units have also been issued.

"India's requirements of caustic soda are rising rapidly. With the big developments in prospect in rayon, paper and pulp, textiles and aluminium, caustic soda requirements will be about 300,000 tons by 1965 and 500,000 tons by 1970.

Capacity Expands

"Our factory has now grown from a five-ton caustic plant in 1941 to a capacity of 20 tons per day at present. Likewise, bleaching powder capacity has increased from 7 tons to 16 tons per day. It is also necessary that, in the interests of economic production and self-sufficiency, we expand further. It is, therefore, in the fitness of things that your Directors have decided on increasing the production of caustic soda to 40 tons and bleaching powder to 32 tons per day in the immediate future. I consider this step vital to the Company having regard to developments elsewhere.

"I am glad to announce that the Company has reached full capacity production of 20 tons caustic soda in the course of this month and, for the rest of the year, I feel sure normal production will be realised.

"In view of the exigencies of foreign exchange and the facilities made available to us to obtain dollar exchange through the Export-Import Bank of the United States, your Company has opted for Hooker cells producing commercial caustic soda in place of mercury cells producing rayon grade caustic. This change-over results in a considerable cutting down of capital costs, apart from the fact that this falls in line with our existing equipment and our operating personnel have a long-term experience of Hooker cells. This is welcome also from the commercial angle, as the demand for commercial grade caustic is far in excess of mercury cell caustic.

Issue of Equity Capital

"It has been decided by your Board to finance the expansion now contemplated partly by issue of equity capital and partly by borrowing. A resolution is, therefore, before you to sanction the issue of equity shares for Rs. 19.5 lakhs to both equity and preference shareholders. The approval of the equity shareholders to make the right to participate in the new issue available to preference shareholders also is sought in order to make the proposed issue broad-based. I have every confidence the proposed issue of shares will meet with the support it deserves at your hands.

"The net result of the year's working is no doubt relatively less than that of the previous year by Rs. 1.9 lakh. This is mainly due to the lower production consequent on power cuts and unforeseen plant additions and replacements which were delayed in receipt from abroad. Notwithstanding such adverse factors, it is fortunate that the Company has made sufficient profit to maintain the same rate of dividend and it is confidently expected that the position will improve considerably during the current year to enable us to maintain the *status quo*.

Dividends

"The new Finance Act will impose some strain on the maintenance of dividends at existing levels. In the case of the 6 per cent. tax-free dividend on the preference shares, the Company will have to pay a gross dividend of 8.4 per cent. and on equities the gross dividend will be as high as 12½ per cent., if the *status quo* is to be maintained. Nevertheless, it is estimated by our Directors that it will be possible to maintain the net dividend on the equity capital of the Company at current levels after meeting preference dividend obligations.

"I am glad to be able to announce at this meeting that the Government of India have informed us that they will be pleased to approve the reappointment of our Managing Agents on the terms already approved by you, provided the reappointment is for a period not exceeding five years only from 15th August 1960, presumably in accordance with a general policy of sanctioning five-year tenures of managing agents for companies. The Board, at its meeting held today, has agreed to this modification and I trust the final approval of the Government to the reappointment will be received early.

"I wish to make special mention of the very satisfactory relations subsisting between labour and management. This is a good augury for the successful execution of our development projects. It is my pleasant duty to record our appreciation of the excellent work turned out by all ranks of workers and staff and the anxious care evinced by the management to place the industry on a sound footing."

Notes: This does not purport to be a report of the proceedings of the Annual General Meeting.

INTEREST RATES CUT

(From Our Own Correspondent)

BOMBAY, 2nd September

An important development of the week in the money market is the reduction in the ceiling on interest rates agreed to under the Inter-Bank Agreement concluded under the auspices of the Indian Banks' Association. The ceiling for seven-day deposits and for deposits less than three months has been brought down from 3½ per cent. to 3 per cent. and that for deposits for three months and over from 4 per cent. to 3½ per cent. per annum. These revised ceilings came into force from 2nd September 1959.

The trend of the market continues to be extremely easy. The demand for funds was poor, with the turnover greatly restricted. Inter-bank call money among Exchange Banks and big Indian banks was at 1½ per cent. and amongst smaller banks 2½ per cent., as against 2 per cent. and 3½ per cent. last week. House money at seven days' notice was quoted at 3 to 3½ per cent., with the bulk of the business being done at the latter rate. One to six months' deposits were taken up at 3 to 3½ per cent.

There was a better response for 91-day Treasury Bills of the Government of India this week. As against the invitation for Rs. 3 crores (which was one crore more than last week), the total amount offered was Rs. 3.05 crores, as compared with Rs. 2 crores in the past week. The average rate of accepted tender was also a shade lower at Rs. 2.519 per cent. per annum, as against 2.520 per cent. per annum. The tender for next week has been reduced to Rs. 2 crores. Sales of 91 days Intermediate Bills are being continued, even though there was no response for them during the period 26th to 29th August 1959.

The Reserve Bank's statement for the week ended 29th August 1959, as compared with that for the previous week, shows a contraction of Rs. 13.59 crores in notes in circulation. Notes held in the Banking Department have gone up by Rs. 14.84 crores, resulting in a net addition of Rs. 1.25 crore to the total note issue. This has been balanced on the assets side by a rise of Rs. 1.25 crore in rupee coin. There is no change in rupee security as also in foreign security, but, as balances held abroad in the Banking Department have gone up by Rs. 4.70 crores, total foreign assets held by the Bank are up by that figure to stand at Rs. 183.25 crores. Deposits of the Central Government, as well as those of banks, have improved by Rs. 5.38 crores and Rs. 7.08 crores, respectively. But deposits of other Governments and other deposits have fallen sharply by Rs. 28.11 crores and Rs. 55 crores, respectively. Loans and advances to Governments show very little variation but other loans and advances have shrunk by Rs. 10 crores. There has been a big fall of Rs. 78.62 crores in investments. This apparently is a result of the decline in deposits of other Governments and those of others as just noted above.

The gilt-edged market was quite steady and there was a slight increase in the value of medium and long-dated securities. The turnover was relatively modest, as compared with the previous week. The Reserve Bank was a buyer in short-dated securities and a seller in long-medium and long-dated loans.

In the foreign exchange section, banks' selling rate for U.S. dollar has risen by 75 nP to Rs. 477.50 per hundred U.S. dollars. Similarly, the buying rate has also gone up to Rs. 474 per 100 U.S. dollars. In the New York market, spot sterling was distinctly quiet, the rate declining from 280.74-280.77 cents to 280.22-280.26 cents. There was a drop of 0.34 cent in the rate of three months forward sterling which finished at 280.47-280.51 cents.

PLAIN SORT TEA STRONG

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

COCHIN, 27th August

There was no sale in Cochin this week due to tea trade holidays on account of the U.P.A.S.I. Annual Conference.

London Market: Sale of 24th August 1959.—Best C.T.C. and orthodox were stronger, while the remainder were steady.

Sale of 25th August 1959.—Firm to dealer.

Sale of 26th August 1959.—Better general demand, with good Assams dearer.

Colombo Market: Sale of 24th August 1959.—Smaller selection high-grown, due to July strike. All useful liquoring teas active, particularly B.O.P.F. Better Dimbula Dickoyas substantially dearer. U.V.A. quality improved. Very active and much dearer. Useful mediums dearer. Low-grown down by 5 to 10 cents.

Sale of 25th August 1959.—Strong demand. Useful liquoring fannings dearer. Improved U.V.A.s dearer. Other sorts easier, particularly stalky broken mixeds.

Calcutta Market: Export.—Sale 1,156,000 chests. Good demand at irregular rates. Plain B.P. and fannings were about steady. C.T.C. easier by 20 to 40 nP. Orthodox Assams following quality.

Internal.—18,850 chests dust. Good general demand. Orthodox steady. Medium C.T.C. upto 25 nP easier. Best C.T.C. steady.

Export Quota.—The market has been slightly active and business has gone through at 2½ nP. At the time of writing, there are sellers at 2½ nP, with buyers at 2½ nP.

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

"Sale No. 33 held on Tuesday, 1st September. Offerings aggregated 1,125,000 lbs. Good general demand. Plain sorts were particularly strong and dearer by 5 to 10 nP. Mediums weaker, but improved quality stronger. Black leaf keen enquiry."

BULLION PRICES SAG, AFTER EARLY RISE

(From Our Own Correspondent)

BOMBAY, 2nd September

This week's review of the bullion market covers only three full working sessions, as it remained closed on Thursday and Monday, as well as partially yesterday. On the first two days which this review covers, that is, Friday and Saturday, the market ruled distinctly firm, with a sharp rise in values. Silver evoked hectic speculative enquiries induced by reports about infiltration of Chinese forces in the North-Eastern frontiers of India. There was also brisk demand from spot houses, while offerings were restricted. In sympathy with the white metal, gold also met with excellent support. Yesterday, silver suffered a setback, following unloading by operators who had applied call options after the fixation of option settlement. One prominent dealer was reported to have sold about 500 bars. Gold, too, eased. The downward trend continued today also, owing to large sales of silver by a Calcutta operator.

The Bombay Bullion Association has submitted a memorandum to the Government of Bombay, urging it to exclude all processes of bullion from the definition of manufacture in the new Sales Tax Bill. It has also urged for the modification of the proposed sales tax of ½ per cent. on bullion at the last stage, which, it is pointed out, would impose a heavy burden on one head only and divert a large part of business from Bombay to other States.

September settlement in gold advanced from Rs. 123 to Rs. 123-12 yesterday, but declined to Rs. 123 before recovering to Rs. 123-2. Business in October settlement commenced at Rs. 123 on 29th August. After improving to Rs. 124-2 yesterday, it receded to Rs. 123-5 today. Towards the close, it was As. 2 higher.

Ready gold rose from Rs. 122-14 to Rs. 123-8 yesterday. It eased to Rs. 122-12 today before closing at Rs. 122-14. The daily average arrivals of gold were 3,300 tolas, while the offtake was 2,300 tolas. The floating stocks of gold are reported to be around 37,500 tolas.

September settlement in silver began the week firm at Rs. 204-14 (on 28th August), as against Rs. 204-2 and rallied to touch Rs. 206-3 on the same day. It, however, encountered selling in the subsequent sessions and moved down to Rs. 203-4 today, but finished higher at Rs. 203-11. October settlement, after spurring from Rs. 204-8 to Rs. 206-11, declined to touch a low of Rs. 203-9 today. Towards the close, the settlement was a shade better at Rs. 204-1.

Ready silver was well supported earlier in the week, the quotation forging ahead from Rs. 204-2 to Rs. 206-3. But subsequently, it suffered a setback, the lowest level touched today being Rs. 203-2. The closing rate was As. 7 higher. The daily average arrivals and offtake of silver were 10 bars and 6 bars, respectively. The floating stocks of silver are estimated at 350 bars.

Both ready and forward silver in the London bullion market recorded a fall of ¼d. during the week, the former easing to 78½d. per ounce and the latter to 78¼d. Silver in New York, which had stood unchanged at 91.375 cents per ounce for a long time, improved to 91.625 cents per ounce. Ready gold in London firmed up further from 250s. per ounce to 250s. 2½d., owing to the persistent easiness of the pound sterling vis-à-vis the dollar. The latest available rate for gold in London is \$35.104-\$35.124 per ounce, as against \$35.04-\$35.114 last week.

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

	2-9-59	Highest	Lowest	25-8-59
GOLD				
Ready (99 fine Mint)	122 14	123 8	122 5	122 14
Forward	123 2	123 12	122 8	123 0
SILVER				
Ready (999 fine Mint)	203 0	206 3	203 2	204 2
Forward	203 11	206 3	203 4	204 2
TEA				
London Silver Ready	78 1/4	—	—	79 1/2
London Forward	78 1/4	—	—	79 1/4
London Gold	250 1/4	250 1/4	250 1/4	250 1/4
New York Silver	91.625	91.625	91.375	91.375

* 17th September settlement. † 18th September settlement.

LINED SEED LISTLESS

(Messrs. A. Bradley and Co.)

CALCUTTA, 31st August

Lined seed showed virtually no change during the week. Trading was rather limited, but the tone of the market was quietly steady. Arrivals from the centres were poor and ready supplies were scarce locally. Crushers showed a moderate interest mainly for early delivery.

The news of tension on India's N.E. frontier caused some bullish activity in the options market, but no material gains were recorded and activity remained small on the whole.

The oilcake market remained firm at Rs. 14.50 and, although fair to moderate trading was reported for local consumption, shippers withdrew from the market.

In the oil section, activity was negligible. Overseas prices dropped to £103, making Indian quotations well above world parities once again. The local demand was exceedingly small.

The latest quotations are: Ready September Rs. 23.75, October-November Rs. 24, September futures Rs. 23.81 and May futures Rs. 22.75 per maund.

COTTON FUTURES IRREGULAR

(From Our Own Correspondent)

BOMBAY, 2nd September

During a short week of only four trading days, the market having remained closed on Wednesday and Thursday on account of *Jannashami* and, again, on Tuesday, it being *Parsi New Year Day*, the cotton futures market depicted an irregular trend. Values moved in a narrow range on alternate bouts of buying and selling prompted mainly by weather reports from the growing areas. Even the release of an export quota of 75,000 bales of Bengal *Deshi* and an import quota of 140,000 bales of cotton stapling 1.3/16" and above failed to have any marked effect on futures market. In the beginning of the week, prices gave way on selling by upcountry interests touched off by news of satisfactory progress of new crop. Recent rains proved beneficial to the crop in Madhya Bharat, Punjab, and Rajasthan. Earlier fears of damage to the crop in Saurashtra and Gujarat turned out to be somewhat exaggerated.

The market, however, staged a mild rally on Monday, thanks to heavy short covering and firm bull support prompted by reports of continuous rain in Berar, Khandesh, C.P. and the Punjab. Prices sagged again yesterday, in kerb trading, on account of selling by upcountry interest and liquidation by weak bulls who had made heavy purchases on the previous day. Sentiment was subdued today, with the quotation for the March contract declining by a rupee at close, as compared with the opening level. Over the week, the contract showed a net loss of Rs. 2.50.

The Jarilla March contract opened the week at Rs. 688.75 and, after receding to Rs. 682.75 the next day, rose to Rs. 691.75 on Monday. Commencing at Rs. 687 today, the contract gained one rupee before declining to Rs. 685.25. The finish was, however, slightly higher at Rs. 686.25.

The spot section was active. Mill demand for new crop cotton was fairly large. Southern mills continued to buy new crop Berar, and 197/3, while local mills were interested in Vijay, Berar, Khandesh and 197/3. Old crop, especially Laxmi, Kalyan and Wagad also evoked interest but business done was small, thanks to paucity of supplies.

The announcement of the export and import quotas was considered a good augury for the new cotton season which started on the 1st inst. The export quota consists of 75,000 bales of Bengal *Deshi* valid for shipment upto 28th February 1960. A part of this quantity will be earmarked for distribution among co-operative societies and the balance will be licensed on a first-come-first-served basis, subject to an individual quantitative ceiling of 10 per cent. of the quantity allowed. The import quota is for 140,000 bales of cotton of staple length 1.3/16" and above. Out of this, a quantity not exceeding one lakh bales has been reserved for allotment to non-actual users and needy mills. The balance of 40,000 bales will be made available to such mills as may be prescribed. Details of the procedure for the allotment of quota and the issue of licences for both the above quantities will be announced in due course.

Barring the quota announcement there was no notable development on the import and export fronts. Export inquiries are expected to broaden now that the quota, which the trade has been pressing for, has been issued. Interest in foreign cotton was confined to selected Sudanese and U.S. growths.

The following are the latest available spot quotations—in rupees per candy of 785 lbs.—from the spot market at Sewri:

Bengal *Deshi* 690; Berar Jarilla 755; Khandesh 860; Laxmi 985; Jaydhara 840.

Cotton futures in Karachi firmed up during the week under review on firm mill support and good export demand, especially from the U.K. and of prices. The spot market was also firm. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind *Deshi* 79; Punjab *Deshi* 67-8; 4F Punjab Roller 70; S.G. 71-8; L.S.S. Punjab Roller 71-8; S.G. 72-8; N.T.R.G. 71-8; S.G. 72-8; 289F Punjab Roller 71-8; S.G. 73-8.

Easy conditions prevailed in Alexandria cotton futures market during the week, thanks to the export price discount and better crop prospects. The export price discount was further reduced from 29 per cent. to 28 per cent. with effect from Monday. The export duty on all varieties of cotton, except that the price of cotton for overseas buyers remained unchanged.

New crop continued to make excellent progress. Damage due to insect infestation is reported to be insignificant on account of successful pest control measures. In lower Egypt, picking has become general while in Upper Egypt, it has commenced in some districts. The plants are progressing well despite some delay caused by recent unfavourable weather. Excellent yields are expected in both areas.

The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 72.10; January 71.95. Ashmouni: October 65.42; December 64.85.

Cotton futures in Liverpool recorded further gains in value during the week under review. Moderate volume of buying by American interests encouraging news from the yarn and cloth market pushed up values. Sudan cotton futures were able quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 21.90; December-January 21.75; March-April 21.98; May 22.25.

American cotton mixed growth contract: October-November 22.30; December-January 22.08; March-April 22.30; May 22.30.

Sudan: September-October, November-December, January-February 29.75.

New York cotton futures market ruled fully steady during the week. There was a moderate volume of trade demand and some short covering.

The Bureau of Census of the U.S. Department of Commerce in its second ginning report of the 1959 season has estimated that ginnings prior to 16th August aggregated 472,000 bales. The quantity of 1958 crop ginned at the same time last year was 586,000 running bales.

The Government-owned stocks of cotton of 1958 and earlier crops as on the 14th August aggregated 5,672,637 bales, representing a reduction of over one million bales from the stocks as on the 1st inst.

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

	(In cents per lb.)	31-8-59	25-8-59	19-8-59
Spot		33.25	33.15	33.10
October		32.31	32.20	32.08
December		32.23	32.22	32.15
March		32.63	32.65	32.55

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 2nd September

Dull conditions prevailed in the yarn market during the week under review. Business put through was at a low ebb, with values moving narrowly. Operators preferred to await developments on the rayon fabrics export front. There were fears of large-scale arrivals of imported yarns in the coming weeks against licences granted under the Export Promotion Scheme. It was reported that licences covering import of yarn worth Rs. 4.50 crores had already been granted. Staple fibre yarns were quiet in the absence of any encouraging reports from consuming centres. Offtake of staple fibre cloth was said to be slow. Cotton yarns, however, continued to be well supported, in view of the continued restrictions on imports of cop as well as bundle yarns as before. Supplies of good quality yarns were stated to be scarce.

The Textile Commissioner has reviewed the position with regard to the distribution of indigenous art silk yarn to the weaving units during the current quarter, that is, July to September 1959, and has decided that 20 per cent. more allocation can be made to such units as have been issued allocation cards for the supply of indigenous art silk yarn during the current quarter. All those art silk powerloom weaving units which have been issued allocation cards in the current quarter are required to approach the indigenous yarn manufacturers for additional supplies of the same.

Cupressa Bamberg yarn (60x2) October delivery stood at Rs. 1,689 today, as against Rs. 1,682 last week. Spot Cupressa was quiet at Rs. 7.50. Imported art silk yarns were quoted at the last week's closing levels of Rs. 4.75 for 120 Japan, Rs. 4.71 for 150 Japan, Rs. 4.81 for 120 Italy and Rs. 4.68 for 150 Italy. Among indigenous yarns, National Rayons 150 bright cones first grade changed hands at Rs. 4.20 and 120 bright cones first grade at Rs. 4.62.

Staple fibre yarn (40x2) October contract was done at Rs. 656, as against Rs. 648. Spot quotations (in rupees per lb.) for 40x2 yarns produced by a few important mills were: Kohninoor 3.66; Morarji 3.46; Hind 3.34; Century 3.44; Sitaram 3.37; Mahindra 3.50; Nagada 3.40.

Coarse counts cotton yarns recorded a rise of about 25 nP per bundle of 10 lbs. Medium counts also recorded a similar increase. Forty counts met with good support, the prices rising by an average of 50 nP per bundle of 10 lbs. Sixty and eighty counts, too, were transacted at higher prices. The latest available quotations (in rupees per bundle of 10 lbs.) for a few popular counts of cotton yarn are: Hinds 14.75; Podars 14.50; 20s: Moderns 18; Hinds 17.75; Podars 17.50. 40s: Madura and Moderns 26.25; Minaxis 25.56. 60s: Raghuvamshi 56.50; Mahendras 53. Finlay 63; Pioneer 41.50; 80s: Mahendra 74; Moderns 79; Finlay 83; City 69; Elphinstones 72.25.

SEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, 2nd September

Distinctly easy conditions prevailed in the oil-seeds market during the week under review. There was heavy bull liquidation, notwithstanding two measures for export promotion announced by the Government, namely, the extension of shipment period for groundnut H.P.S. and a fresh export quota for linseed oilcake. The Joint Chief Controller of Exports announced on Friday that the Government had decided to extend further the validity period of the current quotas for groundnut H.P.S. from the end of September to the end of December 1959. This move was generally welcomed, since a sizable part of the declared quota still remains unutilized. According to another export announcement at the commencement of the week under review, the Government of India has released a fresh quota of 15,000 tons of linseed oilcake for export by all shippers without any restriction of maximum shipment by an individual shipper up to the end of September 1959. The overseas demand for oilcakes continues to be strong, and, therefore, trading interests comment, this measure quite timely. These developments, however, failed to make any impression on the market as a result mainly of fears of heavy tenders against maturing contracts, and substantial offerings.

The groundnut section was subdued. Saurashtra came in for heavy selling. Reports of

good weather conditions from producing centres and lack of fresh support by crushers and *canaspat* manufacturers tended to push down values. The August contract went off the board at the end of the month. This contract, which had wound up last week at Rs. 190.50, received good support at the closing day to touch Rs. 195. February 1960 contract drifted lower from Rs. 165.75 last week-end to Rs. 163.75 today. Bold ready lost 75 nP to Rs. 36.75. Oil ex-mill was lower by 25 nP at Rs. 19.62.

The castorseed section, too, depicted pronounced weakness. In view of the fears of tenders against the maturing contract and the comfortable supply position of castorseed, bulls became nervous. Some sporadic reports of export enquiries failed to enthuse the operators. September 1959 contract, which had finished last week at Rs. 150.37, gave way subsequently to close today at Rs. 147.75, after fluctuating between Rs. 148.37 and Rs. 149.37. The May 1960 contract sagged from Rs. 153.12 to Rs. 151.50. Ready Madras eased by 75 nP to Rs. 29.37. Oil B.S.S. dropped 25 nP to Rs. 16.

Linseed moved in sympathy with other seeds and oils. Except for extractions, which elicited good support from overseas buyers, the linseed section was dull. Linseed September contract was particularly weak, on fears of heavy tenders against it and closed lower by 88 nP at Rs. 31.62. May 1960 contract shed 37 nP to Rs. 32.25. Bold ready receded from Rs. 32.37 to Rs. 31.60, after moving in a narrow groove over the week. Linseed oil, however, closed slightly higher at Rs. 16.15, as compared with Rs. 16.06 last week-end.

Cottonseed was featureless. Cottonseed September 1959, which had stood at Rs. 137 last week-end, moved down to Rs. 135.75. February 1960 contract declined by 50 nP to Rs. 114.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	2-9-1959	25-8-1959	19-8-1959
Groundnut			
February 1960	163.75	165.75	166.75
Bold ready	36.75	37.50	38.75
Coromandel ready	37.62	38.50	39.75
Khandesh quality	37.62	38.50	39.75
Oil ex-mill ready	19.62	19.87	20.50
Railway receipts	19.31	19.56	20.25
Castorseed			
September 1959	147.75	150.37	153.00
May 1960	151.50	152.12	155.00
Ready Madras	29.37	30.12	30.75
Ready Kanpur	28.37	29.94	29.62
Oil B.S.S.	16.00	16.25	16.56
Oil commercial	15.12	15.25	15.62
Linseed			
September 1959	31.62	32.50	32.75
May 1960	32.25	32.62	32.81
Bold ready	31.60	32.37	32.75
Oil ready	16.50	16.06	16.25
Cotton seed			
September 1959	135.75	137.00	—
February 1960	114.00	114.50	114.75
Niger seed	30.50	31.25	31.00
Kardi seed	22.50	22.75	23.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax.
‡ All quotations for futures are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quartar.

SUGAR HARDENS

(From Our Own Correspondents)

BOMBAY, 2nd September

The position in respect of sugar stocks in the City is said to be tight, as a result of the fall in arrivals by rail and road. The total of these arrivals during the week was just 7,000 bags, as against 14,700 bags in the previous week. Nevertheless, sugar is being sold freely in all shops at the officially fixed prices. In so far as the interior centres are concerned, however, there are reports of shortage of sugar supplies and rising tendency of prices, following manipulations by third and fourth party buyers. The Government of Bombay is reported to have discussed the question with the Deccan Sugar Factories Association (D.S.F.A.) One of the proposals mooted by it relates to the handing over of 60 per cent. sugar stocks (reserved for distribution in the interior) by mills to the Collectors of districts for being distributed to the different centres. But the D.S.F.A. has opposed the proposal on the ground that it will throw out of gear the present machinery of distribution. It has requested the Government not to insist on direct sales to Collectors. It has assured it that the sugar factories would exercise sufficient care to check any manipulation on the part of both wholesale dealers and retailers. The final decision of the Government is expected to be taken this evening or tomorrow.

With the latest free market sugar release of 175,000 tons, arrivals into the City are expected to be quite large in the coming weeks. The sugar mills have still not received the necessary release orders from the State Government.

The wholesale ex-godown rates (per bag) for the four representative grades of sugar continue unchanged at Rs. 115.21 for A grade, Rs. 114.08 for B grade, Rs. 112.02 for C grade and Rs. 111 for D grade.

HAPUR, 31st August

Sugar registered further hardening tendency and touched new high level during the week-end, as sales through fair-price shops were closed and supplies in the market were very much restricted. Demand was reported to be brisk, due to festival season.

The Government of India has released 175,000 tons of sugar for sale, but there would be no free

sale releases from factories in the Punjab, U.P. and North Bihar and sale here in U.P. will be only through State agencies. The latest prevailing prices here were:—Rs. 125 per bag, retail Re. 1.19 per seer, as against 97 nP controlled.

Sugar also ruled steady in the Muzaffarnagar market, but the week-end witnessed a slight fall, following the release of new quota for sale. The week-end prices were:—New Shamli D29 Rs. 36.75 per maund; small grains Rs. 120 per bag; bold crystal Rs. 121 per bag.

Sugar advanced in Kanpur, on renewed buying in an understocked market. Price was around Rs. 124 per bag.

Khandari ruled quietly steady, as demand for borra due to festival season was very brisk. Production in some centres continued from old stuff. The prevailing prices were:—Khandari Rs. 37 to Rs. 41

COPPER SCRAP HARDENS

(From Our Own Correspondent)

CALCUTTA, 1st September

While prices of copper scrap hardened, prices of other metals eased during the week under review. The rise in copper scrap prices reflected the acute scarcity of the material. Trade circles hoped that, since the country's requirements of copper had gradually increased with the acceleration of industrial progress, greater provision would be made for copper in the import policy that comes into effect from 1st October. Beery quality copper scrap at Rs. 240 per cwt. was fully steady with untensil scrap being quoted at Rs. 230. On the London Metal Exchange, spot copper opened at £231½ per ton and eased to £228 as demand, especially from Europe, was poor. Price, however, soon recovered and closed higher at £236½ by the week-end, thanks to reports that stockists were holding on. On the other hand, a weaker trend was reported from New York despite the continuance of the copper strike. This was taken to mean that consumers possessed adequate stocks.

Virgin lead opened at Rs. 75 per cwt. and closed at Rs. 74.50. Scrap was in greater demand than the virgin metal. Lead in London, having declined to £71½ closed higher at £72 per ton, as against the opening of £73.

Tin at Rs. 582 per cwt. was lower by Rs. 6. The recession was due to more arrivals and weaker advices from foreign markets. Electrolytic zinc closed at Rs. 107, as against the opening of Rs. 108 per cwt.

TEA EXPORTS FARE BETTER

(From Our Own Correspondent)

CALCUTTA, 1st September

Conditions were better during the export sale held yesterday and last week's internal sales. Note was taken of the improved conditions in the auctions held in Mincing Lane last week, attributed to the need of buyers to replenish stocks. Stocks in London in the week ended 21st August had increased to 109 million lbs. from 107 million lbs. Good shipping space was taken by tea this week.

The attention of market circles was drawn to the claim of the Deputy Minister for Commerce, Mr. Satish Chandra, that Indian tea exports had gone up after the recent reduction of export duty on tea by Ceylon. How the Minister could connect the two developments was difficult to understand. However, what market circles inferred from this statement of the Minister was that the Government was not prepared to follow Ceylon's example and reduce the export duty on tea with a view to enabling the industry to step up exports. Mr. Satish Chandra had earlier referred to the unlikelihood of 1959 tea exports from India reaching the 1958 level, thanks to the heavy accumulation of stocks in London because of heavy purchases towards the end of last year.

However, market circles were inclined to hold a different view. Increasing competition from Africa and the desire of other producing countries to secure a share in the world trade of tea, they felt, accounted for the poor performance of the Indian industry in the first four or five months of this year. The statement of the U.P.A.S.I. President, Mr. M. M. Verghese, that the tea industry was one of the heavily taxed industries in the country and paid more than 80 per cent of its net income in fiscal burdens was recalled in this connection. His appeal to the Government of India to examine the tax burdens on the tea industry and to accord relief to it in order to enable it to face the challenge in India's export markets was considered by the trade and industry here as timely and deserving immediate attention.

At the internal sales held last week, dusts on offer aggregated 18,691 chests, the general demand for which was good. A dearer tendency was displayed by leggy teas while the strongest feature of the sales was provided by black leafy teas fit for export to the Middle East. Bright liquoring medium Assams were also nearly steady on good demand. Darjeelings were weak. In C.T.C.s, the very best lots were steady, but all other types in this category eased by 10 to 25 nP. The quotations were: best Assam C.T.C. Rs. 2.65 to Rs. 2.90, medium Assam C.T.C. Rs. 2.00 to Rs. 2.10, medium Assam grainy dust Re. 1.78 to Re. 1.86, and medium Doars Re. 1.78 to Re. 1.86.

Leaf offerings, numbering 419 chests, met with good general demand.

A feature at the internal sales held in Chittagong on 27th August was the rise in prices by one to two annas above valuations for most varieties. Leaf offerings amounted to 15,262 chests. The best liquoring teas as well as plain fannings gained about 2 annas. Leggy cut fannings met keen competition. Green teas on offer were 128 chests in one invoice which met with good demand. Dusts on offer amounted to 4,884 chests in addition to 80 chests subsequently offered. Prices rose by about 2 to 3 annas. The quotations were: O.P.S. Rs. 2-12, O.P. Rs. 2-7-6, B.O.P. Rs. 2-8-6, P.F. Rs. 2-7-6, Pek. Rs. 2-6-6, B.P.S. Rs. 2-7, and B.P. Rs. 2-6-6.

Following increased demand during yesterday's export sale, when offerings amounted to 62,482 chests, prices hardened. Fannings and plain B.P. were fully steady, having recorded a dearer tendency. Fannings and B.P. rose by about 10 to 20 nP above valuations. Prices also hardened in respect of medium B.P. and fannings, particularly the liquorings. On the other hand, although at the beginning of the sale there was a better demand for C.T.C.s, as the sale progressed, demand petered out and the price declined by 20 to 40 nP. However, the cheaper lots and the very best sorts in C.T.C.s were about steady. Prices for orthodox Assam B.O.P. eased, but there was good demand for the best liquorings. O.F.s were irregular. In

non-wither Doars, the better sorts declined by 6 to 12 nP while the cheaper ones were about firm. In tippy teas, a few of the best lots were firm, but others declined. Darjeelings were subjected to withdrawals, and whole leaf grades eased. The quotations were: best Assam C.T.C. B.P. Rs. 2.60 to Rs. 2.90, clean black pekoe Re. 1.92 to Re. 1.94, medium fannings Rs. 2.10 to Rs. 2.20, medium B.P. Re. 1.96 to Rs. 2.06, plain B.P. Re. 1.82 to Re. 1.86, and plain fannings Re. 1.88 to Rs. 2.08.

Export quota was on demand at 2½ nP with sellers insisting on 2½ nP. As a result, there was no business done.

JUTES EASY

(From Our Own Correspondent)

CALCUTTA, 1st September

Prices of jute goods eased by a little during the week under review, following buyers' resistance to extend support at higher levels and anxiety regarding Chinese incursion in the N.E.A. which gave rise to nervousness among speculators. Actual business done during the week was poor, and buyers thought it better to put off purchases in view of the declining trend. Prices of raw jute were also affected, but the recession here, as in goods, was insignificant.

A notable feature of the week was renewed Chinese interest, this time in fibre. It was only recently that the Chinese placed an order for 25,000 bales. It was expected, however, that more orders from China were in the offing. There was no surprise, therefore, when the State Trading Corporation put through business with China for 25,000 more bales. The Corporation, in turn, invited tenders from exporters here. The increased Chinese interest in fibre has led to the inference that China has increased output of goods. It was also believed that, with speedy economic progress, Chinese demand for packing materials had also gone up. Hitherto, that country had purchased fibre from Pakistan. Although China was bound to lift more jute goods and fibre, there was anxiety if the worsening Indo-Chinese political relationship and the Dalai Lama's decision to refer the Tibetan issue to the U.N. would affect trade. Meanwhile, good crop reports continued to be pouring in, although the quality of the arrivals so far had been below standard.

On Tuesday last, prices of goods fluctuated within narrow limits on account of weaker reports from the futures market. Ready B. twills eased to Rs. 107.40 from Rs. 107.95, while in hessian 40" 10 oz., at Rs. 41.15, recorded a small rise. Judging from preliminary figures, shipment of heavy goods in August was higher than in the previous month, while that was not the case with hessian. The market was closed on Wednesday, and when it re-opened on Thursday there was some covering business. As, however, genuine business was lacking, prices eased with B. twills receding to Rs. 107.20 and hessian 40" 10 oz. to Rs. 40.85. On Friday, prices were affected sharply on heavy selling in futures prompted by anxiety about the incidents on the Indo-Chinese border. B. twills were pushed down further to Rs. 105.30, but the recession in hessian 40" 10 oz. at Rs. 40.80, was less marked as the recent uptrend in prices of heavy goods was not reflected in hessian constructions. Towards the week-end, prices continued to give way with B. twills being priced at Rs. 105 and hessian 40" 10 oz. at Rs. 40.80. During the week as a whole, purchases of hessian by the U.K., the U.S.A., and Argentina consisted of limited quantities only, while in sacking goods, overseas buyers were reluctant to enter into commitments at current rates. The feature of yesterday's trading was the uptrend in heavy goods following a Government tender for B. twills in the September-October delivery position. The price of ready B. twills scored to Rs. 105.80. Earlier in the day, a weakening tendency was evident but, at lower levels, buying support was forthcoming. Hessian 40" 10 oz. was steady at Rs. 40.40.

Although mills showed good interest in fibre and accepted many offers, with the undertone remaining steady, prices eased fractionally in view of the weakening trend in finished goods. From Rs. 24.50 new crop daisies bottoms dropped to Rs. 24.25 and from Rs. 23.00 northern bottoms declined to Rs. 22.75. Chinese showed lively interest in fibre, and placed an order for 25,000 bales with the S.T.C. Latest quotations for the different varieties of 1959-60 crop are as follows:

	Middle Bottom	Rs.	Rs.
White:			
Assam Lower and Upper ..	..	28.00	23.50
Northern ..	..	28.50	23.00
Dessal ..	..	24.75	22.25
Cuttack ..	..	28.25	25.25
Murhabad ..	..	24.25	21.75
Bihar, Jungli and U.P. ..	..	23.75	21.25
Towels:			
Ordinary daisies ..	..	26.50	24.00
Murhabad ..	..	25.75	23.25
Assam-Agartala ..	..	26.75	24.25
Meets:			
Daisies ..	..	24.00	21.50
Jungli ..	..	23.50	21.00
Bimbi f.a.q. ..	..	Rs. 21.00	
Puoca bales 1st mark ..	..	Rs. 170.00	per bale ready.

(Concluded from next column)

date of birth is 14-10-1887, the provision of Section 280 of the Companies Act is applicable in his case. It is therefore necessary to have the approval of the Annual General Meeting under Section 281 for his re-election and for his continuing to hold office as Director of the Company. Special Notice of the intention to move a Resolution to that effect has been given by a Member, Shri C. L. Tiwari, and accordingly the Resolution is submitted to the Meeting.

Notice

THE NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

NEPANAGAR

NOTICE

THE TWELFTH ANNUAL GENERAL MEETING of the Shareholders of the National Newprint and Paper Mills Limited will be held at Nepanagar on Monday, the 28th September 1959, at 3-30 p.m. to transact the following business:

- To receive and adopt the Directors' Report, the Audited Profit and Loss Account for the period from 1st April 1958 to 31st March 1959 and the Balance Sheet as on 31st March 1959.
- To consider and if deemed fit, to pass the following Resolution:

"RESOLVED that the strength of Board of Directors inclusive of Managing Director and the Chairman be increased from 9 to 12 Directors."

- To consider and if deemed fit, to pass the following Resolution with or without modifications:

Special Notice of the intention to move the following Resolution has been given by Shri C. L. Tiwari, a Member of the Company. To be moved as an Ordinary Resolution.

"RESOLVED that sanction be and is hereby accorded to Sir A. Ramaswami Mudaliar to be re-elected as and continue to be the Director of the Board of Directors, notwithstanding that he has passed the age of 65, and the age limit prescribed under Section 280 of the Companies Act shall not apply to him."

- To elect a Director in place of Sir A. Ramaswami Mudaliar who retires under Article 140 of the Articles of Association and who is eligible for re-election.
- To elect a Director in place of Major Raja Bahadur Birendra Bahadur Singh who retires under Article 132 of the Articles of Association and is eligible for re-election.
- To elect a Director in place of Shri G. K. Moghe, who retires under Article 132 of the Articles of Association and is eligible for re-election.
- To appoint Auditors for the ensuing year and to fix their remuneration.
- To transact such other business as may be placed before the meeting by the Managing Director with the permission of the Chair.

By Order of the Board of Directors,

S. L. VISWANADHAN,
Managing Director.

The Share Transfer books of the Company will remain closed from 12-9-1959 to 28-9-1959 both days inclusive.

Shareholders desirous of having at the Annual General Meeting any information concerning the Accounts of the Company hereby presented are requested to send a written requisition to the Managing Director so as to reach him seven (7) days before the meeting.

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

EXPLANATORY NOTE TO ITEM Nos. (2) AND (3)

2. The present strength of the Board of Directors as approved at the last Annual General Meeting is 9 including Chairman, Managing Director, 3 nominees of Union Government, 3 nominees of Government of Madhya Pradesh and 1 Director representing the shareholders. At the last Annual General Meeting it was expressed by the Shareholders that the shareholders should have more representation on the Board. One more Director has therefore been co-opted to represent the shareholders. In addition both the Union Government and the Madhya Pradesh Government have indicated their desire to nominate one more Director each. This will therefore increase the strength of Board of Directors from 9 to 12.

3. Sir A. Ramaswami Mudaliar retires under Article 140 of the Articles of Association and offers himself for re-election. Since his (Continued in previous column)

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India
Statement of Affairs for the week ended 28th August 1959

BANKING DEPARTMENT		Rs.
Capital paid-up ..	..	5,00,00,000
Reserve Fund ..	..	80,00,00,000
National Agricultural Credit (Long-term Operations) Fund ..	..	30,00,00,000
National Agricultural Credit (Stabilisation) Fund ..	..	4,00,00,000
Deposits—		
(1) Government—		
(a) Central Governments ..	..	63,49,12,000
(2) Other Governments ..	..	33,77,96,000
(b) Banks ..	..	36,02,97,000
(c) Others ..	..	12,47,87,000
Bills Payable ..	..	20,40,04,000
Other Liabilities ..	..	14,01,46,000
	Rupees ..	1,65,25,42,000
Assets ..		
Rupee Coin ..	..	38,51,85,000
Subsidiary Coin ..	..	2,64,00,000
Bills Purchased and Discounted—		
(a) Internal ..	..	4,76,00,000
(b) External ..	..	5,15,85,000
(c) Government Treasury Bills ..	..	20,25,80,000
Loans and Advances to Government ..	..	18,31,23,000
Other Loans and Advances ..	..	73,51,35,000
Investments ..	..	300,25,47,000
Other Assets ..	..	9,19,42,000
	Rupees ..	465,25,42,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
‡ The item 'Other Loans and Advances' includes Rs. 14,50,00,000 advanced to scheduled banks against unsecured bills under Section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT		Rs.	Rs.
Notes held in the Banking Department ..	..	38,51,85,000	
Notes in circulation ..	..	1,650,21,16,000	
Total Notes issued ..	..	1,688,73,01,000	
Total Liabilities ..	..	1,688,73,01,000	
Assets ..			
A. Gold Coin and Bullion—			
(a) Held in India ..	..	117,76,03,000	
(b) Held outside India ..	..	168,00,89,000	
Foreign Securities ..	..	280,76,02,000	
Total of A ..	..	566,52,94,000	
B. Rupee Coin ..	..	136,77,59,000	
Government of India's Rupee Securities ..	..	127,18,50,000	
Internal Bills of Exchange and other commercial ..	..	1,688,73,01,000	
Total Assets ..	..	1,688,73,01,000	

COMPARATIVE BANKING STATISTICS *
(In crores of rupees)

	1st Sept. 1958	21st Aug. 1959	1st Sept. 1958	21st Aug. 1959	1st Sept. 1958	21st Aug. 1959
RESERVE BANK						
Notes in circulation ..	172.37	1663.81	1680.12	1680.94	1580.01	
Notes held in Banking Department ..	35.05	29.67	21.02	24.74	28.98	
Foreign Securities ..	85.00	163.01	163.01	163.01	112.84	
Rupee Securities ..	87.59	1271.19	1258.17	1258.84	1124.82	
Deposits of—						
Government of India ..	14.89	58.11	64.55	64.62	62.69	
Other Governments ..	..	91.89	41.75	27.90	25.31	
Banks ..	..	15.55	11.86	12.24	10.10	
Others ..	..	..	..	..	..	
Time Liabilities ..	134.36	739.40	739.40	741.03	747.81	
Borrowings from Reserve Bank ..	102.84	1034.75	1032.05	1071.96	856.20	
Borrowings from State Bank ..	..	14.10	1.54	0.99	2.60	
Cash in India ..	..	2.86	0.40	0.09	1.93	
Cash in India ..	..	9.14	3.80	4.23	8.77	
Balance with other banks ..	6.70	42.91	41.14	42.84	37.96	
Balance with other banks ..	25.17	76.84	80.37	84.67	101.09	
Balance with other banks ..	15.52	17.07	30.74	26.18	46.60	
Balance with other banks ..	..	18.90	15.36	14.80	12.67	
Money at call and short notice in India ..	..	33.26	38.35	40.28	55.18	
Investments ..	..	723.87	712.10	698.43	658.82	
Advances and bills ..	105.9	940.80	946.06	966.41	859.87	
Deposits ..	87.76	561.70	556.10	544.07	438.14	
Investments ..	51.99	387.55	359.16	339.56	287.98	
Advances ..	80.85	178.38	196.94	177.99	168.46	
Cash ..	14.59	39.81	34.58	35.74	44.82	

* Borrowings from Banks excluding the Reserve Bank and the State Bank. † Figures in brackets represent borrowings from the Reserve Bank against unsecured bills and/or promissory notes.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Amstelveen ..	2nd Dec. 1957	3.50	6
Amsterdam ..	2nd Dec. 1957	4.50	8
Antwerp ..	2nd Dec. 1957	5.50	9
Bombay ..	2nd Dec. 1957	6.50	10
Buenos Aires ..	2nd Dec. 1957	7.50	11
Calcutta ..	2nd Dec. 1957	8.50	12
Canton ..	2nd Dec. 1957	9.50	13
Cebu ..	2nd Dec. 1957	10.50	14
Colon ..	2nd Dec. 1957	11.50	15
Hankow ..	2nd Dec. 1957	12.50	16
Harbin ..	2nd Dec. 1957	13.50	17
Hongkong ..	2nd Dec. 1957	14.50	18
Kobe ..	2nd Dec. 1957	15.50	19
London ..	2nd Dec. 1957	16.50	20
Lyons ..	2nd Dec. 1957	17.50	21
Manila ..	2nd Dec. 1957	18.50	22
Medan ..	2nd Dec. 1957	19.50	23
Shanghai ..	2nd Dec. 1957	20.50	24
Singapore ..	2nd Dec. 1957	21.50	25
Sourabaya ..	2nd Dec. 1957	22.50	26
Tientsin ..	2nd Dec. 1957	23.50	27
Yokohama ..	2nd Dec. 1957	24.50	28

* Bank Rate in Canada fluctuates in line with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India
Statement of Affairs for the week ended 28th August 1959

CAPITAL AND LIABILITIES		Rs.	Rs.
Capital—			
Authorized Capital—			
20,00,00,000 shares of Rs. 100 each ..	..	20,00,00,000	
Issued, Subscribed and Paid-up ..	..	5,62,50,000	
5,62,50,000 shares of Rs. 100 each ..	..	5,62,50,000	
Reserve Fund and Other Reserves ..	..	7,00,00,000	
Deposits and Other Accounts ..	..	502,91,11,000	
Borrowings from Other Banking Companies ..	..	10,65,12,000	
Bills Payable ..	..	1,96,62,000	
Bills for Collection being Bills Receivable as per contra ..	..	1,44,31,000	
Acceptances, Endorsements and Other Obligations per contra ..	..	1,44,31,000	
Other Liabilities (including Inter-Office Adjustments) ..	..	10,66,04,000	
Total ..	Rs.	600,25,70,000	
Assets ..			
Cash in hand and with Reserve Bank ..	..	35,27,33,000	
Balances with other Banks ..	..	1,83,45,000	
Money at Call and Short Notice ..	..	3,13,33,000	
Investments ..	..	355,19,74,000	
Government and other Trusts ..	..	10,27,27,000	
Securities ..	..	865,47,01,000	
Other Authorised Investments ..	..	156,93,05,000	
Loans, Cash Credits, Overdrafts ..	..	166,82,65,000	
Bills Discounted and Purchased ..	..	1,96,62,000	
Bills Receivable being Bills for Collection as per contra ..	..	1,44,31,000	
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..	..	1,44,31,000	
Premises less Depreciation ..	..	21,92,65,000	
Furniture and Fixtures less Depreciation ..	..	21,92,65,000	
Other Assets (including Inter-Office Adjustments) ..	..	600,25,70,000	
Total ..	Rs.	600,25,70,000	

ADVANCE: Loans, Cash Credits, Overdrafts .. 156,93,05,000
Bills Discounted and Purchased .. 1,96,62,000
Bills Receivable being Bills for Collection as per contra .. 1,44,31,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra .. 1,44,31,000
Premises less Depreciation .. 21,92,65,000
Furniture and Fixtures less Depreciation .. 21,92,65,000
Other Assets (including Inter-Office Adjustments) .. 600,25,70,000

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	22nd Aug. 1958	15th July 1959	25th July 1959	25th July 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.2	101.2	101.1	99.8
2. Government of India	101.0	101.0	101.0	99.7
3. State Government	102.2	102.2	102.4	101.1
4. Municipal, Port Trust, etc.	99.9	99.9	99.8	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.1	102.1	102.0	99.1

PREFERENCE SHARES—ALL INDIA.

6. Total	93.4	93.1	92.6	87.1
----------	------	------	------	------

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	155.4	154.3	153.4	141.2
8. Agriculture and Allied Activities, Total	152.0	153.6	154.0	155.7
9. Tea Plantations	157.5	159.5	159.8	149.4
10. Coffee Plantations	150.3	156.0	157.2	126.1
11. Rubber Plantations	150.7	151.6	153.5	141.7
12. Mining and Quarrying, Total	148.0	148.1	148.6	148.9
13. Coal	116.3	116.2	117.5	111.9
14. Other Mining	171.3	170.0	169.9	174.1
15. Processing and Manufacturing, Total	160.3	154.2	157.1	140.3
16. Processing and Mfg. (Food, Textiles, etc.) Total	150.6	148.2	144.8	122.4
17. Sugar	179.1	175.9	176.3	169.3
18. Cotton Textiles	125.6	124.1	124.2	119.6
19. Jute Textiles	90.7	90.3	90.3	78.0
20. Silk and Woolen	665.1	649.2	624.6	412.8
21. Processing and Mfg. (Metals, Chemicals, etc.) Total	179.8	173.2	179.5	153.6
22. Iron and Steel	166.1	165.0	169.1	144.2
23. Transport Equipment	243.7	240.0	261.1	202.5
24. Electrical Machinery	134.7	135.2	138.5	148.5
25. Machinery other than Transport and Electrical	193.8	193.4	194.9	163.9
26. Basic Industrial Chemicals	157.7	155.4	156.2	125.3
27. Processing and Mfg. (Others)	153.4	152.3	152.9	151.9
28. Cement	137.0	138.4	139.3	143.2
29. Paper	102.9	103.4	104.1	96.6
30. Other Industries, Total	118.2	118.3	118.7	114.3
31. Electricity Generation and Supply	93.2	93.5	93.0	94.1
32. Trading	101.9	101.1	102.9	90.6
33. Shipping and Other Transport	128.0	128.2	130.5	122.8
34. Construction	102.0	102.0	102.0	90.0
35. Financial, Total	174.2	174.1	172.5	176.9
36. Banks	190.7	191.3	190.3	187.9
37. Insurance	141.3	140.8	140.8	126.1
38. Investment Trusts	99.4	99.5	99.2	87.7

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL

39. Bombay	159.4	157.8	156.9	145.6
40. Calcutta	148.2	147.3	146.7	136.2
41. Madras	168.7	168.1	168.6	162.9
42. Delhi	185.8	182.7	179.4	170.3

IRON AND STEEL PRODUCTION (In Tons)

Year ended 31st March, 1957	Pig Iron	Steel Ingots	Saleable Steel
Do. 31st March, 1958	1,185,500	1,078,600	797,500
Do. 31st March, 1959	1,098,300	1,006,800	786,900
Do. 31st March, 1959	1,137,500	1,149,900	884,700

Indian Iron and Steel Co., Ltd.

Year ended 31st March, 1957	Pig Iron	Steel Ingots	Saleable Steel
Do. 31st March, 1958	605,156	532,315	441,483
Do. 31st March, 1959	605,823	608,206	496,217

January to March, 1958

Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957	1,630	889,371	6,429,319
1958	1,624	928,586	7,797,985
1959	1,624	928,586	7,797,985

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957	1,630	889,371	6,429,319
1958	1,624	928,586	7,797,985
1959	1,624	928,586	7,797,985

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00	...	35,420	9,880
Canada	1957	16.00	...	11,880	7,035
Germany	1957	61.40	...	18,057	10,575
France	1957	48.30	...	12,231	9,412
Norway	1957	3.40	...	2,390	1,440
Sweden	1957	2.90	...	4,490	3,250
Netherlands	1957	11.00	...	3,574	3,250
Denmark	1957	4.50	...	2,480	3,250
Switzerland	1957	6.10	...	2,956	3,250

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	392.94	...	10,830	275.6
Pakistan†	1956-57	88.50	...	2,079	240
Burma	1956	20.00	...	475	269
Ceylon	1956	8.38	...	490	580
Japan	1957	90.90	...	10,916	1,200
Philippines	1957	22.90	...	1,820	790
New Zealand	1957	2.22	...	1,237	570
U.S.A.	1957	171.18	...	4,970	5,177
U.S.S.R.	1957	174.00			

* Includes bonus. † Subject to taxation. X—Managed by Board of Directors. X.R.—Ex-Right. (c) Paid out of Reserves. F—For fifteen months ended 31st March, 1967. Z.—Bombay Dyeing & Mfg. Co., Shares of Rs. 250 each were sub-divided into shares of Rs. 25 each in August 1967. 'C'—On increased Capital.

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
PAPER														
45,00,000	41,25,866	2,20,32,169	1,63,34,169	92,500	Balmer Lawrie & Co. Ltd.	Bengal Paper Mills	106.00	25	2.50	3.12	5.50	12	Y.P.T.	
45,00,000	61,62,256	1,94,26,902	87,73,418	29,701	Andrew Yule & Co. Ltd.	India Paper Pulp	24.82	10	1.39	1.40	1.00	3	Y.	
25,00,000	33,79,739	1,62,01,952	96,32,755	43,704	M. D. Shivamurthy, Esq. (Chairman)	Mysoor Paper Mills	28.62	10	1.00*	1.00*	1.00	1.25*	3	
1,48,82,500	2,68,74,724	8,20,10,763	1,87,17,832	1,20,326	Birra Brothers Private Ltd.	Orient Paper	38.00	10	0.82	1.50	1.50	3	Y.P.T.	
1,25,50,000	86,20,921	1,84,16,399	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	18.44	10	1.25	1.25	1.25	12	Y.P.T.	
50,00,000	9,19,123	74,75,136	39,88,407	20,483	Hajira & Co.	Star Paper Mills	11.87	A	1.05	0.60	0.60	12	Y.P.	
1,10,00,000	51,23,786	3,68,55,536	1,10,56,130	18,794	Birra Brothers Private Ltd.	Sirpur Paper Mills	11.87	A	1.05	0.60	0.60	9	Y.P.	
2,18,55,240							13.28	10	0.50	0.50	0.50	6	Y.P.	
58,04,800A.							44.00	A	1.12*	2.38*	2.38*	6	Y.P.	
58,04,800B.							44.00	B	1.12	2.38*	2.38	3	Y.P.	
1,87,50,00P.	8,85,66,722	6,68,96,034	3,73,82,529	1,16,856	F. W. Helleger & Co. Private Ltd.	Titlaghur Paper Mills Co. Ltd.	4.15	P.O. 24	0.12	0.24	0.24	8	Y.P.	
SAW MILLS AND TIMBER														
13,99,998	22,88,839	32,79,430	13,61,671	4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.78	3	N/A	N/A	N/A	9	Y.	
82,25,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corp.	187.50	Old150K	47.50K	22.50	7.50	5	Y.	
42,00,000							154.00	New50	13.75	19.00K	8.00	9	Y.	
20,00,000	20,50,362	21,44,638	10,69,939	1,05,396	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	34.62	10	8.00	2.75	2.50	9	Y.	
SUGAR (U.P. and Bihar)														
214,00,000	16,00,406	43,47,823	32,35,804	59,415	M. ...	Balrampur Sugar	7.00	N/A	0.25	0.25	6	Y.		
18,00,000A.	29,80,280	55,40,831	36,32,435	12,12,000	Naranga Bros. & Co. Private Ltd.	Basti Sugar	125.00N	A-100	10.00			4	Y.T.	
19,00,000	9,25,000	39,56,131	25,76,647	66,832	Bangur Bros., Ltd.	Besund Sugar	13.12	10	1.00	1.00	1.00	9	Y.	
15,00,000	13,08,913	22,69,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	19.10	10	1.50	1.50	1.50	9	Y.P.	
32,00,000	16,84,732	1,20,12,457	63,50,429	11,728	Gladstone Lyle & Co. Ltd.	Carew & Co.	21.12	10	0.92	0.92	0.25	3	Y.	
30,00,000	63,02,047	1,64,53,531	1,02,01,679	42,240	Beggs, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.75	10	0.75	N/A	N/A	6	Y.P.T.	
18,00,000	38,41,544	85,53,310	18,59,328	6,822	Beggs, Sutherland & Co. Private Ltd.	Champur Sugar	20.25	10	1.00	N/A	N/A	10	Y.	
9,58,252	6,30,735	25,25,306	1,40,3	1,403	K. C. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50N	10	1.00	1.50	0.60	8	Y.P.	
60,00,000	65,12,000	2,11,44,128	1,58,23,236	43,249	Bachher & Co. Private Ltd.	Hindustan Sugar Mills	203.00	100	15.00	15.00	0.60	10	Y.T.	
18,00,000	13,01,626	82,28,561	62,18,596	74,885	Mr. Tuladasi Kishanand (Chairman)	Kesar Sugar	48.00	40	4.00	7.00	4.00	6	Y.P.	
7,99,100	26,62,224	25,50,749	18,23,236	18,236	Cotton Agents Private Ltd.	New India Sugar Mills	10.47	10	0.50	0.50	0.50	6	Y.P.	
11,00,000	4,52,441	32,45,638	19,45,638	10,470	K. C. Thapar & Bros. Private Ltd.	New Sadar	26.00	10	0.27	0.30	0.25	6	Y.P.	
13,21,100	49,91,797	73,75,775	27,02,383	6,855	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	50.00N	100	20.00	20.00		5	Y.	
77,48,500	64,48,618	2,15,99,028	1,18,55,250	35,816	Cotton Agents Private Ltd.	Oudh Sugar	12.12	10	0.75	N/A	N/A	6	Y.	
9,00,000	10,94,146	43,88,000	32,94,228	15,962	Beggs, Sutherland & Co. Private Ltd.	Purbapoor Sugar	18.00	10	1.50	1.50	1.25	7	Y.P.	
68,40,000	27,42,513	87,08,558	34,12,900	9,985	Govan Bros. (Rampur) Private Ltd.	Raza Rulund Sugar	13.00	10	1.50	1.50		10	Y.P.	
8,00,000	16,33,214	47,23,533	25,18,422	2,823	M. ...	Ryam Sugar	1.75	10	1.75	1.50		6	Y.P.	
41,90,000	25,21,247	1,36,71,319	70,64,822	8,837	Sahu Jain Ltd.	Samsatpur Central Sugar	18.56	10	1.75	N/A		6	Y.P.	
10,25,110	38,275	32,45,638	14,55,638	24,613	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Shree Krishna Gyanodaya Sugar	11.50	10	1.00	1.00	1.00	9	Y.P.T.	
15,83,000	15,52,431	39,59,550	20,58,359	40,866	M. ...	Sitalpur Sugar	6.31	10	N/A	N/A	N/A	6	Y.	
8,00,000	9,72,016	35,84,066	27,87,195	60,290	Cotton Agents Private Ltd.	Shri Sitaram Sugar	36.00N	100	5.00	5.00	5.00	8	Y.	
16,00,000	9,72,016	35,84,066	27,87,195	60,290	M. ...	United Provinces Sugar	16.50	10	0.60	0.75	1.00	9	Y.P.	
Other Centres														
20,00,000	23,00,000	84,58,082	24,32,569	22,096	Rangaroo & Co.	Andhra Sugars Ltd.	20.25	10	1.00	1.25	1.50	9	Y.	
70,49,650	1,33,26,568	1,53,99,065	1,08,78,700	2,88,214	W. H. Brady & Co. Ltd.	Balapur Company	307.50	50	18.00	18.00	20.00*	9	Y.	
17,50,000	13,99,022	42,68,150	25,46,204	1,21,343	A. H. Bhivaniwadia & Co. (Bombay)	Rhopal Sugar Industries Ltd.	23.80	10	1.50	2.00	2.00	9	Y.P.	
12,50,000	1,04,720	1,20,12,457	63,50,429	11,728	Private Ltd.	Shree Chander Sugar	27.00	12.50	5.00	2.25	2.25	9	Y.P.	
39,84,000	50,19,492	1,19,44,323	66,35,483	1,49,743	Parry & Co. Ltd.	Deccan Sugar & Abkhari	12.15Kd	5	0.75	0.75*	0.90	9	Y.P.	
2,800,000	51,98,556	81,861,707	39,96,904	27,010	Parry's Holdings Private Ltd.	East India Distilleries & Sugar	38.87Kd	51	Sh. 3	Sh. 3	Sh. 4	9	Y.P.	
15,98,000	21,58,393	45,85,062	27,85,312	9,184	Mr. J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	10.00	10	1.00	1.00	1.00	9	Y.P.	
63,87,600	9,09,356	76,60,440	13,77,075	24,812	India Sugar Agencies Private Ltd.	India Sugar and Refineries	13.10	10	1.12	1.00		6	Y.P.	
23,17,770	16,75,871	94,06,432	12,67,310	6,611	R. S. Ind. Corp. Private Ltd.	Jaypoor Sugar	13.75Kd	10	0.60	0.60	0.60	6	Y.P.	
0.52,500	1,09,50,000	8,87,42,487	51,70,482	83,107	V. Ramakrishna Sons (Private) Ltd.	K. C. P. Ltd.	16.50	10	10.00	10.00	7.50	6	Y.P.	
87,50,000	43,62,607	1,32,18,880	62,39,590	2,95,574	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	215.00	50	100.00*	100.00*	17.00*	9	Y.P.	
21,79,238	92,73,108	1,67,31,189	96,17,678	1,41,257	B. M. Krishnan, Esq. (Managing Director)	Mysoor Sugar	16.75	50	9.00	9.00	3.00*	6	Y.	
16,59,820	38,33,800	72,92,379	36,26,378	10,828	Malathi, Apte and Kantilal Pvt. Ltd.	Phaltan Sugar	16.50	50	9.00	12.00	10.00	6	Y.	
1,00,00,000	42,95,804	1,18,46,781	62,36,097	72,206	Anderson Wright Ltd.	Ramnagar, Cane and Sugar	20.75	10	2.00	1.50	1.50	6	Y.	
1,00,00,000	23,85,000	66,43,399	27,62,883	1,07,227	Walchand & Co. Private Ltd.	Ravalpur Sugar Farm	10.00	10	6.75	8.75	8.75	9	Y.P.T.	
1,00,00,000	65,43,399	2,96,28,114	1,17,97,839	1,73,907	Parry & Co. Ltd.	Travancore Sugars	12.45	10	1.00	1.00	1.00	7	Y.P.	
1,01,00,000	1,17,98,286	2,96,28,114	1,17,97,839	1,73,907	Walchand & Co. Private Ltd.	Walchandnagar Industries	317.50	100	21.00	21.00	21.00	9	Y.P.T.	
TRANSPORT														
20,00,000	99,30,970	1,32,58,616	20,71,676	88,827	Andrew Yule & Co. Ltd.	Bengal-Assam Steamship Co.	96.00	100	7.50	5.00	6.00	10	Y.P.	
1,00,44,724	8,90,05,72	1,77,61,825	3,74,921	13,791	Private Ltd.	Bharat Line	12.00	10	1.00	1.50	1.20*	12	Y.	
90,00,000	1,98,50,067	67,36,543	1,28,12,203	1,54,433	A. H. Bhivaniwadia & Co. (Bombay)	Great Eastern Shipping Co.	19.80	10	1.00	1.50		12	Y.	
80,00,000	598,738	55,811,271	63,58,891	610,266	Private Ltd.	India General Navigation & Ry. Co.	18.08	210	N/A	N/A	N/A	6	Y.P.	
47,50,000	2,88,56,232	15,10,10,777	3,23,97,210	8,09,613	Kilburn & Co. Private Ltd.	India Steamship Co.	13.88	10	1.00	1.00	1.00	12	Y.P.	
28,19,298	10,91,45,114	80,05,86,672	6,94,78,743	6,65,098	Lionel Edwards (Private) Ltd.	Scindia Steam Navigation Co.	17.25	20	1.00	1.25	1.25	8	Y.P.	
1,40,20,000	20,01,702	12,85,482	8,76,376	1,40,960	B. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	1.14	P.O. 1	0.12	0.12	0.12	12	Y.T.	
UNCLASSIFIED (Bombay)														
57,00,000	1,20,48,754	5,27,51,838	66,48,054	1,35,01,938	S. H. Turner (Chairman)	Hindustan Lever	29.75	10	1.25	1.40	1.50	12	Y.	
51,07,000	18,46,538	1,14,49,682	72,51,407	100,550	Birra Brothers Private Ltd.	Hind Cycles	100.50	100	12.50	7.00	7.00	12	Y.	
14,98,840	4,90,470	34,57,150	21,85,078	16,437	Choonilal Manilal Private Ltd.	Retrola Batteries	45.50	50	3.00	3.50*	3.00	8.50*	3	
1,00,00,000	20,21,794	42,40,868	19,18,152	26,190	Frenchman Norchand & Sons	Industrial Investment Trust	81.00	100	0.50	0.50	0.50	12	Y.P.	
0,00,00,000	25,84,707	46,50,246	14,46,888	9,290	K. G. Milne, Esq. (Mg. Director)	Killick Industries	142.50	100	11.00	11.00	18.00	2.45	11	
20,22,625	71,19,432	8,90,81,153	1,59,89,002	47,891	Aero-Auto Private Ltd.	Premier Automobiles	132.00	100	6.00	6.00	6.00	6	Y.T.	
1,00,00,000	16,75,768	1,77,81,201	43,0											

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.		
PLANTING; PRODUCE AND RUBBER														
1,00,000	2,10,000	5,92,805	84,197	15,099	Planting Agencies (Private) Ltd.	Balmalades Plantations	3.12cd	2	0.21	0.45	0.30		5	V.P.
22,91,279	20,25,000	50,55,434	6,98,019	15,281	Petree, Leslie & Co. Ltd.	Cochin Malabar	6.87cd	3	0.75	0.82			5	V.P.
22,91,279	20,25,000	49,56,649	6,98,019	1,52,288	Cons. Coffee Estates (Secretaries).	Consolidated Coffee	24.00	10	2.50	4.00	2.00	0.45	6	V.P.
71,55,000	57,69,923	1,42,78,181	80,95,427	75,454	R. C. Paterson, Esq.	Calcutta Estates	22.00	10	2.00	2.00	1.00		6	V.P.
4,00,000	12,42,809	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	16.50cd	10	1.50	1.75	1.50	1.50	6	V.P.
1,00,000	9,34,043	30,13,331	6,39,376	21,458	A. V. Thomas & Co. Ltd.	Highland Produce	12.50	10	2.00	0.75	1.50		12	V.P.
1,00,000	6,92,829	10,66,000	3,03,019	11,993	K. T. Thomas Katharine, Esq.	Midland Rubber	12.40	10	2.00	2.00	1.00		12	V.P.
15,50,000	4,55,880	20,40,026	3,88,888	2,531	A. V. Thomas & Co. Ltd.	Nilambur Rubber	19.40	10	3.25	2.25	1.70		4	V.
40,00,000	29,09,139	66,11,082	10,36,522	2,531	A. V. Thomas & Co. Ltd.	Nilambur Rubber	15.25	10	2.00	2.00	1.00		4	V.
3,55,000	4,00,000	15,43,851	2,29,134	22,019	A. V. Thomas & Co. Ltd.	Nilambur Rubber Co.	18.15cd	10	1.50	1.50	2.00		12	V.P.T.
2,00,000	8,28,100	3,55,544	65,409	1,905	Associated Planters Private Ltd.	Outchery Valley Estates	15.10	10	0.20	0.60	0.20		12	V.P.
10,45,980	23,18,823	46,03,527	15,75,404	4,912	Petree, Leslie & Co. Ltd.	Rajagiri Rubber	18.10	10	2.50	0.80			10	V.P.
15,50,000	8,89,102	4,23,094	40,664	866	Petree, Leslie & Co. Ltd.	Savannal Estates Ltd.	3.00	2	1.50	0.30	0.25		17	V.
1,50,170	2,44,000	1,07,493	1,07,493	15,748	Patco Agencies	Savannal Estates Ltd.	3.00	2	1.50	0.30	0.25		17	V.
12,00,000	1,35,000	18,21,855	68,427	15,748	East India Agencies Private Ltd.	Teekur Rubber (India) Ltd.	7.50	10	0.90	0.60	0.18	0.18	8	V.P.
10,00,000	2,74,418	22,50,014	1,70,646	15,748	Petree, Leslie & Co. Ltd.	Thamaparappal Rubber	28.50	10	3.00	3.00	1.00		12	V.P.
2,50,000	2,75,000	5,73,190	38,949	22,019	Rapen Thoms, Esq. (Mg. Director)	Thirunbadil Rubber Co. Ltd.	1.90	12	0.00	0.05			12	V.P.
1,15,300	4,00,000	22,40,057	1,37,435	23,927	A. V. Leslie & Co. Ltd.	Travancore Rubber	14.25	10	2.00	1.50			9	V.P.
4,00,000	48,742	11,45,900	4,92,700	12,299	East India Agencies Private Ltd.	Travancore Rubber & Tea Co. Ltd.	6.35	10	0.75	0.40	0.50		12	V.P.
14,00,000	14,00,000	31,29,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20.00	10	2.00	0.00	1.50		12	V.P.
20,00,000	96,000	31,29,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Udayagiri Rubber Co. Ltd.	10.40	10	0.75	0.60			12	V.P.
2,20,000	4,29,600	9,26,785	83,552	8,72	M. K. Thomas, Esq. (Mg. Director)	Vaikundam (Travancore) Rubber	27.12	10	3.50	3.50	1.25		12	V.P.
1,80,000	5,00,000	14,17,507	27,217	8,72	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8.10	10	1.25	1.00	0.50		12	V.P.
6,95,000	1,94,567	1,41,707	60,561	5,723									8	V.P.

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
										1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.		
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	Agarpara	13.62	10	0.25	0.25	0.25		13	V.P.T.
6,00,000	10,81,800	59,52,765	40,52,765	1,06,551	McLeod & Co. Ltd.	1,454	Alexandra	200.00	100	1.00	1.00	1.00		13	V.P.T.
30,00,000	5,25,000	1,25,15,910	97,60,331	—8,106	McLeod & Co. Ltd.	1,264	Alliance	133.00	100	1.00	1.00	1.00		13	V.P.T.
42,20,700	72,21,000	1,04,08,068	63,17,408	2,561	Duncan Brothers & Co. Ltd.	2,561	Andra-India	243.00	100	3.50	7.00	10.00		13	V.P.T.
40,00,000	32,60,924	1,49,52,534	63,17,408	810	Bird & Co. Private Ltd.	810	Andhra Pradesh	205.00	100	2.00	2.00	2.00		13	V.P.T.
20,00,000	28,98,485	97,77,435	64,82,569	1,889	Bir John H. Ruyter (Chairman)	1,889	Bally	219.00	100	2.00	2.00	2.00	10.00	13	V.P.T.
22,75,000	21,64,000	49,67,457	34,82,569	820	Barnagore	820	Barnagore	164.00	65	1.00	1.00	1.00		13	V.P.T.
20,00,000	28,98,485	97,77,435	64,82,569	1,889	Bir John H. Ruyter (Chairman)	1,889	Barnagore	164.00	65	1.00	1.00	1.00		13	V.P.T.
45,00,000	29,71,745	56,94,991	35,42,939	—7,752	Boornimul Nageswari Ltd.	600	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
21,25,000	2,91,000	1,04,07,772	1,84,13,072	29,005	Bir John H. Ruyter (Chairman)	1,373	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
90,00,000	15,90,850	1,77,94,462	38,11,425	—1,12,591	Andrew Yule & Co. Ltd.	502	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
7,47,830	92,40,128	44,38,108	32,72,022	—1,12,591	Andrew Yule & Co. Ltd.	502	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
10,00,000	78,85,462	3,31,97,782	1,27,06,698	—4,45,989	Andrew Yule & Co. Ltd.	610	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
16,00,000	21,84,670	45,51,524	58,61,109	19,020	Andrew Yule & Co. Ltd.	610	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
80,50,000	80,50,000	80,50,000	80,50,000	80,50,000	Andrew Yule & Co. Ltd.	610	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
81,49,200	45,61,566	1,30,76,699	56,08,218	—12,92,897	Bird & Co. Private Ltd.	810	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
22,00,000	82,62,470	1,08,68,005	60,35,905	4,702	Andrew Yule & Co. Ltd.	766	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
18,00,000	86,93,230	1,07,87,786	56,99,232	26,123	McLeod & Co. Ltd.	1,500	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
21,00,000	74,32,310	2,61,26,629	1,59,43,058	1,94,546	Kettledale Bullen & Co. Ltd.	1,584	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
21,00,000	10,22,948	1,27,75,074	1,66,649	68,619	Bangor Bros. Ltd.	1,014	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
54,32,100	27,30,315	1,10,77,224	1,32,88,825	—2,87,452	McLeod & Co. Ltd.	1,709	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
10,00,000	44,12,050	2,41,02,331	1,66,19,415	1,51,070	McNeill & Barry Ltd.	807	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
24,00,000	68,76,233	1,38,57,771	75,98,406	2,98,063	Bangor Bros. Ltd.	1,078	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
40,00,000	88,76,233	1,38,57,771	75,98,406	2,98,063	Bangor Bros. Ltd.	1,078	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
16,00,000	13,61,580	47,70,916	2,98,063	—2,98,063	Bangor Bros. Ltd.	1,078	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
65,62,500	2,85,30,720	1,36,48,183	58,053	—58,053	Bangor Bros. Ltd.	1,078	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
82,50,000	80,63,764	2,08,62,016	1,09,492	—54,575	Jardine Henderson Ltd.	2,272	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
87,50,000	10,99,967	1,41,58,065	97,84,018	2,520	Ramchandram Sankaradas	790	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
24,00,000	21,11,227	1,97,74,000	1,24,02,441	2,520	Jardine Henderson Ltd.	1,797	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
30,00,000	9,86,279	1,75,62,650	1,05,04,210	—31,78,147	Jardine Henderson Ltd.	1,527	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
21,00,000	55,00,000	1,41,58,065	60,35,905	1,18,889	McLeod & Co. Ltd.	708	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
44,00,000	22,99,741	1,08,68,005	60,35,905	1,23,888	Andrew Yule & Co. Ltd.	1,830	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
44,00,000	22,99,741	1,08,68,005	60,35,905	1,23,888	Andrew Yule & Co. Ltd.	1,830	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
24,40,000	27,70,838	1,22,07,077	58,30,547	—9,82,485	Bird & Co. Private Ltd.	681	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
40,00,000	40,49,500	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00	100	1.00	1.00	1.00		13	V.P.T.
20,00,000	34,62,155	1,08,68,005	60,35,905	1,23,888	Bird & Co. Private Ltd.	840	Bengal	11.00							

chemicals which are too valuable to be discarded, specially so, at the present time, when caustic soda has to be procured from abroad with considerable difficulty and expense. Hence many modern mills with larger capacity provide for the installation of a modern soda recovery unit which gives a high percentage recovery of chemicals and also generate steam, resulting in considerable savings. Speaking about our mills, I have to state that such a unit we could go into only when we step up our pulp production to 16,000 tons and schemes are under contemplation to which I shall refer presently. However, for the present, technological and economic considerations are in favour of installing a Dorr Oliver Recalcitising Unit which is also linked with modern recovery furnace and the present proposal to install this unit would fit in with our further and larger scheme of expansion in contemplation and this may be said to be the first concrete step in that direction. I wish to add that the scheme is estimated to cost about Rs. 11 lakhs and is proposed to be financed from current resources and is considered a good investment as it replaces an outmoded equipment.

"In regard to development plans, I wish to say that I am well aware that you would like rapid rate of progress in the developmental activities of your Company and I should hasten to add that your Directors are also of similar mind.

Expansion Plan

"The question of expansion of the production capacity of the mills, is, as you are aware, engaging attention for some time past. We have submitted our application to the Government of India for expansion of production from 8,000 tons to 16,000 tons and it is receiving active and sympathetic consideration at the hands of the Government. Should my anticipation to secure the necessary licence be correct and fulfilled, appropriate steps would be taken to place specific proposals before you for consideration and acceptance and I hope it shall be possible to meet you in an extraordinary general meeting for the purpose much earlier than the next annual general meeting, when I shall look forward with confidence to your support and co-operation.

"Before I conclude, I wish to express on behalf of the directors and the shareholders our grateful thanks to the Central and State Governments for the abiding interest they have in the progress of the mills. I am very grateful to my colleagues on the Board for their uniform courtesy, consideration and valuable guidance. I wish also to express on behalf of the directors and my own warm appreciation of the willing and efficient co-operation of all our employees.

"Gentlemen, with these observations, I now move that the Directors' report, the audited balance-sheet and profit and loss account for the year ended 31st March 1959 be approved and adopted."

Note: This is not a report of the proceedings at the above meeting, of which proceedings a separate report will be circulated.

MARKET GOSSIP

(Concluded from page 387)

referred to the Government. Later, the Regional Provident Fund Commissioner, Madras, pointed out that similar night allowance was being paid by several textile mills in his region and the Government of India, therefore, directed, in June 1958, that such allowances should also be made liable to provident fund deductions. The Government had further directed that the decision in the case of the Western India Match Co., Ltd. should be implemented from 4th December 1957 in all other factories. As several factories were not deducting provident fund contributions on the 'night allowance', they represented that implementing the decision of the Government with retrospective effect would be a great hardship. On my recommendation, the Government of India have agreed to enforce this decision with effect from 31st August 1959 only, in order to avoid hardship to employers.

"As the question here was one of interpretation of the existing definition of the expression 'basic wages' used in the Employees' Provident Funds Act, namely, whether or not it included the night allowance, a Government notification was not required. This decision was, however, circulated to all Regional Provident Fund Commissioners for further necessary action.

"At present, contributions are being deducted on basic wages and dearness allowance including cash value of food concession, if any. The Government of India have under consideration a proposal to amend the Act with a view to recovering Provident Fund contributions on 'total earnings'. The allowances mentioned in Government of India's circular letter dated the 25th May 1959 are illustrative; the list is not exhaustive. The main proposal is to amend the Act to recover contributions on 'total earnings'."

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1956 Rs. or £	1957 Rs. or £	1958 Rs. or £	1959 Rs. or £	Accounts Credited	Reference
16,00,000	1,08,00,000	3,53,958	Allahabad Bank	353 00	100	18 00	18 00	18 00	18 00	12	Y.P.
14,50,000			Andhra Bank	105 50cd	100	8 00	8 00	8 00	8 00	6,12	H.
1,01,000	17,56,970	24,205	Bank of Baroda	86 00cd	50	5 50	5 50	5 50	5 50	12	Y.
40,78,300		3,03,522	Bank of Bengal	104 50	50	7 00	7 00	7 00	7 00	12	Y.
1,00,00,000	1,59,50,000	1,880	Bank of Bihar	47 00	25	1 12	1 25	1 50	1 23	12	Y.
25,00,000	27,70,476	12,70,476	Bank of India	114 00	50	8 00	8 00	8 00	8 00	6,12	R.L.Y.
50,00,000	8,10,00,000	47,153	Bank of Madras	114 50	50	4 00	4 00	4 00	4 00	12	Y.
50,00,000	22,00,000	20,356	Bank of Mysore	39 50	25	3 50	3 50	3 50	3 50	12	Y.
15,30,375	25,50,000	4,70,232	Bank of Panaji	330 00cd	100	16 00	16 00	16 00	15 50H	12	Y.P.
50,00,000	96,70,813	97,384	Bank of Poona	82 00	50	5 00	5 00	5 00	5 00	12	Y.
50,00,000	51,23,116	4,716	Bank of South India	67 50cd	100	6 00	6 00	6 00	6 00	12	Y.P.
50,00,000	14,40,000	12,632	Bank of United Provinces	100 00	100	15 00	15 00	15 00	15 00	12	Y.
8,66,580	25,50,000	17,32,515	Bank of West Bengal	100 00	100	15 00	15 00	15 00	15 00	12	Y.
23,787	4,04,68,517	17,32,515	Central Bank of India Ltd.	50 00	25	3 50	3 50	3 50	3 50	12	R.L.Y.
5,52,42,375	46,00,000	10,45,442	Dewan Nanjee Banking Co.	62 50	50	3 00	3 00	3 00	3 00	12	Y.
50,00,000	2,00,00,000	29,605	Habib Bank (P)	20 12	5	1 37	1 00	1 00	1 30H	12	Y.
2,00,00,000	10,00,000	12,538	Hindustan Commercial Bank	12 50	50	N/A	N/A	N/A	N/A	12	Y.
1,25,00,000	2,08,000	60,933	Hindustan Mercantile Bank	17 50	50	N/A	N/A	N/A	N/A	12	Y.
44,00,000	98,91,884	60,933	Indian Bank	187 00cd	100	18 00	15 00	15 00	15 00	6,12	R.L.Y.
22,40,000	52,36,600	2,03,141	Indian Overseas Bank	151 50cd	80	9 75	12 00	10 40	6 00H	12	Y.
50,00,000	10,50,000	30,428	Pandyan Bank Ltd.	144 50	75	10 00	10 00	10 00	10 00	12	Y.
125,00,000	1,27,00,000	4,43,890	State Bank of India	33 00	25	1 87	1 87	2 50	2 50	12	Y.
5,52,50,000	5,52,50,000	5,52,50,000	State Bank of Mysore	22 00	100	4 00	5 00	2 00	1 00H	12	Y.
1,00,00,000	27,20,000	10,520	State Bank of Travancore	375 00	100	16 00	16 00	16 00	7 00H	12	Y.
60,00,000	43,00,000	1,14,552	Union Bank of India	25 65	25	1 00	1 25	1 25	1 25	12	Y.
2,00,00,000	1,48,00,000	1,81,542	United Commercial Bank	6 98	5	0 44	0 44	3 76	3 76	12	Y.
2,08,00,000	80,80,000	1,81,542	United Bank of India	61 50	50	8 50	8 50	8 50	8 50	12	R.L.Y.
2,08,00,000			United Bank of India	4 81	10	0 30	0 30	0 30	0 30	12	R.L.Y.

PRINCIPAL EXCHANGE BANKS

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotation (per hundred) Rs. or £	Principal Repayable
£2,000,000	£2,100,000	£174,938	British Bank of the Middle East	£2-17-6	£1	10 ¹ / ₂ 10 ¹ / ₂ 10 ¹ / ₂ 15 ¹ / ₂
£5,000,000	£5,500,000	£455,019	Chartered Bank	£2-9-0	£1	15 ¹ / ₂ 15 ¹ / ₂ 15 ¹ / ₂ 15 ¹ / ₂
H.K. \$50,000,000	H.K. \$128,000,000	H.K. \$2,085,475	Hongkong and Shanghai Banking Corporation	£54	H.K. \$125	5 ¹ / ₂ 5 ¹ / ₂ 5 ¹ / ₂ 14 ¹ / ₂
£34,800,508	£23,950,000	£703,010	Lloyds Bank	£2-13-8	£1	18 ¹ / ₂ 18 ¹ / ₂ 18 ¹ / ₂ 18 ¹ / ₂
£2,940,000	£2,200,000	£231,407	Mercantile Bank Ltd.	£2-4-3	£1	14 ¹ / ₂ 14 ¹ / ₂ 14 ¹ / ₂ 14 ¹ / ₂
£2,851,563	£3,168,579	£351,349	National and Grindlays Bank Ltd.	£1-0-0	sh. 12 ¹ / ₂	15 ¹ / ₂ 15 ¹ / ₂ 15 ¹ / ₂ 15 ¹ / ₂

Includes bonus. * Less Tax. (P) Pakistan Currency. R.L.—Reserve Liability on shares. (U) Interim. * 2 per share free of tax. X—Ex-Right. Z—The final dividend of 11-12-15 is on the increased Capital. Excludes share premium amounting to £100,000. C—On increased Capital. K—Furnish National Bank—Dividends for 1956 and 1957 are on shares of Rs. 25 each.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotation (per hundred) Rs. or £	Principal Repayable
15,50,000	6	1st December and 1st June	Carew & Co.	1938	90.00	1st June 1963
4,00,000	5 1/2	1st August and 1st February	Carew & Co. (2nd mortgage)	1941	100.25	28th February 1960
10,00,000	5 1/2	1st May and 1st November	Ravakumar Sugar (New)	1942	87.00	1st November 1959-60
25,00,000	4 1/2	1st May and 1st November	Waichandnagar Industries (New)	1944	95.00	1st November 1959-60
30,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June 1964
20,00,000	4 1/2	15th June and 15th December	Burrat Coal Co.	1947	87.00	30th June 1967 (a)
47,86,000	5 1/2	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December 1969 (a)
7,00,000	5 1/2	30th June and 30th September	Basant Cotton Mills Ltd.	1942	85.00	30th April 1966 (a)
4,00,000	5 1/2	10th May and 10th November	Bengal-Nasip	1947	85.00	15th November 1966 (b)
67,84,000	5 1/2	1st April and 1st October	Bengal-Nasip and Carnatic	1952	100.25	1st March 1972 (a)
40,00,000	5 1/2	1st April and 1st October	Gokak Mills	1957	100.50	1st April 1967-72
13,71,000	5 1/2	30th June and 31st December	Jayalaxmi Textiles	1949	90.00N	1st January 1966-69
39,61,000	5	1st June	Tata Mills	1951	93.25	1st June 1960-71
10,00,000	4 1/2	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	90.00	31st March 1965 (a)
1,25,00,000	5 1/2	1st April and 1st October	Ahmedabad Electric Co. Ltd.	1940	90.00	14th March 1960
98,28,000	5 1/2	1st April and 1st October	Andhra Valley Power Supply Co.	1940	90.00	1st March 1965
12,00,000	4 1/2	30th June and 31st December	Bengal-Nasip and Carnatic	1949	90.00	31st December 1964 (a)
52,80,400	4 1/2	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	97.75	1st January 1970 (a)
25,00,000	4 1/2	30th June and 31st December	Gopuram Electric Supply Co. Ltd.	1945	88.00	30th June 1960
13,80,000	4 1/2	1st January and 1st July	Singh (Ghosi) Electric Supply Co. Ltd.	1951	91.00	30th June 1967 (a)
2,00,000	5 1/2	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April 1965-68
47,73,000	5 1/2	31st March and 30th September	South Madras Electric Supply	1940	95.00	1st April 1965-68
2,50,00,000	4	1st April and 1st October	Tata Power	1940	101.00	1st July 1965-70
5,00,000	5 1/2	30th June and 31st December	Britannia Engineering	1945	94.00	31st December 1969
1,50,00,000	5 1/2	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	90.00	1st January 1969-71
29,18,000	5 1/2	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	95.50	1st July 1971
10,00,000	4	31st May and 30th November	Kumarrathi Engineering Works Ltd.	1946	82.00	31st May 1971
4,00,00,000	4	1st April and 1st October	Tata Locomotive	1951	90.00	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	98.00	31st December 1960 (a)
12,00,000	5 1/2	1st October and 1st April	Akarpura	1939	92.00	31st March 1969
6,00,000	5 1/2	30th June and 31st December	Amkand Jute Co. Ltd.	1939	91.00	30th June 1969
15,00,000	5 1/2	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	77.00	31st December 1964
10,00,000	4 1/2	30th June and 31st December	Calcutta Jute Co. Ltd.	1945	86.00	30th June 1960
9,00,000	5 1/2	31st January and 31st July	Chitavalah Jute Mills	1949	88.00	31st January 1969
10,00,000	5 1/2	30th June and 31st December	Dalhousie Jute Co. Ltd.	1954	88.50	30th June 1969
10,00,000	5 1/2	31st March and 30th September	Empire	1951	90.00	31st March 1969 (a)
20,48,000	5 1/2	15th January and 15th July	Gowrah Mills Co. Ltd.	1952	90.00	15th January 1969 (a)
30,00,000	5 1/2	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	90.00	31st March 1969
25,00,000	5 1/2	30th June and 31st December	Nallamilli Jute Mills Co. Ltd.	1952	90.00	31st December 1964 (a)
5,00,000	5 1/2	14th November and 14th May	Norbrook Jute Co. Ltd.	1939	92.00	14th May 1969
20,00,000	5 1/2	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	80.00	31st March 1964
25,00,000	5 1/2	30th June and 31st December	Union	1950	95.00	30th September 1965 (a)
12,00,000	5 1/2	30th June and 31st December	Waverley	1937	95.00	31st March 1965
10,00,000	5 1/2	31st January and 31st July	Nellur Jute Co. Ltd.	1955	100.00	31st July 1969
4,00,00,000	5 1/2	1st January and 1st July	Nellur Jute Co. Ltd.	1955	100.00	1st July 1969
10,00,000	4	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	31st December 1965
22,00,000	4 1/2	1st January and 1st July	Burmah Shell	1948	85.00	31st December 1965
8,00,00,000	4 1/2	1st January and 1st July	Calcutta Oil Refining (India) Ltd.	1954	102.75	1st September 1964-69 (a)
2,00,00,000	4 1/2	1st April and 1st October	Chowdhury Properties	1954	85.00W	1st October 1970
21,00,000	4 1/2	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1954	82.00	1st July 1969
68,00,000	4 1/2	15th March and 15th September	Dalhousie Properties	1948	82.00	1st July 1969
20,00,000	4 1/2	31st March and 30th September	Dalhousie Properties	1948	82.00	1st July 1969
1,00,00,000	4 1/2	31st March and 30th September	Dunlop Rubber Co. (India) Ltd.	1946	84.00	15th September 1960
1,00,00,000	4 1/2	1st January and 1st July	Indian Cable Co. Ltd.	1950	109.75	1st January 1973 (a)
1,00,00,000	4 1/2	1st January and 1st July	Mettur Chemical Industries	1950	92.00	30th June 1969 (a)
1,00,00,000	4 1/2	2nd January and 2nd July	Mettur Chemical Industries	1950	92.00	30th June 1969 (a)
14,00,000	5 1/2	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	83.00	31st March 1969
8,50,000	5 1/2	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1946	83.00	31st March 1969
45,00,000	5 1/2	1st April and 1st October	Macneil and Barry Ltd.	1951	102.50	1st April 1971
75,00,000	5 1/2	30th June and 31st December	National Rayon	1954	85.50N	1st September 1964
1,50,00,000	5 1/2	31st March	Orissa Paper Mills Ltd.	1951	102.50	30th June 1965-70
1,00,00,000	5 1/2	31st March	Rohit Industries Ltd.	1946	92.00	31st March 1969 (a)
1,00,00,000	5 1/2	31st March	Shree Gopal Paper Mills Ltd.	1944	92.00	31st March 1969
1,00,00,000	5 1/2	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1953	92.00	16th February 1969
4,00,00,000	5 1/2	31st March and 31st November	Standard Vacuum Refining Co. India, Ltd.	1958	103.00	31st March 1965 (a)
25,00,000	5 1/2	30th June	Tata Chemicals Ltd.	1945	98.25	1st May 1965-66

(a) These debentures are registered and are transferable by transfer deed. (

incentives of money and other individual rewards will have a place in the new social set-up. But the motivations for social or economic activity would have to undergo a change and a climate will have to be created in which it would be easier for common men and women to work for the sublimation of their egoistical impulses. We feel that, in the background of India, its culture and its philosophy, it should not be difficult to accomplish this, given a proper lead by those who constitute the leadership in the political, social and economic spheres of the country's life."

What is farcical about this quotation is the Committee's claim that it has put forward these proposals "bearing in mind the principle that good economics and good politics should take note of what is possible and practicable." What is more, it has come to this conclusion after X-raying the failures and deficiencies in the implementation of the first and second Plans. Of the deficiencies it has discovered, two are worth mentioning. They are, in the words of the Committee, "deficiencies in official and non-official organisational efforts" and "deficiencies in creation of the necessary social outlook, lack of sufficient regard for values on which we have decided to base the new social order, the lack of a sensitive regard for the lot or plight of our people in the lower rungs of the social ladder." Does the Committee think that these deficiencies, which could not be overcome during the last eight or nine years, could be made up in the next two years, thereby paving the way for the smooth implementation of the third Plan envisaging an investment of Rs. 10,000 crores to Rs. 11,000 crores? The Committee seems to have suffered from a confusion of objectives. Surely, the chief objective before the country is economic development and not social revolution. The former will automatically bring about the latter, as it has done in most of the countries of the world. By giving an excessively high priority to social revolution, the Congress Party is only retarding economic growth which alone can abolish inequalities.

WHITHER FOOD POLICY?

THE National Development Council has met and dispersed without shedding any new light on the Government's food policy. The result is that, so far as this body is concerned, there is to be no change in the way in which the food situation is to be handled. A semblance of State trading in food will be maintained. It is not clear from the official Press note on the Council's deliberations whether the Council wanted any changes to be made in the system of State trading. Press reports, however, stress that the Council decided that there should be no reversal of the policy. Beyond this, nothing is known. From this point of view, the position remains obscure. This is deplorable, for it is widely held that the chief inspiration for the present high level of food prices is the sense of uncertainty, if not insecurity, engendered by State trading plans in the minds of farmers, who are apparently convinced that stocks in their hands are worth more than in Government's godowns.

It is difficult not to label the Government's policy as one of "drift." It is also a policy which is inspired by doctrinaire considerations. The Government will be satisfied if State trading in foodgrains is maintained, irrespective of whether it results in improvement in the food situation or not. Apparently, the Union Food and Agriculture Minister, Mr. S. K. Patil, is not entirely free to implement his pragmatic approach to the problem. How far is he a free man today? It is not merely cartoonists who have raised this question. The public is really interested in knowing what the Central Government, and as a representative of that Government on the food front, Mr. Patil, have to say on the future of India's food policy. After all, it is a matter of utmost significance to the farmers who produce food and the consumers who comprise all sections of the people that they should know where the Government stands. Is the country in for total control on food articles? Are the States willing and able to assume such control? Will stocks disappear from private traders' establishments and reappear in fair-price shops run by the Government? To none of these questions the Central and State Governments are in a position to provide clear answers.

Even those who are the most convinced partisans of free enterprise recognise that the State should exercise some control over production and distribution of foodgrains. Only, the point should never be missed that the aim is not State control but availability of foodgrains at reasonable prices. This indeed was the point which Mr. Patil sought to emphasise in the course of

his speech in the Rajya Sabha last month. He said that he was neither in favour nor against State trading. He added: "If I can do without it, I shall be happy because, some time, after five or ten years, free economy must come into play." He was, however, prepared to resort to State trading as an economic measure only for a "limited period" and for a "limited objective"; but he could not think of it as a permanent policy. Further, he attributed the rise in food prices partly to the fear complex in the country which, in its turn, was the result of "maladjustment of the food distribution system." These observations are the outcome of Mr. Patil's preliminary study of the problem. Further study is, however, likely to confirm, rather than refute, the truth of these observations. Available evidence suggests that the announcement of State trading has scared the peasants into an attitude of secrecy over their stocks. It is true that, if the next harvest turns out to be a bumper one, they will not be able to hold out for long. But it is not unlikely—this too has been revealed by *ad hoc* surveys—that plentiful supply of cheap credit and absence of control over the uses to which it is put may strengthen the farmers' hands as against the buyers. This might well give another twist to the inflationary spiral.

To those who expected that the National Development Council might subject the State trading scheme to a critical scrutiny, its deliberations must have caused deep disappointment, if not also some resentment. What purpose does the Council hope to serve if it merely underlines a policy which, on the Government's own admission, has failed? The official Press note avers that the representatives of all the surplus States were in favour of State trading in foodgrains. They pointed out that, despite a late start and certain deficiencies in the administrative arrangements, prices had on the whole been maintained at lower levels than during the past year. This is true. But is this favourable trend to be attributed to State trading or to more plentiful crop? Many men, with extensive experience in the trade, have suggested that, in the absence of State trading and zonal restrictions, prices would have dropped to lower levels. Perhaps, this kind of reasoning is defective, in that it is at best a surmise based on assumptions which are contrary to the facts of the situation. But it cannot be altogether incorrect, for some members of the Council themselves admitted that there were certain wasteful cross movements of foodgrains which ought to be prevented. A free economy could certainly ensure the prevention of such movements. Be that as it may, the Council failed to give a clear guidance to the Government as to the ways in which State trading, if it must be maintained at all, should be modified in the light of the experience gained in its working.

It is, however, gratifying to note that the Council generally recognised the responsibility of the food surplus States to make available their surplus to the other regions. It would appear that the representatives of the deficit States expressed doubts as to whether the surplus States would be able to obtain the supplies required, if they confined their operations to levy from traders. They thought that these States should employ more intensive methods of procurement, not only from the trade but also directly from producers and that they should fix retail prices also. If the surplus States were not able to fulfil the assurances given by them, the deficit States would necessarily have to look to the Centre for making up the deficit. The representatives of all surplus States recognised their responsibility to make available supplies for deficit areas to the maximum extent possible. It is to be hoped that these assurances will be vigorously implemented for, if the country does not pull together even on the food front, it will be a serious reflection on its level of emotional integration.

A somewhat deplorable feature of the Council's deliberations was that no serious attempt was made to assess the programme for increased food production. A brief reference seems to have been made to paucity of pig iron supplies for agricultural implements and an assurance was given by the Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh, to the effect that supplies of pig iron had improved lately and the steel position would ease in the next six months. But the Council could have spent its time more usefully in an overall review of food production programmes. After all, there is no denying the fact that, if food is in plentiful supply, there will be no need to waste administrative talent and energy on food distribution and, if it is in deficit, the best system of distribution will fail to give complete satisfaction. The Government will do well to convene a meeting of agricultural experts to decide how best the country's food output can be speedily stepped up.

FUTURE OF ENGLISH

THE debate in the Lok Sabha on the report of the Committee of Parliament on Official Language provided an occasion for a further review of the question of the future of English which has agitated the best minds in the country for sometime now. The Committee, it may be recalled, has expressed the view that the approach to the question of the final change-over from English to Hindi has to be "flexible and practical." It has also recommended that, after 1965, when Hindi becomes the principal official language of the Union under the Constitution, English should continue to be used for such purposes as may be specified by Parliament by law and for as long as necessary. This has been generally regarded as a compromise solution which meets the reasonable aspirations of the protagonists of Hindi and the doubts and fears expressed by those who are opposed to the change-over.

In the course of the debate on the report, Mr. Nehru reiterated the assurance he had given earlier that there would be no imposition of Hindi on the country and that the question as to how long English should continue as an associate language would be determined only by the non-Hindi-speaking people. The Union Home Minister, Mr. G. B. Pant, who expressed his agreement with the Prime Minister's view, reiterated that English would continue even after 1965 and that the pace of change-over to Hindi would be determined by the degree of co-operation they got from the people living in non-Hindi regions.

These assurances will be widely welcomed. It will, however, be regretted in several quarters that the case for continued retention of English as the Union language and as the medium of instruction in higher education has not received the support it deserves. But it is noteworthy that many participants in the debate, including the Prime Minister himself, spotlighted the immensity as well as the complexity of the problem of transition from English to Hindi and regional languages. In the judicial and administrative fields, the problem is one of maintaining unimpaired a certain continuity in tradition and usage. There is a real danger that any abrupt change-over will mean severe setback to standards of administration, if not also grave confusion. Further, the essential unity of the country, which was given a shape and a direction by the use of English language extending over several decades, might be easily endangered through the transformation of the official language at the Centre and in the States. He does no service to the country who underestimates the difficulties involved in transition.

No less difficult is the problem of change-over in the medium of instruction in technical and higher educational institutions. Those who point angrily to the fact that, despite decades of English education, the people with knowledge of English language are a microscopic minority, ignore the consideration that, in all countries, the intellectuals form only a small fraction of the total population. The question is not whether the English-knowing section is small or large. The point is what their disappearance from the national scene will mean to the country. In other words, so long as the rich heritage in administrative skill, technical knowledge and higher learning is confined to people who can express themselves best only in English, it is also best that the transition—that is, if it should take place at all—is spread over a reasonably long period that will permit adequate adjustments to be made.

Any abrupt change in medium of instruction in higher institutions of learning and in general administration, particularly in judicial administration, is fraught with dangers of serious dislocation. Mr. Nehru rightly deprecated the "business of some kind of slot machine turning out Hindi words and translations which was an artificial, unrealistic, fantastic, absurd and laughable approach." Surely, it is an oversimplification of the problem to think that, if a dictionary of terms were compiled, the transition from English to Hindi and regional languages could be easily and speedily effected. Words acquire their meaning through long and popular usage. To think that words can be coined in a lexicographer's mint is to ignore the essence of growth of a language. And yet, without even the semblance of experimental approach, the medium of instruction and the language of administration are sought to be changed. It is time those who have the country's intellectual and technical good at heart cried halt to this reckless speed in linguistic transition.

MARKET GOSSIP

THE share markets have recovered from the drooping trend. The riots in Calcutta, caused by the Communists, have been brought under control and the City is fast returning to normalcy. The rift between the Defence Minister and the Army Chief of Staff has been closed. Thus, two of the three bearish factors that influenced the stock markets last week, have ceased to operate. China is, of course, still in an aggressive mood, refusing to recognise India's just stand. It is firmly holding on to bits of Indian territory in N.E.F.A. and Ladakh. It has repudiated the McMahon Line. All these developments show that China is going to be a big headache to this country. But the share markets do not seem to be perturbed by this prospect. What could be the reasons for this attitude?

In the first place, the general impression is that neither China nor India is going to start a war over the border incidents. Secondly, it is felt that the Congress Party will refrain from encouraging the Communists. The third feeling is that the climate for the private sector will improve. Fourthly, the Chinese aggression will, it is argued, lead to a strengthening of India's friendship with the U.S., the U.K. and other countries of the free world, which in turn will brighten the prospects of getting external assistance for India's third Plan.

Although the chartists are predicting that the share markets are heading for a big slump similar to the one experienced in 1956-57, this week's price trend shows that the operators are not impressed by this forecast. This is not surprising, for, barring the threat from China which has, in any case, been ignored, no new bearish developments are in the offing. The bulls are feeling heartened by the fact that India's relations with Pakistan show promise of a distinct improvement. Conditions in the money market are extremely easy and interest rates are gradually falling. The Dhebar Committee report on the third Plan is not as bad as it was feared to be. Although the Committee has not gone out of its way to support the private sector, it has refrained from making any attacks on this sector. Its observations on the resources for the Plan do not contain any suggestion for an increase in direct taxation. On the contrary, the Committee seems to share the view that there is little scope in this direction, though, in one place, it says that the middle class and the upper middle class should be made to pay more for the financing of the Plan than they are doing at present.

Spate of New Issues

Although the money market is easy, with banks flushed with funds, money may well become quite usable in a month's time. A number of new capital issues by the private sector is pending to be put through. Before the end of the year, the aggregate amount of these issues will be at least Rs. 30 crores, if not more. The Bombay Municipality will shortly be approaching the market with an issue of Rs. 5 crores. The rate of interest on this loan may be 4 per cent. for 12 years, with the issue price at a slight discount. The Government of India itself is likely to come out with a second issue of its new loans before the end of this month. The amount may be Rs. 40 or 45 crores.

Since all these borrowings are going to be spent, they will come back to the banking system in course of time. A good part of new capital due to be raised by the T.I.S.Co. for instance, will be used to repay the loans taken from banks. The Bombay Municipality will raise the loan and put the funds back with its banks for withdrawal by stages.

Incidentally, it came as a revelation to us when Mr. J. R. D. Tata told the shareholders of the T.I.S.Co., at their annual general meeting last week, that several banks were quite willing to give the Company large amounts by way of fixed deposits at 4½ per cent. per annum and that it had, indeed, taken a few crores of rupees on this basis. That banks should place deposits with industrial companies seems to be something quite novel. It must be noted that a deposit amounts to an unsecured loan. If the banks are prepared to go that far, it is a striking indication of their difficulties to find remunerative outlets for their funds. No wonder, Mr. Tata declined to accept the suggestion of a shareholder that the T.I.S.Co. should take deposits from shareholders in amounts of Rs. 25,000 and over at 4½ per cent. per annum. He thought that it would not be a wise thing for a company like the T.I.S.Co. to take deposits from hundreds of individuals when such funds could be easily had from a handful of banks for a short period.

A Suggestion

The comfortable conditions prevailing in the capital market and the fall in interest rates are serving as a great attraction for several industrial concerns to replace their borrowings either by long-term debentures or by capital (equity or preference). It would certainly be advisable for them to improve their financial position by issuing equity capital at par or at a slight premium, preferably the latter, as that would make the task of getting the permission of the Controller of Capital Issues easier. The only stumbling block in the way of such reorganisation is the new system of corporate taxation. If the Government were to modify this system and abolish at least the tax on bonus shares and capitalisation of share premium account, many companies would go in, more for equity

capital than for debentures and loans from specialised financial institutions such as the I.F.C., the N.D.C. and the I.C. and I.C. It would be a good thing if the country as a whole if, by a slight adjustment in the fiscal policy in favour of investors, the Government were to facilitate the existing companies to raise capital direct from the market for financing expansion, development and modernisation, rather than continue to help them with loans through its financial institutions. The resources of these institutions could be used for helping new industrial companies to come into being. It is needless to add that, when existing companies raise their requirements of capital through the issue of equity and preference shares, there is invariably an increase in the number of shareholders and a reduction in concentration of economic power, an important objective of the Government. It will also tend to restrain the boom on the Stock Exchanges by bringing about an increase in the supply of shares.

Killick Industries

After the acrimonious controversy that went on in the managing agency house of Killick Industries recently, resulting in the exit of Mr. K. G. Milne and Mr. E. D. Sheppard, things are said to be settling down to normalcy. The house will soon be an entirely Indian institution as the few old British shareholders have sold their holdings to a small group of Indian business men, headed by Mr. Kantilal Nahachand. Some time ago, Mr. Purshotamdas Thakurdas, who had led the opposition to Mr. Sheppard and Mr. Milne, left the Board of Killick Industries Ltd. of his own accord. It is believed that Mr. Chunilal V. Mehta will also shortly relinquish his directorship.

Mr. A. N. Haksar, the new Managing Director and Chairman of the Company, has just returned from a business tour of the U.K. Some of the industrial projects which the Company had worked out as part of its expansion plans are likely to be taken up for execution in the near future, with the help of British collaboration.

Foreign Private Capital

The need for creating a more favourable climate for foreign private capital is emphasised in the annual report of the Reserve Bank of India for the year ended 30th June 1959. The report points out that the inflow of this capital has continued to remain at a low level in relation to foreign Governmental assistance and the World Bank aid. Total fresh capital receipts from private sources abroad amounted to only Rs. 6 crores in 1958 (provisional estimate), as against Rs. 16.3 crores during 1957 and Rs. 11.6 crores in 1956. These figures are inclusive of petroleum investments, which showed large fluctuations. Excluding petroleum investments, the private capital investments with Rs. 5.5 crores in 1958, as compared with Rs. 4.1 crores in 1957 and Rs. 2.8 crores in 1956. Commenting on these trends, the report observes: "The disappointingly small flow of private foreign capital indicates the need for further efforts for creating a better climate for investment, including simplification of procedures." The report is also highly appreciative of the role of foreign capital in the economic development of this country. It says:

"With the utmost intensification of domestic effort and improvement of exports, the country would have to depend for some years to come on foreign assistance on a substantial scale, until the economy reaches the stage of self-sustaining growth. In this context, it is desirable from time to time to assess policies and procedures with a view to stimulating the flow of private capital from abroad."

Coal Prices

The coal industry, as is only to be expected, is disappointed over the increase in coal prices announced by the Government. It feels that the 50 p increase is inadequate to cover the rise in production costs. The Coal Prices Revision Committee, the report of which forms the basis of the Government's decision on coal prices, has itself admitted it was unable to arrive at a general cost structure for the industry. The industry feels that the Committee has made some entirely incorrect assumptions in arriving at the "normal cost" of Rs. 17.90 per ton. In the course of his analysis of the problem of coal prices, made at a Press conference in Calcutta, Mr. R. H. Wright, on behalf of the Joint Working Committee of the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association, expressed the view that the depreciation and development allowance had been under-assessed by the Coal Prices Revision Committee by at least Re. 1 per ton. He felt that the present cost structure of the industry justified a further increase of Rs. 2 per ton.

Other points stressed by Mr. Wright were the abandonment of the ceiling prices on grade III coal and additional incentives for increased production of soft coke of which there was shortage. He also urged the immediate application of the price increase formula to the collieries in Madhya Pradesh, Bombay and Orissa, pending the finalisation of arrangements for the grading of the coal produced by them, as against the Government's decision to grant them increase in prices only after grading arrangements have been completed. He, however, expressed the industry's appreciation of the Government's acceptance of the plea for increased assistance for stowing and for help in the operation of deep, gassy and difficult mines.

In view of the fact that the rate of increase in coal output has not been maintained and there are reasonable apprehensions that the 60-million-ton target under the second Plan may not be reached, the Government will do well to see how best the industry can be encouraged to increase its output. It would appear that the industry's representatives are likely to seek an interview with the Union Minister for Steel, Mines and Fuel, Sardar Swaran Singh. It is to be hoped that the interview will pave the way for a more acceptable settlement of the issue of coal prices.

I. M. C. O.

It is heartening to note that the U.S. will support India's demand to be listed as a party to the convention on the Inter-Governmental Maritime Consultative Organisation (I.M.C.O.). The convention, evolved in 1948, lays down that the Organisation should provide a forum for consultation on technical matters relating to the safety of ships and for consideration of issues relating to discriminatory practices by maritime nations. India has ratified the convention, subject to certain reservations on the question of discrimination. Its stand, in effect, has been that aid and assistance by a State to its national shipping is in the nature of flag protection, rather than flag discrimination. Some of the more important maritime nations have objected to the acceptance of India's ratification of the convention on the ground that it does not signify full acceptance.

India's stand should, however, gain wider recognition through the U.S. support to it. India insists that the liberal interpretation, which is the basis of a U.N. resolution passed in 1952, should be made applicable to its ratification of the I.M.C.O. convention. This resolution calls upon the U.N. Secretary-General to accept deposits of documents containing reservations to multilateral conventions under the U.N. auspices without pronouncing on the legal consequences of such reservations; there could be no attempt at applying the "unanimity rule" to a multilateral convention. If the principle embodied in this resolution is applied to India's stand on the I.M.C.O. convention, it will be readily conceded that its reservations cannot be held a bar to the acceptance of its ratification of the convention.

World Sugar

The world sugar market is ruling firm, with prices registering further gains in the past three weeks. Cuban raw sugar at New York has touched the 3.48-cent-per-lb. (f.o.b. Cuba) mark, as against 2.88 cents prevailing on 19th August. India's 2.55 cents on 21st July last. Similarly, spot sugar at London now stands higher at £27.7/8 (Rs. 372) per ton, which compares favourably with £26.5/8 (Rs. 355) and £24.3/4 (Rs. 323) on the aforesaid dates, respectively. The International Sugar Council may claim that the series of steps taken by it, especially the one seeking to relieve the exporting countries of the obligation to market the entire balance of the 1959 quotas before the end of December next—this measure, it will be recalled, was decided upon at the London meeting held on 18th August, 1959—have succeeded in stabilising the conditions in the world sugar market. This claim, however, will be justified only to some extent. For the real causes for the marked rise in world sugar lie elsewhere. Among them, special mention must be made of the following:

1. The beet sugar crop in Northern Europe is said to have suffered a setback on account of the drought through the summer. In particular, West Germany, which is normally an importer of sugar but was self-sufficient last year thanks to a large beet crop, is considered very likely to resume buying sugar in the world market this autumn.

2. The sugar crop in Cuba, the world's largest producer and exporter of sugar, in the ensuing and subsequent seasons is expected to be lower; the actual extent of the fall in 1959-60 as compared with the current season's output is placed at 500,000 tons. The expectation is based on three grounds. One, the Cuban Government has decided to restrict sugar production in its anxiety to raise prices from the present low levels. Two, the move to divide sugar plantations among peasants will result in inefficiency of small-scale operations which, to quote a report, "will reduce the crop quite appreciably without the need for extra administrative action." Three, there are persistent rumours of counter-revolutionary activity which may disrupt production.

3. It is stated that several countries are negotiating purchase of Cuban sugar. A Cuban delegation was in Japan recently to conclude a deal of 300,000 tons of raw sugar. China is asking for offers from Cuba, and Spain wants to buy 40,000 tons of sugar.

Whatever may be the factors that have been responsible for the improvement in world sugar prices, the prospects for the increase to go on much longer do not seem to be encouraging. The unsold stocks of sugar still hanging on the world market are very substantial, consequent on the failure of the rise in consumption to keep pace with the actual production. Currently, the world sugar output is at an annual rate of over 50 million tons (raw value), while the rate of consumption is below 45 million tons.

Price Trends

Now that the first nine months of the current calendar year are nearly over, it would be useful to look back at the trend of prices in the country. Throughout the first half of 1959, wholesale prices showed an upward trend. But for occasional ups and downs, the price curve was steadily climbing up. The general index (base: 1952-53=100), which had tended to look up early in January after a con-

(Continued on page 453)

SHARE MARKET FIRM

VALUES RECORD HANDSOME GAINS

(From Our Own Correspondents)

BOMBAY, 10th September

THE downward trend in equity values noted on the Stock Exchange in the past two weeks abated during the week under review. In fact, the market ruled distinctly firm. Several bulls were busy making replacement purchases, while fresh offerings were restricted. There was also good investment buying which followed hopes of better working results for industries. The hopes stemmed from the belief that the authorities might revise their economic and fiscal policies in the light of the growing public criticism lately. The surfeit of funds available in the money market and the declining yields on gilt-edged securities also enlivened the interest of operators. Even the possibility of a crisis in Indo-Chinese relations following the latest rejoinder of the Chinese Prime Minister to India's aggression charge would appear to have had no significant effect.

Section-wise, textiles were particularly buoyant, thanks to reports of excellent offtake of both yarn and piecgoods for domestic consumption as well as exports. Several cotton mills situated in Greater Bombay are contemplating to shift to places outside the City and the State Government is expected to encourage such shifting. Steels and engineering also were well supported on expectations of better return on investments in the coming years after the expansion schemes are fully implemented. Sugars, too, elicited good buying on rumours that the Government might concede the industry's demand for enhanced sugar prices with a view to boosting production next season. Cements changed hands at higher rates, despite fears regarding the Wage Board's recommendations, for the long-term outlook was considered to be quite encouraging.

In contrast to the general trend, preference shares were somewhat subdued. Fresh buying support was lacking. Those who are holding these shares are anxious about the effects of the application of the Indian Finance Act which makes it obligatory on the part of companies to deduct tax from dividends. The anxiety is said to be especially great in the case of investors who hold shares of companies which do not specifically say whether they will pay dividend free of tax or subject to tax.

Steels

Tate Ordinaries began the week at Rs. 175.77 on Friday the 4th inst., as against Rs. 174.75, and, after recording a rise of 25 nP on the same day, eased to Rs. 175.35. On Tuesday, the shares were ex-highted, the closing rate being Rs. 181. The quotation advanced to Rs. 183 today before finishing at Rs. 182.50. Indian Irons improved in the course of the week from Rs. 24.40 to Rs. 24.96; at one time today, they were higher still at Rs. 25.05.

Textiles

Most of the scrips in this section registered marked gains. Centurys spurred by Rs. 142 to Rs. 565. Khataus advanced by Rs. 17.50 to Rs. 242.50. Kohinoors and Shreevatsas rose by Rs. 16 each to Rs. 317 and Rs. 209, respectively. Standards strengthened by Rs. 15 to Rs. 572, Svadeshis by Rs. 12.50 to Rs. 25. Monsoons by Rs. 16.75 to Rs. 252. Finlays by Rs. 10 to Rs. 280. Central Indias by Rs. 7 to Rs. 109. Podars by Rs. 6 to Rs. 145 and Gokaks by Rs. 4.50 to Rs. 163. Tata Mills put on Rs. 2 to Rs. 46.50. Indores gained Rs. 1.50 to Rs. 93. Elphinstones gathered a like amount to Rs. 36. Bombay Dyings climbed up from Rs. 62.90 to Rs. 64.70 today before closing at Rs. 64.60. The net rise over the week was Rs. 1.70. New Greates, however, encountered selling and fell by Rs. 7.75 to Rs. 175.25. It is stated that the Managing Agents of the Company (Messrs W. H. Brady & Co. Ltd.) have sold to the parties (Messrs. Shrinani Prasad Jain and S. R. Damani) 9,000 shares at a little over Rs. 190 per share and that the two parties concerned have already acquired the controlling interest.

Banks and Insurance

Bank shares generally tended to move up, while insurance shares were a shade easy. Among the former, United Commercial Bank advanced by Rs. 1.50 to Rs. 63. Barodas increased by Rs. 1.45 to Rs. 183.50 *ex-div.* B' shares rising from Rs. 45.77 to Rs. 47 *ex-div.* Central Banks were fully firm at Rs. 90, as were Indias at Rs. 114. Jaipurs at Rs. 59.50, and Punjab Nationals at Rs. 25. In the insurance group, New Indias dropped 60 nP to Rs. 59.40, S' shares declining by a rupee to Rs. 60. British India Generals lost 24 nP to Rs. 140. All Indias were dull at Rs. 3.59.

Sugars

Good buying support was noticed in the sugar section. Reflective of this was the spurt of Rs. 6.25 in Walchandnagar which stood at Rs. 323.75 today. Belapur advanced from Rs. 307.60 to as high as Rs. 314.60 today; towards the close, they were given a little lower at Rs. 313. Phaltans rallied from Rs. 159.40 to Rs. 163. Bhopals were fully maintained at last week's level of Rs. 23.80.

Cements

Cements scored handsome gains during the week. Associated Cements picked up Rs. 4.35 to Rs. 145.25, after being higher at Rs. 147.75 on Tuesday. Digvijays improved by Rs. 2 to Rs. 146. Orissas rose by Rs. 1.80 to Rs. 14.76. Bagalkots gathered 33 nP to Rs. 8.64. Ashokas were fully steady at Rs. 8.72. Dalmins and Jai-pur Udyogs, however, eased by 4 nP each, the former to Rs. 10.56 and the latter to Rs. 10.52.

Engineering, Minings and Shippings

In the engineering group, Premier Constructions were well favoured and firmed up by Rs. 13.50 to Rs. 353.50. Tata Locomotives spurred by Rs. 5.50 to Rs. 184. Alcock Ashdowns by Rs. 4.50 to Rs. 251.50, Voltas by Rs. 3.50 to Rs. 169. Lamps and Tonbros by Rs. 1.32 to Rs. 23.16. To Rs. 169. Lamps and Tonbros by Rs. 1.32 to Rs. 23.16, and Mahindras by 40 nP to Rs. 21.88. Among minings, and Shrivastavs attracted good attention and advanced by Rs. 5.50 to Rs. 90.50. Indian Coppers were better by

4 nP at Rs. 4.10. Shippings were irregular; Scindias gained 4 nP to Rs. 17.32, whereas Great Easterns receded by 40 nP to Rs. 19.40.

Miscellaneous Industrials

There was a rise of Rs. 13 in Bombay-Burmahs which stood at Rs. 527 today. Indian Dyostuffs advanced by Rs. 12.50 to Rs. 260. National Rayons strengthened by Rs. 11.50 to Rs. 350.50. Wincos were marked up by Rs. 7.50 to Rs. 219. Today's closing rate for a few other popular counters, with figures in brackets indicating net gain over the week, are: West Coast Rs. 151 (+Rs. 7.50); Anil Hardboard Rs. 215 (+Rs. 6); Tata Oil Rs. 64.50 (+Rs. 3); Alembic Chemicals Rs. 181 (+Rs. 1); Gwalior Rayons Rs. 24.12 (+96 nP); Polychem Rs. 129 (+45 nP); D.L.C. Rs. 5.40 (+30 nP); Hindustan Lever Rs. 30 (+25 nP). Automobile shares ruled strong. Premiers spurring by Rs. 3.75 to Rs. 135.75 and Hindustan Motors by Rs. 1 to Rs. 12.88.

Calcutta Stock Exchange

CALCUTTA, 9th September

Civil disturbances followed by curtailment of transport facilities markedly affected trading on the Calcutta Stock Exchange during the week under review. The volume of transactions was pitifully low and, in the uncertainty thus caused, prices gave way on a wide front. However, by Saturday, as peaceful conditions returned and normal life was again in evidence, operators on the Exchange began to put in an air of confidence, which was duly reflected in the business put through since then. The recovery was nevertheless too slow and painful and closing levels for the week were mostly lower on balance. There was keen sense of disappointment when three of the prominent companies, which had been paying dividend to their preference shareholders tax-free, announced that they would now pay the preference dividend after deducting tax. The disappointment was all the greater, since it had been believed that the new taxation system for companies would not affect the net return to the shareholders, whether preference or ordinary. Market circles, on learning that only those companies the articles of association of which specifically mention the word "tax-free" are now legally bound to continue paying dividend tax-free, became nervous and this explains this week's rapid fall in prices of preference shares. Operators feared if ordinary dividends would also likewise be affected.

Among coals, Burrauks were as low as Rs. 16.25 before recovering to Rs. 16.75. From Rs. 8, Central Indias declined to Rs. 7.94, but closed at Rs. 8.25. New Beerbhooms were dealt with at Rs. 30.50, as against Rs. 21.12 previously, while Ranegungees recovered to Rs. 17.25 from Rs. 16.94. Western Bengalis were quiet at Rs. 6.50. Karanpura Developments rose from Rs. 13.25 to Rs. 14.56.

The feature in jutes was the subsequent recovery that set in. At Rs. 205, Aucklands put on Rs. 5, but closed at Rs. 204. Caledonians, on interested support, were pushed up to Rs. 191 from Rs. 187. From Rs. 88.50, Ganges hardened to Rs. 98, while Howrahs were at one time as low as Rs. 23.25, as against the opening of Rs. 24 before closing at Rs. 23.37. Kinnisons gave way from Rs. 191.50 to Rs. 177 and Birlas from Rs. 22.81 to Rs. 22.62. Deltas at Rs. 179 accounted for a loss of Rs. 1.

Among engineering, Indian Irons opened at Rs. 23.40 and, after remaining quiet, rose to Rs. 23.94 before closing at Rs. 23.88. On a proposal of rights issue of preference shares, Texmacos sagged to Rs. 23.60, but, with the general recovery, were subsequently better at Rs. 23.25. Indian Standard Wagons changed hands at Rs. 80.50, as against Rs. 86 previously. Guest, Keen Williams sagged to Rs. 38.50 from Rs. 39.25 and Kumardhubs to Rs. 6.62 from Rs. 6.87. Indian Steel and Wire Products were firm at Rs. 37.

Among miscellaneous industrials, National Cables recorded a spurt advance to Rs. 39.25 on a proposal for a rights issue at par in the proportion of one share for every two shares at present held. Hindustan Motors recovered from Rs. 11.81 to Rs. 12.44. Titagarh Papers from Rs. 43.87 to Rs. 44.62 and Orients from Rs. 38.15 to Rs. 38.80, while Martin Burns eased to Rs. 27.69 from Rs. 27.94. Indian Coppers lost 7 nP to Rs. 4.05 before recovering to Rs. 4.10. Indian Cables closed at Rs. 31.31, after being lower at Rs. 30.75, but at Rs. 14. B.I. Corporations declined by 10 nP to Rs. 8.12 but soon jumped to Rs. 8.52.

Madras Stock Exchange

MADRAS, 9th September

The Madras Stock Exchange ruled quiet during the week under review. Professional buying was at a low ebb, thanks to anxiety over the reported Chinese incursions into Indian territory and that country's objection to accept the McMahon Line for the demarcation of the north-eastern border. Textile shares lacked support, notwithstanding encouraging domestic offtake and export demand. Teas were also subdued. Even reports of higher prices at the recent Cochin auctions had no effect. Coffee and rubber shares, too, were easy. Sugars ruled dull, as operators preferred to await the emergence

of a clearer picture regarding the outlook for the industry, in view of the latest decision of the Centre, taken after consultations with the South Indian Sugar Mills' Association, to ensure a more systematic distribution of sugar in the Southern States. Miscellaneous industrials were also dull in the absence of buying support.

Among sugars, Kirlampudis encountered selling and moved down by Rs. 1.50 to Rs. 82.50. Travancoroses sagged by 10 nP to Rs. 12.35. Conveyers were neglected at Rs. 117.50, E.I. Ds at Rs. 38.80, Indias at Rs. 13.10 and Mysorates at Rs. 49.50. Decans, however, gained 13 nP to Rs. 12.28.

In the tea section, Kil Kotagiris receded by 5 nP to Rs. 8.25. Two-fords were dull at Rs. 16.60, as also Nelliampathys at Rs. 2.88. Haileyaharies were quoted at Rs. 18.50 *ex-div.*, as against Rs. 20.50 *ex-div.* last week-end. Nilgiris were unchanged at Rs. 7.80. The Directors of the Company have announced a dividend of 5 per cent. for the year ended March 1959, as against 5 per cent. paid in the previous year. Ouchterlony, however, gathered 5 nP to Rs. 5.55. Periakaramalais 4 nP to Rs. 4.01 and Chembras 3 nP to Rs. 4.28. In the coffee section, Anaparis declined by 5 nP to Rs. 5.10. Ossoors shed 3 nP to Rs. 3.85. Coffee Lamps were quiet at Rs. 24. Consolidated Coffees at Rs. 22 and Vartiyahills at Rs. 3.85. Mysore Amalgamateds were unaltered at Rs. 5.90. The Directors of the Company have declared a dividend of 10 per cent. for the year ended March 1959, same as that distributed last year. Among rubbers, Kailassas lost 20 nP to Rs. 4.70, following the announcement of the final dividend at 10 per cent., making a total of 20 per cent. for the year ended February 1959, as against 25 per cent. for the previous year. Vaikundams were dull at Rs. 27.50, Highlands at Rs. 12.65, Malankaras at Rs. 19.40 and Teekoyas at Rs. 7.50. Rajagiris evoked special support and gained 65 nP to Rs. 18.70. Midlands rose by 10 nP to Rs. 12. The dividend of the Company for the year ended March 1959 has been maintained at the previous year's level of 10 per cent.

In the textile section, Coimbatore Spinnings suffered a loss of Rs. 2 to Rs. 48. Coimbatore Cottons eased by a rupee to Rs. 143. Trichinopoly shed 10 nP to Rs. 10.90. Bangalore Woollens were quiet at Rs. 181.50, as were Cannanores at Rs. 140. Rajalakshmis at Rs. 62, Vasantas at Rs. 211. But Metturs put on Rs. 2.00 to Rs. 372. Buckingham increased by a rupee to Rs. 189.

In the miscellaneous section, Rallis retreated by 50 nP to Rs. 77.60. Orissas Cements fell by 30 nP to Rs. 16.50 and Dalmia Cements by 20 nP to Rs. 10.60. Travancore Cements shed 5 nP to Rs. 6.65. Andhras and Ra. 10.25, respectively. F.A.C.T.s were lower by 7 nP at Rs. 9.23. Parrys were a shade easy at Rs. 4.19. Mettur Chemicals were unchanged at Rs. 12.16, Sponcers at Rs. 20.25, and Western India Plywoods at Rs. 200. Textools, however, spurred by Rs. 3 to Rs. 185. Aluminium Industries gathered 40 nP to Rs. 21.95 on reports of satisfactory working in the year ended March 1959 when the sales of the Company were higher by Rs. 40.25 nP to Rs. 17.

ADVANCE PAYMENT OF TAX BY COMPANIES

Following the changes introduced by the Finance Act 1959 in respect of company taxation, all payments of advance tax (including income-tax) by companies under Section 18A during the current financial year 1959-60 in respect of the assessment year 1960-61 will be wholly accountable under the account head "III Corporation Tax." At the time tax due on 15th September 1959 (and subsequent instalments), the companies are, therefore, required to show the correct account head in the challans. The account head to be shown for both income-tax and super-tax will be:

"III Corporation Tax—Section 18A collections—Ordinary collections—"

Similarly, the tax (both income-tax and super-tax) deducted at source from dividends payable to companies, whether interim or final, declared by a company in respect of its accounting year relevant for the assessment year 1960-61, and from the interest on debentures payable to companies on or after 1st April 1959 will also be accountable under the head "III Corporation Tax." The persons responsible for the deduction of tax from dividends and interest payable to companies should deposit the tax deducted under the following head:

"III Corporation Tax—Deductions from dividends and other income—(a) Income-tax, (b) Super-tax."

In the case of any doubt or difficulty, the Income-tax Officer concerned should be contacted.

Notice

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 30th September, 1959, will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 30th September, 1959, or in accordance with their instructions.

A. G. CHIDAMBARAM

12, MINSTER ROW,
CALCUTTA, 10th September, 1959

NEWS IN BRIEF

THE Government of India has set up a committee, headed by Mr. G. D. Somani, M.P., to inquire into the affairs of the Edward Mills Company, Ltd., Bewar, Rajasthan.

As a measure of export promotion, the Government of India has decided to allow drawback of customs and central excise duty paid on materials used in the manufacture of rubber goods.

Ten million bullock carts, four million bicycles and 400,000 automobiles are at present plying on the roads in India, according to a pamphlet brought out by the Central Road Research Institute.

Deep drilling for oil is expected to begin at Mahuvej village, about 40 miles from Surat. To start with, 4,000 feet of deep drilling will be done; the bore will be 6" at the top. The results of the drilling operations will be known within six weeks.

The Deputy Minister for Food and Agriculture, Mr. M. V. Krishnappa, stated in the Lok Sabha that the requirements of States in regard to iron and steel for agricultural purposes this year would be met to the extent of only 22 per cent. of their demands.

The Bengal-Nagpur Cotton Textile Mill has closed down with effect from the 6th inst., resulting in unemployment to about 3,000 workers. It is learned that the Union Government will soon appoint a committee to inquire into the financial and economic position of the Mill.

An all-India industrial exhibition, called "India Can Make It," will be organised by the Swadeshi League in Bombay in November next. The principal object of the exhibition is to revive the spirit of swadeshi and to promote the development of indigenous industries.

Exports of onions will continue to be licensed freely to all shippers, including co-operative societies, by endorsement on shipping bills, and will be allowed to all permissible destinations other than Pakistan and Portuguese possessions in India. The export to Pakistan will be permitted under Open General Licence (O.G.L.).

The Union Government proposes to extend the use of metric weights throughout the country in the course of next year. This was disclosed by Mr. Satish Chandra, Deputy Minister for Commerce and Industry, while inaugurating a conference of State Controllers of Weights and Measures at New Delhi on the 4th inst.

A seven-member trade delegation from Iraq, led by Mr. Hamid H. Al-Nassir, Acting Director General, "Date Association," Government of Iraq, has arrived in Bombay for discussions with Government officials and trade representatives. The delegation, which has already visited Pakistan, will also visit Burma, Malaya, Indonesia and Ceylon.

The production of copper ore in India during the second quarter of 1959 was 100,984 metric tons, as compared with 98,961 tons in the preceding quarter. The entire production was reported from Singhbhum district of Bihar State. The production of copper metal during the period was 2,180 metric tons, as compared with 1,798 tons in the preceding quarter. The entire quantity produced was fire-refined copper.

India has secured from East Germany orders for the supply of goods worth Rs. 110 lakhs at the autumn Leipzig Fair which came to a close on the 6th inst. The goods include, among others, hand-made shoes, which account for two-thirds of this sum, tea, cashewnuts, coir fibre, yarn and matting, handicrafts, animal feeding stuffs, crushed bones, raw wool, goatskin, cotton and woollen textiles.

The final all-India estimate of the Jethui (Kusmi) lac crop for 1959 places the total yield at 35,000 maunds, as compared with 30,000 maunds last year and 27,000 maunds in 1957. The rise in output is accounted for mainly by Bihar and Orissa. Production in these States is put at 15,000 maunds and 5,000 maunds, respectively during the current year, as against 13,000 maunds and 2,000 maunds, respectively, in 1958.

The Government of India has decided to establish a Stock Exchange Directorate which will function under the Department of Economic Affairs of the Union Ministry of Finance, with headquarters in Bombay and branch offices at Calcutta and Delhi. The Directorate will be composed of expert officials. It will maintain close contact with Stock Exchanges and keep a careful watch over the activities of operators.

India had an adverse balance of trade to the tune of Rs. 147.15 crores during the first six months in 1959, as against Rs. 132.08 crores in the corresponding period of 1958. The widening of the adverse balance occurred, despite the rise in exports from Rs. 258 crores to Rs. 289 crores. For this rise was more than neutralised by the heavy imports which went up from Rs. 390 crores to Rs. 416 crores.

An official Bill to amend the Mines Act, 1952, relating to the regulation of labour and safety in mines, has been introduced in the Lok Sabha. The Bill seeks to change the provisions governing wages and leave, stipulate the need for maintaining first aid rooms in mines where more than 150 persons are employed (instead of 500 persons as present), and prohibit employment of persons

in a mine when its owner fails to comply with certain safety regulations.

The Government of India has decided not to consider fresh proposals for the establishment of new units to manufacture fountain pens in future till the position is once again reviewed. As the number of units manufacturing fountain pens in the country is already very large, it is considered that any addition will "reduce the possibility of improving the quality of fountain pens." Proposals from smaller units for coalescing themselves into larger ones will, however, be considered.

The *ad hoc* Committee (Chairman: Mr. P. S. Rao, a former Chairman of the Damodar Valley Corporation) appointed by the Government of India to examine the question of passenger steamer services on the Konkan coast, is meeting in Bombay shortly to consider, among other things, a memorandum of the Bombay Steam Navigation Company, which runs the Konkan services. The Company has been asking the Government to permit an increase in passenger fares or grant financial aid to run the services.

Production of steel in India will reach the two-million-ton mark this year. This was revealed by Mr. A. S. Bam, Iron and Steel Controller, while replying to a memorandum submitted by the Iron and Hardware Control Stockists Association of Hyderabad-Secunderabad recently. According to him, the supply position will ease this year, owing to increased production and the proposed large-scale imports of steel from abroad out of the assistance granted under the U.S. Development Loan Fund. Besides, the U.S.S.R. is expected to supply about 250,000 tons of steel this year.

From Abroad

The retail prices of coffee in Holland have been reduced by 40 to 56 cents per kilogram (about 4d. to 5jd. a pound) following the fall in world prices.

The Australian Government proposes to abolish the system of import licensing in the "measurable future." The Government has already been following a policy of progressively relaxing licensing restrictions.

The Government of Burma is considering a proposal to grant an oil lease to a Japanese concern from Osaka. It will be a joint venture company with Burmese Twinsas (oil well owners), already working in the Yenangyung area.

A "washable non-iron wool fabric" has been developed by the Commonwealth Scientific and Industrial Research Organisation at its laboratories in Geelong, Australia. The new fabrics will be put on the market next year.

The Standard-Vacuum Oil Company has found large deposits of natural gas in the Sind province of West Pakistan. Stanvac and the Pakistan Government are jointly studying the possibilities of exploiting these deposits on a commercial scale.

British companies invested £450 million in Australia during the ten years ended June 1957 and ploughed back £100 million into their subsidiaries and branches there. In the same period the U.S. and Canadian companies invested £76.8 million and ploughed back £112.8 million.

Under a trade agreement signed in Colombo between the Ceylon Government and a Cuban Economic Goodwill Mission, Ceylon will buy 20,000 tons of sugar from Cuba before the end of this year. About 60 per cent. of the proceeds derived by Cuba on this transaction will be utilised to buy Ceylon products.

The total number of motor vehicles registered in the U.S. is expected to reach 70.42 million this year, or 3.1 per cent. more than that in 1958. The total is made up of passenger cars 58.60 million and trucks and buses 11.82 million. The rate of increase will reverse the declining trend evident since 1955, when registrations reached a new high, reflecting record automobile output.

The Chairman of the British Council on Prices, Productivity and Incomes, 71-year old Lord Cohen, has tendered his resignation, which has been accepted. The reason given is "to devote more time to legal duties." Of the three original members of the Cohen Council, only one person, Sir Harold Hawitt, remains. Sir Dennis Robertson resigned last December and was succeeded by Prof. E. H. Phelps Brown.

The U.S. House of Representatives has passed a Bill which provides for stern measures to fight racketeering in the U.S. labour unions. The Bill, a compromise version of the one passed by the Senate, lays down new safeguards for the rights of union members, requirements for financial reporting by unions and employers, measures intended to ensure democratic election in unions, and other provisions designed to prevent labour leaders from abusing their office.

A trade and payments agreement between Sweden and Rumania, the first since the end of World War II, has been signed in Bucharest. The agreement which is valid for one year and which will be automatically prolonged until notice is given includes commodity lists to a total value of Kr. 60,000,000 (£4,138,000). At the same time, technical prerequisites have been created for a settlement of Sweden's claims on Rumania for nationalised Swedish property in that country. Continued talks are to be held concerning the scope of these claims.

The U.S.S.R. has decided to open new underground and opencast coal mines capable of yielding

PERSONAL

MR. S. Vijayalakshmi Pandit, India's High Commissioner in the U.K., has arrived in India on a short visit.

Mr. Justice Bhuvaneshwar Prasad Sinha, a Judge of the Supreme Court, has been appointed Chief Justice of India vice Mr. Justice Sudhi Ranjan Das, who retired on the 1st inst.

Mr. W. Wilson Mayne, General Manager, Kannan Devan Hills Produce Company Ltd., Madras, has been elected President of the United Planters' Association of South India for the year 1959-60.

Dr. H. J. Bhabha, Chairman, Atomic Energy Commission, will represent India at the third session of the general conference of the U.N. International Atomic Energy Agency opening at Vienna on the 22nd inst.

Mr. C. H. Bayliss, the U.K. Trade Commissioner in Bombay, and Mr. E. J. Ellis, Regional Information Officer of the British Information Service, Bombay, returned from the U.K. on Tuesday this week after home leave.

200 million to 220 million tons a year during the current Seven-year Plan. By 1965, the total production of coal is expected to be over 600 million tons, representing a rise of more than 21 per cent., as compared with 1958. It is also planned to set up a power station with a capacity of 6 million kw. within the next six years on the Yenesei river in Siberia. This station will supply current to the Siberian power grid and industrial centres of the Urals, about 1,560 miles away.

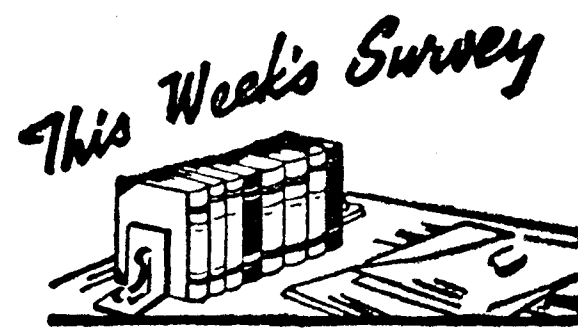
The representatives of the Organisation for European Economic Co-operation and the International Monetary Fund are currently in Turkey examining the working and the results of the economic stabilisation programme introduced a year ago. The Government of Turkey is expected to utilise this opportunity to discuss with these representatives the possibility of securing foreign exchange credits to the tune of \$500 million to \$700 million, necessary for implementing the proposed three-year development programme, scheduled to begin in 1960.

A satisfactory solution to the U.S. steel strike is still not in sight. Nine Democratic Governors have now informed the President of the critical damage done to their States' economy on account of the strike. Meanwhile, the A.F.L.-C.I.O. has decided to collect \$25 million (about Rs. 12 crores) in order to aid the steel workers and to keep them from "being starved back to work." A sum of \$1 million (Rs. 48 lakhs) has already been handed over to the United Steel Workers' Union. The U.S. Commerce Department has announced that steel imports in this year so far has already passed the record annual total witnessed in 1957 and that imports in July at 430,000 tons (as against 161,000 tons in the same month last year) constituted a record for any month.

France and Tunisia have signed a one-year trade agreement which enables the latter country to trade more freely with the dollar area while remaining within the franc zone. It regularises Franco-Tunisian trade, following Tunisian independence and the devaluation of the French franc. All Tunisian financial operations will now be made through Paris foreign exchange market. In order to facilitate this, the Bank of France will credit the Tunisian Central Bank with \$15 million. Besides, France will extend preferential tariffs to Tunisian goods and purchase considerable quantities of Tunisian wine and grain at above world market prices. The imports of French goods into Tunisia, either duty-free or under special preferential tariffs, include foods, chemical goods, tractors, cars and all forms of textiles.

A grouping agreement has been signed by nine Japanese shipping companies, operating cargo liner services between Japan and New York. Under the agreement, the nine lines have formed themselves into three groups for the purpose of co-ordinating freightage pooling and shipping arrangements, in order to end excessive competition. One group will be composed of the Nippon Yusen Kaisha and Mitsui Lines; the second, the Osaka Shosen Kaisha, the Kawasaki Line and the Yamashita Steamship Company; and the third, the Hano Kalun, the Shinnihou Steamship Company, the Mitsubishi Shipping Company and Daido Kisen. These nine lines now operate 144 sailings annually in the service. Their agreement will come into force on 1st October 1959.

The Government of Pakistan has appointed a Company Law Commission, with Mr. Ismail Chundrigar, a former Prime Minister of Pakistan, as Chairman, to suggest modifications in the existing company law. The Commission will consider, among other questions, measures to prevent foreign capital from flowing into non-productive channels of the country, to control and regulate the establishment of foreign companies in Pakistan, and to provide for the association of indigenous capital in foreign enterprises. The Commission has been asked to suggest modifications in company law whereby the extent of control by shareholders of joint-stock companies would be increased. The Commission will also report whether the managing agency system should be continued and, if so, under what restrictions and conditions. It will also recommend modifications which would further safeguard the interests of the shareholders and the public, particularly with reference to the formation of new companies. Arrangements for remunerating management and indirect method of seeking financial control of companies, such as interlocking directorates and voting control by the majority are the other matters likely to engage the attention of the Commission.



ECONOMIC TRENDS IN 1958-59

THE trends in the major sectors of the Indian economy during the year ended June 1959 form the subject of an interesting and comprehensive review by the Central Board of Directors of the Reserve Bank of India for that year. The report of the Directors points out how available evidence points to an increase in agricultural production during 1958-59, which is a welcome contrast to the sharp decline of 8.4 per cent. to 113.4 in the index number of agricultural output (Base: 1949-50=100) in 1957-58. The rate of increase in industrial production slowed down. Thus at 139.7, the index of industrial production (Base: 1951=100) showed a rise of only 1.7 per cent. in 1958, as compared with 3.5 per cent. in 1957 and 8 per cent. in 1956. The index number of wholesale prices (Base: 1952-53=100) rose by 2.1 per cent. to 115.7 over the year 1958-59; in the previous year, the increase was 2.3 per cent. The report notes that the estimated record production of foodgrains was not fully reflected in price indices. "This suggests, what is also borne out by *ad hoc* inquiries," according to the report, "that the inflow of supplies to the market has been affected to some extent by the announcement of introduction of State trading in foodgrains." And yet, there is no disposition on the part of the authorities to abandon the State trading project.

In the monetary sphere, the main feature, it is stated, was the substantial rise on money supply and bank credit. Money supply expanded by Rs. 152 crores to Rs. 2,531 crores; the rise was only Rs. 36 crores in 1957-58. The larger expansion in the year under review is attributed to the substantial expansion in bank credit and a marked decline in the balance of payments deficit. Scheduled bank credit expanded by Rs. 81 crores (from Rs. 903 crores to Rs. 984 crores), in contrast to a contraction of Rs. 15 crores in the previous year. Aggregate deposit liabilities rose by Rs. 234 crores, a good part of the rise in deposits being due to counter-part funds arising from P.L.480 imports. A "relieving feature" of the economy during the year was the marked lessening of the strain on the country's balance of payments. Over the year, the Reserve Bank's foreign assets declined by only Rs. 21 crores, as compared with Rs. 242 crores in 1957-58. At the end of June 1959, the reserves stood at Rs. 193 crores. In the following month, however, there was a further drop of Rs. 13.6 crores; the reserves came to stand at about Rs. 178 crores.

Reviewing the Bank's credit policy, the report observes that it "has continued to be one of general restraint, bearing in mind the requirements of a developing economy." The Bank continued to "operate with flexibility its selective credit controls in the light of changing conditions of demand for, and supply of, the relevant essential commodities." The report acknowledges the co-operation the Reserve Bank received from the banks which carried out the provisions of the directives it issued from time to time. Clearly, selective credit controls, by themselves, cannot offer a panacea for all inflationary ills. The report rightly observes:

"Selective controls are not designed to correct the general inflationary pressures within the economy nor is their success to be judged precisely by the extent to which the prices of the relevant commodities have fallen; prices are dependent on various other factors bearing on the demand and supply position of the commodities. The controls by arresting an undue expansion of credit in the busy season and accelerating its reduction in the slack season may be expected to exercise only a limited, perhaps a marginal, effect on prices, more particularly when banks have large liquid resources."

As regards the general economic outlook for the country, the report notes that the prospects for implementing the revised second Five-year Plan, in financial terms, are now "more assured." It adds: "While the quantum of deficit financing in the financial year 1958-59 showed a welcome drop, it is estimated to be larger in the current financial year and it is not unlikely that the original estimate of deficit financing of Rs. 1,200 crores in the second Plan period will be exceeded, notwithstanding the substantial increase in foreign assistance over

and above what was provided for in the Plan and the sizable assistance under P.L. 480 imports." In this context, the Bank emphasises the imperative need for a satisfactory rate of increase in food production.

An effort to secure even the rate of growth projected for the second Plan would involve during the third Plan period a high order of investment. While this conclusion, according to the report, seems to find ready and general acceptance, there appears to be insufficient appreciation of its implications in terms of the measures of internal effort and external assistance required for its successful accomplishment. The report warns that, unless requisite internal resources and foreign aid are forthcoming, much larger expenditure programmes are likely to "jeopardise economic and monetary stability to the point of endangering their very fulfilment." Accordingly, it rightly insists that the "maintenance of monetary stability during the process of development thus becomes an objective of prime importance in the very interest of successful achievement of the targets of development itself." Here is some food for thought for those who are perhaps inclined to think that economic stability is of secondary importance as compared with economic development.

SOVIET ECONOMIC CHALLENGE

It is becoming increasingly clear that the war between communism and democracy will be fought not in the barren deserts of dogma but in the fertile fields of economic competition. Mr. Khrushchev threw down the gauntlet when he recently challenged the Western democracies to compete with the Soviet Union in offering a better life for their respective peoples and in helping the peoples of underdeveloped countries at the same time. Soviet citizens, who have so long had to wait while the present was being mortgaged for the future, have been promised a fair deal. The Soviet economy is being geared to serve this end. Soviet planning, which had so far laid emphasis on heavy industries, will now give more importance than hitherto to light industries, especially consumer goods industries. It has been clearly spelled out that the chief task of the Soviet Seven-year Plan (1959-65) is a "further mighty upsurge of all branches of the economy on the basis of priority expansion of heavy industry and a substantial improvement in the country's economic potential so as to ensure a continuous rise in people's living standards." It has even been stated in no uncertain terms that "the main economic task" of the U.S.S.R. is to overtake and surpass, in the shortest possible time, the most highly developed capitalist countries in the output per head of population.

If these pronouncements indicate a probable shift of emphasis from guns to butter as the main plank in the competition between communism and democracy, it is all to the good. At the same time, it offers an opportunity and a challenge to the democracies to prove that their economic system and way of life are demonstrably superior to those promised by communism.

Full recognition of this challenge and the responsibilities flowing from it is reflected in a study prepared for the U.S. Senate Foreign Relations Committee by the Corporation for Economic and Industrial Research (C.E.I.R.). The study, which is one of the sixteen commissioned by the Committee after its review of U.S. economic and foreign policies throughout the world, urges that the U.S. should take the initiative with the industrial nations to fashion a common strategy for economic development against the economic threat of the U.S.S.R. The Soviet Union, according to it, is mobilising its industrial strength to take over the world for communism. The U.S. and its industrialised allies should, therefore, undertake a "bold, imaginative programme of economic development similar to the Marshall Plan for the underdeveloped areas."

The study, it is noteworthy, does not understate Soviet economic potential. An analysis of the trend of growth of national product in the U.S.A. and the U.S.S.R. made by it led to the conclusion that the Soviet Union would probably surpass the U.S. in the output of non-consumer industrial equipment by 1970. The gross national product, according to the study, grew faster in the last decade in the Soviet Union, Western Europe and Japan than in the U.S.A. The Soviet rate of growth had been twice as much as the growth of 4 per cent. in the U.S.A. Projecting this rate of growth, the study concludes that Soviet industrial output is likely to grow by 9 per cent. per annum and by 1970 would approximate the present volume of U.S.

industrial production. It is likely to equal 60 per cent. of the 1970 industrial output of the U.S. At that time, the Soviet Union would probably exceed the U.S. in the output of industrial equipment.

Some of the other major conclusions and policy recommendations of the study are:

"While the income of the Soviet bloc would grow by 120 per cent. by 1970, that of the free world would grow by only 83 per cent., and that of the U.S.A. by less than 70 per cent. In industrial output other than for consumers, the Soviet Union might overtake the U.S.A. before 1970. World population would rise rapidly—22 per cent. by 1970—and that of the free world underdeveloped countries by almost 30 per cent. Because of this, disparities in per capita income would grow even greater between the rich and the poor countries of the free world. The underdeveloped countries are pressing under a world-wide dissatisfaction with present conditions and methods, and are impatient for rapid economic growth. Unless the free world can make a distinct change and create soundly-based hope for rapid economic improvement, the underdeveloped countries may fall a prey to the 'growth-without-consumption' formula of the communist system."

"Loss of the resources of the underdeveloped countries to the communist community would completely change the world balance of power in favour of the Soviet Union. The free world must, therefore, continue to promote the growth of the industrialised countries at faster rates, with co-ordination of efforts and embark on a long-range free world programme concentrating on decisive growth of the underdeveloped countries under the 'growth-with-consumption' formula financed with long-term loans. The U.S.A. must become increasingly 'growth-conscious'; policies and laws should be examined from the point of view of their impact on growth. Recent balance of payments deficits in the U.S.A. had been shadowed wider reconversion, they would ease world trade and payments problems. Confidence in the U.S. dollar is a key factor. Sound domestic economic and financial policies, public and private, are essential to maintain stable prices and the international competitive position of U.S. goods. The U.S. should aim at maximum liberalisation of trade in the free world and set an example by removing its own restrictions."

The C.E.I.R. study has no doubt as to which system is superior. The U.S.A. and Western Europe, it maintains, have a much better economic system which combines growth with consumption and three times the economic wealth of the communist bloc. It is, therefore, optimistic that the contest can be won, provided these countries have the wisdom and the will to act.

WAGES DURING CLOSURE OF FACTORY

Is an employer liable to pay wages to his workmen during the period of closure of the factory, if the closure was forced on him by circumstances which threatened danger to life and property? In the strike-ridden atmosphere obtaining in the country at present almost every employer, at some time or other, will be called upon to ask himself this question. The answer is "no," provided the closure is only against the mischievous elements among the workers. The employer can even ask for an undertaking for peaceful conduct within the factory.

This question came up for decision before the Bombay High Court recently. Chief Justice Mr. H. K. Chainani and Mr. Justice V. S. Desai, dismissing the petition filed by two workers of the Premier Automobiles Ltd., Bombay, upheld the decision of the Small Causes Court and the Payment of Wages Authority that the workers were not entitled to wages for the period of closure, as they did not present themselves or offer to work during the period. The facts of the case are that, following the failure of the conciliation proceedings in regard to their bonus demand, the workers held demonstrations inside the factory from 8th October 1953 onwards. The management felt that these demonstrations were likely to result in injury to the Company's property and in personal risk to the officers and it was impossible to run the factory. A notice was, therefore, put up, announcing the closure of the factory from 8th November. It was, however, stated in the notice that the factory would be kept open wholly or partially if workers gave an undertaking to be peaceful and observe discipline and a sufficient number of workmen were available on those terms.

On 8th November, most of the workers went to the factory, but the main gate was closed. The wicket gate was, however, kept open. No one entered the factory and offered to work. This state of affairs continued for about 15 days, it was stated.

The factory resumed work on 8th February 1954. The workers subsequently filed applications

before the Payment of Wages Authority claiming wages for the period from 8th to 30th November 1953. The Authority dismissed the applications and their appeals against that decision were rejected by the Small Causes Court. The two workers then filed the present petition.

Dismissing the petition, their Lordships observed that the lower court was right in its observation that the closure of the factory was not absolute but only against the mischievous elements among workers. The contention that the absence of workers from work was due to the action of the management, according to their Lordships was not correct. The Company had offered to keep the factory open, if workers gave an undertaking to observe discipline, but none came forward to work on those terms. Upholding the employer's right to receive an assurance of good conduct from workmen, their Lordships observed:

"If, in the course of their employment, the workers engage themselves in activities which create a reasonable apprehension in the mind of the employer that it would be dangerous to the safety of his officers and the staff and of his property to keep the factory open, the employer would be justified in asking the workers to give him an assurance that they would work peacefully and not resort to violence. In so doing the employer would only be asking his workmen to fulfil and abide by the terms of the contract."

This verdict should deter labour unions and workers from resorting to violent behaviour and illegal strikes.

FOOD SITUATION IN W. BENGAL

West Bengal's food situation has been front-page news for some time now. Admittedly, the State is deficit in food, particularly in rice, the staple diet of the people there. The situation, which had gradually deteriorated after the separation of some of the fertile regions in the east, following the Partition in 1947, has worsened through the subsequent emphasis on the extension of jute cultivation, resulting in curtailment of land available for paddy. At the same time, the influx of refugees pushed up the pressure of demand on the available food. All this cannot, however, provide any justification for the virtual mob-rule in the State's capital. What makes this state of affairs particularly reprehensible is the attempt of certain politicians to make capital out of food. The State Government, together with the Centre, has been endeavouring its best to ease the food problem in the State. In fact, there are at present unmistakable signs of improvement in the food position. Mr. S. K. Patil, the Union Food and Agriculture Minister, stated in the Rajya Sabha the other day that there was a larger availability of foodgrains in the market and the price of rice had declined substantially in most places. Viewed thus, it is difficult to understand the economic logic behind the agitation launched by the Price Increase and Famine Resistance Committee in Calcutta, resulting in an orgy of arson, violence and bloodshed, destroying life and property in the State.

The agitators in West Bengal complain of relatively high prices, inadequate supply and bad quality of rice available in the State. In its anxiety to ensure fairplay, the State Government has taken various measures, probably of a trial-and-error nature, to reduce prices and augment supply. It withdrew its price control order for foodgrains in June last, which had been introduced early in the current year, following the inability of the State to enforce price controls, and the resultant hoarding. Decontrol, though it had failed to bring down prices in the initial stages of its implementation, seems to have at last been instrumental in making appropriate adjustments in the demand and supply position by ensuring freer flow of stocks. As pointed out by Mr. Patil, by the beginning of this month the price of *Kamalbhog* rice had declined to Rs. 25 per maund from Rs. 28 three weeks back, that of *Kalma* rice from Rs. 30.40 to Rs. 26 per maund, and that of *Sitalal* from Rs. 33 to Rs. 31. There has been a further drop in prices subsequently, though at this time of the year, the prices of rice usually go up in West Bengal. It is said that, at one place, the price of rice has fallen by as much as Rs. 7.00. It is, however, contended that the purchasing power of the people is low, in relation to the prices prevailing in the open market. This is true to a certain extent, but this argument holds good for any other part of the country. And it must be remembered that rice is being supplied to low-income groups at a subsidised rate through fair price shops. We are also told that about 800,000 people receive gratuitous relief from the State Government. Moreover, over 10 million people have been brought under the modified

rationing system this year so far, as against about 5 million covered this time last year.

The supply position of rice in the State, too, does not warrant any undue anxiety or alarm. The Central Government has agreed to deliver 1,100,000 tons of rice and wheat to this State in 1959, as against the deficit of foodgrains estimated by the State Government at 835,000 tons. For the month of September, the Centre has allotted 50,000 tons of rice, as against the usual monthly quota of 45,000 tons. What is more, the coming harvest is expected to be good.

There is, no doubt, considerable discontentment over the quality of rice supplied through fair price shops. The local variety of rice is superior to that imported from the other neighbouring States. It is not clear what the complainants expect the State Government to do in the matter; for, if the State is deficient in rice, it must necessarily import whatever varieties are available in the rest of the country. Nevertheless, the Government will do well to give some attention to the quality of rice, which is the staple food of the people.

On the whole, though it has to be conceded that West Bengal faces a serious food problem, as many other States, the situation does not justify an anti-Government agitation, much less the kind of gross vandalism exhibited in Calcutta. The inescapable conclusion is that the Communists, who dominate the Price Increase and Famine Resistance Committee, are out to exploit an admittedly difficult situation, either to wreak vengeance over the Kerala episode or to detract attention of the people from the aggression by Communist China on our northern borders. The food problem of West Bengal cannot be solved by slogan-shouting in the streets. The permanent solution will depend on how people, irrespective of party affiliations, co-operate with the State Government to raise agricultural production and ensure appropriate machinery for efficient distribution.

CUSTOMS AND EXCISE

Over 57 per cent. of the Union Government's revenue receipts is accounted for by customs and excise duties, the actual anticipated total yield from these sources in the current financial year (1959-60) being Rs. 458 crores, out of the estimated aggregate revenue of Rs. 781 crores. Naturally, those who contribute such large sums to the Exchequer have a right to expect that the efficiency of the administrative machinery entrusted with the task of collecting the taxes is maintained at the highest level possible, with due regard to the difficulties encountered by the people. A high level of efficiency can be ensured only if there is a common platform which, on the one side, enables the taxpayer to ventilate his grievances and, on the other, makes the tax-gatherers understand those difficulties and try to redress them. Such a platform is now provided by the Customs and Central Excise Advisory Council, inaugurated at New Delhi on Thursday last week by Mr. Morarji Desai, Union Minister for Finance. In his speech, Mr. Desai struck a note of realism when he declared:

"I have always considered it essential that representatives of the people should be associated with the administration at as many levels as possible, if the administration is really to serve the needs of the people. However efficient the administration is, it is not possible for it to know the details of the difficulties encountered by the people. . . . Laws and rules are meant for the convenience of society and, where there is conflict between the two, it is the laws and rules which ought to be reconsidered. If there are any rules which are found to retard efficiency or cause harassment to those who are affected by the rules, those rules ought to be considered and changed. It is here that the Government looks forward to the Council for help and guidance."

THE UNITED COMMERCIAL BANK LIMITED

Head Office: CALCUTTA

Authorised Capital	Rs. 8,00,00,000
Subscribed Capital	Rs. 4,00,00,000
Paid-up Capital	Rs. 2,00,00,000
Reserve Fund	Rs. 1,48,00,000
Working Funds	
(31.12.58) ... Over Rs.	114,00,00,000

BRANCHES ALL OVER INDIA AND ABROAD

AGENTS THROUGHOUT THE WORLD. PROVIDES EVERY BANKING FACILITY.

G. D. BIRLA S. T. SADASIVAN,
Chairman General Manager.

The three oft-repeated criticisms levelled against the administration are corruption, delay and harassment in the process of the levy and collection of taxes. Mr. Desai frankly admitted that the state of things existing at present was not satisfactory. "I feel almost ashamed," he said, "that we are not able to remedy a situation which leads to a lot of corruption which comes out of harassment, intentional or unintentional." And he did well to urge the immediate removal of unintentional harassment and the punishment of intentional harassment with a very heavy hand. He also did well to stress the need for correcting the procedures in the levy and collection of taxes in such a way as to cause no delay and no unintentional harassment. It is to these tasks that the Advisory Council will have to address itself in right earnest. Reassuring is the statement of Mr. Desai that he "will have no objection if some policies which impinge on procedure are also considered by the Council and, if a recommendation is made, it will be considered."

The usefulness of the Advisory Council is reflected by the cordiality which was reported to have prevailed at the two-day session, as well as by the full and frank exchange of views. Some of the suggestions put forward and accepted at the meeting cover establishment of advisory committees at minor ports and major land customs stations; allowing of reshipment in *bona fide* cases where goods have been wrongly shipped by foreign suppliers to importers in India; issue of Press notes whenever duties are altered; speedier clearance of goods by resorting to the second appraisal system in a greater measure as far as possible; and grant of full drawback of duty paid on imported paper used in the manufacture of bags for cement for export.

The Government also agreed to consider a few other suggestions made by the representatives of the trade. These include (1) allowing the importer whose case was under consideration, as to whether or not his licence was valid for the goods imported, to appear personally before the joint weekly meeting of customs and trade control officials at which such cases are examined; (2) elimination of the procedure asking for fresh evidence of actual value of goods when the goods are shipped on contracts of which the period of validity has expired by a few days; (3) every effort to eliminate delays and simplify procedures, so that there is no cause for any genuine complaints; (4) steps to reduce the time taken on account of the test itself or because the sample has to be sent to some outside laboratory for test; (5) augmentation of the strength of appraisers, in general, and expert appraisers, in particular; (6) speedy disposal of appeals and revision petitions; (7) the value to be taken for debit of import licences (it was pointed out that the matter was mainly the concern of the Ministry of Commerce and Industry; however, the problem would be looked into again carefully in consultation with it); and (8) amendment of the customs schedule so as to bring it into line with the Import Trade Control schedule. (The F.I.C.C.I. has offered to submit a note on the subject to Government.) Most of the 23 items discussed on the Central excise side were of a procedural character. By and large, the Government accepted the suggestions made by the trade.

COMMITTEE ON CO-OPERATIVE CREDIT

The Government of India has constituted a Committee, with Mr. Vaikunth Lal Mehta as Chairman, to examine: (i) (a) the existing standards for credit limits prescribed under the Co-operative Societies Act, rules or the by-laws of the societies in the different States and (b) their justification from the point of view of the principles of sound co-operative banking; (ii) the loan policies and practices of co-operative credit institutions from the apex to the primary level; (iii) the working of a few representative co-operative societies in the Community Development Blocks by way of case studies; (iv) the measures necessary for increasing the borrowing power of primary credit societies to the extent necessary in this connection; and, in the same context, the question of revising the existing standards for fixing credit limits and the conditions under which it should be effected with a view to providing more effective credit for agricultural production plans; and (v) the desirability of share capital participation by the State in village societies, and if the Committee is in favour of it, the terms and conditions subject to which such State participation should take place. The Committee should utilise for this investigation the existing data as far as possible. Where necessary, it may visit the societies and study their working. The other members of the Committee are: Messrs. T. M. N. Pillai (Vice-Chairman), Tarannao Chaudhary, B. Venkatappiah (Deputy Governor, Reserve Bank of India), V. K. Rao (Planning Commission), B. P. Patel (State Bank of India), M. R. Bhidé (Department of Co-operation), Siddique Hasan (Member, Board of Revenue, Uttar Pradesh), A. Palaniappa Mudallur (Member-Secretary) and a representative of the All-India Co-operative Union.

CHEAP MONEY VERSUS DEAR MONEY AN INTERESTING CONTROVERSY IN THE U.S.

[A piquant situation has arisen in regard to public debt in the U.S., following the reluctance of Congress to sanction President Eisenhower's request for raising the ceiling on the rate of interest payable on medium and long-term Government loans. The nature of dispute and its implications not only to the U.S. economy but also to the rest of the free world are explained at length in the September issue of the *Monthly Bank Letter*, published by the First National City Bank of New York. The whole issue boils down to a controversy over cheap money versus dear money. The relevant extracts from the *Letter* are published on this page, as the issue discussed therein is of great importance to students of monetary economics and as a day will come, sooner or later, when a similar problem will confront India, too.—Ed.]

THROUGH the sultry summer, debate continued over the President's urgent request, made on 8th June, for removal of old statutory limits on interest rates payable on U.S. Treasury bonds. The President wanted to raise the rate payable on Savings bonds (now limited to 3.26 per cent.) to 3½ per cent. and to pay more than 4½ per cent. if necessary to sell marketable Treasury bonds. The Treasury is blocked off from placing bonds due after five years, because they could not be sold in today's market within the 4½ per cent. legal limit, which was set back in 1918. Meanwhile, savers' dissatisfaction with the current 3½ per cent. rate on Savings bonds is reflected in the growing excess of redemptions over new sales, involving a steady drain on Treasury cash.

The President's proposal encountered bitter resistance from "liberals" who pressed for an amendment stating it to be the "sense of Congress" that the Federal Reserve should buy more U.S. securities, of varying maturities, to "assist in the economical and efficient management of the public debt." The House Ways and Means Committee, which had the responsibility of clearing a Bill, worked patiently to amend the proposed "sense of Congress" amendment into a reasoned statement of economic and debt management policies that could satisfy everyone.

Issue Shelved

On 12th August, the Committee tentatively approved of a Bill which suspended rate limits on Treasury bonds for a three-year period and which rewrote the "sense of Congress" amendment in language acceptable to Secretary of the Treasury Robert B. Anderson and Federal Reserve Board Chairman William McC. Martin. But opposition in other quarters led the Committee to shelve the measure for the present session of Congress. As a result of this stalemate, the Treasury will have to concentrate its borrowings within a five-year maturity limit, paying whatever rates may be required. In this area, no rate limits apply.

Selling only obligations due within five years—as the Treasury perforce must do—gives an extra upward impulse to shorter-term rates and, moreover, builds the volume of near-term Treasury obligations. As the situation stands at the beginning of September, no less than 73 per cent. of the marketable public debt is due within five years. This means that the Treasury, to meet maturities, must be constantly coming to the market to refinance itself, interfering with the freedom and flexibility of Federal Reserve credit policy, and involving problems of digestion of successive new offerings. It would be better for everyone concerned if more of the debt were in the hands of long-term investors, put away in the box for years.

The book, of course, is not closed on the rate problem. Sooner or later the Treasury must have authority to manage the debt in an orderly way.

Meanwhile, it could turn out that the "liberals" are being penny wise and pound foolish. If the effect is to give fresh impulse to inflationary psychology, savers and investors may demand higher rates. Every irresponsible fiscal action has a cost in interest charges. (Italics ours.—Ed.)

Result of More Borrowings

The upward push in interest rates over the past year has been a result of increased borrowing demands from all sides: from the Federal Government financing a peace-time record deficit; from State and Local Governments raising money for roads, schools, and other local improvements; from home builders putting up new houses; from individuals buying new cars; from industry financing record-high production and pay-rolls. The interest rate rise that began in June 1958 was unexpectedly rapid—though so also was the return of booming business conditions and inflationary psychology.

It is a pity, in retrospect, that the Congress did not act promptly upon the President's recommendation, inasmuch as market conditions favourable to bond offerings developed

during the summer. In part this reflected the reassurance investors felt in the President's masterful statement of debt management fundamentals and veto of another big Housing Bill, as well as feelings that stocks were high and bonds relatively cheap. The supply of new corporate and municipal issues temporarily declined, and an opening was created for bond financing. The Treasury must have discretionary authority to take advantage of such situations in a timely way.

The President's proposal, documented by the Treasury Department, spelled out what seemed quite obvious: something had to be done to stem the rising tide of Savings bond redemptions and permit the Federal Government to continue flotations from time to time of bonds in the long-term investment market.

Stalwart opposition, however, was voiced in speeches on the floors of Congress and in hearings conducted by the Congressional Joint Economic Committee on the subject of Employment, Growth and Price Levels. Trenchant in their criticisms were three members of the Committee, Senator Paul Douglas of Illinois, Chairman, Congressman Wright Patman of Texas and Congressman Henry Reuss of Wisconsin.

Their proposals for Federal Reserve support of the Government bond market were vigorously opposed by Treasury Secretary Anderson and Chairman Martin. Mr. Martin stated that:

"... under present conditions, I am convinced that this amendment, when stripped of all technicalities and regardless of whether the language is permissive or mandatory, will cause many thoughtful people both at home and abroad to question the will of our Government to manage its financial affairs without recourse to the printing press. To me this is a grave matter.

"We are here dealing with trust and confidence which is the keystone of sound currency. Therefore, I must oppose this proposal as vigorously as possible..."

Trick Solutions

"Liberal" opinion is reopening the Pandora's box of tricks studied and rejected before the bond market was unpegged in 1951.

As early as 4th June, Congressman Reuss proposed a resolution, citing the rise in interest costs on the national debt, urging greater reliance on purchase or retention of Government obligations by the Federal Reserve Banks, and also asking the Federal Reserve System to explore methods of raising bank reserve requirements as an anti-inflationary tool.

The use of the Federal Reserve to create cheap money while placing special restraints on private lenders and borrowers apparently has a considerable following in neo-liberal circles. It is part of the prescription for progress advocated in a new pamphlet put out by the Conference on Economic Progress (C.E.P.) an organisation led by Leon H. Keyserling and supported by a number of trade union leaders. In a speech on 16th July, Congressman Patman called the attention of the House to the following passage in the C.E.P. pamphlet which bears the title, "Inflation—Cause and Cure."

"The so-called tight-money policy is both repressive and inflationary. The Federal Reserve System should resume sufficient support of the Government bond market to stabilise interest rates at lower levels, and to facilitate the management of the national debt.

"The inflation attributed to such policies during war-time was due to other causes. If necessary, the Federal Reserve System can counteract any inflationary effect of bond support by lifting bank reserve requirements.

"A more selective system of credit controls should be instituted. The overall tight credit approach restrains those activities which are in need of expansion, long before it touches those which need restraint. It is also hurtful to economic growth."

Congressman Patman commended the C.E.P. study, which, he said, "cuts through all the mystical fog and gobbledygook which have been built up around the tight-money and high-interest policies." The "fog and gobbledygook" in the C.E.P. pamphlet translates into an effort to deal with inflation by insuring an unlimited supply of cheap money for Government to spend

while empowering Government to dictate to the people how much or little they may be permitted to borrow and spend.

Of critical importance in the unpegging of the U.S. bond market in March 1951 was a special study undertaken by a Sub-committee of the Joint Economic Committee in the winter of 1949-50. This Sub-committee, presided over by Senator Douglas, stated that: "As a long-run matter, we favour interest rates as low as they can be without inducing inflation, for low interest rates stimulate capital investment." But, Senator Douglas' report went on to say:

"... we believe that the advantages of avoiding inflation are so great and that a restrictive monetary policy can contribute so much to this end that the freedom of the Federal Reserve to restrict credit and raise interest rates for general stabilisation purposes should be restored even if the cost should prove to be a significant increase in service charges on the Federal debt and a greater inconvenience to the Treasury in its sale of securities for new financing and refunding purposes."

Senator Douglas' View

In the recent controversy, Senator Douglas has not repudiated these findings, nor has he specifically endorsed the Patman-Keyserling idea of raising cash reserve requirements of the commercial banks to offset the inflationary influence of Federal Reserve bond purchases. Senator Douglas supported legislation enacted in July to make the existing system of member-bank reserve requirements more logical and equitable. But Senator Douglas' view on the bond rate limit, as expressed in a major Senate speech on 8th June, was that the pressure on money rates was temporary and that the Treasury should finance itself with obligations due within five years where no rate limits are applicable. The trouble with simply suspending bond offerings is that passage of time is constantly shortening public debt maturities. Too little of the debt is funded at long-term. The Treasury needs to keep in contact with the long-term investment market by periodic new issues.

Congressmen, including Mr. Reuss, had been critical of the Treasury for not having put more of the debt into long-term form. The trouble is that there always have been reasons to be mustered why long-term offerings should not be made. In times of boom, it is held to be too expensive. In times of business recession, the fear is that Federal bond offerings will cut into the supply of funds for stimulation of home building. The incredible result is that, over thirteen years, the U.S. Treasury has put out only five issues of bonds due after twenty years. Even though the Federal Government has the largest debt, and the largest needs for funding debt, other borrowers have been allowed something like a monopoly claim on long-term investment funds. In 1953, the Treasury was scolded for paying 3½ per cent. on 30-year bonds; the Treasury would be saving money today if more had been sold.

Federal Reserve Bond Purchases

Senator Douglas, in urging Federal Reserve bond purchases, endorsed the view of the Federal Reserve Bank of New York that the Federal Reserve should drop its so-called bills only policy and intervene less infrequently in the U.S. bond market in periods of weakness. Wrapped up in this issue are thorny questions of the circumstances in which the Federal Reserve is warranted in intervening to maintain an orderly market, to help take up new Treasury security issues, and to influence or regulate conditions in the bond market in the interests of general economic stability. Whatever can be said for less infrequent bond transactions on the part of the Federal Reserve Banks, there is one vital benefit out of leaving the market free: the Treasury has a base from which to gauge the receptivity of the market to new issues.

What disturbed many people was the emphasis given to Federal Reserve purchases of bonds. It seemed to be forgotten that the problem is to enlarge the investment market for U.S. bonds, not to reduce that market by drawing them off into the vaults of the Federal Reserve Banks. A great deal of time was devoted by the Joint Economic Committee to the presentation of a thesis pressed by Congressman Reuss, that the Government could save itself some interest expense in this way, since the greater part of the Federal Reserve Banks' net earnings are paid back to the Treasury. There is hardly any folly greater than operating a central bank of issue to see how much profit it can amass. The sky is the limit as long as people are amenable to depreciation in the value of their currency.

In hearings of the Joint Economic Committee (27th July), Senator Douglas pressed

Chairman Martin to agree that Federal Reserve purchases of Government securities are no more inflationary than equivalent reductions in cash reserve requirements of member-banks. Actually, the Federal Reserve has used both methods to allow greater liberality in extension of credit during periods of business recession. Federal Reserve holdings of U.S. Government securities right now are at a record peak. Bank reserve requirements, while eased in 1953-54 and 1958, remain considerably above the standard levels stated in the Federal Reserve Act.

The Federal Reserve Board has not raised cash reserve requirements since the bond market was unpegged in 1951. It is safe to increase the requirements only when, as during the gold inflow of 1934-41, there is an uncontrollable excess of idle funds in the market. When, as now, the banks are under strain, a demand that they raise more cash to hold idle would quite simply panic the bond market. The problems the Treasury already has in financing itself would be compounded by forced bank selling on a falling market. These would hardly seem to be legitimate objectives for public policy.

Looking to the future, Congressman Reuss argued that the Federal Reserve, if not actually raising reserve requirements, should refrain from reductions. Thus, he would supply all additional needs for credit over the years through the purchases of Government securities by the Federal Reserve Banks, helping the Federal Treasury through its share in Federal Reserve Bank profits.

Congressman Thomas B. Curtis of Missouri, in an exchange with Congressman Reuss on the House floor, offered a "better way to try to keep interest rates down." Pointing out that "really what has driven interest rates up and has created this situation of debt management is the great size of the Federal debt and the budget deficits," Mr. Curtis went to the heart of the matter:

"You can help by keeping these appropriation Bills down. They are getting larger all the time. That is what you can do, if you are really interested in keeping interest rates down. Otherwise, I can tell you, you are just talking a lot of nonsense and about a lot of useless monetary shifting, because it is the size of the Federal debt that has caused the trouble in managing it. This causes high interest rates. This creates the pressures that result in inflation.

Bank Profits and Interest Rates

There is a common misconception, as noted by Treasury Secretary Anderson in an interview with *U.S. News and World Report*, that banks gain a great deal from rising interest rates. For one thing, banking is a highly competitive business, with competition not only among the thousands of banks subject to Federal law but also thousands of other financial institutions of diverse sorts, foreign as well as domestic.

Like other people, bankers have had increased expenses to face, more offices to open, and rapid growth in items handled. Increased interest rates themselves are not an unmixed blessing. When interest rates rise it is because banks are short of money to lend, because deposits are harder to get and hold, because higher rates must be paid on interest-bearing deposits, and because losses must be incurred when investments are sold to make room for more loans.

"Easy-money" advocates, looking back to 1947 when 91-day Treasury bills were pegged at 3 per cent., can speak of bill yields (recently 3 to 3½ per cent.) as having risen ten times. But dividends on bank stocks have shown no such rise. As a matter of fact, the dividend return on bank capital funds has been among the most sluggish "interest rates" of all, moving up only from 3.3 per cent. in 1947 to 4.1 per cent. in 1958.

Bank profits, measured as a return on capital funds, have quite consistently hung around 8 or 8½ per cent. ever since 1947. The average for the past ten years, 1949-58, has been 8.3 per cent., on the low side as business enterprise goes. For example, the average for manufacturing corporations over this period was 13.4 per cent.

It is interesting to note that the peak profit rate for banks in modern history, nearly 11 per cent., was attained in 1945, when profits on security transactions were virtually guaranteed by the pegging practice Congressman Patman wants to put back in force. His scheme to have the Federal Reserve purchase 2½ per cent. Treasuries to drive them back to par would give capital recoveries or gains to banks, though the biggest profits no doubt would accrue to speculators.

Bank profits in the aggregate and also bank capital accounts, have risen since the war parallel with the rise in gross national product. Bank supervisory authorities keep urging banks to build capital funds faster. It takes more profits to support more capital funds.

Meanwhile, in terms of total assets, the commercial banks have lost ground relative to other classes of financial institutions. Dr. Gurley, in his testimony before the Joint Economic Committee, referred to this as a result of "controls"—something the "liberals" would increase. Banks need to share in economic growth, build profits and capital funds, if they are to strengthen their ability to serve the people. It is impossible to conceive of a vigorous free enterprise system where banks have their lending power sterilised to support Cheap Government borrowing.

President's Plea

President Eisenhower, in a strongly worded message on 25th August, expressed "grave disappointment" at the failure of Congress to remove "artificial limitations" on interest rates. He urged reconsideration, stressing that "no issue of greater importance has come before this session of Congress." He went on to say:

"We have worked tirelessly for a balanced budget. We need this balance, so that we can avoid the deficits that lead to higher prices, to a rising cost of living and to an eating away of the value of the billions of dollars that thrifty and far-sighted Americans have saved. But Congressional inaction on our debt management proposal could do much to offset the progress we have made toward fiscal responsibility..."

"The vital interest of all Americans is at stake, because excessive reliance on short-term financing can have grave consequences for the purchasing power of the dollar. The issuance of a large amount of short-term Treasury debt would have an effect not greatly different from the issuance of new money. Because these securities are soon to be paid off, their holders can treat them much like ready cash."

The President emphasised that the Treasury must have the capacity to finance the Government's requirements in free credit markets, without artificial restrictions. He added:

"Let me state plainly as I can that this is not legislation to increase interest rates. This Administration is not in favour of high interest rates. We always seek to borrow as cheaply as we can without resorting to unsound practices..."

"... To prohibit the Treasury from paying the market price for long-term money is just as impracticable as telling the Defence Department that it cannot pay the fair market price of equipment. The result would be the same in either case; the Government could not get what it needs.

"The issue... is whether we are going to demonstrate responsibility in the management of our Federal debt. Ours is the richest economy in the world. We have a large public debt, but we can certainly handle it soundly and efficiently, if we remove the artificial obstacles to borrowing competitively in the free market.

By adopting the Administration's proposals, the Congress would be demonstrating to people at home and abroad that we have the determination to preserve our financial integrity and to protect our currency."

NEW INTERNATIONAL TIN AGREEMENT TO BE DRAFTED

The International Tin Council has set up a technical committee to draft a new agreement to come into effect when the present agreement expires in 1961. Disclosing this at a Press conference in London on 4th September, M. Georges Peter, Chairman of the Council, said that the technical committee would begin its work this week. In view of the Council's experience over the past three years, it would be necessary to amend several articles in the present agreement. The draft agreement would be placed before the Council in December and then submitted to all members of the United Nations. A conference of interested nations to be held in New York next May would try to reach accord about the new agreement. It would then be placed before the Governments concerned for ratification.

Referring to the Council's decision to fix a permissible total export amount for the six producing members of the agreement during the control period October to December at 30,000 tons, as compared with 25,000 tons for the preceding three months, M. Peter said: "The decision was taken unanimously. It shows there is good agreement between producers and consumers." India, Australia, Belgium, the Belgian Congo and Ruanda-Urundi, Bolivia, Canada, Denmark, the Federation of Malaya, the Federation of Nigeria, France, Indonesia, Israel, Italy, Korea, the Netherlands, Thailand, Turkey, and the United Kingdom are represented on the International Tin Council.

THE CHANGING FACE OF INDIA

The bullock cart rumbles along a village track, while close at hand a diesel train thunders on gleaming steel rails. This is the sharp contrast of a changing India.

Everywhere the country is awakening to a new age of prosperity. Fostering this renaissance is the Life Insurance Corporation. Every day the Corporation invests a million rupees in the country's economy. This money, collected from premium-payers, helps build, among other things, the roads and railways so vital to our economy.

Just as the Life Insurance Corporation participates in this mighty adventure of construction, so too does each policyholder. He participates today through the premiums which he pays; and he will participate tomorrow in the better standards of living which the country as a whole will enjoy.



Life Insurance Corporation of India



LUCE-18

ENCOURAGEMENT TO BANKS TO EXPAND PLANNERS RECOGNISE NEED—PLEA FOR NATIONALISATION TURNED DOWN

THE Planning Sub-committee of the All-India Congress Committee deserves to be congratulated for having taken a realistic attitude with regard to the development of banking. Thus, in its report on the broad pattern of the third Five-year Plan, which was generally approved by the Congress Working Committee at New Delhi on Sunday last, the Sub-committee has not advocated nationalisation of banking. On the contrary, it has laid special emphasis on "encouragement to banks and other institutions like charitable trusts and private institutions to contribute to the Government's borrowing programmes." Although the motive behind the emphasis is one of augmenting the resources of the public sector, the plea nevertheless reveals a welcome change in the approach of the policy-makers on such a vital sector of the country's economy as banking. By saying that the banks should be encouraged to invest in Government loans, the Sub-committee clearly implies that they should be allowed to grow and expand, for it is obvious that they cannot take up more and more of Government securities, unless they are helped to attract more and more deposits. Banks, as is well known, play a very important part in the economic set-up of a country, by channelling the savings of the people into productive investments, not to speak of the valuable role played in the financing of industries and trade.

Sometime ago, the banks were greatly perturbed over reports suggesting that some senior Congress members and economists had openly advocated nationalisation of banks. The note on the implications of the socialist pattern of society, brought to Bombay by Mr. U. N. Dhebar, a former President of the Congress and Chairman of the Planning Sub-committee, towards the end of April last for discussion with twenty economists clearly urged nationalisation of banks. Here is the relevant extract from that note:

"Banking is another field which requires radical reorganisation in the context of socialist society. In a socialist society, bank credit is required mainly for Governmental or co-operative enterprise; if private enterprise continues to exist, the credit facilities extended to it will have to be regulated and rationed in the light of overall planning. Nor can there be any privacy or bankers' secret about individual incomes or wealth in a socialist society. It would be necessary both for the efficient working of socialist enterprise and the preventing of the unplanned and anarchic expansion of private enterprise that banking ceases to be a matter of private ownership and/or management, and is not only owned but also operated by the community in the light of the requirements of the efficient working of the planned economy."

Ooty Seminar

The above view was reiterated by some who participated in the A-I.C.C. Seminar on Planning held at Ootacamund early in June. But thanks to stiff opposition from some members of the Congress Party and a few economists with intimate knowledge of banking in India and abroad, the case for nationalisation of banks did not find a place in the *communiqué* issued at the end of the Seminar. Subsequently, the plea for nationalisation of banks has been rejected by several spokesmen of the Government. In view of the importance of the subject, it is proposed to record here the observations made by some of the spokesmen.

A categorical declaration that nationalisation of banks will not be of any advantage to the Government or the country was made by Mr. Morarji Desai, Union Finance Minister, in the Lok Sabha on 6th August, while intervening in the debate on the report of the Life Insurance Corporation of India. Mr. Desai said:

"Some of my hon. friends without any occasion have also taken this opportunity to plead for nationalisation of banks. Well, I am going to speak about it when the proper time comes... But I have already once before spoken about the banks and nationalisation. I can only say on this occasion that nationalisation will not be of any advantage to Government or the country. It may satisfy some members who want to look very forward, but it does not do any good, and I wish my hon. friends, at any rate on this side, think about it better."

Six days later, that is, on 12th August, when the Lok Sabha was debating the Banking Companies Amendment Bill, Mr. B. Gopala Reddi, Minister for Revenue and Civil Expenditure, reiterated the Government's decision not to nationalise banks, in order to have resources for the Plan and declined to accept the suggestion

to that effect made from the opposition benches. Mr. Reddi observed:

"As far as the Government is concerned, it does not contemplate such a measure either for the third Plan, fourth Plan or the fifth Plan. It is true that large resources are required for the third Plan and the Government is aware of the task before it in creating adequate foreign exchange and mobilising internal resources. Both the Government and the Planning Commission have considered the question of nationalisation in all its aspects and have come to the conclusion that it is not a desirable step from any point of view."

Resolution in Lok Sabha

Despite the categorical pronouncements by Mr. Desai and Mr. Reddi, a Congress member of the Lok Sabha, Mr. Ram Krishan Gupta, moved a non-official resolution seeking nationalisation of banks on 21st August. Opposing the resolution, Mr. B. R. Bhagat, Minister for Finance, firmly ruled out nationalisation of banks either purely for the sake of nationalisation or for getting resources for the development projects of the Plan or for preventing tax evasion or on any other grounds. The daily Press version of Mr. Bhagat's statement is given below:

"The Minister rejected the suggestion that unutilised reserves of banks would be available for development projects if they were nationalised and said that this was only an exaggerated notion. He gave out figures of the total investments, deposits in Government securities, inland and foreign bills of banks in support of his contention. He was emphatic that nationalisation would not lead to any increase in the resources but would only create, on the other hand, more administrative difficulties; if it was for the purpose of long-term and medium-term finances, they had the Life Insurance Corporation. Mr. Bhagat did not agree with the suggestion that nationalisation of banks could check inflation and rise in prices. These, he said, had nothing to do with nationalisation of banks; they were the cumulative result of various other factors. As for the purpose of checking tax evasion, Mr. Bhagat drew the attention of members to the fact that, even under the income-tax rules, Government had powers to look into bank accounts. The Reserve Bank, he added, had been given powers to exercise control over all banks with the most important power of inspection."

The plea for nationalising banks was once again turned down by Mr. Morarji Desai when he was addressing a luncheon meeting of the Bankers' Club at Madras on 25th August. Mr. Desai averred:

"The dealings of bankers will be futile, if they do not look to the happiness of those with whom they have the dealings. It is there you can go on increasing your dealings with people who will advance and who will enable you to advance and, ultimately, both will enable the country to advance. This is where I want the banking business to be reoriented. It is because of this that I want the banks to continue (in the private sector) and I am saying that nationalisation will do no good to the country. What I am saying will be justified only if bankers are true to themselves and do their duty as the country expects them to do."

Whatever the currency, the Bank of Kobe is expert at solving all foreign exchange problems. Our head office is conveniently located in Kobe, world-famous trading port. Please write us for complete information on our export-import services.

THE
BANK of KOBE
LTD.

HEAD OFFICE: KOBE, JAPAN

REPRESENTATIVE OFFICES:
LONDON · NEW YORK

It is crystal clear from the foregoing survey that the authorities are not at all contemplating nationalisation of banks. Indeed, they seem to recognise that the banking business will expand and develop on a sound footing only if it continues to be in the private sector. After all, why should the authorities take upon themselves the heavy burden of managing the large number of banks scattered in the different parts of the country, when they have all the powers to control and regulate the activities of banks? The Banking Companies (Amendment) Bill, which was passed by Parliament only recently, places in the hands of the Government stricter control over banks than before. Even the appointment and dismissal of bank managers have been brought under the purview of the Reserve Bank. Further, under the income-tax rules, the Government has powers to look into bank accounts. Again, by owning and managing the State Bank of India and nearly ten of its subsidiaries, the Government has a mighty weapon in its hands with the help of which it can easily check the activities of the commercial banks in the private sector in the manner it wants. The Government thus enjoys all the advantages of nationalisation without its disadvantages.

W. GERMAN DISCOUNT RATE RAISED

With effect from the 3rd inst., the Central Banking Council in West Germany has raised the discount rate to 3 per cent, from the 2½ per cent. level in force since 9th January last. The upward revision, it is said, has been necessitated by three important developments, namely, (1) signs of business activity in some sectors expanding too fast for comfort; (2) weakness of the market in fixed-interest securities; and (3) rising tendency in U.S. interest rates.

Following the enhancement of discount rate, the Bundesbank has stepped up its rate for loans by ½ per cent, to 4 per cent. Explaining the decision, the Bundesbank says that there is no cause for alarm, despite the tension caused in some sectors of the economy by the summer boom. Nevertheless, it warns: "Sharper measures of credit controls of new orders and the tightening of the labour market variously observed were to be expected to demand price and wage increases calculated to endanger the stability of the price level."

The procedure drawn up in 1958 for the release of Central assistance to States for Plan schemes will be followed during the current year as well. Such Central assistance comprises assistance for schemes included in the State Plans and for centrally sponsored schemes. A substantial portion of such assistance will be made available to the State Governments as lump sum ways and means advances by the Finance Ministry. Three-fourths of the total amount will be released in this form from May 1959. Such releases will be made automatically on or about the 15th of the month. On from the Central Ministries in the latter half of February 1959, the Accountant General will clear these outstanding advances. The balance, if any, ways and means advances will be interest-free, but the loans into which they are ultimately converted or any unconverted balance of such advances outstanding at the end of the year will be deemed to have been made to the State on the 1st October 1959, and will carry the appropriate rate of interest.

U.S. ANSWER TO SOVIET CHALLENGE

(Can the U.S., economically and militarily the most powerful nation in the free world, fully meet the economic challenge of Soviet Russia? To those who are sceptical about the U.S. capacity to grow as fast as Soviet Russia, the following article taken from *Better Living*, the employee magazine of E.I. Du Pont de Nemours & Co., U.S., provides an answer. It succinctly states the dynamics of growth and argues that the U.S. economy is capable of even more spectacular performance, provided business organisations are not harassed but left free to expand.—Ed.)

DURING the past six months, the rate of growth of the U.S. economy has become a topic of fevered discussion. Congressional leaders have called for its consideration; college professors have made it the subject of solemn seminars; and the nation's Press has debated it endlessly. Triggering this widespread agitation was the bold pronouncement, early in 1959, by Mr. Nikita Khrushchev, that Russian economic planning would aim at an annual growth rate of eight per cent. Since America's lofty level of living, as well as its mighty military potential now underwriting the defence of the free world, has been achieved by a growth rate averaging about three per cent. per year over the past 50 years, many have nervously asked: Would not the projected U.S.S.R. growth rate mean an early Russian supremacy in world affairs?

Accurate evaluation of the Soviet challenge requires a recognition of these facts from recent Russian history: Goals set by communist leaders have usually proved highly overdrawn, serving more as a propaganda stimulant than as a meaningful blueprint. More significantly, comparing rates of growth as a measuring device can be misleading. The smaller the base for statistical calculation (and Russia's is much smaller), the easier it is to show a high percentage growth rate. In 1958, for example, Russia apparently increased steel capacity by 4 million tons, an increase of 6 per cent. Meanwhile, the U.S. increased steel capacity by 6 million tons, an increase of about 5 per cent. over its larger base. While the U.S. percentage rate of increase may have been less than Russia's, the

real increase in capacity was about 50 per cent. greater, extending this country's present total productive capacity margin.

Nonetheless, Russia's intense effort to overtake the U.S. is a serious challenge, and it is important to keep America's growth rate high without threat to its fundamental freedoms. The vital question is: What has been the secret of U.S. growth, and how can that growth be maintained?

The story of U.S. economic growth in this century has largely been the story of industrial expansion. By boldly committing business and industrial earnings to new risks, business managers have, in less than 60 years, helped raise the gross national product from \$90 billion to \$438 billion, and spawned billion-dollar industries in every decade (e.g., automobiles, petroleum refining, radio, movies, air transportation, television). By steadily expanding and modernising production and distribution facilities, and by offering constantly more alluring incentives to wage and salary earners, business and industrial leaders have nearly banished want and have infinitely expanded the prospect of enjoying good things. By enlarging research from scattered laboratory curiosities to extensive probing of the unknown, industry has found new and better products and processes. By enlarging corporate structures to provide organisations capable of mass-producing and mass-marketing consumer goods, industry has helped stimulate an employment increase from 29 million to 65 million even while industrial and farm output jumped fivefold.

If the U.S. is to continue to grow and prosper, it must make certain that business organisations are free to grow as necessary to supply the nation's expanding demands. It must be alert to trends which block or weaken industry's power to produce: for example, hostility toward fair profits, excessive Government regulation, crippling or discriminatory tax programmes, the substitution of Government subsidy for private enterprise, or the too easy tolerance of inflation.

For harassment of the business community does more than penalise individual companies and their owners: it saps the creative energy from which future growth must derive.

LATEST REVIEW OF SECOND PLAN

THE hope that the actual outlay under the second Five-year Plan will reach, if not exceed, the National Development Council's estimate of Rs. 4,500 crores (made in November 1958) has been expressed by the Planning Commission in its latest review, entitled *Plan Resources and Outlay*, presented to Parliament on Monday last week. Nevertheless, the Commission urges that efforts must be intensified if the essential objectives of the Plan are to be realised. Incidentally, it points out that though the primary reference in the review is to the second Plan, the problems and the experience of the Plan reviewed in the document gain even greater significance for the correct determination of the approach to the next phase in India's planned development, now that work on the preparation of the third Five-year Plan has been taken up intensively both at the Centre and in the States.

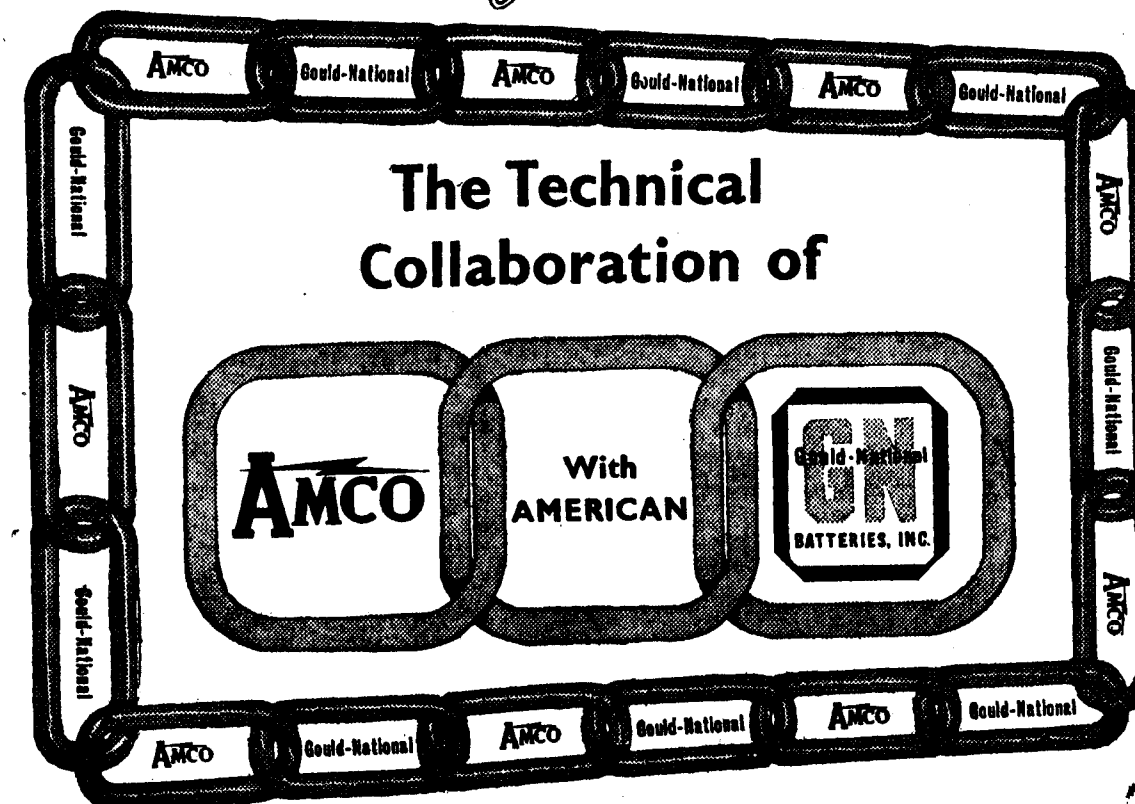
At its meeting in May 1958, the National Development Council decided to divide the Plan in the public sector into two parts, Part A involving a total outlay of Rs. 4,500 crores, which was to include projects and programmes directly related to increase in agricultural production, projects included in the "core," those which had reached an advanced stage and other inescapable schemes. The second part of the Plan—Part B—with a total outlay of Rs. 300 crores was to be undertaken to the extent to which additional resources were available. The Council also emphasised that the Central and State Governments should endeavour to raise resources to the maximum extent possible, through additional taxation, mobilising small savings, and achieving economies in Plan and non-Plan expenditure.

The debate in Parliament in November 1958 also focussed attention on the various measures which had to be taken for realising the second Plan objectives. Among the points stressed were the need for careful preparation of cost estimates of large projects, the need for economy and the elimination of waste in construction, the importance of price stability and the avoidance of excessive deficit financing, priority for agricultural production, reorientation of employment policies, and the desirability of taking early steps to commence work on the third Five-year Plan.

In the review of the position regarding Plan outlay and financial resources prepared by the

(Continued on page 452)

Announcing



AMCO Batteries have now entered into a Technical Collaboration Arrangement with Gould-National Batteries Inc. U.S.A. Under this arrangement, AMCO will receive complete Technical Know-How for production of all types of Storage Batteries.

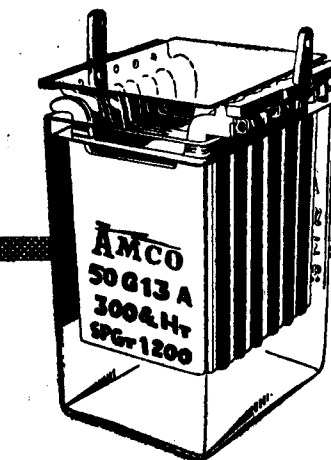
Gould-National, the world's largest manufacturers of Automotive Replacement Batteries, have 29 Battery Plants strategically located all over the United States of America and Canada. These Plants produce Batteries for Automobiles,

Railways, Telephones, Telegraphs, Aircrafts, Ordnance, Missiles and submarines as well as for other Heavy duty and Industrial purposes. It is noteworthy that Goulds were commissioned to fit the batteries for the World's First Atom-powered Submarine—"Nautilus." Obviously, this Technical Tie-up with an organization of such eminence is a positive guarantee to revolutionise the Scope and Technique of Battery Manufacture and bring AMCO in line with the status attained by the Battery Industry in the most advanced countries in the world.

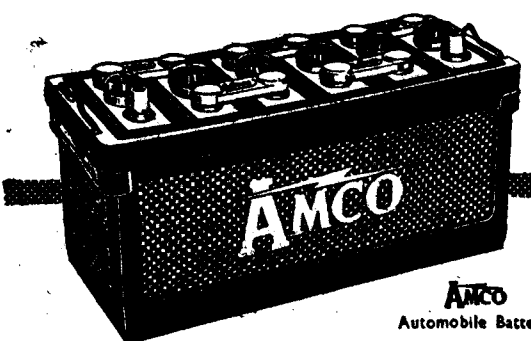
AMCO BATTERIES



AMCO
Railway Cell



AMCO
Telephone Cell



AMCO
Automobile Battery

AMCO BATTERIES "STAY STRONGER LONGER"
AMCO BATTERIES (PRIVATE), LTD., BANGALORE

COTTON TEXTILES ADVISORY COMMITTEE WORK DONE SINCE ITS APPOINTMENT REVIEWED

EIGHT months have elapsed since the Cotton Textiles Advisory Committee (Chairman: Mr. D. S. Joshi, I.C.S., Textile Commissioner) was set up. The constitution of the Committee, it will be recalled, was announced on 14th January 1959, as a body to tender advice on any general or particular questions relating to the textile industry. These include production control, demand-supply position in respect of cloth and yarn for domestic and export purposes, rationalisation, rehabilitation and modernisation of the industry, and procurement of raw materials, machinery, stores and accessories, etc., required by the industry. During the brief period of its existence, the Committee has done much useful work, an official review of which has just been published.

One of the first and very important subjects tackled by the Committee at its inaugural meeting held on 21st February related to the assessment of the existing arrangements for imports of machinery and capital goods. The Committee appointed a special working group which recommended that available foreign exchange should be distributed for the aforesaid imports under the following heads in order of priority:

1. Components and raw materials required by the textile machinery manufacturers.
2. Spare parts required by the textile mills.
3. Machinery for replacement.
4. Essential machines for additions.
5. Machines for modernisation and improvement of the quality of cloth and yarn, as, for example, processing machinery and combers.

The annual requirements under (1) are estimated at Rs. 5 crores. It is, however, said to be difficult to assess the requirements of spare parts. According to the Committee, indigenous manufacturers are producing spare parts to the extent of 20 per cent. of the value of imports on an average. The ceiling for imports of spare parts is Rs. 2 crores per annum. It is felt that small-scale industries can be developed to produce spare parts. These and other recommendations, we are told, are being implemented as far as possible within the foreign exchange made available and with due regard to the development of the indigenous machinery manufacturing industry.

Mills' Printing Quota

Another important aspect to which the Committee has paid attention relates to the revision of printing quota of mills. The subject was discussed at considerable length at the meetings held on 21st February and 18th April. Before the Committee could make a formal suggestion to the Government, a five-member sub-committee was set up to have discussions with the All-India Handicrafts Board. Since the discussions at the meeting held on 15th May could not provide a meeting ground between the representatives of the organised mill sector and the Handicrafts Board, the Advisory Committee accepted, at its meeting held on 19th June, the Chairman's suggestion for requesting the Union Ministry of Commerce and Industry to hold joint consultations with the representatives of the textile industry and the hand-printing industry before taking final decisions. Accordingly, the Ministry convened a joint meeting at New Delhi on 18th July. In the light of the discussions held at this meeting, the Ministry is expected to take final decisions.

The Committee has approved of proposals to relax certain provisions of the Textile Control Orders as put forward by the Departmental Committee of the Textile Commissioner's Office. Some of these proposals approved by the Board are designed to minimise the need for obtaining prior permission from the Textile Commissioner for deviation from the Order in the present context of the change in demand and pattern of production. These and certain other amendments to the Cotton Textile (Control) Order have now been brought into force. Special mention may be made of the following:

Clause 12(1) of the Order, which requires composite mills to sell specified quantities of yarn every quarter, has been amended, so that the obligation to sell is dispensed with in respect of those mills the obligation of which works out to 200 bales or below per quarter in each case.

Clause 20A, which required mills to take prior permission for producing cloth and other articles from cloth, has been deleted.

Clause 20B has been removed. This clause was originally intended to restrict mills to the weaving of cotton cloth only; subsequently, a certain percentage of the capacity was permitted to be used for the production of staple fibre yarn and cloth.

Some of the provisions of Clause 21 setting specified quantities of cloth and yarn to be packed by mills, which have become out of date, have either been omitted or suitably modified.

Sub-clause (2) of Clause 25, read with Clauses 26 and 29, laid down a time limit, from the date of marking, within which cloth and yarn bales had to be disposed of by mills and dealers; these provisions have been deleted.

Clause 28 setting quantitative limits on cloth and yarn which may be normally kept in unpacked and packed condition by manufacturers and dealers has been entirely omitted.

Restrictions on the processing (not printing) by composite mills of cloth produced by other composite mills, except dhotis and varieties reserved for handlooms, have also been relaxed.

The Textile Commissioner has also removed the restrictions on the manufacture of gauze as well as bandage cloth by mills for the purpose of export with export markings.

The restrictions on the production of saris by mills have been relaxed to some extent.

The requirement of prior permission from the Textile Commissioner's Office to open and repack bales of cloth and yarn meant for local sale has been dispensed with, so that the mills can now meet without delay the buyers' request made subsequent to the packing of bales by making readjustment of colour, yardage, design, etc.

The question of general permission to composite mills to purchase yarn for use in borders and other special purposes without prior permission from the Textile Commissioner is under examination.

Another important question under consideration is the revision of Schedule II to the Textile Commissioner's Notification No. TCS.1/20 dated 22nd September 1949, so as to permit of a wider range of counts of yarn and wider variations of reeds and picks in cloth used as recommended by the Textile Enquiry Committee. An Expert Committee has worked out a revised Schedule II and an amendment of Clause 8 of the said notification. The amendment of the schedule and the clause will result in considerable reduction in time and labour involved in obtaining deviation orders from the Textile Commissioner's Office and will enable the mills to produce cloth which, apart from durability and quality, will satisfy consumer demand.

A departmental Study Group is also at work in evolving further simplification of procedures under the Textile Control Orders.

Rationalisation and Maintenance

Due attention has also been paid by the Cotton Textiles Advisory Committee to the question of rationalisation, modernisation and maintenance. At its second meeting (18th April), the Committee appointed an ad hoc group of members representing mill management, labour and textile technologists to work out the details of the functions of the proposed committees on rationalisation and modernisation and on maintenance. This group made the following four recommendations:

Maintenance of machinery: There is great need for proper maintenance of machinery in all mills. The poor state of maintenance is in many mills due partly to lack of finance and partly to unavailability of spares. There should be a small body at the top for maintenance. The main work would, however, be done by five or six separate regional bodies consisting mainly of technicians. The Maintenance Committee would recommend whether spares of specified types required by individual units are available indigenously or should be imported. Imports of spares not manufactured in the country should be freely allowed on the recommendations of the Committee.

Modernisation: The replacement of machinery whose useful life has expired should not be resisted. While such replacement may entail some reduction of labour in particular units, the installation and working of the replaced machinery elsewhere will be of benefit to the industry. After general principles of modernisation are worked out, the individual units may be left free to decide on the items and phases of modernisation.

Rationalisation: In the opinion of some members of the Group, the conditions in the Resolution of the 15th Indian Labour Conference cannot apply in their entirety to the cotton textile industry. In particular, the condition that there should be no retrenchment or loss of earnings to labour except through natural separation or wastage will not be workable. Moreover, there is great disparity in accepted principles of rationalisation between different regions. Workers in some centres are not agreeable to workload, accepted as norms based even on proper assessment; thus the mutual agreement contemplated in the Resolution of the Conference becomes difficult. The Rationalisation Committee should formulate norms and assist in their implementation wherever necessary. The work of the Committee will be within the scope of the tripartite agreement and the labour laws and regulations, though it will be open to suggest modifications.

Liaison with research institutions: The Rationalisation and Maintenance Committees must seek the assistance of the Textile Research Associations at Ahmedabad, Bombay and Coimbatore.

The Advisory Committee has deferred for further discussion the question of constituting a committee on rationalisation and modernisation. But it has accepted the recommendation pertaining to maintenance of machinery. A small central committee has been set up to guide and direct the regional bodies. The committee consists of Messrs. Bharat Ram (Chairman), G. K. Devarajulu, T. P. Chakravarti, S. A. Kher and A. N. Ghosh. It has powers to co-opt other members from mill management and textile technicians. The regional bodies consist mainly of technicians and will work in collaboration with the Textile Research Associations in advising units on maintenance. It is, however, not known how many such regional bodies have already been established: the original proposal was for five or six regional bodies.

The foregoing account indicates that the Advisory Committee has rendered valuable work on improving the conditions in the mill industry. And it is gratifying to note that its suggestions are being implemented by the authorities promptly and expeditiously.

REBATE ON HANDLOOM CLOTH SALES

The Government of Bombay has decided to continue the scheme of rebate on the sales of handloom cloth with certain modifications from the 1st inst. The rebate is admissible at the rates and in the manner specified below:

Genuine retail sales of handloom cloth worth Rs. 2 or over (i) from weavers' co-operative societies or State-owned depots and (ii) from consumers' co-operative societies which purchase handloom cloth only from weavers' co-operative societies and which deal, so far as cloth business is concerned, only in hand-woven cloth: 6 nP in the rupee.

Genuine retail sales of handloom cloth for a total period of fifteen days in a year for eight days during the Handloom Week celebrations and for seven days on suitable festival occasions (specific orders will be issued for such special rebate): 4 nP in the rupee.

Wholesale sales of handloom cloth by weavers' co-operative societies. For this purpose a wholesale sale will constitute sale of handloom cloth worth Rs. 100 or above at a time in a single transaction: 3 nP in the rupee.

Co-operative societies or State trading organisation on sales for export of handloom cloth purchased from weavers' co-operative societies and (ii) co-operative societies exporting handloom cloth direct: 6 nP in the rupee.

All other categories of sales of handloom cloth except those specified above on which rebate might have been allowed until now have ceased to have the benefit of rebate with effect from the 1st inst.

PRODUCTION OF "SARIS"

The statement of Mr. Somappa and some other members of the All-India Handloom Board, which appeared in a section of the Press recently, alleging liberalisation of restrictions on the mill production of saris has been denied by Mr. D. S. Joshi, Textile Commissioner and Chairman of the Board. Thus, in the course of a statement, Mr. Joshi has reiterated what he stated at the meeting of the Board's Standing Committee held at Madras on 27th August, namely, that not merely relaxation has been made in the present restrictions but, in some manner, the restrictions have been made more effective. The object of the circular issued, according to him, was to simplify the procedures followed by him, was to simplify the office of the Textile Commissioner. He says, "Although there is a provision in the original 1950 Order to permit mills to manufacture saris with border less than 3" in width, no permission would, hereafter, be given; no borders would also be allowed wider than 2 1/2" or heading wider than 9". It was only in respect of borders between 1 x 2 1/2" that a supplementary restriction about headings (introduced to prevent saris being sold for use as dhotis) is relaxed as a normal course, instead of by individual relaxations as usually done hitherto."

WORKING GROUP ON MODERNISATION OF COTTON MILLS

The National Industrial Development Corporation has set up a Working Group to suggest measures for an early and thorough modernisation of the cotton textile industry in India. The Group consists of: Messrs. D. S. Joshi, I.C.S., Textile Commissioner (Chairman), Krishnaraj M. D. Thackersey, G. D. Somani, K. Srinivasan, S. P. Vasavada, Ramratan Gupta, Trilokinath Sharma and N. Majumdar. Mr. K. R. Aravamudan is the Secretary.

The Working Group has been asked to examine the extent of finances necessary, the portion of foreign exchange required, the extent of industry itself and how the balance of the needs may be met from public or private financing agencies. The question of increasing the resources of public financing agencies like the N.I.D.C. will also be considered. It may send out some of its members to visit countries like the U.K., Japan, the U.S.A. and Switzerland where modernisation of the cotton textile industry has been done remarkably well.

The Group is expected to complete its work by 30th November 1959.

GIANT UPHEAVAL IN COTTON INDUSTRY EXPORT TRADE DISAPPOINTING

From A Special Correspondent

MANCHESTER, 1st September

FOR years to come those whose future is still tied to the Lancashire cotton trade will carry vividly the memory of the happenings of the past week when the industry seemed to

many people to be melting away to the bare bones and when the shadow of the sledge-hammer lengthened over the mills almost hour by hour.

The prospect of an industry only half the size of the present one suddenly looked like becoming a reality.

In putting forward the plan for large-scale scrapping of machinery as a first step towards a healthier, more efficient cotton industry, Government and trade leaders both rightly urged the importance of speed. They have certainly got it.

Stories of anxious millowners breathlessly racing one another down the corridors to the Cotton Board offices, gasping out at the end "Any application forms left?" are no doubt slightly exaggerated. But the rush of applications during recent days, sending the volume of spinning and weaving plant for scrapping soaring high over the minimum targets, has certainly surprised a good many people, including some of those administering the scheme.

By Friday noon the spinners (minimum scrapping target 6,000,000 spindles) had offered 10,200,000 mule equivalent spindles and 12,000 carding engines. The weavers (target 45,000 looms) had put in applications covering no fewer than 82,000 looms. Even the doublers, thought by some to be in danger of being left at the tape, put in a strong burst to pass their minimum target of 400,000 doubling spindles. The compensation already involved is in the region, at a rough estimate, of £12,000,000 to £13,000,000.

Bonus Race Ends

Another four weeks remain before the final closing date for applications, but yesterday (Monday) marked the end of the qualifying period for the extra 5 per cent. bonus on scrapping compensation rates. The next four weeks should, therefore, be quieter than the last four.

A final count taken by the Cotton Board up to the end of August brought a further astounding increase in the quantity of plant submitted for scrapping. This showed nearly 12,000,000 spinning spindles, 14,400 carding engines, 95,500 looms and 493,000 doubling spindles had been entered under the scheme for disposal.

Accepting that in the present situation there is really no convincing alternative to the redundancy plan, one or two thoughts remain. One is the tragedy of a state of affairs in which some of the best known mills and firms in Lancashire cotton, recognised as well managed and progressive, have decided to go out of business. The casualty list of the past few days has certainly contained some surprises.

Another thought is that there must be very few British industries today in which a giant upheaval on the scale of that going on inside the cotton industry at this moment could be pushed through without a violent reaction from organised labour.

Meanwhile, the certainty that the operation to re-shape the cotton industry is now going to be a major one has given trading in yarn and cloth something of a shot in the arm. Some salesmen have done better in the past day or two than at any time for several weeks past and the tendency has been for individual orders to be more substantial.

Freer operations in the main seem to have gained their impetus from customers' fears that supply difficulties may arise during the period of transition. Delivery dates are lengthening and another factor which appears to have influenced customers is that prices are almost certain to go against them.

Meanwhile, union leaders of Lancashire's 200,000 cotton workers, worried by the snow-balling effect of mill closures under the £30,000,000 reorganisation scheme, are to suggest to the Cotton Board that the blow should be softened for people in the worst-hit districts by postponing the shut-down for a few months.

Sir Alfred Roberts, the spinning union leader, said after a meeting of the Legislative Council of the United Textile Factory Workers' Association in Manchester this afternoon that some workers were blaming the union leaders for mills closing down. "We have never agreed to the closing down of a mill," he said. "This is a Government scheme and all we have tried to do is to soften the blow by getting compensation for the displaced workers."

The unions had been told in the early stages that, although it would not be possible to determine which mills should close down on a geographical basis, it would be possible to suggest to the employers that the closing down should be delayed where the social consequences on an area were likely to be particularly severe.

Exports

In spite of a slightly better performance in July, overseas trading figures for British cotton goods in the first seven months of the year make a pretty sombre backcloth to the developments now taking place in the industry. Again the story is one of grey cloth imports eclipsing Lancashire exports by a substantial margin.

At 197,000,000 square yards for the seven months, shipments of cotton cloth from Britain were more than 40,000,000 yards down on the corresponding period of last year. Grey cloth imports from abroad at 244,270,000 yards, ironically, were more than 40,000,000 yards up, with India and Hong Kong both recording sizable increases, although the contributions by China and Japan were both lower.

Exports of Lancashire-made cotton cloth to key Commonwealth markets showed a disappointing decline. Australia took 31,800,000 yards, a fall of more than 10,000,000 yards on last year,

South Africa 23,800,000 (a drop of 11,000,000) and New Zealand 15,300,000 (5,000,000 down). There were modest gains in shipments to Kenya, India, Norway and Sweden.

Cotton yarn shipments in July failed to reach the 2,000,000 lbs. mark. For the seven months, they amounted to 13,681,237 lbs. valued at just over £5,000,000, as compared with 16,588,335 lbs., worth nearly £7,000,000 in the corresponding period last year.

Earnings from all types of cotton yarns and manufactured goods during June and July, dropped below £5,000,000, as compared with the sharp improvement recorded in May when their value exceeded £6,000,000. To the end of July, shipments earned £36,543,487, as compared with £44,379,255 from exports in the first seven months of 1958.

How Much Cloth?

Supply statistics drawn up at the end of the first half of last year covering cotton and rayon goods available in Britain showed a reduction in every aspect—output, imports and exports. Comparable figures for the current year provide a similar story, with the exception that arrivals of foreign cloth have, as is well known, reached a new high peak.

The table below sets out the position covering recent years:

(In million yards)					
Year	Output (a)	Imports (b)	Total (a) & (b)	Exports	Balance for Home Trade
1937	4,122	75	4,197	2,001	2,196
1947	2,012	174	2,186	639	1,547
1949	2,592	400	2,992	1,078	1,914
1951	2,960	478	3,438	1,105	2,333
1952	2,192	210	2,402	871	1,531
1953	2,632	143	2,775	895	1,880
1954	2,775	335	3,110	812	2,298
1955	2,479	365	2,844	688	2,156
1956	2,814	380	3,194	695	2,499
1957	2,287	490	2,777	567	2,210
1958	2,030	434	2,474	468	2,006
First 6 months—					
1955	1,350	200	1,550	351	1,199
1956	1,215	201	1,416	301	1,115
1957	1,232	250	1,482	295	1,187
1958	1,105	229	1,334	257	1,077
1959	974	237	1,211	201	1,010

Another sharp fall has occurred in the quantity of cloth produced in local mills since the beginning of 1959 and the deficiency has not been fully covered by the increase in imports. The total available is 100 million yards smaller than at the same stage a year ago.

Cotton Conference

This year's Cotton Board Conference, to be held at Harrogate from 16th to 18th October, will be taking place shortly after the closing date for applications to scrap surplus machinery under the industry's reorganisation plan.

Speakers will include Lord Rochdale, Chairman of the Board, and Mr. A. W. Tuke, Chairman of Barclays Bank. Mr. H. A. Clegg and Mr. R. M. Hartwell of Nuffield College, Oxford, will present a paper dealing with "The Organisations—Employer and Trade Union—of the Cotton Industry," and Mr. C. E. Harrison, President of the Manchester Chamber of Commerce and Vice-Chairman and Managing Director of English Sewing Cotton Company, Ltd., will read a paper on "A Producer Looks at Marketing." The "Question and Answer" session will be repeated, and a panel under the chairmanship of Mr. Lewis T. Wright, consisting of Mr. A. G. Bardsley, Mr. D. Burn of *The Times*, Mr. M. H. Ferguson, Mr. J. M. H. Grey, Sir Alfred Roberts, C.B.E., and Mr. W. T. Winterbottom, C.B.E., will answer questions put by members of the industry.—All Rights Reserved.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4318

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
6-D Rashtrapati Road
VSCUNDERABAD (Dist.)

BOMBAY STATE
Hongkong Bank Building
Vijay Narayan Road
Fort, BOMBAY
Mahatma Gandhi Road
LAKH

Sh. Chinnabhai Building
Ravi Bazar, Cross Lane
AHMEDABAD
Dewanji Chambers
Gera Ground
Satabdi, NAGPUR
Dewan Para Road
BHAVNAGAR
Gandhi Road
RAJODA

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

DELHI STATE
60, Janpath
NEW DELHI

MADRAS STATE
Finance House
Puttasai Road
MADRAS-2

MADHYA PRADESH
41, Tokopam Main Road
INDORE

MYSORE STATE
Kumar Building
Ramdas Gali
BELLGAUM

PUNJAB STATE (India)
Lajan Mohan Malviya Road
AMRITSAR

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Moona Lal & Sons Bldg
Mahatma Gandhi Road
KANPUR

Jwalanagar P.O.
RAMPUR

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

SUPPLY POSITION OF RAW COTTON

TIGHT CONDITIONS TO PERSIST

THE new cotton season (1959-60) seems to have had an auspicious start. Both the mill industry and the cotton trade have special reason for gratification, because the Government of India had announced a day before the commencement of the season an import quota for 140,000 bales of foreign cotton, followed the next day by the release of an export quota for 75,000 bales of Bengal Deshi, thus fulfilling the long-awaited hope of the industry and the trade. This move of the Government is taken as indicative of its awareness of the industry's needs and its readiness to act even with a certain amount of risk.

Stocks of both foreign and Indian cotton at the beginning of the season are small, being no more than 1.8 million bales. The prospects for the new crop at present are none too encouraging. The monsoon has been erratic. While some regions have lacked sufficient rain, others have had an excess of it, necessitating re-sowing in some areas and impeding weeding operations in others. Only in the Punjab can the weather be said to have been fairly favourable. These seasonal factors have considerably affected prospects for the crop which is currently estimated at 4.80 million bales. Together with imports, which may be of the order of about 550,000 bales, a total supply of 7.10 million bales is indicated, as against 7.3 million bales in the season just ended. Mill consumption of both foreign and Indian cotton is expected to be of the order of 5.3 million bales and exports may aggregate 400,000 bales. There is, therefore, every possibility that the carryover at the end of the new season might be reduced further to 1.5 million bales.

The 1958-59 season just ended was a fairly good one for cotton. The output during the season is estimated to have aggregated 4.80 million bales, as against 5.15 million bales in the previous season. The carryover of all cotton at the beginning of the season was of the order of 2.05 million bales. Total import allocation during the season aggregated 597,000 bales, including the 140,000 bales released recently, made up of 310,000 bales of cotton of staple length 13/16" and above, 190,000 bales of cotton of staple length 1.1/16" and above but below 1.1/16" and 97,000 bales of American cotton. Of this actual arrivals upto 22nd August 1959 were of the order of 479,455 bales, as compared with 416,247 bales in the same period of the previous season.

Exports made a better showing during the season. Total export quota released aggregated 500,000 bales. Actual shipments from the commencement of the season till 22nd August amounted to 366,518 bales, as against 270,566 bales shipped in the same period of the previous season. The higher export was possible because of the liberal release of quotas, and the reduction in duty from Rs. 50 to Rs. 25 per bale effected in November last. The quotas were issued on a first-come-first-served basis which is responsible, in no small measure, for larger exports. A small percentage was, no doubt, reserved for co-operative societies, but their performance in this respect was disappointing. The following table gives the destination-wise break-down of exports and sources of imports:

(In bales of 400 lbs.)

Description	From 1st September to 22nd August	
	1958-59	1957-58
Imports—		
East African	200,069	125,723
Sudan	116,938	78,603
American	86,640	147,485
Egyptian	68,778	62,931
Pakistan	6	6
Other sorts	7,024	1,505
Total	479,455	416,247
Exports—		
Japan	267,862	195,977
Hong Kong	39,995	19,594
Continent	31,018	26,480
United Kingdom	8,605	16,389
U.S.A.	7,924	11,040
China	7,548	—
Other countries	3,566	1,106
Total	366,518	270,566

Mill consumption of cotton, though not spectacularly higher, must be considered to have been well above that in the previous season. During the first ten months of the season, that is, from 1st September 1958 upto 30th June 1959, Indian mills consumed 4,213,263 bales of cotton (both foreign and Indian), as compared with 4,158,321 bales in the corresponding period of

the previous season. The rise in aggregate consumption was wholly due to the increased off-take of Indian cotton, whereas that of foreign cotton was lower. Thus, while consumption of Indian cotton during the ten months was higher at 3,841,224 bales, as compared with 3,685,317 bales in the same period of the previous season, that of foreign cotton actually declined to 372,039 bales from 473,004 bales in the corresponding period of the previous season. The average monthly rate of consumption during the ten-month period was higher at 384,120 bales for Indian cotton and lower at 37,200 bales for foreign cotton, as against 368,538 bales and 47,300 bales, respectively, in the same period last season. On the basis of these figures, consumption for the whole season is estimated to have exceeded five million bales. The following table indicates the trend of consumption during the ten-month period:

(In bales of 400 lbs.)

	September to June	
	1958-59	1957-58
Indian cotton	3,841,224	3,685,317
Foreign cotton	372,039	473,004
Of which:		
Egyptian	67,453	54,838
Peruvian	661	5,503
Sudan	74,493	72,244
East African	154,383	122,613
Russian	—	168
U.S.A.	73,825	212,226
Mexican	—	61
Belgian Congo	—	1,376
Others	1,224	3,975
Grand total	4,213,263	4,158,321

* Estimated.

To sum up, supplies during the 1958-59 season aggregated 7.33 million bales, comprising a carryover of 2.05 million bales, a commercial crop of 4.80 million bales and estimated imports

of the order of 480,000 bales. Mills absorbed 5.05 million bales. About 50,000 bales are believed to have been used up by hand spinners and the surgical industry. Estimated exports aggregated 400,000 bales, leaving a balance of about 1.8 million bales as stocks at the end of the season.

U.S. COTTON EXPORTS

Cotton experts in the U.S. are optimistic that the U.S. will export 6 million bales (of 478 lbs.) of cotton in the current (1959-60) season. Prominent among them is Mr. Seton Ross, Associate Publisher of the *Cotton Trade Journal*, Memphis, U.S.A. This optimism is based mainly on two factors: (1) U.S. prices are more competitive and (2) mill stocks in Western Europe are at a low level. They are sure that, unless the Department of Agriculture succumbs to outside pressure, or some unforeseen calamities occur, at least a minimum of 5 million bales would be exported this season.

Writing in the *Journal*, Mr. Seton Ross observes:

"No valid reason exists now for mills overseas to hold back buying of U.S. cotton. The fear that the review provision in this country's export policy may lead to an increase in the export subsidy is largely groundless. Hand-to-mouth purchasing does not make good sense any more. Pre-empting that, if the export subsidy is to be revised at all during this season, it will be a downward, not an upward revision.

"Everyone in Washington expects that the U.S. will have no difficulty in selling its fair share of the export market in cotton before the end of the season. In fact, if sales are as heavy as some expect, there is a possibility the export price will be boosted a bit, especially since the export price will be the International Consultative Cotton Committee, aided by the U.S. State Department, will exert every pressure for such action when our exports near the 5,000,000-bale mark."

According to Mr. Ross, it looks as though the volume of barter transactions would be reduced below what they were in the season just ended, because competitive export prices obviate the necessity for more extensive use of barter in moving cotton.

Mr. Ross also feels that domestic consumption of raw cotton in the U.S.A. will increase to 9 million bales, as against 8.5 million bales in the last season and that the crop will be about 14 million bales. In support of his contention that consumption of cotton is likely to rise, Mr. Ross argues:

(Continued on page 441)

CRISIS IN WEST GERMAN COAL INDUSTRY

ECONOMIC CABINET SUGGESTS SPECIAL LEVY ON FUEL OIL

THE crisis in the West German coal industry arising from accumulation of stocks and growing preference for oil is engaging the urgent attention of the authorities in that country. The Government is currently considering the series of measures suggested by the coal industry and trade, as well as those put forward by the Economic Cabinet (Chairman: Dr. Ludwig Erhard, Minister for Economics). One of the important proposals is that a levy of DM30 about Rs. 33.33) per ton be made on all grades of fuel oil, with a view to equalising competitive conditions between the coal and oil industries until the former can be rationalised and the redundant manpower found work elsewhere. The full Cabinet of the West German Government considered this suggestion at a meeting held on 28th August but did not take any decision. It only referred back to the Economic Cabinet the entire coal problem. The two other proposals now being examined by the Government cover (a) downward revision in coal prices and (b) payment of resettlement allowances to miners who lose their jobs. The Government is expected to take a final decision on these proposals for submission to Parliament sometime next month.

The continued crisis in the West German coal industry has arisen, as already stated, from accumulation of heavy stocks consequent on lagging sales. The total of pithead coal and coke stocks is put at over 17.00 million tons, as against just 1.36 million tons at the end of 1957 and 13.95 million tons in December 1958. This quantity represents as much as 10 per cent. of the annual rate of output, namely, 176.02 million tons. It may be noted here that West Germany is the largest producer of coal and coke in the European Coal and Steel Community (the other members of the Community are: Belgium, France, Italy, Luxembourg, and the Netherlands), accounting as it does for 54 per cent. of the total hard coal output and 58 per cent. of coke output of the Community.

Coal Statistics

The heavy accumulations of stocks have persisted notwithstanding the fall in production and decline in imports in recent years, as will be evident from the following table:

	(In million tons)			
	1958	1957	1956	1955
Hard Coal—				
Production	132.58	133.16	134.41	130.73
Imports	11.99	15.81	17.15	13.88
Exports	11.54	2.43	2.68	2.49
Coking Coke—				
Production	43.44	45.19	43.44	40.50
Imports	—	—	—	—
Exports	2.04	2.66	2.86	8.57
Total—				
Production	176.02	178.35	177.85	171.23
Imports	11.99	15.81	17.15	13.88
Exports	3.58	5.09	5.54	6.06
Pithead Stocks (at the end of the year)—				
Hard coal	8.56	0.74	0.70	0.57
Coking coke	5.29	0.62	0.18	0.16
Total	13.85	1.36	0.88	0.73

The collieries have struggled to cope with the situation, either by adopting new methods of coal sales promotion at home and abroad or by trying to cut down production somewhat. As many as 5.6 million man-shifts have been dropped so far, and a 40-hour week has been granted to miners. Also, the industry's labour force has been reduced by more than 10 per cent. to about 445,000 now, mainly by not replacing personnel leaving the coal industry for natural reasons, such as disablement and change of job. Even so, production has shrunk by only about 6 per cent. as compared with last year, not enough to avoid a further, though slackening, rise of pithead stocks.

Late in 1958, a so-called slump cartel agreement, one of the few types of cartels legally permissible in the Federal Republic, was signed by the coal industry and major fuel oil companies. The oil companies agreed not to try to win new customers who had used coal so far and not to sell fuel oil below world market quotations until 1960. But early in August last, the oil companies withdrew from the cartel, because outsiders in the fuel oil business (that is, non-members of the cartel) had been long since undercutting the cartel price, thus gaining a growing share of the fuel oil market.

Hard coal undoubtedly still is—and will for long continue to be—West Germany's main

supplier of energy, accounting for some 70 per cent. of energy consumption, as against about 13 per cent. for fuel oil. The coal industry knows that it will have to face competition from fuel oil now and later—possibly—from atomic energy, but it thinks that it deserves a fair period of respite to complete the modernisation of its equipment, a move which is in full swing already. The Federal Government, accepting this line of thought and being convinced that coal should be secured its proper place within the nation's energy supply scheme, is trying to give hard coal this breathing spell. Early this year, it decided upon an import duty on coal imports from the non-E.C.S.C. countries to ease the pressure of imported coal, and now it plans a tax or levy on light and heavy fuel oil for a limited period, possibly two to four years. The coal industry has already made it clear that it will continue to do its best to give "hard coal a real chance to compete successfully with fuel oil in the long run."

It is, however, not known whether the proposed levy of DM30 per ton will be levied on all fuel oils or only on the heavy grades. Some in West Germany feel that a levy on light fuel oil, which largely goes into domestic heating, would be politically dangerous while there are others who fear that the political dangers of widespread unemployment in the Ruhr would be even greater. The latter section even warns that the danger of unemployment can cost Dr. Adenauer's Christian-Democratic Party its hold upon the State Government in North Rhine-Westphalia and even decisively weaken it in Federal politics.

COAL MINES LABOUR WELFARE

At its meeting held at Dhanbad recently, the Coal Mines Welfare Fund Advisory Committee approved of a scheme for the establishment of a centre at the Jamadoba Multipurpose Institute for training and rehabilitation of disabled colliery workers for a period of one year to begin with.

About 20 disabled persons from among the 'Tatas' Jamadoba Group of collieries will be admitted for training in the making of garments and cane baskets. A stipend of Rs. 30 per month per trainee will be given, out of which Rs. 20 will be borne by the management of the above collieries. The finished products will be purchased by collieries sponsoring disabled persons for the training course. Another proposal approved was for the setting up of a common blood bank for both the Central Hospitals, Dhanbad and Asansol. The Committee also approved of the Coal Mines Labour Welfare Fund Fatal Benefit Scheme, which provides for the payment in cases of fatal accidents, namely, (i) payment of a sum of Rs. 100 to the widow or other persons wholly dependent on the deceased, (ii) a monthly allowance of Rs. 10 for the widow for a period of three years, and (iii) a monthly scholarship of Rs. 5 for each school-going son or daughter of the deceased till the child attains the age of 15. One-tenth of the total expenditure on the scheme will be borne by the Coal Mines Labour Welfare Fund. The scheme is estimated to cost over Rs. 9 lakhs per annum. The Central Government has approved of the proposal of the Welfare Fund for opening a rehabilitation-cum-convalescent home for the workers in the coalfields of Bihar and West Bengal. The other schemes approved by the Committee cover the following:

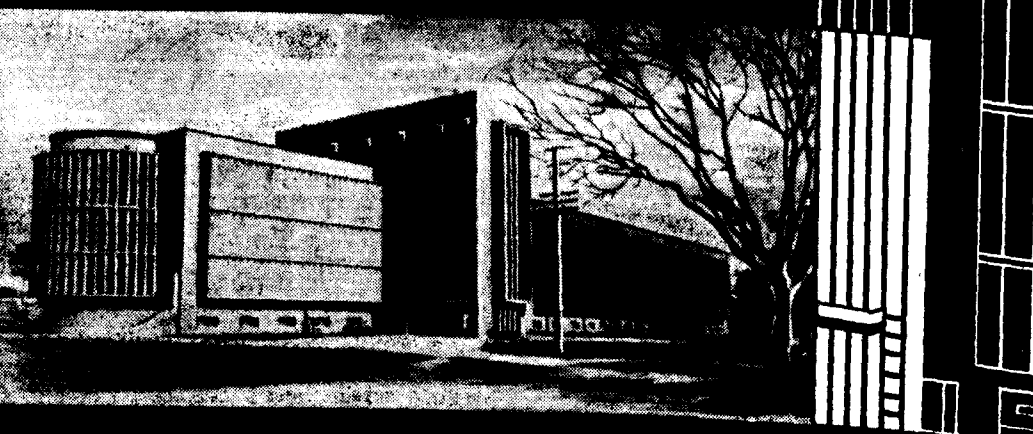
Establishment of a residential home for children of coal miners suffering from infectious diseases like leprosy and T.B. Only children of those colliery patients who are not segregated will be admitted to the home. It will be set up at Bhuli, near Dhanbad. The intention is to protect the children from infection. The scheme is expected to cost Rs. 5,400 non-recurring and Rs. 17,300 per annum recurring.

Establishment of 10 urban and 20 rural family planning clinics in different coalfields. The Union Ministry of Health recommended the establishment of two model clinics at the Central Hospital, in addition to the Fund's proposal. The Committee approved of the whole proposal, with the stipulation that, in the matter of opening Fund's clinics, the State Governments should be prevailed upon to open as many clinics as possible in the coalfields and that the Coal Mines Welfare Fund's clinics should be located where the State Governments have not been able to set up any.

Payment of subsistence allowance to the dependents of leprosy patients undergoing treatment at a rate not exceeding Rs. 50 per month for a maximum period of six months; payment of diet charges at Rs. 30 per month for a maximum period of six months to patients receiving outdoor treatment; grant to institutions or organisations who have provided facilities for treatment of outdoor patients at the rate of Rs. 10 per annum per patient; and grant for treatment of indoor patients at leprosy hospitals or clinics at the rate of Rs. 3 per patient.

Sahu Cement

in nation building...



Improvement in the standard of life is a vital need to-day. The building industry is producing tangible evidence of the increasing industrial and commercial life of the nation. In all these nation-building activities CEMENT plays a major role.



ROHTAS INDUSTRIES LTD.
Dalmianagar, Bihar



JAIPUR UDYOG LTD.
Sawai Madhopur, Rajasthan



ASHOKA CEMENT LTD.
Dalmianagar, Bihar

Selling Agents

ASHOKA MARKETING LTD.
Calcutta, Ranchi, New Delhi, Lucknow
Chandigarh, Jaipur & Bhopal

Consultants

SAHU CEMENT SERVICE
for free technical advice and problems in the use of cement in construction.

DURGAPUR

IS GETTING READY

At the Durgapur steelworks at this moment, nearly ten weeks ahead of schedule, the first Simon-Carves coke oven battery is being gradually and carefully heated up to operating temperature. When this highly skilled process is finished, the coke ovens will be ready to supply coke for the first blast furnace to produce Durgapur's first pig iron.

Simon-Carves, a leading member of the British consortium ISCON which is building the Durgapur steelworks, are privileged to be the first contractors to put their plant into service—plant which is vital to Durgapur's coming production of another million tons a year of Indian steel.

COLLIERY, STEELWORKS, POWER AND CHEMICAL PLANTS BY

Simon-Carves Ltd

Incorporated in England. The liability of the members is limited.

STANDARD BUILDINGS, 32, DALHOUSIE SQUARE SOUTH, CALCUTTA-1

PICTURE OF INDIAN ECONOMY TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

By R. P. Aiyer

A SERIOUS weakness in the Indian economic scene is the paucity of reliable data. This has to a certain extent vitiated planning. The gap in statistics, however, is being increasingly plugged and, in this effort, special mention must be made to the various sample surveys conducted by the National Sample Survey. The plight of underemployment is part of India's rural picture and to this has been added urban unemployment inherent in the country's efforts to break through to the industrial age. How deep-rooted are the twin problems of underemployment and unemployment? What effects these maladies have on family life, both in rural areas and in the cities? These and a host of other problems plague the perspective planner who, while not being able to ignore the impact of the untapped labour force, must perforce set his vision inexorably to enduring advances towards greater productivity.

Take Off

Prof. Rostow in his recent Cambridge Lectures has been somewhat of an optimist when he classified India as one of the nations which is in the process of "take off." Would the time factor involved in achieving the take off be a decade? a generation? or a much longer period? This will depend upon the effort the country will be able to put forth during the third and fourth Five-year Plans. The time factor will be greatly influenced by the dedicated effort of the elite thrown up by the recent transformation of political and economic power, and the determination with which the Central Government acts on important matters of policy. Nevertheless, the period could be shortened if the vast inert rural mass could be activated. Towards this purpose a measure of knowledge of the characteristics of the country's population will be vital and this need has been sought to be met by the National Sample Survey which has presented in a volume* relevant data collected between April 1952 and March 1954. These data, as Prof. P. C. Mahalanobis says in his foreword, "gives for the first time some characteristics of the population and of the labour force on an all-India basis, with breakdown for rural and urban areas, different rural population zones, and different size classes of towns."

Basic Data

The Survey reveals some basic facts, which are not fully appreciated even by the experts in their relative fields, and these may be usefully summed up here. With a land mass of 1.27 million square miles (811 million acres) and a population of 385 million in 1956 (estimated), India is tending to add to the population at the rate of 5 million a year. Eighty-three per cent. of the population live in rural areas, out of which 70 per cent. depend on agricultural occupation. The land per head is two acres, as compared with 12 in the U.S.A. and 24 in the U.S.S.R. About 20 per cent. of the rural households own no land, 50 per cent. own less than 1.5 acre. Half of the net national product consists of agricultural products. Of the country's geographical area of 811 million acres, about 300 million acres are annually cultivated and 55 million acres are under irrigation. Out of the 30,000 odd factories in India, about 20,000 employ less than 100 persons, and only about 1,000 are really big. The net output of the organised factories employing 10 or more persons with power or 20 or more persons without power accounts for less than 10 per cent. of the net product. The national income in 1953-54 was about Rs. 10,500 crores, which indicated a per capita national income of Rs. 281.

The publication is also replete with considerable additional information on such very relevant points as age distribution, household size and the composition of labour force in terms of sex and age. These data indicate in statistical terms the socio-economic problems the country is faced with and, as Prof. Mahalanobis has pointed out in his foreword, the results

which have emerged in the course of the study are of "considerable demographic interest."

Age Groups

In the case of a community which is undergoing the process of an explosive increase in numbers, one redeeming feature is that the proportion of persons in the younger age group tends to be higher and the pattern is reflected in a greater measure in India—which is accepted to be a typical feature in pre-industrial economies. For example, the Sample Survey has revealed a percentage of 33.87 in the age group of 0-11 over the entire country, with both the rural and urban areas maintaining near parity with percentages of 34.45 and 33.87 respectively. In the age group 17-61—an important category to be reckoned with in relation to employment—the percentage of population is of the order of 51.61, which leaves a percentage of 3.59 to cover the age group 62 and above, the balance of 10.93 per cent. being made up of the age group of 12-16. The huge working population in the country—the number augmented by the under-age persons who are obliged to be economically active—should in a rationally integrated society offer great strength, but as is the bane with all underdeveloped economies, what should be a tower of strength is, as a result of large-scale unemployment, proving to be the weakest link in the chain.

More than unemployment, it is underemployment which poses a challenge to the planner. Speaking of underemployment and unemployment in the country, even a layman could well perceive the chronic lack of opportunities for gainful employment which would both meet the needs and aspirations of large sections of the population. Nevertheless, an attempt at solving problems presupposes a mea-

sure of factual knowledge, and the relevant data in relation to underemployment and unemployment are contained in the National Sample Survey's report on employment and unemployment.†

Different Connotations

The terms "employment" and "underemployment" have definite connotations in the industrialised nations of the West, the operational meanings being whether a person is engaged in a specified work or is seeking work. These terms applied to the Indian scene would, however, need to be modified by virtue of the fact that a very large number of persons work in household and family enterprises. One is not surprised when the Survey revealed that "about 2 per cent. of the urban population and 0.29 per cent. of the rural population were unemployed in May-August, 1955," which, in terms of overall numbers of unemployed, indicated a figure of 1.3 million in respect of urban areas and 0.9 million for rural areas. These figures by themselves would imply a situation of near full employment, but it is when we come to the picture representing underemployment that we are confronted with a depressed situation. The "severely underemployed," according to the Survey, is of the order of 13.8 million in rural areas and 1.6 million in urban areas. The chief aim of planning for national development, therefore, is how best fuller utilisation can be achieved of the underemployed.

Picture of Calcutta

The employment situation in the country varies from region to region, depending upon their development. In this context, Calcutta poses special problems as, notwithstanding its industrial base, the city has the most educated unemployed. How deep is the malady has been brought out in yet another National Sample Survey Publication! To summarise some of the findings of the Survey: About one person out of 14 among the general population is unemployed, and in the labour force the unemployment incidence is one out of five. The percentage of unemployed

(Continued on page 452)

"Lost your shirt, Parameswar?"

"Don't remind me of shirts! One dozen shirts, made just 6 months ago, returned from the dhobi 'plut'!"

"Tut, tut! You must have been so busy hunting for fancy cloth that you haven't heard of BINNY'S! BINNY'S Quality Control! their production, you know..."

"What is this Quality Control?"

"Modern machines process yarn and cloth so fast, that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to root out defects at every stage of production. That's why BINNY'S fabrics last so long."

"Your words give me courage, brother. Lead me to the nearest BINNY'S shop."

BINNY — a great name in textiles

Testing the uniformity of cotton fibres

Durability of cloth depends on the strength of the yarn used. This, in turn, depends on the uniformity of the fibres in the cotton. Only specially selected cotton goes into BINNY'S fabrics. That's why BINNY'S cloth lasts so long.

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings - Khaki Drills - Bleached and Dyed Drills - Towels - Anticrease Shirtings - Tussore - Union Fabrics - Silk Saris - Rugs - etc etc

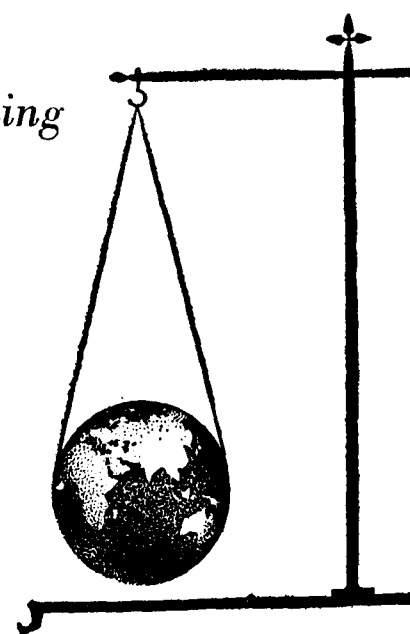
The Buckingham & Carnatic Company Limited
The Bangalore Woollen, Cotton & Silk Mills Company Limited
Managing Agents:
Binny & Co. (Madras) Ltd.

*Report on Some Characteristics of the Economically Active Population—Number 14, The National Sample Survey. Issued by the Cabinet Secretariat, Government of India.

†National Sample Survey, No. 18. Report on Employment and Unemployment, Ninth Round Preliminary, May-November, 1955. Issued by the Cabinet Secretariat, Government of India.

‡Report (No. 17) on Sample Survey of Employment in Calcutta, 1953. Issued by the Cabinet Secretariat, Government of India.

Weighing
the
world
up...



... even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

INSURE
against Loss or Damage by
FIRE AND RIOT
GRESHAM
FIRE & ACCIDENT
Insurance Society, Limited
(Incorporated in England)
(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

THE BANK OF INDORE LIMITED
(Incorporated in India 1920)

Authorised Capital	Rs. 50,00,000
Subscribed Capital	30,40,750
Paid-up Capital	15,30,375
Reserve Fund	29,00,000

Head Office:
1, Prince Yashwant Road, Indore City
Bombay Office: 44, Hamam Street, Fort and
Jai Hind Estate, Bhuleshwar.
Branch Office: Cloth Market, Siyaganj and
Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujapur Mandi,
Tarana and Ujjain.
Pay Office: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at
Head Office, Siyaganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujapur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhwa on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

FLY
SAS
THE GLOBAL AIRLINE



STATISTICAL YEARBOOK, 1958

A comprehensive collection of economic, financial, demographic and social statistics covering the principal data of more than 250 countries and territories. Of particular interest to business are the tables relating to trade, industrial and agricultural production, manufacturing, public finance and international economic aid. 612 pages.
Cloth Rs. 38.00. Paper Rs. 30.88

MONTHLY BULLETIN OF STATISTICS

Foremost source of current statistics on world economic and social conditions giving data on more than 60 subjects for 150 countries. A large number of tables from the *Statistical Yearbook* are carried on a current basis in the *Bulletin*.
Annual subscription Rs. 47.50

YEARBOOK OF INTERNATIONAL TRADE STATISTICS, 1957

Detailed data on the trade of most countries of the world including global and regional summaries to show broad changes in the value, volume and price of goods moving internationally. Volume I—Annual data on imports and exports for each of 118 countries including for the first time the U.S.S.R. 640 pages. Paperbound. Volume II—Summary data on trade in seven large commodity classes.

160 pages. Paperbound.

Volume I Rs. 28.50.

Volume II Rs. 7.13

DIRECTION OF INTERNATIONAL TRADE

Extensive data giving the value of the imports and exports of 95 countries from and to each of the countries with which they conduct trade. Provides current figures on the trade-by-country series of the *Yearbook of International Trade Statistics*. Monthly.
Annual subscription Rs. 23.75

COMMODITY TRADE STATISTICS

The trade of the principal trading nations is analysed into 150 groups of commodities of commercial importance showing quantity and value of the imports and exports. For the most important trading countries, provides current data on the trade-by-commodity series in the *Yearbook of International Trade Statistics*. Quarterly.
Annual subscription Rs. 19.00

From:

Orient Longmans

(Calcutta, Bombay, Madras, New Delhi)

Oxford Book and Stationery Co.

(New Delhi, Calcutta)

P. Varadachary & Co.
(Madras)

GUIDE TO COMPANY MANAGEMENT

By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price: Rs. 5/-

EXPRESS PUBLISHERS (PRIVATE) LTD.

33, BROADWAY, MADRAS-1

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED

(INCORPORATED IN INDIA)

TRANSACTS

FIRE - MARINE - MOTOR

HEAD OFFICE

MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairmen: JAL H. MEHTA

General Manager: M. S. DASTUR

EVIL OF REBATING IN GENERAL INSURANCE

SOME REMEDIES FOR ELIMINATING IT

By "Arby"

THE fact that rebating has come to stay permanently has got to be faced. It may be that it will be reduced, but it can never be eliminated. To reduce it appreciably will require herculean efforts on the part of the Controller of Insurance. To leave it to the insurers to find an agreeable and workable solution acceptable to all is to ask for the impossible. It must be acknowledged that the insurers are incapable of thinking for the entire trade. Representatives of the insurers have been suggesting in the past only such steps as their own companies can easily follow, leaving aside the point as to whether the majority will be capable of implementing them. Alternatively, such suggestions are made as can easily be got over.

A question that may be asked is as to why all companies, big and small, do not meet and decide on a solution which would be practicable and acceptable to all. The answer is simple. First, there are three divergent groups amongst the insurers, two led by the two big giants of the trade and the third representing the medium and small companies. All these groups pull strings for their members, as a result of which no solutions contemplated are acceptable to each other. Each group waits and watches as to how it can get the better of the other. Every insurer will do anything to snatch the business, however small it is. Secondly, and this is most important, there are today very few qualified managers running the companies who can sit together and draft out a really workable scheme. The managers of today will do their best to procure business but underwriting or administering the business is not their department. They say we are paid by the Directors to write big business and not to waste our time in the office.

Keeping the above facts in mind, it must be said that an endeavour should be made to tackle the problem on a realistic basis rather than haphazardly. Efforts should be made to go to the root cause of the trouble rather than handle the matter superficially.

Some of the steps that are being suggested by the Controller of Insurance and representatives of insurers to tackle the problem are as follows:

The Controller of Insurance has for the last few years held the view that it is only because of high fire premium rates that the insurers are able to keep their heads above water in spite of paying high rebates. It is his belief that, if the rates are reduced, the profits will naturally fall and, as a result, the companies will not be in a position to give rebates. There is a unanimous opposition from insurers all over India who maintain that such a step, if taken, would strangle several insurers. It is stated that the fire department of companies is the only department which regularly shows profits while the other two departments, namely, marine and miscellaneous, are usually running in losses. Thus, if the fire rates are also reduced, the majority of companies will show big losses. Besides, it is argued that, when in 1955 the fire rates were reduced, there was only a very small decline in rebating. It is maintained by the companies that, out of the net premium of Rs. 20 crores written by the Indian insurers in 1956 only a sum of Rs. 18 lakhs (i.e., less than 1 per cent.) was available for distribution of dividends. If there is a reduction in the fire rates, the profits of companies would automatically vanish. The companies suggest that the Controller of Insurance should not take a negative step but should try to strengthen their position.

Even today, as matters stand, there are several marginal companies whose existence is in the balance and a drastic step like reduction in rates would kill them. The Controller, it is suggested, should, by legislation if necessary, force the companies to build up their reserves every year by about 10 per cent. of the gross premium written, so that the amount thus utilised will reduce the profits of companies and thus build up their strength and will not leave with them sufficient funds for the purpose of rebating. This matter of reduction of rates is still unsettled and it is only hoped that the Controller of Insurance will not insist on it.

Another suggestion put forward is that the present practice of allowing companies to incur management expenses as a percentage of the gross premium income should be changed to net premiums. It is contended by the sponsors of this scheme that companies, in order to show higher business figures, write any class and quality of business and thus they are able to save some money for rebating. Changing over to net premium basis will encourage companies to accept better quality of business which they can retain and which will achieve the object of companies trying to secure reciprocation from abroad and thus save some foreign exchange. However, the opposers of the scheme maintain that this change over would be in the interest of only bigger companies who are well established for several years and who have been able to secure reciprocity from abroad. They mention that, if an analysis of business written by the companies is carried out, it will be found that only the bigger companies are able to write substantially high net premiums as compared to their gross premiums. The ratio of net premiums to gross premiums for bigger companies will be as high as 80 per cent. (in case of some big companies it is over 100 per cent.), while, in cases of smaller companies, the ratio would be about 50 per cent. The smaller companies moreover contend that the bigger companies are not co-operating with them in ceding reinsurance business on reciprocal basis and as such they are bound to be permanent losers if net premium basis formula is adopted. Further, it is felt that, although the hankering for business may slow down, rebating would continue.

A third measure suggested is the gradation of commission according to the business written by the agent, that is, higher commission being paid to those agents who are able to procure higher business. The small companies will be allowed to pay higher commission to the same agent as compared to bigger companies, so that the agent may have some incentive to go to smaller companies as well. The proposition is being examined seriously by all companies, but it is very doubtful if rebating would end there, as it does not go to the root of the problem. Along with this measure, other stricter measures will have to be adopted like checking of expenses, etc. This again would lead to the interference of the Department of Insurance of the Government of India in day-to-day affairs.

A fourth measure, which goes hand in hand with the suggestion of graded commission, is the proposal for the abolition of the system of inspectors. There is no unanimity among the insurers on this point. One powerful group is

in favour of continuing this system, while others who are against it maintain that this system has lost its importance and is today only a source of granting rebates.

A fifth suggestion put forward and perhaps the most logical and correct one is the abolition of the sections 40A(3) and 41 which restricts the payment of more than 15 per cent. commission to agents. It is a well-known fact that this section was introduced in 1938 and it is only since then that the questions of rebating and malpractices have cropped up. If this restriction on commission is removed companies will be able to pay as much rebate as they like and they will be able also to show the commission paid officially in their books. The Government will also be able to collect income-tax on commissions paid which they are not able to do today. The sponsors of this scheme state that the present restriction of not allowing the companies to spend over a particular percentage should continue; if necessary, the percentage be reduced, so that there will be a check on the maximum commissions that companies could pay. This will no doubt lead to some competition between the bigger and smaller companies but so is the case in our day-to-day business also. A small shop has to face competition from bigger stores; yet both of them survive and it is only efficiency and service which count in the long run.

The above are some of the steps advocated by the trade and the Controller of Insurance. One thing, however, which needs pointing out is that whatever final decision is arrived at it must be thought of quickly and implemented soon. The present intransigence is not in the interest of the trade. The companies, the inspectors and the field workers do not know where they stand. The companies are unable to plan for the future.

Before this article is closed one important aspect remains and that is that the Directors of companies must take keener interest in the day-to-day working of companies. They must understand the responsibility thrown on them by the Companies Act. Relying entirely on the managers who do not have any financial stake (except getting their salaries regularly) in the well-being of the Company is not in their interest. The Directors must stop insisting on the managers to write bigger volume of business every year.

The general insurance business has a very big role to play in the future. Each Five-year Plan completed means greater industrialisation in both the public and private sectors. Insurance companies will be called upon to cover more and more complex risks, for which they must be prepared. Companies must stop thinking of insurance as consisting of three departments only, fire, motor and marine. Staff must be trained from now on to tackle insurance of machinery breakdown, erection, employers' liability, atomic energy and several other types of cover, which companies will have to handle in the future. Finally, insurers must set their houses in order so as to be able to face the future with confidence.

money in the bank
is never idle
it keeps the wheels of
trade commerce and industry
moving

THE INDIAN BANK LTD

Head Office: FIRST LINE BEACH, MADRAS-1.

with its 23 local offices and
113 branches continues to
play its useful part in India's
economic development.

ALLAHABAD BANK

LIMITED

ESTABLISHED 1865

Affiliated to
The Chartered Bank

Head Office: CALCUTTA
14, India Exchange Place

Bombay Offices:
39, APOLLO STREET and
232/34, KALBADEVI ROAD

Ahmedabad Office:
MASKATI MARKET

Authorised Capital - - Rs. 1,00,00,000
Subscribed Capital - - Rs. 60,00,000
Paid-up Capital - - - Rs. 45,50,000
Reserve Fund - - - Rs. 1,08,00,000

**BANKING BUSINESS
OF EVERY DESCRIPTION
TRANSACTION**

Branches and Correspondents throughout
India and in all principal cities of the
world.

M. J. Maclaren,
General Manager.

AB-2.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

**FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS**

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY



HINDUSTAN ELECTRIC

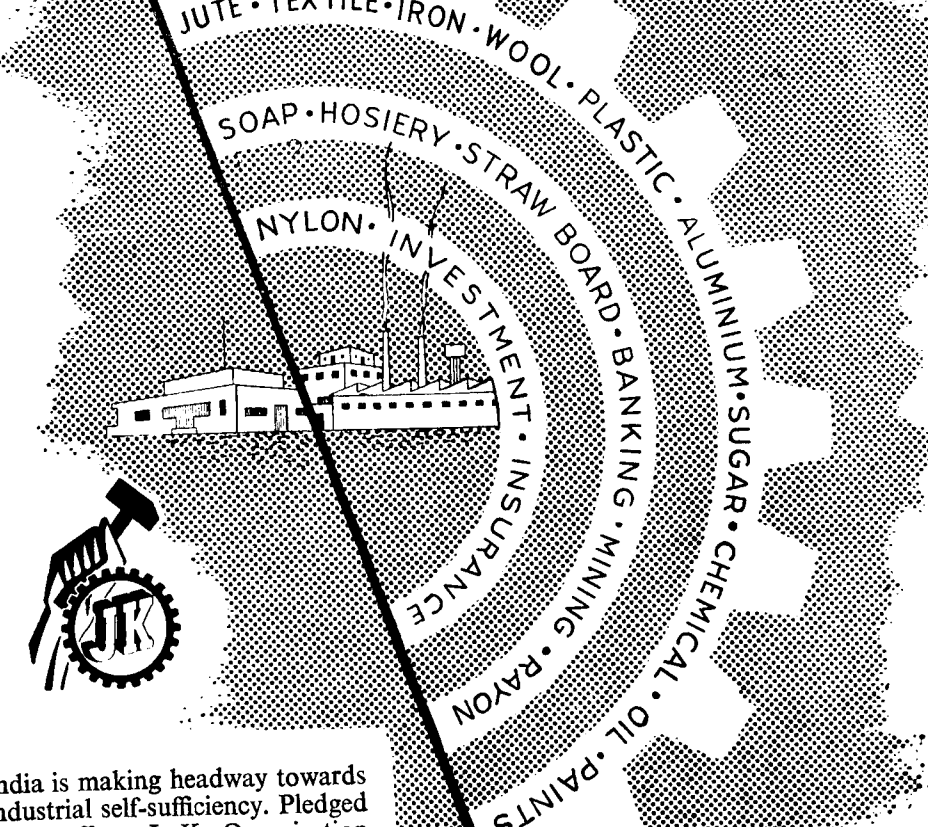
MOTORS
TRANSFORMERS
L. T. & H. T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS

THE HINDUSTAN
ELECTRIC CO. LTD.

POST BOX NO. 677 BOMBAY

BRANCHES: CALCUTTA, MADRAS
DELHI, FARIDABAD,

Our Contribution



India is making headway towards
industrial self-sufficiency. Pledged
to the efforts J. K. Organisation
is Pioneering in all directions and
keeping themselves in the
vanguard of progress to usher in
the era of Prosperity and Plenty.

J.K. ORGANISATION

KANPUR · BOMBAY · CALCUTTA

INDIA'S GREAT INDUSTRIAL AND COMMERCIAL COMBINE ★



United Nations

INDUSTRIALIZATION AND PRODUCTIVITY. BULLETIN 2

Illustrated articles relating to industrialization in underdeveloped areas—size of industrial plants, small-scale industries, management of industrial enterprises, technological research institutes. 69 pages. Rs. 3.34

ECONOMIC SURVEY OF ASIA AND THE FAR EAST, 1958

A comprehensive survey of trends concerning food, agriculture, industrial production, foreign trade, allocation of resources, and problems of imbalance for the entire region. Includes a review of post-war industrialization in Asia. 225 pages. Rs. 11.88

ECONOMIC BULLETIN FOR ASIA AND THE FAR EAST

For continued analysis of Asian economic conditions, the Bulletin provides a quarterly review between the issues of the Survey. Subscription includes three issues of the Bulletin and a copy of the Survey. Annual subscription Rs. 14.25. Single copy of Bulletin Rs. 1.19

FOOD AND AGRICULTURAL PRICE POLICIES IN ASIA AND THE FAR EAST

A study of food and agricultural price policies and other measures to support agricultural development in Asia and the Far East. 110 pages. Rs. 5.94

AGRICULTURAL ECONOMIC RESEARCH IN ASIA AND THE FAR EAST

A review of the status and scope of agricultural economic studies and research in countries of the region. 100 pages. Rs. 3.57

PROCEEDINGS OF THE SYMPOSIUM ON THE DEVELOPMENT OF PETROLEUM RESOURCES OF ASIA AND THE FAR EAST

Contains the report of the Symposium and principal documents relating to petroleum resources development in individual countries in Asia and in other parts of the world. 251 pages. Rs. 11.88

From:

Orient Longmans
(Calcutta, Bombay, Madras, New Delhi)

Oxford Book and Stationery Co.
(New Delhi, Calcutta)

P. Varadachary & Co.
(Madras)

HOURS OF WORK AND LABOUR EFFICIENCY PROS AND CONS OF SHORTER WORKING PERIOD

By Dr. J. N. Mongia

PROBLEMS of labour have assumed great importance these days in almost all the countries of the world, because a large part of the population is either selling or buying labour or is dependent upon such sales and purchases for a livelihood. As a matter of fact, for intelligent people, both young and old a major interest in life consists in seeking and discovering solutions for problems of one sort or another. To such persons, the modern world offers a wide choice of problems. In the opinion of many, no type of problems is more interesting than the one generally described as "social problems," and no division of that field more intriguing than the problems associated with labour in modern society. As a matter of fact, recent years have seen an increase in popular as well as in scientific interest in labour problems. Attention has been focussed upon such problems by a variety of circumstances, including the political recognition accorded to labour and the advancement of so-called labour legislation by political administrations. A similar influence has been exerted by a rapid expansion in labour organisation. The fact, however, remains that, besides regularity of employment and wages, few considerations affecting labour have received more popular attention in recent years than hours of employment.

Working hours, more or less, are closely related to a variety of other situations from which current labour problems arise. That there is considerable relationship between hours and the extent and stability of employment is beyond question, though the relationship is not so simple as is frequently assumed. Hours are related also to wages, for marginal hours may be quite as important as marginal workers. Several studies have shown a relationship between hours and workers' health and it is well known that long hours are frequently associated with fatigue and increased accidents. The social and political life of workers is directly related to their hours of employment, in that long hours place definite limits on their participation in such activities.

Hours and Efficiency

The precise effect of shorter hours upon output and total costs is, however, difficult to determine. The available evidence consists primarily of data on total output or costs before and after the hours change. It does not, therefore, make full allowance for current changes in other conditions of production, besides the length of the work period, such as changes in the technique or methods of production, in the personnel, in the quality of the product, in materials and other costs, in the psychology of the workers, etc. Furthermore, it takes time for shorter hours to affect a worker's efficiency and output, consequently, the test period must be sufficiently long, if the total effects of the change in hours are to be measured.

In spite of such limitations, the evidence does indicate that the total output of workers will decrease in most industries if the work-day is increased beyond 8 or 10 hours. Experiments with the effect of hours reduction upon output have been made by various agencies in various countries, which have clearly established that the number of hours worked has a remarkable effect on the efficiency of the workers. From the social point of view, also, the increased sickness, injuries, and mortality resulting from longer hours would also have to be taken into account in determining whether shorter hours were economical. There is another factor to be considered. Reduced hours may produce more unemployment for machinery or, in some circumstances, reduction of hours may increase the employment of capital equipment. A change from an eight-hour shift to two six-hour shifts increases the use of capital equipment from eight to twelve hours a day whereas a change to one six-hour shift would reduce by two hours the daily use of such equipment with its consequent results.

Old and New Motives

Throughout the history of the movement for shorter hours of work, the same motives constantly recur, even in changing economic and social conditions. In the first place, there is the desire for more leisure. Secondly, there is the desire to achieve job security, coupled with the desire to reduce recurrent mass unemployment in industry by sharing the available work among the largest possible number of

workers by means of a reduction in the number of hours each man works.

Each of these reasons is still put forward by many workers, but, in recent decades, other reasons for seeking a reduction in hours of work have emerged in place of, or in addition to, the traditional ones. One of the new objectives is increased income by means of a reduction in the standard work week but without actual change in the number of hours worked, i.e., by lowering the point at which overtime rates become payable so that a larger proportion of the hours worked are at higher rates of pay. This represents a preference for increased income instead of an increase in leisure.

There are, however, several traditional grounds upon which advocates of shorter working hours usually base their position. They may be said to be of two types, for they approach the question from two different viewpoints, one holding social considerations to be of fundamental importance, the other giving primary consideration to economic aspects of the problem. Those who advocate short hours on grounds of social welfare describe four fairly distinct values to be achieved by short work periods. They regard such limitations as necessary to protect workers' health, to permit leisure and cultural development, to stabilise family life and to permit more intelligent participation in the functions of citizenship.

Brief attention may be given to each of these claims since none is seriously challenged. The first, which holds that long hours endanger workers' health and that this hazard can be reduced only by short working periods, may certainly be true for a large part of all industry. Workers require opportunity for relaxation and change and, if hours are so long as to limit such activities unduly, serious health hazards may readily develop.

The second contention, that shorter hours will permit greater leisure and thus encourage more extensive cultural development, has been attacked on the ground that increased leisure would be wasted rather than utilised profitably. There is obviously no certain answer as to what use workers would make of increased leisure.

Finally, it is urged that additional leisure is necessary for intelligent participation in the privileges and obligations of citizenship. If workers are to familiarise themselves with community affairs, if they are to understand social needs and assist in the solution of society's problems, they must have time to give attention to these matters.

Now, as regards the unions, in their drive for shorter hours, the most significant single factor influencing the unions has been the desire to minimise unemployment when it threatens as a result of either economic or technological developments. On the other hand, where an industry has provided year-round full employment, the unions' attention has been directed almost entirely towards gaining wage increases and welfare benefit improvements. It seems clear, then, that the employment problem will continue to influence strongly the unions' efforts to obtain reduction in hours.

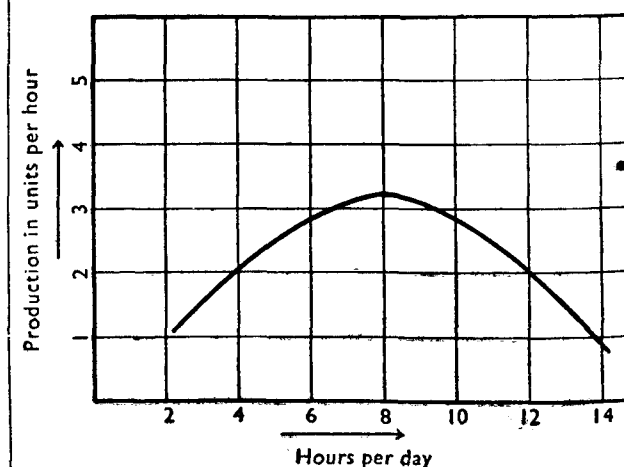
Arguments for shorter hours that are based on economic grounds are urged with equal conviction. They insist that (1) shorter hours are necessary as a means of spreading existing employment, (2) shorter hours alone can provide adequate leisure in which to consume the products of modern industry, and (3) shorter hours represent a certain means of securing and maintaining higher wages so that reduction in hours have the effect of increasing wages.

The Case Against

It is interesting to note that opposition to shorter hours is almost entirely limited to that based on economic considerations. It holds that (1) shorter hours increase labour costs and (2) increasing costs, attributable to higher wages, limit sales, employment, earnings, and living scales of both workers and other consumers.

As already pointed out, there is a conflict of opinion as to the effects of hour reduction on labour costs. It is precisely because no general and all-inclusive statement of this relationship can be made that so much confusion and conflict arises out of this issue. The fact is that hourly efficiency of workers varies under varying lengths of work-day and work-week. Moreover, these variations are different in different

occupations. The situation in one job or position may be graphically portrayed in some such manner as indicated below:—



In this figure, it will be noted that, if hours are longer than about eight in this particular case, efficiency falls off. Similarly, if they are reduced below six, there is a lowering of hourly productivity. Studies of individual occupations have disclosed a variety of such relationships. In some cases, if hours are shortened, labour costs are decreased; if, however, they are shortened further, labour costs per unit are advanced. The only points that can be made with certainty are: (1) shortening cannot proceed indefinitely without passing the point of maximum efficiency, after which labour costs invariably rise; (2) extensive, sudden or drastic change must almost certainly result in higher labour costs, because it takes time to adjust production to any far-reaching change whether in hours or in technology.

Hours and Employment

Attention may now be given to another controversial point which concerns the necessity of short hours as a means of providing adequate employment. The solution of this problem depends upon the assumption with which it begins. If it is assumed, for instance, that hours are to be reduced but hourly wage rates are to remain fixed, then it might be concluded that labour costs would not be influenced and employment would simply be spread over a large number of workers at the expense of those originally employed. The change may, however, affect labour costs by changing labour productivity. If it reduces costs; then it is entirely possible that demand for the products may be thus increased in which case employment will tend to expand. If, on the other hand, the change reduces labour efficiency, then labour costs may be advanced, demand reduced, and further shortening of hours made necessary by the lessened demand for labour.

These possible alternatives are not greatly changed, if the original assumption holds that daily or weekly wages are to be maintained in spite of hour reductions. Labour costs may be increased or reduced, in either of which cases employment cannot but be affected. Because of the popular assumption that shorter hours must necessarily increase employment, it is worth noting, however, that hour reduction may and frequently does exert exactly the opposite effect. If, by reducing labour efficiency or failing to increase it in proportion to the increase in weekly wages, the change raises labour costs, then the ultimate effect on employment depends entirely upon the elasticity of demand for the product. In the vast majority of cases, however, demand is elastic, and increased prices may readily result in such a reduction in demand as to force extensive unemployment and thus completely counteract the original change. Thus hour reduction may readily increase rather than decrease unemployment.

Labour has long believed that shorter hours are somehow inextricably related to higher wages. The famous trade union couplet:

Whether you work by the piece or the day,
Decreasing the hour increases the pay,
is widely quoted and it must be admitted that labour has some historical evidence to justify its position.

On the other hand, the fact that wage increases have accompanied hour reduction does not necessarily mean that they have been caused by the shorter hours nor that further reductions would continue the rise in wages. Obviously, if that were true, highest wages might be available with the abolition of work. It is likely, therefore, that the fundamental weakness in this type of analysis arises out of its failure to recognise and take into account the continued increase in productivity during the period under

(Continued on page 443)

SHOULD THERE BE COMPULSORY EXPORTS? WOULD IT INCREASE EXPORT OF TEXTILES?

By Chinoobhai C. Javeri

IN order to boost up exports, a scheme of compulsory exports has been mooted in certain responsible quarters to cover those items whose overall figures of export in value and volume show no rise in spite of the incentives, or where the manufacturers are found not playing the game and lack the initiative and drive necessary for promoting exports. Such an extreme measure could be thought of only in respect of commodities which are in excess of the home demand and marketable abroad; and the main criterion of the marketability of goods in the world markets is the standard of quality and the competitive position in regard to price.

Raw materials have been the traditional items of our exports. While raw materials will continue to be the mainstay of our exports, it is the manufactured goods which provide potentialities for developing the country's export trade. Diversification of our exports is vitally necessary, because it is only by diversifying them that the overall exports can be boosted. A higher degree of economic development is usually associated with a more varied production. And where exports are highly diversified, they consist largely of manufactured goods.

India manufactures a great number of exportable articles which, due to enormous home demand, find a ready market locally, realising higher prices. Some sort of encouragement is, therefore, essential to induce manufacturers to sell their goods for export. Besides, our goods are priced out in the world markets and their quality does not compare favourably with the international standard. These are the stumbling blocks in our export drive.

Incentives on Textiles

Among manufactured goods, cotton textiles constitute one of the major items of our export. Of late, there has been a sharp fall in their export due to non-competitive prices as a consequence of the higher prices of Indian cotton used in their manufacture in relation to the world parity. There are other factors which also account for our high prices and they need not be discussed here. In addition, the quality of our cloth in general has not been equal to that of other foreign countries, because our textile machinery is outmoded.

To meet the challenge, incentives are given to balance the adverse effects of this anomalous position. While incentives as a temporary measure are necessary in the present context to neutralise the price disadvantage from which our mills are suffering, they will have to be continuously and proportionately increased to maintain exports, as the disparity between the cost of our production and the international prices goes on widening. But a continuous and too large a dose of incentives would prove disastrous, since it would tend the manufacturer to lean more and more on these crutches and he would find it difficult to do without them.

Thus, if the incentives were to be increased, we would never succeed in removing the basic

weakness which is our inability to manufacture quality cloth at a competitive price, the reason being the use of obsolete machinery in our mills. What is really needed is the rationalisation of the industry.

The blame for the fall in our exports is often laid at the door of the mills accusing them of not playing the game. A census shows that only 125 out of 475 mills sell for export. This emphasises the need for more mills actively to participate in the export drive. But actually mills are apathetic to sell for export, unless there is sufficient inducement. It is true that incentives have worked well but the performance is not upto expectations. Does that justify the introduction of compulsory exports? Would it serve the purpose? Will it enable the industry to turn the corner and accomplish the end in view? These points are worth examining from all aspects.

Implications of Compulsion

There are several mills whose cloth, being sub-standard in quality, are not exportable nor are they conversant with the requirements of the export market. If these mills were to be compelled to export their cloth, it would invite complaints which will give India a bad name and foreign buyers would be prejudiced against Indian cloth in general. In order to sell their cloth in competition, the non-exporting mills will be tempted to lower the quality and quote relatively lower prices. The sales of mills which are already exporting cloth will be affected and they too will be forced to reduce their prices. This will lead to competition among Indian mills, instead of competition with foreign manufacturers. Further, foreign buyers, when they come to know that mills are compelled to sell their production for export, would squeeze the mills and make capital out of them by procuring their requirements at unfair prices.

Pre-shipment inspection of cloth may be prescribed to prevent export of sub-standard material. What will happen when this is done? Most of the cloth being unable to stand the test will be rejected and declared unfit for export. Thus, in spite of their preparedness, the mills will not be able to export and on that score will be penalised for no fault of theirs, since the obsolete machinery with which they work cannot manufacture the standard quality cloth as required. A stage will come when mills which are already working under loss would prefer to close down rather than suffer further losses.

The field for expansion is further limited, because the import of greys, which constitute the bulk of our export of textiles, is either regulated or restricted by the importing countries. On the other hand, in foreign countries, the demand is growing for prints and quality cloth and India's export in these items is insignificant. It is by catering to these varieties that the field of our export in cotton textiles could be broadened. It is the export of these varieties that needs stepping up and not that of the greys and the cheaper sorts which the scheme of compulsion

would stimulate, since greys are manufactured by most of the Indian mills. It is on account of the unfavourable prices, quality and finish that it is difficult to sell our prints and quality cloth in the world markets. All these emphasise the need for research, rationalisation and installation of automatic looms.

The worse aspect of the compulsory export scheme is that other countries will use it as a plausible handle to agitate against import of Indian cloth on the plea of uneconomic prices. Actually, many countries are already agitating to ban or restrict, by either legislation or higher tariffs, the imports of cloth from Japan, Hong Kong, Pakistan and India, since these imports are a bane to their local industry.

These are some of the arguments against the enforcement of compulsory exports in respect of textiles. For other items there might not be the same danger and implications. Nevertheless, the achievement of the objective under any scheme of compulsory exports for any item will not be worth the price.

Remedies

Against this background, it seems that the suggested remedy of compulsory exports might prove worse than the disease. It might raise new issues and create more complications. Even as an experiment in respect of any commodity, such a scheme should be launched and tried only after taking into full account its consequences.

The root of our inability to compete in the world market lies in the high cost of production of our goods. In pursuance of the Government policy, manufacturers are required to use in their manufacture indigenous raw materials, component parts and accessories whose prices are excessively high. Items which enter into the manufacture of finished products are further loaded with imposts. Wages are also high, being unrelated to production. All these factors render our goods too expensive to compete in foreign markets. The problem has got to be squarely and effectively tackled, so that the production cost of our goods is rationalised and brought down.

The vexed problem is that of inducing mills to sell for export—an objective which can be achieved only by making export sales more profitable than sales in the domestic market. A comprehensive scheme may be formulated under which export sales may be granted incentives, on the one hand, and exemption from various imposts, on the other. A levy may be imposed category-wise on the basis of value or yardage on the total sales of the entire industry barring exports sales; and the fund so created may be utilised for granting special incentives on the export of prints as well as on our exports to countries which are highly competitive.

Speaking generally, prompt and adequate measures should be taken to rationalise the industries. In regard to textiles, installation of automatic looms should be allowed freely and unconditionally. Yet, only a compact and efficient blanket scheme of modernisation can help the industry to make headway.

The upshot of the whole problem of our export trade is the pressing need for a reorientation of the policy. Unless complacency is shed and a bold, dynamic, and an unorthodox policy pursued, we will land ourselves in greater unforeseen difficulties. Fundamentally, there should be maximum of freedom with minimum of State interference.—All Rights Reserved.

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,
are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

In all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

in all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

Notices

THE VELLORE ELECTRIC CORPORATION, LIMITED

Registered Office: MADRAS-1.

NOTICE OF THE THIRTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 30th Annual General Meeting of the Shareholders of THE VELLORE ELECTRIC CORPORATION, LTD., will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras-1, on Monday the 5th October, 1959, at 1 p.m., to transact the following business, viz.

1. To receive and adopt the Directors' Report and the Audited Statements of Accounts for the year ended 31st March, 1959.
2. To declare a Dividend on Preference and Ordinary shares for the year 1958-59.
3. (a) To appoint a Director in the place of Sri V. Ananthakrishna Chetty who retires by rotation.
(b) To appoint a Director in the place of Sri M. Subbaraya Aiyar who retires by rotation and to consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution of which a Special Notice as required by Sections 261 and 281 of the Companies Act, 1956, has been received by the Company.

"RESOLVED that the age limit under Section 280 of the Companies Act, 1956 shall not apply to Sri M. Subbaraya Aiyar who is aged 74 years and that he be appointed a Director of the Company by this Special Resolution as required under Section 261 of the Companies Act, 1956 notwithstanding the fact that he is an Associate of Messrs. Chandrie & Co. (Private) Ltd., who are the Managing Agents of the Company."

4. To appoint Auditors for the year 1958-59 and fix their remuneration.
5. To transact any other business that may be brought up before the meeting.

The Share Transfer Books of the Company will remain closed from 28th September, 1959 to 5th October, 1959, both days inclusive.

By Order of the Board,
OF CHANDRIE & CO. (PRIVATE) LIMITED,
S. VENKATARAMAN,
Director,
Managing Agents.

MADRAS-1, 23rd August 1959.

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

2. The Dividend when sanctioned will be paid on or after 5th October, 1959 to those members whose names stand on the Register of Members on the 27th September, 1959.

3. The Explanatory Statement concerning the Special Resolution referred to in item 3(b) above has been posted to the members individually.

THE BRITANNIA BISCUIT COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting (being the 68th Ordinary General Meeting) of the shareholders of the Company will be held at the Registered Office of the Company, 15 Taratola Road, Alipore, Calcutta-27, on Tuesday the 29th September, 1959, at 10-30 a.m., for the following purposes:—

To receive and consider the report of the Directors and to pass the audited accounts for the year ending 31st March, 1959, declare a Final Dividend, elect Directors, appoint Auditors and fix their remuneration.

As Special Business to consider and, if thought fit, to pass with or without modification the following resolutions:—

1. (As an Ordinary Resolution.) "Resolved that subject to the approval of the Central Government the Company hereby approves of the amendment of the agreement dated 23rd May 1957 made

between the Company of the one part and Mr. K. Julian Scott of the other part whereby the pension payable to Mr. K. Julian Scott is increased in terms of the draft of the Supplemental Agreement placed before the Meeting and initialled by the Chairman for identification, and the Board is hereby authorised to execute the said Supplemental Agreement on behalf of the Company and to purchase such Annuity Insurance Policy as the Board may think fit and to pay the premia thereon."

2. (As an Ordinary Resolution.) "That approval be and is hereby accorded to the appointment of Messrs. Parry & Co. Ltd., a Company incorporated under the Indian Companies Act 1913 and having its registered office at "Dare House," Parry's Corner, Madras, as the Sole Selling Agents of the Company for India including Pondicherry and the Andaman and Nicobar Islands in respect of biscuits manufactured by the Company with effect from the 1st April 1959 on the terms and conditions contained in the Company's letter of agreement dated 1st April, 1959 and addressed to Messrs. Parry & Co. Ltd., and confirmed by the said Messrs. Parry & Co. Ltd., by its letter to the Company dated 15th June, 1959."

The Share Transfer Books of the Company will be closed from the 22nd September to 29th September 1959, both days inclusive, and warrants for such Dividends as may be declared will be issued directly to the Registered Shareholders or their Mandatees, whose names appear in the Company's Book on the 29th September, 1959.

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

15, TARATOLA ROAD,
CALCUTTA, 28th August, 1959.

Note:—(i) The Directors have recommended the payment of a Final Dividend on Ordinary Shares at 10 per cent. without deduction of tax, making, with the 4 per cent. interim dividend already paid on Ordinary Shares, 14 per cent. for the year.

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

(iii) The Explanatory Statements as required by Section 173 of the Companies Act 1956, in regard to the Special Business under Item No. 5 of the Notice have been issued to each of the Shareholders of the Company.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of THE MEGNA MILLS COMPANY, LIMITED, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on Tuesday, the 29th day of September, 1959, at 3 o'clock in the afternoon, for the following purposes:—

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1959, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

AS SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution:

5. That consent be and is hereby accorded to Sri Rajendra Bajoria, who is a relative of Sri C. L. Bajoria, a Director, within the meaning of Section 6 of the Companies Act, 1956, being appointed to and holding an office or place of profit under the Company.

The Share Transfer Books of the Company will be closed from 18th September, 1959, to 29th September, 1959, both days inclusive.

By Order of the Board,
J. A. IRONS,
Secretary.

16, STRAND ROAD,
CALCUTTA, 1st September, 1959.

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

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Under Section 314 of the Companies Act, 1956, no relative of a director of a company may without the previous consent of the company accorded by special resolution hold any office or place of profit under the company other than certain offices specified in that section. Sri Rajendra Bajoria is a son of Sri C. L. Bajoria, a Director of your Company, and it is proposed to appoint him as a Personal Assistant to the Directors on a remuneration of Rs. 2,000 per mensem.

In order to comply with the requirements of Section 314, Resolution No. 5 as set out in the convening notice is to be considered at the annual general meeting.

No Director of the Company except Sri C. L. Bajoria has any personal or fiduciary interest in the proposed resolution.

THE INDIA JUTE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of the Members of THE INDIA JUTE COMPANY, LIMITED, will be held at 16, Strand Road, Calcutta-1, the Registered Office of the Company, on TUESDAY the 29th day of September 1959, at 3-15 o'clock in the afternoon, for the following purposes:

1. To consider the Profit and Loss Account of the Company for the year ended 31st March, 1959, the Balance Sheet as at that date and the Reports of the Directors and Auditors.
2. To declare a dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from 18th September 1959 to 29th September, 1959, both days inclusive.

By Order of the Board,

J. A. IRONS,
Secretary.

16, STRAND ROAD,
CALCUTTA, 1st September, 1959.

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

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to purchase from established and reliable producers, the following items of Steel Track materials:

- (a) Rails ... 1,50,000 tons
- (b) Fishplates ... 5,300 "

The tender documents including drawings and specifications can be had on payment of Rs. 15 per set (or equivalent) from any of the following offices during working hours:

1. The Director, Railway Stores, Ministry of Railways (Railway Board), State Entry Road, New Delhi,
2. The Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W. 3, and
3. The Director, India Supply Mission, 2536 Massachusetts Avenue, N.W. Washington 8, D.C.

Tender will be received by the undersigned upto 12.00 hours on the 28th October 1959 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

DIRECTOR, RAILWAY STORES,
Railway Board,
State Entry Road

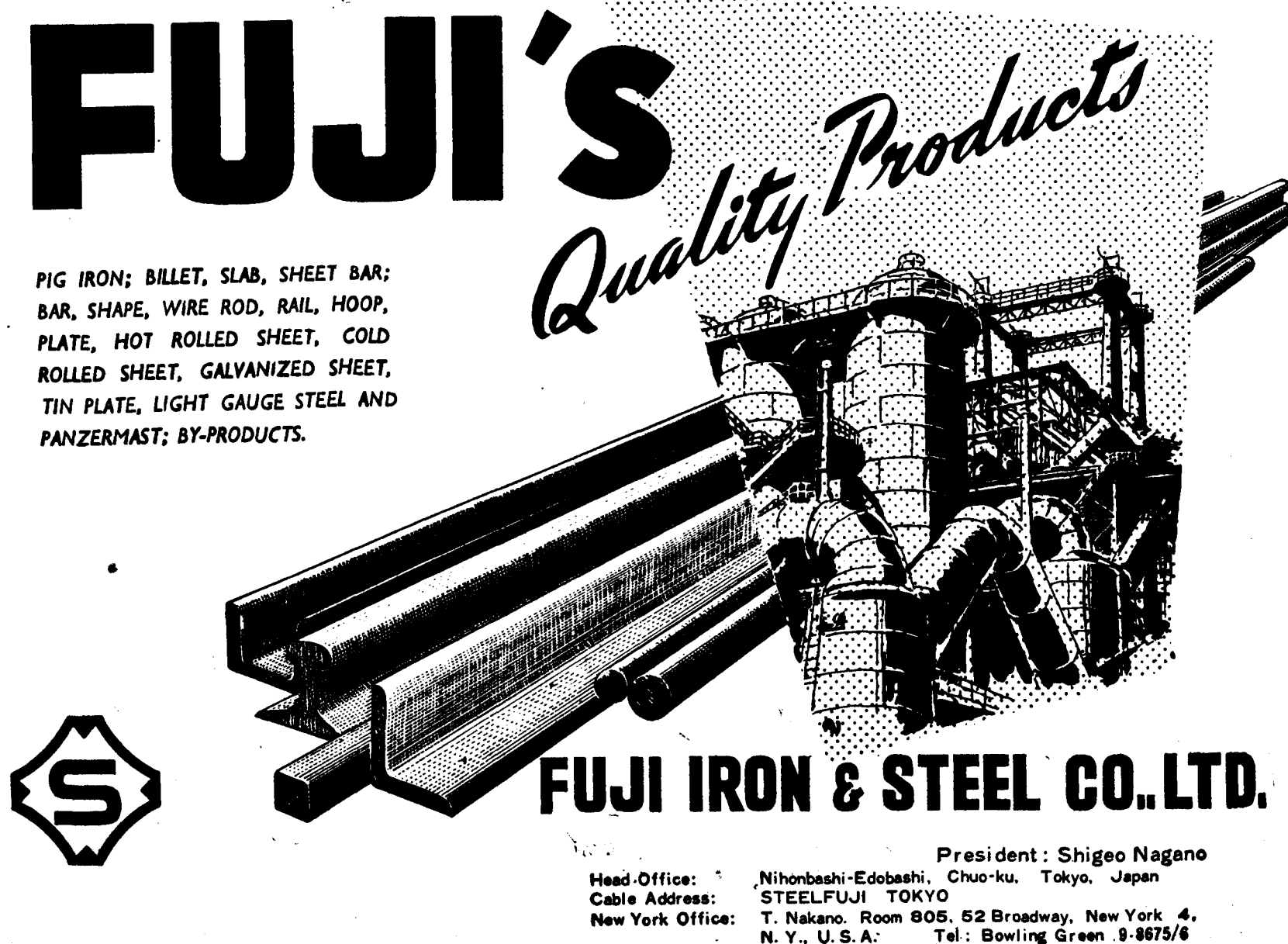


HIGH REPUTATION
for
Quality, Uniformity, Reliability




High Rayon Fabrics		Rayon Yarn	
# 6040	M/s Habutae	Filament	Yarn
# 6080	Chiffon	Spun	Yarn
# 6280	Silver Grape	Twisted	Yarn
# 6300	Georgette Grape	Staple	Fibre

Pamphlet available. Please apply to:
KURASHIKI RAYON CO., LTD.
2, Umeda, Kitaku, Osaka, Japan Cable Address: "KURARAY OSAKA"



FUJI'S
Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAST; BY-PRODUCTS.

FUJI IRON & STEEL CO., LTD.

President: Shigeo Nagano
Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano, Room 805, 52 Broadway, New York 4, N. Y., U. S. A. Tel: Bowling Green 9-8675/6

INCREASE IN WORLD OIL OUTPUT RECOVERY IN CONSUMPTION

A **NOTABLE** feature of world petroleum output is that it is increasing at a steady rate year by year. In the current year—the Centenary year of the petroleum industry—production is expected to cross the 1,000-million-ton mark, at which level it would constitute a new record. Last year, world oil production aggregated 905 million tons, as against 882 million tons in 1957. The consumption of oil is also rising this year, though it is expected to grow less steeply than output. This suggests that the stocks at the end of the year may turn out to be slightly higher than at the beginning of the year.

The broad pattern of world oil production is not likely to change appreciably in the near future. As is well known, the free world accounts for the major share in the world output of oil. Last year, the free world accounted for 776 million tons or 85.7 per cent. of world production, the shares of the major producers in world output being U.S. 36.3 per cent., Canada 2.4 per cent., Latin America 19.1 per cent., Middle East 23.7 per cent., W. Europe 1.4 per cent. and Africa 0.2 per cent. Communist areas accounted for a mere 129.2 million tons or 14.3 per cent. of world output. Among the latter, the only two important producers are the U.S.S.R. (113.5 million tons) and Rumania (11.5 million tons). Russia, however, has a programme for increasing its output to 135 million tons in 1960 and to 230-240 million tons by 1965. It is also noteworthy that Russia has announced its plans for a 2,500-mile underground oil pipeline from the Soviet Union to Poland, East Germany, Czechoslovakia and Hungary. This programme is regarded as one of the most spectacular moves for integration of the Communist countries. By 1960 alone, Russia's export potential is expected to increase to about 25-30 million tons. Last year, it exported 9.1 million tons of crude oil and 9 million tons of oil products.

Consumption

It is somewhat difficult to forecast the level of consumption which, statistically speaking, is less easy for assessment. But it is known that, in the free world, consumption is rising steadily. In the U.S., which accounts for almost half of world consumption, demand rose by six per cent. in the first half of the current year. For the whole of the current year, demand may rise by about 4.5 per cent. In the rest of the free world, consumption of oil is expected to rise by about 8 per cent. Taking into account the current trends, it is believed that free world consumption will rise by 7 per cent. over last year. It may be mentioned here that, last year, consumption in the free world was 739 million tons, as against about 700 million tons in 1957. Thus, the rate of increase in 1958 was of the order of 5½ per cent., at which level it was somewhat less than the long-term average of seven per cent. recorded in the past. The main influence restraining the growth of world consumption last year, according to the *Petroleum Press Service*, were the tail-end of the U.S. economic recession, and the mild recession in W. Europe. These general economic factors held back oil consumption in these two main consuming regions. They were also the principal cause of the widespread falls in commodity prices and consequently in the export earnings and economic activity of some underdeveloped regions. It is, however, noteworthy that inland oil consumption in the underdeveloped regions rose last year by nearly seven million tons or 7½ per cent.

Production

Many oil producing and consuming regions have their own plans for increasing production. It is true that not every consuming region has the capacity for increased production. In fact, it may not be a producer at all. But prospecting operations are taking place in many parts of the world. Although reliable figures are not available, it is computed that about two million wells have been drilled for oil. The search for oil has taken men to diverse parts of the world. By far the most exciting adventure is perhaps the prospecting for oil in the French Sahara. Those who might have wondered whether it would not end in a misadventure have noted with agreeable surprise the fact that Sahara oil is now a distinct possibility. The total output is expected to be of the order of 8 million tons in 1960; rising to 25 to 30 million tons five years later.

In search of oil men have gone not only to a desert like the Sahara, but also to the depths of the seas. Undersea exploration for oil has increased rapidly in the last four or five years,

spreading to many new areas. Spurred by the growing cost of finding oil onshore in the U.S., offshore exploration in the U.S. Gulf Coast region has been undertaken on a scale not surpassed by undersea exploration in any other region. Till now, it is estimated that some £710 million has been spent by more than 75 companies. It is true that the cost of drilling offshore is nearly four times the comparable cost onshore. But, by comparison with the cost of drilling onshore in a remote region like Alaska or New Guinea, offshore costs appear less onerous. Indeed, drilling offshore it is stated, may be advantageous over onshore work in such an area, since there are no locations to level, no access roads to build and no expenses of assembly and dis-assembly in moving from location to location.

New Uses

Apart from its well-known uses as fuel, petroleum is finding several new applications. The rapid growth of petro-chemical industry will lead to increase in the consumption of petroleum. Since the early 1950's, the production of petro-chemicals in the free world has more than doubled, and is expected to double again by mid-1960's. In the U.S. and Canada the industry began to assume major commercial significance, during the Second World War, and in W. Europe, only in the current decade. Yet, within this short space of time, it has become a highly important component not only of the petroleum and natural gas industries but also of the chemical industry as a whole. In many other areas, the industry is not well developed. Progress in this field, it is stated, is governed by complex economic, social and technical factors, such as population, general industrialisation, finance, technological skill and the relative locations of raw materials, process plants and principal markets. Nevertheless, in the future, the industry is bound to become an increasingly important factor in the consumption of petroleum.

RODENT ATTACKS

The production of various rubber and plastic insulated wires and cables has shown a rapid increase in recent years and so has the number of cable failures and fires of "unknown" origin but presumably caused by rat attacks on the soft materials. The Swedish cable manufacturing firm, Sievert Kabelverk and the Royal Veterinary College, Stockholm, have carried out an investigation to determine the extent of rodent attacks and to clarify the possibilities of making rubber and plastic insulated cables resistant to rats. The results are reported on in the latest issue of the L. M. Ericsson house organ *Ericsson Review*.

The experiments were carried out in the rat laboratory of the Veterinary College, using albino rats. In all experiments the animals were given fresh water and a standard diet, which had been used for many years in the laboratory and was known to fulfil the requirements for normal growth and reproduction of the rats. The animals were kept in their cages which were made of galvanised wire netting. Parallel tests were run on individual rats and on rats in groups. The cylindrical samples used in some of the tests were moulded from compounds mixed in a laboratory plastics mill. In the course of the experiments ten female rats—females being found more voracious than male rats—were left in a cage with 18 different cord and cable samples. After two days all samples with an outer sheath of soft rubber or plastic material were severely attacked and the copper wiring visible. A nylon cord was altogether consumed. Only two samples covered with steel and aluminium remained intact, though aluminium did not seem to be as effective as steel. Other tests showed that the hardness of the compound, and the type and quantity of P.V.C. resin and plasticizer, made it more difficult for the rats to attack, but it did not hinder the animals from gnawing.

Samples prepared with commercial rat repellents, rubber accelerators earlier considered to have some rat-repelling effect and some other substances chosen at random were also tried. None of the additives tested could be considered to have the desired rat-repelling effect. The compound Z.A.C. (a complex of cyclohexylamine and zinc dimethyl-dithiocarbamate) had a certain effect but offered no complete protection.

The investigators arrive at the conclusion that rats, being playful and inquisitive animals, attack materials which have no function as food or which can be used as teeth-sharpeners. No soft rubber or plastic materials are likely to resist attack, though rigid types in thick sections will probably be damaged only to a small extent. At present only cables with metal sheathing other than lead will give full protection.

The report ends with a challenge to the chemical industry to tackle and solve this intriguing problem since it has been shown that a decreased attack by rodents can be achieved by using certain additives in the compounds and it seems probable that chemicals of far greater efficiency can be found.

OIL INDUSTRY

Farm work that required 58 man-hours 10 years ago can now be accomplished in less than four, according to *Oil Progress*, quarterly Caltex publication. The magazine explains that this and other advances have come about through the oil industry's contribution to mechanisation. This year is the 100th anniversary of the discovery of oil in Western Pennsylvania that started the modern petroleum industry. Tracing the story of Edwin Drake, a former railroad conductor and discoverer of the first well, *Oil Progress* points to differences the years have brought. "Consider the sorry state of transportation one hundred years ago" the magazine suggests. "Movement was by steamship or railroad or, for shorter overland trips, by horse-back or stagecoach. Travelling from 12 to 16 hours, the stagecoach could cover about 40 miles a day in summer and perhaps 25 in winter. Until replaced by the railroad, the coach trip from London to Edinburgh, a distance of 400 miles, took from 10 to 12 days, forcing the hardy traveller, bruised and aching, to put up each night at a different inn." It adds: "Streets in larger cities were paved with granite blocks, or with the new crushed stone, compressed by roller, that had been introduced in England in 1815 by John Loudon McAdam. Country roads were inches deep in dust during the summer and quagmires during rainy periods. Often winter snows made them all but impassable for weeks at a time."

"In July 1840, the *Britannia* first of the Cunarders," the magazine says, "made the choppy trip from Liverpool to New York in 14 days, 8 hours—a new record for transatlantic travel. Railroads, for the most part, were powered by wood-burning steam locomotives, and operated on Schedules that had more of caprice than regularity in their execution. The wooden cars, indifferently heated by stoves, were uncomfortable, stuffy and dirty." Commenting on these trends, it observes: "However, in taking this backward glance at life in the mid-nineteenth century, it is not implied that petroleum by itself, has changed everything for the better. To be sure, it has played a major and perhaps indispensable role in the development of the automobile and airplane. But, in a broader sense, in making an ever-wider range of fuels and lubricants available, it has unquestionably fostered the development of more and more efficient industrial machines. These, in turn, have increased many-fold the productivity of each worker—the only real basis for improved living standards. In so doing, petroleum as a source of power has helped to reduce the length of the working day, providing working people everywhere with added leisure time for recreation and widened spheres for self-development." It adds: "Caltex looks forward to even broader opportunities as it stands on the threshold of the jet era, a period in which the traveller, released from the confines of his stuffy, creaking stage-coach, may soon even beat the sun to his destination."

REAR-ENGINE MOTOR COACH

The first luxury double-deck long-distance motor coach with its engine at the rear has been introduced by Ribble Motor Services Ltd., of Lancashire, England. With all the amenities of a modern airliner, including refreshments served on route, a well-appointed toilet compartment, adjustable reclining seats, modern heating and ventilating system, and individual reading lights, the new coach represents a development that may well revolutionise coach travel in this country and abroad. The vehicle, named the "Gay Hostess" is an Atlantic rear-engine model produced by Leyland Motors Ltd. with a 50-seater coach body built to the design and layout of Ribble's Engineer-engine Department by Metropolitan-Cammell-Weymann Ltd.

Ribble plan to operate these new style double-decker coaches on long-distance express services such as those from Lancashire to London, Scotland, Bristol and Torquay, by day and night, and eventually on the motorways that are now being constructed. From a technical point of view, the Leyland Atlantic chassis employed has a number of superior features. It has air suspension for the front axle consisting of double convulsions bellows used in conjunction with light leaf springs and torsion bar stabiliser; semi-automatic Pneumo-Cylic gear-box with electro-pneumatic gear selection; automatic clutch of a centrifugal type; only two control pedals, brake and accelerator; and an automatic lubricator which feeds oil to 25 chassis points whilst the vehicle is on the move.

B.O.A.C.—QANTAS

Qantas Boeing 707 jet airliners will start operations on the Kangaroo route between Australia, India and Britain on 5th October and B.O.A.C. Comets will be introduced on the same route on 4th November 1959. The joint fleets will provide eight jet services each week on the whole route between London and Sydney which is operated by the two airlines in partnership.

The jets will reduce the end-to-end journey to as little as 33 hours. They will replace the present Qantas Super-Constellations and B.O.A.C. Britannias which takes 63 and 48 hours, respectively, for the 12,000-mile run.

Qantas Boeings will operate three times a week and B.O.A.C. Comets five times a week. A ninth service per week will be operated by a Comet from London to Singapore and from there by a Super-Constellation to Sydney.

The combined fleets will provide 640 seats weekly in each direction. They will between them serve all the present points of call on the Kangaroo route, including Calcutta and Bombay. Calcutta will be linked with Australia seven times a week and Bombay once a week.

On 3rd November 1959, an express Super-Constellation all-cargo service will start between Sydney and London. With a capacity of 12 tons, the aircraft will cover the 12,000 miles in 58 hours.

NEW PRODUCTS AND PROCESSES

New Ayurvedic Treatment for Eye Diseases

PUNARNAVA, a herb, found commonly all over India, has proved efficacious in eye-diseases that were regarded incurable so long. Yet, the herb is so cheap that four seers of it would not normally cost more than an anna. In many cases, it has made the use of glasses, whether having plus or minus power, unnecessary. The application of the herb, it is claimed, has disproved the existing belief that glasses, especially of the convex variety, once adopted, can never be eliminated. In a large number of such cases, normal vision has been restored by the use of the herb. The Ayurved Research Council, Delhi, experimented with a large number of preparations for treating eye troubles during 1958 but *Punarnava* proved the best of the lot. Its juice is to be applied to eyes after soaking it in the powder of another herb known as Vimal Joti.

The A.R.C. is planning to open centres in the big cities where the specific will be distributed free. Many important ophthalmic hospitals of the country such as Pendra Road Sanatorium, Jalan Free Eye Hospital, and Sant Parmanand Blind Relief Mission are re-examining the therapeutic value of the herbs. The U.P. Government, it is said, is planning to use the herbs in State Ayurvedic Hospital, Lucknow, and the Bharat Sewak Samaj, Muzaffarnagar, is arranging to distribute it in their various centres.

Dihydrojasmone

Jasmone, the main odorous constituent of the jasmine concentrate, is difficult to obtain in quantity either from the natural sources or by synthetic routes. Dihydrojasmone is a suitable substitute for jasmone and can replace it in most preparations. It is widely used abroad as a component in the preparation of high grade perfumes. Several methods for the synthesis of dihydrojasmone are described in literature. The method developed by Frank using Leavulenic ester and the Grignard reagent of hexylbromide is, by and large, used for industrial preparation. The yields by this method, however, are not too satisfactory.

A new four-stage method for the synthesis of dihydrojasmone (overall yield 67 per cent.) based on easily available raw materials derived from castor oil, has been developed in the National Chemical Laboratory, Poona. The method is claimed to be superior to other methods so far described in literature. The reactions involved are said to be simple and can be carried out easily with the help of equipment normally available in any laboratory. Dihydrojasmone obtained by this method has been evaluated both in India and abroad by expert perfumers and pronounced to be of an excellent quality.

Water Shielding Reduces Reactor Cost

A major reason for the high cost of nuclear power is the need for protection in case of reactor breakdown. For a boiling-water reactor, beyond lead and concrete to contain radioactivity, an outer steel shell is required which has sufficient strength to protect against a burst of boiling water at high pressure. Cost of such a shell in the U.S. runs from 15 to 35 dollars per kilowatt of installed capacity. A possible cheaper protection method now under test is based on the idea that surrounding the reactor with cold water could permit use of a much less expensive shell since any escaping high-pressure boiling water would become mixed with the cold water, leading to a marked reduction in pressure. Tests are being conducted in the U.S. utilising an insulated steel drum holding 9,000 lbs. of boiling water at a pressure of 600 lbs. per square inch (which simulates a containment shell). In one test, boiling water escaping through a 12-inch rupture in the inner steel drum mixed with cold water to produce a pressure of only 3 lbs. per square inch against the outer shell. Thus far, the tests are said to have indicated that cold water absorption might reduce the cost of containment shells by one-half.

Executive Indicator

A new Executive Indicator, designed by Hadley Telephone and Sound Systems Ltd., Staffordshire, Britain, supersedes the old "in-out" board. The system comprises 12 panels—one "entrance" panel, one each for ten executives and one for the firm's telephone operator (larger systems also provided). Executives see at a glance on their own panels if colleagues are on the premises or not. The executive, upon arrival, presses the appropriate button on the "entrance" panel and immediately his light glows on every other panel. When leaving, the same button cuts out that light. The telephone operator can see at a glance who is in—or out, and in addition, can by pressing a button, flash any particular light as a "wanted" signal and can also sound a buzzer. If an executive is out and his light is not showing, the operator can cause it to "wink" so that on his return he knows that he is wanted urgently.

Long Life Car Silencers

A ceramic coating process which is said to make possible corrosion-resistant motor-car mufflers or silencers that could carry a 100,000-mile lifetime guarantee has been developed by a U.S. company which previously has developed similar methods for protecting jet engine parts.

Test mufflers made by the new method have been submitted to major U.S. car makers. They would, it is claimed, cost no more than presently available mufflers with less than half their lifetime. A three to four thousandth of an inch thick integrated "skin" of ceramic coating is fused at very high temperatures on to the surface steel of the muffler. It is said to be impervious to shock, corrosion, and 1,500-degree Fahrenheit temperatures.

CHILDLIKE,...but NOT Childish

Eat more
Sathe's
Chocolates...
they're
delicious



SATHE BISCUIT & CHOCOLATE CO. LTD., POONA 2.
Herof 97.

Now! supplies freely available
of the famous
CAUVERY brand

STABLE BLEACHING POWDER
Containing 33/37% available chlorine

Price per cwt. Rs. 36/- F. O. R. Bombay
for bulk packs in 126 lbs. / 224 lbs.
(also available in 56 lbs. / 28 lbs. packs.)
Local taxes and handling charges extra.

made in India only by

THE METTUR CHEMICAL & INDUSTRIAL CORPORATION LIMITED

Mettur Dam R. S. Salem Dt.

Managing Agents: SESHASAYEE BROTHERS PRIVATE LIMITED

MC 149.

Ask for your requirements from:

THE NEW ERA AGENCIES PRIVATE LTD.

Karnal Chambers, 32, Nicol Road, Ballard Estate, Bombay 1

Proved
best in
service

Exide

Silver

CHLORIDE & EXIDE BATTERIES
(EASTERN) PRIVATE LTD.

NEW THINKING ON INDUSTRIAL EXPANSION

A NOVEL METHOD OF INCENTIVE SUGGESTED

By J. M. Lobo Prabhu, I.C.S. (Retd.)

THE Union Minister for Industry and Commerce, Mr. Lal Bahadur Shastri, recently made a speech which was both conciliatory and constructive. In an undeveloped economy, every one has to bear a share if human and material resources are to be capitalised. Socialist ideas have to be implemented not only in giving to each according to his needs but by taking from each according to his means. The problems listed by the Minister deserve to be examined accordingly. In essence, the problems listed by the Minister are, first, developing the machine-building capacity, second, increasing the manufacture of basic intermediates, third, decentralising industries, particularly through manufacture of components, fourth, reducing cost of manufacture and fifth, improving and increasing exports—all for the basic purpose of reducing the adverse balance of foreign exchange.

Machine Building

There is no doubt that machine-building capacity should be increased. The cost of import of machinery, excluding electrical instruments, has risen from Rs. 59 crores in 1946-48 to Rs. 202 crores in 1957. In fact, it is one of the serious defects in our planning that machine-building capacity was not established in advance of our steel capacity or at least alongside of it, which could have been done even if some more steel had to be imported on account of it. We are now likely to be in the position of having steel for a considerable part of which there may be no use. The Minister announced that the heavy machine plant and the foundry forge project at Ranchi, would be taken up at once, that detailed project reports for a heavy machine plant and a plate and vessels works would be shortly in hand and the mining machinery project at Durgapur would be enlarged. The questions that arise are, first, when these projects will fructify and, second, how efficient will they be. Unfortunately, on the record of State enterprises so far, there is no ground for optimism. A suggestion which I have been pressing not only in my book, *New Thinking*, but in many articles which I have written in the last three months, that part of the investment in State enterprises should be open to the public, seems at last to have been recognised, as the Prime Minister has just stated that he favoured the running of State enterprises as semi-independent concerns to promote incentive. There is immediately an opportunity to interest the public in the enterprises announced by the Minister.

Imports

The second question is whether the capacity developed will be adequate to reduce imports and to meet the increasing needs of the future. The inference is that it covers only a small part of our requirements for which reason private enterprise deserves to be encouraged. The Minister admitted that industrial investment had dried up and that the funds with the Industrial and Refinance Corporations were idle for want of balancing funds with private industries. He suggested that a larger proportion of the profits of existing industries should be reinvested without realising that reduction of the attenuated profits would further depress public investment. The truth is that industries have suffered first from the irresponsible statements by political leaders of their expropriative intentions, second, Government taxations and loans, and third, the Government's partiality to organised labour which has increased costs and prices to the general consumer, inducing a contraction of the markets.

It is possible that the private sector will be encouraged by the assurance given by the Prime Minister that the Government was guided by a pragmatic approach and there was a wide field for private enterprise. At the same time, in respect of enterprises like machine tools, the production of which is difficult and expensive and the market for which is undeveloped and uncertain, we could follow the practice of the West German Government of not only giving loans but subsidies in the form of tax certificates, related to the new labour employed. There is no danger of inflation from such subsidies as they can be used immediately only for payment of taxes due to Government. It is surprising that though I made the suggestion to try this system some four months back, it has so far not caught

on, in spite of the fact that it had a miraculous effect in West Germany.

The second problem listed by the Minister is the manufacture of basic intermediates like dyestuffs and drugs. Actually, the cost of imports of dyes and colours has fallen since 1946. However, self-sufficiency is desirable and for the more difficult projects, subsidies through tax certificates could be tried.

Decentralisation

As regards the third problem of decentralising industries, I have regarded it as the basic solution not only for industry but for the rural problems of the country. Although there is a Development Wing in the Industries Ministry, it has not so far planned or publicised either the potentials of the industries or of different localities. If decentralisation is being left to private initiative, the least that can be done is to increase the number of industrial estates in suitable places. Another difficulty is that the Government is thinking of decentralisation only in terms of components for larger industries while what the country requires is lines of industries for producing consumer goods, the imports of which are now banned. The Deputy Minister for Industries who has reached a better understanding of the position after his recent world tour now favours foreign collaboration. The climate could change if the private sector was not persecuted and if the public was encouraged to spend their earnings in the improvement of their standard of living. This requires a change from the attitude of austerity to that of prosperity. Again, it postulates fuller employment as the 45 millions now unemployed potentially represent not only increase in the wealth of the country but greatly enhanced purchasing power, which industrialisation requires. Finally, for the more difficult of the consumer goods industries, the Government may offer subsidies through the tax certificate system.

So far as the fourth problem—that of reducing the cost of manufacture—is concerned, the Minister overlooked the fact that, according to a recent assessment of the U.N.E.S.C.O., the cost of labour and management in manufacturing costs is the highest in India, being 53 per cent. while the Philippines and Pakistan, not to speak of highly industrialised countries, have a percentage below 30. The question is whether

Government cannot secure a cut in this cost till a more economic proportion is reached. The management and labour will sacrifice equally either voluntarily or through a form of special taxation, the proceeds of which may be reserved for a pool to subsidise exports of the industry concerned. This is not only a practical measure to help exports but also to improve productivity which will become a vital interest of both labour and management as they will be personally touched. The suggestion is pragmatic in the sense the Prime Minister was thinking. It should not be administratively difficult if each industry concerned is asked to declare for special assessment all payments to management and labour in excess, say, of 40 per cent.

Labour and Management

The fifth problem is of export. The suggestion, made above, to reduce cost of management and labour, could to a great extent make our exports competitive in the world market. If labour feels it is being sacrificed, it must remember it is getting at least four times as much as the landless labour in the villages from which it is drawn. If management has the same grievance, it has to compare itself with their opposite numbers in the public sector who have neither the same scales of pay nor the same bonuses or profits. The important thing is that such a burden will remain only till increase in productivity makes our prices competitive in the world market.

The problem cannot be solved only by improving quality and reducing prices, on the one hand, and by increasing internal prices for subsidising external prices on the other. In the first place, it is necessary to eliminate the debilitating and irritating effects of State trading. It should be clear by now that State trading lacks, first, intelligent self-interest, which is not natural to officials, and second, capacity for risk bearing and for resilience arising from personal investigations and contacts, which are features only of private enterprise. The competition of State trading with private trade and monopoly in some instances are adversely affecting both the purchasing and selling ends of exports. State trading, therefore, requires to be reorientated to supplement and not to supplant private trade. Secondly our policy must look a little before and after, in respect not only of exports but of imports. Food imports constituted one-fourth to one-fifth of the import bill in the last three years. In the current year, when the total food production is estimated at 71 million tons, imports worth Rs. 150 crores are being planned. The controls tried since 1957 can explain the artificial scarcity, which the new powers of acquiring stocks at statutory prices can defeat, if the Government does not vacillate, as it appears to be doing. If grain dealers are sequestering the stocks in villages, requisitioning should be applied there also, so that normal movements are resumed. This would wipe out a big gap in our foreign exchange. Imports of steel which in 1957 reached the total of Rs. 146 crores should be naturally reduced as steel required for steel factory construction will not figure while our own steel factories, if they produce according to anticipations, will have steel for all other purposes.

Government Help

On the export front, the policy for production should include more substantial Government help. For instance, the production of cashew kernels could be doubled if the Government itself planted its own and private lands. Similarly, vacancies in tea estates which reduce not only quantity but quality should be made the responsibility of the Forest Department, which can plan, advise and even subsidise in deserving cases. In respect of textiles also, loans and subsidies in the form of tax certificates may be justified where modernising cannot be done otherwise. In India, State help is much less than what England is currently giving for modernising its textile production. It is sound economics to help private enterprise if it results in gain to the country also.

The prospects for industrial expansion are bright, if the second Five-year Plan eliminates the necessity for grain and steel imports and the third Plan creates purchasing power for a fuller range of consumer goods industries. Much, however, will depend on what Ministers say. Just at present, they are showing some appreciation of the role of the private sector, which has created a new sense of confidence. Even silence after this will be a sign of maturity. It will demonstrate that the Government is thinking more in terms of creating results, rather than impressions.

Ship via London



Britain's Premier Port
equipped for all types of ships and cargoes.

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply
The General Manager

PORT OF LONDON AUTHORITY, LONDON, E.C.3

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital	-	-	Rs. 2,00,00,000
Issued and Subscribed Capital	-	-	Rs. 1,00,00,000
Paid-up Capital	-	-	Rs. 50,00,000
Reserve and other Funds	-	-	Rs. 25,00,000

Complete Banking Services inclusive of
Foreign Exchange

S. L. KOTHARI,
General Manager.

For Service & Security PANDYAN BANK LTD.

Central Office: MADURAI

THE BANK THAT SERVICE BUILT

To Know

PANDYAN BANK

is to Know

SOUTH INDIA

82 Convenient Offices in South India

Banking Business of every description transacted.

S. N. K. SUNDARAM,
Managing Director.

for
PAPER CLIPS
& PINS

X-KEYS



EXCEL INDUSTRIES
CALCUTTA, BOMBAY, MADRAS, COIMBATORE
Sole Distributors
SIGMAN & CO.
12, RAJAWADE ROAD, CALCUTTA

Trade Promotion is our Specialty

The FUJI BANK, LTD.

Head Office: Chiyoda-ku, Tokyo
— 184 Branches throughout Japan —
London Branch: Salisbury House, Finsbury Circus, London, E.C.2
New York Agency: 42 Broadway, New York, N.Y.
Calcutta Representative Office: Mookerjee House, 17 Brabourne Road, Calcutta-1

THE BOMBAY STATE Co-operative Bank Ltd.

9, BAKEHOUSE LANE, BOMBAY 1.

	Crors
Paid-up Share Capital	- Rs. 1.30
Reserve and other Funds	- „ 0.59
Total Deposits	- „ 17.20
Working Capital	- „ 29.67

Branches and affiliates at 304
places in Bombay State.

Tel.
255474-75

ESTD. 1911

Grants
Farmer Bank

R. G. SARAIYA
Chairman.

G. M. LAUD
Mg. Director.

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD

RAMTIRTH BRAHMI OIL. (AYURVEDIC MEDICINE)

Useful for Eyes, Memory and Sound Sleep.
Ramtirth Brahmi Oil is being prepared
scientifically with various precious ingredients.
Useful to everybody in all seasons.

Available everywhere:
Price: Big Bottle Rs. 4/-, Small Rs. 2/-.

YOGIC ASANA CHART
is also available from here on payment of
Rs. 2/50 p.p. including Postage to be sent by M. O. only.

New Bottle
WITH
Un-Breakable
Seal



SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

PROTECTION FOR CONSUMERS

AN ACCOUNT OF STEPS TAKEN IN BRITAIN

IT is often said that, in a free enterprise economy, the consumer is the king. This is, no doubt, true to the extent that the types of consumer goods and services produced, and their price, quality and quantity, are determined mainly by the consumer's choice. In other words, production tends to follow the pattern set by demand. Nevertheless, the bewildering variety and complexity of goods on the market make it difficult for consumers to choose wisely, unless they are sufficiently informed about the technicalities and performance of the products on sale, and also of alternative goods. Again, high-pressure advertising may result in a divergence between consumer's demands and their needs. Moreover, consumers, being generally unorganised, cannot protect themselves against artificial price-fixing by monopolies or oligopolies, and against fraud, misrepresentation and other malpractices by a minority of less scrupulous traders and producers. Various measures are taken in advanced countries to solve these problems. A stimulating account of how the interests of consumers are safeguarded in Britain is given in a brochure, entitled *Consumer Protection and Guidance in the U.K.*, published by the U.K. Government Overseas Information Services.

A committee appointed by the British Government is currently investigating the whole question of consumer protection in that country. Many forms of consumer protection are provided by legislative action, that is, by Acts of Parliament and regulations. Again, there are several organisations entrusted with the task of consumer guidance, some of them receiving financial support from the Government, and some others independent. In addition, consumer councils and consumer committees have been constituted for the nationalised sector of the economy and for producer marketing schemes. As highlighted in a recent article by Mr. John Kingsley, a well-known British commentator on economic and financial affairs, some people hold strongly that there should be a great deal more in the way of informative labelling and similar devices for protecting the shopper, while some others argue that the multiplication of information of this sort is merely confusing. In view of this controversy, the findings of the aforesaid Committee are awaited with interest.

Uniform Weights

It will not be out of place in this context to examine the various steps taken in that country to protect and guide consumers. The need for evolving uniform weights and measures for use throughout the country, in order to provide a common language of quantity between buyer and seller, was recognised as early as in the thirteenth century. Indeed, the *Magna Charta* contains a provision to this effect. Besides, there are legislative measures designed to secure control over all weighing and measuring equipments (Weights and Measures Act 1878). Bread was first required to be sold by weight in 1822 and coal in 1889, and, in 1926, the Sale of Food (Weights and Measures) Act, 1926, extended the protection against short weight or measure to cover all sales of pre-packed food and retail sales of other food. Under the provisions of the Pre-packed Food Regulations, 1957, the packages of a large number of pre-packed foods are required to be marked with the minimum quantity of food contained in them.

In 1948, the Government set up a committee (Chairman: Sir Edward Hodgson) to review the then existing weights and measures legislation, with a view to bringing it in line with the changed relationships between the seller and the customer during the course of the Second World War and thereafter. In the Committee's report, published in 1951, the main conclusion was that the existing principles of weights and measures law were soundly based and stood in no need of fundamental revision. It suggested, however, that the existing legislation required codification and consolidation and recommended a considerable number of changes and extensions to its scope; some of these could be implemented under existing powers. One of the Committee's recommendations was that the existing requirement, whereby certain articles of food must be sold retail by weight, should be extended to cover (by weight, measure or number as appropriate) sales of a wider range of groceries and provisions, certain fresh fruit and vegetables, fish, chocolate and sugar confectionery, a number of non-food commodities

in everyday household use, and nearly all alcoholic liquors. The Committee also suggested that fresh powers should be taken to apply these requirements in general to cover any sale of any commodity, whether retail or wholesale, which takes place on the basis of weight, measure or number. Among the Committee's other recommendations was a controversial proposal that the Government should, in concert with the Governments of the rest of the Commonwealth and the United States, abolish the imperial system of measurement in favour of the complete adoption of the metric system over a period of about twenty years. It was announced in 1952 that the Government could not accept this recommendation.

In order to ensure that trade marks and trade descriptions applied to goods for sale are both honest and accurate, the Merchandise Marks Act was passed in 1887, extending the scope of a similar Act passed in 1862. This Act is still in force. The new Act, *inter alia*, required all goods manufactured in foreign countries, which bore a name or trade mark which was, or might be taken to be, the name or trade mark of any manufacturer, dealer or trader in the U.K., to bear an indication of the country in which the goods were made.

Hire-purchases

The Sale of Goods Act, 1893, seeks to codify the law relating to the sale of goods and lays down rules to be applied in civil disputes in cases of alleged breaches of contracts concerned with the sale of goods. There are also legislative measures, as also voluntary associations, which seek to eliminate malpractices in advertisements for consumer goods. Another legislative measure relates to hire-purchase agreements. In England and Wales, under the provisions of the Hire-purchase Act, 1938, as amended by the Hire-purchase Act, 1954, each hire-purchase agreement within the scope of the Acts has: (1) an implied warranty of quiet possession of the goods; (2) an implied condition that the owner shall have a right to sell; (3) an implied warranty that the goods shall be free from any charge; and (4) an implied condition that the goods (except secondhand goods) are of merchantable quality (i.e., saleable or marketable). If the hirer should specify the purpose for which goods are required, there is a condition that they are reasonably fit for the purpose.

Except in the last case, the above warranties and conditions are implied notwithstanding

INDIAN OXYGEN is playing

a vital role in building a more powerful and self-sufficient India in the Second Five-Year Plan.

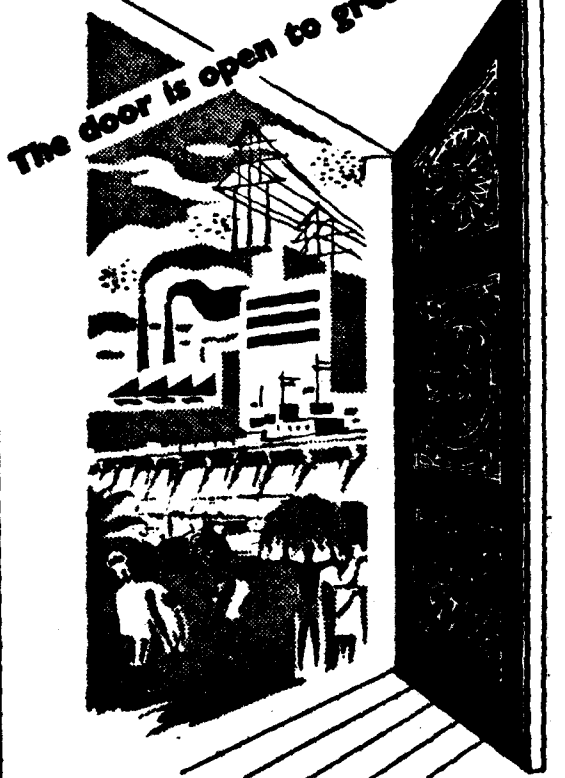
From transport to electric power, from the steel works to

the oil refinery—every day our technical service

is keeping the nation up-to-date with the

most modern methods of metal

fabrication.



INDIAN OXYGEN LTD

any agreement to the contrary. The Act also provides that the hirer can know the cash price of the goods before entering into an agreement and can ascertain from the agreement the full extent of his liabilities, and the major protection which the Act gives. It entitles him to determine the agreement at any time before the final payment falls due, and, in this event, they limit his liability for payment in respect of periods subsequent to the determination (broadly speaking, to a total of 50 per cent. of the hire-purchase price). The hirer is also protected by the Acts from seizure of the goods, except by an order of the Court, once one-third of the hire-purchase price has been paid. In Scotland, hire-purchase agreements are regulated by the Hire-purchase and Small Debt Act (Scotland), 1932; in Northern Ireland, they are regulated by the Hire-purchase Act (Northern Ireland), 1955. The Advertisements (Hire-purchase) Act, 1957, which applies to England, Wales and Scotland, regulates the information to be included in advertisements displayed or issued in connection with hire-purchase or credit sale.

For food and drugs, there are special safeguards, in addition to those provided by the Weights and Measures Acts and the Merchandise Acts. The composition, labelling, advertising, purity and hygiene of food and drugs are controlled under the Food and Drugs Act, 1955, in England and Wales; the Food and Drugs Act (Scotland), 1956, in Scotland; and the Food and Drugs Act (Northern Ireland) 1958, and the Marketing of Milk Products Act (Northern Ireland) 1958, in Northern Ireland. These Acts, *inter alia*, forbid the sale of any food or drug which differs in substance, nature and quality from that demanded by the purchaser and makes it an offence to use false or misleading descriptions either on labels attached to goods or in advertisements. They also make it an offence to offer for sale any food which is unfit for human consumption, or which is injurious to health by reason of some addition, abstraction or process. In addition to these general provisions, the Acts enable the Ministers concerned to make regulations controlling the use of chemical additives, and laying down standards of composition and labelling requirements for foods. Ministers are advised by the Food Standards Committee on the need for such regulations to control the composition, description, labelling or advertising of foods.

Monopolies

Since the Second World War, a considerable amount of legislative action has been directed to the investigation of monopolies and restrictive trade practices, and the application of remedial measures, wherever necessary. On this question, the brochure observes as follows:

"Under the Restrictive Trade Practices Act, 1956, agreements on a wide range of restrictive practices affecting the supply of goods, including agreements on prices and conditions of sale have to be entered on a public register, and provision is made for the judicial examination of these registered agreements by a new Restrictive Trade Practices Court, prescribed over by a High Court judge, which has power to determine whether such agreements are in the public interest. The Act puts the onus on industry to justify restrictive practices contained in the registered agreements. To survive, the agreement has to pass, in effect, two tests. It has to be shown, in effect, of the court, that the restriction does some good—or prevents some harm—in ways specified in the Act. Secondly, it has to be shown that the restriction does not operate to an unreasonable extent to the detriment of consumers or would-be entrants to the trade, or otherwise to the public at large.

"Where the court finds the agreement to be against the public interest, the agreement is void, and moreover the court can make orders to prevent the agreement, or any other like it, from being continued or enforced. Monopolies which are not within the scope of the court may be referred by the Board of Trade to the Monopolies Commission for investigation and report. Government production departments (that is, departments acting as the main points of contact between the Government and particular industries and services) take appropriate action on the basis of these reports. The Restrictive Trade Practices Act, 1956, also makes unlawful collective action to enforce retail price maintenance by boycott or stop-list. Prior to the passing of the 1956 Act, a number of industries were investigated by the Monopolies and Restrictive Practices Commission which was established under the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948."

Nationalised industries, such as coal, electricity, gas, transport, and also post offices, have set up their own representative Consumers' Councils or consultative committees to consider complaints and suggestions made to them, and to advise the Board or the Minister on the changes they think desirable. Moreover, provision has also been made for the representation of consumers' interests in the operations of statutory agricultural marketing schemes, that is, producers' co-operative organisations set up

under the Agricultural Marketing Acts, 1931-49 (consolidated by the Agricultural Marketing Act, 1958), with compulsory powers to regulate the marketing of specific agricultural commodities.

Advisory Services

Apart from these legislative measures for consumer production, there are various advisory services which seek to provide consumers with objective and unbiased information to enable them to make a satisfactory choice between competing products. The principal institutions of this type are the British Standards Institution and the Consumers Association Ltd. The B.S.I. lays down standards for consumer goods, after a very careful scrutiny of consumer preferences and other technical requirements. It has organised another body called Consumer Advisory Council, which publishes a quarterly bulletin, *Shoppers' Guide*. The bulletin contains results of laboratory tests or practical trials (under ordinary domestic conditions) on many kinds of goods, expressed in non-technical language with factual comparisons of different 'makes' and brands. The Consumers' Association Ltd., set up in 1957, is a non-profit-making body, which aims at providing its members with factual and unbiased assessments of named brands of consumer goods and services. Its membership is open to any member of the public, or any organisation, on payment of an annual subscription of £1. As at the end of April 1959, its paid-up membership aggregated over 125,000. The Association buys goods from shops, subjects them to laboratory and other tests by qualified experts and independent research organisations. The results of this investigation are issued to members through the Association's monthly bulletin, along with other information and a summing up of the relative merits of different makes. The Association tries, whenever possible, to recommend particular brands in the order of best value of money. Supplementing the activities of these institutions for protecting the consumer are the Council of Industrial Design, consumer research conducted by Government Departments, broadcasting and press and other miscellaneous services rendered by such bodies as the Good Housekeeping Institute, Retail Trading Standards Association, British Electrical Development Association, Women's Gas Federation and Council of Scientific Management in the Home.

STORES PURCHASE PROGRAMME

A feature of Government's stores purchase programme in India has been the growing emphasis laid on the procurement of indigenous goods, with a view to encouraging their production. The total value of purchases made by the Director-General of Supplies and Disposals amounted to Rs. 205 crores in 1958-59. Out of this, Rs. 161 crores, or about 80 per cent. of the aggregate expenditure on stores, were spent on indigenous goods. This compares favourably with the figure for 1953-54, when indigenous industry accounted for Rs. 41.80 crores, representing 58 per cent. of the total stores purchased in that year. The Union Minister for Works, Housing and Supply, Mr. K. C. Reddy, revealed at a meeting of the Central Purchase Advisory Council held at New Delhi on 31st August 1959, that D.G.S. and D. had also entered into long-term arrangements with manufacturers, in order to enable them to reserve capacity and expand production with confidence and had rendered assistance to them in obtaining raw materials that were in short supply. The policy, according to Mr. Reddy, had led to the production of a wide range of goods imported till now.

A criticism often levelled against the Government's purchase programme is the lack of uniform policy among the different State Governments and the Union Government and other official agencies. Mr. Reddy pointed out that, with a view to improving the situation, it was proposed to call shortly a conference of representatives of the buying agencies of the Union and State Governments.

On the question of purchases made by the Ministries of Railways and Defence from abroad, Mr. Reddy observed that the purchases by Railways were limited only to such items as were not manufactured in the country and of which adequate indigenous capacity did not exist. As regards the Defence purchases, only specialised stores representing essential defence equipment and in most cases proprietary stores were imported. Efforts were being made, he averred, to establish and encourage manufacture of even these imported items in the country.

As regards the complaints that post-tender negotiations were resorted to even though the Stores Purchase Committee had recommended that no negotiations after the opening of tenders and that no re-invoicing to tenders should be made, Mr. Reddy felt that such negotiations were inevitable where *prima facie* the prices tendered were on the high side or competition had been non-existent or lethargic, or the stores offered did not strictly comply with the specifications, or no valuation of tenders was possible because of diverse terms and conditions. In such cases, he pointed out, the discretion must rest with the purchasing authority to decide whether negotiations were necessary or not. He was of the opinion that negotiations were also

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

CHAIRMAN, MR. K. A. P. VISWANATHAM'S SPEECH

ADDRESSING the Annual General Body Meeting of the South Madras Electric Supply Corporation Limited held at Tiruchirappalli on 31st August 1959, Mr. K. A. P. Viswanatham, the Chairman, referred feelingly to the loss suffered by the Corporation in the demise of Mr. S. Vaidyanatha Iyer, former Board Chairman, and Mr. V. Seshasayee, Managing Director, Managing Agents. Welcoming the members to the meeting and seeking the co-operation and guidance in the conduct of the affairs of the Company, the Chairman observed:

"For reasons of paucity of finance, the expansion programmes this year have not been as good as we had hoped. Though, with some strain on our finances, we invested Rs. 10.5 lakhs this year also and electrified 21 villages, we are far short of our usual progress. The expected loans from the State Government or the Electricity Board did not materialise, and we had to resort to borrowing even to fulfil this programme.

Rural Extensions

"There is, however, a very big demand for rural extensions. Accordingly, your Directors have decided to issue Rs. 14 lakhs of share capital, making up a total capital of Rs. 1 crore, which is our authorised capital, and to invest the proceeds in works. This will help in a small way to catch up with our pending commitments.

"We are still hoping that, in the coming years, we may secure loan finances with the assistance of the Government to enable us to do intensive power distribution.

"You would also have noticed from the Directors' report and the balance-sheet that, to keep up a 9 per cent. dividend on the equity shares, we had to draw on the reserves to some extent. This has been mainly due to the losses that resulted in the power restrictions in the first three months of the accounting year and the increase in our income-tax rates.

Tariffs Raised

"As the increase in tax rates will now be a permanent feature and as, also, our own purchase tariffs have been substantially increased by the Electricity Board, we have been perforce compelled to increase all our tariffs to the consumers to take care of these extra burdens. The increased tariffs are kept as closely as possible to those offered by the Electricity Board to its own customers. In a few cases, they are slightly higher. But I would explain that the Company pays more than Rs. 3 lakhs to Government as electricity duty and another Rs. 5 lakhs by way of taxes, neither of which burdens fall on the Electricity Board, I am, therefore, sure you will appreciate the reasons for our having to enhance the tariffs. I would like to assure you that, in the event of the Government and the Electricity Board giving any relief to us on any of the factors, we shall certainly share such benefit with our consumers.

"Another feature of the accounts to which I would like to draw your attention is the revised taxation policy of the Government. In the future accounting years, the Company has to pay a tax of 45 per cent. on its ascertained income and this tax will not go to the benefit of shareholders. A 30 per cent. tax has to be deducted on the dividends declared and this deduction alone will be available to the shareholder for his income-tax purposes. With the limitation placed by the Electricity Supply Act and this compulsory deduction of tax on the

inevitable in the case of items where indigenous manufacture was of recent development.

Referring to delays in payments, Mr. Reddy observed that it might not always be possible for the Government to adopt commercial practices if the interests of the taxpayer were to be fully safeguarded and losses avoided. He believed that, as a result of the recommendations of the Stores Purchase Committee and the Central Purchase Advisory Council, appreciable improvement had already taken place. Action had recently been taken to liberalise the terms of payment, for example, "on account" payments for raw materials, balance 10 per cent. payment where consignees default, waiver of liquidated damages and extension of delivery periods for stores in short production. Mr. Reddy added that the working of the Finalisation Wing had again come in for criticism by trade and industry. He disclosed that, during the last two years, the Finalisation Wing had finalised about 12,000 cases and a sum of Rs. 7.3 crores had been paid to the suppliers.

declared dividends, the actual receipt of dividends in your hands will be substantially reduced, but the tax authorities will adjust the 30 per cent. deduction made, promptly each year and you will get your refunds without having to wait for long."

Continuing, the Chairman referred to the retirement of Mr. Moolji Ramjee and Mr. A. Ganapathi Iyer who had been associated with the Board ever since the inception of the Company and who had decided not to seek election, having attained the age of 65. "I would like to convey to both these gentlemen on your behalf and on behalf of myself, our sincere appreciation of their services to the Corporation," he added.

Settlement With Labour

The Chairman also referred to the settlement that had been arrived at with labour. "A unique feature of the settlement," he observed, "has been a direct negotiation between an elected representative body of the staff and labour and the management. By this negotiation, the labour received satisfactory salary and dearness allowance benefits, some added amenities to the tune of about Rs. 2.25 lakhs per annum." He added that a grievance settlement procedure had also been evolved.

Continuing, the Chairman said that staff had been working loyally and well. He also expressed the hope that, with the proposed new issue of capital, the Corporation would give a greater measure of satisfaction and that all ranks of staff concerned would do their best by hard, enthusiastic and efficient work.

In closing, the Chairman made a reference to the proposal for the starting of an engineering college in the City in the name of Mr. V. Seshasayee and expressed the hope that, in the next academic year, the College would begin to function.

N.B.—The above summary of the speech does not purport to be the report of the proceedings of the Nineteenth Annual General Meeting of the Company held on 31st August 1959.

COTTON

(Concluded from page 426)

"Mill demand is up, and growing in every market of Western Europe and Asia. There has been a general rise in living standards and therefore a better demand for cotton goods may be expected. The fact that cotton stocks are generally depleted should enable the U.S. to enjoy a good export volume."

COTTON CONFERENCE IN VIENNA

The General Assembly of the International Federation of Cotton and Allied Textile Industries will be held in Vienna, Austria, from 21st to 26th inst., at the invitation of the Austrian Cotton Spinners' and Manufacturers' Association. The meeting will be opened by Mr. Alfred B. Lohner, President of the Austrian Association. The President of the International Federation, Dr. W. T. Kroese (Netherlands), will be in the chair. More than 100 delegates from Western Europe, the United States, the United Arab Republic, Japan, and an observer from Australia will attend.

A heavy work programme is scheduled and there will be several sub-committee meetings throughout the week. The Raw Cotton Merchants' Committee will discuss progress in the establishment of rules for arbitration on the basis of Micro-naire readings. It will consider the problem of export taxes and other trade practices regarding raw cotton exports, as adopted by certain cotton growing countries. The recent move of several cotton growing and exporting countries to examine ways and means of stabilising world cotton prices will also be considered, and the Committee will discuss possibilities for promoting and facilitating futures trading.

The Committee for Man-made Fibres will submit recommendations regarding the terminology, trade marks, labelling and standards for man-made fibres.

The Committee for European Affairs will discuss latest developments regarding the European Economic Community (Common Market) and the proposed European Free Trade Association. The special problems, presented by the creation of these two integrated areas within Western Europe to the cotton and allied textile industries, will be studied in detail.

Technical items on the agenda include the standardisation of the terminology and methods of describing cloth construction and the progressive reduction in the number of cloth widths. The Federation will also examine possibilities for the legal protection of textile designs.

IMPERIAL TOBACCO'S PROFIT DOWN FOR THE THIRD TIME DIVIDEND CUT—TAXES AND COSTS HEAVY

THE ordinary shares of the Imperial Tobacco Company of India Ltd. (Chairman: Mr. G. H. J. Clarke, Calcutta) are one of the industrial equities that have failed to serve the function of a hedge against inflation. In the past one year, the index number of prices of equities of manufacturing industries has gone up by 14 per cent., but the price of the Company's share (Rs. 10 paid up) at Rs. 11.87 is actually a shade lower than that a year ago. Over the past two years, the index number shows an appreciation of no less than 24 per cent., whereas the value of the Company's share is down from Rs. 12.87 or by about 8 per cent. A glance at the accompanying comparative table of the Company's financial results for the four years ended 31st March 1959 will explain this phenomenon. It will be seen that, during this four-year period, there has been a consecutive fall in profits, accompanied by a reduction in the dividend as well as in the amounts set aside to reserves. The gross profit has come down from Rs. 415.71 lakhs for 1955-56 to Rs. 333.35 lakhs for 1958-59 (the year under review), a drop of Rs. 82.36 lakhs or nearly 20 per cent. The net profit has fallen even more sharply, from Rs. 186.71 lakhs to Rs. 114.98 lakhs, a decline of Rs. 71.73 lakhs or 38.5 per cent. The rate of dividend has been pruned from what was already a modest rate of 8 per cent. per annum, absorbing Rs. 121.28 lakhs to a poor 6 per cent. per annum, requiring Rs. 90.96 lakhs, a cut of one-fourth. The annual additions to reserves in the latest year are only Rs. 23.42 lakhs, as against Rs. 65.60 lakhs four years earlier.

All this setback has occurred, despite the increase in sale proceeds from Rs. 30.36 crores to Rs. 34.20 crores and of a little over Rs. 10 lakhs in other income or a total increase of nearly Rs. 4 crores. The reasons are simple. Customs and excise duties paid by the Company have shot up by Rs. 2.10 crores and so also expenses (including raw materials consumed and the cost of cigarettes and tobacco purchased and sold) by Rs. 2.87 crores. Thus, the indirect taxation and expenses have together increased to a greater extent than sale proceeds, resulting in a shrinkage in the margin of profit. Although the assessable profit has declined markedly, there has been only a small reduction in the direct

losing ground to them. It is, however, not clear as to why this should happen. After all, this Company is bigger than the others in every respect. It will be interesting to see what explanation the Chairman has to offer on this point.

A comparison of the results for the year under review with those for 1957-58 shows the same trend. The gross profit for 1958-59 has gone down by Rs. 23 lakhs, mainly because of the sharp rise in expenses and in customs and excise duties paid. The provision for depreciation has been maintained, while that for taxation is less by only Rs. 7.38 lakhs, notwithstanding the perceptible contraction in assessable profit. The dividend has been cut to 6 per cent. per annum, after having been maintained at 7 per cent. per annum for two years and at 8 per cent. for 1955-56. The transfers to reserves have been lowered from Rs. 27 lakhs to Rs. 23.42 lakhs, of which Rs. 17.50 lakhs are to fixed assets and stock replacement reserve and Rs. 5.13 lakhs to development rebate reserve. The importance given to the former reserve is due to the continued high level of prices of fixed assets and raw materials.

A disquieting feature of the Company's financial results is the fall in profit despite the spending of large sums on fixed assets year after year. During the four years 1955-56 to 1958-59, the Company has incurred a capital expenditure of Rs. 365.56 lakhs, in order to maintain the productivity of its works at a high level. Of this amount, the share of plant and machinery alone is Rs. 184.29 lakhs. It is true that, during this period, the Company has also been withdrawing and transferring fixed assets, the total of such deductions being Rs. 118.20 lakhs, of which the share of plant and machinery is Rs. 40.03 lakhs. Even then, the net increase in capital expenditure is Rs. 247.36 lakhs, the share of plant and machinery in it being Rs. 144.26 lakhs. Nevertheless, these additions have not benefited the shareholders in any positive sense; the chief beneficiaries seem to have been the Government and the workers.

The following synopsis of the balance-sheet at 31st March 1959 will show at a glance the latest financial position of the Company:

LIABILITIES	Rs.	ASSETS	Rs.
Paid-up capital ..	15,16,00,000	Gross block	6,08,53,800
Reserves and		Less—Depreciation ..	2,47,39,240
surplus ..	9,23,37,285		
Current liabilities ..	2,70,75,985	Net block ..	3,56,14,560
		Goodwill and trade	4,90,85,815
		marks ..	87,23,970
		Investments ..	10,81,50,854
		Stock-in-trade ..	4,40,59,477
		Book debts ..	3,04,31,574
		Cash ..	27,10,16,250
			Rs. 27,10,16,250

Three features of the Company's financial position are clearly evident from the aforesaid summary. First, the entire current liabilities are more than adequately covered by cash balances alone. Secondly, the entire reserves and surplus are in current assets; indeed, the stock-in-trade alone is in excess of the reserves and surplus. And, thirdly, the paid-up capital is far in excess of the block account, including the goodwill and trade marks. In other words, the Com-

pany seems to be overcapitalised. Herein lies another main explanation for the low rate of dividend on the Company's shares.

The Rs. 10 paid-up shares of the Company are currently quoted at Rs. 11.81, at which level the latest dividend means a yield of a little over 5 per cent. per annum.

CONCORD OF INDIA INSURANCE COMPANY

The audited accounts of The Concord of India Insurance Company (Managing Director: Mr. K. G. McLeod) for the year ended 31st December 1958 disclose a modest rise in the aggregate net premium income from Rs. 58.17 lakhs in 1957 to Rs. 60.25 lakhs during the year under review. The increase was shared by all the three departments, namely, fire, accident and miscellaneous and marine. Despite the higher premium and the lower expenses of management, net profits registered a decline to Rs. 2.74 lakhs from Rs. 3.24 lakhs in the previous year, thanks to the higher claims ratio. Thus, claims ratio in the fire, accident and miscellaneous and marine departments increased from 38.89 per cent. to 50.94 per cent. and 75.54 per cent. in 1957 to 45.60 per cent., 60.81 per cent., and 88.62 per cent. in 1958, respectively. Nevertheless, the dividend has been maintained at last year's level of 20 per cent., that is, Re. 1 per share of Rs. 5 paid-up, free of tax.

The following table indicates the salient features of the working of the Company during the three years ended 31st December 1958:

	1958	1957	1956
Fire—			
Premium ..	32.42	32.04	32.24
Claims ..	14.78	12.46	12.31
Commission, expenses, etc. ..	14.56	17.82	18.61
Fire fund ..	16.21	16.02	16.12
Accident and miscellaneous—			
Premium ..	14.72	13.83	12.49
Claims ..	8.95	6.79	6.22
Commission, expenses, etc. ..	4.92	4.57	4.68
Accident, etc. fund ..	7.92	6.68	6.35
Marine—			
Premium ..	13.11	12.80	13.87
Claims ..	11.62	10.67	9.53
Commission, expenses, etc. ..	3.58	3.21	3.07
Marine fund ..	13.11	12.81	13.86

Net premium in the fire department amounted to Rs. 32.42 lakhs. Claims paid and outstanding aggregated Rs. 14.78 lakhs. Expenses of management together with commission, foreign taxes, and bad debts written off, amounted to Rs. 14.56 lakhs. After providing Rs. 16.21 lakhs as reserve for unexpired risks, being 50 per cent. of premium, a sum of Rs. 2.90 lakhs has been transferred to the profit and loss account.

In the accident and miscellaneous department, net premium aggregated Rs. 14.72 lakhs and claims paid and outstanding amounted to Rs. 8.95 lakhs. Expenses of management and commission, foreign taxes, etc., accounted for Rs. 4.92 lakhs. After earmarking Rs. 7.36 lakhs to the reserve for unexpired risks, being 50 per cent. of premium, sum of Rs. 14.93 has been transferred to the profit and loss account.

Net premium in the marine department worked out to Rs. 13.11 lakhs while claims paid and outstanding amounted to Rs. 11.62 lakhs. Expenses of management, commission, etc., aggregated Rs. 3.58 lakhs. After setting apart Rs. 13.11 lakhs to the reserve for unexpired risks, the account shows a deficit of Rs. 2.39 lakhs.

The underwriting profit, after making good the loss in the marine department, aggregated Rs. 65.321 which, together with the income from interest, dividends, and other sources aggregating Rs. 4.94,046, gave a total of Rs. 5.59,367. After setting apart Rs. 2.40 lakhs as provision for taxation and providing for other expenses, there is a net profit of Rs. 2,73,907 which, along with a net balance of Rs. 1,13,250 brought in from the previous year, makes available Rs. 3,87,157 for distribution. The payment of dividend of Re. 1 per share will absorb Rs. 2.70 lakhs, leaving Rs. 1,17,157 to be carried forward.

The Company has a capital of Rs. 13.50 lakhs, and general reserves and surplus of Rs. 48.18 lakhs.

UNIVERSAL FIRE AND GENERAL INSURANCE COMPANY

The audited accounts of The Universal Fire and General Insurance Company, Ltd. (Secretary: Mr. G. M. Desai), for the twelve-month period ended 31st December 1958 disclose a year of fairly satisfactory working. The total net premium income recorded a handsome improvement from Rs. 31.88 lakhs in 1957 to Rs. 35.45 lakhs in 1958, representing a rise of Rs. 3.57 lakhs. The claims experience too was more favourable than in the previous year, except in the marine section. Nevertheless, only the fire department yielded a profit whereas, the miscellaneous and marine departments showed losses, thanks to the need for strengthening of reserves in both departments and the adverse claims experience in the marine department. The net profit, however, increased sharply from Rs. 89,925 in 1957 to Rs. 1.65 lakh during the year under review. This has enabled the Directors to step up the dividend to Re. 1.25 nP per share of Rs. 10 paid-up (12½ per cent.), free of tax, as against Re. 1 (10 per cent.) paid last year.

Total net premium income in the fire department aggregated Rs. 22.20 lakhs. Claims paid and outstanding were of the order of Rs. 7.53 lakhs, representing 33.95 per cent. of premium, as against 42.78 per cent. in 1957. After providing for commission and expenses of management and earmarking Rs. 11.10 lakhs, being 50 per cent. of the premium, as reserve for unexpired risks, a profit of Rs. 2.98 lakhs has been transferred to the profit and loss account.

In the accident and miscellaneous department, despite a substantial increase in net premium income from Rs. 9.16 lakhs in 1957 to Rs. 11.83 lakhs in 1958 and a slight reduction in claims ratio from 51.40 per cent. to 49.93 per cent., the year's operations resulted in a loss of Rs. 1.86 lakh. The reserve for unexpired risks has been maintained at Rs. 5.92 lakhs, 50 per cent. of premium.

In the marine department net premium, after deduction of reinsurance, amounted to Rs. 1.42 lakhs, as against Rs. 1.00 lakh in the previous year. Claims paid and outstanding amounted to Rs. 63,690. The loss ratio, therefore, works out to 44.97 per cent., as compared with only 35.42 per cent. in 1957. The higher loss ratio was due mainly to the unfavourable claims experience of the business received by the Company from the Indian Insurance Companies' Association Pool. After meeting the expenses of management and commission and providing for reserves for unexpired risks at 100 per cent. on hull premium and 15 per cent. on cargo premium, as against 100 per cent. and 55 per cent. respectively, in 1957, the accounts show a loss of Rs. 22,315.

After making good the loss in the accident and miscellaneous and marine departments from the surplus in the fire department, there is a net profit of Rs. 1.65 lakh which, together with Rs. 9,621 brought in from the previous year's account and Rs. 4,767 being the balance of the shareholders' compensation payable account, gives a total of Rs. 1.80 lakh for distribution. Out of this Rs. 75,000 has been set apart as reserve for taxation. The dividend of Re. 1.25 per share will absorb Rs. 82,234 leaving Rs. 22,412 to be carried forward.

TRANS WORLD AIRLINES

The Trans World Airlines has reported the best quarterly earnings in the Company's history, with net income before taxes of \$8,129,000 for the quarter ended 30th June 1959, in contrast to the loss of \$864,000 for the corresponding three months in 1958. Despite the traditional first quarter's loss of \$3,778,000 this year, T.W.A.'s about face for six months was equally impressive. In 1958, the Company sustained a net loss through June of \$1,923,000, as compared with the earnings of \$3,972,000 this year. After reserving \$2,408,000 for income-taxes payable in future years, the T.W.A. had net earnings of \$1,564,000 for six months in 1959 or \$9.23 per share. The loss per share last year was \$1.59.

Taking into account the 1958 first six months' losses and the 1959 first six months' earnings, the profitability spread over T.W.A. in the period of one year was \$18,895,000. The month of June 1959 alone produced net earnings before taxes of \$5,203,000, as compared with \$2,165,000 in June last year. Many factors contributed to T.W.A.'s notable recovery. These included the public acceptance of Boeing 707 jets which have been operating on the T.W.A.'s domestic system since 20th March, with an overall average load factor of 94 per cent. and an on-time departure record of better than 70 per cent. The T.W.A. now provides jet service to ten principal cities in the United States with more to be added within the next few weeks.

Another important factor in the T.W.A.'s new look is a reorganisation of the Company for more effective use of routes, manpower and equipment with tighter management control over expenses. As an example of the latter, Mr. Charles S. Thomas, President of the T.W.A., points to the Company's twelve months' earnings performance for the year ended 30th June 1959. During that period, the Company's expanded sales and service programme increased the total revenues from \$280,497,000 for the twelve months ended 30th June 1958 to \$307,451,000, while expenses were held virtually stationary at \$298,000,000.

CONTROL ON CAPITAL ISSUES

The Government of India has accepted three of the four recommendations of the Advisory Committee on Control of Capital Issues, according to the Union Finance Minister, Mr. Morarji Desai. The fourth recommendation is under Government's consideration. The first suggestion has been accepted with the modification that the exemption limit should be raised to Rs. 10 lakhs, instead of Rs. 15 lakhs. The necessary notification has been published.

The four suggestions of the Committee for relaxation of control are: (1) The exemption limit should be raised from Rs. 5 lakhs to Rs. 15 lakhs in twelve months. (2) A balance of 1:3, as between equity capital plus free reserves, on the one hand, and fixed dividend bearing securities, on the other, might be adopted as a healthy requirement. (3) In considering applications for issue of bonus shares, the 20 per cent. residual reserves test should not be rigidly enforced and relaxations should be made, wherever necessary, and (b) the test of under-capitalisation should be liberalised to the extent of permitting an increase in capital upto the amount of capital employed by the company. (4) The condition imposed in the consent orders to the issue of bonus shares that the shares shall be issued only in a year, in which the company has assessable income, operates harshly and it is not for the Capital Issues Control to impose such conditions.

The Deputy Minister of Finance, Shrimati Tarakeshwari Sinha, confirmed in the Lok Sabha the other day that the Government had taken a decision on the recommendations of the Estimates Committee that all public enterprises should have a common financial year. Replying to a question, she said that steps were being taken towards this end, except in the case of the Export Risk Insurance Corporation and certain financial institutions like the Reserve Bank of India, the State Bank of India, the Life Insurance Corporation, the Industrial Finance Corporation and the Rehabilitation Finance Administration, which stood on a different footing and were governed by special regulations and provisions.

HOURS OF WORK AND LABOUR EFFICIENCY

(Concluded from page 432)

consideration. When that increase is regarded, it appears at least equally plausible that, in many cases, increased wages have appeared, in spite of, rather than because of, shorter hours.

It may also be worthwhile to distinguish effects of hour reduction in a single plant or industry from hour reduction imposed by law on all or a large proportion of all industry. Results within an industry have been already discussed above. Effects of general hour reduction legislation, if such laws force hours below the most efficient relationship, are more direct and simple. They merely tend to reduce consumption and real wages throughout society as a whole, exactly as any other restriction on output does.

Effects on the National Economy

The most probable effect—and one in which the trade unions are directly interested—is that a reduction in standard working hours could tend to minimise labour displacement during a period of rapid technological change and rising productivity and during periods of inadequate demand for the growing volumes of goods and services. Reduced standard hours, without an accompanying reduction in workers' purchasing power, are a means of adjusting the national economy to such changed conditions.

It is asserted by some that a reduction in working hours would cause a decline in total output or a substantial decline in the rate of increase in national production. Although this has happened in the past, it is impossible to make precise predictions on this score. Some critics consider that the reduction of working hours in the coming years will create labour shortages and could be disastrous. But, in the next few years, the effects of a rising birth rate since 1939 will bring an increasing number of young people into the labour markets. With reduced hours of work, it is likely that there will be a growing participation of women and of older workers in the labour force. In addition, some workers would undoubtedly attempt to obtain a second job if such jobs were available.

A further reduction in working hours may bring additional changes in living standards and habits. With these changes, there may well be enhanced demands for existing products and for new goods and services. Shorter working hours in the past have been accompanied by continued economic growth and there is no reason to believe that economic growth will be arrested by further progress in this direction.

No simple, all-inclusive statement can, however, be made as to what length of work-day or work-week is most healthful, politically desirable or economically efficient. Conditions vary in different industries, occupations, processes and periods of time. Also, it is quite possible that effective labour organisation in some occupations might limit hours and force their marginal productivity and wages to unusual heights. Such action is not essentially different from that of any monopoly which, having secured control of a commodity or service, proceeds to force the public to pay dearly for that value. Just as modern societies have found it necessary to regulate other monopolies, they may be justified in regulating labour monopolies, especially if their powers are used to enforce severe sacrifices on the public. At the same time, however, there is a real social interest in the effects of unduly long hours and their resulting ill-health, increased accidents, and inactive citizenship. Society must balance these conflicting interests and its intelligent action requires an understanding of both aspects of the conflict. —All Rights Reserved.

(Concluded from next column)

from 18th to 29th September 1959, both days inclusive.

INDIA JUTE CO. LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: Re. 1.24 per share (includes interim dividend of 62 nP per share). Transfer books will remain closed from 18th to 29th September 1959, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Annual General Meeting, Kundera, Kerala State, 30th September 1959. Dividend: 12½ per cent. or Re. 1.25 per share, free of tax (includes an interim dividend of Re. 0.62 per share), payable on or after 30th September 1959. Transfer books will remain closed from 23rd to 30th September 1959, both days inclusive.

ORISSA CEMENT LTD. Annual General Meeting, Rajgangpur, Orissa, 30th September 1959. Dividend: Re. 1.50 per share, free of tax, payable on or after 14th October 1959. Transfer books remain closed from 6th to 30th September 1959, both days inclusive.

COMPANY MEETINGS AND DIVIDENDS

JAIPUR METALS AND ELECTRICALS LTD. Annual General Meeting, Jaipur, Rajasthan, 19th September 1959. Dividend: 6 per cent. or Re. 6.00 per ordinary share, free of tax, payable on and from 1st October 1959. Transfer books remain closed from 3rd to 19th September 1959, both days inclusive.

RANICHERRA TEA CO., LTD. Annual General Meeting, Calcutta, 21st September 1959. Dividend: Re. 0.75 per share, free of tax. Transfer books remain closed from 11th to 21st September 1959, both days inclusive.

MARGARET'S HOPE TEA CO., LTD. Annual General Meeting, Calcutta, 21st September 1959. Dividend: Re. 1.00 per share free of tax. Transfer books remain closed from 11th to 21st September 1959, both days inclusive.

INDORE MALWA UNITED MILLS LTD. Annual General Meeting, Bombay, 22nd September 1959. Dividend: Rs. 5.00 per share, payable on or after 3rd October 1959. Transfer books remain closed from 24th August to 22nd September 1959, both days inclusive.

MYSORE STONEWARE PIPES AND POTTERIES LTD. Annual General Meeting, Bangalore City, 23rd September 1959. Dividend: 10 per cent. or Re. 1.00 per share, free of tax (includes a bonus of Re. 0.25 per share), payable on or after 15th October 1959. Transfer books will remain closed from 16th to 30th September 1959, both days inclusive.

RYDAK TEA SYNDICATE LTD. Annual General Meeting, Calcutta, 24th September 1959. Dividend: 25 per cent. or Re. 2.50 per share. Transfer books remain closed from 14th to 24th September 1959, both days inclusive.

GORPUR TEA CO., LTD. Annual General Meeting, Calcutta, 24th September 1959. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books will remain closed from 16th to 24th September 1959, both days inclusive.

BOR PUKHURI TEA CO., LTD. Annual General Meeting, Calcutta, 24th September 1959. Dividend: Nil. Transfer books will remain closed from 21st to 24th September 1959, both days inclusive.

DESSAI AND PARBUTIA TEA CO., LTD. Annual General Meeting, Calcutta, 24th September 1959. Dividend: Nil. Transfer books will remain closed from 14th to 24th September 1959, both days inclusive.

PERIA KARAMALAI TEA AND PRODUCE CO., LTD. Annual General Meeting, Calicut, Kerala State, 25th September 1959. Dividend: 12½ per cent. or Re. 0.25 per share, free of tax. Transfer books remain closed from 11th to 25th September 1959, both days inclusive.

BORMAH JAN TEA CO. (1936) LTD. Annual General Meeting, Calcutta, 25th September 1959. Dividend: Re. 0.75 per share, free of tax, payable on or after 12th October 1959. Transfer books will remain closed from 15th to 25th September 1959, both days inclusive.

DUNCAN BROTHERS & CO., LTD. Annual General Meeting, Calcutta, 25th September 1959. Dividend: 10 per cent. or Rs. 10.00 per share. Transfer books will remain closed from 15th to 25th September 1959, both days inclusive.

WESTERN INDIA TANNERIES LTD. Annual General Meeting, Bombay, 25th September 1959. Dividend: Re. 1.00 per share, on shares of Rs. 5 each, and Rs. 2.00 per share, on shares of Rs. 10 each, both free of income-tax and dividend tax payable on and after 28th September 1959. Transfer books remain closed from 8th to 22nd September 1959, both days inclusive.

KOTAMULLAI TEA CO., LTD. Annual General Meeting, Calcutta, 25th September 1959. Dividend: Nil. Transfer books will remain closed from 14th to 25th September 1959, both days inclusive.

BIRPARA TEA CO., LTD. Annual General Meeting, Calcutta, 25th September 1959. Dividend: 12½ per cent. or Rs. 12.50 per share. Transfer books will remain closed from 14th to 25th September 1959, both days inclusive.

DEVASHOLA (NILGRIS) TEA ESTATES CO., LTD. Annual General Meeting, Coonoor R.S., Nilgiris, 26th September 1959. Dividend: 25 per cent. or Re. 2.50 per share (includes interim dividend of Re. 1.00 per share). Transfer books will remain closed from 22nd to 26th September 1959, both days inclusive.

GUNGARAM TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1959. Dividend: Nil. Transfer books will remain closed from 18th to 26th September 1959, both days inclusive.

CARRON TEA CO., LTD. Annual General Meeting, Calcutta, 26th September 1959. Dividend: Nil. Transfer books will remain closed from 18th to 26th September 1959, both days inclusive.

ESTRELA BATTERIES LTD. Annual General Meeting, Bombay, 28th September 1959. Dividend: Rs. 3.50 (includes bonus of Re. 0.50 per share) per ordinary share, free of income-tax, payable on or after 5th October 1959. Transfer books remain closed from 26th August to 28th September 1959, both days inclusive.

EDWARD TEXTILES LTD. Annual General Meeting, Bombay, 28th September 1959. Dividend: Re. 15.00 per share, free of income-tax, payable on and after 8th October 1959. Transfer books will remain closed from 15th to 28th September 1959, both days inclusive.

NATIONAL NEWSPRINT AND PAPER MILLS LTD. Annual General Meeting, Napanagar, 28th September 1959. Dividend: Nil. Transfer books remain closed from 12th to 28th September 1959, both days inclusive.

MEGNA MILLS CO., LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: Re. 1.00 per share (includes interim dividend of 50 nP per share). Transfer books will remain closed from 12th to 29th September 1959, both days inclusive.

(Continued in previous column)

Trend of Financial Results

	1959	1958	1957	1956
Sale proceeds ..	34,20.40	32,61.20	32,11.58	30,36.37
Other income ..	63.08	66.16	60.84	82.81
Closing stock of finished goods ..	2,58.92	2,29.07	2,58.65	1,71.81
Customs and excise duties ..	13,69.15	12,99.15	12,73.85	11,58.95
Expenses including raw materials consumed ..	17,81.04	16,71.48	16,34.43	15,14.51
Gross profit ..	3,33.35	3,56.79	3,76.05	4,15.71
Provision for—				
Depreciation ..	46.17	46.09	41.77	49.12
Taxation ..	1,72.20	1,78.58	1,98.33	1,79.38
Net profit ..	1,14.98	1,32.12	1,37.95	1,86.71
Transfers to reserves ..	27.00	27.00	27.00	27.00
Dividend ..	90.96	1,06.12	1,06.12	1,21.28
	(6%)	(7%)	(7%)	(8%)
Carry forward ..	24.64	24.05	25.06	24.94

N.B.—Of the total expense, raw materials consumed account for Rs. 11,01.72 lakhs in 1958-59, Rs. 9,97.74 lakhs in 1957-58, Rs. 9,95.35 lakhs in 1956-57 and Rs. 9,84.24 lakhs in 1955-56.

taxes payable by the Company. Over the four-year period, the annual provision for taxation is less by only Rs. 7.68 lakhs at Rs. 172.20 lakhs; this reflects the increase in the incidence of corporate taxation which it must be conceded is heavier than it ought to be for a developing economy such as that of India.

It will be interesting to note from the table that, in 1958-59, the total amount absorbed by both direct and indirect taxation is as high as Rs. 15.41 crores which is equivalent to about 45 per cent. of the sale proceeds. Another interesting feature is that expenses account for more than 50 per cent. of sale proceeds.

In fine, heavy taxation, coupled with cost inflation, has crippled the Company's profit-earning capacity and robbed its shares of one of the qualities generally associated with industrial equities and referred to at the outset. Apparently, the Company has not been able to pass on in full to the consumer the enhanced tax burden and the increase in production costs. Last year, the Company's Chairman attributed this inability to growing competition in the country. It seems to us from the trend of profits of other cigarette and tobacco companies that this Company is

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

Authorised Rs. 2 Crores
Issued and Sub

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

Notices

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

THE Directors of The Calcutta Tramways Company Limited announce that subject to final audit, the result of the working for the year ended 31st December, 1958, was as follows:—

The Revenue for the year after transferring £80,000 to Renewals and Replacements Account was .. £ 17,041

Against this has been debited:—
Provision for Wealth Tax .. 11,277
Debenture Interest .. 22,306

33,583

Less: Income Tax deducted from Debenture Interest, less Tax on Investment Income .. 9,077

24,506

Leaving a deficiency for the year of .. 7,465

In accordance with the Agreement dated 30th August, 1951, between the Governor of the State of West Bengal and the Company, there has been credited to Shareholders' Account the sum of .. 87,457

Making a deficiency of .. £ 94,922

which has been transferred to Special Reserve Account in terms of the above Agreement.

The amount credited to Shareholders' Account as above is .. £ 87,457

Out of which is payable:—

Cost of 1st Debenture Stock purchased for cancellation .. 1,782

2nd Debenture Stock Redemption .. 7,111

Dividend on Preference Shares, less tax .. 7,187

Proposed Ordinary Dividend of 2½% f.o.t. .. 17,500

33,580

Leaving to be carried forward on Shareholders' Account .. £ 53,877

In view of the difficult times through which the Company is passing and the fact that fares have still not been increased, the Board is once more only able to recommend a dividend of 2½ per cent., free of Income Tax for the year ended 31st December, 1958.

The Annual General Meeting will be held at 30, Curator Street, London, E.C.4, at twelve o'clock noon on October the Fourteenth 1959, on which day the warrants for the Ordinary Dividend, if sanctioned, will be posted.

The Ordinary Share Transfer Books will be closed from the 1st October to the 14th October 1958, inclusive.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, MISSION ROW EXTENSION,
CALCUTTA-1.
Dated 4th September, 1959.

THE KINISON JUTE MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividends were recommended to be paid for the year ended 31st March, 1959, without deduction of income-tax paid by the Company in each case.

On Preference Shares @ 3½% making a total of 7% P.A. for the year.

On Ordinary Shares @ Rs. 5 per share making a total of Rs. 10 per share for the year.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

THE LANSDOWNE JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividend was recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company.

On Preference Shares @ 7% P.A. in respect of the period from April 1956 to September 1956.

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

THE DALHOUSIE JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividend was recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company.

On Preference Shares @ 7% P.A. in respect of the half-year ending 31st March, 1956.

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

THE NORTHBROOK JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividends were recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company in each case.

On Preference Shares @ 2½% making a total of 5½% P.A. for the year.

On Ordinary shares @ Rs. 1.25 per share for the year.

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

THE AUCKLAND JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividends were recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company in each case.

On Preference Shares @ 2½% making a total of 5½% P.A. for the year.

On Redeemable Preference Shares @ 2½% making a total of 4½% P.A. for the year.

On Ordinary Shares @ Rs. 15 per share making a total of Rs. 20 per share for the year.

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

THE LAWRENCE JUTE COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividends were recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company in each case.

On "A" Preference Shares @ 7% P.A. for the years 1958 and 1959.

On "B" Preference Shares @ 5½% P.A. for the years 1958 and 1959.

On Ordinary Shares Rs. 2 per share for the year.

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

UNION JUTE COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 29th day of August 1959, the following Dividends were recommended to be paid for the year ended 31st March 1959 without deduction of income-tax paid by the Company in each case.

On Preference Shares @ 3½% per share making a total of 7% P.A. per share for the year.

On Ordinary Shares @ Rs. 15 per share making a total of Rs. 20 per share for the year.

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

THE COIMBATORE SPINNING AND WEAVING COMPANY LIMITED COIMBATORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 71st Annual General Meeting of the Members of the Company will be held at its Registered Office (Mill premises) at Palm Grove Road, Coimbatore, on Wednesday, the 30th September, 1959, at 4 p.m., for the purpose of transacting the ordinary business and special business of which notice has been given.

1. The Share Transfer Books of the Company will be closed from 22nd September, 1959 to 30th September, 1959 (both days inclusive).

2. Members entitled to attend the meeting and vote thereat can appoint proxies to attend the meeting and vote for them. Such proxies need not be members of the Company.

For THE COIMBATORE SPINNING AND WVG. CO., LTD.,

For R. G. S. NAIDU & Co.,
(Sd.) V. GOPAL NAIDU,
Partner,
Managing Agents.

COIMBATORE, 5th September, 1959.

JARDINE HENDERSON LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2½ per cent. less Indian Income-tax and Super-tax at the prescribed rate thereon, will be paid to the Registered holders as on the 5th October, 1959, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March, 1960.

The Share Transfer Books of the Preference Shares will be closed from 28th September to 5th October, 1959, both days inclusive.

By Order of the Board,
I. F. MORRIS,
Acting Secretary.

4, CLIVE ROW,
CALCUTTA, 1, 1st September, 1959.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 30th September 1959. The Preference Share Registers will be closed from the 1st October to the 14th October, 1959, both days inclusive. Payment will be made on or after 14th October, 1959, to those Preference Shareholders whose names appear on the Company's Registers on the 30th September, 1959, or in accordance with their instructions.

By Order of the Board,
A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA-1, 10th September, 1959.

MONEY DULL AND EASY

(From Our Own Correspondent)

BOMBAY, 9th September

This has been an uneventful week for the money market. The supply of funds is plentiful, while borrowers are scarce. Conditions are, therefore, pretty easy. Inter-bank call money rate is unchanged at 1½ per cent. among Indian banks and Exchange banks and 2 per cent. among small Indian banks. House money at seven days' notice is quoted at 3 to 3½ per cent. and one to six months' deposit at 3 to 3½ per cent. Most of the business is, however, taking place at the higher rates, which, as was mentioned in this column last week, are the revised ceilings under the inter-bank agreement.

The results of the Government of India 91-days Treasury Bills are in consonance with the aforesaid easy money conditions. The total amount offered was Rs. 2 crores and the total amount subscribed was Rs. 2.50 crores, the corresponding figures for the previous week being Rs. 3 crores and Rs. 3.05 crores, respectively. The average rate of accepted tenders has gone down for the fourth week in succession; it is 2.448 per cent. per annum for this week, as compared with 2.519 per cent. per annum in the past week. Tenders for Rs. 2 crores of these bills have been invited for next week also. Sales of intermediate Treasury Bills from 1st September to 5th September 1959 amounted to Rs. 1.29 crore, in striking contrast to none at all in the previous week. These bills are to be sold on tap from 9th September to 12th September 1959 at 2.376 per cent. per annum, as compared with 2.456 per cent. per annum in the period ended 5th September 1959.

Notes in circulation have gone up by Rs. 14.70 crores during the week ended 4th September 1959, according to the Reserve Bank's statement for that week. As against this rise, there has been a contraction of Rs. 16.15 crores in notes held in the Banking Department, so that the total notes issued show a net fall of Rs. 1.45 crore only. This has been offset on the assets side of the Issue Department by a contraction of a similar amount in rupee coin. There is no change in foreign securities held by this Department. But, in the Banking Department, balances held abroad show a small rise of Rs. 97 lakhs, bringing up the total foreign assets to Rs. 184.23 crores. On the liability side of the Banking Department deposits of the Central Government are fractionally higher by Rs. 1.86 crore, but all other deposits are substantially lower. Thus, other Governments' balances have fallen from Rs. 33.78 crores to Rs. 23.82 crores and those of banks from Rs. 86.03 crores to Rs. 70.19 crores. The only notable variation on the assets side of this department is a contraction of Rs. 17.12 crores in investments.

The Scheduled Banks' statement for the week ended 28th August 1959 shows a modest rise of Rs. 5 crores in demand deposits and of Rs. 2.94 crores in time deposits, the total net deposits being Rs. 1,786.39 crores, as against Rs. 1,538.49 crores a year ago. Borrowings from banks are up by Rs. 6.20 crores, but borrowings from the Reserve Bank and the State Bank are lower by Rs. 11.13 crores and Rs. 5.12 crores, respectively. Advances have gone down by Rs. 11.13 crores, and bills purchased and discounted by Rs. 70.78 lakhs. The total bank credit amounts to Rs. 938.09 crores, as against Rs. 866.40 crores a year ago. Investments are higher by Rs. 11.60 crores at Rs. 735.46 crores; a year ago, they stood at Rs. 571.99 crores. Total cash balances are better by Rs. 3.89 crores at Rs. 123.14 crores; this time last year they were at Rs. 136.85 crores.

Distinctly firm conditions have been prevailing in the gilt-edged market, with the prices of 3 per cent. medium and long-dated loans going up by 15 nP over the week. The Reserve Bank, which has been a seller of these loans for some weeks now, is reported to have practically exhausted its stocks. The State Bank of India also is believed to have unloaded quite a sizable part of its holdings. There are strong reports that, before the end of this month, the Government of India will make a fresh issue of some of its new loans; the amount involved is likely to be Rs. 40 crores.

The State loans have been fully steady, with turnover greatly restricted for want of sellers. 4 per cent. 1970 Bombay loan has appreciated by 15 nP and so also 4 per cent. 1971 by 5 nP. There has not been much change in the rates of other state loans.

Despite higher interest rates in the U.S., pound sterling has been remarkably steady. Spot sterling in New York is quoted at 280.26-280.29 cents and three months forward at 280.54-280.57 cents. Locally, banks' selling rate for ready T.T. on New York is 25 nP higher at Rs. 477.75 per \$100. A similar increase has taken place in their buying rate also which is now at 474.25 per \$100. In other words, as compared with last week, the rupee is a shade quiet vis-a-vis the U.S. dollar, even though the pound sterling has been steady.

KIP ARRIVALS SMALL

(From Our Own Correspondent)

MADRAS, 7th September

There was no appreciable change in the kip market this week. Arrivals were small. Shippers were active and prices ruled a shade weak. U.K. demand was slow, as importers were trying to bring down kip prices in line with their market demand but at last prices. Cow hides, 10-12 lbs. inferior firms were taken up at slightly increased prices by importers, as stock available were small. Buffalo cow calf and buff calf remained firm, as they were in short supply. Shippers to the U.S.A. were in the market for buffalo hides at unchanged prices.

SILVER FIRM, GOLD QUIET

(From Our Own Correspondent)

BOMBAY, 9th September

Silver in the bullion market ruled firm during the week under review, while gold was quiet. The firmness of silver was engendered by anxiety over political situation which induced fresh support and short covering. A leading operator from Calcutta was said to have made sizable purchases of the metal yesterday. The rising tendency in prices of commodities, especially cotton, also imparted strength. Gold, however, was quiet on easy advices from upcountry centres. There was some recovery yesterday, but this was due more to paucity of offering than to emergence of demand. Today, again, the metal encountered selling and drifted lower.

September settlement in gold receded from Rs. 123.2 at the close of last week to Rs. 121-8 on Saturday and, after recovering to Rs. 123-1 subsequently, finished at Rs. 122-13. The net loss over the week was As. 5. October settlement declined from Rs. 123-7 to Rs. 121-13, but improved to Rs. 123-3 yesterday. It was a shade easy at Rs. 123-3 today. The carry forward rate in September settlement was in favour of bears to the extent of As. 5 till yesterday when it rose by an anna.

Ready gold began the week at Rs. 122-6, as against Rs. 122-14, and dropped to Rs. 121-4 on the following day, that is, Saturday the 5th inst. After recovering to Rs. 122-14 yesterday and today, it wound up the week at Rs. 122-11. The daily average arrivals and offtake of gold were 3,300 tolas and 3,600 tolas, respectively. The floating stocks of gold are estimated at 36,000 tolas.

September settlement in silver evoked good buying orders and advanced in the course of the week from Rs. 203-11 to Rs. 204-7. Towards the close, it was a shade easy at Rs. 204-5. October settlement fluctuated between Rs. 203-15 and Rs. 205-1 before finishing at Rs. 204-15. The carry forward rate for September settlement continued to be against bulls, the rate actually rising from As. 6 last week to As. 10.

Ready silver, which stood at Rs. 203-9 on Wednesday last week, moved up to touch Rs. 204-3 today. The closing rate was lower by As. 2. The daily average arrivals of silver were 32 bars, while the offtake was 13 bars. The floating stocks of silver are reported to be around 450 bars.

There was no change in the quotations for both ready and forward silver in the London bullion market during the week; the former stood at 78½d. per ounce and the latter at 78½d. Silver in New York, however, eased from 91.825 cents to 91.375 cents per ounce. Ready gold in London ruled steady during the week, thanks to the persistent strength of the pound sterling vis-a-vis the dollar. The rate moved up a little from 250s. 2½d. per ounce to 250s. 9d. but finished at 250s. 7½d. The latest available rate for dollar gold in London is \$35.11-\$35.13, as against \$35.10-\$35.12½ per ounce last week.

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

	9-9-59	Highest	Lowest	2-9-59
GOLD				
Ready (90 fine Mint)	122 11	122 14	121 4	122 14
Forward	122 13	123 1	121 8	122 5
SILVER				
Ready (900 fine Mint)	204 1	204 8	202 9	203 9
Forward	204 5	204 7	202 13	203 11
NEW YORK				
Gold (100 fine)	78 ½	78 10	78 6	78 8
Silver (100 fine)	91 375	91 825	91 375	91 825

* 17th September settlement. † 18th September settlement.

LINSEED STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, 7th September

The tone of the linseed market was firm throughout the week and little business was reported with sellers generally reserved. Seeds advanced, whilst availability continued to be limited. There was a slightly larger turnover in the forward market and prices advanced; a steady tone prevailed throughout.

The oilcake section did not show any change. There was a small daily turnover at prevailing prices, but shippers remained out of the market with overseas buyers pausing.

There was a notable advance in the oil section, following a sudden rise in overseas quotations to £108. No fresh business was done with local quotations slightly above this level.

The latest quotations are: Ready-September Rs. 24, October-November Rs. 24.25, September Futures Rs. 24 and May futures Rs. 23.12 per maund.

Inquiries for tanned goat skins broadened, though at 3d. to 6d. lower than last sales; and E.I. tanners were briskly buying the available raw goat skins at full prices. Tanned sheep market was steady.

Shipments during the month of August were: To the U.K.: 3,834 bales tanned cow hides, 292 bales cow calf, 4 bales buff, 182 bales buff calf, 876 bales goat, 527 bales sheep skins. Continent: 354 bales cow hides, 114 bales cow calf, 64 bales buff calf, 689 bales goat, 235 bales sheep. U.S.A.: 6 bales cow calf, 163 bales buff, 93 bales buff calf, 138 bales goat, 13 bales sheep. Japan: 1 bale goat and 214 bales sheep.

COTTON FUTURES FLARE UP

(From Our Own Correspondent)

BOMBAY, 9th September

The cotton futures market displayed exceptional strength during the week under review. The main influencing factor was reports of excessive rain in Vidarbha, Gujarat and the Punjab areas which adversely affected crop. Considerable damage was also feared to have been done to the standing crop. This news touched off extensive spot house support and large-scale short-covering. The sustained firmness of the spot market, consequent on keen mill demand, and the improved outlook for textiles imparted further strength to the market. Under pressure of heavy buying orders, futures values flared up, with the Jarilla March contract crossing the Rs. 700 mark to quote at Rs. 703.25 today, the highest level of its career. The market seemed to have completely ignored the deterioration in Indo-Chinese relations caused by Chinese violation of India's territory in N.E.F.A.

I.C.C. Mogai Jarilla March 1960 opened the week at Rs. 687.75 and steadily improved to Rs. 697.50 yesterday. Opening at Rs. 701 today, the contract firmed up to Rs. 703.25 before closing lower at Rs. 701.50. The net rise over the week works out to Rs. 15.25.

Activity in the spot market was brisk. Mill demand broadened further. Prices were very firm and showed a rise of Rs. 20 to Rs. 25 per candy over the week. New crop Berar, Khandesh, 0394, 197/3 met with sustained buying, especially by Southern mills. Current crops also found buyers. Bombay and Ahmedabad mills evinced interest in current crop Laxmi, Surji, Jaydhar, 197/3, etc.

The export front was lively. Renewed demand was reported from Japan and the Continent. Shippers bought sizable quantities of Bengal Deshi, both old and new crop. Moderate business was also done in zoda and yellow pickings.

Exporters are optimistic about exhausting the recent export quota for 75,000 bales of Bengal Deshi, although the recent drop in Deshi prices in Karachi is said to have attracted the attention of Japanese buyers to Pakistan.

Details of the licensing procedure in regard to the export quota of 75,000 bales of Bengal Deshi cotton released on 31st August have been announced. A part of the quota would be earmarked for distribution among co-operative societies and the balance would be licensed on a first-come-first-served basis, subject to an individual quantitative ceiling of 10 per cent. of the quantity allowed. Co-operative societies should apply for their licences through the Registrar of Co-operative societies in their respective States, on or before 30th September 1959. Licences will be issued to them on the recommendation of the respective Registrars. Co-operative societies can also participate in exports of cotton on the first-come-first-served basis, but only after their own individual quotas are exhausted.

Business in foreign cotton was mostly confined to East African and Egyptian varieties. Southern mills were interested in E. African B.P.52 and some popular Egyptian varieties. Some business was reported in these varieties. Mills showed interest in higher grade Sudan.

The basis of allocation of the one lakh bales earmarked for non-user mills out of the quota of 140,000 bales against applications to be submitted before 15th September, has been fixed as Rs. 10 in value per licensed and installed spindle actually working on 1st July 1959. This quota will command a premium of 10 per cent. under the export incentive scheme. Those mills who surrender the quota will get a premium of 10 per cent. since re-allocations of such surrenders are to be made at 20 per cent., including 10 per cent. under the export incentive scheme.

Importers are disappointed that they have been left out of the picture. Details of the pattern of allocation of the balance of 40,000 bales have yet to be known. It looks as though the announcement would take some time since it is felt that the authorities will probably like to have an idea of the magnitude of the quotas surrendered before finalising the details.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 700; Berar Jarilla 765; Khandesh 875; Laxmi 990; Jaydhar 860.

Firm conditions continued to prevail in the Karachi cotton futures market during the week under review. Values improved further on extended mill buying and firm trade support. N.T.R.G. January hardened by 12 annas to Rs. 63-12. The March contract firmed up by 7 annas to Rs. 64-6. The spot section was, however, quiet and values tended to ease. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Punjab Deshi 67; 4F Punjab Roller 70; S.G. 71-8; L.S.S. Punjab Roller 71; S.G. 72; N.T. Roller 71; S.G. 72-8; 288F Punjab Roller 71-8; S.G. 73-8.

The Alexandria cotton futures market suffered a sharp setback during the week, thanks to large-scale liquidation and heavy hedge pressure. The reaction was attributed to the strict ban on barter transactions imposed by the Ministry of Economy. Barter arrangements, it may be noted, have played a significant role in moving Egyptian cotton into export channels. The abolition of export duty on all varieties of cotton, except Ashmouni, would have induced a recovery, had the export price discount not been reduced from 29 per cent. to 23 per cent. last week, (not 28 per cent. as appeared in these columns last week) and further to 22½ per cent. this week which offset the effect on prices of the duty abolition. The spot section also ruled weak. The following are the latest available quotations—in tallars per lb.—from Alexandria, the figures in brackets being last week's closing rates:

Karnak: November 70.55 (72.10); January 70.85 (71.95). Ashmouni: October 61.75 (65.42); December 61.80 (64.85).

The Liverpool cotton futures market ruled quiet. Trading interest was at a low ebb. The majority of operators were inclined to await the September crop forecast in the U.S. Values moved in a narrow range in slow dealings. Hedge selling and liquidation in distant delivery months were absorbed in small trade covering and scattered investment buying. Futures values remained more or less unchanged at last week's level. In Sudan contracts, the pattern of trading was dull. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 21.80; December-January 21.75; March-April 21.95; May 22.25.

American cotton mixed growth contract: October-November 22.10; December-January 22.05; March-April 22.25; May 22.25.

Sudan: September-October, November-December, January-February 29.75.

The U.S. Department of Agriculture, in its September forecast, estimated the current season's (1959-60) cotton crop at 14,678,000 bales of 500 lbs. This estimate is 137,000 bales less than the previous forecast of a month ago of 14,815,000 bales and compares with last season's 15,512,000 bales and the ten-year (1947-57) average of 14,046,000 bales. The yield per acre was estimated at 470 lbs., as against 474 lbs. last August and last season's yield of 466 lbs.

In anticipation of the crop forecast, the New York cotton futures market witnessed a dull pattern of trading. Turnover was limited and price movements narrow. Values tended to look down thanks to the lower mid-August parity price of 37.93 cents per lb., as against the mid-July parity of 38.05 cents per lb. The lower crop forecast, however, imparted some strength to the market which improved slightly towards the close.

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

(In cents per lb.)

	8-9-59	31-8-59	25-8-59
Spot	33.10	33.25	33.15
October	32.41	32.31	32.20
December	32.25	32.23	32.22
March	32.67	32.65	32.65

ART SILK YARNS EASY

(From Our Own Correspondent)

BOMBAY, 9th September

The art silk yarn section of the yarn market presented a distinctly easy trend. The easiness was due to reports that the performance on the art silk fabric export front continued to be none too encouraging as compared with the position obtaining at this time last year. Offtake from consuming centres, as a consequence, was limited. In contrast to art silk yarns, staple fibre yarns ruled firm. Enquiries from Punjab and one or two other consuming centres were quite good. Cotton yarns also continued to be well supported. It was said that stocks of yarn in the City were scarce, thanks to large exports of certain types to Indonesia and Burma in recent weeks. Demand for yarns from handloom weavers and powerlooms, as well as hosiery manufacturers, was encouraging.

Cupressa Bamberg yarn (60x2) October delivery was subjected to heavy selling pressure and climbed down from Rs. 1.689 to Rs. 1.652. Spot Cupressa dropped 3 nP to Rs. 7.47. Among imported art silk yarns, 120 Italy fell by 6 nP to Rs. 4.75. 150 Italy declined by 3 nP to Rs. 4.65. 150 Japan lost 2 nP to Rs. 4.69. 120 Japan was quiet at Rs. 4.75. Among indigenous yarns, National Rayons 120 bright cones first grade receded from Rs. 4.62 to Rs. 4.53. 150 bright cones first grade lost 2 nP to Rs. 4.18.

Staple fibre yarn (40x2) October contract met with good buying support and spurred by Rs. 14 to Rs. 670. Spot City registered a rise of 7 nP to Rs. 3.53. Kohinoors rose by 6 nP to Rs. 3.72. Among imported yarns, 80x2 Paramounts hardened by 15 nP to Rs. 7.84. Fujis improved by 6 nP to Rs. 8.50.

Cotton yarns tended to move up, with the exception of eighty counts which suffered a setback. Ten counts Moderns advanced by 25 nP to Rs. 15. Podars were fully maintained at Rs. 14.50. Twenty counts Moderns strengthened by 25 nP to Rs. 18.25. Forty counts Minaxis put on 6 nP to Rs. 25.62. Moderns were firm at Rs. 26.25. Sixty counts Raghuvanshis and Finlays were fully steady, the former at Rs. 56.50 and the latter at Rs. 63. Eighty counts, however, came in for selling. Finlays fell by a rupee to Rs. 82. Mahendras and City declined by 50 nP each to Rs. 73.50 and Rs. 68.50, respectively. Moderns were dull at Rs. 79.

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

	9-9-59	2-9-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	1.652	1.689
60/1 Cupressa Bamberg spot (per lb.)	7.47	7.50
120 Japan (per lb.)	4.69	4.75
150 Japan (per lb.)	4.65	4.71
120 Italy (per lb.)	4.75	4.81
150 Italy (per lb.)	4.65	4.68
Staple fibre yarn—		
40x2 October (per case of 200 lbs.)	670.00	650.00
40x2 Kohinoor (per lb.)	3.72	3.66
40x2 City	8.53	8.48
Cotton yarn (per bundle of 10 lbs.)—		
10s Modern	15.00	14.75
20s Modern	18.25	18.00
40s Minaxi	25.62	25.50
60s Finlay	63.00	63.00
80s City	68.50	69.00

SEEDS BUOYANT

(From Our Own Correspondent)

BOMBAY, 9th September

Buoyant conditions prevailed in the oilseeds market during the week under review. This was induced mainly by the revival of fresh export demand following upward trend in world markets for seeds and oils. In a bid to promote exports, the Government of India has decided to extend further the validity period of the current quotas of groundnut oil up to the end of October 1959, according to an announcement made by the Joint Chief Controller of Exports on Friday last. It may be recalled that on 1st July last, this period was extended up to end of August. The announcement adds that the Government has further decided to grant a third repeat quota of groundnut oil to those established shippers who have completed the shipments against current quotas. Besides, it has been decided to allow exports of 34 tons of groundnut oilcake (expeller variety) by established shippers of groundnut oil for every ton of groundnut oil exported by them till the end of October this year against contracts concluded during August-September 1959. Export of groundnut oilcake (expeller variety) under this scheme will be allowed up to the end of November next. This measure has been generally welcomed.

The groundnut section was particularly cheerful, thanks to revival of overseas enquiries for oil, especially from such countries as the U.K., Poland, Rumania and Burma. The oilcake, too, was keenly sought after. Groundnut February 1960 contract spurred from Rs. 163.75 last week-end to Rs. 168.37 today. Bold ready rallied by Rs. 2.25 to Rs. 39. Oil ex-mill closed higher at Rs. 20.50, as compared with Rs. 19.62 last Wednesday.

Distinctly firm conditions prevailed in the castorseed section as well. Fresh buying enquiry for castor oil was the main feature in this section. Castorseed September 1959, which closed last week at Rs. 147.75, gradually moved up to Rs. 150.62 to day. May 1960 contract rose from Rs. 151.50 to Rs. 153.37. Ready Madras gained a rupee to Rs. 30.37. Oil B.S.S. was higher by 75 nP at Rs. 16.75.

The improved export prospects for linseed oil led to fresh enthusiasm in the linseed section. The disparity in Indian and foreign prices for linseed oil is getting reduced. Good business is reported to have been transacted with the U.K. and Continental countries. Poland bought sizable quantities of oilcakes. Traders are fully optimistic about Australian tenders. Linseed September 1959, which wound up last week at Rs. 31.62, was pushed upwards subsequently to close higher at Rs. 32.62. May 1960 contract improved by Rs. 1.25 to Rs. 33.50. Linseed oil rose by Rs. 1.72 to Rs. 16.87.

Cottonseed too, firmed on good speculative support. The firmness in the cotton market helped the sentiment. Cottonseed rose from Rs. 135.75 to Rs. 138 and the February 1960 contract from Rs. 114 to Rs. 117 over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	9-9-1959	2-9-1959	25-8-1959
Groundnut			
February 1960	168.37	163.75	165.75
Bold ready	39.00	38.75	37.50
Coromandel ready	39.25	37.87	38.50
Rhandesh quality	39.25	37.62	38.50
Oil ex-mill ready*	20.50	19.62	19.87
Railway receipts*	20.12	19.31	19.58
Castorseed			
September 1959	150.62	147.75	150.87
May 1960	153.37	151.50	153.12
Ready Madras	30.37	29.37	30.12
Ready Kanpur	29.37	28.87	28.84
Oil B.S.S.	16.75	16.00	16.25
Oil commercial	15.81	15.12	15.25
Linseed			
September 1959	32.62	31.62	32.50
May 1960	33.50	32.25	32.82
Bold ready	39.25	37.87	38.50
Oil ready	16.87	16.50	16.06
Cotton seed			
September 1959	138.00	135.75	137.00
February 1960	117.00	114.00	114.50
Niger seed	30.50	30.50	31.25
Kandi seed	22.50	22.50	22.75

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ A.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 60 lbs., except in the case of cotton seed, for which it is 764 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

SUGAR STOCKS LOW

(From Our Own Correspondents)

BOMBAY, 9th September

Arrivals of sugar into the City by rail and road during the week continued to be small, being about 10,000 bags, as against 7,000 bags in the previous week and 14,700 bags in the week preceding it. Consequently, the position in respect of sugar stocks was tight. Nevertheless, supplies were freely available in practically all retail centres at the officially fixed prices. The following are the whole-sale ex-godown rates (per bag) for the four representative grades of sugar:

A grade: Rs. 115.21; B grade: Rs. 114.08; C grade: Rs. 112.02; D grade Rs. 111.

The Government of Bombay has urged the management of joint-stock sugar factories and the concerned trade to maintain the normal trade channels and trade pattern, is also to assure normal supplies at the agreed price to all areas, especially to areas which are far away from the factories. In a Press note issued, the Government points to the many complaints that the normal trade pattern has not been maintained and that the agents of the factories or their bulk purchasers are appropriating a large portion of the margin between the agreed ex-factory price and the wholesale price.

Stating that this is contrary to the informal agreement with the factories and the trade, the Government warns: "Government is keeping a watch and would not hesitate to take over a part or whole of this quota also for canalising through Government or Collector's nominees, if the normal arrangement is seriously disturbed and the distribution is jeopardised." As regards co-operative sugar, the Press note says: "It is being allotted to districts and the Collectors arrange for lifting it through co-operative agencies and for distributing it through co-operative retailers and fair price shops, as far as possible. It appears that this arrangement has given an impression that the Government has less confidence in co-operative sugar factories than in private sugar factories and, therefore, is giving directions to the co-operative factories alone regarding the delivery of sugar to specific areas and specific wholesalers. There is absolutely no basis for this misunderstanding. The arrangement of canalising co-operative sugar through co-operative wholesalers and co-operative retailers and fair price shops has, on the other hand, led to assured supply of at least some quantity of sugar to the consumers. Government and the public have appreciated the attitude of the co-operative sugar factories and their Sangh in this regard."

HAPUR, 7th September

Sugar continued to rule steady, due to shortage of supplies and shrinkage of open market in sugar following the enforcement of total ban on despatches by factories in Northern India. The Government of India announced the release of 175,000 tons of sugar for sale, but there would be no free sale releases from factories in the Punjab, North Bihar and the U.P. Demand was fairly dwindling in the market and stocks were fast. That the problem of shortage of sugar was likely to grow more acute in the coming months preceding the commencement of the new season. Arrangements to supply sugar through ration cards were still incomplete. The latest prevailing prices here were:—Rs. 123 to Rs. 125 per bag, in retail Re. 1.19 per seer, as against the controlled price of 97 nP.

Sugar in Muzaffarnagar also ruled steady as stocks with the trade were meagre. The latest prevailing prices were:—spot delivery small grain Rs. 123 per bag; bold crystal Rs. 124; retail controlled 98 nP per seer; open market Re. 1.12 per seer.

Sugar at Kanpur remained steady during the week, due to scanty arrivals. Spot was around Rs. 125 per bag.

Khandasari ruled quietly steady. The festival season demand for boora was brisk. The prevailing prices were:—Khandasari Re. 35 to Rs. 41; superior Rs. 41 to Rs. 42.50; boora Rs. 40 to Rs. 42.50 a maund.

Ready gur was quietly steady. The stocks left were meagre and there were still about two months for the new production to start. Demand from consuming areas was mostly met from the South where new production had started. Local prices were:—gur panpara dry best Rs. 21.50; dry-wet Rs. 21; kotha mixed dry-wet Rs. 20.25; kotha wet Rs. 19.25 a maund.

Gur improved slightly in the Muzaffarnagar market where stock position had become weak. Demand was fair and prevailing prices were:—Chaku dry Rs. 25; kotha wet Rs. 21; kotha mixed dry-wet Rs. 23; shakker dry Rs. 21 to Rs. 23; Khandasari Rs. 35 to Rs. 42.25 a maund.

Gur futures recorded sharp gains on support influenced by paucity of rains for the cane crop in this area. Fugun delivery opened at Rs. 13.78 on Monday last and, after touching the lowest of the week on the same day, namely, Rs. 13.68, spurred later to Rs. 14.12 on Saturday. It was quoted at Rs. 14.05 today.

TEAS WELL SUPPORTED

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

COCHIN, 4th September

About 1.125 million lbs. of tea were offered in sale No. 33 held on 1st September 1959. The quality of high-grown teas offered was well maintained, while medium and low mediums showed a slight decline in quality and there were a number of plain liquoring teas under this category. The sale opened to a good general demand from both exporters and internal buyers. There was keen competition from internal buyers for plainer descriptions which sold at 5 to 10 nP above brokers' valuation. Mediums were only in fair enquiry at easier rates. However, teas with improved quality, particularly high-grown, were well supported and these were quoted dearer. Clean black leaf grades continued in demand and were firm to dealer. Whole leaf grades met with better enquiry than of late and were steady. There was a useful support for a small selection of tippy teas. The quotations were:

	1959	1958
	Rs.	Rs.
Low medium	1.58 to 1.65	1.50 to 1.65
Medium	1.65 to 1.75	1.75 to 1.95
Good medium	2.00 to 2.15	2.30 to 2.25
Quality	2.20 to 3.60	2.35 to 4.25

Dust Sale 'W'—Just over 525,000 lbs. were offered in sale 'W' held on the 3rd inst. There was strong general demand. Prices were fully firm to dealer for all descriptions, with the exception of good liquoring high-grown which were easier following quality. Clean black types met with strong support at dealer rates. There was a strong enquiry for a few lines of C.T.C. dusts which were the strongest feature of the sale.

London Market: Sale of 31st August 1959.—Good teas dearer, following quality. Others steady.

Sale of 1st September 1959: Strong to dearer, particularly B.O.P. fannings. Others irregular.

Colombo Market: Sale of 31st August 1959.—Strong demand. Dimbula Dickoya quality generally declined. Best available steady. Others appreciably lower. U.V.A. quality improved. Active demand irregularly dearer. Following quality, useful liquoring colour mediums active, substantially dearer. Low-grown firm. Sale of 1st September 1959: Improved U.V.A.s very strong. Demand generally dearer. Other sorts irregular, inclined lower.

Calcutta Market: Export.—Sale 12:—62,000 chests. Demand continued strong and general for plain B.P. and fannings. Orthodox Assam B.O.P.s slightly easier. C.T.C. again easier.

Export Quota.—At present, there are sellers at 2½ nP, with probable buyers at this price. A fair amount of business has gone through at 2½ nP during this week.

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

"Sale No. 34 was held on the 8th inst. Offerings aggregated 900,000 lbs. Good general demand. Best liquoring irregularly 30 to 40 nP dearer. All black leaf and whole leaf very strong and dearer. Others, particularly fannings, fully firm to dealer."

BETTER DEMAND FOR JUTE

(From Our Own Correspondent)

CALCUTTA, 8th September

Although demand for jute during yesterday's export sales improved, prices eased. Such a trend was in sharp contrast to the stronger conditions in evidence in yesterday's sale in Mincing Lane, London, where Doars and Assams recorded substantial addition to prices. The internal sale could not be held here last week on account of the civil disturbances. During the week, in an otherwise dull freight market, a good portion of the shipping space available was taken up by tea.

Note was taken of the dearer trend for African teas at the London auctions held last week. North Indians were only firm, but second flush quality was higher. Trade circles wondered how, with increased competition from other producing countries, especially from African producers, India would be able to maintain its markets. Already, cost of production was increasing, and the Government of West Bengal recently raised the minimum wage for tea plantation workers in the Terai and Doars by As. 2. It was expected that the wages of workers in Darjeeling district would undergo a similar revision. Meanwhile, the West Bengal entry tax on tea has not been withdrawn. The suspension of a similar tax in Assam, it was feared, would not bring in much relief to most gardens in Assam.

During yesterday's export sale, offerings aggregated 65,590 chests. Initially, there was good demand which, however, petered out as the sale progressed. Orthodox B.O.P.s and O.F.s eased by 20 nP while keen competition was offered to clean fannings recording a dearer tendency on occasions. A small increase in prices was recorded in B.P.s and fannings of a medium type, C.T.C. B.P.s lost 20 to 30 nP, and non-with Doars by 4 to 6 nP. In whole leaf grades, the best varieties were firm but others lost 20 nP. Darjeelings eased, but tippy teas were about firm on good support. The quotations exclusive of excise duty were: Best Assam C.T.C. fannings Rs. 2.80 to 3.20; clean black pekoe Rs. 1.90 to 1.94; plain B.P. Re. 1.82 to 1.88; plain fannings Rs. 1.98 to Rs. 2.08; medium B.P. Re. 1.98 to Rs. 2.08; medium fannings Rs. 2.10 to 2.24; best Assam C.T.C. B.P. Rs. 2.40 to 2.50.

In the sale held at Chittagong on the 2nd inst., well-made orange fannings were popular with buyers and rose by As. 3 to As. 4. The offerings amounted to 9,581 chests. Generally, the demand was fair. Less-cut fannings and B.O.P.s and P.F.s eased, but leaf teas and broken pekoes commanded prices above valuations.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 7th September

Quietly easy conditions prevailed in the foodgrains market during the week. Owing to timely rains in west U.P., kharif crop prospects were reported to be excellent. Contrary to trade expectations, no change in the basic policies in food was decided by the National Development Council. Effective steps, however, would be taken to hold the price level. An early decision was expected to be taken regarding procurement prices for next crop and arrangements concerning food distribution and procurement would be maintained on a continuing basis. The policy for State trading would continue.

Wheat at Hapur registered a fall of about 50 nP to 75 nP per maund during the week, in line with the easy trend in coarse grains. The prevailing prices on Monday were:—wheat dars quality Rs. 17.28 and farm quality Rs. 18.40 a maund. The daily arrivals of wheat in the open market were scarce, but wheat was reported to be reaching in larger quantities on private account, as producers withholding the stocks were now anxious to part with their stocks on expectations of bumper kharif crop in west U.P. The State Government continued its wheat levy scheme at the controlled price of Rs. 13 to Rs. 15 a maund, but purchases on this account were nominal. It was hoped that, with the next harvest in the market, conditions still with producers would come to the market.

Rice recorded a fall of about Rs. 1 per maund the week, thanks to better supply position. The prevailing prices were:—wheat basmati Rs. 32 to Rs. 34; basmati Rs. 24.50; malabar Rs. 24; 50 nP a maund.

Gram continued to be depressed during the major part of the week on easy Punjab and Madras advices and poor demand in west. The face of comfortable stocks. Arrivals continued from the Punjab and local stock was heavy at about 65,000 maunds. New maize arrivals were gradually increasing and prices drifted lower. The week-end, however, marked a steady trend in coarse grains, with better demand at lower levels. Barley and bejhar also, after an early fall, registered modest gains towards the week-end. Jowar and guwar were listless and week-end prices (in rupees per maund) were:—gram 11.62 to 11.81; barley 11.87; bejhar 10.87 to 11.25; new maize 11.87 to 12.12; jowar 13 to 14; guwar 11 to 14; bajra 13.

Better demand at lower prices and steady advices from Madras accounted for modest gains in peas prices towards the week-end. Arhar stayed quiet. Arrivals of peas were small, at an average of 50 to 100 maunds daily, while those of arhar were almost nil. Other pulses were mostly unchanged during the week. The prevailing prices on Monday (in rupees per maund) were:—peas dars 10.25 to 10.37; peas dal 11.25; peas white farm 10.87; arhar 14.50 to 14.75; arhar dal 18.50 to 20; urd 16 to 19; moong 16.50 to 19; masoor 13.75 to 16.

JUTES DEPRESSED

(From Our Own Correspondent)

CALCUTTA, 8th September

With widespread civil disturbances in the City and its suburbs and with work in offices and factories affected on account of the depleted transport facilities, conditions in the jute and jute goods market during the week under review were depressed. Heavy goods receded, while hessians were maintained. It would be remembered that, in the recent rise in prices, hessian constructions had not participated. The highlights of the week were a Government order for 14,000 bales of B. twills, moderate inquiries from Burma and Indonesia for heavy goods for shipment between now and November, fair business with Australia in sacking (ready and near delivery positions), and issue of import licences for 50,000 bales of Pakistani cuttings.

It looks as though India would import a larger quantity of cuttings from Pakistan this year than last year. According to Dacca reports, in the month of July, cuttings exported aggregated 70,000 bales, as against only 22,000 bales in July 1958. This phenomenal improvement was attributed to the removal of the minimum export price on cuttings. Although exports of raw jute had not made a good beginning in Pakistan, there were hopes that exports in the current season would reach last year's level of 4.5 million bales. However, trade opinion, here was not prepared to share this view. For it was stated here that, with a higher crop this year, India would naturally aim at exporting a fair portion of the crop or that portion which was not needed by the mill industry. If the mills here consumed more cuttings imported from Pakistan this year, naturally consumption of indigenous jute would be affected. Even taking into consideration the increased fibre needs of the mills following the recent unsealing of looms, trade circles thought that India would increase exports. In the season ended June, the export ban was in force in the earlier part of the year, while, this year, efforts at exports throughout the year would be reflected in the total exports. The recent purchases of the fibre by China were stated to be at the cost of the Pakistani fibre. Against this background, it was felt here that Pakistan should offer stiffer competition in world markets, if it were to maintain its markets.

This week's fall in heavy goods did not come as a surprise. For the rise had been as abrupt as the fall. The fall should be considered welcome as foreign buyers felt that the increased demand was being exploited to push up prices. Also, considering the stability of fibre prices and the prospects of a higher crop surpassing the bumper crop of last year, heavy goods should not have moved up so much. It would be noted that there had been no heavy purchases on foreign account after the recent Chinese orders. So, there was every justification for the impression that foreign buyers were postponing entering into commitments in view of the abnormal rise in prices. There was the realisation that, if the increased demand for heavy goods should be maintained, prices should be more reasonable than at present. Considering this, this week's recession has been a development in the right direction. It should be remembered that Pakistan is gradually expanding its mills capacity.

On Tuesday last, there was very little activity in the futures market, causing prices in the read market to move within narrow limits. At closing time, hessian 40" 10 oz. was fractionally higher at Rs. 40.50, as were B. twills at Rs. 105.65. Business passing was extremely limited, but on Wednesday there was a small improvement in activity in the futures market. Prices of ready goods also improved, with B. twills at Rs. 106 and hessian 40" 10 oz. at Rs. 40.80. At this stage, foreign buyers showed interest, and scattered business was put through. However, the quantity involved was too small to attract market attention and the declining trend in prices of heavy goods when the market reopened on Friday after the "enforced" holiday on Thursday, B. twills declined to Rs. 105.30, while hessian 40" 10 oz. was unchanged at Rs. 40.80. Over the week-end, the depression took deeper roots and, apart from Government order for 14,000 bales of B. twills, delivery in this month and in November, the market was featureless. The futures market was under bearish influence, which affected sentiment in ready goods. Thus, B. twills sagged Rs. 104.60. For a time, hessian resisted the downward trend, but, towards the close, gave way fractionally to Rs. 40.65. Easier conditions were in evidence also yesterday, as foreign buyers were disinclined to enter into fresh commitments. B. twills Rs. 102.50 touched the lowest level of the week and hessian 40" 10 oz. fell to Rs. 40.10 in sympathy.

Raw jute prices gave way fractionally. Mi showed only limited interest and that in low grades of the fibre only. Earlier in the week, licences were issued for the import of 50,000 bales of cuttings from Pakistan, and it was believed that this year's import from that country would be higher. This report caused some anxiety to stockists. However, it was felt that this development would not affect prices here in view of a port demand for the Indian fibre. New dars bottoms was unchanged at Rs. 24.25, while Assam bottoms declined to Rs. 22.75 from Rs. 23.25 a northern bottoms to Rs. 22.50 from Rs. 22.75. The latest quotations for the new crop are as follow:

	Middle	Bottoms	Delivery
White:			
Assam Upper and Lower	25.50	23.00	Sept.-O
Northern	25.00	22.50	"
Desal	24.50	22.00	"
Cuttack	27.75	24.75	Oct.-Nov.
Murshidabad	24.00	21.50	Sept.-O
Jungli Bihar and U.P.	23.50	21.00	"
Tasse:			
Ordinary Daisoo	25.00	23.50	"
Murshidabad	25.25	22.75	"
Assam-Agartala	25.50	24.00	"
Mosk:			
Jungli	23.25	20.75	Oct.-Nov.
Palasoo	24.25	21.25	"

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India
Statement of Affairs for the week ended 4th Sept., 1959

BANKING DEPARTMENT	
Capital paid-up	Rs. 5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long-term Operation) Fund	30,00,00,000
National Agricultural Credit (Stabilisation) Fund	4,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	65,35,73,000
(2) Other Governments	23,81,82,000
(b) Banks	12,81,72,000
(c) Others	18,72,50,000
Bills Payable	12,10,55,000
Other Liabilities	43,01,70,000
Assets—	
Rupee Coin	22,36,39,000
Rupee Note	2,57,00,000
Subsidiary Coin	7,54,000
Bills Purchased and Discounted—	
(a) Internal	5,39,47,000
(b) External	21,22,67,000
Loans and Advances to Governments	1,57,69,000
Other Loans and Advances	2,06,83,000
Investments	28,10,74,000
Other Assets	9,28,03,000
Total	Rs. 431,01,70,000

* Includes Cash and Short-term Securities.
The item 'Other Loans and Advances' includes Rs. 16,00,00,000 advanced to scheduled banks against advance bills under Section 17(4) of the Reserve Bank of India Act.

ISSUE DEPARTMENT	
Notes held in the Banking Department	Rs. 22,36,39,000
Notes in circulation	Rs. 1,664,91,08,000
Total Notes issued	Rs. 1,687,27,47,000
Total Liabilities	Rs. 1,687,27,47,000

ASSETS	
A. Gold Coin and Bullion—	
(a) Held in India	Rs. 117,76,03,000
(b) Held outside India	Rs. 163,00,89,000
Foreign Securities	Rs. 135,31,94,000
Internal Bills of Exchange and other commercial paper	Rs. 1,687,27,47,000
Total Assets	Rs. 280,76,92,000

COMPARATIVE BANKING STATISTICS*
(In crores of rupees)

	1st Sept. 1959	28th Aug. 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Notes in circulation	172.37	165.01	166.81	166.04	162.80
Notes held in Banking Department	35.05	38.62	39.67	39.82	39.29
Foreign Securities	69.85	163.01	163.01	168.01	174.68
Banking Department	37.39	127.19	127.19	127.19	111.43
GOVERNMENT OF INDIA					
Government of India	14.39	63.49	68.11	60.16	73.05
Other Governments	33.78	61.89	62.89	65.85	82.64
Banks	10.06	20.26	16.85	16.85	12.64
RESERVE BANK					
Notes in circulation	172.37	165.01	166.81	166.04	162.80
Notes held in Banking Department	35.05	38.62	39.67	39.82	39.29
Foreign Securities	69.85	163.01	163.01	168.01	174.68
Banking Department	37.39	127.19	127.19	127.19	111.43
GOVERNMENT OF INDIA					
Government of India	14.39	63.49	68.11	60.16	73.05
Other Governments	33.78	61.89	62.89	65.85	82.64
Banks	10.06	20.26	16.85	16.85	12.64
RESERVE BANK					
Notes in circulation	172.37	165.01	166.81	166.04	162.80
Notes held in Banking Department	35.05	38.62	39.67	39.82	39.29
Foreign Securities	69.85	163.01	163.01	168.01	174.68
Banking Department	37.39	127.19	127.19	127.19	111.43
GOVERNMENT OF INDIA					
Government of India	14.39	63.49	68.11	60.16	73.05
Other Governments	33.78	61.89	62.89	65.85	82.64
Banks	10.06	20.26	16.85	16.85	12.64

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec. 1957	3.50	4.50
Austria	23rd April 1959	5.00	5.25
Belgium	7th Jan. 1959	5.00	6.00
Bolivia	30th Sept. 1959	5.00	6.00
Burma	Feb. 1948	5.50	3.50
Ceylon	11th June 1954	3.00	2.50
Chile	Feb. 1957	4.50	6.50
Denmark	16th Jan. 1959	5.00	6.00
Egypt	8th May 1948	7.00	10.00
El Salvador	15th Nov. 1952	3.50	3.00
Finland	Mar. 1959	6.50	6.00
France	23rd April 1959	4.25	4.00
Greece	16th May 1957	3.50	4.00
India	1st April 1946	4.50	2.25
Ireland	28th Jan. 1959	4.00	3.50
Italy	7th June 1958	4.00	3.50
Japan	Feb. 1959	7.30	6.50
Mexico	4th June 1954	2.00	2.75
Netherlands	21st Jan. 1959	2.00	2.50
New Zealand	19th Oct. 1955	6.00	7.00
Norway	14th Jan. 1955	2.50	3.50
Pakistan	13th Jan. 1959	6.00	6.50
Philippines	12th Nov. 1947	4.50	6.50
Portugal	6th Jan. 1959	4.50	4.00
Romania	6th Aug. 1959	6.00	6.25
Sweden	26th Feb. 1959	2.50	2.00
Switzerland	Feb. 1945	4.50	6.00
Thailand	20th June 1958	4.50	4.00
Turkey	1st July 1959	3.00	4.00
U.S.S.R.	29th May 1959	3.00	3.50
U.S.A.	3rd Sept. 1959	2.75	3.00

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate.
The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India
Statement of Affairs for the week ended 4th Sept., 1959

CAPITAL AND LIABILITIES	
Capital—	
Issued, Subscribed and Paid-up	Rs. 20,00,00,000
Deposits and Other Accounts	5,62,50,000
Reserve Fund and Other Reserves	562,40,62,000
Borrowings from Other Banking Companies, Agents, etc.	10,13,28,000
Bills for Collection being Bills receivable as per contra	1,80,05,000
Advances, Endorsements and Other Obligations per contra	1,48,01,000
Other Liabilities (including Inter-Office Adjustments)	10,95,57,000
Total	Rs. 599,40,03,000

PROPERTY AND ASSETS	
Cash in hand and with Reserve Bank	Rs. 21,35,47,000
Deposits with other Banks	2,01,00,000
Money at Call and Short Notice	2,93,33,000
INVESTMENTS	
Government	361,28,27,000
Other Authorised Investments	10,27,27,000
ADVANCES	
Loans, Cash Credits, Overdrafts, etc.	150,39,39,000
Bills Discounted and Purchased	9,60,19,000
Bills Receivable being Bills for Collection as per contra	1,80,05,000
Constructors' Liabilities for Acceptances, Endorsements and Other Obligations per contra	1,24,09,000
Promises less Depreciation	1,14,25,000
Furniture and Fixtures less Depreciation	2,00,71,000
Other Assets (including Inter-Office Adjustments)	599,40,03,000
Total	Rs. 599,40,03,000

Scheduled Banks*
Statement of Affairs for the week ended 28th August, 1959

Demand Liabilities in India:	
(i) Borrowings from Banks other than the State Bank and a notified Bank	Rs. 25,31,91,000
(ii) Other demand liabilities	Rs. 72,42,03,000
Time Liabilities in India:	
(i) Borrowings from Banks other than the State Bank and a notified Bank	Rs. 26,49,34,000
(ii) Other time liabilities	Rs. 1,061,67,24,000
Borrowings in India from the Reserve Bank of India:	
(i) Demand Liabilities	Rs. 3,79,62,000
(ii) Time Liabilities	Rs. 2,06,45,000
Borrowings in India from the Reserve Bank of India:	
(i) Demand Liabilities	Rs. 43,42,78,000
(ii) Time Liabilities	Rs. 79,71,72,000
Cash in India	Rs. 14,72,23,000
Money at call and short notice in India	Rs. 32,34,03,000
Investments (at book value) in India Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	Rs. 735,46,58,000
Advances in India	Rs. 812,52,94,000
Internal Bills, purchased and discounted in India	Rs. 37,96,82,000
Foreign Bills, purchased and discounted in India	Rs. 37,96,82,000

* Provisional.
* Excluding borrowings from the Reserve Bank also.
* The figures in bracket represent borrowing from the Reserve Bank against advance bills and promissory notes.

TREASURY BILLS

Date of tender	Offered	Applied for	Allotted	Per cent.	Rate
10th to 13th June*	0.07	2.56	0.07	2.764	99.310
16th June	0.07	2.00	0.07	2.760	99.310
23rd to 26th June*	2.00	2.00	2.00	100.000	99.310
29th to 31st July*	2.00	2.00	2.00	100.000	99.310
3rd to 5th August*	2.00	2.00	2.00	100.000	99.310
8th to 11th July*	0.07	2.00	0.07	2.748	99.315
14th to 17th July*	2.00	2.00	2.00	100.000	99.315
20th to 23rd July*	2.00	2.00	2.00	100.000	99.315
26th to 29th July*	2.00	2.00	2.00	100.000	99.315
31st July to 3rd Aug.*	2.00	2.00	2.00	100.000	99.315
6th to 9th Aug.*	2.00	2.00	2.00	100.000	99.315
12th to 15th Aug.*	2.00	2.00	2.00	100.000	99.315
18th to 21st Aug.*	2.00	2.00	2.00	100.000	99.315
24th to 27th Aug.*	2.00	2.00	2.00	100.000	99.315
30th to 31st Aug.*	2.00	2.00	2.00	100.000	99.315
1st to 4th Sept.*	2.00	2.00	2.00	100.000	99.315
7th to 10th Sept.*	2.00	2.00	2.00	100.000	99.315
13th to 16th Sept.*	2.00	2.00	2.00	100.000	99.315
19th to 22nd Sept.*	2.00	2.00	2.00	100.000	99.315
25th to 28th Sept.*	2.00	2.00	2.00	100.000	99.315
31st Sept. to 3rd Oct.*	2.00	2.00	2.00	100.000	99.315
6th to 9th Oct.*	2.00	2.00	2.00	100.000	99.315
12th to 15th Oct.*	2.00	2.00	2.00	100.000	99.315
18th to 21st Oct.*	2.00	2.00	2.00	100.000	99.315
24th to 27th Oct.*	2.00	2.00	2.00	100.000	99.315
30th to 31st Oct.*	2.00	2.00	2.00	100.000	99.315
1st to 4th Nov.*	2.00	2.00	2.00	100.000	99.315
7th to 10th Nov.*	2.00	2.00	2.00	100.000	99.315
13th to 16th Nov.*	2.00	2.00	2.00	100.000	99.315
19th to 22nd Nov.*	2.00	2.00	2.00	100.000	99.315
25th to 28th Nov.*	2.00	2.00	2.00	100.000	99.315
31st Nov. to 3rd Dec.*	2.00	2.00	2.00	100.000	99.315
6th to 9th Dec.*	2.00	2.00	2.00	100.000	99.315
12th to 15th Dec.*	2.00	2.00	2.00	100.000	99.315
18th to 21st Dec.*	2.00	2.00	2.00	100.000	99.315
24th to 27th Dec.*	2.00	2.00	2.00	100.000	99.315
30th to 31st Dec.*	2.00	2.00	2.00	100.000	99.315

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES
(Base: 1952-53=100)

Particulars	Weight	22nd Aug. 1959	15th Aug. 1959	23rd Aug. 1959	June 1959	June 1958	Percentage of Increase (+) or Decrease (-) in June 1959 as compared with June 1958	Financial Year Average
Food Articles	504	121.0	123.2	120.2	118.7	113.4	+ 4.7	115.2
Cereals	192	108.4	109.6	114.4	101.8	105.5	+ 3.5	108.9
Pulses	43	91.1	92.8	91.8	91.1	91.2	+ 0.7	92.4
Fruits and Vegetables	128	134.6	134.6	128.8	124.6	111.5	+ 20.7	113.8
Milk and Eggs	84	111.1	120.0	107.4	118.3	111.1	+ 7.2	113.8
Edible Oils	47	125.7	128.6	129.8	122.2	122.9	+ 5.9	125.5
Meat	12	119.7	118.1	114.2	110.6	106.7	+ 3.7	108.4
Sugar and Gur	48	147.5	149.2	136.4	148.6	125.8	+ 18.6	131.3
Others	50	165.3	168.1	153.1	180.9	149.2	+ 21.5	151.3
Textiles	87	91.8	92.6	91.8	91.8	91.8	+ 0.0	91.8
Wool	30	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Woolen	10	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Industrial Raw Materials	61	110.5	109.2	110.9	110.3	109.8	+ 0.5	110.6
Alumina	60	131.9	131.4	133.9	135.4	123.7	+ 9.5	127.0
Others	1	110.5	109.2	110.9	110.3	109.8	+ 0.5	110.6
Metals	290	109.8	109.8	109.8	109.8	109.8	+ 0.0	109.8
Intermediate Products	41	108.5	108.2	112.2	108.2	107.7	+ 0.5	108.2
Finished Products	147	105.6	105.8	104.0	104.5	103.8	+ 0.7	104.3
Textiles	11	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Cotton	11	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Woolen	11	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Others	11	115.5	115.5	118.0	118.0	118.0	+ 0.0	118.0
Chemicals	12	143.3	143.3	143.3	143.3	143.3	+ 0.0	143.3
Silk and Rayon	20	107.1	107.1	105.9	106.9	105.9	+ 1.0	106.9
Metals	10	140.3	141.1	138.9	143.6	128.5	+ 11.8	136.0
Chemicals	31	105.6	105.6	105.6	105.6	105.6	+ 0.0	105.6
Machinery and Transport Equipment	30	113.6	113.6	113.6	113.6	113.6	+ 0.0	113.6
Others	1	113.6	113.6	113.6	113.6	113.6	+ 0.0	113.6
All Commodities	1,000	116.9	118.0	116.0	116.7	111.7	+ 3.6	112.9</

MARKET GOSSIP

(Concluded from page 415)

tinuous fall in the previous two months, moved irregularly in the succeeding two months, but again rose steadily to touch 115.7 by the end of June, as against 110.7 early in January. Food articles and industrial raw materials showed the largest percentage increase, while, in manufactures, the rise was not marked. Thus, while the price index for food articles rose from 113.3 in December 1958 to 118.6 in June 1959 and from 112.5 to 120.1 for industrial raw materials, that for manufactures rose by less than a point from 108.3 to 109.1. It is noteworthy that the rise in the index of food articles was accounted for by the rise in items other than cereals and pulses. The index for the latter, on the other hand, declined during the period.

Nevertheless, it is true that the higher food-grains production in 1958-59 has not been fully reflected in prices. According to the latest annual report of the Reserve Bank of India, this phenomenon suggests—that this is also borne out by ad hoc inquiries—that the inflow of supplies to the market has been affected to some extent by the announcement of the introduction of State trading in foodgrains. Bank finance, according to it, has hardly played any role in the matter, the increased stocking of rice and wheat being either privately financed or self-financed, that is, reflecting the increased holding power of farmers. A part of the increase in output may also have gone to replenish the depleted stocks of foodgrains, owing to the poor harvest of the previous year.

The price trend of the principal agricultural commodities taken individually fits into the general pattern. Thus, the index of raw cotton prices rose from 99 in the last month of 1958 to 105 in June, and that of groundnut spurted from 105 to 135, of jute from 110 to 115 and of gur from 121 to 165 and tea from 160 to 179 during the same period. The index of sugar prices was, however, unchanged throughout the six-month period at 121. As regards foodgrains, while the index for rice rose from 98 in December 1958 to 102 in June, that for wheat declined from 114 to 93, after going up to 125 in January 1959.

The trend of the all-India working class consumer price index number generally followed the movement of the wholesale price index. Thus, from 119 in December 1958, the all-India consumer price index number (1949=100) rose to 121 in June and further to 123 in July, representing a rise of four points. In certain centres, however, the rise has been even more marked. Thus, in Bombay, the index (base: 1934=100) rose from 396 in January to 413 in June and 418 in July, a rise of 22 points, that is, by 5.5 per cent. As a result of the rise in index, the cotton mill industry, which sets the pattern for all the other industries in the City, will be required to pay a total dearness allowance of Rs. 180 crore for August 1959 which is Rs. 13 lakhs more than the amount paid in January last.

Since the beginning of July, prices of the principal commodities have shown a tendency to decline, thanks to better crop prospects. The record foodgrains production in the season just ended would appear to be gradually making its effect felt on prices, although the reluctance of farmers to part with stocks has prevented prices from falling to the extent warranted by the marked increase in supplies. Oilseeds prices have receded during the past two months, owing to encouraging news from the growing regions. For instance, new crop groundnut February 1959 contract, which was quoted around Rs. 170 early in July, has come down to Rs. 164.00. Castorseed May 1960 has eased from Rs. 156 to Rs. 151.87. The decline in prices is said to have considerably improved the export prospects for seeds, especially because the trend overseas is the exact opposite. Supplies in most of the producing countries are reported to have been considerably reduced on account of the smaller crop. The price parity has, therefore, moved a little in favour of India.

Cotton has been an exception to the general trend. The tight supply position, with little prospect of it being relieved this season, is exerting an upward pressure on prices. Reports of adverse weather and damage to crop have imparted considerable strength to cotton market. Sustained mill and investment buying has resulted in a spurt in raw cotton prices of late, with the Jarilla March 1959 contract flaring up to Rs. 703 yesterday and further to Rs. 705 today, as compared with Rs. 687.00 a week ago and Rs. 668.75 a month ago. This trend is expected to persist, unless, of course, the crop situation improves owing to better weather in the coming months. Chances of a reversal of the upward trend are, however, remote, because the offake of cloth and yarn has perceptibly improved and the order books of several mills are getting filled up.

LATEST REVIEW OF SECOND PLAN

(Concluded from page 423)

Planning Commission for the National Development Council's meeting held in November 1958, it was felt that the aggregate outlay over the second Plan period could be only Rs. 4,220 crores. The Council, however, decided that efforts should be made to work up to an outlay of Rs. 4,500 crores. In order to achieve this target, it decided upon several measures. Deficit financing on any significant scale could be contemplated only if food production increased substantially and food prices were maintained at stable levels. Therefore, it was decided that co-operatives should be organised on the basis of the village as the primary unit for increasing agricultural production, mobilising local manpower and other resources and generally for rebuilding the rural economy. The State should also take over wholesale trade in foodgrains. For achieving economy in construction costs, fewer buildings should be constructed than originally contemplated, and such buildings as have to be constructed should be at a cheaper basis.

question of saving steel was of special importance, the purposes for which steel may be used should be specified. The question of introducing schemes of compulsory savings was also to be examined carefully.

During December 1958 and January 1959, the Planning Commission held a series of discussions with the State Governments for deciding the allocations for 1959-60, keeping in view the decision that efforts should be made to ensure that the total outlay for the second Plan period did not fall below Rs. 4,500 crores. The discussions indicated that the resources available to the State Governments in 1959-60 aggregated Rs. 237.3 crores, as compared with the earlier estimate of Rs. 198.1 crores. Taking into account the Central assistance, the aggregate size of the State Plan for 1959-60 was fixed at Rs. 472 crores. At the Centre (including Union Territories), the 1959-60 Budget provides for a Plan outlay of Rs. 620 crores. Thus, the aggregate Plan outlay for the Centre and the States for 1959-60 works out to Rs. 1,092 crores.

The broad assessment made by the Planning Commission shows that the actual outlay likely to be incurred during the first four years of the Plan would be about Rs. 3,550 crores. The expectation now is that the outlay in the five years will reach, if not exceed somewhat, the total of Rs. 4,500 crores envisaged by the National Development Council.

The document gives a list of important projects included in the second Plan under industry, transport, irrigation and power on which expenditure during the first four years is likely to be comparatively small or nil. Broadly, these are the projects which are likely to be affected on account of the detailed vigilance to which the Plan has been subjected, although, in the case of some of these projects which have not yet begun, some work might be taken in hand during the last year of the Plan.

PICTURE OF INDIAN ECONOMY

(Concluded from page 428)

was lowest among illiterates (one in 50 in general population and one in 13 in the labour force). The figures jumped to one in 12 (of the total population) and one in five (of the labour force) in the case of non-matriculutes. It is, however, among the matriculates that unemployment has been highest (one out of four). Among the intermediates one out of five was unemployed, and the incidence was also high (one out of seven) in respect of persons having higher educational qualifications.

Sombre Situation

The three surveys between them have presented a sombre picture bearing on important characteristics of the working population, leaving to the social reformer, the politician, the administrator and the industrialist the problem of finding solutions. The participants in the great debate now taking place over the formulation of the targets to be achieved during the third Five-year Plan period have all accepted the overwhelming need for State policies to promote employment opportunities. However, opinions begin to differ as to the means of the generally accepted goal being reached quickly.

The enthusiast for State enterprise sees quicker progress in large-scale expansion of the State's role as a promoter of industries, especially the heavy ones. The industrialist and the entrepreneur who rightly claim credit for sponsoring and developing some of India's major industries visualise greater potentialities in the unfettered growth of industries in the corporate sector. The orthodox politician brought up in the Gandhian school of economics swears by the process of developing a decentralised economy which would permit healthy functioning of self-sufficient communities in rural and semi-urban areas, which account for the bulk of the population. All are sincere in their approaches, and each has a large measure of merit.

Nevertheless, the economic and human problems associated with large-scale underemployment and chronic unemployment have defied solutions and, planning notwithstanding, these tend to go out of control primarily because of the explosive rise in the population. It is true that time also is getting short because of the expectations engendered in the minds of the vast mass of underprivileged population. But is time factor so desperate as to force one to overlook the advantages in consolidating every forward step taken? Are there not sufficient built-in safeguards in the traditional household (both urban and rural) to absorb the uncertainties and restlessness pending the economy working up to the stage of take-off?

The basic answer to all these forebodings would appear to be that there can be no short-cut solutions to problems inherent in traditional societies attempting to reach economic prosperity. In other words, there can be no substitutes for co-ordinated sustained hard work, and wisdom lies in State policies being attuned to promote such effort.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th September, 1959.

	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahmedabad (100)	157.50	—	—	157.50
Apollon (2)	40	1.28	1.24	40
Bombay Dyeing (25)	62.00	64.70	62.00	64.00
Bradbury (50)	117.50	—	—	117.50
Central India (100)	102.00	109.00	101.00	109.00
Century Mills (100)	547.00	568.50	547.00	565.00
Edwards Textile (200)	220.00	—	—	220.00
Elphinstone (50)	31.50	39.00	31.00	36.00
Finlay (100)	270.00	280.00	271.00	280.00
Gokak (100)	158.50	163.00	157.00	165.00
Ind. Text. Ind. (1)	1.06	1.16	—	1.16
Ind. Text. Ord. (10)	8.00	8.50	—	8.50
Indore Malwa (100)	91.50	93.00	92.00	93.00
Khalasi (100)	225.00	245.50	225.00	242.50
Kohinoor (100)	301.00	319.00	302.00	317.00
Lakshmi (250)	400.00	400.00	458.75	400.00
Minerva Mills (100)	45.00	—	—	45.00
Model Narpat (250)	56.25	—	—	56.00
Morari (100)	271.25	282.00	270.00	282.00
Mysore (50)	75.00	77.50	77.00	77.00
National Rayons (100)	338.00	352.00	338.00	350.50
New City (100)	112.50	118.25	110.00	118.25
New Great (100)	183.00	190.00	178.00	190.00
Pheasant (100)	130.00	140.00	130.00	140.00
Podar Mills (100)	130.00	140.00	130.00	140.00
Sassoon Silk (100)	10.00	—	—	10.00
Sassoon Spg. (10)	67.00	67.00	65.00	65.00
Sholapur (1000)	410.00	—	—	410.00
Shri Chhatrapati (100)	184.00	201.00	185.00	200.00
Simples (50)	155.00	165.00	155.00	165.00
Standard (100)	557.00	574.00	557.00	574.00
Swadeshi (100)	238.50	252.00	238.00	251.00
Swati (100)	301.00	—	—	301.00
Tata Mill (25)	44.50	47.00	44.00	49.00
Vadani (100)	108.75	110.50	108.75	110.50
Western India (1000)	4,476.00	—	—	4,476.00

BANKS	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Bank of India (50)	114.00	114.00	118.50	114.00
Bank of Bengal (50)	114.50	114.75	114.50	114.50
Bank of Baroda (50)	104.50	104.50	104.50	104.50
Central (25)	50.00	50.50	49.50	50.00
New Great (25)	52.50	52.50	52.50	52.50
Dena Bank (50)	62.50	—	—	62.50
Punjab National (10)	22.00	21.24	21.00	22.50
Union Bank (5)	8.00	8.00	8.00	8.00
United Com. (50)	61.50	62.00	61.50	62.00

ELECTRIC COS.	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Ahmedabad (100)	11.20	11.20	11.18	11.16
Amalgamated (10)	92.25	92.25	91.50	92.50
Andhra Valley (1000)	1,145.00	1,152.50	1,143.75	1,145.00
Bom. Sub. El. (100)	212.50	209.00	204.00	206.50
Bural (100)	191.00	192.00	191.00	191.00
Tata Hydro (100)	117.50	118.50	117.00	118.00
Tata Power (1000)	1,183.75	1,192.50	1,178.75	1,191.25

INSURANCE COS.	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
British India (10)	14.24	14.28	13.96	14.00
Empire of India (100)	300.00	—	—	300.00
Ind. Mercantile (20)	50.00	—	—	50.00
Jubilee (10)	4.00	—	—	4.00
New India (15)	50.00	50.00	50.00	50.00
Volsan (10)	21.24	21.52	21.24	21.52

STEEL COS.	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Ind. Iron (10)	24.40	25.05	24.52	24.96
Mokand Iron (10)	17.96	18.12	17.96	18.04
Tata Steel Ord. (75)	174.75	176.00	174.00	176.00

SUGAR COS.	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Belapur (50)	307.50	314.50	305.00	313.00
Chandigarh (10)	25.00	—	—	25.00
Chandigarh (10)	27.00	—	—	27.00
Phalant (50)	150.00	165.00	150.00	165.00
Walsand Ind. (100)	317.50	325.00	316.25	323.75

CEMENT COS.	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Associated Cts. (100)	141.00	147.75	141.00	145.25
Digvijay (100)	144.00	146.00	143.50	146.00

MISCELLANEOUS	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
Alcock Ashdown (100)	247.00	251.50	247.00	251.50
Bom. Burmah (125)	514.00	527.00	514.00	527.00
B. (New) (50)	187.50	187.00	178.75	180.00
B. R. (New) (50)	1.40	1.50	1.40	1.50
Br. I. Corp. (50)	4.00	4.50	4.00	4.50
Hindustan Lever (10)	20.75	30.00	20.50	30.00
Hindustan Motors (10)	11.88	12.92	11.88	12.88
Indian Cotton (25)	4.00	4.00	4.00	4.00
Ind. Inv. Tr. (100)	81.00	80.50	80.00	80.00
Killick (100)	142.00	142.25	142.00	142.00
Larson & Toubro (10)	21.84	23.28	22.00	23.16
Mahindra & Mahindra (10)	21.48	21.96	21.48	21.88
Polson (100)	143.00	143.00	143.00	143.00
Pre. Automobiles (100)	132.00	137.00	132.00	137.00
Premier Con. (80)	840.00	853.50	838.00	853.50
Schindler (20)	17.25	17.40	16.96	17.32
G. E. Shipping (10)	10.00	10.00	10.00	10.00
Shivrajpur (10)	85.00	90.50	85.00	90.50
Singapore Paper (10)	13.25	13.92	13.24	13.84
Tata Chemicals (10)	16.00	17.00	16.84	17.00
Tata Locomotive (100)	107.50	109.50	108.50	109.00
Tata Oil (25)	61.50	65.00	60.00	61.50
Volsan (10)	170.00	170.00	170.00	170.00
W. I. Metals (100)	211.50	219.00	211.50	219.00

GOVERNMENT SECURITIES	2-9-1959	9-9-1959	10-9-1959
	Rs.	Rs.	Rs.
2 1/2% 1961	98.20	—	98.20
2 1/2% 1962	98.00	—	98.00
2 1/2% 1963	97.00	—	97.00
2 1/2% 1976	88.20	—	88.20
3% 1963-65	97.50	—	97.50
3% 1966-68	97.50	—	97.50
3% 1970-75 1st Dev.	95.35	—	95.35
3% 1986-88	92.35	—	92.35
3% 1988-90	74.25	—	74.25
3% 1961 N.P. Bonds	100.20	—	100.20
3% 1962 N.P. Bonds	100.15	—	100.15
3% 1963 N.P. Bonds	100.00	—	100.00
3% 1964 N.P. Bonds	99.00	—	99.00
3% 1965 N.P. Bonds	98.00	—	98.00
3% 1966 N.P. Bonds	97.00	—	97.00
3% 1967 N.P. Bonds	100.25	—	100.25
3% 1968 N.P. Bonds	99.15	—	99.15
3% 1969 N.P. Bonds	98.40	—	98.40
3% 1970 N.P. Bonds	100.40	—	100.40
3% 1971 N.P. Bonds	100.40	—	100.40
3% 1972 N.P. Bonds	100.40	—	100.40
3% 1973 N.P. Bonds	100.40	—	100.40
3% 1974 N.P. Bonds	100.40	—	100.40
3% 1975 N.P. Bonds	100.40	—	100.40
3% 1976 N.P. Bonds	100.40	—	100.40
3% 1977 N.P. Bonds	100.40	—	100.40
3% 1978 N.P. Bonds	100.40	—	100.40
3% 1979 N.P. Bonds	100.40	—	100.40

BRITISH GOVERNMENT SECURITIES	Closing quotations 2-9-1959	High	Low	Opening quotations 10-9-1959
2 1/2% Brit. Consols.	52 1/2	—	—	51 1/2
2 1/2% 1963-75	76 1/2	—	—	75 1/2
2 1/2% War Loan 1955-59	90 1/2	—	—	90 1/2
2 1/2% Victory Bonds	65 1/2	—	—	65 1/2
4% Funding 1960-60	95 1/2	—	—	94 1/2

COMMERCE

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

William Blake.

VOL. XCIX. No. 2530

BOMBAY, 19th SEPTEMBER 1959

PRICE: Rs. 2

AN UNWISE MOVE BY U.P.

THE latest report from Lucknow about sugar industry is ominous. The Chief Minister of Uttar Pradesh, Dr. Sampurnanand, has told the State Planning Board that the State Government would shortly appoint a sub-committee of the Board to consider a proposal for nationalisation of sugar mills in the State during the third Plan period. The sub-committee, it is stated, would consist of experts, industrialists, representatives of sugarcane growers and others interested in the industry. One of the members of the sub-committee has already been chosen; he is Mr. Genda Singh, a Praja Socialist leader, who organised the abortive cane growers' strike in February this year in an attempt to get the price of sugarcane raised. Mr. Singh has done everything possible to encourage inefficiency among cane-growers and made a significant contribution to the fall in sugar production in Uttar Pradesh. He has been agitating for nationalisation of sugar for long and has renewed the suggestion before the State Planning Board.

The rationale of Dr. Sampurnanand's decision is not clear. We never thought that, of all the Congress leaders, he would either advocate nationalisation or entertain a suggestion for nationalising a consumer industry like white sugar, for we do not remember to have come across any occasion when he voiced any such left ideas. Even now, he seems to be alive to the implications of bringing this industry under State ownership, because he is said to have pointed out that the issue involved inter-State and all-India considerations, as there were sugar mills outside U.P. Nationalisation of sugar industry will undoubtedly be harmful to the industry and interests of the country, in general, and U.P., in particular. Surely, Dr. Sampurnanand, with all his rich experience of administration and appreciation of the value of free enterprise, must be aware of this. He should have, therefore, straightaway rejected Mr. Genda Singh's suggestion, instead of deciding to refer it to a sub-committee. This decision implies that he sees some merit in the suggestion for nationalisation, whereas there is none in it. By entertaining the proposal for study, he is needlessly causing misunderstandings and a sense of uncertainty among industrialists and the investing public. If it is not the intention of the U.P. Government to nationalise sugar industry, the appointment of a sub-committee will be a waste of time, taxpayers' money and administrators' talent, all of which can be usefully employed for productive purposes.

The countenance given by the U.P. Chief Minister to the proposal for nationalisation of sugar industry may be the result of the Congress Party's decision to prepare the third Plan in consultation with all the parties. This approach itself is unsound, if it is to be seriously taken, for it amounts to being a case of too many cooks spoiling the broth.

Suffice it to say that, of all the States, U.P. is the least eligible to embark on such a costly venture. It has miserably failed to secure a rise in the efficiency of its sugarcane growers, despite the strong sugarcane producers' co-operatives. The average yield of sugarcane even in the development zones in U.P. is only 15.92 tons per acre, as against 43.30 tons in Bombay, 30.00 tons in Mysore, 32.49 tons in Andhra and 39.44 tons in Madras. We have no doubt that the other sugar-producing States, which now account for about 55 per cent. of India's total sugar production, will not prefer to follow the lead taken by the U.P. Government.

It is to be feared that the people of Uttar Pradesh will suffer more by this latest unwise move of their Government than the people in the rest of India. It is not our intention to exaggerate the consequences, but facts must be squarely faced. First, it was only about a month ago that the Government of India decided that the sugar industry must consider plans for expansion even before the finalisation of the third Plan and that the question of licensing extension of existing factories and establishment of new factories should be given high priority. By lifting the sword of Damocles, the U.P. Government has thrown a spanner in the works. Unless this mischief is quickly undone by the Central Government, progress in achieving its objective will be retarded. This will be much more so in Uttar Pradesh. Secondly, the sugar mills in U.P. are in more urgent need of modernisation than the mills in other States. Dr. Sampurnanand, by his latest action, is discouraging them from investing money for this purpose. Thirdly, his failure to protect the interests of private enterprise in sugar industry will check investments in other industries also in his State. At least two new giant projects are scheduled to be established in Uttar Pradesh. These are aluminium and synthetic rubber industries, each requiring about Rs. 12 crores. With great difficulty and after much persuasion, the promoters of these industries have secured the co-operation of U.S. private capital and one of them is due to approach the investors in this country in a few days. It was very unwise on the part of Dr. Sampurnanand to have announced to the public at this juncture that his Government had decided to appoint a sub-committee to consider the issue of nationalisation of sugar industry. Such an unprovoked attack on sugar industry is not calculated to inspire confidence in both foreign and domestic investors. If the prospects of industrialisation of Uttar Pradesh are not to be marred, he should immediately withdraw his proposal.

INDIA'S FOREIGN TRADE

IN the last three years, nothing has attracted so much public attention as India's foreign trade deficit. Till recently, "foreign exchange crisis" was on everyone's lips. The position has no doubt eased in the last few months. But India is not yet out of its foreign trade woods. This should not, however, be a matter for surprise, though it is one for concern. There is a tide in the affairs of a nation's foreign trade to be followed by an ebb; each may extend over a year or a period of time. Not even the highly industrialised countries, with all their built-in stabilisers, have been able to avoid altogether serious fluctuations in their exchange reserves. It is scarcely to be wondered at that India is unable to escape a similar fate, considering it has an export trade confined to a few staple commodities which are peculiarly subject to changes in prices and demand, and an import trade dominated by costly items of plant and machinery which it needs for its economic development programmes. Indeed, one should be surprised that its difficulties are not greater than what they have been. The credit for arresting further deterioration in the country's foreign exchange position must go to the Government for its courage in imposing politically unpopular austerity standards for imports and to the many friendly foreign countries which have made available to India generous assistance in cash as well as in kind.

The review of recent trends in India's foreign trade, which formed part of the speech of the Union Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, shows that, although the position has improved, there can be no justification for complacency. During the first half of the current year, exports improved by Rs. 4 crores to Rs. 266 crores, as compared with the corresponding period of 1958. But imports were also higher at Rs. 446 crores, as compared with Rs. 390 crores in the first half of last year. Thus, the deficit during the January-June 1959 period worked out to Rs. 180

crores, as against Rs. 128 crores in the first half of 1958. If figures for July 1959 were added, the total exports in the first seven months of the current year would be Rs. 317 crores, as against Rs. 305 crores. Thus, there is some improvement in export trade. But, as Mr. Shastri himself stressed, "since the first half of 1958 was itself a very bad period from the point of view of export performance, the fact that we have bettered it leaves no room for complacency."

The break-up of the foreign exchange gap during the first five months of 1959, for which such data are available, shows that India's deficit with the sterling area was of the order of Rs. 1½ crore. The position here seems to be better than in the recent past, for, in 1958, the deficit with the sterling area was of the order of Rs. 44 crores. India, however, had a surplus of Rs. 1½ crore in its trade with East European countries. It may, however, be wrong to set much store by this surplus—welcome as it is—in view of the fact that many countries have found that trade with countries with centrally planned economies always carries an element of uncertainty. Mr. Shastri said that the Government was conscious of the fact that "the bulk of our trade is still with the countries of the West, especially the U.S. and the U.K. who have been our chief trading partners all these years." He added: "We shall, therefore, continue to stress to the utmost to maintain and to increase our trade with them." There is certainly both need and scope for expanding the trade with W. Europe, the U.K. and the U.S.

It is somewhat disconcerting to note that India's trade with the U.S., contrary to the favourable experience of several other countries in their trade with that country, was adverse to India to the tune of Rs. 30 crores in the first five months of 1959, as against Rs. 65 crores for the dollar area as a whole in 1958. Although the position is thus bad enough, its impact on the overall balance of payments position has been softened by the large credits India has received from the U.S. But by far the worst aspect of India's trade deficit is the fact that its exports to the O.E.E.C. countries aggregated only Rs. 22 crores in the first five-month period of 1959, as against an import of Rs. 93 crores from these countries; the trade deficit was thus of the order of Rs. 71 crores. Surely, this is a development which calls for special investigation. Mr. Shastri, on his part, attributed it to the heavy import duties and certain discriminatory import restrictions which the West European countries have imposed on imports of goods. He promised to send a deputation to W. Europe which would examine the possibilities of expanding India's trade with these countries.

To turn now to the commodity-wise breakdown of India's export trade. Such an analysis reveals a somewhat disturbing trend. It shows that India is losing ground in its traditional exports. Clearly, in our anxiety to diversify the pattern of our trade, we should not lose sight of the traditional items of our export trade which, for a long time to come, will form the bulk of our exports. During the first half of 1959, India's exports of the four staple items of export trade—tea, cotton piecegoods, jute goods and manganese ore—aggregated only Rs. 109 crores, as against Rs. 121 crores in the first half of 1958 and Rs. 150 crores in the first half of 1957. In contrast to this trend, there has been a steady expansion in the export of engineering and other goods from Rs. 130 crores in January-June 1958 to Rs. 157 crores. This is a most gratifying feature. India has been able to find a steadily growing market for a wide range of goods in which it commenced production only recently. These goods include sewing machines, steel furniture, electric fans, confectionery, plastics and art silk fabrics. It is particularly encouraging to note that India has been able to export these consumer durables even to such highly industrialised countries as the U.S. and the U.K.

Several notable suggestions for increasing export trade were put forward by those who participated in the meeting of the Export Promotion Advisory Council. These suggestions included additional incentives for the exports of tea and cotton piecegoods, fiscal relief for exporters and inclusion of additional industries, such as soap and plywood, under the scheme for the entitlement of import licences for raw materials on an annual basis. Mr. Shastri revealed that the question of affording common tea some tax relief was already under active consideration. As regards cotton textiles, he felt that total exports might reach 750 million

yards this year, as against 617 million yards last year. He also suggested that special efforts should be made to export fine and superfine goods which at present constitute only 4 per cent. of total exports. Since these goods are largely manufactured out of imported cotton, the Government should not delay the issue of adequate quotas for cotton imports. In view, however, of the keen competition in overseas markets for these goods from several textile producing countries, it is necessary to bear in mind that, in the absence of appropriate fiscal and other incentives, India will find it extremely difficult to step up its exports of fine and superfine goods. Confidence in the jute industry is reviving. This is evident from the fact that the Indian Jute Mills Association has unsealed more looms. So far as vegetable oil-seeds and oils are concerned, the chief difficulty in increasing their exports is that, generally speaking, their prices are relatively high. Further, since edible oils are the only source of fat for the bulk of India's population, the Government is understandably anxious to ensure that excessive exports are not permitted. The situation can be remedied only through an increase in the production of oilseeds, for which there is wide scope in the context of their low per-acre yield in this country.

Besides certain fiscal concessions, the Government's export promotion measures include special import facilities for exporting industries and reorganisation of Export Promotion Councils. Mr. Shastri revealed that the Export Promotion Directorate was being strengthened; three more sections were being added to it. The commercial section of the Embassies was also being strengthened. The Union Minister urged the Federation of Indian Chambers of Commerce and Industry to establish some offices of its own, at least two or three offices in East Africa and the Arabic-speaking world. It is to be hoped that this suggestion will commend itself to the Federation. Another suggestion he made was that export houses should be formed by exporters. An export house is being organised by the All-India Exporters Chamber. Perhaps, experience in the working of this house will pave the way for extension of the system.

So far as India's import trade is concerned, Mr. Shastri's analysis of the problem, which he presented at the meeting of the Import Advisory Council, shows that the scope for further reduction in imports is strictly limited. During the first six months of 1959, capital goods formed 16 per cent. of total imports, industrial raw materials 60 per cent., foodgrains 15 per cent. and consumer goods (other than foodgrains) 9 per cent. Any scope for reduction in imports must be sought only through increasing the production of food, cotton and oilseeds. The alternative is a reduction in the imports of capital and industrial goods, but this will mean a slower rate of industrial progress. This does not mean that there is no need to keep imports under scrutiny. Surely, it should be possible to stimulate production of some varieties of capital and industrial goods within the country. But this is a development which will take sometime to achieve and has to be preceded by a certain amount of foreign exchange expenditure.

It is gratifying to note that the aid from friendly countries has made it possible to achieve some improvement in imports of capital goods. But the situation, as Mr. Shastri pointed out, is not without its limitations. In the first place, priority is being given only to industries which can import capital goods and save foreign exchange through increased exports or elimination of the need for imports. Secondly, there are some restrictions over the areas in which the foreign exchange can be spent. Thirdly, the Government is "not anxious today to encourage the import of capital goods on conventional deferred payment terms, as there is a fairly heavy load of repayments which we have to make throughout the third Five-year Plan period." These limitations, irksome as they are, are the logical outcome of the situation in which the import requirements have been outweighing actual exports. Since the situation is bound to remain practically unaltered in the foreseeable future, the only hope of any improvement lies in stimulating the inflow of foreign investment. But this solution is bound up with the large questions of national economic policy which is the concern of the Government, as a whole, rather than of any single Ministry. Unfortunately, on this question, there has been a considerable amount of unco-ordinated and muddled thinking.

MARKET GOSSIP

THERE have been no outstanding developments in City markets this week, except for the hardening of cotton and oilseeds prices. Equities have been moving in an erratic fashion, but the trend is rather quiet. Neither the Russian hit at the moon nor the momentous visit of Mr. Khrushchev, the top leader of the Communist world, to the U.S., the most powerful Capitalist country in the world, has had any impact on our share markets. Even the persistent refusal of Communist China to vacate its aggression on our Himalayan borders has not caused any perceptible effect. Reports from New Delhi indicate that this hostile attitude of China towards India will lead to an increase of Rs. 40 to 50 crores in the Central Government's Defence budget. If this is true, there is little prospect of any relief in taxation; on the contrary, the chances of an increase in the tax burden are distinctly greater than before. One way of keeping down this burden would be to take the help of friendly countries for strengthening India's Defence forces. But the Government of India has made it clear beyond doubt that it would do nothing of that sort and that its policy of non-alignment would be scrupulously adhered to. The Government has proved its intentions by once again sponsoring the resolution for seating Communist China in the United Nations, though its move has failed for want of adequate support.

Although the share markets have ignored the implications of Chinese threats, they are in a less cheerful mood than they were a week ago. Steel shares are quiet for want of fresh support. Textiles have lost their glamour, apparently because of the spurt in raw cotton prices and the possibility of a scarcity of cotton in the latter half of the current season. Some scrips in the miscellaneous section have gone up. This is attributed to buying by interested parties and paucity of sellers.

Commodity markets have been swayed by reports of excessive rains and floods. Last week, the crop estimate for cotton was 4.8 to 4.9 million bales. The current estimate is 4.5 to 4.6 million bales. A downward revision of oilseeds crops is also reported. Food production also must have suffered, as the rivers in Bengal, Orissa, Andhra Pradesh and Bombay have been in spate, submerging crops in vast areas. It is, however, too early to get a clear picture of the damage done to any of the crops, though there is good reason to feel perturbed. It would, indeed, be a great misfortune to this country if agricultural production were to suffer in the current season, for the progress of economic development would be greatly retarded. This will be clear from a perusal of our article on foreign trade appearing on the facing page.

The money market is colourless. In view of plentiful supply of funds and scarcity of borrowers, the trend is easy. The Bombay Municipality has announced its borrowing programme, details of which are given on the next page. It is offering four issues for a total sum of Rs. 5 crores, all carrying interest at 4 per cent. and repayable at par after 12 years. The issue price is Rs. 99.75. These terms are distinctly in favour of the borrower, as compared with what it had to pay last year. Although the amount it sought to raise then was only Rs. 4 crores, it paid 41 per cent. for 12 years and the issue price was lower at Rs. 99.25. Thus, this year it has not only lowered the rate of interest by ½ per cent. but has raised the issue price by ½ per cent. Nevertheless, it will get all the money it wants on these terms and also much more, so that it may even be in a position to exercise its option to retain excess subscriptions up to 10 per cent. It may be interesting to note here that, last year, the Corporation did not include this condition in its announcement.

Money Hardens Elsewhere

While interest rates in India have gone down, they are hardening elsewhere in the world, especially the Western world. Last week, we referred to the rise in West German Bank rate from 2½ per cent. to 3 per cent. Since then, the Federal discount rate in the U.S. has been put up from 3½ per cent. to 4 per cent. The Canadian Bank rate, which is left to float with the 91-day Treasury Bill rate, touched a high of 6.01 per cent., as against 5.58 per cent. a fortnight before. There has been no change in the Bank of England rate at 4 per cent. since 20th November 1958, but British commentators hint that any further rise in interest rates in the U.S. might necessitate an increase in the British Bank rate also.

At 4 per cent., the Federal Reserve discount rate in the U.S. is the highest level to be witnessed since early 1932, the year of the Great Depression. This increase follows the rise in the U.S. commercial banks' "prime" lending rate for unsecured loans on 1st September from 4½ per cent. to 5 per cent., the highest in 28 years. The banks found it necessary to raise their lending rates (the prime rate is the basis for all interest charges by banks) because of the large demand for money, partly seasonal and partly the result of general expansion in business and of growth in capital expenditure. Instead of issuing long-term bonds or raising new capital, several business concerns have resorted to bank loans, as they are cheaper and in the hope that, after some time, long-term interest rates will come down. These borrowings will now be discouraged.

It is stated that the Federal Reserve Board was very reluctant to raise the discount rate, because of the steel strike now in the ninth week. Apparently, it did not want business conditions to become more difficult. But the general tightness of the money market and the continued loss of gold to foreign banks were the compelling factors.

Shellac

The biggest single problem of shellac industry in India continues to be one of stabilising prices. For, notwithstanding all the stress laid by the authorities and the interests concerned, the marked fluctuations in shellac prices have still not been checked. Pure T.N. shellac at Calcutta, which stood at Rs. 65 per maund in December 1958, advanced to touch Rs. 74.50 in March 1959, but receded thereafter to Rs. 62 in June. After spurring to Rs. 79 on 28th August, it has since moved down again, the latest available quotation being Rs. 72. These movements are, of course, on a smaller scale than they used to be before concerted efforts were made by the Government to organise the export trade in this commodity. Nevertheless, they are still wide enough to hamper exports. Shellac, it may be noted here, is one of the staple earners of foreign exchange; in 1958, it fetched nearly Rs. 6 crores. India no doubt enjoys a near world monopoly in this commodity, but gone are the days when this position can be exploited to its advantage. Thailand is coming up as a big exporter and is offering stiff competition. Further, there is a shift in the use of shellac from synthetics to those of shellac in several countries. Unless, therefore, price stability is ensured, Indian shellac may be priced out of world markets in future. The need for stability is no less imperative to maintain a good domestic market for shellac, because the users of shellac in this country also are very much concerned over the frequent and wide price changes, inasmuch as they upset their normal cost calculations and pricing policies of products made of shellac.

Viewed thus, the latest move of the Indian Lac Exporters Association to consider the question of fixing maximum export selling prices for shellac is to be welcomed. As readers are aware, there is already a minimum price, fixed on the basis of Rs. 70 per maund for pure T.N. shellac. The fixation of minimum and maximum export prices will go a long way towards building up confidence among overseas buyers. The importance of a ceiling is all the greater in the present context when foreign enquiries for Indian shellac are quite encouraging. The exporters are said to have booked sizable orders with the U.S., China and Continental countries, and further orders are expected. To quote a recent report:

"China has been an exceptionally heavy buyer this year of shellac, as of other Indian produce. Although the U.S. and the U.K. buyers have tended to sit back since July and are waiting to see if the rise would be maintained, some orders have come through recently from New York at prices well above the Indian minimum export levels which, for a long time, acted in effect as the maximum levels as well." The U.K. strategic stockpile of shellac has now all been sold."

While foreign demand is quite good, there has been a setback to production in India, the current year's *bysakhi* crop being estimated at 650,000 maunds, as against the average annual drop of 717,000 maunds in the past ten years. Besides, the quality of the product is also reported to have deteriorated and it is feared that there may be a shortage in supplies of a few grades, as, for instance, bleaching seedlacs. In view of all these considerations, it is desirable to fix a ceiling so that the upward trend may not take up the prices to levels that will give a fresh stimulus to the competitors of Indian shellac.

Blended Vegetable Protein

Food is agitating the minds of both politicians and planners in India today. Although in the public discussion of the food problem, it is the quantitative shortage that figures prominently, its qualitative deficiency is none the less important. Improvements in the quality of food can help to make good, to some extent, the shortage in quantity. Much research on this subject has been undertaken in this country and more is being done. These have proved, if any proof was at all required, that the diet of the masses is deficient in proteins. But it is one thing to define a problem, quite another to solve it. No sooner the scientist turns from the laboratory where he has collected valuable data on how to improve nutrition, to put them into practice than he finds himself confronted with a series of problems—of production, habit, religion, custom, etc.—all of which have a bearing on nutrition. The general raising of dietary standards is largely an economic problem but not entirely. While the problems of food production are amenable to scientific tackling, those arising from habit and custom do not lend themselves to a rational solution. Food habits are made up of a vast complex of taboos, prejudices and preferences, developed through ages and sanctioned by custom and usage.

Food taboos are no doubt tending gradually to disappear. But they still remain a powerful obstacle to improvement in nutritional standards. The most important, from the nutritional point of view, concerns the consumption of animal protein. India has one of the biggest livestock population of the world, 306.5 million according to the 1958 livestock census. Still Indian food lacks essential food elements like proteins and fats. The diet of

the masses is still predominantly vegetarian, with a high cereal content and little else.

It is, therefore, happy news that a British firm, the British Glues and Chemicals, has developed a new process for making edible proteins from plants. The product is known as impulse process protein because of the method used. This was invented by Mr. I. H. Chayen, Assistant Managing Director of the firm. It relies on impulses generated by a mechanical beater in a liquid stream for breaking down the cell walls of plants and releasing the protein. These impulses are not sufficient to emulsify the cell contents and they are, therefore, readily separable. Ordinary peanuts were processed at a demonstration held in London and the products shown were peanut oil, peanut meal and peanut protein which has a low fat content. A pilot plant for the production of such blended proteins was demonstrated in London last week. The plant has an input capacity of one ton per hour, about 4½ cwt. of protein being obtainable from peanuts and about 1½ cwt. from grass.

One ounce of the protein is roughly equivalent to that contained in one pound of steak. It is, however, said that its food value will depend upon its careful blending with non-processed vegetable or animal material so that vitamins and other vital substances can be added to it.

The new process, it is said, is ten times more efficient than cattle for converting vegetable plants into edible protein. In addition to protein, certain valuable by-products such as vitamin A in the form of carotene and vitamin E are also said to result from the process.

The invention has sparked interest far and near. The Government of India is already reported to have shown much interest. Trial human consumption of the plant protein produced thus has, however, yet to be carried out. It is believed that production of proteins by this process will be economically attractive.

Pointing out that the new invention has overcome the difficult problem of separating the indigestible materials from the proteins and oils in a centrifuge, the *Economist*, London, makes the following interesting observation:

"Probably the biggest problem with an invention like this, which finds its most likely application in the underdeveloped countries, is that of exploitation. Fortunately, the plant is simple and can be economic in small sizes; it may, therefore, be practicable to establish factories in the countries where the protein is needed and where there are also adequate supplies of suitable vegetable materials. British Glues and Chemicals intend to grant licences to any who wish to use the process; there has already been much interest in it. They hope that companies operating in the underdeveloped countries will use it—seed crushers, for whom this process may have interesting implications, would seem obviously suited—or that the Governments of the countries concerned will set up their own plants. By-products of the process should help to make it a commercial proposition."

U.K. Textiles in U.S.

There is growing evidence to suggest that the world trade in textiles will be on a severe competitive basis in the next few years. The competition will be not merely from the Communist countries, Japan and Hong Kong, but also from Britain which has now embarked upon a giant programme for streamlining and re-equipping its cotton industry to put it on a really sound basis to go out and sell. A clear indication to this effect has been given by no less a person than the Minister of State at the U.K. Board of Trade, Mr. Vaughan-Morgan. The Minister declared at London the other day that the British textile industry would undoubtedly continue to show that it is very much a force to be reckoned with in world markets for a long time to come; although competition was getting stiffer, British companies would hold their own in future expositions. And he added: "Given a fair chance, the British industry can increase its sales of high quality textile goods in the U.S. and other overseas markets."

As it is, British goods have proved very popular in the U.S., which, as is well known, is the largest market in the world for high quality textiles. Out of the 80 gold medals awarded to exhibitors at the International Fabrics Exposition at Sacramento, California (U.S.), recently, British firms, numbering 22, bagged as many as 37 medals.

Hong Kong Textiles

The one issue now being most hotly debated upon in Hong Kong centres round the distribution among shippers of the second year's quota of textile exports to Britain under the three-year pact with Lancashire commencing from February last. A few days ago, the Hong Kong Government proposed that the quota be based almost entirely on past performance basis during the first year, that is, the year ending February 1960, with only 2.0 million square yards set aside for new entrants. Out of the first year's quota of 118 million square yards of piecegoods, 70 million yards are allocated according to past performance and 48 million yards for free competition. The whole question was discussed by the representatives of millowners and exporters for over a week recently, but no agreement emerged, owing to the marked divergence of opinion between the two. The Department of Commerce and Industry convened a meeting of the textile interests on the 10th inst. At this meeting, the weaving section of the textile industry voiced strong objection to the Government's proposal and urged that the quota for 1960-61 be divided equally between "past performance" and "free competition." Some even wanted a "quota holiday." A final decision on the whole issue is expected to be taken at another meeting convened by the Government for the 18th inst.

SHARE MARKET EASY MANY SCRIPS MARKED DOWN

(From Our Own Correspondents)

BOMBAY, 17th September

AFTER last week's firmness, the share market developed a sagging tendency again during the week under review, with many scrips suffering a distinct setback in their values. Although there was no new bearish factor with the exception of Mr. Nehru's remarks on Chinese aggression at his latest monthly Press conference, some operators were somewhat inclined to reduce their holdings and fresh buying support was lacking, except in some selected counts in the cash section.

Steels

Steel shares were subdued, thanks to easy advices from Calcutta. There were rumours that the Dalhousie Holding Company had sold about 50,000 shares of the Indian Iron and Steel Company. Tata Ordinaries moved down from Rs. 162.50 to Rs. 158.75 today, before finishing at Rs. 159.25 *ex-right* and *cum-dividend*. The net loss over the week was Rs. 3.25. Indian Irons declined in the course of the week from Rs. 24.96 to Rs. 24.48; at one time today, they were lower still at Rs. 24.40.

Textiles

Despite the fall of 25,000 bales to 383,000 bales in the stocks of piecegoods lying with mills during the month of August and reports of encouraging production performance in several units, textiles encountered selling on fears that the profits of mills in the current year would be lower as a result of the marked rise in payment of dearness allowance to workers, following the increase in cost of living. Kohinoors were particularly depressed, the quotation receding by Rs. 10.50 to Rs. 306.50. Svadeshis fell by Rs. 8.25 to Rs. 242.75. Khataus dropped Rs. 7.50 to Rs. 235, notwithstanding the announcement of higher dividend of Rs. 11.20 for the year ended 30th June 1959, as against Rs. 11 for the previous year. Finlays eased by Rs. 7 to Rs. 273 and Morarijs by Rs. 6 to Rs. 276. Central Indias and Gokaks dropped Rs. 4 each to Rs. 105 and Rs. 159, respectively. New Greats eased by Rs. 2.75 to Rs. 172.50. Standards lost Rs. 2 to Rs. 570. Tata Mills shed a like amount to Rs. 44.50. Both Simplex and Indores suffered a fall of Re. 1.50, the former closing at Rs. 148.50 and the latter at Rs. 91.50. Bombay Dyeing opened the week at Rs. 64.30, as against Rs. 64.60, and, after improving to Rs. 65 on Tuesday, declined thereafter to Rs. 63.70 before recovering to Rs. 64.50 today. Centurys, however, provided a bright spot and spurted by Rs. 3.50 to Rs. 568.50 on reports that the management was preparing a new scheme for raising capital. The decision of directors to declare an interim dividend (taxable) of Rs. 8.05 for 1959 was received with a sense of satisfaction.

Electrics

Activity in the electricity section was restricted, with prices generally drifting lower. Even rumours that the Government of India had favourably considered the plea of the industry for treating the dividend tax as part of the deduction for taxes in profit and loss account had no effect. Tata Powers declined by Rs. 8.75 to Rs. 1,182.50. Andhra Valleys eased by Rs. 5 to Rs. 1,145. Tata Hydros shed 50 nP to Rs. 117.50 and Bombay Suburbans 25 nP to Rs. 105.25.

Banks and Insurance

Bank shares were a shade easy. State Banks climbed down by Rs. 6.25 to Rs. 368.75. Bank of Indias fell by Rs. 2 to Rs. 112. Central Banks receded by Re. 1.25 to Rs. 48.75. 'A' shares retreating from Rs. 52.80 to Rs. 51. Barodas lost a rupee to Rs. 102.50 and 'B' shares dropped Re. 1.75 to Rs. 43.25. Unions lost 8 nP to Rs. 6.92. Punjab Nationals, however, were well favoured and rose by 76 nP to Rs. 21.76. Jaipurs gained 50 nP to Rs. 40 and Denas 30 nP to Rs. 52.80. Insurance shares generally changed hands at higher prices. New Indias improving by 40 nP to Rs. 58.80 and British India Generals by 24 nP to Rs. 14.24.

Sugars

Selling pressure was in evidence in the sugar section. Operators feared that return from investments would be lower with the introduction of rationing in sugar in Bombay. Phaltans receded by Rs. 4 to Rs. 150. Belapurs declined by Rs. 3.50 to Rs. 309.50, after being lower still at Rs. 308.50 on Monday. Walchandnagars shed Re. 1.25 to Rs. 322.50. Changeos lost 50 nP to Rs. 27. Bhopals, however, were better by 32 nP at Rs. 24.12.

Cements

Cements were irregular. Associated Cements began the week at Rs. 145, as against Rs. 145.25, and moved down the same day to Rs. 143.25. After recovering to Rs. 147.25 on Tuesday, they declined to Rs. 145.25 today, before closing a rupee higher. Digvijays declined by Re. 1 to Rs. 143. Jaipur Udyogs receded by 24 nP to Rs. 10.28. Orissas shed 8 nP to Rs. 14.68 and Dalmias 4 nP to Rs. 10.52.

Engineerings, Minings and Shippings

There was a sharp decline in prices of engineering company shares. Premier Constructions fell by Rs. 12 to Rs. 341.50. Tata Locomotives moved down from Rs. 194 *ex-div.* to Rs. 183.50 today; towards the close, they were a shade better at Rs. 184. Alcock Ashdowns dropped Rs. 4.50 to Rs. 247. Voltas receded by Rs. 2.25 to Rs. 166.75. Cooper Engineerings by Re. 1 to Rs. 154. Larsen and Toubros by 36 nP to Rs. 22.80 and Mahindras by 4 nP to Rs. 21.84. In the mining group, Shivrappurs declined by Rs. 2.50 to Rs. 88. Indian Coppers eased by 8 nP to Rs. 4.02. Among ship-

plings, Scindias softened by 40 nP to Rs. 16.92, but Great Easterns picked up 56 nP to Rs. 19.96.

Bombay Burmahs came in for selling and retreated from Rs. 527 to Rs. 511. National Rayons fell by Rs. 8.50 to Rs. 342. Gwalior Rayons were in keen demand and moved up from Rs. 24.12 to touch a high of Rs. 26 on Wednesday, but finished a shade lower at Rs. 25.30. The turnover in this scrip was, however, small, owing to absence of sellers. Wimcos declined by Rs. 4.50 to Rs. 214.50. Tata Oils by Rs. 3.50 to Rs. 61. Poly Chems by Rs. 2 to Rs. 127 and B.I.Cs by 44 nP to Rs. 4.96. West Coasts were quiet at Rs. 151. India Dye-stuffs, however, met with excellent buying support and advanced by Rs. 18.75 to Rs. 278.75. Operators viewed with satisfaction the Chairman's references to the implementation of the expansion scheme. Kemps were also well favoured, the quotation hardening by Rs. 12.50 to Rs. 255. New India Industries strengthened by Rs. 10 to Rs. 395. Automobiles were subjected to selling. Premiers receding by Rs. 6 to Rs. 129.75 and Hindustan Motors by 32 nP to Rs. 12.56.

Madras Stock Exchange

MADRAS, 16th September

Equities on the Madras Stock Exchange generally drifted lower during the week under review, barring textiles which were well maintained on renewed reports of enlarged offtake. Tea shares were easy, despite strong demand for teas at the recent Cochin auctions. In sympathy, coffees were subdued. Rubbers were quiet, although some scrips met with good support induced by hopes of increase in production. Sugars moved irregularly with the undertone remaining distinctly easy. Trading in the miscellaneous section was characterised by wide-

spread selling pressure, with values suffering a setback.

Among sugars, Kirilampudis dropped Re. 1.50 to Rs. 81. Deccans sagged by 14 nP to Rs. 12.14. Travancores shed 5 nP to Rs. 12.30. Indias and Mysores were neglected at Rs. 13.10 and Rs. 49.50, respectively. E.I.Ds, however, rose by 70 nP to Rs. 39.50 on special support.

In the tea section, Twyforde declined by 20 nP to Rs. 16.60 *ex-div.* Haileyburias and Kill Kotagiris eased by 10 nP each, the former to Rs. 18.40 *ex-div.* *cum-right* and the latter to Rs. 4.15. Periakaramalais shed 4 nP to Rs. 3.97. Chembras lost 3 nP to Rs. 3.95 *ex-div.* and Ouchterlony 2 nP to Rs. 5.33. Nilgiris were dull at Rs. 7.80 and Nelliampathys at Rs. 2.88. Among coffees, Coffee Lands moved down by 25 nP to Rs. 23.75. Consolidated Coffees receded by 20 nP to Rs. 21.80. Wartyhulls by 10 nP to Rs. 3.75 and Ossors by 5 nP to Rs. 3.80. In the rubber group, Midlands gathered 10 nP to Rs. 12.10. Kailas picked up a like amount to Rs. 4.80.

In the textile section Bangalore Woollens spurted by Re. 1.50 to Rs. 183. Cannanores and Rajalakshmis improved by a rupee each to Rs. 141 and Rs. 63, respectively. Metturs put on 50 nP to Rs. 372.50. Buckingham was fancied at Rs. 189. Coimbatore Pioneers were fully steady at Rs. 285. Dhanalakshmis at Rs. 200. Trichinopolys at Rs. 38. Vasantas at Rs. 211 and Virudhunagars at Rs. 38.

Among miscellaneous industrials, Western India Plywoods were hammered down from Rs. 200 *cum-div.* to Rs. 191.00 *ex-div.* Indian Steel Rollings suffered a setback of 70 nP today's closing rate being Rs. 13.20. Spencers lost 25 nP to Rs. 20. Aluminium Industries by 20 nP to Rs. 21.75. Orissa Cements and Travancore Cements dropped 5 nP each to Rs. 16.45 and Rs. 10.20, respectively. India Cements were a shade lower at Rs. 6.53. F.A.C.Ts eased by 8 nP to Rs. 9.15.

NEWS IN BRIEF

THE Government of Bombay is currently examining the State Trading Scheme, with a view to exploring all possibilities of implementing it after the next *kharij* harvest.

The Tariff Commission's public enquiry into the question of continuance of protection to the non-ferrous metal industry was held on Thursday the 17th inst.

The capacity of the streptomycin plant to be set up by the Hindustan Antibiotics Limited will be about 45 tons per year, which is roughly the current demand.

Oil exploration in India during the third Five-year Plan will require Rs. 85 crores, as against Rs. 30 crores in the second Plan, according to Mr. M. S. Thacker, Secretary of the Union Ministry of Scientific Research and Cultural Affairs.

The Government of India has decided to license the establishment of one re-rolling mill each in the States of Andhra Pradesh, Kerala, Assam and Bihar, according to Sardar Swaran Singh, Union Minister for Steel, Mines and Fuel.

A *harijana* cow of the *Gaurakshmi Gaushala*, Khurja, U.P., with a yield of 41.08 lbs. of milk in 24 hours, has won a cash prize of Rs. 2,000 and a certificate of merit in the All-India Milk Yield Competition, organised by the Central Council of *Gosamvardhana* during 1958-59.

The Working Group on Co-operative Farming (Chairman: Mr. S. Nijalingappa) is expected to submit its report by the end of next month. It has already toured all the States and is expected to interview some members of Parliament before assessing the views of various bodies and experts.

Literacy in India has gone up from 16.60 in 1951 to 40.7 per cent. at present, according to a limited survey conducted this year to pre-test the questionnaire prepared for the 1961 census. Women's literacy has risen from 7.9 per cent. of population to 28.8 per cent. and men's literacy from 24.9 to 51.7 per cent.

Air-India International is considering a proposal for pooling the revenue and sharing it with the British Overseas Airways Corporation and Qantas Empire Airlines. This was revealed by Mr. B. R. Patel, General Manager of the Company, who has returned from London after holding preliminary talks in this connection.

A two-member delegation of the Government of India has proceeded to London to negotiate details of an agreement for the manufacture of Rolls-Royce aero engines in this country. These engines will be used in the 'Avro-748' aircraft which is expected to replace the Dakotas in the Indian Air Force.

Under an agreement signed at Moscow between the representatives of the Indian and U.S.S.R. Governments, the U.S.S.R. will grant a credit of 1,500 million roubles to help finance India's third Five-year Plan, and expand trade between the two countries. The terms of the agreement are similar to those governing the previous Indo-Soviet credit agreements.

The Minister for Commerce, Mr. Nityanand Kanungo, stated in the Rajya Sabha last week that the import of consumer goods was allowed only to the extent absolutely necessary. The percentage of such imports had been gradually brought down from 18.6 in 1955-56 to 10.0 in 1958-59. He added that, except for imports of a few consumer goods for non-development purposes, which could not be dispensed with, all other imports could be roughly taken to be for developmental purposes.

The first public sector wrist watch factory in India will be established at Bangalore as a subsidiary of the Hindustan Machine Tools Factory, Jalahalli. Disclosing this at a meeting of the Mysore Chamber of Commerce at Bangalore, Mr. Manubhai Shah, Union Minister for Industry, stated that the proposed factory was likely to produce annually 500,000 wrist watches, of which half would be ladies' types. The factory would be set up in collaboration with the Japanese Citizens' Watch Company. It would employ about 1,000 to 2,000 persons, most of them women.

The Central Government has provided financial assistance to State Governments on a 50:50 basis for the development of lac cultivation. In order to meet the scarcity of brood lac, 35 brood lac farms have already been set up in the various States, as against the second Plan target of 50 farms. The Lac Exporters Association proposes to create a buffer stock for lac to iron out wide fluctuations in prices. Besides, the Export Promotion Council for Lac is taking measures to promote exports of lac by publicity in foreign countries, market surveys, quality control, etc., in addition to encouraging research work on lac to find out new applications for this commodity.

The Government of India is not considering at present any proposal for writing off a sum of Rs. 47 crores out of the income-tax arrears. A review of the tax arrears outstanding in the Income-tax Departmental books for a long period has, however, shown that there are several instances where, owing to the absence of assets, there is no possibility of recovering any portion and there are also cases in which the available assets are heavily encumbered with prior mortgages or there are legal difficulties in enforcing recovery. A rough estimate of the amount which may ultimately be found to be irrecoverable out of the

PERSONAL

MRS. Vijayalakshmi Pandit, Indian High Commissioner in the U.K., who was on a brief visit to India, has left for London.

Mr. Henry Endicott Stebbins has been nominated as the U.S. Ambassador to Nepal. At present, the U.S. Ambassador in India is Ambassador to Nepal also.

Mr. J. M. Rijhwani, a former Chief Engineer of the Central Public Works Department, has been appointed Development Commissioner, Kandla Port, in succession to Mr. P. N. Saxena.

Dr. C. Chandrasekharan, Director of the Demographic Training and Research Centre, Bombay, has left for Thailand to participate in the Asia-Statisticians' Conference to be held at Bangkok next week.

Mr. K. R. P. Aiyangar, until recently Joint Secretary, Department of Company Law Administration took over the chairmanship of the Tariff Commission on the 14th inst. from Mr. C. Ramasubban, who has retired.

Mr. M. Chatterji, Public Relations Manager, Standard-Vacuum Oil Company, has left Bombay for the U.S. to attend the 12-day conference of public relations advisers of all the Stanvac areas, scheduled to begin at White Plains, New York, on 19th October.

Mr. Morarji Desai, Union Finance Minister, left Bombay for a six-week foreign tour. He will attend the forthcoming Commonwealth Finance Ministers Conference in London and the annual meetings of the Boards of Governors of the World Bank and the I.M.F. in Washington.

Mr. Upendranath Barman, M.P., has been appointed Chairman of the Committee on Public Accounts for the remaining portion of the term of the Committee ending 30th April 1960, vice Dr. P. Subbarayan, who has become Union Minister for Transport and Communications.

of the Government and formulate proposals. Sir Jeremy Raisman, a former Finance Member of the Government of India and now Vice-Chairman of Lloyds Bank Ltd., is one of the members of this Committee.

A group of 24 executives, representing British consumer goods, is currently exploring the possibilities of promoting the sale of their products in the U.S. and Canada. For a month, these executives will serve across the counter and work behind the scenes in several department stores to get a first-hand knowledge of consumer preferences. This group forms the second and the largest British party sent under a scheme sponsored by the Exporters' Council to study North American buying tastes and trends.

The production of steel in W. Germany is going up. The daily output continued to rise in the month of August to 56,390 tons from 55,705 tons in the previous month. During the seven months of the current year, the production of steel was higher by 0.6 per cent. at 10,548,769 tons, as compared with the corresponding period of 1958. The rise in production is the result of the stimulus to demand caused by the return of economic expansion, the working down of inventories and the indirect effects of the U.S. steel strike.

The Government of New Zealand has decided to permit all the major oil companies operating in the country to participate in the refinery project, proposed to be established shortly. It is said that 40 per cent. of the capital of the refinery will be contributed by local investors, so that the refinery may not be wholly foreign-owned. When the scheme was first announced in May last, Shell alone was expected to participate. The other companies, now permitted to join the venture, are British Petroleum, Caltex, Standard-Vacuum, Atlantic Union and Europa.

The recovery in steel output in the U.K. that began early this year is gathering momentum. The total production rose by 13 per cent. in August, as compared with less than 2 per cent. in the previous two months. There has been a marked increase in demand for lighter products such as bars, rolled strips, wire rods and tubes for building and engineering. The demand for sheets and tinplate from automobile and domestic appliances industries is well maintained. Only in the heavy steel sector, normally associated with capital investment, is demand hesitant, though even here a slight improvement is seen mainly in orders for sections.

The U.S. Senate has adopted a concurrent resolution to enable the U.S. to join other interested countries in a study of South Asian economic requirements and anticipated development programmes. The South Asian countries named by the resolution are India, Afghanistan, Burma, Ceylon, Nepal and Pakistan. The resolution expresses the view of the Congress that the President should explore with other free and democratic nations and appropriate international organisations the advisability of such a study. It may be recalled that, in February last, Senators John F. Kennedy and John Sherman Cooper had introduced a similar resolution, calling on the U.S. to invite other friendly nations to join in a mission to consult India on the possibilities for joint action to help fulfil its economic plans. Subsequent amendment expanded the resolution to include the other nations. A report accompanying the resolution points out that the study is merited, because South Asian economic development during the next 10 years is likely to have a profound effect on the concept of individual freedom and hence will be of vital concern to the United States. The measure now goes to the House of Representatives for consideration.

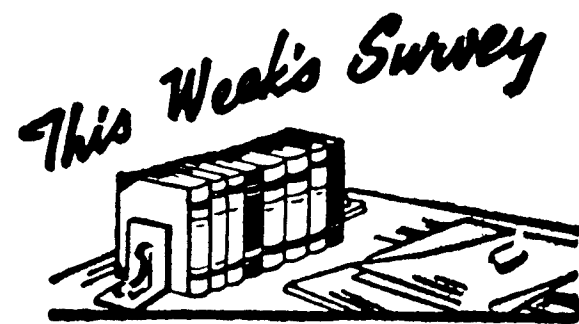
BOMBAY MUNICIPAL CORPORATION LOAN NOTIFICATION 4 PER CENT LOANS 1959 - REPAYABLE ON 28th SEPTEMBER 1971

- Rs. 300 LAKHS BOMBAY MUNICIPAL LOAN OF 1959 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'A',
- Rs. 125 LAKHS BOMBAY MUNICIPAL LOAN OF 1959 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'D',
- Rs. 50 LAKHS BOMBAY MUNICIPAL LOAN OF 1959 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'E', AND
- Rs. 25 LAKHS BOMBAY MUNICIPAL LOAN OF 1959 FOR FINANCING CAPITAL WORKS PERTAINING TO BUDGET 'F'.

1. Issue Price Rs. 99.75 per cent.
2. Each loan will bear interest at the rate of 4 per cent per annum from 28th September 1959. Interest will be payable half-yearly on 28th March and 28th September and will be subject to tax under the Indian Income Tax Act, 1922.
3. Subscriptions will be received from 10-30 a.m. on 28th September 1959 and the lists will be closed on the 30th September 1959 or earlier as soon as it appears that the requisite amounts have been received either by private negotiations or through public applications. The Municipal Commissioner reserves the right to accept applications for subscriptions received in excess of the sum of Rs. 500 lakhs upto 10 per cent.
4. Sinking Fund will be set aside annually and invested in such manner as may be authorised by the Government from time to time.
5. Interest will be paid in Bombay at the Head Office of the State Bank of India, Bombay, or such other Agent or Agents as may be approved by the Corporation from time to time in that behalf.
6. The loans are raised on the security of the general revenues of the Bombay Municipal Corporation pertaining to Budgets 'A', 'D', 'E' and 'F' respectively, subject in each case to any prior charges in respect of the balances of previous loans not yet fully paid off.
7. The loans will be issued in the form of debentures.
8. Applications for the loans must be for Rs. 500 or for a multiple of that sum and will be received at the office of the Chief Accountant, Bombay Municipal Corporation, Municipal Head Office Building, Fort, Bombay.
9. Copies of the Notification and Application form may be had at the Office of the Chief Accountant, Bombay Municipal Corporation, Bombay-1.

V. L. GIDWANI,
MUNICIPAL COMMISSIONER'S OFFICE,
BOMBAY, 15th September 1959.

V. L. GIDWANI,
Municipal Commissioner
for Greater Bombay.



LUNIK II

A MAJOR turning point in man's history was reached on the 14th inst. when Russia's cosmic rocket Lunik II hit the moon's surface. Launched on Saturday the 12th inst., the rocket, which sped at a speed of more than 7,000 miles an hour, took nearly 34 hours to reach its destination, some 233,600 miles away; at its last stage, the rocket weighed some 3,324 lbs. The world's scientists have rightly hailed the journey as an achievement of great significance. Generous tributes to Soviet scientific genius have been paid by all leaders of world opinion. Professor A. C. B. Lovell, Director of Radio Telescope at Cheshire (U.K.), said that Lunik II's journey was "a brilliant demonstration of the advanced stage of Russian science and technology." Mr. Kenneth W. Gallard, Vice-Chairman of the British Inter-planetary Society, said: "It is an historical moment for mankind. Clearly, this is an extremely great achievement, unparalleled in the history of rocketry." Some idea of the immense skill which this achievement implies will be clear from the fact that, in order that a rocket may hit the moon, it is necessary that the entire guidance system must be accurate and the cut-off velocity of the rocket must be held within 75 feet per second out of 35,000 feet per second needed to propel the rocket; the injection angle (the path of the rocket) should not deviate more than one half of a degree.

An immediate result of the hit, it is stated, is the possibility of acquiring information on the moon's magnetic field and the nature and density of particles between the earth and the moon. Measurements made with the rocket, it is stated, will be crucial for studying the intensity of cosmic rays and the atomic composition of the inter-planetary gas and meteoritic particles. It is to be hoped that Russian scientists will share this knowledge with the rest of the world.

It is, however, noteworthy that Soviet scientists have declared that there will be no territorial claim on the moon. This must set at rest the speculation over the possibility of such a claim which has arisen out of the delivery by Lunar II to the surface of the moon of the pennant with the coat of arms of the Soviet Union and the inscription "Union of Soviet Socialist Republic, September 1959."

But the much larger and, in a sense, more immediate, question is the strategic implication of this magnificent achievement. After all, a level of scientific knowledge and skill, which could result in the delivery of a rocket to the moon with such great precision, could be easily pressed into service for the release of missiles with nuclear weapons. The destructive potentialities of the nuclear arms which the world's chief powers now possess and the rapidly growing science of rocketry together indicate that, in the event of a conflict, there will be an end of not only all that the world holds dear but of the world itself. This consideration, more than anything else, underlines the need for converting the rivalry between the free world and the Communist countries into an enduring and beneficial competition for the achievement of higher levels of human welfare.

U.S. FOOD AID TO INDIA

No country has given such massive assistance to India in the task of solving the food problem as the U.S. Since the first Public Law 480 Agreement was concluded between the two countries a little over three years ago—in August 1956, followed subsequently by two more Agreements—the U.S. has delivered to India more than 7.0 million tons of wheat, in addition to many hundred thousand tons of rice, milo, corn and powdered milk. This was disclosed by Mr. William T. Turner, Consul General for the U.S. in Bombay, speaking at a luncheon-meeting of the International Forum held in the City on Sunday the 13th inst. Mr. Turner revealed that another (the fourth) P.L. 480 Agreement for the supply of 3.0 million tons

of wheat was being discussed between New Delhi and Washington.

A special feature of the P.L. 480 Agreements is that the agricultural products are sold to India against rupee payment, thus obviating the need for spending foreign exchange. What is more, out of the rupee proceeds from the sale, as much as 80 per cent, is set aside for use by India in the form of grants and loans for economic development. Mr. Turner estimated the total amount available to India under this arrangement for meeting the investment requirements of the second Five-year Plan at over Rs. 236 crores (\$500 million), which represents 5.6 per cent. of the aggregate Plan outlay in the public sector. Thus, as he rightly said, while the sale of foodgrains to India may be regarded as an ordinary commercial transaction in one sense, in a more important sense, it is not an ordinary transaction, because payments for the most part remain in this country to be used for the benefit of the people. The total value of wheat, rice and other agricultural commodities sold to India under P.L. 480 loans so far comes to Rs. 312.6 crores.

India's food needs are also being met to some extent by voluntary agencies which in Bombay are the Catholic Welfare Conference, the Church World Service and the C.A.R.E. Since 1951, these agencies have distributed about 250,000 tons of dried milk and other food-stuffs valued at Rs. 56 crores "as gifts of the American people to needy people in various parts of the country."

Besides helping India to meet the deficit in food supply by supplying large quantities of wheat, rice, etc., the U.S. has also been actively aiding the country in stepping up the production of food and other agricultural crops. The assistance is being given under several official aid programmes operating through such 'instruments' as the Technical Co-operation Mission, the Development-Loan Fund and the Export-Import Bank, as well as under programmes operated by private agencies like the Ford Foundation and the Rockefeller Foundation.

Since the U.S. Technical Co-operation Mission has been making significant contribution to the development of agriculture, Mr. Turner did well to explain at some length the operation of this programme. His analysis shows that, since the programme began to operate in January 1952, hundreds of Indo-American projects have been undertaken. The U.S. Government provides the dollars for the foreign exchange component and pays for the services of experts and advisers. The Indian Government pays the rupee costs. Among the T.C.M. projects which help to solve the food situation, special mention may be made of imports of fertilisers, soil and fertility testing surveys, fisheries development, water resources surveys, ground water irrigation and tube well construction, agricultural machinery training, agricultural education and research, building of storage facilities for foodgrains, crop production and development, locust control, cattle improvement, poultry improvement, dairy development. The total amount of the American contribution to the agricultural sector of the T.C.M. programme from 1952 is about Rs. 43.7 crores (\$92 million).

It is thus evident that the assistance rendered by the U.S. to India in the sphere of food and agriculture is very substantial and liberal, unsurpassed by any other country. In rendering such assistance, the U.S. has certainly been guided by the belief, to quote Mr. Turner, that "adequate food supplies are essential to survival of democracy, because freedom from hunger is necessary in order to enjoy other freedoms."

MR. GAITSKELL'S WARNING

Mr. Hugh Gaitskell's 40-minute speech to the British Trade Union Congress at Blackpool was a remarkable exception to the general run of election speeches that we in this country are accustomed to hear on the eve of general elections. As the leader of the Labour Party which will rule the country for the next four years if the electorate wills it—and this will be decided on 8th October 1959, when the general election takes place—Mr. Gaitskell did not appear to relish the prospect of having to eat his own words, should his party be called upon to form the Government. He, therefore, summoned enough courage to do some plain speaking to trade unions on whose support the Labour Party depends for its very existence, not to speak of its success. He told them that they would not get any privileges, if the Labour Party were elected. On the other hand, he added, a planned economy, which the party seeks to promote, will demand unaccustomed moderation from unions. He told a silent

Congress, attended by 1,000 delegates: "If we are to get industrial expansion in a planned economy, the trade unions cannot contract out of it. . . . The trade union movement has a choice here between co-operating with a Government determined to carry out industrial expansion in a planned way without inflation, or it will be driven to take a negative role, not wielding any serious influence in the community but doing only the very minimum that is necessary."

It must be borne in mind that these words were uttered to a Congress which had rejected only a short while before "any form of wage freeze," declared its intention to seek ways and means of achieving a shorter working week and had committed the General Council of the T.U.C. to "informing the Government, industrialists and all employers of its grave concern in this pressing problem." An astute politician that he is, Mr. Gaitskell offered some compensatory attractions in return for moderation on the part of unions. He promised that a Labour Government would reduce taxation at the lower income levels or, as he put it, "for those who really earn their money properly in the ordinary, decent way, by the sweat of their hands or by their brains." On the other hand, it will impose a tax on capital gains, stop evasion of death duties and abolish the "expense racket."

Mr. Gaitskell's example should serve as an object lesson to politicians in this country who, in their mad scramble for votes, make all sorts of fantastic promises to the electorate, thereby raising false hopes, only to be followed inevitably by disillusionment and discontent.

BHAKRA DAM

After a three-week period during which the country was sorely exercised over the damage to the Bhakra dam, it is some comfort to learn that a gate has been successfully dropped in the cable gallery, thereby stopping the flow of water to the power house. Although the technical causes of the damage have not been known and must await the investigation of the expert committee, appointed last month, there is no doubt that the mishap, which occurred in the Rs. 170-crore Bhakra dam project, is the most serious of its kind in the history of India's multi-purpose projects. Some technical mistakes have no doubt been made elsewhere and many avoidable items of intractable expenditure incurred. But at no time in the past has the country witnessed a grave flaw in a project of Bhakra's magnitude. With refreshing candour, the Punjab Government admitted, in the course of its Press note, that the damage was the "worst setback" the Bhakra project has suffered and "represents the nature of a considerable calamity and disappointment for the State and workers engaged on the project."

The immediate cause of the damage to the Bhakra project was the structural failure of the hoist chamber which is a temporary reinforced concrete structure, specially constructed for regulating irrigation release through the right diversion tunnel. As a consequence of the damage water from the diversion tunnel entered the gallery system and flooded the left power plant. The cost of the damage has been assessed at Rs. 55 lakhs, though no great accuracy has been claimed for this figure. There are, however, two heartening features. In the first place, the accident, though officially described as "grave and unfortunate," will not "jeopardise the safety of the main dam," nor is any threat to the power plant feared. Secondly, the mishap, it is stated, will "cause no appreciable effect on the final schedule of the completion of the dam." The construction work on the dam is expected to continue concurrently with the repair work. The date of power generation is, however, likely to be delayed by a few months, though even this delay is not expected to affect the supply of power to the Nangal fertiliser factory now under construction. The irrigation authorities, it is stated, are also confident that there will be no material reduction in the irrigation benefits which will result from partial storage next year. It is particularly gratifying to note that the position, as stated at the outset, has eased through the insertion of a gate in the cable gallery. The gate has virtually stopped the flow of water into the power house. The flow from the cable gallery has now been diverted into the spillway through two side openings made earlier. The water level in the power house is reported to be below the generator floor.

In view of the country-wide concern expressed over the damage to the Bhakra project, the authorities will do well to investigate fully the causes of the mishap and take appropriate

measures not only for the prevention of similar accidents in future but for the speedy execution and completion of the project. A question which has come up for consideration is whether the technical consultants and experts have adequate powers to deal with accidents of the kind which occurred in the Bhakra dam. The American expert, Mr. Harvey Slocum, who is the technical consultant for the project, insisted on more powers for himself. Referring to this demand, the Union Deputy Irrigation Minister, Mr. J. L. Hathi, is reported to have said: "He is a consultant and will remain a consultant." Clearly, Mr. Slocum's insistence on larger powers did not stem from personal vanity. All that he implied was that, in an emergency in a project site, procedural formalities should be overlooked in the larger interests of the project. As Mr. Slocum himself stated at a Press interview, his suggestions were not "motivated by personal considerations." "Their only aim," he said, "is to see the expeditious implementation of the work." He added: "This can only be done, if the irritating restrictions like those inherent in present procedures are done away with." Surely, Mr. Slocum's suggestion does not merit the curt reply it received from the Deputy Minister. The authorities owe it to themselves and the country to ensure that some machinery exists whereby prompt decisions, based on expert technical knowledge, are taken and speedily implemented. The Bhakra episode calls for a reappraisal of the procedures in project administration designed to place larger powers in the hands of technical men.

TIN FABRICATION INDUSTRY

The pressure of demand on the tin containers industry is bound to increase in the context of rapid industrial and agricultural development envisaged under the Five-year Plans. This is so, particularly because containers are used for packaging such a variety of goods as tea, coffee, sweets, biscuits, butter, oil, jams, peas, barley, fish, powder, vegetable oil, kerosene and petrol. Admittedly, the development of containers industry, as Mr. B. L. Goenka observed at the second annual general meeting of the Tinplate Fabricators Association held at Calcutta on the 11th inst., is an index of general industrial development of the country and the standard of living of its people.

One of the limiting factors in the development of tin fabricating industry is the inadequate supply of tinplates. Until recently, there was only one producer of tinplate in India, namely, the Tinplate Company of India (Private) Ltd. Its present annual capacity is estimated at 80,000 tons. Another factory, with a capacity of 10,000 tons, has recently gone into production near Calcutta. The total indigenous capacity is, thus, 90,000 tons. According to Mr. Goenka,

the actual annual production has been no more than 75,000 tons, which is expected to go up to 80,000 tons in 1959. As against this, the current demand is assessed at 140,000 tons.

It is thus evident that India has to depend on imports for as much as 40 per cent. of its present requirements of tinplate. In the face of a restrictive import policy, the supply position has turned out to be very uncomfortable. Mr. Goenka wanted a modification in the existing system of granting import quota for tinplates in order to improve this situation. The import quota of individual fabricators under the existing import policy is being determined on the basis of actual consumption of the material by each unit in 1957. Mr. Goenka urged the authorities to compute the requirements of the individual factories on the basis of consumption in 1956, 1957 and 1958, whichever has been the best year, instead of a single year 1957, when production was at a low ebb.

Mr. Goenka called upon the Iron and Steel Controller and the manufacturers of tinplate to supply tinned strips to all quota holders on a *pro rata* basis. He rightly insisted that manufacturers should now give due attention to the diversification of their products and improvement of the quality of the containers. The Government, on its part, will do well to give every facility to the manufacturers for importing and installing new and up-to-date machines for replacing the worn-out ones in order to attain this objective.

EMPLOYEES' STATE INSURANCE

The very fact that the Government of India felt it necessary to appoint Dr. A. L. Mudaliar as a one-man committee to review the working of the Employees' State Insurance scheme indicates that it is not satisfied with the functioning of the scheme. While the need to draw the attention of the Government and the public to the defects of the scheme is beyond question, it is hard to see what useful purpose is served by painting a dark and dismal picture as some members of Parliament did during the debate on the annual report of the Employees' State Insurance Corporation for the year 1958-59. Mr. G. L. Nanda, Union Minister for Labour, did well to ask members who had criticisms and suggestions to offer to place them before the Mudaliar Committee, so as to enable it to do its job better.

The debate, however, served to focus attention on some major deficiencies in the working of the scheme. There was general agreement that the scheme was sound in principle and beneficial to workers. It was, however, criticised on the grounds that the progress of coverage was slow, that hospital facilities under the scheme were hopelessly inadequate, that dispensaries were not function-

ing properly and that hospital construction was not progressing at the desired speed due to alleged shortage of cement and steel. The administration of the scheme was also criticised as being slack. The determination of the rate of benefit took an unduly long time and the payments were not prompt.

The progress of the scheme even in respect of coverage has been rather slow. At the end of March 1959, only 1.41 million workers in 79 centres in 12 States and the Union Territory of Delhi had been covered. The number of additional employees covered during the year 1958-59 was 78,000. Despite this slow progress, it was decided to extend the benefits of the scheme to the families of insured persons also. Mysore has the credit of being the first State to take the step. Other States soon followed and, in the course of the year, medical care under the scheme was made available to 326,000 family units, that is, to 633,000 additional beneficiaries, in seven States, namely, Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Mysore, Punjab and Rajasthan. Thus, hardly 1.5 million out of a total of about 15 million eligible employees have been covered by the scheme so far. It is doubtful whether the proposed extension of the scheme to cover 8.67 million employees and their families by the end of the second Plan period will be accomplished, unless the scheme is rapidly extended to areas still remaining uncovered.

The criticism that the entire cost of the scheme fell on workers cannot be sustained. It is true that there are cases of non-payment of employers' contribution and non-submission of contribution cards. Defaulters are punishable under law and a number of employers have been convicted and punished. This, however, is no reason for increasing the rate of contribution and penalising honest employers. At the same time, considering that the scheme has to meet its cost and that the Corporation should be financially strong, there is no case for reducing the rate of contribution of workers. As Mr. Nanda rightly pointed out, simply because the Corporation had some reserves it was no argument for reducing the workers' contribution. Only if the financial position is strong can the Corporation plan its future programmes with greater confidence. It is noteworthy in this connection that the valuation report of the Corporation covering the quinquennium 1949-54 revealed that the financial position of the Corporation was sound. In the absence of any reliable morbidity statistics, the scheme had to be framed on certain assumptions whose validity could be tested only by valuation. The valuation report has confirmed that the original assumptions erred on the side of safety. It is better to err in this direction in the initial years, for that will create hidden reserves which could cushion the impact of such possible contingencies as epidemics at some later date.



THE WORLD LOVES INDIAN GOODS

... but competition's brisk and much depends on the way you deliver the goods! Take advantage of Air-India's frequent flights, both East and West, (plus a special weekly cargo service to the U.K. and Europe for heavy, bulky or lively goods).

You'll be enjoying the selling plus of being first on the market; you'll cut down on your transit risks and costs; you'll be freeing 'idle' capital; getting faster turnover, bigger profits! Above all, you'll rest easy—knowing your cargo with Air-India is in the best of hands!

AIR-INDIA

Cargo Department, Esplanade Mansion, Mahatma Gandhi Road, Bombay 1 • Telephone 259191



NATIONAL INCOME DATA FOR 83 COUNTRIES

USEFUL U.N. PUBLICATION

THE world's total income, measured by the volume of goods and services produced, reached an all-time peak in 1957, with most countries contributing to this record achievement, according to information published in the second edition of the *United Nations Yearbook of National Accounts Statistics, 1958* which contains estimates for 83 countries and territories. Statisticians at U.N. Headquarters noted that global output fell off slightly in 1958, mainly as a result of a 3 per cent. decline in the combined output of the United States and Canada.

The gross national product (in constant prices) of Western Europe as a whole increased at an annual rate of nearly 5 per cent. between 1951 and 1957. The corresponding increase on a per capita basis amounted to about 4 per cent. as a consequence of population growth. The highest rate was achieved by the Federal Republic of Germany, where the gross national product increased at an average of 7.5 per cent. per year during this period (6.5 on a per capita basis).

The performances of some other western European countries are indicated in the following table showing the average annual rate of growth of gross national product (at constant prices) during the period 1951-57:—

	Aggregate	Per capita
	%	%
Austria	8.1	5.9
Belgium	2.8	2.1
Denmark	2.5	1.7
France	4.7	3.8
West Germany	7.5	6.5
Ireland	1.5	1.7
Italy	5.5	4.1
Netherlands	5.2	4.1
Norway	3.6	2.5
Sweden	4.6	3.9
Switzerland	4.6	3.5
United Kingdom	2.4	2.3

An important addition to the present Yearbook is the publication of national income figures for mainland China and the countries of eastern Europe. Estimates for the U.S.S.R. were not available.

In commenting on this data, United Nations' statisticians cautioned that the concepts governing the national income estimates for these countries differed considerably from those employed in most other countries. In mainland China and the eastern European countries, national income is restricted to the measurement of output of goods and productive services, that is, only those services directly associated with the production of goods. In most other countries, the concept of national income relates to the value of all goods and services produced.

Communist Nations

The official estimates for mainland China, which are available up to 1956 only, show a rise of 13 per cent. in the volume of goods and productive services produced in 1956 in comparison with 1955; annual increases of 6 per cent. and 7 per cent. are reported for the two previous years.

Among the eastern European countries, the national income of Poland, measured in constant prices, increased steadily between 1951 and 1957, averaging approximately 10 per cent. per annum during the period. The biggest gain was in 1957, when the total volume of goods and productive services exceeded that of 1956 by 13 per cent. Between 1951 and 1957, almost four-fifths of the national income of Poland was in the form of consumption goods, the remainder in investment goods.

The annual average rate of growth of national income was identical in eastern Germany and Czechoslovakia between 1951 and 1957—averaging about 7 per cent. per annum—with output in both countries fluctuating sharply from year to year.

The estimates for Hungary also indicate a rather uneven trend in the growth of its national income. In 1952, 1954 and 1956, the volume fell below the levels of the immediately preceding years by 2 per cent., 4 per cent. and 12 per cent., respectively. For the years 1951-57 as a whole, the growth rate averaged 4 per cent. per annum. The year-to-year fluctuations were equally sharp in Rumania, but the rate of growth was more rapid, averaging 8 per cent. per year, between 1951 and 1957.

The production record appears to be considerably more mixed for the less developed areas of the world, according to the estimates published in the Yearbook. With few notable exceptions (Belgian Congo, Burma and Brazil, for example), the gross national product at constant prices grew less rapidly in most of the less developed countries of the world and, because of higher growth rates in their population, per capita increases in product were even less. In Argentina, in particular, gross product increased at an average rate of 1.6 per cent. per annum between 1951 and 1957, while per capita product declined slightly. The following table shows at a glance the average annual rate of growth of gross national product (at constant prices) for certain countries during 1951-57:—

	Aggregate	Per capita
	%	%
Argentina	1.6	-0.4
Belgian Congo	4.3	2.0
Brazil	4.7	2.0
Burma	6.0	4.8
Chile	2.8	0.5
India*	3.9	1.5
Pakistan	3.0	1.5
Thailand*	3.6	1.7

*Average 1951-56.

Other pertinent facts which come to light from the statistical information in the current Yearbook are briefly noted below:

Investment: Annual gross investment in housing, plant, other construction, machinery and equipment, and in stocks accounted for 20 to 25 per cent. of the gross product in industrial countries, with the exception of France, the United Kingdom and the United States, where it ranged from 15 to 20 per cent. between 1950 and 1957. The ratio of investment to gross product diminishes to 10 to 15 per cent. in a few instances to below 10 per cent., as one moves from the industrial to the less economically developed countries.

Investment in industrial countries is generally financed almost exclusively from domestic sources—from savings and from funds set aside for capital depreciation. But in Asia, Africa and the Middle East, such investment is to a much greater extent dependent on borrowing from abroad. In some countries, external borrowing accounted for more than 40 per cent. of the funds used for financing capital formation (Greece, Israel, Jamaica and Puerto Rico).

Personal consumption: In nearly half of the countries from which data were obtained, expenditures for food, clothing, recreation, etc., accounted for between 50 and 80 per cent. of the total available goods and services (domestic production plus imports). This percentage as a rule is found to be lower in countries with the high per capita incomes and, conversely, higher in countries with low per capita incomes.

Government taxation: In about one-third of the countries for which such data are available, Government taxes accounted for between 15 and 24 per cent. of the gross national product in recent years. The ratio of taxation (not including capital levies) to gross national product is shown for a selected number of countries in the following table, the figure being the average for the years 1951-1957:—

30 per cent. and above	15-19 per cent.
Austria	Belgian Congo
France	Burma
West Germany	China (Taiwan)
Luxembourg	Greece
	Panama
	Portugal
	South Africa
25-29 per cent.	
Finland (1954-1957)	
Netherlands	
New Zealand	10-14 per cent.
Norway	Colombia
Sweden	Costa Rica
United Kingdom	Ecuador
United States	Jamaica
	Peru
20-24 per cent.	
Australia	Under 10 per cent.
Belgium	India
Canada	Korea (South)
Denmark	(1953-57)
Ireland	Philippines

The publication of the Yearbook (containing 283 pages and priced at \$2.50) is in response to the growing demand by Governments and private bodies alike for integrated statistical information relating to the structure and changes of individual national economies. The present issue contains many statistical measurements relating to the economies of 78 countries and territories, including detailed estimates of the composition of national expenditure and income: the product by source of industry; investment by type of capital goods, industrial use and purchaser; the financing of investment; the composition of personal consumption; the accounts of households and general government. There are also estimates of the balance of payments with the rest of the world. In order to facilitate country comparisons, the estimates for most countries are set out in standard tables and conform to the international definitions in this field. The tables are documented with explanatory notes and source information.

LONDON LETTER

ECONOMICS AND THE ELECTION

ELECTORATE TREATED IN A CHILDISH FASHION

(From Our Own Correspondent)

LONDON, 12th September

THE Labour Party have estimated their chances in the coming Election at winning or losing 50 seats either way; their agents are on the whole highly confident and say they will win, provided they can get all their supporters to the poll. But they know that they are fighting the Election on about as difficult a ground as possible—for a party whose main distinction is originality in facing economic problems it is awkward to have no outstanding economic problems to face.

Production is rising steadily and with it employment. Foreign affairs are quiet, with the Government able to take credit for a steady move towards a Summit conference. There has been and still is a fine summer to maintain a spirit of optimism. Agriculture is prosperous and not smarting under any adverse price review. And the stock markets are booming to show their confidence.

The issue is being presented to the electors by the Tory Party as one between controls and free enterprise. For months now, the steel industry (denationalised) has been spending money on advocating the merits of private enterprise. But the Government Party know of course that nationalisation—except for steel which is a matter of principle—is no longer a Socialist platform plank; they know that the foreign policies of the two parties are almost identical. They know that the Labour Party has no objective in applying controls to industry, unless there is any economic crisis to face (and the Radcliffe Committee was satisfied that controls other than monetary had a part to play in time of crisis) and that indeed the heaviest blow against free enterprise which a Labour Government might strike would be at the expense accounts of business firms!

Less Impressive

The Government Party have also got a programme on welfare, youth and education. But, in this, they are less impressive than their rivals who have been studying these matters for a great deal longer. They are also helped by the fact that public opinion has, as a result of recent unofficial strikes, tended to turn against trade unionism and the Labour Party naturally suffers from its associations with Trade Unions as a result.

In these circumstances, it is somewhat surprising that the Government Party should not stick to its initial advantages, but should stoop instead to a policy of denigrating its rivals. Quite unworthily, it has tried to make them out as villains bent on controlling people's private lives simply for the sake of being officious. In doing this, the Tory Party may be making a mistake which could conceivably cost it the Election. It will be remembered that, when, in 1945, Mr. Churchill, as he then was, suggested that the Labour Party was Gestapo-minded, he swayed masses of voters against him. The same could happen again, because, in spite of the childish manner in which the British electorate tend to be treated by newspapers and radio, they are a good deal more adult than they are given credit for, and, if a serious issue is in the air, they like to see their leaders take it seriously.

The Labour Party is, of course, aware, and so indeed are the Unions themselves, that irresponsibility by Union members can give a bad name to the whole Union movement by irritating a public who are put to inconvenience as a result. The Unions have indeed just decided to co-ordinate their industrial policies, so that they should appear to have a more common and comprehensible policy, but this action will not, of course, be in time for the Election. Labour, who rely not only on getting the maximum number of its supporters to the poll, but on the sound, if slightly unambitious, social programme which it has put forward. If the Tory publicists overplay their hand, they will make the uncommitted public suspicious and Labour could then win.—All Rights Reserved.

AMERICAN LETTER

STEEL STRIKE CAUSING ANXIETY WILL GOVERNMENT INTERVENE?—INTEREST RATES GO HIGHER

From Our Special Correspondent

NEW YORK, 10th September

TWO events and developments dominate thinking in the United States at this writing. One is the steel strike and the other President Eisenhower's trip abroad and the visit of Premier Nikita Khrushchev of the Soviet Union.

One thing is certain, the steel strike will not be over before 15th September, although the Governors of six States of the U.S. have sent a petition to President Eisenhower for Federal intervention. The joint paper argues that the walk-out has produced serious repercussions in the six States, economically, and that an end of the strike, presumably at whatever price, will be in the national interest.

Steel management was afraid of such an intervention right along. Under previous Administrations in Washington, interventions were made by both Presidents Roosevelt and Truman and always at the expense of management and in favour of labour so far as the final results were concerned.

There may be a mild prodding from the White House this year, too. But the setting is different. There is determination by the Government leaders and by managements to stem inflation. As stated in previous despatches, foreign steel competition has had a field day during the two months' old strike.

Indeed some of the domestic and foreign markets of the U.S. steel industry may be lost permanently as a result. This could have profound implications on employment in the long run. Unfortunately, labour leaders do not see that far ahead. They are merely concerned with securing immediate advantages for their membership which will keep them in their well-paid jobs.

Labour no longer enjoys its favourable position of yesteryear. Senate investigations have brought out abortive practices and abuses on the part of some labour leaders of trade union funds. As a result, a strong and constructive labour reform Bill is finally emerging in the present session of Congress.

Labour Leaders' Threat

Those who are subject to reform by law are, naturally, never happy about it, be they the oil companies, public utilities, the stock exchanges or the labour unions. But trade union leaders at this time are most intemperate in their reaction to the new law. They are attempting to brand the new Bill as a killer law, punitive and anti-labour. In fact, they are threatening to go all out to purge every member of Congress who voted for it.

This battle-cry of the trade union leaders is an old one. But the fact of the matter is that the labour leaders have never been able to "deliver" the votes of their membership on election day. In free and secret elections, the voter in a closed booth votes precisely as he or she wants regardless of statements or forced promises he may have made previously. Otherwise, President Eisenhower would never have been elected nor re-elected.

It is an irony that, in the middle of all these labour disturbances, most of the important trade union leaders have announced their refusal to meet with Premier Khrushchev when he gets here on 15th September. It could be most instructive for the Soviet leader if he would meet with them and see their "capitalistic" ways of life based on salaries of, say, \$50,000 a year plus lots of "fringe benefits." There is considerable opposition from other quarters also to the Soviet visit here. No doubt, there will be all sorts of demonstrations, displaying sympathy for the enslaved nations behind the Iron Curtain and their dead victims.

In the meantime, the psychological success of President Eisenhower's visits at Bonn, London and Paris have been a tonic to American nerves and to those in N.A.T.O. countries. Perhaps, the President's warm receptions were due, in part, to his previous role as liberator of Europe, but they were extraordinary, nevertheless.

So far, President Eisenhower's request for elimination or increase in the 40-year-old ceiling on interest of Treasury securities maturing in five years or more, has been side-tracked in Congress. It is not likely to be considered in this session. This will make it necessary for the Treasury to place more emphasis again on short-term financing, which is more inflationary than long-term issues.

Otherwise, a summer lull prevails in the U.S. economy superimposed on the steel strike. It has been extremely hot and humid in most parts of the country. Retail sales have been off, but the tourist and vacation businesses have been booming. Manufacturers' sales were down, but construction awards in August were 51 per cent. ahead of last year.

In closing, it may be interesting to note that an international graphic arts exhibition has just opened at New York. The last such show was held in 1950 at Chicago. The exhibits cover technical advances such as more speed, better appearance, more colour, improved pictorial reproduction and a host of other improvements.

Some 150,000 persons linked in one way or another to the graphic arts industries are in attendance here.

Printers are seeing new marvels in electronic methods of printing, in the use of film, in advanced techniques of typing on tape here and printing there.

Shown also are new methods in colour engravings, speedy production of a printing plate from a photograph and other methods unheard of even a few years ago. Among the innovations is a new high-speed type setting machine which is tape-operated and has no keyboard. The U.S. printing and publishing industry turns out products valued at more than \$10,000 million a year not taking into account the value of advertising. Some 40,000 concerns are engaged in the craft here.—All Rights Reserved.

*Since this report was written and despatched, the discount rates of seven Federal Reserve Banks have been raised from 3½ per cent. to 4 per cent., the highest level since early 1932.

Announcement

Consequent on the enlargement of the scope of their business, T. I. Cycles of India Limited will, with effect from 16th September 1959, function in the name of

TUBE INVESTMENTS OF INDIA LIMITED

at No. 52/53 Jehangir Street, Madras 1

Tube Investments of India Limited are the Proprietors of the following units which will function separately:

T. I. CYCLES OF INDIA
Manufacturers of cycles and cycle components

TUBE PRODUCTS OF INDIA
Manufacturers of ERW Steel Tubes and cold rolled strips

THE WRIGHT SADDLES OF INDIA
Manufacturers of cycle saddles

RURAL CREDIT AND CO-OPERATION RESERVE BANK'S CONTRIBUTION IMPRESSIVE

THE Reserve Bank of India has certainly been acquitting itself creditably in playing the crucial role assigned to it by the Rural Credit Survey Committee in December 1954, in regard to rural credit and co-operation. The magnitude of the Bank's accommodation to the co-operative sector, according to the annual report of the Reserve Bank's Central Board of Directors for 1958-59, has risen substantially, the aggregate outstanding short-term advances at the end of June last being as much as Rs. 56.27 crores, as against Rs. 8.57 crores five years before (end of June 1954). Apart from meeting the growing short-term needs of the co-operative sector, the Bank has made a significant contribution to the formulation of schemes for the reorganisation of the co-operative credit structure in the different States. Further, the Bank has been spending much money and effort on the training of co-operative personnel which, as is well known, is one of the most effective ways of ensuring the success of the co-operative movement. Viewed thus, there is no exaggeration whatever in the epithets "active" and "constructive" used by the Board to describe the Reserve Bank's work in the development of co-operative movement.

A brief reference may first be made to the financial assistance rendered by the Reserve Bank to foster the development of co-operatives during the year ended June 1959. In that year, the Bank sanctioned loans amounting to Rs. 5.92 crores (as against Rs. 6.04 crores in the previous year) from the National Agricultural Credit (Long-term Operations) Fund to 13 State Governments, in order to enable them to contribute to the share capital of co-operative credit institutions; of this amount, Rs. 5.74 crores (Rs. 5.83 crores in 1957-58) were actually availed of. The amounts to the credit of this Fund and the National Agricultural Credit (Stabilisation) Fund as on 30th June 1959 stood at Rs. 30 crores and Rs. 4 crores, respectively, after the fourth annual contributions of Rs. 5 crores and Rs. 1 crore were made to them from the Bank's profit for 1958-59.

Agricultural Credit Rises

The year under review witnessed a further increase in the volume of credit provided by the Reserve Bank to State co-operative banks for financing seasonal agricultural operations and marketing of crops. Eighteen State co-operative banks were sanctioned credit limits to the tune of Rs. 65.43 crores which compared very favourably with Rs. 48.24 crores sanctioned to 16 State co-operative banks in 1957-58. The interest charged continued to be at the concessional rate of 2 per cent. below the Bank rate of 4 per cent. In addition, credit limits aggregating Rs. 3.06 crores granted to a bank in the previous year were also operative for 1958-59. Following the continued large-scale financial assistance thus, the outstandings of Reserve Bank loans to State co-operative banks stood substantially higher at Rs. 56.27 crores at the end of June 1959, as against Rs. 40.47 crores a year before and Rs. 23.32 crores two years before.

The following are the details of the other specific types of credit given by the Reserve Bank to co-operatives:

Co-operative sugar factories: A credit limit of Rs. 2 crores was sanctioned to the Bombay State Co-operative Bank at the Bank rate for meeting the needs of working capital of six co-operative sugar mills. The Bank drew only Rs. 60 lakhs for financing two sugar co-operatives. The loans were fully repaid during the year itself.

Medium-term loans: Nine State co-operative banks were sanctioned, at the concessional rate of 2 per cent. below the Bank rate, medium-term loans out of the National Agricultural Credit (Long-term Operations) Fund, amounting to Rs. 4.52 crores, as compared with Rs. 7.72 crores sanctioned to 12 State co-operative banks in 1957-58. From the same Fund, the Kerala Co-operative Central Land Mortgage Bank was sanctioned for one year a loan of Rs. 16.47 lakhs at Bank rate against the guarantee of the State Government to enable the bank to pay off the debenture-holders of the former Travancore Credit Bank (under liquidation) whose assets and liabilities are being taken over by the Kerala Co-operative Central Land Mortgage Bank.

Rural debentures: The Reserve Bank made up the shortfall in public subscription to the extent of about Rs. 24.0 lakhs, Rs. 19.5 lakhs and Rs. 2.0 lakhs, respectively, in the case of three issues for Rs. 50 lakhs, Rs. 35 lakhs and Rs. 5 lakhs made by the Saurashtra, Andhra and Orissa Central Co-operative Land Mortgage Banks.

Weavers' co-operative societies: Credits aggregating Rs. 2.79 crores were sanctioned to 12 State co-operative banks at 1½ per cent. below the Bank

rate for financing the production and marketing activities of weavers' co-operative societies.

Commercial transactions: Rs. 90 lakhs were sanctioned to two co-operative banks at the Bank rate for financing bona fide commercial or trade transactions.

The Reserve Bank also endeavoured to assist the progress of warehousing and other related aspects of credit and marketing. It exempted, for instance, the advances given by scheduled banks against warehouse receipts issued by warehouses of the State Warehousing Corporations from the purview of its directives restricting advances against foodgrains, as well as the advances against pledge of warehouse receipts of the Central and State Warehousing Corporations from the directive restricting advances against groundnuts.

Field Studies

With a view to examining the pattern of the present sources and use of funds by urban co-operative banks and their working, a study covering a sample of 100 urban banks spread over 10 States and one Union Territory was undertaken jointly by three departments of the Reserve Bank, namely, the Agricultural Credit Department, the Economic Department and the Department of Statistics. The field work was completed by the middle of March 1959 and the report is under preparation. Field studies such as those of credit needs of the coir industry in Kerala and the leather industry in Agra, which the Reserve Bank undertook in pursuance of an arrangement reached with the Government of India during 1957-58, were made in respect of the leather industry in Madras and the fishery industry in Bombay, Kerala and Madras. The reports on these industries are under preparation.

The inspection of co-operative banks on a voluntary basis was continued during 1958-59, although the number of banks actually inspected was lower at 178, as against 240 in 1957-58. The fall is attributed mainly to two factors: (1) the special ad hoc inspections conducted in the previous year with applications for loans from State Governments for contributions to the shares of co-operative credit institutions; and (2) the preoccupation of most of the regional offices with the survey of co-operative urban banking. The total number of inspections carried out by the Agricultural Credit Department of the Reserve Bank upto June 1959 was 618, of which Central Co-operative banks alone accounted for 545. Four new regional offices of the Department were opened (at Indore, Patna, Lucknow and Bangalore), bringing the total number of such offices to eight.

Training of Personnel

The scheme for training of co-operative personnel made further progress during the year. In the various courses conducted by the Central Committee for Co-operative Training at its Regional and Block Level Co-operative Officers' Training Centres, 83 senior officers, 215 officers for co-operative marketing and 80 officers for land mortgage banking were trained during the year. In addition, 4,846 junior co-operative officers were trained in institutions which were run by the State Governments and were supervised, for purposes of grants-in-aid, by the Central Committee. With a view to effecting qualitative improvement in training programmes, the study of extension of methods and business management was introduced in the curricula of the training courses.

The foregoing account reveals that the contribution made by the Reserve Bank to foster the development of co-operative movement is quite impressive. Nevertheless, some doubts are expressed in certain circles as to whether the pace of expansion of agricultural credit through the co-operative system can remain the same as in the last few years, because of the changes suggested by the National Development Council in regard to the degree of viability of the primary unit and the extent of its owned funds, both of which are important considerations from the point of view of lending institutions. This is indeed a very pertinent question and the Reserve Bank's Central Board has done well to raise it. Although the question has been debated upon fairly extensively in the Press and on the platform for quite some time now, no final decision has so far been taken. The Board hopes that "satisfactory solutions will be found for enabling the co-operative credit structure, with the help as far as appropriate to the Reserve

Bank, to play its due part in the provision of short-term and other credit for agricultural production and marketing." And it rightly stresses that "if the Reserve Bank's role in this context is to continue to be as significant and progressive as in present, it will be necessary to ensure that loans are, in fact, utilised for production, fully recovered and promptly paid back."

SUPERVISION AND REGULATION OF BANKS

There was a notable acceleration in the pace of inspection of commercial banks by the Reserve Bank of India during the twelve months from July 1958 to June 1959, as compared with the preceding twelve months. The actual number of inspections was 66 scheduled banks and 251 non-scheduled banks, as against 48 and 122, respectively, in 1957-58. After examining the comments of the banks concerned on inspection reports, the Reserve Bank called for monthly progress reports from 171 banks in respect of the rectification of defects pointed out to them and asked 144 other banks to submit quarterly reports in this regard. Wherever necessary, it also invited the representatives of banks concerned for informal discussions, with a view to bringing to their attention the more important defects in the working of their institutions and impressing upon them the need for taking expeditious steps to improve their affairs. Again, the Reserve Bank issued suitable conditions and directives in cases where the findings of the inspection called for a stricter control over the affairs of banks; at the end of June 1959, 18 scheduled banks and 28 non-scheduled banks were working under such conditions and directions.

Five more banks held licences during the year, the total number at the end of the year being 62. The deposits of these 62 banks, together with those of the State Bank and five State-associated banks which do not require a licence, account for about 94 per cent. of the total deposits of all scheduled Bank refused licences to 12 small banks during the year, bringing the total number so far refused licence to 129.

WORLD BANK REPORT ON THAILAND ECONOMY

In its report entitled *A Public Investment Programme for Thailand*, just published, a World Bank General Survey Mission has stressed that increased revenues and improved economic administration would be required if the growth of real output of the Thai economy were to be maintained at the "satisfactory" average annual rate of about 5 per cent. for the period 1952-58. The Mission has recommended a programme which is designed to be flexible enough to meet changing world conditions, of Thailand achieved in the past. In its opinion, the increased size of public investments, especially in power, agriculture and education, now requires a more co-ordinated allocation of priorities, a concerted effort to obtain more resources and a more careful husbanding of natural resources.

The report of the Mission was presented to the Thai Government in March 1959, following a year's research by it in that country. Several of the Mission's recommendations have already been implemented. Of these, the most important ones relate to the establishment of the National Economic Development Board and the formulation of a new policy for attracting foreign capital to investment in industry which has met with initial success. The National Economic Development Board, established in August, co-ordinates development proposals into a pattern designed to maximise growth. During its stay in Thailand, the Mission carried on its work in close association with an ad hoc Planning Committee and its staff appointed by the Thai Government. The group of Thai officials who had this planning experience are now associated with the Development Board.

The report is the sixteenth prepared under the sponsorship of the World Bank at the request of as blueprints for development; rather, they describe the essential characteristics of the economy and define the direction of maximum growth and the suggested order of investment priority.

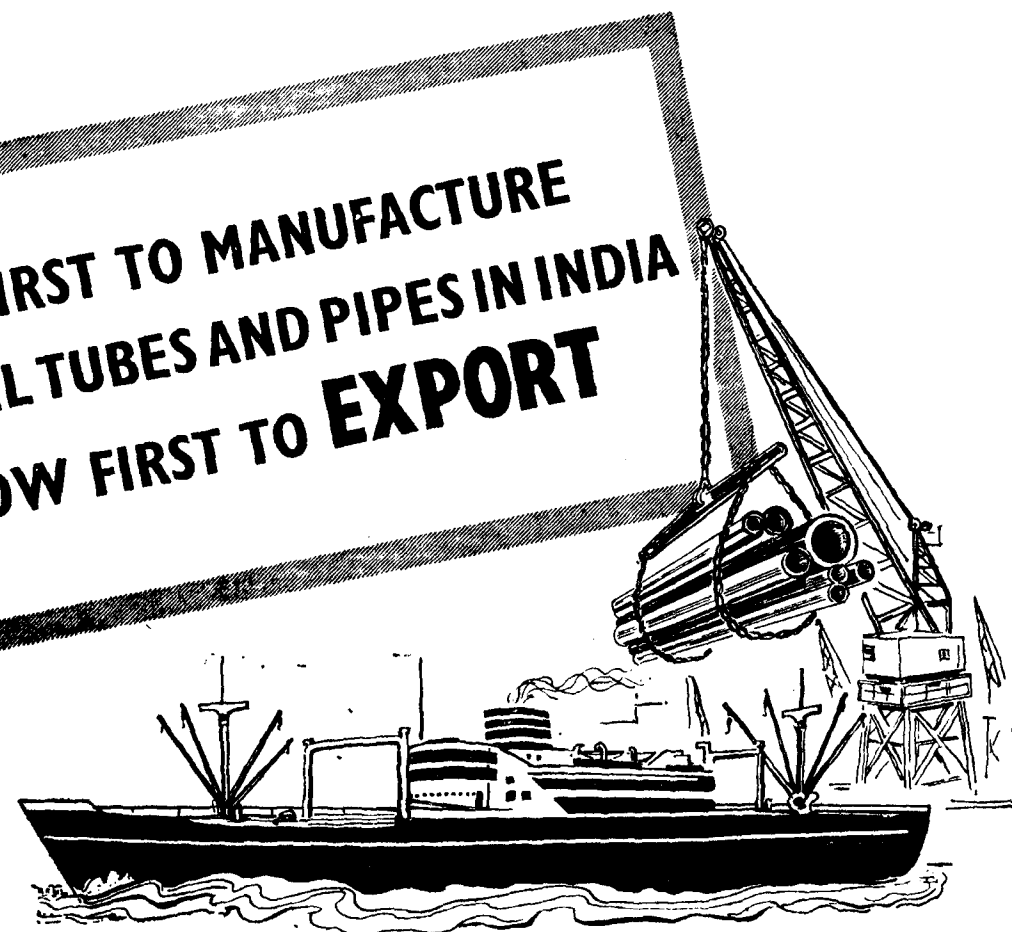
REFINANCE CORPORATION

The Reserve Bank's annual report for 1958-59 gives up-to-date information about the progress of the Refinance Corporation, which was registered on 5th June 1958. Its account is worth reproduction here, as many banks will be interested to know about the Corporation's working:

"The Refinance Corporation started receiving applications only from September 1958, the initial two months or so being taken up with essential preliminaries, including the issue of share capital, settling the procedure for the provision of refinance to member-banks and entering into agreement with the Government of India for obtaining loans from the U.S. counterpart funds. The current resources of the Corporation amounted to Rs. 7.50 crores, comprising its paid-up capital of Rs. 2.50 crores, and a loan of Rs. 5 crores granted by the Central Government. Upto 30th June 1959 the Corporation had received 14 applications for refinance from five member-banks for a total sum of Rs. 31.3 lakhs, cotton textiles, cement, ferro-manganese, chemical chemicals, acids and pharmaceuticals, pharmaceuticals, electrical manufacturing and engineering. Of these, 13 applications for an amount of Rs. 304 lakhs, representing 98 per cent. of the amount applied for (that is, Rs. 309 lakhs) were sanctioned. The remaining application for a sum of Rs. 6 lakhs was under consideration. Out of the sanctioned amount, a sum of Rs. 50 lakhs was disbursed to two member-banks in respect of applications from the ferro-manganese industry."

KALINGA TUBES

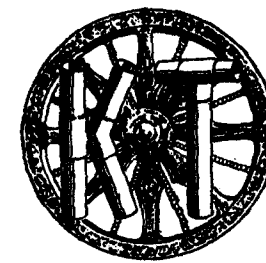
FIRST TO MANUFACTURE
STEEL TUBES AND PIPES IN INDIA
NOW FIRST TO EXPORT



We take pride in announcing that we are entering the highly competitive International Market and have commenced exports of our water and gas tubes to East and West Asian countries.

Our immediate target is to build up total exports to the value of Rs. 5 million in the first year and we hope to beat the Rs. 10 million mark next year.

Quality guaranteed comparable with the best pipes and tubes produced anywhere in the world.



ASIAN PRODUCTS FOR ASIAN COUNTRIES

KALINGA TUBES LTD.

33, CHITTARANJAN AVENUE, CALCUTTA-12

WORKS:
CHOUDWAR, CUTTACK, ORISSA:

RAISING EFFICIENCY OF COTTON MILLS WORKING GROUP TO SUGGEST STEPS FOR EARLY AND THOROUGH MODERNISATION

AS was briefly mentioned in these columns last week, the National Industrial Development Corporation (N.I.D.C. for short) has appointed a Working Group, with Mr. D. S. Joshi, I.C.S., Textile Commissioner, as Chairman, to recommend measures for "an early and thorough modernisation" of the cotton textile industry. The terms of reference of the Group are three-fold: (1) to examine the extent of finance necessary for modernisation, with particular reference to the assessment of the portion of foreign exchange required and the quantum of finances which will be forthcoming from the industry itself; (2) to indicate how the balance of the needs may be met from public or private financing agencies; and (3) to consider the question of augmenting the resources of public financing agencies like the N.I.D.C. Incidentally, the Group may send out some of its members to visit countries such as the U.K., the U.S., Japan and Switzerland where the progress towards modernisation of cotton textile industry has been remarkable. The Group, it is said, will complete its work by 30th November next.

The findings of the Working Group and the decisions taken thereon by the N.I.D.C. will greatly influence the future of the Indian cotton mill industry. Although the need for modernising this industry has been felt and emphasised for quite a long time now, the actual pace of progress continues to be disquieting, thanks to the none too happy financial position in which most mills find themselves, the shortage of foreign exchange required for purchasing the requisite machinery and equipment, and the unhelpful official policy. A large majority of the machines in existence today was installed more than forty years ago and the machines have outlived their usefulness. If these machines are not replaced at an early date, the effect, as the Textile Enquiry Committee (1958) clearly warned, would be felt, as it has been felt in the case of marginal and sub-marginal units in the form of low production, bad quality of products, unemployment to large numbers of workers, and high cost of production.

Need Most Urgent

Never before in the history of the textile industry was the importance of modernisation so urgent as it is today. In the face of the growing competition in the world textile markets, especially from Japan, Hong Kong and China which have thoroughly equipped themselves with up-to-date productive equipment in their cotton mills, India cannot certainly afford to keep quiet. Britain has already taken the lead in this direction by introducing an integrated scheme for transforming its cotton industry into one of the most efficient in the world. India must join the battle for markets by enhancing the competitive capacity of the industry through modernisation. The need for modernisation is no less imperative from the point of view of stimulating domestic consumption also.

The need for ensuring speedy rehabilitation of the cotton mill industry with a determined effort during the next Plan period was forcefully urged by Mr. Manubhai Shah, Union Minister for Industry, while speaking at the inaugural meeting of the Working Group on modernisation held in the City on the 6th inst. Mr. Shah called upon the Group to suggest concrete schemes and measures of assistance, special attention being paid to the foreign exchange requirements. He visualised that some kind of "block assistance" might have to be sought from abroad, without impinging the Plan resources. He wanted an "automatic device" to be introduced by which flexibility is obtained by the industry looking after its rehabilitation and modernisation without outside assistance. It is, however, not clear what, exactly, is meant by this suggestion. He, however, gave the welcome assurance that the Government and the N.I.D.C. would approach the problem with utmost sympathy, so that the profitability of the industry was not unduly impaired by the burden of financial assistance.

The Industry Minister made a special reference to the indigenous textile machinery manufacturing capacity and said:

"The Group must study the problem in all its aspects, so that the textile industry may be dovetailed with the future requirements, and the foreign exchange component for rehabilitation and replacement is progressively reduced. The Group

has also been entrusted with the work of examining the economic size of a textile mill which may be fixed in the context of the developments which have taken place and are taking place in the set-up of the textile industry elsewhere in the world. I hope that it (the Group) will make positive recommendations in regard to this aspect, considering the need for stepping up the capacity wherever it is less than the optimum."

Mr. Shah dealt with the question of closed mills in the country, some of which are found not worth reviving. He drew the attention of the Group to study this problem as part of its general lines of inquiry and suggest measures, including legislation as might be necessary, to solve the problem.

At its first meeting, the Working Group finalised a self-contained questionnaire covering the various points on which detailed information is required from individual textile mills and their associations, including the Indian Cotton Textile Mills Federation.

As regards the assistance rendered by the N.I.D.C. to the cotton textile industry, although nearly five years have elapsed since the N.I.D.C. came into being, the actual amount of loans sanctioned to mills so far has been only a few crores of rupees, as against the industry's colossal rehabilitation requirements of Rs. 400-500 crores. The Working Group will do well to find out the causes responsible for this poor rate of assistance by the N.I.D.C. and suggest the means by which the rate can be raised substantially. Further, the cotton mills should be enabled to have annual surpluses from which they can raise their own finances or pay the instalments due on loans. Such surplus can be ensured, as this journal has stressed on more than one occasion, only through a more helpful fiscal policy and a proper adjustment of wages to productivity.

SOVIET TEXTILE INDUSTRIES

Soviet Russia would be producing by 1965 over 11,592 million yards (10,600 million metres) of cotton, woollen and silk textiles per annum, excluding knitted fabrics, as against the present output rate of 7,655 million yards (7,000 million metres). If the expansion programme now undertaken were successfully implemented, the projected rise of nearly 4,000 million yards, cotton cloth will account for 2,187 million yards, the balance being the shares of silks and woollens. The estimated production of woollen cloth in 1965 is put at about 5,468 million yards, which, it is claimed, will represent a rise of 80 per cent. as compared with the current annual rate of output in the U.S.

Simplex

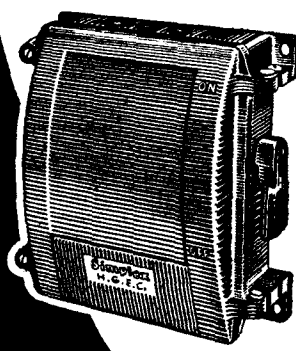
SWITCH FUSE UNITS

NOW MADE IN INDIA

★ ROBUST CONSTRUCTION

★ QUICK MAKE AND BREAK WITH POSITIVE ACTION

★ AMPLE ROOM FOR INTERNAL WIRING



GREAVES COTTON & CROMPTON
PARKINSON PRIVATE LIMITED
BOMBAY, CALCUTTA, NEW DELHI

CP-23

The production pattern of the different textile products is expected to undergo a change in the next seven years. Thus, according to Mr. V. Dikov, the share of artificial fibre will register a steep upward curve. The output of textiles manufactured from a mixture of cotton and artificial yarn will go up sixfold. Nearly all the silk and wool manufacturing industries will be using viscose, kapron and other synthetic fibres. There will also be production of unweaved textiles based on the ability of chemical fibre to glue to natural fibre. New trends of textiles which are cheap, washable, unfading, unshrinkable and waterproof (when necessary) will appear in the market. The majority of thirty textile mills to be established will specialise in the manufacture of staple textiles for suits, a new kind of synthetic fabrics "which are just as good as woollens but cost only one-third or one-fourth."

The development programme for textile industries lays special emphasis on the improvement of equipment at enterprises already in operation through installation of highly efficient looms, mechanisation of production processes, and automation of spinning and finishing operations. To quote Mr. V. Dikov:

"Spinning automatic transfer machines will be used; all processes of loosening, scutching, hackling and roving will be done automatically. Such a transfer machine, consisting of 78 units, is being installed at a factory near Moscow. Cotton to another until it comes out as finished product. The system of spinning will be shortened. Scutching and hackling will be done in one unit which will be part of an automatic transfer machine. The finishing of textiles will be done in stream-line fashion with automatic control of manufacturing processes and continuous bleaching and dyeing. Automatic processes will be introduced into the manufacture of silks including cocoon-reeling."

"New ready-made clothes factories will be built, especially in Kazakhstan, the Urals, Siberia and the Far East. The gluing method of making garments will be introduced. Garments will be made quicker and cost less."

With the setting up of new textile mills, reconstruction of the existing units and introduction of latest technical devices, the per capita output of textiles (including knitted fabrics) in Soviet Russia will reach 61.24 yards (56 metres), as against 43.74 yards (40 metres) at present. Before the Revolution (1917), Russia was producing annually only 2,734 million yards of textiles or a per capita output of 20.34 yards (18.6 metres).

A NEW BULKED FILAMENT YARN

The Imperial Chemical Industries (U.K.) has just concluded an agreement with Cheslene and Crepes of Macclesfield to purchase the British patent rights of an entirely new bulked filament yarn to be trade-marked Crimplene. The agreement includes the right to license the use throughout the world of yarns made by six British processors licensed by I.C.I. to produce Crimplene. It is said, is a completely new development particularly suited to the manufacture of bulked yarns made from terylene polyester fibre and, on products where the process is applied to mark of Crimplene. The new yarn, we are told, combines a high degree of bulk with an exceptionally low degree of stretch, which makes it the ideal material for home-knitting wool and for use in hand knitted fabrics. The yarn is specially designed for use in the production of garments made from Crimplene will be soft, warm and easy to wash—even in a washing machine, without the problems of felting, shrinking and loss of shape. Terylene, can be dyed to any shade and is moth- as a singles yarn or circular and warp knitting, the production of new types of woven fabrics will be possible in the near future.

BENGAL-NAGPUR MILL

The Bengal-Nagpur Cotton Textile Mill at Rajnandgaon in Madhya Bharat has closed down with effect from the 5th inst. resulting in unemployment to about 3,000 workers. The closure is attributed to the loss of Rs. 1.5 lakh suffered by the Mill every month. The management had requested the State Government to permit a reduction of 22½ per cent. in the wages of workers as a condition for running the Mill. But the Government pointed out that it could not be a party to a cut in wages without any enquiry or without amicable settlement. It had accordingly advised enquiry by the Union Government. The advice was of no avail.

The Centre is expected to constitute a committee shortly to investigate the financial and economic position of the Mill. Disclosing this the fact that the Government would have to await the report of the committee before deciding on the next issue.

The steps necessary to ensure adequate supply of woollen yarn to hosiery industry were discussed by the Textile Commissioner with the representatives of the Woollen Yarn Manufacturers' Association at Bombay recently. The general trend of the production of different types of yarn was also reviewed at this meeting. It was decided that, although it was not possible to augment the supplies of woollen yarn for hosiery by importing additional quantity of raw material on account of shortage of foreign exchange, the supply of larger quantities of yarn could be ensured to this industry by requiring the centage of the various kinds of yarn out of the imported raw material made available to them.

TWO-THIRDS OF SPINDLES AND LOOMS TO BE SCRAPPED OUT OF USE NO REDUCTION IN EMPLOYMENT STILL

From A Special Correspondent

MANCHESTER, 8th September

AN assurance that the Lancashire cotton trade would still be able to provide employment for large numbers of workpeople, in spite of the drastic scrapping of machinery planned under the Government's £30,000,000 reorganisation scheme, has been given by Lord Rochdale, Chairman of the Cotton Board. Commenting on statements which he said, "seriously exaggerated" the effect on employment of the scheme, he declared: "About two-thirds of the number of spindles and looms to be scrapped are already out of use and, to this extent, no reduction in employment should result. In other cases, many of the people displaced will be found employment in other mills belonging to the same firm. The output of the industry I am glad to say, shows every sign of continuing to increase, and I sincerely believe that the demand for labour will be such as to provide work for most of the remainder in an industry whose prospects are better now than they have been for a long time."

MANCHESTER LETTER

In the four days since the end of the 5 per cent. bonus offered to millowners submitting machinery for scrap, there were no further applications, the Special Committee of the Cotton Board, dealing with the scheme announced at the end of last week. As anticipated, the rush to register plant for disposal has been halted and it is not expected that large quantities of machinery will be added to the list during the rest of this month, although the scheme is still open for applications until 30th September. The Committee does not intend to make any further announcement before that date, unless there is a substantial change in the figures. By the end of August, plans had been submitted for the scrapping of 12 million spinning spindles, 95,500 looms and nearly 500,000 doubling spindles.

In True Perspective

Final details of the scrapping contemplated must await the completion of the schemes at the end of this month. It is obvious, however, that a large proportion of redundant plant has already been registered to secure the bonus offered during August. To put the current position in reasonable perspective, the amount of stopped machinery during the first half of the year must be borne in mind. Assuming for the sake of argument that all idle plant has been submitted for dismantling, the following position in the three sections emerges:—

In spinning: Mule equivalent spindles in place amounted to 24 million, of which some 16 million were running during the first half of the year. Stopped machinery, therefore, amounted to 8 million spindles and the scrapping programme indicates that 12 million spindles will be dismantled. The result is that the number of running spindles

to be scrapped aggregates 4 million out of 16 million—a straightforward 25 per cent.

In weaving: Looms in place numbered approximately 240,000, of which 179,000 were running, leaving 61,000 machines stopped. The latest scrapping figure of 95,500 indicates that 34,500 running looms will be dismantled out of 179,000—rather more than one-fifth of the trade.

In doubling: The number of spindles in place was 1,945,000 during the second quarter this year, of which 1,386,000 were running. Stopped machinery, therefore, amounted to 559,000 spindles, while the total registered for scrapping so far is slightly below 500,000 spindles. The doublers are thus the only branch in which the machinery offered for disposal is less than the plant already standing idle, but the revival in this section of the trade during recent months undoubtedly has a bearing on this situation.

The projected closing of mills in particular districts where employment is largely dependent on the cotton trade has stimulated cries for help and possible deputations to the Cotton Board. However sympathetic the sponsors of the scheme are to such appeals, the decisions have been made by the particular firms concerned. It should not be forgotten that workers who are displaced will receive compensation, whereas, both before and after the operation of the scheme, no such cash payment would be available except as a gift from the management.

Impact of Shifts

The full effect on the labour situation of what must be regarded as the "1959 revolution" in cotton cannot be forecast for several months at least. The response to shift-working both at union and mill level will have a considerable bearing on the outlook. Requests for the introduction of double-day shifts are being regularly submitted to the trade unions and some of the calls for labour indicate the intention of the employers to operate under these conditions.

The social changes caused by shift-work in an industry staffed mainly by women must be very considerable. With the challenge of a third shift on the horizon there are those who believe that the cotton trade of the future will not only be more compact, smaller and more efficient—but will gradually become more of a male preserve.

The experience of an electronics firm, which built a factory four years ago near Blackburn, is perhaps of interest in this connection. According to the *Board of Trade Journal*: "The company have been very satisfied by the adaptability of the labour they have been able to recruit in this traditional textile district. Work in the factory necessitates three shifts. Shift-work in this area of Lancashire was not common. The company found that, in the first few months of starting production, there was a large turnover of labour, due, in the main, to the difficulty for personnel to settle down to shift-work. In a short period, however, the labour force settled down and now labour turnover is very low."

More positive action by the Government to steer new industry to the cotton towns of North-East Lancashire, which fear a heavy increase in unemployment as a result of widespread mill closures under the reorganisation scheme, has been called for by leaders of the North-East Lancashire Development Committee. Alderman William Bannister, Committee Chairman, said that the number of mills which had decided to close down was greater than had been expected. It was now thought that redundancy among North-East Lancashire cotton workers in the next two years might range up to 50 per cent.

The district is already scheduled as a Development Area and a number of new industries with products as varied as television tubes and tyres are already established there or are in the process of establishing themselves. "Unfortunately, they have not been sufficient to meet the decline which has taken place in the number of insured workers," Alderman Bannister stated.

The meeting was called to announce the completion of a 50,000-word independent survey of prospects for the economic development of North-East Lancashire. This, it is hoped, will be valuable to industrialists in providing them with a completely impartial guide as to what they can expect, if they decide to set up factories in the area. Leaders of the Development Committee made it clear that they took the view that, since the Government is primarily responsible for the cotton contraction scheme, it must also accept responsibility for providing alternative jobs. Although the Committee wants more Government assistance in building new factories in the area, it also feels that many of the cotton mills soon to become empty, as the looms are stripped out could well be adapted to suit the needs of a range of light industry.

Shrinkage Problem

Because British people are taller and heavier today than 50 years ago, new sizing standards for industrial clothing are needed, according to a Working Party which has issued its report on Shrinkage Problems in Clothing. "The average height and weight of children leaving school has increased greatly since 1905," the report states. Marked differences arise between geographical areas and between occupations. Average height in the South-Eastern region and the North of Scotland is nearly an inch higher than in Lancashire, Yorkshire and Wales.

More people in the middle classes are using overalls for leisure wear, the report adds, causing a significant change in the average size of garments required. Among many recommendations to manufacturers, garment makers, distributors and laundries, the report urges the housewife to avoid complete drying of cotton clothes and garments in domestic tumble driers. This tends to increase shrinkage and the Working Party urges that articles should be taken out and ironed damp.—All Rights Reserved.

The All-India Handloom Fabrics Marketing Co-operative Society, Bombay, is currently running handloom emporia at Aden, Bangkok, Colombo, Kuala Lumpur and Singapore. The Society has been participating in overseas exhibitions and trade fairs, either directly or by supplying fabrics to the All-India Handloom Board, as well as in international trade fairs and exhibitions held in India. The Central Government has given the Society a loan of Rs. 10 lakhs towards working capital and a grant of Rs. 1.75 lakh, representing 50 per cent. of the establishment charges for running the emporia for one year.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
60-D Raghunath Road
HYDERABAD (Dn.)

DELHI STATE
60, Janpath
NEW DELHI

PUNJAB STATE (India)
Adan Mohan Malviya Road
AMRITSAR

BOMBAY STATE
Hongkong Bank Building
Ver Vastan Road
Fort, BOMBAY
Mahatma Gandhi Road
SANGLI

MADRAS STATE
Finance House
Patalas Road
MADRAS-2

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

GUJARAT STATE
Bhambhani Building
Radhi Bazar, Cross Lane
AHMEDABAD
Dhanvraty Chambers
Geeta Ground
Mumbai, RAIPUR
Dewan Para Road
BHAVNAGAR
Gandhi Road
BARODA

MADHYA PRADESH
41, Tokogan Main Road
INDORE
MYSORE STATE
Kanner Building
Ramdeo Gali
BELLGAUM

UTTAR PRADESH
Mooen Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Jalandhar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

FREE WORLD COTTON PRODUCTION CONSIDERABLE INCREASE IN PROSPECT

THE current cotton season, that is, 1959-60, may well mark the beginning of a new trend in the world cotton situation. During the last three years, considerable progress has been made in the liquidation of surplus cotton. Stocks, which on 1st August 1956 had reached a peak level of 22.1 million bales of 478 lbs., have now declined to 17.2 million bales made up of 9 million bales in the U.S., 4.7 million bales in net importing countries and 3.7 million bales in net exporting countries in the free world outside the U.S. With the passage of the Agricultural Act in the U.S. last year, which gives more freedom for farmers to produce cotton, it is thought world cotton may again be heading towards a situation of surplus.

According to the International Cotton Advisory Committee, Washington, production potential during the present season is by no means as great as many people thought. What is even more significant, according to it, is that any increase in production is likely to be offset to a greater or lesser extent by increased domestic and export offtake.

Acreage and production of cotton in the U.S. will no doubt be higher than in the last season. The September report of the crop reporting board of the U.S. Department of Agriculture estimates production during the season at 14.67 million bales which compares with 14.81 million bales estimated a month ago and last season's final output of 11.51 million bales. The yield per acre has been put at 470 lbs., as against 474 lbs. forecast a month ago and last season's yield of 466 lbs.

Yield in U.S. Higher

Acreage in several of the other major producing countries during this season is expected to be lower than in 1958-59. Preliminary estimate of acreage planted to cotton in Mexico this season is 1.8 million acres, as compared with 2.5 million in 1958-59. This reduction of 28 per cent. in acreage affects all the main producing areas with the exception of Laguna. Total production in Mexico is provisionally estimated at over 1.7 million bales, as against 2.34 million bales in 1958-59.

Cotton production in Central American countries is sensitive to price changes but, in common with other countries, where cotton is a relatively new crop, the investment already made in cotton seems to assure that cotton will continue to be an important crop in the seasons to come. In Nicaragua, cotton actually surpassed coffee last year as the major earner of foreign exchange and has increased in importance in El Salvador and Guatemala. Nevertheless, cotton production in these countries in 1959-60 is likely to be significantly affected by lower prices. In fine, there will be a sizable reduction in production in Central American countries even if there is some offsetting improvement in yield per acre.

Production in the Middle East is also likely to be somewhat lower in 1959-60 than in 1958-59. Preliminary estimates put acreage in Egypt at 1,827,000 acres, as against 1,877,000 acres in 1958-59. Area sown to Karnak has been cut by nearly one-half. In contrast, the area sown to the other extra-long staple variety, Menoufi, will in all probability increase. In the Syrian region of U.A.R., cotton plantings were damaged by unfavourable weather at the beginning of June but subsequently crop progress has been good. Cotton acreage in Turkey during recent years has been stabilised round 1.5 to 1.6 million acres and production potential depends, to a large extent, on the yield per acre.

India and Pakistan

Acreage in India is at the maximum, temporarily at least, and production, therefore, depends very much on what happens to yield per acre. As only 13 per cent. of the area under cotton is at present irrigated, production prospects are vitally dependent on the monsoons and weather conditions generally. Production in 1958-59, at 4.8 million bales, fell far short of the target of 5.7 million bales (400 pounds each) fixed under the Five-year Plan. The target for 1959-60 is 6.1 million bales.

The target for distribution of improved seed during 1959-60 is around 1.7 million maunds (82 lbs. each), as against 0.8 million maunds actually distributed in 1958-59. Some 69 per cent. of the total area was planted with improved seed in 1958-59. The Indian Central

Cotton Committee has introduced a scheme for seed multiplication and it is expected that, within the next five or six years, improved seed will be available for the entire country. The quantity of fertilisers planned for distribution in 1959-60 is 54,070 tons, as compared with actual distribution of 15,061 tons in 1958-59.

The adoption of plant protection measures is limited by the availability of equipment and chemicals. The use of improved agricultural implements, line sowing, spacing and time of sowing are some of the matters considered under the cotton extension scheme sponsored by the Government in order to increase the yield per acre.

Plan Target

The production target for the third Five-year Plan proposed 8 million bales by 1965-66 which is proposed to be achieved primarily by raising yield per acre. India is also aiming to become self-sufficient in longer staple cottons and in this respect work on several strains has shown promising results.

In Pakistan, the need to grow more food and existing irrigation facilities impose limits on any expansion in acreage and efforts to step up production are, as in India, concentrated on ways and means of increasing yield. In view of cotton's importance to this country both to supply the expanding needs of the local textile industry and as a major source of foreign exchange, steps have been taken to obtain a larger crop, including the sale of improved quality cotton seed and the continuance of the subsidy on the sale of fertilisers.

With about 90 per cent. of the total crop grown under irrigation, production in Pakistan is largely dependent on adequate water supply, particularly during planting time. Unfavourable weather during last season resulted in the

water-supply being inadequate and acreage and production were the lowest for several years. Reports on the 1959-60 crop, however, show that weather was favourable to sowing in June and planted acreage may, therefore, increase although floods have adversely affected the crop.

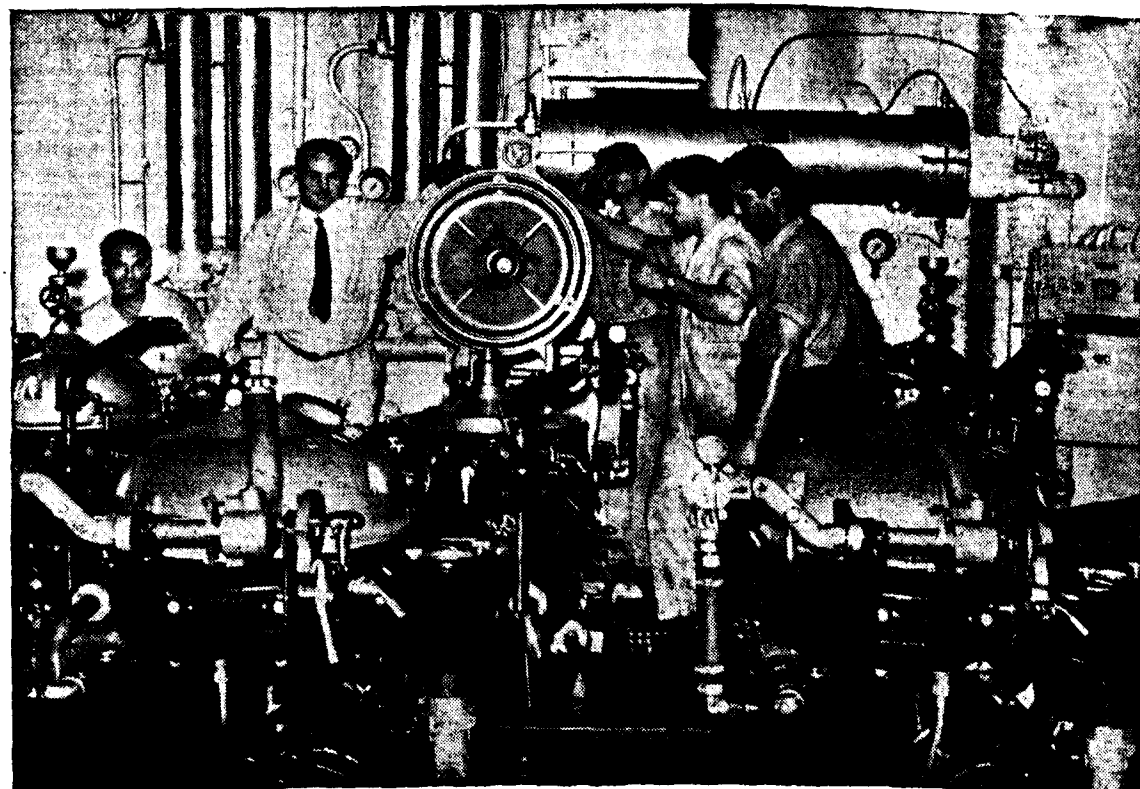
Total acreage in the Sudan this season rose to a record 886,000 with most of the increase occurring in the extra-long staple areas. The completion of the first phase of the Managil Extension added about 66,000 acres to the area under extra-long staple cotton with the balance occurring in the Gash and Tokar Deltas. The second phase, which is scheduled to be completed this year, will add an equal area, or slightly more, to the extra-long staple acreage. Under normal circumstances, the 1959-60 acreage could set a new record of over 900,000 acres. Completion of phases 3 and 4 of the Managil Extension, originally expected to be completed by 1960 and 1961 respectively, may be delayed for some time. A fundamental change in Sudan's production policy is likely to take place in 1960-61 when it is hoped that over 200,000 acres from the existing extra-long staple areas will be put under medium staple cotton.

In Uganda, acreage in 1958-59 rose sharply to over 2 million acres. To some extent this was offset by a reduction in yield per acre but production, nevertheless, was at a near record of 330,000 bales. The production potential of this country during the present season will probably be around 350,000 bales.

Acreage in Europe

In Western Europe, in recent years, roughly a million acres have been devoted to cotton and production is now of the order of half a million bales annually. In South America, too, output is likely to be higher. In Brazil, growers are switching over more to cotton and the Government is actively promoting cotton production to ensure adequate supplies to the domestic industry and increased export earnings. In Argentina, the situation is one of the shortage and a larger cotton crop in 1959-60 becomes imperative in

(Continued on page 462)



M/V JAG LAXMI

DE LAVAL OIL SEPARATORS...Keep oil clean and engines running smoothly

Even the highest grade of fuel oil contains large quantities of fine dirt, a considerable portion of which is of a very abrasive character and naturally causes excessive wear on fuel pumps and injection nozzles. If the oil contains water, this causes incomplete combustion and accumulation of soot on the exhaust valves.

The centrifugal separator is an ideal instrument for purification of oil as by means of centrifugal force, without affecting the composition of the oil it removes all free water and all impurities bigger than 2-3 microns and which are of such size that they can be harmful for the engines.

Centrifugal separation of oil is as a matter of fact so efficient that it is possible to use boiler oil as fuel for diesel engines

If the oil is properly purified in the De Laval Separator, giving a high saving of fuel cost.

For steam turbines which for continuous operation and ultimate life, entirely depend upon the efficiency of the lubricating system, De Laval Turbine Oil Purifier Units will maintain lubricating oil in perpetual first-class condition, so that it can be used indefinitely.

Also in diesel engines a continuous separation of the lubricating oil enables the use of the oil for a very long time without affecting the detergents in the oil and the separator installation is paid off in a very short time.

A complete range of spares for all types of De Laval Units are readily available from stocks in India.

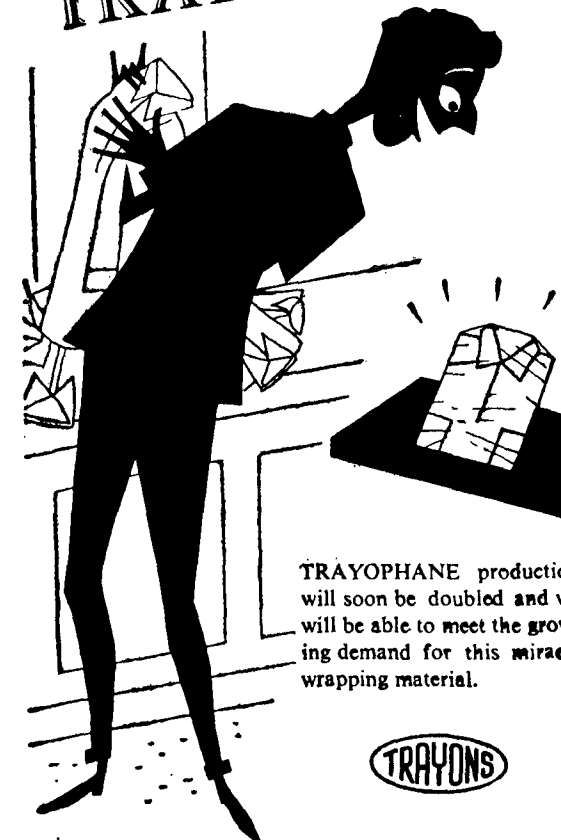
DE LAVAL Purifiers and Oil Separators

THE DE LAVAL BALL BEARING CO. PRIVATE LTD.

THE DE LAVAL INDUSTRIAL SEPARATOR DIVISION
P. O. BOX 74, BOMBAY 11.

People just can't help
buying things wrapped in

TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

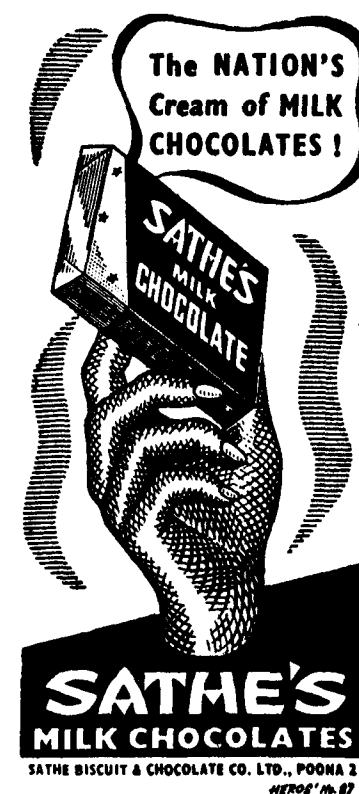
*TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little.

*TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes.

THE TRAVANCORE RAYONS LIMITED
Factory Rayonpuram, P. O. Kerala State
Sales Office: 216, Second Line Beach, Madras-1.

Distributor:

R. Sutramdas (India) Private Limited
United India Building, 5th Floor, Sir Pheroze Shah
Mehta Road, Bombay 1

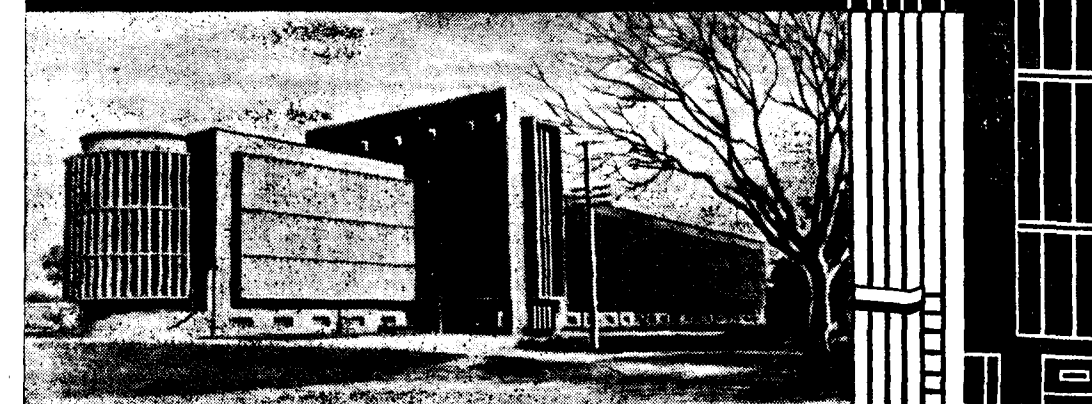


MOTORS
TRANSFORMERS
L. T. & H. T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS

THE HINDUSTAN
ELECTRIC CO. LTD.
POST BOX NO. 627 BOMBAY 1

Sahu Cement

in nation building...



Improvement in the standard of life is a vital need to-day.

The building industry is producing tangible evidence of the increasing industrial and commercial life of the nation. In all these nation-building activities CEMENT plays a major role



ROHTAS INDUSTRIES LTD.
Dalmianagar, Bihar



JAIPUR UDYOG LTD.
Sawai Madhopur, Rajasthan



ASHOKA CEMENT LTD.
Dalmianagar, Bihar

Selling Agents

ASHOKA MARKETING LTD.
Calcutta, Patna, New Delhi, Lucknow
Chandigarh, Jaipur & Bhopal

Consult

SAHU CEMENT SERVICE
for free technical advice on all
problems in the use of cement in construction.

POWER

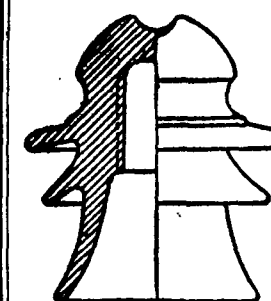


Youthful eyes gaze in wonder, as Nature unleashes her fiery furies in the skies. Awe inspiring to behold, the spectacle represents the power inherent in Nature—uncontrolled electricity completely wasted.

Harnessed electric power, however, is the great motivator of modern industry. And wherever electricity comes from, wherever it goes, Henley Cables and Distribution Equipment carry it surely and safely. No manufacturer has more experience in the design and manufacture of super-tension cables up to 132 kv.

HENLEY

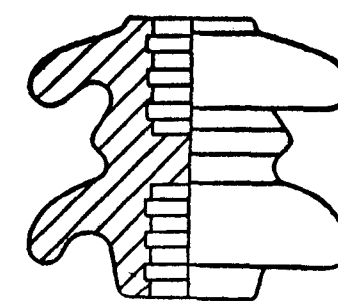
W.T. HENLEY'S TELEGRAPH WORKS CO., LTD.
(Incorporated in England)
Calcutta Bombay New Delhi
Agents in South India:
The Crompton Engineering Co. (Madras) Private Ltd., Madras



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



SUGAR SITUATION IN SOUTH INDIA FRESH BID TO ENSURE MORE SYSTEMATIC DISTRIBUTION

CONSUMERS of sugar in the four Southern States of Andhra Pradesh, Kerala, Madras and Mysore must have felt gratified at the successful outcome of the discussions on sugar distribution held at New Delhi last week. The meeting was attended by the representatives of the Central and State Governments, as well as the South Indian Sugar Mills Association. Mr. B. B. Ghosh, Secretary to the Union Ministry of Food and Agriculture, presided over the meeting. The discussions centred round arrangements for a more systematic distribution of sugar in the Southern States. There was general agreement on the question that the monthly release of sugar produced by the factories in the four States should be equitably distributed among those States on the basis of past consumption figures. In order to ease the situation in Kerala, the Government of India agreed to make available 1,500 tons of sugar from factories in Uttar Pradesh for distribution in that State under arrangements made by the State Government. The Sugar Mills Association was urged to arrange for the retail distribution of sugar at fixed prices in Kerala and Madras, the respective State Governments exercising supervision over the distribution. The official spokesmen for Andhra Pradesh and Mysore gave the assurance that they would review the distribution arrangements in their areas and take steps to ensure proper supervision by their district officers. An important outcome of the meeting was the willingness of the Association to reduce the sale price of sugar by a rupee per bag.

The convening of the New Delhi conference was a sequel to the continuously upward trend of sugar prices in the four States, although the States taken together are self-sufficient in sugar in normal circumstances. Replying to a short-notice question in the Lok Sabha two days before the conference was held—that is, on the 4th inst.—Mr. A. M. Thomas, Union Deputy Food Minister, revealed that the total requirements of the four States were estimated at about 27,500 tons per month and that the Government had been releasing 28,000 tons per month. Normally, this release, the Minister said, should be sufficient to meet the requirements of all the four States. According to him, the South Indian Mills Association had represented to the Government that, in view of the increased demand, the monthly requirements would be something more than those indicated in June last, namely, 27,000 tons; the Association had, therefore, asked for additional allotment from the North. Mr. Thomas pointed out that the sugar position in the North was also tight. Replying to another question earlier, he admitted that there had been an increase in the price of sugar in Madras State. He attributed this increase to two factors: (1) hoarding tendency among both the sugar trade and the consumer, and (2) inadequate supplies from Andhra Pradesh. Asked as to what steps the Government proposed to take to check the price of country sugar and jaggery which had gone up because of sugar scarcity, the Minister declared that it was not possible to control the prices of country sugar and jaggery.

Sugar in Madras

The difficult sugar position in Madras figured prominently during question-hour in the State Legislative Assembly on the 4th inst. Two members asked the reasons for the sudden scarcity in sugar supplies, the sudden spurt in its price, and the steps taken by the authorities to make sugar available to consumers in sufficient quantities at a fixed price. The reply given by Mr. M. Bhaktavatsalam, Home Minister, reveals that there has been a fall of 10,000 tons in the production of sugar in the States of Andhra Pradesh, Kerala, Madras and Mysore. Owing to the imposition of the Sugar (Movement Control) Order, 1959, by the Central Government on 27th July 1959, the usual flow of about 3,000 tons from the North Indian mills has stopped. Further, the western regions in Andhra Pradesh are getting their supplies mainly from Bombay and this source is also not available to Madras now. Again, imports from Andhra have been curtailed on account of increased demand in that State. As a result of these factors, the price of sugar in Madras has gone up in recent weeks; an initial slight rise in the price has resulted in some kind of a psychological panic

which in turn has led to a further advance in price. The South Indian Sugar Mills Association has opened nearly 6,200 fair-price shops in the various districts of Madras State to make sugar available to the public at the fixed price of Rs. 1.63 per viss.

One of the Madras Assembly members raised a question as to what steps were being taken to establish new sugar mills. In his reply, Mr. Bhaktavatsalam disclosed that the Union Government had agreed to permit the starting of some more factories in the State. The State Government, he added, would investigate the possibility of setting up new mills either by private bodies or by co-operative agencies.

The need for expanding the production capacity of the sugar industry in Madras State is urgent. This State is deficit to the tune of 35,000 tons per annum. It may be noted here that, out of the expansion of 88,956 tons in the daily cane crushing capacity envisaged for the whole of India in the first and second Five-year Plans, Madras accounts for just 6,700 tons. This is being achieved to a great extent by the establishment of seven new units with a total cane-crushing capacity of 6,500 tons, the balance of capacity representing the expansion of the existing one unit. Of the new units, four are private or joint-stock companies and three are co-operative units.

With the completion of this programme, there will be in Madras 13 sugar mills together accounting for a daily cane-crushing capacity of 11,300 tons. On this basis and taking the duration of the crushing season as 170 (1957-58) days, and average recovery percentage as 9, the

annual rate of sugar output will work out to about 172,890 tons. The actual output in 1957-58 was only 67,961 tons. In other words, this means that not only the deficit in supplies (now about 35,000 tons) will be wiped out but there will actually be a surplus. If, in spite of this, the Government of Madras is anxious to have more sugar mills established in the State, it has perhaps in mind the expanding consumption of white sugar.

Before giving permission for the setting up of more sugar mills, the authorities will do well to take note of the poor quality of sugarcane grown in Madras. The average recovery of sugar in cane grown in that State has been very low—it was just 8.69 in 1957-58 as compared with the all-India average of over 10 per cent. and the recovery of 11.15 per cent. obtained in Bombay and 10.28 in Mysore.

"KHANDSARI" IN U.P.

The Central Government's decision to ban movement of *khandsari* from the U.P. to other States was criticised by some members in the U.P. State Assembly as having led to considerable hardship to producers. In his reply, the Chief Minister stated that the above decision was not final and that it might be modified. He, however, said that, even if the decision was not revised, there was little ground for the fear that the *khandsari* industry would face the problem of piled-up stocks. In support of this contention, he gave the following reasons:

Uttar Pradesh produces normally 6.85 to 8.14 million maunds of *khandsari* sugar annually, of which barely 900,000 maunds are exported from the State. According to an official estimate, the unsold stocks at the moment come to about 1.01 million maunds. There is no reason why this meagre quantity should lie unconsumed in a State which consumes annually 6.40 to 6.50 million maunds, particularly when *khandsari* sugar is cheaper than crystal sugar, the market rate ranging from Rs. 31 to Rs. 32 per maund, as against the minimum price of Rs. 36 for crystal sugar.

In view of this position, the Chief Minister pointed out, there was no cause for anxiety. He made it clear that the State Government was not considering any proposal to buy the unsold stocks of *khandsari* at a reasonable price.

Beginning with only a small machine shop in 1939, NSE expanded rapidly and today it operates three major engineering factories, each engaged in producing vital equipment, covering the gamut of the country's

developmental needs. Through engineering skill and technical knowledge garnered over the past two decades, NSE has earned the confidence of the various industries it serves.

to

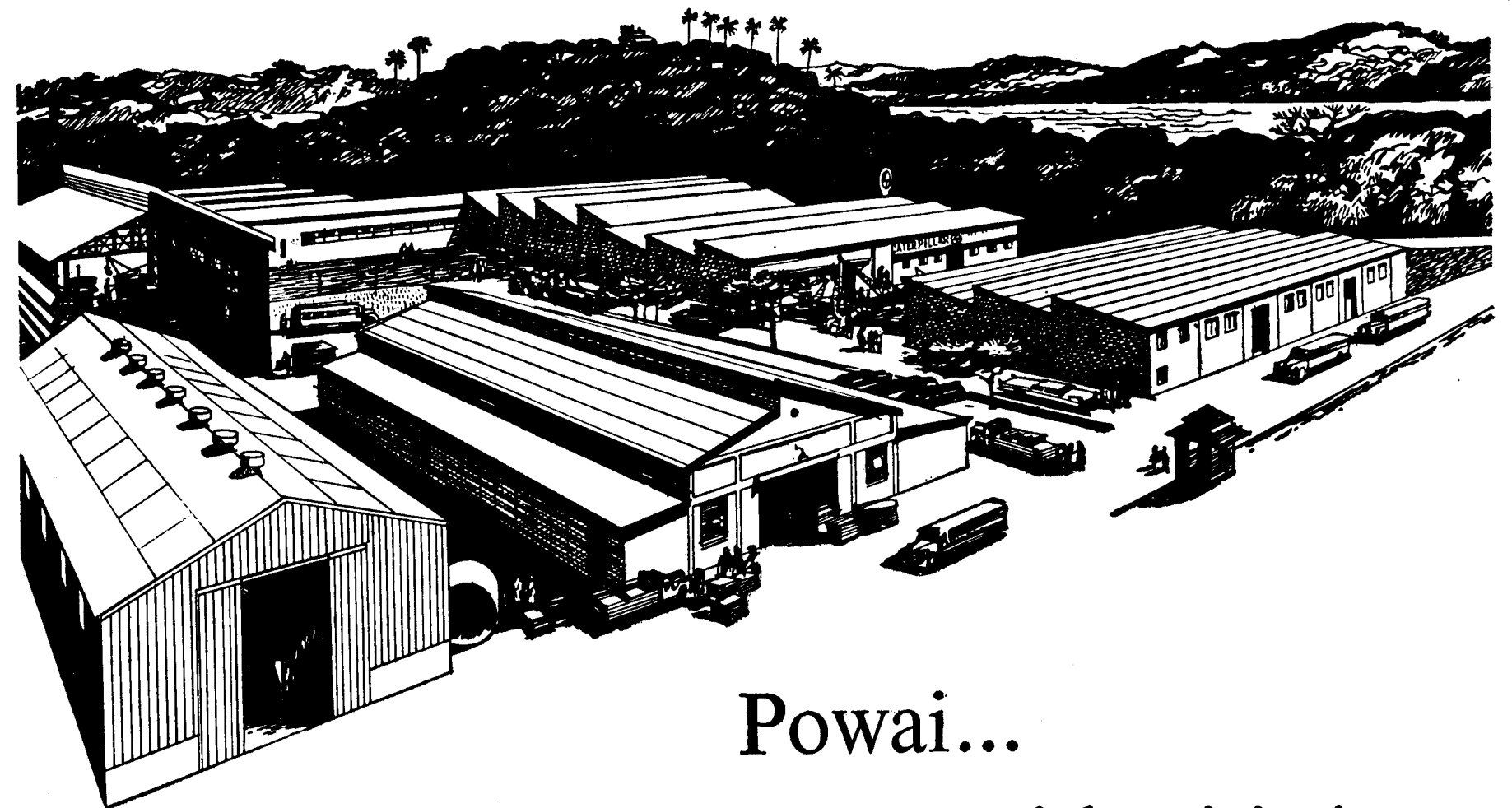
NSE

Service to Industries

NEW STANDARD ENGINEERING CO. LTD.

Structural & Mechanical Engineers, Founders, Machine Tool & Industrial Plant Manufacturers
CARROLL ROAD, BOMBAY-13
GRAMS: 'STEELBUILT'
PHONE: 62111/62164-65

NSE 7 SEKAI



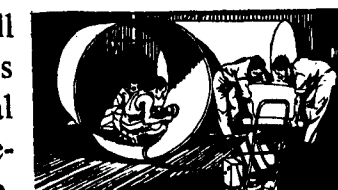
Powai...
... a beehive of industrial activity!

Busy sounds fill the beautiful valley of Powai as L & T factories keep up with the ever-increasing national demand for industrial products.



Established in India many years ago, Larsen & Toubro Limited have developed from one of the country's leading suppliers of imported plant and equipment to manufacturers of machinery. Their range of manufacture extends from electrical switchgear to production of machinery and equipment for the dairy and refrigeration, chemical, pharmaceutical and food processing industries.

This machinery will meet the essential needs of many of our national projects & help save precious foreign exchange.



At Powai, near Bombay, Larsen & Toubro Limited have established a unique manufacturing and servicing organisation that is, today, as always, contributing vitally to the country's industrial development and progress.

PRODUCTS MANUFACTURED

- DAIRY MACHINERY & EQUIPMENT
- REFRIGERATION EQUIPMENT
- SOLVENT EXTRACTION PLANT
- SWITCHGEAR & MOTOR STARTERS
- INDUCED DRAUGHT COOLING TOWERS
- PETROL DISPENSING & METERING PUMPS
- SHEEPFOOT ROLLERS
- BELT CONVEYORS
- STAINLESS STEEL, COPPER & ALUMINIUM EQUIPMENT FOR:
 - Chemical & Dyestuff Industries
 - Drug & Pharmaceutical Industries
 - Distilleries & Breweries
 - Food Processing Industries



LARSEN & TOUBRO LIMITED

Engineers

P.O. Box 278, Bombay 1 Also at: Calcutta, Madras, Delhi, Bangalore, Cochin

- | | | | |
|-----------|--|-------------------------------------|---------------------|
| Divisions | • DAIRY & REFRIGERATION | • HEAVY PLANTS | • CIVIL ENGINEERING |
| | • EARTHMOVING & AGRICULTURAL EQUIPMENT | • INDUSTRIAL APPLIANCES | • ERECTION |
| | • DRILLING & MINING | • ELECTRICAL EQUIPMENT & SWITCHGEAR | • MANUFACTURING |
| | | | • SERVICING |

THE DECLINING DOMINANCE OF COAL OIL IS BECOMING A MORE ATTRACTIVE FUEL

A DRASTIC reassessment of official forecasts of coal demand is now under way in Western Europe. In the U.K., the National Coal Board has reduced its forecast of domestic and export demand in 1965 to only 200-215 million tons from the previously foreseen 240 million. In France, coal production is to be cut back in favour of domestic (including Saharan) oil and natural gas. In Western Germany, the necessity for a long-term reduction in coal producing capacity is now widely accepted. And in Belgium, the concentration of production in the more efficient pits and at a lower level is being carried through.

This new view of the future for coal springs immediately from the sudden and quite unexpected change in its current supply/demand position during the past year or so. It had become widely accepted that Western Europe's indigenous coal production would continue to fall short of demand indefinitely, as throughout the post-war years. But in sharp contradiction of this view, in the past year or so, demand has been at lower levels than expected and has been lagging persistently behind supply (including some continuing imports). Pit-head stocks have risen to alarming proportions in each of the main producing countries and are likely to overhang the market for several years.

These developments in Europe have been paralleled to some extent in Japan. And even in the United States there was a sharp reduction last year in the demand for coal, which has only partially recovered so far this year. Together, the hard coal production of Western Europe, of Japan and of the United States constitutes practically 90 per cent. of the total output of all non-communist countries. The difficulties have been associated closely with the recent economic recession. And there has been until recently some tendency to assume that with the recession ended, there would be a swift recovery in the coal industries' fortunes.

Importance

However, coal demand is continuing to lag, despite the general economic recovery, whereas, on the other hand, demand for fuel oil continues strongly upwards. It would be a mistake, of course, to underestimate the potentialities of coal, especially where sufficient capital can be made available for extensive mechanisation and modernisation of production, handling and transport, to lower costs and increase output. Coal is still the biggest single source of energy if road transport is excluded. However, after the contraction of production capacity and mining labour now planned in Western Europe, it would be very difficult to initiate expansion again. And there are a number of factors at work which hinder any general expansion of demand for coal, while encouraging demand for other forms of energy, for the present mainly oil. One of these factors, incidentally, is the cumulative influence of example, which makes

E.C.S.C. and U.K.: Hard Coal and Fuel Oil Consumption and Coal Stocks

	1956	1957	1958	1959	Per cent. change 1958-59
<i>Stocks of coal at mines</i>					
(a) E.C.S.C.	6,798	5,960	18,284	31,704	+ 74
U.K.	2,171	6,574	11,471	28,202	+ 146
<i>Consumption of coal—</i>					
(b) E.C.S.C. (d)	278,920	280,938	248,913	60,187 (b)	- 8 (b)
U.K. (e)	220,500	216,000	205,500	96,500 (b)	- 10 (b)
<i>Consumption of fuel oil (f)</i>					
(c) E.C.S.C.	21,487	22,951	27,528	(c)	(c)
U.K.	6,675	7,041	10,748	6,960 (b)	+ 37 (b)

(a) End-June.
(b) Refers to most recent period available and percentage change from corresponding period in 1958, i.e., for U.K. coal and fuel oil consumption January-June; for E.C.S.C. coal consumption January-March.
(c) Not available.
(d) Production + Imports — Exports + Stock changes.
(e) Inland.
(f) Inland excluding refinery use.

oil increasingly attractive because it is seen to be benefiting those already using it. We seem, in fact, to be witnessing a structural change which will leave coal with a permanently smaller role in meeting our energy requirements. If imported liquid methane also becomes available cheaply in Western Europe, Japan and elsewhere, this will add significantly to the competition facing local high-cost coal. And a further new competitor is in the offing when atomic energy ultimately becomes available at low costs.

It is significant that, during the recent recession in Europe, the demand for fuel oil continued to grow rapidly, with the exception only of the bunker trade. Thus, inland consumption of heavy fuel oils in Western Europe as a whole, excluding refinery use, jumped last year

by eight million tons or nearly 20 per cent. By contrast, the aggregate consumption of hard coal in the Community countries and in the U.K. dropped by 43 million tons or about nine per cent. This continued increase in demand for fuel oil reflects the well-known fact that in a very wide range of uses, consumers are turning to oil rather than coal. The effect of this is that in a trade recession the plants most likely to be kept in full use, because they are the most modern and efficient, are frequently oil-fired plants. Likewise, if a new installation is made despite the recession, the odds are that oil-fired or dual-fired equipment will be installed. Thus even in recession, the attractions of fuel oil carry it forward at the expense of coal in continuation of the trend of many years past.

Remarkable Contrast

Over the past 20 years or so, the contrast between the growth of fuel oil and of coal is remarkable. Since 1938, the consumption of hard coal in the non-communist countries other than the U.S.A. has remained virtually static in the neighbourhood of 700 million metric tons. But, over this same period, the consumption of fuel oil in these countries, including ocean bunkers—a market from which coal has been virtually ousted—has quadrupled. It rose from 33 million metric tons in 1938 to nearly 149 million last year (excluding refinery use; including bunkers loaded at U.S. ports). The aggregate market outside the U.S.A. for coal and fuel oil together, in terms of coal equivalent, rose during the 20 years by some 20 to 30 per cent. Thus, if fuel oil had continued to meet only the same proportion of demand as in 1938, its sales too would have grown by only 20 to 30 per cent., that is by about eight million tons, as compared with the actual increase of 116 million.

The advance of fuel oil has occurred, despite the fact that, from the producer's point of view, it is a low-priced product and that, except in periods of surplus, refiners have not been overanxious to promote its growth. The growth has come about through the inherent advantages of the product itself, which in Western

Europe has been coupled in recent years with growing competitiveness. It is significant that, in the U.S.S.R. also, where primary reliance has hitherto been placed on coal, a rapid switch is now being made to oil and natural gas. In the United States, the picture is somewhat different, because coal is so much cheaper than in Europe and in most other coal producing regions. But, in the United States, coal has had to face very severe competition—as also has oil—from cheap natural gas. U.S. coal consumption has fluctuated widely during several decades without so far establishing any persistent upward trend. Last year, at 350 million metric tons, it was lower than in any other year in the past 38 years, with the exception only of two years during the slump of the early 1930s.

The stagnation of coal demand almost everywhere in contrast to the progress of oil is due mainly to basic physical differences between solid and liquid fuels. Oil is produced by natural energy or by very highly mechanised means—pumping, injection of fluids, etc. As a liquid, it is more easily handled than coal at all stages of production, transport and distribution, right through to the time of its final consumption. Skill, knowledge and much capital are needed, but comparatively little labour. Coal, on the other hand, demands much dirty, dangerous physical effort underground, followed by labour-consuming handling through to its final consumption. Modern labour-saving devices have reduced the labourious element in coal recovery and handling, but the fundamental differences between a solid and a liquid fuel remain. The coal industry is essentially labour-intensive in an age when labour costs are rising relatively to costs and prices generally, and when it is becoming increasingly costly to induce workers to undertake hazardous and unpleasant, underground work. The U.S. coal industry, however, favoured by thick seams, shallow mines and extensive scope for surface mining, has, to a large extent, met these difficulties by large-scale investment in the mechanisation of mining, loading and transport.

The natural advantages of oil in its production, transport and distribution are paralleled by similar advantages to the consumer of ease of handling, convenience, cleanliness, etc., and

(Continued on page 481)

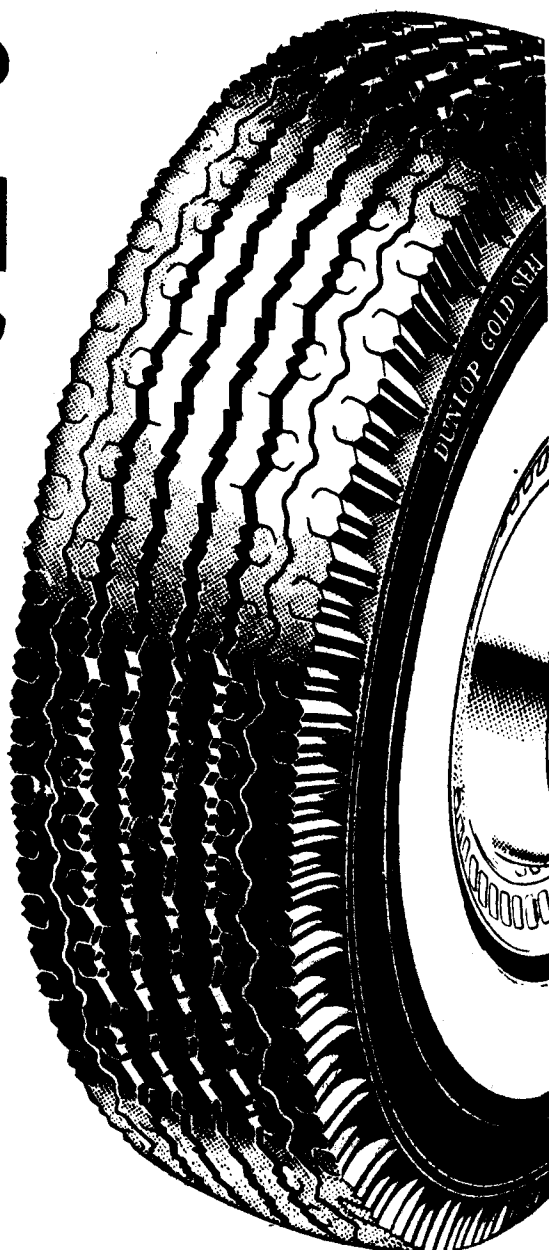
THE NEW DUNLOP 'Gold Seal' CAR TYRE

IN LOOKS,
PERFORMANCE,
SAFETY — IT IS
TOMORROW'S TYRE,
HERE TODAY

Latest tread design
adapts itself to every
driving condition.
Greater and safer grip,
better cornering, less
tyre noise.

High mileage, even
tread wear.

A scientifically designed casing
providing greater comfort
and immense durability.



THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED Rs. 5,50,00,000
CAPITAL PAID-UP Rs. 3,00,00,000
RESERVE FUND Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA
AHMEDABAD Sion JUNAGADH
Bhadra (Main Office) BHUJ (Kutch) KANPUR
Ellis Bridge CALCUTTA MADRAS
Gandhi Road 23-B, Netaji Armenian Street
Manek Chowk Subhas Road Sowcarpet
Navrangpura (Main Office) NAGPUR
Station Branch Bara Bazar Kingsway
BANGALORE Chowringhee Itwari Bazar
BARODA Square NEW DELHI
BOMBAY CALCUTTA PALANPUR
Andheri COCHIN POONA CITY
Bandra COMBATORE RAJKOT
Bulfinch DELHI SURAT
Exchange Colaba GANDHIDHAM
Fort Churchgate (Kutch) SIOLAPUR
Kalbadevi HYDERABAD VERAVAL
Malabar Hill JAMSHEDPUR VISAKHAPATNAM
Santa Cruz

BRANCHES OUTSIDE INDIA:

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

DIRECTORS

SIR COWASJEE JEHLANGIR, Baronet,
G.R.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHA
Mr. RAMNIWAS RAMNARAIN
Mr. BHAGYANANDAS C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. LUCHOH PRASAD GOENKA
Mr. JAISINGH VITHALDAS

Current Deposit Accounts.—Except at certain places
interest is allowed on daily balances of Rs. 500 and above at
4 per cent. per annum. No credit will be given for interest
amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on
favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters
of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills
and Settlements and undertakes Trustee business generally.

Every Description of Banking Business Undertaken.

T. R. LALWANI, General Manager.

INSURE

against Loss or Damage by
FIRE AND RIOT

GRESHAM
FIRE & ACCIDENT
Insurance Society, Limited

(Incorporated in England)

(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorized Capital - Rs. 2,00,00,000

Issued and Subscribed Capital - Rs. 1,00,00,000

Paid-up Capital - Rs. 50,00,000

Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,

General Manager.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories



For over 25 years "BEHAR" REFRACTORIES
are being used by leading iron and steel
works, cement and glass factories, tea
industries, sugar and cotton mills and other
industries in the country.

Phone: 22-5963

22-5964

Orn. "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD.

GRAND ROAD, CALCUTTA



All over the world Euclid earth-moving equipment is in constant use. Picked for their ability to handle capacity loads in the roughest terrain and absorb shock loads from big shovels, Euclid Rear-Dumps have proved that they can

keep on going when the going gets tough. The flared sides facilitate loading and reduce spillage. High dumping angle gives clean and quick dumping. Euclid Rear-Dumps are available in a versatile range from 10 ton capacity to the giant 50 tonner.



Assisting the Second Five-year Plan

BLACKWOOD HODGE

BLACKWOOD HODGE (INDIA) PRIVATE LTD.



Associated Companies Branches Works and Agencies throughout the World.

50/70

A Complete Banking Service

- ★ All the usual banking facilities within convenient reach
- ★ Foreign exchange business of all types, including remittances
- ★ Special Thrift Deposit Plan
- ★ 3-Year and 5-Year Cash Certificates in different denominations at attractive interest rates
- ★ Safe Deposit lockers in many branches

SBH

STATE BANK OF HYDERABAD

H. O. : Hyderabad Dn. (A.P.)

serving you through more than 50 branches in Andhra Pradesh, Bombay City & State, Mysore State and Madras City

PROBLEMS OF HOUSING IN URBAN AREAS

BOMBAY SEMINAR'S PLEA FOR TAX RELIEF

THE widespread interest evoked by the Seminar on Urban Housing, held in Bombay last week under the auspices of the Bombay branch of the Indian Institute of Public Administration, is a measure of the magnitude of the problem of housing in urban areas and the importance which the public attaches to it. It is being increasingly realised that, unless massive efforts were made, the housing situation in urban areas would prove more and more difficult in the years to come. Indeed, it has been computed that, if the current pace of housing construction were not stepped up, the housing situation by 1961 would be twice as acute as at the beginning of the second Five-year Plan. Clearly, the need for devoting maximum attention to the housing problem on the part of all the authorities concerned—the Central and State Governments, local authorities, private builders and co-operative institutions, cannot be overemphasised.

Although no precise data about the paucity of housing facilities in major urban centres have been collected, nor any attempt made to assess the likely increase in demand for houses in each of these centres, it is known that the situation is pretty difficult in all premier industrial towns. From this point of view, the report of the Study Group (Chairman: Mr. S. G. Barve), appointed by the Bombay Government, is a significant document. The Group, which investigated the housing situation in Bombay City, found that there was a net deficit of 250,000 to 300,000 tenements in the city. The slums alone cover an area of 877 acres and a population of over 400,000. Nearly 75 per cent. of the schools are housed in rented buildings without any adequate compound or playground. The Group suggested a massive programme of public housing, involving the construction of 25,000 tenements a year at an annual expenditure of Rs. 16 crores and the implementation of three giant schemes to reclaim 5,000 acres of land to relieve congestion and concentration of industry on the island. Among the other suggestions made by the Group are the decentralisation of industries, creation of satellite townships in close proximity to Bombay and development of suburbs on town-planning lines. A similar report on some of the major towns and cities deserves to be prepared in the interests of assessing the urban housing development.

Private Builders

To revert to the Seminar. It is noteworthy that many participants in the Seminar recognised that private building activity has a definite place in housing development schemes in urban areas. Too often, the public is made to believe that Governmental and institutional effort (whether co-operative or otherwise) alone can relieve housing shortages. There is no doubt that such effort has made significant progress. Considerable contribution has been made by the five major schemes of the Government of India—subsidised industrial housing scheme, the housing scheme for low-income groups (with incomes less than Rs. 6,000 per month) and the schemes for housing slum dwellers, the plantation workers and rural population in selected villages; a new scheme has been initiated this year for the benefit of the middle-income group (for persons within the income range of Rs. 6,000 to Rs. 12,000). Despite the implementation of these schemes and construction of houses by co-operative housing societies, the fact remains that the housing situation would be worse than what it is today if private builders had not chosen to make their contribution to the relief of housing shortage. And yet, it is a pity that the authorities have not considered what suitable fiscal reliefs would encourage private house building activity.

However, there is some evidence to show that they are becoming alive to this aspect of the housing problem. Thus, at a meeting of the representatives of the Central Working Group on Housing and Urban Development and the representatives of the Governments of Bombay, Andhra and Madhya Pradesh, held in Bombay last week, it was urged by the State Governments that, *prima facie*, the existing incidence of taxation appeared to be rather heavy. They stressed that the problem should be examined by a team of experts. It is to be hoped that the examination of the question will not be delayed, for fiscal relief for house building will provide much necessary impetus for constructional activity. For, as Mr. B. P. Patel, Managing

Director of the State Bank of India, pointed out at the Bombay Seminar, the housing problem in Bombay City has assumed serious proportions on account of the heavy burden of taxation on house property. This criticism is true in respect of the housing situation in all major towns and cities in India. Mr. K. L. Punjabi, a former Chief Secretary to the Government of Bombay, suggested that certain restrictive provisions in the Rent Control Act should be suitably modified to enable the Municipal authorities to collect taxes on the basis of services provided or on net return after payment of statutory charges rather than on gross rental value which, in the case of new constructions, would naturally be high. He urged house building societies, local authorities and housing boards to construct houses for sale on hire purchase basis. He deplored that banks did not accept ownership flats as property in the matter of providing loans. In the U.S., he said, special legislation had been undertaken to treat ownership flats as property. He hoped that similar legislation would be undertaken in India. These and other suggestions made at the Seminar deserve to be considered by the authorities and interests concerned with housing.

Construction Costs

So long as construction costs remain on the high side, it would be difficult to bring the houses within the means of the low-income groups. Indeed, as Mr. V. L. Gidwani, Bombay's Municipal Commissioner, pointed out, a subsidy is an inescapable proposition "if we are to provide houses to the poor and middle class people." Such a subsidy could be reduced to a minimum if construction costs could be brought down. Mr. W. X. Mascarenhas rightly pointed out that the houses should aim at utility, simplicity and cheaper cost. The problem of reducing costs of construction resolves itself into the twin issues of augmenting the production of building materials and research in the use of less costly equipment in building construction. Among building materials, the priority given to steel production is bound to result in the relief of steel shortage in the near future. The position in respect of cement is also not likely to create serious difficulties in the near future.

There is need for sustained research which much be so designed as to ensure reduction in construction costs. In this connection, it is gratifying to note that the National Buildings Organisation of the Union Ministry of Works, Housing and Supply has made several suggestions for bringing down the costs of construction of buildings. The Organisation has found that in most residential buildings of two-storeyed construction, a 9-inch wall would be enough instead of a 13½-inch one in ground floor. Economy, it is stated, can be achieved by the use of prestressed concrete, if high-tensile wire is available. The price of high-tensile wire is nearly double that of M.S. bars, but the quantity required is nearly one-fourth. The use of high-tensile wire, however, depends upon the availability of foreign exchange for its import.

Since timber and bricks constitute important elements in construction costs, any attempt to reduce the cost of these two items will mean considerable economy. It would appear that, as against five primary species of timber now employed in buildings, 70 secondary species could be used after seasoning and preservation treatment. A seasoning plant is being set up in the Hindustan Housing Factory at New Delhi. But more such plants should be

set up in different parts of the country. It has been found that 70 to 80 per cent. of a tree, felled for timber, is now wasted. There is scope for converting the waste into hard boards and utilised for furniture, doors and panels. A factory for producing wire-bound reed boards is being set up in U.P. Similar factories could be installed in other parts of the country. Other suggestions made by the N.B.O. for reducing construction costs include the indigenous manufacture of roofing sheets out of asphaltic material and manufacture of lightweight aggregates (to replace stone aggregate) from silt available near Calcutta. As regards the manufacture of bricks, the Union Ministry for Works, Housing and Supply, according to the Secretary to the Ministry, Mr. M. R. Sachdev, has worked out a scheme for the establishment of mechanised brick plants for making perforated bricks which will not only reduce the amount of clay used but also coal needed for burning.

The battle for reduction in building costs must thus be fought on two fronts. In the first place, concerted efforts should be made to increase the production of building materials. Secondly, research into alternative building materials and their economic utilisation should be undertaken. Further, the results of this research should be frequently brought to the notice of building organisations. Even now, there is a wide divergence in the construction costs of co-operative housing institutions even when allowance has been made for the difference in the costs of acquisition of land. Perhaps, the State Governments or the financing institutions could devise some technical advisory service for the benefit of co-operative and private builders. This should go some way towards the achievement of economy in construction costs.

AVRO-748

A vigorous defence of the agreement between the Government of India and the Hawker Siddeley group for the manufacture of Avro-748 aircraft was put up by the Union Defence Minister, Mr. V. K. Krishna Menon, in the Lok Sabha last week. The two main criticisms against the agreement were that the Government had gone in for an untried aircraft and that the offer of another aircraft manufacturer—the Lockheed Aircraft Corporation—had not been considered. As regards the first criticism, Mr. Menon said that the manufacture of aircraft which was already in the secondary one with obsolete planes. Hence, they had to go in for a type which other countries did not have. Regarding the second criticism, he said that the Government had contacted the Lockheed Aircraft Corporation. He added that the Lockheed had no specific offer to make and had suggested that, if the Defence Ministry gave them the specifications they would send the designs in three months; examination of the designs would have taken another nine months in India.

The grounds on which the Defence Minister justified the agreement with the Hawker Siddeley group were: (1) the aircraft (Avro-748) was the best type designed to meet military transport for other types, (2) the incidence of royalty was half that of other types, (3) no royalty on spares, and (4) India had the right to sell the aircraft and the spares to other countries in Asia. Mr. Menon said that India's Air Force technicians were conversant with Avro-748 was not only a satisfactory plane but also "the right plane for us to have." The specifications, the simplicity of construction, and the design of the aircraft to meet multiple needs of military transport were the factors which had induced the Defence Ministry to go in for this aircraft.

Mr. Menon revealed that the cost of the aircraft would be between Rs. 22 and 25 lakhs each which would be less than the price of a Dakota; it about 100 units were produced, the cost would be Rs. 22 lakhs each. Additional equipment for the Kanpur military depot, where it would be manufactured, would cost Rs. 130 lakhs. The Defence Ministry would be able to place the aircraft at the disposal of the Indian Airlines Corporation by the end of 1961. If the Corporation required new aircraft before that date, it could buy in the world market of the I.A.F. was chosen for the manufacture of the aircraft in preference to the Hindustan Aircraft Factory at Bangalore, Mr. Menon said that the latter unit had no surplus capacity because it had undertaken the programme for the production of Gnat aircraft and fighter planes.

DC-7C'S FOR CARGO SERVICE

Pan American World Airways has awarded a contract for approximately \$2,800,000 to Lockheed Aircraft Service, Inc. for conversion of 10 DC-7C's to cargo aircraft with an option for conversion of an additional 10 aircraft of the same type. The head's base at Ontario, California, is scheduled to carry 16 tons on a transatlantic flight or almost five tons more than a DC-6A, the cargo aircraft currently in use in the route. The DC-7C's will have usable cargo space of 5,253 cubic feet, will cruise at 300 miles per hour compared to 250 miles p.h. for a DC-6A and are capable of non-stop east-bound transatlantic flight; the DC-6A makes a fuel stop on the same flight. Introduction of DC-7 Pan American's long-range programme to develop volume international cargo at reduced rates. The DC-7C's, it is stated, will for several years be the fastest, most modern aircraft in cargo service.

NEW PRODUCTS AND PROCESSES

Panoramic Camera

AN optical instrument factory of the Netherlands has developed a camera which photographs practically the whole of the surroundings in a single instantaneous exposure. The lens of this camera is not at the front of the apparatus but arranged at the top. It is composed of a hemisphere embedded in a spherical casing without a top. The upper part of the lens is closed. Light entering at the side when the shutter is open is divided into beams by thin sheets. These beams are bent in the lens so that they arrive in the camera underneath the lens. Here they pass through a round, ground glass corrector round which the film is conducted. Thus the special feature of the camera is that light enters at an angle of 360° and the film (at a somewhat lower level) is mounted around the lens at an angle of 360°. Owing to the necessary presence of two small guide rollers it is only over an angle of 5° that no exposure is obtained. Since it would not be practical to employ an ordinary shutter between the lens and the film, the camera has a thin aluminium shutter around the lens which is fully tilted during exposure. The thin sheets arranged radially about the object glass take the place of the diaphragm. The shutter speeds are 1/25, 1/50, 1/100 and 1/250 of a second; the F number of the lens is 8. The focal length is 102 mm. (4 ins.) The camera is suitable for an ordinary miniature film 30 metres long. Since the image is 24.5 x 630 mm. some 45 photographs can be taken with one film. The camera can be operated both manually and automatically and even fully automatically (when used in aircraft). The dimensions of the camera are length 356 mm., width 254 mm. height 193 mm. The weight is about 11.3 kg. (24.9 lbs.).

Diesel Cylinder Pressure Indicator

It has been difficult to register accurately peak and initial cylinder pressures in Diesel engines without complicated adjustments, because few pressure indicators have been fitted with a dial for visual reading. The latest addition to the Dunedin Engineering Company's range of Diesel engine service equipment is a pressure indicator known as the Diesindicator which provides immediate visual reading by means of a gauge with a dial. It is suitable for low, medium, and high speed Diesel engines, where access to the combustion chamber is provided, and can be used either in vertical or horizontal position. As there is no piston or damper, inertia is minimised and deposits of carbon are greatly reduced, leading to effective operation over long periods without maintenance. Similar instruments require cleaning after a few applications, but the new instrument can be used from 75 to 100 times without becoming sooted-up. When, finally, the internal cartridge has to be cleaned, this, it is claimed, can be done with ease and speed. The instrument is constructed from special heat, shock, and corrosion resisting materials. Its 2,000 lb. gauge, graduated both in lb./sq. in. and kg./sq. cm., is housed in a steel case fitted with a special Bourdon tube.

New Skin for Old

Five hundred patients in a hospital in New Orleans, U.S.A., have literally traded old skin for new. The patients are elderly, with wrinkled skin, mottled with large brown spots that doctors call "senile keratosis"—spots that sometimes become cancerous. In the current experiment at Tulane University's School of Medicine, Drs. James W. Burks, John M. Brewer and Marvin Chernosky, "planned" off the old skin—in most cases, skin off the face and hands—in a simple operation. They chemically froze the skin, then ran a rapidly rotating wire brush over it. The results date back four and a half years. The doctors report that the new skin has remained soft, pliable and pink in contrast to the wrinkled, mottled skin of before. Some patients had their entire face or hands treated. Others, only the lesion and a wide margin around it.

Patients free of cancer were used in the test. According to the American Cancer Society, the clinical results indicate that pre-cancerous skin conditions can be removed safely and replaced by healthy new skin growth. Further, the new skin has a youthful texture.

Cheaper Welding

A development which, it is claimed, will reduce costs and speed up the welding of steel by the electric arc process has been announced by the British Welding Research Association. These advantages spring from the closer degree of control said to be attained in a method of welding which uses bare wire in conjunction with carbon dioxide gas instead of conventional coated welding rods. The carbon dioxide shields the molten weld during its formation from the surrounding air—a function usually performed by the flux coating of coated welding electrodes. Advantages claimed are higher welding speeds, saving of time spent in changing rods, and absence of slag.

Epi-tar

Giving a coating which is six to eight times as thick as normal paint and yet has a high rate of coverage, the latest addition to the firm of Corrosion's of the United Kingdom plastic based heavy-duty protective paints should prove of value to those trades which require a material with above-average protective properties and which can be applied whatever the weather. It is a coal tar epoxy coating, called Epi-tar, which will not only protect surfaces from attack by acids, alkalis, petrol and Diesel fuels, and oils, but also resists both hot and salt water.



COMETS
for speed
TOURIST
for economy to
COLOMBO
SINGAPORE
RANGOON
BANGKOK
HONG KONG
TOKYO

See your local BOAC Appointed Travel Agent
or BOAC at Bombay, Delhi, Calcutta and Madras

ALL OVER THE WORLD

B.O.A.C.

TAKES GOOD CARE OF YOU

BRITISH OVERSEAS AIRWAYS CORPORATION IN
ASSOCIATION WITH QANTAS, EAA, MEA AND TEAL

money in the bank
is never idle
it keeps the wheels of
trade commerce and industry
moving

THE INDIAN BANK LTD

Head Office: FIRST LINE BEACH, MADRAS-1.

with its 23 local offices and
113 branches continues to
play its useful part in India's
economic development.

YOUR STAFF AND CONFIDENTIAL SALARY RECORDS

1. Salaries Sheets
2. Employees' Month-by-Month Pay Cards
3. Employees' Pay Slips

Twice as fast, at half the cost and without mistakes by

PATHFINDER PAYROLL MACHINE

- Three Records in one writing
- Unperforated Pay Slips
- Employees' Pay Card Facilitates Tax, Provident Fund, Bonus, etc., calculations
- No Checking and Re-checking
- No Trained Staff

PATHFINDER CORPORATION
POST BOX No. 132, BOMBAY-1

CREeping INFLATION—IV BRITAIN SHOWS THAT GROWTH WITHOUT INFLATION IS POSSIBLE

[This is the fourth instalment of the series of articles on the inter-relationships between economic growth, the general behaviour of prices and public economic policy, particularly monetary policy. In this article, the developments in Britain are reviewed by the Federal Reserve Bank of New York in its latest issue of *Monthly Review*. The article was prepared before the report of the Radcliffe Committee on Monetary Policy was published.—Ed.]

THE problem of achieving reasonably rapid economic growth, without generating an inflation that jeopardises prospects for further growth, has confronted not only the United States but virtually the entire world, both primary-producing and industrial countries alike. In Britain, where the problem has been given increasingly close attention in recent years, the Chancellor of the Exchequer recently observed that the reconciliation of growth with price stability is "one of the most important and intractable economic problems with which the modern world is faced." This article reviews Britain's problems in attempting to achieve this reconciliation in the past and the views of British observers as to how it might better be achieved in the future.

To an American, one of the most significant aspects of these views is the absence of any serious suggestion that "creeping inflation" holds an answer to the problem of economic growth. The pitfalls of a prolonged—even though gradual—rise in prices have become painfully clear to British observers. Price inflation has obviously not been the only factor in Britain's post-war difficulties, but it contributed to the 1949 devaluation of sterling, to the squeeze on pensioners and others with fixed incomes, to ever-increasing wage demands as workers sought to maintain the purchasing power of their incomes, to complications in the management of the Government debt and, consequently, in the maintenance of monetary control, and to periodic bouts of speculation against sterling. The last of these speculative attacks, in August-September 1957, gained such intensity that it was stopped only by drastic fiscal and monetary measures, including the increase in September 1957 in the Bank of England's discount rate to 7 per cent., the highest since 1921. Out of this experience and the subsequent strong revival of confidence in sterling, accompanied as it has been by a degree of price stability unknown in Britain since the thirties, has come a sober discussion of the problem of achieving growth without setting off inflation. It is accepted that there is need for deeper understanding of the workings of the economy, for re-examination of existing policies, and perhaps also for the development of new techniques by which existing policies could be strengthened. The public has been encouraged to discuss the issues and to face up to hard decisions. Above all, there is a growing recognition that the problem is tough, and persistent, and that, in dealing with it, there can be no easy or single answer.

Experience Before World War II

The problem, of course, is not wholly new for Britain. Although upward pressure on prices was by no means as persistent in the inter-war years as it appears to have been since World War II, the tendency for Britain's rate of economic growth to lag behind that of many other countries has long been a subject for comment. In part, this lag merely reflected a catching-up process in which other countries were covering ground already traversed by Britain in the eighteenth and early nineteenth centuries. It also reflected the inevitable adjustment of the British economy to the rest of the world's economic growth, which had been fostered by heavy British foreign investments. Helped by these investments, foreigners adopted the techniques on which Britain's early industrial supremacy was based. The exportation of British machinery and technical know-how gradually put many of Britain's major customers in a position to supply for themselves products that formerly had been imported. Frequently, the development of such competing industries overseas was fostered by tariffs and other protective devices. It thus became increasingly difficult for Britain to sell its traditional exports, and, while economic growth abroad opened up new market possibilities, Britain could take advantage of these only if its management and labour remained alert and progressive in their industrial and commercial techniques.

The pace of Britain's adjustment to overseas economic change was given a serious setback by World War I and its aftermath. Overseas countries, whose access to British supplies was cur-

tailed during the war, accelerated the development of their own resources. The need for Britain to adjust was thus increased during a period when its ability to do so was severely limited by the overriding requirements of the war and, after the end of hostilities, by the heavy taxation that was the legacy of war finance. Moreover, British industry:

"came out of the war and post-war boom in poor financial condition, and demand for its products was weak. Excess capacity, overcapitalisation, heavy fixed charges made it difficult for iron and steel, cotton, coal, and shipbuilding even to set aside sufficient reserves for depreciation, let alone to finance a comprehensive programme for scrapping and rebuilding. The credit of these industries was low. . . . Here was a vicious circle of competitive weakness, because of their failure to recognise, bringing financial weakness, and financial weakness in turn making it impossible to attract the capital necessary to effect reorganisation."

The adjustment problem was aggravated and the resumption of growth delayed during the twenties, because the authorities—being determined to restore sterling to an exchange rate at which it was overvalued in terms of other major currencies—were obliged to pursue a deflationary credit policy of a kind that has not been experienced in the United States. Only after 1931, when Britain left the gold standard, was credit policy eased. However, by that time, the flexibility of the economy was being hampered by a proliferation of restrictive practices which had been adopted by both management and labour as a defence against the difficulties of the twenties, and which were to complicate further the process of growth and adjustment in the years ahead.

Lag in Growth Since the War

Although World War II created new handicaps for the British economy, its aftermath contrasted sharply with that of World War I. The world economy, supported by a heavy flow of United States' aid and long-term capital, expanded at a rapid pace, and Britain benefited accordingly. The rise in its national income (measured in constant prices) in the 1948-57 decade was about as large as in the two decades of the inter-war period. However, in comparison with most major industrial countries Britain's growth, even on a *per capita* basis, continued to lag, while (judging by the available indexes) the rise in its prices was exceeded only in France and Japan.

The reasons for these post-war difficulties are, not surprisingly, a subject for controversy among British observers. On several points, however, there is no dispute. They agree that the growth lag is to some extent associated with the fact that Britain's industries not only suffered less war damage than those of France, Germany, Italy, and Japan, but had made a good start at reconstruction even before hostilities ended. Britain, therefore, started the post-war period from a base that was little, if any, lower than in 1938, whereas its major competitors—apart from the United States—started almost from scratch. Thus, as in the earlier period, a part of the more rapid rate of growth abroad merely reflected a catching-up process from a very low base. In this process, moreover, another circumstance also contributed to the more rapid growth of the severely war-damaged countries. The latter's growth was closely aligned to the special requirements of the post-war period: production of electrical machinery, machine tools, chemicals, passenger cars, and trucks all surged rapidly ahead of other products that were in less vigorous demand. Output of the newer lines also expanded rapidly in Britain, but the considerable weight that such traditional and relatively declining industries as coal, textiles, pottery, and leather goods still bore in the British economy helped to retard the rise in its overall industrial production.

While such considerations explain part of the lag in Britain's economic growth, British observers are generally agreed that other factors also played an important role. In particular,

A. E. Kahn, *Great Britain in the World Economy*, New York, Columbia University Press, 1946, pages 75-76.

Britain has usually invested in its domestic economy a smaller proportion of its gross national product than other major industrial countries in the free world. Essentially this has been because other claims on Britain's resources were given higher priority, especially in the earlier post-war years. The proportion of Britain's resources devoted to defence has been higher since the war than in any of its competitors, except the United States. Moreover, many resources that might otherwise have been utilised for domestic investment were actually employed to repay overseas indebtedness and increase foreign investment. Finally, the proportion of output devoted by Britain to personal consumption (including Government services) has been generally higher than in other major industrial countries. It is true that, in recent years, the authorities have at various times taken steps to stimulate domestic investment and that the proportion of the gross national product devoted to this purpose has in fact increased significantly. Nevertheless, the other heavy demands made upon Britain's resources continued until the 1957-58 recession severely to limit the scope for domestic investment, which was consequently kept subject to more or less strict official guidance until as late as February of this year.

Upward Pressure on Prices

As regards the factors behind the persistent upward pressure on British prices since the war, there also is a wide, though by no means complete, range of agreement among British observers. Since Britain is considerably more dependent on imported raw materials than most other major industrial countries, it was more affected by the post-war rise in international commodity prices. These prices rose sharply immediately after the war and again at the time of the Korean conflict. The impact of the "Korea" price rise was especially severe, because it aggravated the upward thrust that had been given to prices in Britain by the September 1949 devaluation of sterling.

Little pressure on British domestic prices has emanated from imports since 1951, but it is generally agreed that the gradual removal of the controls and subsidies, that had partially suppressed the symptoms of inflation during the forties, contributed to the price rises shown in the published indexes during the fifties. Thus, the 1952 removal of certain food subsidies is estimated to have raised retail prices by around 2 per cent. The abolition of the bread subsidy and the reduction of the milk subsidy in 1956, and the relaxation of rent control in 1957, seem to have had a similar impact. Moreover, these measures, like the earlier rise in import prices, doubtless had secondary repercussions since wage and salary earners sought—more aggressively than in certain other European countries—to increase their earnings to compensate for the higher cost of living.

Beyond this area of agreement, however, differences begin to appear in British diagnoses of the factors behind the upward pressure on prices. The opposing views fall into two broad categories that have become familiar in the United States. The first category places the prime emphasis on the extent to which power and management—representing both labour and profits. The second emphasises that, in attempting to achieve too many objectives at once, Britain has expanded its spending faster than domestic production, and that the resulting imbalance has led not only to recurrent balance-of-payments difficulties but to a rising wage-price spiral.

The first—or cost-push school, as it is often called—maintains that, in certain key industries, competitive conditions have so weakened as to give management and labour significantly increased control of profits, prices, and wages. Management—it is argued—has been able to maintain its selling prices even in the case of falling raw material cost, or to pass on to the consumer increases in labour costs, or to raise its prices in order to finance internally the acquisition of new plant and machinery. Firms are also said to be reluctant to reduce their labour force even in periods of relatively slack demand because of fears of labour shortage when prosperity returns. At the same time, labour unions are held to exert continuous upward wage pressure with little more than token resistance by management.

The second—or demand-pull school—accepts much of the foregoing analysis, but places the major responsibility for Britain's post-war price inflation on an abnormally high level of aggregate demand for goods and services maintained for an abnormally long period of time. In this

view, which finds its most authoritative expression in the reports of the Council on Prices, Productivity, and Incomes, Britain has pursued a number of objectives which, taken by themselves, are desirable but which have made greater demands on the industry and thrift of its citizens than they have had the power or the will to satisfy. The translation of these demands into a persistently high rate of spending, it is argued, was facilitated in the early post-war period by the abnormally large holdings of liquid assets with which both firms and individuals emerged from the war, as well as by the relatively low levels at which interest rates were maintained, and by the related expansion of the money supply. Even during the fifties when monetary policy came into more active use and the increase in the money supply was curbed, the Government's "full employment commitment acted both to limit the vigour of the authorities' anti-inflation measures and to sustain public optimism and spending. Business men in particular are said to have taken this commitment as an indication that there would be no serious weakening of demand for their products, and were thus encouraged to maintain levels of capital expenditures that—while still relatively low, as compared with other major countries—were in excess of the economy's voluntary savings.

The demand-pull school finds support for its views in two significant labour market developments. First, throughout most of the post-war period the number of reported vacancies in industrial employment has considerably exceeded the number of registered unemployed, the excess having been greatest when spending rose to its peaks in the "Korea" and the 1954-55 booms.

Secondly, in periods of rapidly expanding demand, the rise in average earnings has tended to exceed the rise in wage rates set in national agreements and awards. The reasons for this admittedly include increased overtime but among the numerous other factors involved is the tendency for certain firms, in periods of high demand, to attract labour by bidding up wages to levels well above the agreed rates.

Policies for Growth Without Inflation

Just as there is some common ground in the diagnoses of Britain's problem of achieving growth without inflation, so there is a considerable range of agreement on how to deal with this problem. Already much is being done to increase understanding of the economic system and to supply data on its operations previously either lacking or published only after considerable delay. Practices on the part of management that tend to limit competition are being dealt with by the Monopolies Commission and the Restrictive Practices Court, and there is considerable discussion on the means of dealing with various rigidities that have grown up among the trade unions. Labour mobility is being increased through the retraining of unemployed workers from lagging industries for transfer to expanding industries. Frequently, firms are officially urged, as regards pricing policy, to seek enlarged profits by expanding the volume of their sales rather than by increasing their margins; and, as regards dividend payments, to take account of the tendency of the trade unions to use increases in such payments as a basis for enlarging their wage claims beyond the rate of increase in average productivity. In addition, as part of its policy of economic liberalisation, the Government has for some years been cutting

restrictions on imports and this has acted to stabilise domestic prices, to stimulate efficiency in domestic industry, and to subject the economy generally to the salutary disciplines of the balance of payments.

As the weight of British opinion in favour of price stability has increased, the implications of such stability for the structure of wages have been spelled out and, at least in principle, widely accepted. It is clearly recognised that, if Britain is to maintain price stability as well as an adequate balance-of-payments surplus, total income can increase no faster than total output. Within this framework, it is held that needed shifts in the distribution of labour force would be facilitated by incentives in the form of larger-than-average wage increases in expanding industries, coupled with wage stability or smaller-than-average increases elsewhere in the economy. Such differential rises in wage rates need not be tied to changes in output per man in particular occupations. Rather, it is argued that labour could be attracted to those sectors, such as manufacturing, where output per man increases most rapidly even though their wage rates were to rise less rapidly than productivity. By the same token, labour could be drawn away from those sectors—such as the service industries—in which the increase in productivity is small, even though wages increased more rapidly than productivity. Such a pattern of wage increases, it is held, would be compatible with declining prices, for example, of manufacturing products and rising prices for services—the different trends averaging out to overall price stability.

Having recognised that price stability can be maintained in the long run only if output

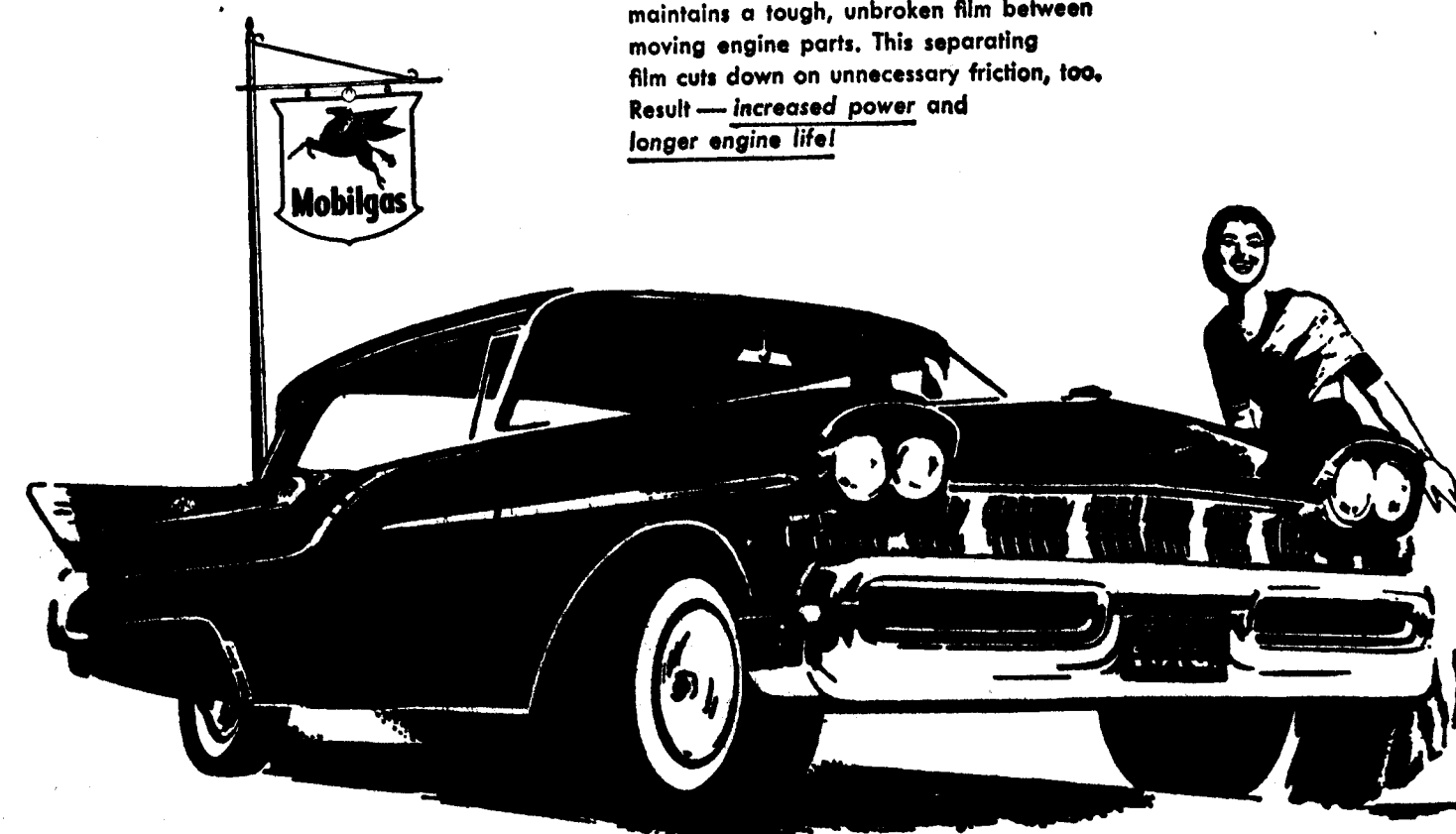
(Continued on page 482)

You value your car very much

Protect it with Mobiloil

A valuable investment — your car! Naturally you want to keep it in top condition all the time . . . get the best performance out of it.

Speaking of performance — take MOBIL OIL. This premium grade motor oil gives your car full protection. From cold starts to high-temperature speeds, MOBIL OIL maintains a tough, unbroken film between moving engine parts. This separating film cuts down on unnecessary friction, too. Result — increased power and longer engine life!



Mobiloil

FIRST IN PROTECTION — FIRST IN WORLD SALES

STANDARD VACUUM OIL COMPANY (Incorporated in the U.S.A. with United Kingdom)

BONUS TO WORKERS REVIEW OF THE CONCEPT IN LAW AND IN VOLUNTARY AGREEMENTS

By Dr. S. D. Mehta

THE essentials of the legal concept of bonus are fairly well settled today. A bonus is not an ex-gratia payment, dependent on the goodwill of the employer and as such incapable of being made a subject of adjudicational proceedings. It is not a deferred wage. And, in a strictly legal sense, it is not a share in profits, although it tends to rise or fall (not *pari passu* necessarily) with the volume of profits.

More positively, the tribunals of the country have felt that bonus is a payment, out of the profits of the particular year, made to workmen and other employees who have contributed to the productive effort which has resulted in the profit so as to bridge the gap that exists between the fair wage and the living wage. It is realised that concepts, and therefore calculations, of fair and living wage will change—naturally upwards—in time and that for all practical purposes therefore a case for bonus will always exist, provided, of course, there is a profit, or to be more precise, if there is a residuary surplus on the basis of the available surplus formula as evolved by the Labour Appellate Tribunal.

Five Prior Charges

Under the "available surplus" formula, five prior charges must be first allowed for from the profits, which are themselves defined as (i) profits of the year and (ii) as profits arising directly. Thus, past losses are not to be taken into account; and also, income from outside investments is to be excluded.

The five prior charges are:

- Depreciation according to income-tax rates;
- income-tax;
- fair return on capital;
- fair return on reserves utilised as working capital; and
- additional amount, if any, in excess of depreciation required for the purpose of rehabilitation, modernisation and replacement of machinery.

The employer has to prove, by leading appropriate evidence, the prior charges claimed and the onus of proving that an available surplus exists is on the workers.

The amount distributed as bonus has hitherto not exceeded 50 per cent. of the surplus available. And, at the same time, courts and tribunals have felt that the bonus should only be a multiple of the wage, not something which will go to multiply it or even double it. Another factor tending to limit the quantum of bonus is the possibility of unusual bonuses in one unit or industry creating unrest among the workmen in neighbouring units or industries. Again, the very fact that bonus is not profit-sharing will limit the extent to which higher profits can be allowed to be matched by larger bonus.

Three Types of Approach

Generally, as in all wage matters, the tendency has been to adopt a region-cum-industry approach in regard to bonus as well. In actual practice, this has meant three types of cases—(i) centre-cum-industry as in Bombay or Ahmedabad cotton mills; (ii) region-cum-industry as in the case of Saurashtra cotton mills; and (iii) cases where the bonus is for the only firm in an industry in a centre or region or wherever that happens, because the financial results of the largest firm dominate and colour the financial picture for a few other, usually smaller, units in the region.

Cases falling in category (iii) above bear a higher incidence of bonus payment in the case of the more profitable units than similar units in categories (i) and (ii), because, in these latter cases, the bonus calculations are based on the diluted financial picture which emerges when the results of the good and indifferent units—the bad, that is, the losing ones are excluded by definition—are added up. The converse is also true, of course.

There are also other cases, as in the cotton mill industry in Delhi, where bonus rates are different and separately settled for units under different managements.

U.P. Sugar Industry

The region-cum-industry principle finds application in a different manner in the sugar industry in U.P. Each year, sugar mills are arranged into a series of categories according to their volume of production and a bonus rate,

rising progressively, is determined for each such category, in terms of so much per maund of sugar produced. The total amount of bonus payable by a factory is arrived at by multiplying its entire actual production by the rate for the relevant volume of output category and is distributed on the basis of total earnings of each employee in the same ratio as the "total earnings" bill for the factory bears to the aggregate bonus amount determined as stated earlier. This is subject to a maximum of three months' bonus and loss-making units are entitled to apply for exemption from the obligation to pay bonus to a committee set up for this purpose. The scheme of bonus rates is embodied in a State Government notification.

Voluntary Agreements

The most dramatic changes in the concept of bonus as evolved in industrial case law are embodied in recent voluntary agreements. Four broad types of agreements have been concluded.

First, there are agreements of the Bombay or Ahmedabad type where a minimum bonus, irrespective of loss, is payable by every unit in the cotton mill industry. On the other hand, no mill shall have to pay a bonus higher than three months' basic wages. There are provisions for "set-on" and "set-off," provisions which bring into the determination of current bonus rates the effects of financial results in previous years. Also the calculations are made, according to the available surplus formula, for each unit separately. And, of course, there is the overall effect in each agreement of making it, as it were, a contractual obligation.

The Tata Iron and Steel Company Ltd., have entered into an agreement which lays down a more complex basis of determining bonus, partially relating the level of bonus to aggregate production (though not specifically to individual or sectional productivity) and partially relating it to the volume of profits.

A third type of agreement is the one entered into between the representatives of the workers and the management of the Delhi Cloth Mills and Swatantra Bharat Mills, Delhi. Here the bonus amount is calculated as a fixed percentage of the total of the net profits of the year and the statutory depreciation as certified by the auditors of the Company, the total amount being distributed to each employee according to his basic wage/salary in the same proportion that the total basic wage/salary bill bears to the total bonus amount.

A Unique Example

Finally, there is the complete divorce of profit and bonus embodied in the bonus clauses of the agreement between their workers and the Indian Aluminium Company. Two bonus schemes running concurrently, are envisaged—monthly production bonus and annual productivity bonus. Technical norms are laid down for monthly production performance and performance higher than the norms is rewarded by a

bonus, expressed as a percentage of the total earnings, which rises with each higher slab of technical performance. Within the slab, the bonus rate rises uniformly as performance improves. But the bonus is payable at different rates to different, clearly defined groups of workers—is the lowest for non-productive workers and for productive staff; higher for some specified categories of non-productive workers; and the full rates for productive workers.

The annual productivity bonus of the Indian Aluminium Company is payable to every employee and is determined from a straight-line graph with two co-ordinates—"total bonus year's output" in tons and "annual bonus in percentage of total bonus year's earnings"—formed by joining two fixed points: (a) bonus of 8.33 per cent. at output of 6,000 tons and (b) bonus of 16.63 per cent. at output of 9,000 tons. The line extends both ways, upto a point denoting 5,000 tons as the minimum and a point denoting 10,000 tons as the maximum. There is a saving clause, guaranteeing bonuses of 8½ per cent. of the total earnings where production falls, but is not lower than 6,000 tons in the year, due to factors beyond the control of the workers or the union.

Better Deal to Workers

In fact, every one of the voluntary agreements goes beyond the requirements of legal decisions and is a product of collective bargaining. The employers seem to have been guided, in each case, by the need for avoiding the annual unrest and frictions, by the advantage of knowing with a reasonable amount of certainty the size of their liability on account of bonus, and, in one case, by the overall consideration of a huge-scale expansion programme. Employees seem to have been guided by the desire to avoid annual friction and negotiations, on the one hand, and by the avoidance of large time-lags that used to be common.—All Rights Reserved.

TWO MORE PRODUCTIVITY TEAMS ON TOUR

Two more Productivity Teams—one on management organisation and training and the other on coal mining—sponsored by the National Productivity Council under the T.C.M. aid have left on a study tour abroad. The Management Organisation and Training team will visit West Germany, the U.K. and the U.S.A. In addition to visit France. The Management Organisation and Training team, in the course of its six weeks' tour, will study management, organisation, structure, methods and extent of delegation of responsibility and authority, and techniques of systems of other subjects which the team will study are implementation, policies and techniques adopted for recruitment, promotion, training and incentives of top and middle management personnel, role of professional management consultants, educational institutions and Government in improving management methods and arranging management training programmes for executive development and management.

The Coal Mining team, in the course of its eight weeks' itinerary, will examine contributory factors leading to higher productivity in coal mines, both underground and opencast, with particular reference to methods of working, types and extent of mechanisation in underground working, organisation for major repair and preventive maintenance of equipments, standardisation adopted in the organisation and management, system of general payment, including incentive method, means employed for fixation of wages, measures adopted for safety, training and welfare of women and their effect on productivity.

FUNCTIONS OF SECRETARIES OF FORWARD MARKETS

MR. W. R. NATU OUTLINES THEM

THE first conference of Secretaries of the recognised associations engaged in futures trading in the various parts of India was held in Bombay on the 10th inst., under the auspices of the Forward Markets Commission. With this conference, the programme arranged by the Commission to bring together the important functionaries of the associations for a frank exchange of views on the working and problems of recognised forward markets has been completed. It may be recalled that the conference of Presidents of these associations was held in May last and of the Nominated Directors in July. There are at present 23 recognised associations all over the country, operating 39 markets in 13 commodities. As many as 22 Secretaries attended the conference, inaugurated by Mr. W. R. Natu, Chairman of the Commission, and presided over by Mr. M. A. Mulki, Secretary to the Commission. The subject discussed at the conference pertained to the duties and responsibilities of the secretaries, the organisational set-up of the recognised associations, and the problem of illegal trading. The organisers of the conference, however, have not taken the Press into confidence on the gist of the discussions on the last two subjects.

The first subject formed the central theme of Mr. Natu's inaugural address to the conference. He cited a formidable list of the duties and responsibilities of the Secretaries, as will be seen from the following account of his address:

Those who are at the helm of affairs of an association, particularly the Secretaries, have an important role to play in ensuring sound business practices. Since the primary machinery of regulation lies with the association itself, the position of its Secretary is of crucial importance, since he is the only permanent element in the organisation of the association. While the membership of the association, the composition of the Board of Directors and the office of the President are all liable to change from time to time, the Secretary is alone able, because of his accumulated experience, to bring the history of the past to bear upon the problems of the present and to mould the shape of things to come in the future. Moreover, the Secretary is the only person who could tackle problems with detachment, being precluded from participating in the operations in the market.

Conflicting Loyalties

The duties of the Secretary call for integrity of a high order, initiative, tact and judgment. They are also manifold, complex and involve, to some extent, a conflict of loyalties. He is employed by the association that he serves and at the same time he is answerable to the Forward Markets Commission also. The membership and Board of the Association consists of traders who often take opposite positions in buying and selling a particular commodity. He has to cater to the needs of all these interests.

The duties of Secretaries described by Mr. Natu fall into four distinct categories. They are: (1) to the members of the Association, (2) to the Directors of the Board, (3) to the President of the Board, and (4) to the public in general, as set out by the Forward Contracts (Regulation) Act, and represented by the Commission.

The members of the general body together form the association. It is the duty of the Secretary to collect and disseminate among these members the market intelligence regarding commodity traded without any delay. For this purpose, every association should have a well-equipped intelligence section which could prepare charts and issue periodical reports. The Secretary is also expected to see that the work of survey and arbitration is discharged with maximum speed. Since stocks change hands rapidly and prices fluctuate from minute to minute, disputes must be settled quickly, if commitments are to be discharged without loss. The Secretary should also see that the representations made by members to the Board or to the President receive sympathetic and urgent consideration.

The duties of the Secretary to the Board of Directors are to give them adequate notice of meetings, circulate the agenda well in advance, maintain the minutes of meetings accurately and in sufficient detail and implement the deci-

sions of the Board without delay. The Directors of the Board are busy persons engaged in trade on their own account. They do not have much time to spare for the details of the association's work. So, the Secretary has to put up notes on important items on the agenda, setting out facts of the case, the pros and cons, the implications of different courses of action, the bearing of the Articles of Association and By-laws on the issues involved, and the previous precedents and rulings. These would facilitate arriving at quick and correct decisions and reduce prolonged discussions at the Board meetings.

Impartiality

Another quality required of the Secretary is the highest degree of impartiality. Explaining this point, Mr. Natu said:

"As the chief executive officer of the association, the Secretary must keep himself aloof from trading activities of any kind whatsoever, and remain outside all group and sectional policies. This might occasionally involve him into conflict with persons with influence on the Board or its President, and he might, therefore, be tempted to show favour to them in the hope of some temporary benefit. In the long run, however, it is the confidence which he can generate among the members at large that will determine his tenure with the association. The Secretary is in possession of vital information of various kinds. The members submit statistical returns to him pertaining to their trading operations. It is essential that the information contained in these returns does not leak out to other members, including members of the Board of Directors and the President. Communications pass between the Secretary and the Forward Markets Commission, bearing upon such crucial issues as the imposition of special margins and the fixation of maximum and minimum prices. He must ensure that such communications are disclosed to all the members of the Board and, where necessary, to all the members of the association, simultaneously, so that no one could gain any unfair advantage over another. Where necessary, he should persuade the Board to frame rules for the safety of statistical returns and privileged communications."

Apart from these functions, the Secretary owes a duty to the public. It is for him to see that no illegal trading takes place in the ring or in the premises of the association outside official hours. Such trading not only exposes the persons concerned to prosecution and penalties but also reduces the income of the recognised associations, deprives the State of

(Continued on page 495)



A dripping ceiling, a watery floor—

Of course there is no need for your business to suffer. Don't subject your customers and your staff to damp, uncomfortable conditions. Have your building protected from dampness of ceiling, walls and floors, from acid building and alkali action, by Shalimar Tar (Stp) bituminous based protective materials.

—will drive business from your door



Manufactured in India, applied and guaranteed by

Stp
SHALIMAR TAR PRODUCTS (1935) LIMITED

CALCUTTA • DELHI • BOMBAY • LUCKNOW • CHANDIGARH

Agents: The Bombay Company Private Ltd., Madras-1
R. C. Abrol & Co. (Private) Ltd., New Delhi-1

SYNOPSIS OF COMPANY REPORTS

Jaipur Metals and Electricals Ltd.

The directors of the above Company (Managing Agents: Messrs. Poonamchand and Brothers Private Ltd., Jaipur) submit the audited accounts of the Company for the year ended 31st December 1958.

The profits for the year amount to Rs. 9,76,663 (Rs. 5,29,029) to which is added the balance brought forward from the last year's account of Rs. 3,296 (Rs. 5,338) and income-tax refund of Rs. 12,701 (Rs. 5,353) making a total of Rs. 9,92,660 (Rs. 5,34,902). Out of this amount, the following appropriations have been made:—To provision for depreciation for the year of Rs. 2,46,651 (Rs. 1,94,824), to development rebate reserve Rs. 1,75,276 (Rs. 73,349), to managing agents' commission Rs. 81,291 (Rs. 45,000), to provision for wealth tax for 1956 and 1957 Rs. 4,402 (Rs. 7,500), to provision for taxation including Rs. 13,100 for wealth tax for 1958 Rs. 3,20,000 (Rs. 86,000), to additional bonus for the year 1957 Rs. 28,874 (Rs. 25,438) and to gratuity reserve Rs. 25,000 (Rs. 10,000) leaving a balance of Rs. 1,11,166 (Rs. 92,791). From this amount the directors recommend the payment of dividends at 6 per cent. on cumulative preference shares (less tax) absorbing Rs. 32,880 (Rs. 32,880) and on ordinary (equity) shares at 6 (5) per cent. free of tax absorbing Rs. 67,938 (Rs. 56,615) leaving a balance to be carried forward to next year's account of Rs. 10,348 (Rs. 3,296).

The operations for the Meter division actively improved during the year under review. 87,909 house service meters have been produced during the year as compared to 69,420 during the last year. This would show that there has been an increase of about 27 per cent. The demand for house service meters continues to be high with the implementation of the power projects under the second Five-year Plan, which is still likely to go higher in the third Plan. The Company is constantly endeavouring to increase the production.

The working of the Metals division was satisfactory. Production for the year under review has been maintained at the same level as last year. It may be noted that this achievement is in spite of the difficulties experienced in getting adequate raw materials due to foreign exchange difficulties. The reduction in overall turnover is due to drop in the price of copper which is main raw material, but production and sales have been maintained on quantity basis. Efforts are also being made with the concerned Government authorities to obtain adequate raw materials.

The directors are pleased to report that negotiations were being conducted with Messrs. Siemens-Schuckertwerke Aktiengesellschaft of West Germany for the manufacture of Siemens type house service meters, which in the last annual report, have not been finalised. The necessary agreement has been entered into which has been duly approved by the Central Government. The Company has also got necessary industrial licence and import licence for this scheme from the Government of India. For implementing the agreement arrived at with Messrs. Siemens for the manufacture of house service meters, order for machineries worth about Rs. 20 lakhs has been placed and necessary preparations at the Works are being carried out as per programme. Their technical delegation visited the factory for settling important details which were satisfactorily settled. The Company's personnel are already receiving training in the Siemens' Works in Germany so that production could be started without undue delay.

New wire drawing machinery was received from Germany and the same has been put into operation. This will give improved quality and greater efficiency. The matter of diversifying the production to keep the Company's plant and machinery profitably engaged on account of raw material difficulties, is engaging due priority.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	21,32,300	Gross block	44,35,051
Debitures	10,00,000	Less—Depreciation	15,57,799
Reserves	6,91,576		
Provision for taxation	4,45,000	Net block	28,77,252
Liabilities	28,40,871	Plant, machinery, etc. in transit	68,667
Profit and loss account (surplus)	10,348	Stock-in-trade	23,49,023
		Stores etc.	6,08,006
		Debits, deposits and advances	7,97,503
		Investments	2,50,393
		Cash	1,89,251
	Rs. 71,20,095		Rs. 71,20,095

Estrela Batteries Ltd.

The directors of the above Company (Managing Agents: Messrs. Choonilal Manilal Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st March, 1959.

The working of the year has resulted in a profit of Rs. 7,13,367 (Rs. 5,20,214). With the balance brought forward from the last year amounting to Rs. 10,086 (Rs. 21,558) there is an amount available for disposal of Rs. 7,23,433 (Rs. 5,41,772). The directors have recommended the following appropriations of the above amount:—

To depreciation Rs. 1,26,838 (Rs. 1,16,967), to development rebate Rs. 18,483 (Rs. 77,739), to managing agents' remuneration Rs. 31,993 (Rs. 42,034), to provision for taxation Rs. 1,90,000 (Rs. 1,53,257), to bonus to employees Rs. 1,85,000, to payment of a dividend of Rs. 2.50 per share on 19,947 5 per cent. cumulative preference shares, free of income-tax absorbing Rs. 49,868 (Rs. 49,868),

to payment of a dividend of Rs. 3 (Rs. 3) per share on 29,947 ordinary shares, free of income-tax absorbing Rs. 89,841 (Rs. 89,841) and to payment of a bonus dividend of Rs. 0.50 (nil) per share on 29,947 ordinary shares, free of income-tax absorbing Rs. 14,973 (nil), leaving a balance to be carried forward of Rs. 16,437 (Rs. 10,066).

Although the sales and production have further advanced, thus creating a new record, the upward trends in the prices of raw materials, stores, spare parts and increase in the cost of living index, which resulted in paying higher dearness allowance, has affected the ultimate profit to a certain extent. However, the directors have great pleasure in appreciating the efforts of those who have contributed in bringing about this remarkable results against very heavy odds.

The agreement with Messrs. Burgess Battery Co., the Company's Technical Collaborator, has been signed by the directors in August during the year under review. While the provision of taxation liability which the Company will have to bear under the terms of the agreement has been included under the head of Royalty. The directors regret to inform, that during December in the year under review, the Burgess Battery Co. was sold to another company which had a very heavy accumulation of losses, which position if accepted might have resulted in increasing the cost of Technical collaboration. Hence the directors have again started negotiations with them, so that the Company's interest might not be adversely affected.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	24,97,680	Gross block	34,27,150
Reserves	4,80,479	Less—Depreciation	21,85,078
Provision for taxation	2,13,004	Net block	12,42,072
Liabilities	17,15,455	Stock-in-trade	15,72,453
Profit and loss account (surplus)	16,437	Stores, etc.	3,91,141
		Work-in-progress	5,29,100
		Debits, deposits and advances	10,92,410
		Investments	4,196
		Cash	1,01,683
	Rs. 49,23,055		Rs. 49,23,055

Mysore Stoneware Pipes and Potteries, Ltd.

The directors of the above Company (Managing Agents: The Mysore Industrial Development Co., Bangalore) present the audited accounts of the Company for the year ended 31st March 1959.

The surplus available for the year is Rs. 1,51,900 (Rs. 1,24,712) after providing Rs. 62,864 (Rs. 88,473) towards depreciation, development rebate according to income-tax rates and Rs. 1,68,123 (Rs. 1,43,178) towards income-tax, super-tax, surcharge, and wealth-tax. Including a sum of Rs. 6,037 (Rs. 1,324) brought forward from last year, the total sum available for distribution is Rs. 1,57,937 (Rs. 1,26,036). The directors recommend to dispose of this amount as follows:—

To declare a dividend of 7½ (7½) per cent. and a bonus of 2½ (2½) per cent. or Re. 1.00 (Re. 1.00) per share free of income-tax on 60,000 shares of Rs. 10 each absorbing Rs. 60,000 (Rs. 60,000), to transfer to general reserves Rs. 15,000 (Rs. 50,000), to transfer to reserves for replacement and rehabilitation of plant and machinery Rs. 50,000 (nil), to transfer to income-tax refund fund Rs. 15,000 (nil) and to carry over to next year Rs. 7,937 (Rs. 6,036).

Production and sales during the year were the highest so far. There has been increase in the cost of production due to higher prices of materials, railway freight charges and repairs to plant and machinery. However, it is gratifying to note that by larger sales and output a greater profit has been secured. The demand for the Company's products continues to be keen. Output and sale of firebricks have been increased during the year.

The programme of expansion for increasing the output of stoneware pipes and firebricks mentioned in the last report is well under way. An import licence for Rs. 1.23 lakh of rupees has been obtained to secure plant and machinery from U.K. and U.S.A. The first instalment of machinery has been received and installed at the Works and arrangements have been made for the construction of necessary buildings.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	6,00,000	Gross block	10,81,708
Reserves	5,07,658	Less—Depreciation	7,20,552
Provision for taxation	1,73,020	Net block	3,61,156
Provision for wealth-tax	3,500	Stock of finished goods	96,308
Liabilities	5,24,675	Raw materials	51,451
Profit and loss account (surplus)	7,937	Stores and spare parts, etc.	1,69,720
		Debits, deposits and advances	4,50,748
		Investments	1,59,267
		Cash	5,28,140
	Rs. 18,16,790		Rs. 18,16,790

Indore Malwa United Mills, Ltd.

The directors of the above Company (Chairman: Mr. K. L. Seksaria, Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit for the year 1958 without providing depreciation amounts to Rs. 34,109 (loss of

Rs. 11,77,234). Deducting therefrom the development rebate for the year 1958 of Rs. 1,10,000 (nil) the loss for the year comes to Rs. 75,891. Adding thereto the balance of loss brought forward from the previous year's account of Rs. 11,77,234 the net deficit is Rs. 12,53,125.

Although there is no profit for declaring a dividend, the directors are of the opinion that the same should be declared out of the general reserve and have for this purpose transferred a sum of Rs. 2,50,000 (Rs. 3,00,000 from dividend equalisation account and out of the same they recommend a dividend of Rs. 5 (Rs. 6) per share, without deduction of income-tax, for the year ended 31st December 1958.

No depreciation for the year 1958 has been provided for. Also no provision has been made for taxes. The Company's income-tax and wealth-tax assessments have been completed upto the year 1957. Appeals preferred by the Company in respect of some of them are pending and refunds are expected after their disposal. The directors are of the opinion that the existing provision is sufficient to meet the tax liabilities of today, if any.

The difficulties through which the textile industry passed in 1957 considerably increased during the year under review. The structure of production cost became more rigid, due to the persistently rising trend of wages, prices of stores and fuels and railway freight charges, etc. The count of dwindling off-take and hand to mouth financial position of several mills and particularly of most of the mills manufacturing coarse and medium cloth situated in the interior of the country was severely strained and the resources of a number of mills were greatly depleted. Consequently, quite a few mills had to close down and several went on short time working, thereby production of mill cloth registered a fall in the year 1958. Despite this, the total supply of cloth available for domestic consumption was higher than in 1957 being as much as 7,128 million yards as against 6,844 million yards in 1957, due to three factors, viz., huge opening stocks, rise in production in the decentralised sector of the textile industry such as Handloom, Powerloom and Khadi and low level of exports.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	50,00,000	Gross block	1,64,45,371
Reserves	4,76,698	Less—Depreciation	1,21,08,899
Provision for taxation	38,445	Net block	43,36,472
Liabilities	1,29,86,607	Stock-in-trade	75,22,472
		Stores, etc.	17,07,675
		Debits, deposits and advances	19,95,503
		Investments	26,09,072
		Cash	3,30,781
	Rs. 1,85,03,750		Rs. 1,85,03,750

Churalia Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Helgers and Co. (Private) Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The profit and loss account after providing for all charges, after making provisions of Rs. 57,182 (Rs. 3,438) for taxation and Rs. 1,800 (Rs. 3,300) for wealth tax and after transferring profit of Rs. 20,672 (Rs. 20,620). To this is added the balance brought forward from the previous year of Rs. 10,537 (Rs. 4,240) making a total available balance of Rs. 31,209 (Rs. 40,597) including Rs. 6,677 being refund of income-tax. The directors propose to dispose of this amount as follows:—

By payment of a dividend at the rate of 5 (5) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 30,000 (Rs. 30,000) and by carrying forward Rs. 1,209 (Rs. 10,537).

The Karanpura Mining Syndicate.—During the year ended 31st December 1958, 180,082 tons of coal were raised and 180,627 tons were despatched. The managing contractor continues to raise and sell coal from Religara Colliery and this arrangement continues to work satisfactorily.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	6,00,000	Investments	6,76,030
Reserves	1,54,088	Debits, deposits and advances	1,77,114
Provision for taxation	48,376	Cash	1,31,132
Provision for wealth-tax	3,282		
Liabilities	1,77,321		
Profit and loss account (surplus)	1,209		
	Rs. 9,84,276		Rs. 9,84,276

Borrea Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Helgers and Co. (Private) Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

Raisings and Despatches.—1,71,109 tons of coal were raised and 1,74,148 tons despatched during the year, compared with 1,52,270 tons raised and 1,51,308 tons despatched during 1957. The output

improved steadily in accordance with the planned expansion programme, most of the increase in production coming from the Aralgoria area.

The profit and loss account, after providing for all charges, after making provision of Rs. 1,45,109 (Rs. 29,085) for taxation, Rs. 13,000 (Rs. 26,100) for wealth tax and Rs. 72,707 (Rs. 80,626) for depreciation, shows a profit of Rs. 1,66,618 (Rs. 1,21,328). To this amount is added the balance brought forward from the previous year of Rs. 28,931 (Rs. 19,553) making a total of Rs. 1,95,549 (Rs. 1,40,881). And from this is deducted the amount transferred to statutory development rebate reserve of Rs. 66,120 (Rs. 12,975 for development rebate reserve), leaving a balance of Rs. 1,27,429 (Rs. 1,09,181) after transferring Rs. 18,725 to tax contingency reserve. The interim dividends declared on 27th November 1958, without any deduction for income-tax payable by the Company on preference shares absorbed Rs. 13,000 (Rs. 13,000) and on ordinary shares absorbed Rs. 37,500 (nil) leaving a balance of Rs. 76,929 (Rs. 96,181). From this amount there has been transferred to reserve for equalisation of dividend Rs. 25,000 (nil) leaving a balance available of Rs. 51,929 (Rs. 96,181). The directors propose to dispose of this amount as follows:—

By payment of a final dividend on the preference shares making 6½ per cent. per annum without any deduction for income-tax payable by the Company, absorbing Rs. 13,000 (Rs. 13,000), by payment of a final dividend on the ordinary shares at 2½ (7½) per cent. [making a total of 7½ (7½) per cent. per annum for the year] without any deduction for income-tax payable by the Company absorbing Rs. 18,750 (Rs. 56,250) and by carrying forward Rs. 20,179 (Rs. 28,931).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	11,50,000	Gross block	49,61,177
Reserves	24,88,188	Less—Depreciation	28,34,991
Provision for taxation	26,174	Net block	21,26,186
Liabilities	8,61,580	Work-in-progress	1,06,480
Profit and loss account (surplus)	20,179	Stock-in-trade	18,542
		Stores etc.	1,58,441
		Debits, deposits and advances	10,37,691
		Investments	7,94,905
		Cash	3,03,866
	Rs. 45,46,121		Rs. 45,46,121

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 28th February 1959.

The accounts show a profit, after charging all expenses, of Rs. 1,57,958 (Rs. 1,38,559) the debit balance brought forward from the previous year was Rs. 1,79,352 (Rs. 3,17,911) leaving a debit balance of Rs. 21,394 (Rs. 1,79,352). The directors have transferred to development rebate reserve Rs. 9,540 (nil) leaving a total debit balance to be carried forward of Rs. 29,934 (Rs. 1,79,352). Wealth tax in respect of the year, estimated at Rs. 2,500, has been provided for by transfer from capital reserve.

Raisings for the year amounted to 92,617 tons compared with 85,907 tons in the previous year, whilst despatches totalled 85,203 tons as against 78,602 tons. Depilating in the Ghusick "A" Seam was discontinued in November 1958 pending further investigation into the quality of the full section of this seam; and consequently raisings which have been confined to development only have been at a reduced level since that time.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	3,50,000	Gross block	15,24,791
Reserves	5,41,422	Less—Depreciation	7,79,269
Provision for taxation	4,000	Net block	7,45,522
Provision for wealth tax	143	Stock of coal	7,94,805
Liabilities	4,05,657	Stores and spare parts	78,045
		Debits, deposits and advances	1,71,834
		Cash	26,016
	Rs. 13,01,222		Rs. 13,01,222

* Reserves are shown after deducting Rs. 29,934 being the debit balance in the profit and loss account.

Ondal Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Helgers and Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The profit and loss account after providing for all charges and after making provision of Rs. 1,54,788 (Rs. 46,068) for taxation, and Rs. 3,650 (Rs. 6,675) for wealth tax, shows a profit of Rs. 50,982 (Rs. 55,197) to which is added the balance brought forward from the previous year of Rs. 41,941 (Rs. 37,244). The directors propose to dispose of this amount by payment of a dividend on the preference shares at the rate of 6½ per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 13,000 (Rs. 13,000), by payment of a dividend on the ordinary shares at the rate of 5 (5) per cent. per annum without any deduction for income-tax payable by the Company absorbing Rs. 37,500 (Rs. 37,500) and by carrying forward Rs. 42,423 (Rs. 41,941).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	9,50,000	Gross block	3,97,666
Reserves	15,80,815	Less—Depreciation	2,47,665
Provision for taxation	1,45,663	Net block	1,20,000
Provision for wealth tax	6,858	Investments	21,58,086
Liabilities	1,18,876	Debits, deposits and advances	2,55,243
Profit and loss account (surplus)	42,423	Cash	3,11,300
	Rs. 28,44,655		Rs. 28,44,655

Periakaramalai Tea and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Peirce, Leslie & Co., Ltd., Calicut) submit the accounts of the Company for the year ended 31st March 1959.

After providing for depreciation and all charges except taxation, the accounts show a profit of Rs. 16,44,392 (Rs. 17,14,272) to which is added the balance brought forward from last year of Rs. 1,12,619 (Rs. 1,22,173) and refund of income-tax on previous year's account of Rs. 42,258 (Rs. 1,12,612) making a total of Rs. 17,99,269 (Rs. 19,49,257). After deducting from this transfer to taxation reserve of Rs. 670,000 (Rs. 10,42,812), transfer to development rebate Rs. 58,731 (Rs. 42,538) and transfer to general reserve Rs. 2,00,000 (Rs. 1,71,800) there remains a balance of Rs. 8,70,538 (Rs. 6,92,107). From this amount the directors recommend payment of a dividend of 12½ (10) per cent. absorbing Rs. 7,24,360 (Rs. 5,79,488) leaving a balance to be carried forward of Rs. 1,46,178 (Rs. 1,12,619).

Tea.—A total crop of 48,74,543 lbs. was harvested during the season at an all-in-cost of 146 cents per pound as compared with the previous season's figure of 49,06,154 lbs. at an all-in-cost of 138 cents per pound. The average net price realised for the season was Rs. 1.78 per pound compared with Rs. 1.69 per pound for the previous season. The unsold stock has been valued at Rs. 2.15 per pound. The 1959-60 crop is estimated at 47 lakhs pounds to be harvested at an all-in-cost of 148 cents per pound.

Coffee.—A crop of 9,954 metric tonnes was harvested and delivered to Coffee Board. This has been valued at Rs. 2.12 per cent.

Cardamoms.—A crop of 2,326 lbs. was harvested. The average price realised is Rs. 7.91 per pound.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	57,94,880	Gross block	1,06,78,375
Reserves	27,01,269	Less—Depreciation	31,56,780
Provision for taxation	4,22,000	Net block	75,21,595
Liabilities	15,98,029	Work-in-progress	7,501
Profit and loss account (surplus)	1,46,178	Stock-in-trade	18,30,170
		Stores, nursery stock etc.	7,72,056
		Debits, deposits and advances	2,57,850
		Investment	65,356
		Cash	1,98,819
	Rs. 1,06,62,356		Rs. 1,06,62,356

Parry's Confectionery Ltd.

The directors of the above Company (Managing Agents: Messrs. Parry and Co., Ltd., Madras) present the audited accounts of the Company for the year ended 31st March 1959.

The net profit for the year, before providing for taxation, was Rs. 7,30,710 (Rs. 7,65,710) upon which taxation amounts to Rs. 4,06,644 (Rs. 4,40,150) leaving a net profit after taxation of Rs. 3,22,066 (Rs. 3,45,560). To this should be added the surplus brought forward from last year amounting to Rs. 74,706 (Rs. 71,146) making the profit available for appropriation of Rs. 3,96,772 (Rs. 4,16,706). Out of this amount the following appropriations have been made or are recommended by the directors:—

To capital reserve Rs. 10,000 (Rs. 22,000), to general reserve Rs. 1,50,000 (Rs. 1,70,000) and to payment of a dividend, free

CREEPING INFLATION—IV

(Concluded from page 475)

expands as rapidly as income, it is hardly surprising that virtually all British observers go on to stress the need for increased investment as a means of enlarging productive capacity. But, while there is agreement on this need, the means of attaining it are subject to debate. Some members of the cost-push school hold that, given a relatively high level of income and employment, a policy of rapidly expanding investment would require a correspondingly rapid increase in savings, which in turn would require fairly severe restraints on personal consumption at least in the initial stages. Since there is doubt whether such restraints would be accepted voluntarily, it is held that fiscal policy—or, bluntly, increases in taxation and/or reductions in Government expenditure—should be brought into play to achieve the necessary balance between savings and investment. Moreover, it is argued that this policy could get off the ground only with the active co-operation of all segments of the economy and especially of the trade unions, which would be asked to accept a "full" wage increases for a period set by one commentator at not less than two years. By thus holding costs stable during a period when productivity per man would be rising rapidly, the economic base for further growth would be expanded and workers could thereafter expect to obtain wage increases that might otherwise have been inflationary. Thus, according to this view, progress would be made toward the reconciliation of a rapid rate of economic growth with the price stability needed to sustain further growth on into the future.

This approach is generally rejected by the demand-pull school, apparently on the ground that, if severe restraints were placed on consumption, market indicators as to the appropriate direction of investment would be lacking and that, if the needed rise in investment were to be attained at all, it would only be by the Government itself or as a result of extensive official intervention. Since most members of the demand-pull school favour maximum reliance on the mechanisms of the market, they hold that, ordinarily, an increased rate of investment cannot precede but only follow a rise in consumption. This is said to be especially true at present, when many British industries have considerable excess capacity; output in many lines would have to rise significantly before firms would undertake new investment to expand capacity further. As to the means by which to provide the additional savings to finance the rise of investment, the demand-pull school, while by no means eschewing fiscal policy as an instrument for maintaining economic balance, gives existing monetary policy instruments a major role.

While most commentators rely on an acceleration of investment to achieve the reconciliation of growth with price stability, a few start, as it were, from the opposite direction. They hold that the Government should commit itself to keeping a suitably constructed index of the prices of domestically produced goods from rising above a precisely defined ceiling, and that this new obligation should constitute a limitation on the Government's existing commitment to maintain aggregate demand at a "full employment" level. To control spending and thus prevent the pressure of demand from pushing the price index above the ceiling, the Government would subject all incomes to a new levy, the rate of which could be varied frequently and promptly, as circumstances might require, by a stabilisation committee responsible to the Chancellor of the Exchequer. In addition, an independent expert body would publish periodic estimates of the average increase in per capita earnings that it considered compatible with the preservation of full employment with stable prices, while various arbitration boards (with a view to maintaining an appropriate distribution of labour) would settle disputes as to whether workers in a particular industry should obtain increases appreciably above or below that average.

One essential feature of this proposal is, of course, the variable levy on incomes that would serve as a regulator of aggregate demand. Apart from the numerous political and administrative problems surrounding such a device, a levy on income is subject to the economic criticism that, in so far as its impact is absorbed merely through changes in savings, it has little or no effect on spending. Hence, some observers hold the view that a variable tax on expenditure would be more effective both in exercising general control over inflationary or deflationary tendencies and in securing an

appropriate distribution of resources between consumption and investment. In this view, the entire existing tax system would be replaced by two new taxes, one on personal expenditure, the other on capital expenditures. Variations in the latter would limit or encourage investment as circumstances might require, while variations in the former would keep spending for consumption within the limits imposed by the requirements of both investment programmes and price stability.

Conclusion

As this is being written, Britain is emerging from a mild recession. The lifting of controls on instalment credit in the autumn of 1958 and the reduction in income and purchase taxes in the April (1959) budget have stimulated personal consumption. The investment programmes of the public authorities have been accelerated, and special tax incentives for private investment have been strengthened. House building has been rising, and exports have not only recovered all the ground lost in the 1957-58 recession but have climbed to a new peak. The pace of economic activity is consequently quickening. At the same time, the rise of wages and prices has been checked partly because of declines in British import prices. This spring, indeed, the retail price index dropped for the first time since the war below the level of a year earlier. Moreover, the conditions exist for continued price stability. The rise of investment in recent years has greatly increased both the capacity and the efficiency of industry. Hence, there is room for a considerable rise in total output and in productivity per man, which would in turn act to stabilise or perhaps even to reduce unit costs of production.

The stage may thus be set for Britain to reap some benefits from the clarification of methods and objectives that has resulted from the post-war discussion of its most "intractable" economic problem. With the Government already having used drastic means to demonstrate its determination to maintain the value of sterling, labour and management may now be in the process of modifying some of the wage, price, and other practices followed in the past. And, having achieved the requisite price stability, the Government has moved rapidly toward facilitating economic re-expansion. Actually, Britain should now have much less trouble in supporting levels of spending for personal consumption, public welfare, and defence, which, in earlier years, had acted as a limitation on capital formation and as a threat to its balance of payments. Today, with its enlarged productive capacity, such spending should not be incompatible with the maintenance of an adequate balance-of-payments surplus and with a further substantial rise in the proportion of its gross national product devoted to domestic investment. There is, therefore, firm ground for hope, if the lessons of the post-war years have been learned as well as now seems indicated, that Britain may in fact be on the threshold of a period of sustained growth without inflation.

COTTON

(Concluded from page 466)

order to avoid having to import cotton for internal use. Acreage in Peru is expected to be the same as in previous seasons, namely, close to 600,000 acres.

To sum up. Acreage and production in the U.S. will be higher, while elsewhere they are, in all probability, likely to decline. The only major reductions in acreage which will have any significant effect on the world situation will occur in Mexico, the Central American countries, the U.A.R. and Greece where preliminary estimates show that acreage may be lower by a million acres. The presumption is, therefore, that production will decline significantly in these countries.

There are indications that variations in acreage in other major producing countries will be much less important. With small crops last season and an expanding demand India and Pakistan, which together account for nearly half the total cotton acreage outside the U.S., will probably aim to maintain acreage at last season's level.

A preliminary conclusion is that total acreage outside the U.S. will be somewhat less than the 1958-59 record of 47 million acres but will probably be larger than in either of the two previous seasons. Including the U.S., however, total acreage will probably increase from 59 million acres in 1958-59 to around 61 million acres.

If so, acreage would be at about the same level as in 1956-57 but still much lower than in the earlier post-Korean period.

No prediction can be made on yields. The estimate in the U.S. put yield at 470 lbs., as against 466 lbs. last season. Elsewhere, the reduction in acreage has taken place in relatively high-yield countries. In Mexico, for example, yield per acre in recent seasons has been about double the world average while yields in Central America are now the highest in the world—well over a bale to the acre. Egypt has traditionally been a high-yielding country and, after a lapse a few years ago, yields seem to be on the increase again. During the 1958-59 season, over 4 million bales or almost a quarter of the total production outside the United States, came from these three countries and the reduction in acreage, therefore, must inevitably affect crop prospects next season. There may be offsetting factors, however. By virtue of the vast acreage planted to cotton in India each year—well over 40 per cent. of the total acreage outside the United States—yield in this country is always a vital influence on the level of world production. Average yield in 1958-59 at 93 lbs. per acre was much lower than the recent average of 103 lbs. (1953-58). Yields in North Brazil, Uganda, Syria and Argentina were also much lower than average and under normal circumstances, therefore, the production potential for 1959-60 in all these areas should be higher than in 1958-59.

Notices

TATA LOCOMOTIVE AND ENGINEERING COMPANY, LIMITED

TENDER NOTICE

APPROXIMATELY ONE THOUSAND TONS of High Carbon Steel Rejected Ingots (Fluted) 12", 15" and 18" Diameter in lengths of 6/8 Feet are available for sale ex-Telco Works, Jamshedpur-4.

Copies of Tenders together with terms and conditions of Tender may be had from Stores Controller, Telco Ltd., Jamshedpur-4. Ingots opened to inspection on any working day. Closing date of Tender 1st October, 1959 at 2-30 p.m.

THE ALKALI AND CHEMICAL CORPORATION OF INDIA LIMITED

NOTICE

THE PREFERENCE SHARE REGISTERS OF the Company will be closed from the 26th September, 1959 to the 5th October, 1959, both days inclusive.

By Order of the Board,
IMPERIAL CHEMICAL INDUSTRIES
(INDIA) PRIVATE LTD.
Secretaries.

CALCUTTA, 8th September, 1959.

THE BURRAKUR COAL COMPANY LIMITED

THE INTERIM DIVIDENDS SANCTIONED by the Board of Directors in respect of the year ended 30th June, 1959, will be paid on or after 21st October, 1959, to those shareholders (or their mandatees) whose names appear in the Company's books on the 7th October, 1959, as the registered shareholders of the Company.

The Share Transfer Registers of the Company will be closed from the 28th September to the 7th October, 1959, both days inclusive.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 9th September, 1959.

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

THE SHARE TRANSFER BOOKS OF THE Company will be closed from Monday the 28th September 1959 to Saturday the 24th October 1959, both days inclusive.

By Order of the Board of Directors,
LALDAS TRIBHOWANDAS,
Secretary
BOMBAY, 10th September 1959.

EASY MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 16th September

There is precious little to say about the money market this week. There has been no change in its state of affairs, described in these columns last. The trend is extremely easy, with a surfeit of funds and lenders. On Tuesday, some demand was reported for payment of taxes. But this had no visible effect on the state of the market. Inter-bank call money is still at the self-same rate of 1½ per cent. among big Indian banks and Exchange banks and 2 per cent. among small Indian banks. The rate for house money at seven days' notice is 3 to 3½ per cent. and for one to six months' deposits 3 to 3½ per cent.

The response to the Government of India 91 days' Treasury Bills was greater, the total amount offered being Rs. 2.64 crores, as against Rs. 2.50 crores in the previous week, the amount invited and accepted remaining unchanged at Rs. 2 crores. Naturally, the average rate of accepted tenders has gone down further from 2.448 per cent. per annum to 2.440 per cent. per annum. This is the fifth continuous week to witness a fall in this rate. Tenders for another Rs. 2 crores of bills have been invited for the next week. Sales of Intermediate Treasury Bills during the four days ended 12th September 1959 amounted to Rs. 1 crore, that is, Rs. 29 lakhs less than the sales during 1st September to 5th September 1959. The offer of these Bills on tap is being continued from 17th September to 19th September at the same rate as in the week under review, i.e., at 2.376 per cent. per annum.

There are no outstanding variations in the statement of the Reserve Bank for the week ended 11th September 1959, as compared with that for the preceding week. Notes in circulation are up by Rs. 5.37 crores at Rs. 1,670.28 crores, but notes held in the Banking Department have fallen by an almost identical amount. There is no change in foreign securities held in the Issue Department, but balances held abroad in the Banking Department have risen by Rs. 2.02 crores, with the result that the total foreign assets are better to that extent and stand at Rs. 186.26 crores. Deposits of the Central Government, as also those of other Governments, are lower by Rs. 8.53 crores and Rs. 3.34 crores, respectively. Reflecting the continued easy money conditions, the deposits of banks are larger by Rs. 10.58 crores at Rs. 81 crores. Loans and advances to Governments have gone up by Rs. 2.44 crores; similarly, other loans and advances have also moved up by Rs. 1.19 crore, their respective totals being Rs. 19.02 crores and Rs. 74.15 crores. Investments show a fall of Rs. 3.78 crores and also Government Treasury Bills by Rs. 1.38 crore.

The statement of scheduled banks for the week ended 4th September 1959 discloses a drop of Rs. 10.33 crores in demand deposits and a rise of Rs. 8.47 crores in time deposits. Borrowings from banks have declined by Rs. 2.18 crores. The changes in borrowings from the Reserve Bank and the State Bank are small but in the downward direction. Under bank credit, advances have shrunk again, this time by Rs. 4.59 crores. Bills purchased and discounted, however, show a rise of Rs. 1.57 crore. Consequently, the total bank credit is down by a little over Rs. 4 crores. Investments have registered a substantial rise of Rs. 12.04 crores, which has taken their total to Rs. 747.51 crores. Money at call and short notice has improved by Rs. 1.04 crore, but total cash has fallen by Rs. 11.01 crores to Rs. 112.13 crores.

The gilt-edged market continued to rule firm during the week under review, but the turnover was small again for want of sellers. The demand from such institutions as provident funds, which are compulsorily required to invest from time to time led to a further rise in prices. Thus, 3 per cent. 1963-65, 1964 and 3½ per cent. 1968 and 1969 were all marked up by 10 nP. A rise of 20 nP was recorded in 3 per cent. 1966-68 and of 5 nP in 3 per cent. 1970-75, 3½ per cent. 1962, 3½ per cent. 1965, and 3½ per cent. 1967. The 3 per cent. 1986 Conversion loan, however, was lower by 10 nP at Rs. 74.20.

With the singular exception of 4½ per cent. 1970 Andhra loan, which declined by 10 nP to Rs. 101.80, most of the other State loans were steady but unchanged. In fact, a 10 nP rise was seen in the 4 per cent. 1971 of Madhya Pradesh loan.

In the foreign exchange markets of the world, the pound sterling ruled fully steady. In the New York market, spot sterling was a shade higher at 280.31-280.34 cents per £. This was true of three months' forward also which was quoting at 280.71-280.74 cents at the time of writing.

HIDES AND SKINS STEADY

(From Our Own Correspondent)

MADRAS, 14th September

There was no change in the kip market and conditions remained unaltered. Sellers at present are holding firm, though price resistance by U.K. importers is marked and genuine.

There was good demand for tanned goat skins light weights and lower grades of 11/12 lbs. up and prices improved to a small extent. Continental buyers were showing interest in shipment business and the market is steadier.

Inquiries for tanned sheep were steady and prices were unchanged.

In the last London public sales, which commenced on 31st August, prices of tanned goat skins advanced 12d. to 18d. over June level and sheep 6d.

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 16th September

Distinctly easy conditions prevailed in the bullion market during the week under review. Offtake of both gold and silver continued to be slack, while arrivals of *kutchi* metals were quite large. The operators preferred to await the emergence of seasonal influences exerting pressure on demand. Even firm advices from commodity markets were of no avail.

Gold was subjected to selling in the earlier sessions on rumours that sale of Kolar gold would be resumed. Although the rumours were later found to be unfounded, buying support was lacking. Today's closing rates for both the metals were lower than those on Wednesday last.

September settlement in gold came in for selling and fell from Rs. 122-13 to Rs. 121-8 on the opening day of the week, that is, Thursday the 10th inst. After recovering to Rs. 122-12 in the subsequent sessions, it receded again to Rs. 121-13 today, before finishing at Rs. 121-14-6. The net loss over the week was As. 14-6. October settlement declined in the course of the week from Rs. 123-3 to Rs. 122-6; at one time on Thursday, it had touched a low of Rs. 121-13. The carry-forward rate in favour of bears in September settlement widened from As. 6 last week to As. 7-6 today.

Ready gold moved down from Rs. 122-11 to Rs. 121-9 on the opening day. Thereafter, it fluctuated narrowly and touched Rs. 122-11 on Monday. It began at Rs. 122 today and, after easing to Rs. 121-14, closed at Rs. 122-1. The daily average arrivals and offtake of gold were both 3,250 tolas. The floating stocks are reported to be around 50,000 tolas.

September settlement in silver began the week at Rs. 203-9, as against Rs. 204-5, and retreated to Rs. 202-10 today, before finishing at Rs. 202-11-6. The net loss over the week was Rs. 1-9-6. October settlement sagged during the week from Rs. 204-15 to Rs. 203-11. The carry forward rate for September settlement continued to be against bulls, the rate actually rising from As. 10 to As. 15-6. Business in November settlement commenced at Rs. 204-4 today. Towards the close, it was quoted at Rs. 204-5.

Ready silver encountered selling and suffered a setback. Today's closing rate was Rs. 202-10, as against Rs. 204-1 on Wednesday last week. The daily average arrivals of silver were 46 bars, while the offtake was six bars. The floating stocks of silver are estimated at 400 bars.

Both ready and forward silver in the London bullion market recorded a gain of ½d. during the week, yesterday's quotations being 79d. and 78½d. per ounce, respectively. Silver in New York, however, was unchanged at 91.375 cents per ounce. Ready gold in London, after improving from 250s. 7½d. to 250s. 8½d. on the 11th inst., eased to 250s. 8d. on Monday. The latest available rate for dollar gold in London is \$35.11-\$35.134 per ounce, as against \$35.11-\$35.13 last week.

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

	10-9-59	Highest	Lowest	9-9-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Gold				
Ready (99.9 fine Mint)	122 11	122 11	121 9	122 11
Forward	121 14½	122 12	121 8	122 13
Silver				
Ready (99.9 fine Mint)	202 10	204 2	202 8	204 1
Forward	202 11½	204 8	202 10	204 15
London Silver Ready	78½	79½	78½	78½
London Forward	78½	79½	78½	78½
London Gold	250s. 8½d.	250s. 8½d.	250s. 7½d.	250s. 7½d.
New York Silver	91.375	—	91.375	—

* 17th September settlement. † 18th September settlement.

TIN EXPORT QUOTA RAISED

(From Our Own Correspondent)

CALCUTTA, 15th September

Conditions in the metal market during the week under review were steadier, in contrast to the easier trend last week. A notable development of the week was the announcement by the International Tin Council raising the export quota of tin of producing countries in the fourth quarter ending December to 30,000 tons from 25,000 tons at present. The Council's decision is aimed at relieving the existing shortage in consuming countries. During recent weeks, the Buffer Stock Manager had been selling tin at £800 per ton, and his stocks have now fallen below 10,000 tons which is the minimum required to tide over any shortage that might develop. As such, he is unlikely to release further quantities to the market. On the London Metal Exchange, tin opened at £793 per ton and after declining to £792½, recovered to close at £793. In the local market, tin gained to Rs. 584 from Rs. 581 per cwt. on firmer advices from the Far Eastern markets. There was fair demand from consumers.

The demand for copper declined slightly during the week, although the metal continued to be in short supply, following the news that established importers would soon be issued import licences for copper scrap. Utensil scrap was quoted at Rs. 225 per cwt. In London, copper opened at £2363 per ton and gave way to close at £2333, thanks to a decline in demand on European account. Electrolytic zinc hardened from Rs. 106 per cwt. to Rs. 107½ following better demand and higher Bombay advices. Virgin lead was unchanged at Rs. 74.

STRIDENT RISE IN COTTON

(From Our Own Correspondent)

BOMBAY, 16th September

The firm trend witnessed last week in cotton futures gathered further momentum during the week under review. Reports of heavy rains in Berar, Khandesh and Ujjain-Indore regions and the consequent damage to the standing crops both in respect of quantity and quality, touched off a wave of panicky buying. Those who had gone short rushed to cover their outstandings. Mills also made heavy purchases fearing that new crop movement will be delayed. The sustained firmness of the spot section where many new varieties were knocking against the ceiling, some even piercing it, imparted further strength to the market. Futures values consequently made a strident advance. Profit-taking, as and when emerged at bulges, was swiftly absorbed. The Jarilla March contract was rigged up to a peak of Rs. 719.50 on Monday, although the closing was a shade lower at Rs. 718. The market was closed yesterday and today on account of *Anant Chaturdashi* and *Id-e-Milad*, respectively. The trend in kerb trading continued to be firm.

I.C.C. Moglai Jarilla March 1960 opened the week at Rs. 702, as against the previous day's closing rate of Rs. 701.50 and after declining to Rs. 698.50 the next day, flared up to Rs. 619.50 on Monday before closing at Rs. 718. The net gain over the week was Rs. 16.50.

In the spot section, hectic activity was reported. New crop cotton was keenly sought after by mills. There were fears that, due to the unfavourable weather, the crop would be considerably less this season. Reports from Saurashtra indicated that the crop in the region would be 25 per cent. less than that in the last season. CO2 crop was also said to be smaller. Many varieties were priced at or near ceiling. Some even pierced the ceiling. Thus, Khandesh 27/32" was done at Rs. 885 per candy, as compared with the official ceiling price of Rs. 840. Vijay 13/16" changed hands at Rs. 1,020 as against the ceiling of Rs. 945. Kalyan 24/32" rose Rs. 20 above the ceiling of Rs. 760 per candy. Thus sharp rise in price of cotton—as much as Rs. 20-Rs. 30 within a fortnight of the beginning of the new season—caused anxiety among spinners. Some mill interests are reported to have approached the Government with a request for introducing some kind of distribution control so as to ensure supplies of cotton to mills at reasonable prices.

The following are the spot quotations—in rupees per candy of 78½ lbs.—for some other varieties of cotton prevailing at Sewri:

Bengal Deshi 690; Berar Jarilla 785; Hubli Laxmi 980; Hubli Jaydhar 877; Manavadar 745.

Export demand for both old and new crop was slack. Routine business was reported in Bengal Deshi. Zoda and yellow pickings were in moderate demand.

Demand for foreign cotton was confined to Egyptian Karnak, Giza 30 and higher grade Sudan. Selected U.S. growths also evoked interest.

The Karachi cotton futures market, after ruling distinctly firm early in the week, eased slightly towards the close. The earlier firmness was due to hectic purchases by mills and exporters. N.T.R.G. January and March, which had closed at Rs. 63-12 and Rs. 64-6 respectively last week-end, spurred to Rs. 65-8 and Rs. 66 respectively on the 12th inst. The higher level of prices induced profit-taking. The contracts declined to close at Rs. 64-9 and Rs. 64-15. The spot market was active. Values ruled fully steady. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 78; Punjab Deshi 67; 4F Punjab Roller 70; S.G. 71-8; L.S.S. Punjab Roller 71; S.G. 72; N.T.R.G. 78; S.G. 82; 289F Punjab Roller 71-8; S.G. 73-8.

Cotton futures in Alexandria staged a partial recovery during the week. The low levels reached last week attracted fresh buying and values slowly moved up. The latest available quotations—in tallars per lb.—are as under:

Karnak: November 71.10; January 71.70. Ashmouni: October 62.05; December 62.07.

Quiet conditions continued to prevail in the Liverpool cotton futures market during the week under review also. Values moved in a narrow range in slow trading characterised by inter-month switching and light hedging operations. Over the week, prices showed very little change. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 21.80; December-January 21.80; March-April 21.85; May 22.20.

American cotton mixed growth contract: October-November 22.25; December-January 22.20; March-April 22.30; May 22.30.

Sudan: September-October 29.75; November-December 29.75; January-February 29.75.

The New York cotton futures market depicted a divergent trend. While the near delivery months were somewhat firm on buying attributed to the decline in certified cotton stocks, the distant months eased, reflecting lack of incentives and dull conditions in the piecegoods market. In the spot market prices ruled firm, thanks to shortage of supplies.

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

	(In cents per lb.)	14-9-59	8-9-59	31-8-59
Spot	...	32.90	33.10	33.25
October	...	32.58	32.41	32.31
December	...	32.21	32.25	32.23
March	...	32.66	32.67	32.65

SEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 16th September

For the second week in succession, the oilseeds market ruled firm. The week was a short one with only four trading days, market having been closed yesterday and today. During this short period, barring perhaps linseed, which lacked fresh buying support, all other seeds and oils improved on revival of bright prospects for export, particularly for groundnut oil, H.P.S. and groundnut extractions. Bullish weather reports from the major producing areas and restricted offerings imparted further strength. Traders welcomed the decision of the Government of India to increase excise duty rebate on exported vegetable non-essential oils from Rs. 104 per ton to Rs. 110 per ton with effect from the 12th inst. This applied to non-essential oils other than linseed oil, castorseed oil and tobacco seed oil, for which the full rebates of excise duty of Rs. 112 per ton is already admissible. According to a Press note issued by the Joint Chief Controller of Exports, the Government of India has decided to allow export of four tons of groundnut oil cake (expeller variety) up to the end of November by shippers of salad oil for every ton of the oil exported up to the end of October, against contracts concluded during August-September.

Firm conditions prevailed in the groundnut section. Following the extension of the incentive scheme for exports of groundnut oil last week, sizable business is reported with foreign countries, particularly Burma, the U.K. and some countries of the Communist bloc. Shippers are optimistic because foreign prices for groundnut oil have tended to move upwards, following reduced Nigerian offerings and pronounced strength for coconut oil in world markets. Besides, extractions are keenly sought after. In these conditions, groundnut February 1960, which had wound up last week at Rs. 168.37, rallied to Rs. 170.75. Bold ready improved by as much as a rupee to Rs. 40 in the face of tight supply position. Both Coromandel ready and Khandesh quality spurred by Re. 1.50 each to Rs. 40.75 each. Oil ex-mill, finished today fully steady at Rs. 20.25, after fluctuating between Rs. 20.75 and Rs. 21 over the week.

Castorseed, in sympathy, depicted cheerful conditions. Traders expect the U.S. to enter the Indian market for castor oil in the near future. Offerings, too, were limited. Castorseed September 1959, which had closed last week at Rs. 150.62, rose to Rs. 151.50, after moving between Rs. 150.75 and Rs. 151.75 over the week. Ready Madras picked up 25 p to Rs. 30.62. Oil B.S.S. was higher by 12 p to Rs. 18.87.

The linseed section, on the contrary, was subdued on account of some profit-realising and lack of encouraging export demand. Bulls were cautious because of fear of tenders against the maturing contract. Linseed September 1959, which closed last week at Rs. 32.62, went up to Rs. 32.69 on the following day, but it was subsequently pushed down to Rs. 32.25. May 1960 contract lost 6 p to Rs. 33.44. Bold ready was lower by 37 p to Rs. 32.75. Oil retreated by 47 p to Rs. 16.40.

Cottonseed, however, continued to be firm, particularly on account of the marked strength in the raw cotton market. Cottonseed September 1959 contract and February 1960 contract staged a smart rally from Rs. 138 and Rs. 117 to Rs. 140.50 and Rs. 121, respectively.

The following table shows the closing prices of oilseeds and oils on the 14th, as compared with those on the two previous weeks:

	14-9-1959	9-9-1959	2-9-1959
Groundnut	Rs.	Rs.	Rs.
February 1960	170.75	168.37	168.75
Bold ready	40.00	39.00	38.75
Coromandel ready	38.25	38.00	37.82
Khandesh quality	40.75	39.25	37.62
Oil ex-mill ready*	20.50	20.50	19.62
Railway receipts†	20.25	20.12	19.31
Castorseed			
September 1959	151.50	150.62	147.75
May 1960	157.00	155.37	151.50
Ready Madras	30.62	30.37	29.37
Ready Kanpur	28.37	28.37	28.37
Oil B.S.S.‡	18.87	18.75	18.00
Oil commercial§	15.90	15.81	15.12
Linseed			
September 1959	32.25	32.62	31.62
May 1960	33.44	33.50	32.25
Bold ready	32.75	33.12	31.60
Oil ready¶	16.40	16.87	16.50
Cotton seed			
September 1959	140.50	138.00	135.75
February 1960	121.00	117.00	114.00
Niger seed	31.50	30.50	30.50
Kardhi seed	22.75	22.50	22.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ B.S.S.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 50 lb. except in the case of cotton seed, for which it is 75 lb. Spot quotations of seeds are for per cwt. and those for oil per quarter.

ALLOCATION OF INDIGENEOUS ART SILK YARN

(From Our Own Correspondent)

BOMBAY, 16th September

Two important official announcements pertaining to the allocation of indigenous art silk yarn and import of foreign yarn were made this week. The Textile Commissioner has announced that the allocation of art silk yarn from indigenous sources to the art silk powerlooms for the three months ending December 1959 should be made on the basis of the average number of looms worked during the quarter ended June 1959. The allocation will be made only to those units which have been regularly submitting their production returns in the prescribed form to the Commissioner. This decision is in accordance with the

recommendation made by the Development Council for Art Silk Industry. The primary objective is to give the art silk industry a basic minimum quota for working one shift. The balance of requirements for the working of more than one shift is to be earned by the industry by way of exports of manufactured fabrics. In addition to the indigenous or import yarns allocated, staple fibre yarn will be freely available to the industry for augmenting production. The quantity of yarn now being produced is considered to be quite adequate to work another shift. The quantity of indigenous yarn to be allocated per working loom will be on the flat basis of 200 lbs. per loom for the quarter. It may, of course, be possible to allocate some additional quantity from imported yarns. The art silk mills and powerloom units are required to apply to the Textile Commissioner for the issue of licence cards giving particulars in the prescribed form. The members of the associations of various art silk manufacturers are asked to submit their applications direct to the association concerned.

As regards imports of art silk yarn, the Government of India has decided to extend the validity period for actual users' licences issued for imports during the licensing period October 1958 to March 1959 by a period of three months from the date of expiry in respect of 24 per cent. of the face value of licences. During the aforesaid licensing period, it will be recalled, a condition had been imposed on licences granted to actual users for import of art silk yarn according to which 24 per cent. of the face value of import licences was to be utilised for imports through the State Trading Corporation from countries with which rupee payment arrangements had been made. As a result of the representations received from the trade to the effect that most of the actual users do not expect to utilise this portion of their licences within the validity period already allowed, the position has been reviewed and the validity period extended by three months, as already stated.

The above announcements induced some selling in art silk yarns and there was a setback in prices. Demand from weaving mills was at a low ebb. Staple fibre yarns were dull in the absence of encouraging reports from consuming centres. Cotton yarns, however, were firm. It was reported that the floating stocks of yarn were scarce, owing to restricted production and large export sales made by some units in recent weeks to Indonesia, Burma and other markets. Demand for cotton yarns from hosiery factories was tending to rise. The market remained closed yesterday (Jain holiday) and today on account of Id-e-Milad.

Imports of art silk yarn into Bombay port continue to be small. The quantity actually imported during the month of August 1959 was 2.48 million lbs., as against 2.12 million lbs. in July and 3.94 million lbs. in June. During the same month, 172,953 lbs. of synthetic yarn, 10,371 lbs. of staple fibre yarn and 20,198 lbs. of cotton yarn were imported. Exports of cotton yarn from Bombay port during the month amounted to 931,630 lbs.

Cupressa Bamberg yarn (80 x 2) October delivery were subjected to continued heavy selling pressure and were marked down from Rs. 1,652 to Rs. 1,614. Spot Cupressa fell from Rs. 7.47 to Rs. 7.25. Imported yarns were dull, 120 Japan being quoted at Rs. 4.75, 150 Japan at Rs. 4.69, 120 Italy at Rs. 4.75 and 150 Italy at Rs. 4.65. Among indigenous yarns, National Rayons 120 bright cones first grade dropped 3 p to Rs. 4.50. 150 bright cones first grade shed 2 p to Rs. 4.16.

Staple fibre yarns (40 x 2) October contract declined by Rs. 5 to Rs. 665. Spot Kohnhoors and Centurys, however, were higher by 3 p to Rs. 3.56 and Rs. 3.75, respectively. Among imported yarns, 80 x 2 Paramounts lost 1 p to Rs. 7.81. Fujis were unchanged at Rs. 8.50.

In the cotton yarn section, ten counts Podars were well supported, the quotation rising by 12 p

to Rs. 14.62. Moderns were fully maintained at Rs. 13. Twenty counts Moderns were firm at Rs. 18.25. Forty counts Moderns strengthened by 25 p to Rs. 26.50. Minaxis were fully steady at Rs. 25.62. The quotations for sixty and eighty counts remained more or less at last week's levels. The latest available quotations are: Sixty counts: Raghuvamshis Rs. 55.50; Finlays Rs. 63.80; eighty counts: Mahendras Rs. 73.50; Moderns Rs. 79; Finlays Rs. 82; Citys Rs. 68.50.

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

	14-9-59	9-9-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	Rs. 1,614	Rs. 1,662
60/1 Cupressa Bamberg spot (per lb.)	7.25	7.47
120 Japan (per lb.)	4.75	4.75
150 Japan (per lb.)	4.69	4.69
120 Italy (per lb.)	4.75	4.75
150 Italy (per lb.)	4.65	4.65
Staple fibre yarn—		
40 x 2 October (per case of 200 lbs.)	665.00	670.00
40 x 2 Kohnhoor (per lb.)	3.56	3.72
40 x 2 City	3.56	3.68
Cotton yarn (per bundle of 10 lbs.)—		
20s Modern	14.62	14.50
40s Minaxi	18.75	18.75
40s Finlay	25.62	25.62
80s City	68.50	68.00
	68.50	68.50

KEEN DEMAND FOR TEAS

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

COCHIN, 11th September

A quantity of 900,000 pounds was offered in sale No. 34 on 8th September 1959. The quality improvement particularly among high-grown teas offered in this sale showed a general improvement particularly among high-grown teas. The interest in better liquoring high-grown teas was irregularly dealer by 30 p to 40 p according to quality. Low mediums and mediums, in and were firm to dealer. There was strong competition for all clean black leaf grades suitable for the Middle East, and these were the strongest tea good competition at dealer rates.

The quotations were:

	1959	1958
Low medium	1.60 to 1.70	Rs.
Medium	1.75 to 1.85	1.50 to 1.45
Good medium	2.10 to 2.20	1.75 to 1.95
Quality	2.30 to 3.55	2.00 to 2.25

Dust Sale X.—Sale No. X held on 10th September 1959 aggregated 300,000 pounds. A quantity of dusts were offered in this sale. The market met with a very strong demand and prices advanced irregularly 10 to 15 p for all black grainy dusts which sold at much higher rates than last. C.T.C. dusts continued in demand at dealer rates.

London Market: Sale of 7th September 1959.—Market firm to dealer all round. Strongest features best Assams and leg-cut Doors. Sale of 8th September 1959: Firm to dealer.

Sale of 9th September 1959.—Dearest tendency throughout.

Colombo Market: Sale of 7th September 1959.—Active general demand western districts. Quality improved. Dimbula Dichoya broken sub. Improved U.V.A.s active demand considerably. Mediums active 20 to 30 cents dealer. Low-grown good demand, firm.

Sale of 8th September 1959.—On-grades active demand generally dealer, particularly U.V.A. fannings. Broken-mixes substantially dealer.

Calcutta Market: Export—Sale 13, 66,000 packages. Continued good general demand. Com. Assam C.T.C. 10 to 20 p easier. Best

Internal.—Sale 12.—21,800 packages dust. Good demand. Orthodox Egyptian types firm to dealer. Medium C.T.C. 10 to 15 p easier. Best C.T.C. upto 20 p easier. Sale 13.—22,700 packages dust. Good demand black Egyptian types 4 to 6 p dealer. C.T.C. irregularly easier.

Export Quota.—The market has been rather quiet with last business being transacted at 24 p. At present there are sellers at 24 p with buyers

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

"Sale No. 35 was held on Tuesday, 9th September 1959. Strong active demand, particularly all B.O.P.s 5 to 10 p higher but similar fannings sometimes advanced 25 p. Best liquoring very strong and considerably higher according to quality."

(From Our Own Correspondent)

CALCUTTA, 15th September

Good demand was maintained during yesterday's export sale, and the feature during last week's dency in exportable types.

During the week, tea was prominent in the freight market, and, of the available space to the United Kingdom, a good portion was claimed by tea. The U.K. tea stocks for the week ended 4th September was unchanged at 111 million lbs. At the auctions in Mincing Lane during last week, teas were keenly sought after. The low level of stocks in the U.K. should prove a favourable factor for the maintenance of prices at the higher level. In the sales held in Colombo last week, the demand

for good quality teas was steady with medium breakers rising by 20 to 30 cents per lb.

Two internal sales were held last week, one, the usual, and another, which had to be postponed a week in view of the disturbed political conditions leading to riots. Dusts on offer amounted to 21,673 chests in one sale and 22,505 in the second sale. Demand was good in both the sales and keen attention was paid to black leaf exportable types, the prices of which rose by 4 p. Leg-cut Doors and medium orthodox Assams registered higher prices, while an irregular trend was recorded in Darjeelings. Medium C.T.C.s eased by 10 to 15 p, while powdery teas were about steady. The stronger liquoring powdery teas were firm to dealer, and the very best grainy C.T.C.s eased by 20 p. Quotations of both the sales are given below one after the other against each description: Best Assam C.T.C. Rs. 2.55 to Rs. 2.80, same; medium Assam C.T.C. Rs. 2.00 to Rs. 2.10, same; medium Doors Rs. 1.82 to Rs. 1.90, Re. 1.86 to Re. 1.94; and medium Assams Re. 1.78 to Re. 1.90, Re. 1.84 to Re. 1.90.

Leaf on offer amounted to 577 chests in one sale and 463 chests in the subsequent sale. There was good demand, but green teas eased.

Opening quietly, the export auction held yesterday met with increasing demand, and prices hardened. Offerings aggregated 59,798 packages. Clean black fannings appreciated in price with the medium fannings and, in particular, the brighter liquoring medium following suit. Medium B.P.s eased but plain B.P.s were fully firm. C.T.C.s were in better demand and the best lots were fully firm. However, medium and good mediums lost by 10 to 20 p. The cheaper varieties were about firm. The non-withdrawal of orthodox B.O.P.s also met with better demand. An easier trend led to a number of withdrawals of medium orthodox B.O.P.s also eased, but the teas possessing brighter liquoring received good attention. Whole leaf grades tended to be irregular although demand was fair. Tippy teas and Darjeelings were easier. The quotations, exclusive of excise duty, were: best Assam C.T.C. fannings Rs. 2.70 to Rs. 3.10, best Assam C.T.C. B.P. Rs. 2.30 to Rs. 2.70, medium fannings Rs. 2.16 to Rs. 2.26, clean black pekoe Re. 1.94 to Re. 1.96, medium B.P. Rs. 1.94 to Re. 2.04, plain fannings Rs. 2.00 to Rs. 2.10, and plain B.P. Re. 1.84 to Re. 1.86.

Export quota was quoted at 24 p buyers and at 24 p sellers. No business took place.

JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 15th September

Prices of jute goods fluctuated within narrow limits during the week under review. The closing levels were only fractionally higher on balance. Foreign demand for gunnies was only normal, but the feature was the acceptance by Sudan of tenders for a good quantity of heavy goods for delivery in October and November. In order to clear the recent purchases made by China, a ship was placed for loading of heavy goods to that country. In raw jute, prices hardened following more interest shown by mills. Business passing was fair. The widespread rains in the past week in West Bengal caused concern in the market, but initial reports indicated that no visible damage had so far been caused to the crops that yet remained to be harvested. On the other hand, the rains have raised the water level in tanks and canals and retting facilities are now more satisfactory.

As anticipated in market circles, stocks as at the end of August announced in the week disclosed a satisfactory decline. Sacking goods at 45,800 tons were lower by 8,300 tons and compared with the stock of 38,400 tons a year ago. Such a fall as occurred in the last month was due to good demand from China. Hessian fell by only 1,300 tons to 24,700 tons, and miscellaneous constructions at 10,600 tons were fewer by 2,100 tons. The total decline thus amounted to 11,700 tons. The largest since July 1958. The total stock amounted to 81,100 tons, the lowest since December 1957. Such a low stock resulted even after increased production. And that fully revealed the wisdom of mills in unsealing more looms, thereby reducing the sealed looms to 10 per cent. from 134 per cent. However, it remains to be seen if the increased demand for heavy goods would be maintained in the coming months. Great anxiety was felt in market circles at the strained relations between India and China. It was the big purchase made by China in August that made all the difference to the course of the market trend. Usually, in the months of July and August, the export market is active, and by November most countries would have completed purchases. It was this consideration which led the Indian Jute Mills' Association to keep in operation the 24 per cent. of the looms unsealed in August up to January 1961 only. No doubt, mills would review the position periodically.

Meanwhile, it was noted that hessian constructions exported in the jute season ended 30th June were higher than the previous year. The figure at 45,800 tons represented a rise of 50,500 tons. The total of jute goods bought for export and internal consumption was 1,074,000 tons, showing a rise of 44,300 tons. The rise was accounted for by higher exports of hessian, and this indicated that the demand for sacking in the period was in fact lower. However, in the last month, the demand for sacking improved, but statistical records do not indicate if this higher nature of demand would be maintained. The U.S.A. has not yet entered the market in a big way for hessian, and as and when it does so, sacking looms would have to be transferred again to hessian. For, the current stock of hessian is equivalent only to about two weeks' production.

On Tuesday last, prices fell following a bearish trend in the futures market. Also, overseas buyers kept away from the market, as they were desirous of buying only after prices stabilised. Ready B. twills declined to Rs. 101.25 from Rs. 102.50 and hessian 40" 10 oz. to Rs. 40.25 from Rs. 40.40. On the following day, the stock figures

as at the end of August were announced, and the market reacted by a sharp rise in prices. However, at higher levels, selling pressure brought down the rates after the rise. Hessian 40" 10 oz. was at Rs. 40.45 and B. twills at Rs. 101.50. On Thursday, there was the news of the placement of a steamer for loading heavy goods for China, and B. twills scored to Rs. 102.15, hessian 40" 10 oz. remaining firm at Rs. 40.45. Selling pressure at the higher levels soon developed and, on Friday, B. twills receded to Rs. 101.70, while hessian 40" 10 oz. fractionally gained to Rs. 40.50. Over the week, ready B. twills closed lower at Rs. 101.65 and hessian 40" 10 oz. at Rs. 40.35. During yesterday's trading ready B. twills eased to Rs. 100.85 and hessian 40" 10 oz. to Rs. 40.25.

Mills showed greater interest in raw jute, and a fair quantity changed hands. Assam bottoms gained to Rs. 23 from Rs. 22.50 and northern bottoms to Rs. 22.50 from Rs. 22.25. Latest quotations for the new crop for immediate and/or new delivery are:

White:	Middles Bottoms:
	Rs.
Upper Assam	25.50
Lower Assam	25.25
Northern	25.25
Desal	24.50
Cuttack	24.75
Murshidabad	24.00
Bihar, Jungli & U.P.	23.50
Tossa:	
Ordinary Daisee	26.00
Murshidabad	25.25
Assam-Agartala	26.75
Mesta:	
Daisee	24.00
Jungli	23.50
Bimli f.a.q.	Rs. 21.00
Pucca Bales:	
First marks Rs. 168.00 per bale.	

SUGAR SUPPLIES LESS

(From Our Own Correspondent)

HAPUR, 14th September

Sugar prices continued to rule steady due to shortage of supplies. Demand was reported modest. Although no sugar has been allotted for free sale, it was being sold openly in the market at Re. 1.19 per seer, as against the controlled price of 97 p per seer. Prices per bag improved by Rs. 2 during the week to Rs. 126 per bag. New sugar production is likely to commence some time in November.

Sugar prices at Muzaffarnagar hardened during the week under review. Although outside demand was poor, prices advanced by 50 p to Re. 1 per bag. Fast dwindling stocks and poor supplies were responsible for the rise in prices. Latest available prices were:—crystal spot delivery small grain Rs. 123 to Rs. 123.50, bold crystal Rs. 124 to Rs. 125, retail controlled 98 p per seer, open market Re. 1.12 per seer. Sugar prices continued firm in the Kanpur market on persistent outside demand. Spot sugar was quoted at Rs. 126 to Rs. 127 per bag.

Khandasari prices were quietly steady on good demand. Following the export ban from U.P., about 10 lakh maunds of khandasari were lying unsold in the State and producers are naturally anxious to sell stocks before the advent of the new season. The State Government has asked interested parties not to install new crushers for manufacture of khandasari in mill areas as the entire matter relating to the control of sugar supplies was under Government's consideration. Ruling prices of khandasari were: Rs. 35 to Rs. 41, Boora Rs. 40 to Rs. 42 a maund.

Ready gur prices continued steady and superior gur improved fractionally as stocks with trade were small at about 8,000 maunds. New season will commence in mid-October and due to scanty rainfall, cane crop prospects are bleak. Prevailing prices were: gur best Rs. 21.50, dara Rs. 21, kotha mixed dry-wet Rs. 20.25, wet Rs. 19.25, shakker Rs. 20.50 a maund.

Gur prices were easy in the Muzaffarnagar market, owing to poor demand from Gujarat and Madhya Pradesh, which is being met from South where new production of gur has commenced. Prevailing prices were: Chaku dry Rs. 23.50, kotha dry-wet Rs. 20 to Rs. 23, kotha wet Rs. 19.50, shakker dara Rs. 20 to Rs. 22, khandasari desi Rs. 35 to Rs. 42, boora Rs. 40 to Rs. 42 a maund.

Gur futures moved both ways in heavy speculative activity, mostly influenced by weather reports. Gur jagun having opened at Rs. 13.95 last Monday, touched the highest in mid-session at Rs. 14.44 and receded to finish at Rs. 14.17.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 14th September

Steady to firm conditions prevailed in the food-grain market during the week under review. Traders were greatly disappointed at the latest decision of the National Development Council to maintain the status quo in food policy. Grain prices, which had eased just after the resignation of Mr. Jain, Union Food Minister, on expectations of drastic change in food policy, recorded a hardening trend this week. Kharif crop prospects, which were reported bright earlier, are now said to be poor, following scanty rains in most parts of U.P. This too has acted as a bullish factor. The Union Food Minister, Mr. Patil, has, however, said that there was no shortage of food in the country and it was a man-made shortage, and with the co-operation of all the business community, the producers and consumers—the Government would be in a position to solve the food problem.

Wheat prices at Hapur registered a gain of about Re. 1 per maund during the week and is quoted now at Rs. 18 per maund for average

quality and upto Rs. 19.50 for farm produce, as against the lowest level touched just after the resignation of Mr. Jain, namely, Rs. 16.25 to Rs. 18 per maund, respectively. Arrivals in the open market have again gone down and consumers are finding it difficult to get wheat even at higher prices. The Government controlled price for wheat under the wheat levy scheme is Rs. 13 to Rs. 15 a maund and total purchases on Government account by the end of July were only 21,000 tons. Rice prices ruled quietly steady during the week. Reports of extensive damage to standing paddy and muni crops due to absence of rains have been received from many parts of the State. The ruling prices on Monday were: *seia basmati* Rs. 32 to Rs. 35, *mainpuri* Rs. 24, *rainunia* Rs. 24.25, *ramajwayan* Rs. 24.50 and *gadda* Rs. 22 a maund.

Gram recorded handsome gains during the week on firm advices from Punjab and Madras. Arrivals from Punjab side met with demand and local stock was almost unchanged at about 65,000 maunds. Arrivals of new maize crop in the market are increasing, but prices registered fractional gains during the week on good consumers' demand. Barley and *bejhar* prices also registered a sympathetic rise, although trading in these grains was slack. *Jowar* and *guar* prices were steady. Week-end prices (in rupees per maund) and local stocks on Monday were:—gram 12.50 to 12.50, maize new desi 12.50, barley 11.87, *bejhar* 11 to 11.25, *jowar* 13 to 14, *guar* 11 to 14, *barja* 13.25. Stocks (in maunds): gram 65,000, barley 5,000 *jowar* 7,500, *bejhar* 2,000.

Peas prices improved slightly during the week on good outside demand. Arrivals of peas were at an average of 100 to 150 maunds daily. As outflow to outside destinations was fairly good, local peas stocks declined by four *khatties* during the week to 51 *khatties*. Prices of arhar and other pulses also recorded sharp gains during the week. Prevailing prices and stocks on Monday were:—peas *dara* Rs. 12.75, *arhar* Rs. 15.75 to Rs. 16.12, *arhar dal* Rs. 20 to Rs. 21, *urad* Rs. 17 to Rs. 20, *moong* Rs. 16.50 to Rs. 19, *masoor* Rs. 13.75 to Rs. 16 a maund. Stocks: peas 51, *arhar* 30 *khatties*.

The oil and seed market was quietly depressed in the absence of new incentives and weak advices from ports. Week-end prices were:—sarsun Rs. 25, oil Rs. 67, cake Rs. 10.25, groundnut *desi* Rs. 18, oil Rs. 60.50, cake Rs. 11.25, cottonseed Rs. 13.75 to Rs. 14.75 and tara Punjab Rs. 19.75 a maund.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 14th September

Firm conditions prevailed in the linseed market, throughout the week and prices continued to advance strongly touching Rs. 24.31 on Friday, but a slight reaction developed towards the close. Crushers showed keen interest.

The futures market followed the same pattern and the highest levels reached were Rs.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India				
Statement of Affairs for the week ended 11th Sept., 1959				
BANKING DEPARTMENT				
LIABILITIES				
Capital paid-up	Rs.			
Reserve Fund	5,00,00,000			
National Agricultural Credit (Long-term Operations) Fund	30,00,00,000			
National Agricultural Credit (Stabilisation) Fund	4,00,00,000			
Deposits:				
(1) Government	56,32,42,000			
(2) Other Governments	20,47,39,000			
(3) Banks	120,01,00,000			
(4) Others	16,70,12,000			
Bills Payable	12,46,12,000			
Other Liabilities	426,24,57,000			
Total	Rs. 604,30,87,000			
ASSETS				
Notes	17,02,38,000			
Rupee Coin	2,51,000			
Subsidiary Coin	8,44,000			
Bills Purchased and Discounted:				
(a) Internal	4,01,19,000			
(b) External	23,25,01,000			
Loans and Advances to Governments	19,01,80,000			
Loans and Advances to Government	74,15,69,000			
Other Loans and Advances	279,32,13,000			
Investments	9,35,07,000			
Other Assets	426,24,57,000			
Total	Rs. 604,30,87,000			

State Bank of India		
Statement of Affairs for the week ended 11th Sept., 1959		
CAPITAL AND LIABILITIES		
CAPITAL		
Authorized Capital—	Rs.	
20,00,00,000 shares of Rs. 100 each.	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,50,000 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	5,67,09,28,000	
Deposits and Other Accounts	10,23,80,000	
Borrowings from Other Banking Companies, Agents, etc.	1,83,73,000	
Bills Payable	1,48,20,000	
Acceptances, Endorsements and Other Obligations per contra	1,05,36,000	
Other Liabilities (including Inter-Office Adjustments)	604,30,87,000	
Total	Rs. 604,30,87,000	

Scheduled Banks*		
Statement of Affairs for the week ended 4th Sept., 1959		
Demand Liabilities in India:		
(a) State Bank and a notified bank	94,27,34,000	
(b) Other demand liabilities	71,53,33,000	
(c) Other time liabilities in India	25,55,72,000	
(d) Other time liabilities	10,70,14,83,000	
Borrowings in India from the Reserve Bank of India	3,96,40,000	
Borrowings in India from the Reserve Bank of India	22,00,000	
Cash in India	2,11,10,000	
Balances with the Reserve Bank in India	42,04,13,000	
Balances with other banks in current account in India	70,08,95,000	
Money at call and short notice in India	14,02,87,000	
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	34,53,48,000	
Advances in India	89,79,54,000	
Indian bills, purchased and discounted in India	88,78,30,000	
Foreign bills, purchased and discounted in India	83,34,65,000	
Total Assets	Rs. 1,687,31,52,000	

COMPARATIVE BANKING STATISTICS*				
(In crores of rupees)				
	1st Sept. 1959 (pre-war)	4th Sept. 1959	A week ago	A month ago
RESERVE BANK				
Issue Department	172.37	1664.91	1650.21	1688.91
Notes in circulation	85.05	22.36	88.52	11.32
Notes held in Bank	59.50	163.01	163.01	169.68
Foreign Securities	37.59	127.19	127.19	112.99
Reserve Department				
Deposits of:				
Government of India	14.89	55.34	63.49	53.37
Other Governments	25.32	23.82	23.82	14.72
Balances held abroad	10.06	21.23	20.26	13.44
SCHEDULED BANKS				
Demand Liabilities	134.86	788.66	750.03	727.78
Time Liabilities	102.24	1095.71	1088.37	1082.12
Borrowings from Reserve Bank	2.11	2.96	3.45	5.96
Borrowings from State Bank	4.18	4.02	3.45	4.28
Cash in India	6.70	42.04	43.48	40.80
Balances with Reserve Bank	25.17	70.09	72.16	78.13
Excess over statutory limits	15.52	11.24	20.45	15.15
Balances with other banks in current account in India	14.03	14.72	13.72	13.01
Money at call and short notice in India	84.39	83.85	88.08	54.92
Investments (at book value)	73.77	735.47	714.82	578.29
Advances and bills	105.9	947.07	938.08	854.83
Deposits	87.76	562.41	562.91	544.97
Investments	51.99	371.55	365.47	358.16
Advances	30.85	196.00	173.29	164.96
Cash	14.08	23.34	27.11	22.77

TREASURY BILLS				
Amount (In crores of rupees)				
Date of tender	Offered	Applied for	Allocated	Rate of allotment in full
17th to 20th June*	0.07	—	0.07	2.760
23rd to 27th June*	0.10	0.10	0.10	2.759
30th to 3rd July*	0.07	0.07	0.07	2.748
6th to 10th July*	0.07	0.07	0.07	2.717
13th to 17th July*	0.07	0.07	0.07	2.717
20th to 24th July*	0.07	0.07	0.07	2.717
27th to 31st July*	0.07	0.07	0.07	2.717
3rd to 7th Aug.*	0.07	0.07	0.07	2.717
10th to 14th Aug.*	0.07	0.07	0.07	2.717
17th to 21st Aug.*	0.07	0.07	0.07	2.717
24th to 28th Aug.*	0.07	0.07	0.07	2.717
31st to 4th Sept.*	0.07	0.07	0.07	2.717
7th to 11th Sept.*	0.07	0.07	0.07	2.717
14th to 18th Sept.*	0.07	0.07	0.07	2.717
21st to 25th Sept.*	0.07	0.07	0.07	2.717
28th to 30th Sept.*	0.07	0.07	0.07	2.717
1st to 5th Oct.*	0.07	0.07	0.07	2.717
8th to 12th Oct.*	0.07	0.07	0.07	2.717
15th to 19th Oct.*	0.07	0.07	0.07	2.717
22nd to 26th Oct.*	0.07	0.07	0.07	2.717
29th to 31st Oct.*	0.07	0.07	0.07	2.717
3rd to 7th Nov.*	0.07	0.07	0.07	2.717
10th to 14th Nov.*	0.07	0.07	0.07	2.717
17th to 21st Nov.*	0.07	0.07	0.07	2.717
24th to 28th Nov.*	0.07	0.07	0.07	2.717
31st to 4th Dec.*	0.07	0.07	0.07	2.717
7th to 11th Dec.*	0.07	0.07	0.07	2.717
14th to 18th Dec.*	0.07	0.07	0.07	2.717
21st to 25th Dec.*	0.07	0.07	0.07	2.717
28th to 31st Dec.*	0.07	0.07	0.07	2.717
3rd to 7th Jan.*	0.07	0.07	0.07	2.717
10th to 14th Jan.*	0.07	0.07	0.07	2.717
17th to 21st Jan.*	0.07	0.07	0.07	2.717
24th to 28th Jan.*	0.07	0.07	0.07	2.717
31st to 4th Feb.*	0.07	0.07	0.07	2.717
7th to 11th Feb.*	0.07	0.07	0.07	2.717
14th to 18th Feb.*	0.07	0.07	0.07	2.717
21st to 25th Feb.*	0.07	0.07	0.07	2.717
28th to 31st Feb.*	0.07	0.07	0.07	2.717
3rd to 7th Mar.*	0.07	0.07	0.07	2.717
10th to 14th Mar.*	0.07	0.07	0.07	2.717
17th to 21st Mar.*	0.07	0.07	0.07	2.717
24th to 28th Mar.*	0.07	0.07	0.07	2.717
31st to 4th Apr.*	0.07	0.07	0.07	2.717
7th to 11th Apr.*	0.07	0.07	0.07	2.717
14th to 18th Apr.*	0.07	0.07	0.07	2.717
21st to 25th Apr.*	0.07	0.07	0.07	2.717
28th to 31st Apr.*	0.07	0.07	0.07	2.717
3rd to 7th May*	0.07	0.07	0.07	2.717
10th to 14th May*	0.07	0.07	0.07	2.717
17th to 21st May*	0.07	0.07	0.07	2.717
24th to 28th May*	0.07	0.07	0.07	2.717
31st to 4th Jun.*	0.07	0.07	0.07	2.717
7th to 11th Jun.*	0.07	0.07	0.07	2.717
14th to 18th Jun.*	0.07	0.07	0.07	2.717
21st to 25th Jun.*	0.07	0.07	0.07	2.717
28th to 31st Jun.*	0.07	0.07	0.07	2.717
3rd to 7th Jul.*	0.07	0.07	0.07	2.717
10th to 14th Jul.*	0.07	0.07	0.07	2.717
17th to 21st Jul.*	0.07	0.07	0.07	2.717
24th to 28th Jul.*	0.07	0.07	0.07	2.717
31st to 4th Aug.*	0.07	0.07	0.07	2.717
7th to 11th Aug.*	0.07	0.07	0.07	2.717
14th to 18th Aug.*	0.07	0.07	0.07	2.717
21st to 25th Aug.*	0.07	0.07	0.07	2.717
28th to 31st Aug.*	0.07	0.07	0.07	2.717
3rd to 7th Sep.*	0.07	0.07	0.07	2.717
10th to 14th Sep.*	0.07	0.07	0.07	2.717
17th to 21st Sep.*	0.07	0.07	0.07	2.717
24th to 28th Sep.*	0.07	0.07	0.07	2.717
31st to 4th Oct.*	0.07	0.07	0.07	2.717
7th to 11th Oct.*	0.07	0.07	0.07	2.717
14th to 18th Oct.*	0.07	0.07	0.07	2.717
21st to 25th Oct.*	0.07	0.07	0.07	2.717
28th to 31st Oct.*	0.07	0.07	0.07	2.717
3rd to 7th Nov.*	0.07	0.07	0.07	2.717
10th to 14th Nov.*	0.07	0.07	0.07	2.717
17th to 21st Nov.*	0.07	0.07	0.07	2.717
24th to 28th Nov.*	0.07	0.07	0.07	2.717
31st to 4th Dec.*	0.07	0.07	0.07	2.717
7th to 11th Dec.*	0.07	0.07	0.07	2.717
14th to 18th Dec.*	0.07	0.07	0.07	2.717
21st to 25th Dec.*	0.07	0.07	0.07	2.717
28th to 31st Dec.*	0.07	0.07	0.07	2.717
3rd to 7th Jan.*	0.07	0.07	0.07	2.717
10th to 14th Jan.*	0.07	0.07	0.07	2.717
17th to 21st Jan.*	0.07	0.07	0.07	2.717
24th to 28th Jan.*	0.07	0.07	0.07	2.717
31st to 4th Feb.*	0.07	0.07	0.07	2.717
7th to 11th Feb.*	0.07	0.07	0.07	2.717
14th to 18th Feb.*	0.07	0.07	0.07	2.717
21st to 25th Feb.*	0.07	0.07	0.07	2.717
28th to 31st Feb.*	0.07	0.07	0.07	2.717
3rd to 7th Mar.*	0.07	0.07	0.07	2.717
10th to 14th Mar.*	0.07	0.07	0.07	2.717
17th to 21st Mar.*	0.07	0.07	0.07	2.717
24th to 28th Mar.*	0.07	0.07	0.07	2.717
31st to 4th Apr.*	0.07	0.07	0.07	2.717
7th to 11th Apr.*	0.07	0.07	0.07	2.717
14th to 18th Apr.*	0.07	0.07	0.07	2.717
21st to 25th Apr.*	0.07	0.07	0.07	2.717
28th to 31st Apr.*	0.07	0.07	0.07	2.717
3rd to 7th May*	0.07	0.07	0.07	2.717
10th to 14th May*	0.07	0.07	0.07	2.717
17th to 21st May*	0.07	0.07	0.07	2.717
24th to 28th May*	0.07	0.07	0.07	2.717
31st to 4th Jun.*	0.07	0.07	0.07	2.717
7th to 11th Jun.*	0.07	0.07	0.07	2.717
14th to 18th Jun.*	0.07	0.07	0.07	2.717
21st to 25th Jun.*	0.07	0.07	0.07	2.717
28th to 31st Jun.*	0.07	0.07	0.07	2.717
3rd to 7th Jul.*	0.07	0.07	0.07	2.717
10th to 14th Jul.*	0.07	0.07	0.07	2.717
17th to 21st Jul.*	0.07	0.07	0.07	2.717
24th to 28th Jul.*	0.07	0.07	0.07	2.717
31st to 4th Aug.*	0.07	0.07	0.07	2.717
7th to 11th Aug.*	0.07	0.07	0.07	2.717
14th to 18th Aug.*	0.07	0.07	0.07	2.717
21st to 25th Aug.*	0.07	0.07	0.07	2.717
28th to 31st Aug.*	0.07	0.07	0.07	2.717
3rd to 7th Sep.*	0.07	0.07	0.07	2.717
10th to 14th Sep.*	0.07	0.07	0.07	2.717
17th to 21st Sep.*	0.07	0.07	0.07	2.717
24th to 28th Sep.*	0.07	0.07	0.07	2.717
31st to 4th Oct.*	0.07	0.07	0.07	2.717
7th to 11th Oct.*	0.07	0.07	0.07	2.717
14th to 18th Oct.*	0.07	0.07	0.07	2.717
21st to 25th Oct.*	0.07	0.07	0.07	2.717
28th to 31st Oct.*	0.07	0.07	0.07	2.717
3rd to 7th Nov.*	0.07	0.07	0.07	2.717
10th to 14th Nov.*	0.07	0.07	0.07	2.717
17th to 21st Nov.*	0.07	0.07	0.07	2.717
24th to 28th Nov.*	0.07	0.07	0.07	2.717
31st to 4th Dec.*	0.07	0.07	0.07	2.717
7th to 11th Dec.*	0.07	0.07	0.07	2.717
14th to 18th Dec.*	0.07	0.07	0.07	2.717
21st to 25th Dec.*	0.07	0.07	0.07	2.717
28th to 31st Dec.*	0.07	0.07	0.07	2.717
3rd to 7th Jan.*	0.07	0.07	0.07	2.717
10th to 14th Jan.*	0.07	0.07	0.07	2.717
17th to 21st Jan.*	0.07	0.07	0.07	2.717
24th to 28th Jan.*	0.07	0.07	0.07	2.717
31st to 4th Feb.*	0.07	0.07	0.07	2.717
7th to 11th Feb.*	0.07	0.07	0.07	2.717
14th to 18th Feb.*	0.07	0.07	0.07	2.717
21st to 25th Feb.*	0.07	0.07	0.07	2.717
28th to 31st Feb.*	0.07	0.07	0.07	2.717
3rd to 7th Mar.*	0.07	0.07	0.07	2.717
10th to 14th Mar.*	0.07	0.07	0.07	2.717
17th to 21st Mar.*	0.07	0.07	0.07	2.717
24th to 28th Mar.*	0.07	0.07	0.07	2.717
31st to 4th Apr.*	0.07	0.07	0.07	2.717
7th to 11th Apr.*	0.07	0.07	0.07	2.717
14th to 18th Apr.*	0.07	0.07	0.07	2.717
21st to 25th Apr.*	0.07	0.07	0.07	2.717
28th to 31st Apr.*	0.07	0.07	0.07	2.717
3rd to 7th May*	0.07	0.07	0.07	2.717
10th to 14th May*	0.07	0.07	0.07	2.717
17th to 21st May*	0.07	0.07	0.07	2.717
24th to 28th May*	0.07	0.07	0.07	2.717
31st to 4th Jun.*	0.07	0.07	0.07	2.717
7th to 11th Jun.*	0.07	0.07	0.07	2.717
14th to 18th Jun.*	0.07	0.07	0.07	2.717
21st to 25th Jun.*	0.07	0.07	0.07	2.717
28th to 31st Jun.*	0.07	0.07	0.07	2.717
3rd to 7th Jul.*	0.07	0.07	0.07	2.717
10th to 14th Jul.*	0.07	0.07	0.07	2.717
17th to 21st Jul.*	0.07	0.07	0.07	2.717
24th to 28th Jul.*	0.07	0.07	0.07	2.717
31st to 4th Aug.*	0.07	0.07	0.07	2.717
7th to 11th Aug.*	0.07	0.07	0.07	2.717
14th to 18th Aug.*	0.07	0.07	0.07	2.717
21st to 25th Aug.*	0.07	0.07	0.07	2.717
28th to 31st Aug.*	0.07	0.07	0.07	2.717
3rd to 7th Sep.*	0.07	0.07	0.07	2.717
10th to 14th Sep.*	0.07	0.07	0.07	2.717
17th to 21st Sep.*	0.07	0.07	0.07	2.717
24th to 28th Sep.*	0.07	0.07	0.07	2.717
31st to 4th Oct.*	0.07	0.07	0.07	2.717
7th to 11th Oct.*	0.07	0.07	0.07	2.717
14th to 18th Oct.*	0.07	0.07	0.07	2.717
21st to 25th Oct.*	0.07	0.07	0.07	2.717
28th to 31st Oct.*	0.07	0.07	0.07	2.717
3rd to 7th Nov.*	0.07	0.07	0.07	2.717
10th to 14th Nov.*	0.07	0.07	0.07	2.717
17th to 21st Nov.*	0.07	0.07	0.07	2.717
24th to 28th Nov.*	0.07	0.07	0.07	2.717
31st to 4th Dec.*	0.07	0.07	0.07	2.717
7th to 11th Dec.*	0.07	0.07	0.07	2.717
14th to 18th Dec.*	0.07	0.07	0.07	2.717
21st to 25th Dec.*	0.07	0.07	0.07	2.717
28th to 31st Dec.*	0.07	0.07	0.07	2.717
3rd to 7th Jan.*	0.07	0.07	0.07	2.717
10th to 14th Jan.*	0.07	0.07	0.07	2.717
17th to 21st Jan.*	0.07	0.07	0.07	2.717
24th to 28th Jan.*	0.07	0.07	0.07	2.717
31st to 4th Feb.*	0.07	0.07	0.07	2.717
7th to 11th Feb.*	0.07	0.07	0.07	2.717
14th to 18th Feb.*	0.07	0.07	0.07	2.717
21st to 25th Feb.*	0.07	0.07	0.07	2.717
28th to 31st Feb.*	0.07	0.07	0.07	2.717
3rd to 7th Mar.*	0.07	0.07	0.07	2.717
10th to 14th Mar.*	0.07	0.07	0.07	2.717
17th to 21st Mar.*	0.07	0.07	0.07	2.717
24th to 28th Mar.*	0.07	0.07	0.07	2.717
31st to 4th Apr.*	0.07	0.07	0.07	2.717
7th to 11th Apr.*	0.07	0.07	0.07	2.717
14th to 18th Apr.*	0.07	0.07	0.07	2.717
21st to 25th Apr.*	0.07	0.07	0.07	2.717
28th to 31st Apr.*	0.07	0.07	0.07	2.717
3rd to 7th May*	0.07	0.07	0.07	2.717
10th to 14th May*	0.07	0.07	0.07	2.717
17th to 21st May*	0.07	0.07	0.07	2.717
24th to 28th May*	0.07	0.07	0.07	2.717
31st to 4th Jun.*	0.07	0.07	0.07	2.717
7th to 11th Jun.*	0.07	0.07	0.07	2.717
14th to 18th Jun.*	0.07	0.07	0.07	2.717
21st to 25th Jun.*	0.07	0.07	0.07	2.717
28th to 31st Jun.*	0.07	0.07	0.07	2.717
3rd to 7th Jul.*	0.07	0.07	0.07	2.717
10th to 14th Jul.*	0.07	0.07	0.07	2.717
17th to 21st Jul.*	0.07	0.07	0.07	2.717

MISCELLANEOUS COMPANIES

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

CEMENT

Paid-up Ordinary Capital Rs.	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
CEMENT														
71,08,070	6,32,108	1,58,24,523	61,14,905	5,585	Andhra Engineering Co. (Private) Ltd.	Andhra Cement Co.	9.50	B. 10	1.00	1.00	0.75	12	Y.P.	
99,88,543	86,548	1,67,05,664	21,936	6,415	M.	Ashoka Cement Ltd.	8.72	10	..	N4	..	3	Y.T.	
12,71,80,070	10,06,76,040	38,32,76,842	12,80,15,052	1,08,252	Cement Agencies (Private) Ltd.	Associated Cement Companies	146.25	100	10.00	9.00	..	7	Y.T.	
6,84,26,150	42,000	1,90,39,819	24,56,957	1,149	Tendulkar Industries Private Ltd.	Bagailot Cement Co., Ltd.	9.00	10	0.60	0.80	0.70	12	Y.	
54,40,516	53,35,980	1,23,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	10.60	O. 10	1.25	1.20	..	12	Y.P.T.	
1,44,10,795	53,35,980	1,23,34,457	43,61,211	7,58,924	Hari Brothers Private Ltd.	Dalmia Cement (Bharat)	2.61 X R	D. 1	0.12	0.12	..	12	Y.P.T.	
5,00,000														
1,45,82,100	80,41,000	2,23,08,384	84,80,613	70,275	Essen Private Ltd.	India Cements Ltd.	6.53	5	0.41	0.41	0.45	0.45	8	Y.P.
1,50,00,000	1,85,000	6,72,92,670	1,24,70,386	63,726	Sahu Jain Ltd.	Jaipur Indras Ltd.	10	10	1.25	1.25	1.25	12	Y.P.	
1,50,00,000	63,20,693	4,73,09,146	1,43,89,146	18,69,226	Dalmia Agencies Private Ltd.	Orissa Cement Ltd.	14.68 X R	10	1.25	1.50	1.50	12	Y.P.	
1,54,50,050	66,41,792	4,55,03,32	1,40,32,404	58,077	Shree Laxmi Agencies Private Ltd.	Shree Digvijay Cement	146.00 X R	100	0.60	0.60	0.60	12	Y.	
75,00,000	18,50,000	2,24,78,421	1,59,97,746	27,712	M.	Sone Valley Portland Cement	5.87	10	0.15	0.30	0.30	12	Y.	
1,50,00,000	1,50,000	6,72,92,670	1,24,70,386	63,726	Essel (Private) Ltd.	Travancore Cements Ltd.	10.20	10	0.60	0.60	0.60	12	Y.	

CERAMIC; MINING AND QUARRYING

CERAMIC, MINING AND QUARRYING													
15,00,000	14,90,281	13,05,892	7,13,067	32,829	Rajputana Mining Agencies Private Ltd.	Associated Stone Industries (Kotah) Ltd.	20.12	10	3.00	1.50	3.50	9	Y.P.
56,22,818	10,09,019	1,47,67,818	1,23,37,071	94,82,822	Bharat Ram Phagat & Co.	Bengal Potteries	4.24	3	0.25	0.25	0.25	12	Y.
84,05,838	82,85,558	36,38,182	12,82,829	12,82,829	Bird & Co. (Private) Ltd.	Biara Stone Lims Co.	3.00	10	1.00	1.00	1.00	12	Y.
21,37,178	22,89,681	21,74,081	21,74,081	9,14,82,822	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	4.06	Sh. 2	4.84	4.84	4.84	12	Y.
Rs. 1,00,00,000	24,17,770	44,55,177	17,75,861	17,75,861	Bird & Co. Private Ltd.	Karanpur Development	14.56	10	1.00	1.00	1.00	6, 12	H.
5,00,000	80,00,000	1,61,87,429	54,48,861	30,09,2	Bird & Co. (Private) Ltd.	Kumardhubi Fireclay and Silica Works	28.00N	10	1.00	1.25	1.25	12	Y.P.T.
6,00,000	10,81,708	72,05,552	7,387	7,387	Mysoore Industrial Development Co.	Mysoore Stoneware Pipes & Potteries	8.80S	10	1.00	1.00	1.00	8	Y.
20,00,000	50,51,694	29,17,429	1,42,14,822	1,42,14,822	Killicott Industries Ltd.	Orissa Minerals	38.00	10	1.00	2.00	2.50	6	Y.
6,50,000	76,47,010	12,95,115	33,74,822	57,69,0		Shivrajpur Syndicate	38.00	10	8.00*	8.00*	8.00*	11	Y.

CHEMICAL

CHEMICAL													
65,00,000	44,57,800	56,35,540	58,152	Bhaiyal Amin & Sons (Private) Ltd. . .	Allemble Chemical Works Co. . .	180.00	100	10.00	12.00		12	Y.P.	
62,00,000	90,34,040	4,45,67,285	73,02,594	1,08,673	Imperial Chemical Industries (India) Private Ltd. . .	22.00	10	0.80	0.80	0.80	9	Y.P.	
4,47,97,000	1,10,451	74,67,823	11,27,427	30,180	Amritlal & Co. Private Ltd. . .	192.50	100	N/A	N/A	N/A	12	Y.P.	
60,00,000	25,50,000	3,27,04,555	85,48,638	38,069	Laibhai Sons & Co. . .	300.25	100	6.00	8.00	18.00	12	Y.P.	
48,17,200	50,72,805	1,47,61,462	70,85,452	21,80,000	Dr. B. N. Ghose (Managing Director) . .	103.00	100	6.00	6.00	7.00	3	Y.P.T.	
42,74,000	68,31,297	1,48,64,564	57,89,669	9,989	Sahu Bros. (Saurashtra) Private Ltd. . .	121.00	100	9.00	7.50		3	Y.P.	
						100New	4.50	3.75					
46,08,075	11,26,000	2,92,38,553	2,68,33,520	4,38,154	F. A. G. T. . .	9.15	100	N/A	N/A	0.40	12	Y.	
12,00,000	45,97,368	13,93,880	13,93,880	1,21,088	Komp & Co. . .	255.00	200	15.00	15.00	15.00		12	Y.P.
16,86,450	1,21,088	1,21,088	19,969	1,21,088	Mettur Chemicals . . .	12,154.00	100	0.75	0.75	0.874	0.88	3	Y.P.
24,81,220	6,70,000	64,30,488	33,15,772	12,176	Mysore Chemicals and Fertilisers . .	121.00	100	2.00	2.00	2.00		6	Y.P.
8,00,000	4,00,000	3,77,855	4,44,356	1,98,023	K. Narayanaswamy, Esq. (Chairman) . .	23.10	100	2.00	2.00	2.00		6	Y.P.
18,00,000	15,00,000	20,04,902	17,08,98	37,455	S. Ramanathan, Esq. (Mg. Director) . .	12.25	5	1.00	1.00	0.50	0.00	8	Y.P.
40,00,000	7,33,533	55,13,215	7,39,923	18,183	C. A. Buxton . . .	127.00	50			N/A		6	Y.P.
1,89,95,990	17,19,952	45,35,637	1,71,48,316	3,786	Ramdas Kilachand, Esq. (Chairman) . .	16.90	10	0.75	0.80	0.75		8	Y.P.T.

ELECTRIC (Bombay State)

ELECTRIC (Bombay State)													
8,74,78,895	78,90,55	1,98,90,250	8,13,88,227	857	Kilnick Industries Ltd.	Ahmedabad Electricity Co. Ltd.	92.00	100	6.50	3.25	6.50	3	Y.T.
75,50,000	1,46,108	13,89,92,94	45,21,447	16,28,326	K. N. Javeri & Co.	Amalgamated Electricity Co. Ltd.	11.18	100	7.75	0.42	0.85	3	Y.P.
3,02,76,250	86,05,91	9,45,51,573	7,64,78,890	21,07,82,94	Andhra Valley Power Supply Co.	1,14.00	1,000	75.00	56.00	80.00	80.00*	3	Y.P.T.
8,05,12,750	8,05,12,750	8,05,12,750	8,05,12,750	8,05,12,750	Bombay Suburban Electric Supply	105.50	100	7.00	7.00	7.00	7.50	3	Y.P.T.
10,07,02,00	99,267	10,08,47,82	2,63,74,780	199	Bombay Suburban Electric Development	105.50	100	7.00	7.00	7.00	7.50	3	Y.P.T.
18,80,000	2,36,42,230	1,43,50,064	1,75,69,935	2,50,085	Bombay Textiles (Agency) Ltd.	100.00	1,000	7.50	6.52	8.00*	8.00*	3	Y.P.
60,62,500	23,50,407	1,43,50,064	1,75,69,935	2,50,085	Bombay Textiles (Agency) Ltd.	100.00	1,000	7.50	6.52	8.00*	8.00*	3	Y.P.
2,89,96,676	80,96,127	8,05,58,156	1,75,69,935	2,50,085	Kilnick Industries Ltd.	117.50	100	7.50	6.52	8.00*	8.00*	3	Y.P.
15,86,750	2,36,42,230	1,43,50,064	1,75,69,935	2,50,085	Tata Hydro-Electric Agencies Pvt. Ltd.	117.50	100	7.50	6.52	8.00*	8.00*	3	Y.P.
			3,80,50,759	28,900	Tata Hydro-Electric Agencies Pvt. Ltd.	1,182.50	1,000	75.00	56.25	80.00*	80.00*	3	Y.P.

West Bengal and Other Centres

West Bengal and Other Centres															
19,89,800	44,20,265	1,12,51,458	39,25,328	49,395	Martin Burn Ltd.	.. .. .	Agra Electric Supply Co., Ltd.	143.00	100	10.00	10.00	10.00	2	Y.T.	
8,00,000	14,59,897	50,07,922	18,71,834	16,812	Martin Burn Ltd.	.. .. .	Bareilly Electric Supply	14.00	10	1.25	1.00	1.00	2	Y.T.	
17,00,000	40,15,771	83,27,607	40,12,140	41,291	Martin Burn Ltd.	.. .. .	Anarues Electric Light & Power Co.	15.00	10	1.25	1.00	1.00	2	Y.T.	
5,91,685	9,51,685	32,98,477	95,18,477	5,016	Octavus Steel & Co., Ltd.	.. .. .	Bagalpur Electric Supply	8.00	8	..	0.82Z	0.82Z	3	Y.E.T.	
64,262,646	50,051,682	1,16,75,211	111,724,713	113,934	Harry Burn, Esq. (Chairman)	.. .. .	Calcutta Electric Supply	15.31	8	1.00Z	0.85	0.85	3	Y.T.	
6,80,000	5,11,491	29,13,024	3,32,350	60,637	Octavus Steel & Co., Ltd.	.. .. .	Cuttack Electric Supply	8.00	100	6.00	6.50	7.00	3	Y.P.	
42,90,000	18,40,000	88,06,011	83,70,418	5,13,390	Andrew Yule & Co., Ltd.	.. .. .	Dishergarh Power Supply	15.00	8	0.80Z	0.80Z	0.80Z	3	Y.P.	
5,34,640	95,514	29,51,444	1,22,358	8,690	Moona Lal & Sons	.. .. .	Jhanal Electric Supply	8.00N	10	0.40	0.92	0.92	3	Y.T.	
2,47,700	25,37,548	98,51,843	83,83,065	29,425	Martin Burn Ltd.	.. .. .	Jubbulpore Electric Supply	14.75	9	1.22Z	0.72	0.72	3	Y.T.	
2,45,000	2,45,000	88,06,011	8,02,138	5,13,390	G. D. Bhagat, Esq.	.. .. .	Mirzapur Electric Supply	7.50N	9	1.22Z	0.72	0.72	3	Y.T.	
5,52,390	3,52,390	32,18,405	11,47,405	39,061	Octavus Steel & Co., Ltd.	.. .. .	Mozafferpore Electric Supply	8.25	10	0.80	0.80	0.80	3	Y.	
6,90,850	18,74,062	17,84,062	18,74,062	22,321	G. D. Bhagat, Esq.	.. .. .	Muttra Electric Supply	11.25	10	1.25Z	0.75	0.75	3	Y.T.	
35,10,478	23,10,478	1,45,50,501	1,45,50,501	50,589	Octavus Steel & Co., Ltd.	.. .. .	Patna Electric Supply	8.00	NH	0.84Z	0.84Z	0.84Z	3	Y.T.	
6,10,000	1,95,940	9,30,989	10,52,827	60,589	Octavus Steel & Co., Ltd.	.. .. .	Shahjahanpur Electric Supply	8.00	10	0.84Z	0.84Z	0.84Z	3	Y.T.	
18,60,000	11,63,747	79,62,038	60,24,968	717	Bird & Co. Private Ltd.		Silghur (Jheria) Elec. Supply Co.	11.65X	10	0.91	1.28	0.87	0.90	3	Y.P.
65,00,000	1,45,50,501	1,45,50,501	1,45,50,501	1,45,50,501	Sahasraee Bros. Private Ltd.	.. .. .	South Madras Electric Supply Corp.	21.50N	10	1.25	1.00	1.00	3	Y.T.	
5,92,000	4,67,280	21,09,262	8,36,176	9,038	Martin Burn Ltd.	.. .. .	Upper Ganges Valley Electric Supply	17.00	10	1.25	1.25	1.25	3	Y.T.	
5,00,000	7,10,006	30,65,008	9,86,492	34,395	Martin Burn Ltd.	.. .. .	Upper Jumna Valley Elec. Supply	135.00	100	10.00	10.00	0.50	3	Y.T.	
56,00,000	70,85,909	8,23,42,047	1,28,96,968	82,797	Martin Burn Ltd.	.. .. .	U. P. Electric Supply Co.	13.75ed	100	1.00	1.00	1.00	3	Y.P.	
4,00,000	2,55,577	1,28,96,968	1,28,96,968	82,797	Manoj Kumar & Co. Private Ltd.	.. .. .	Vellore Electric Corporation	13.75ed	100	1.00	1.00	1.00	3	Y.T.	

ENGINEERING (Bombay)

ENGINEERING (Bombay)													
38,42,290	52,24,001	77,81,850	61,11,116	1,10,983	Turner Morrison & Co. Private Ltd.	248.00	100	15.00	12.50	12.50	12	Y.	
14,99,992	2,67,708	1,60,142	48,88,124	3,552	W. H. Brady & Co. Ltd.	79.70	60	8.00	3.00	3.00	12	Y.	
6,40,000	3,75,000	1,57,250	17,10,027	1,448	M. N. Rao, Esq. (General Manager)	70.50	60	8.00	3.00	3.00	10	Y.P.	
44,96,550	1,31,291	56,91,406	23,32,652	11,874	K. S. Engineering	8.32	10	N/A	N/A	0.50	10	Y.P.	
60,00,000	2,44,999	24,41,096	27,31,107	21,83	Kamali Engineering Corporation	22.84	10	1.00	1.00	1.25	1.25	Y.P.	
1,32,00,000	85,61,182	1,33,44,215	22,13,332	98,881	Jansen and Toubro Ltd.	21.83	10	1.00	1.00	1.25	1.25	Y.P.	
11,00,000	1,98,034	37,30,884	23,12,137	5,012	Mahindra & Mahindra Ltd.	83.50	100	N/A	N/A	N/A	7	Y.P.	
39,49,985	2,58,000	1,15,927	81,90,497	59,101	McKendries	18.32	10	N/A	1.20	8	Y.P.		
2,50,000	1,31,65,556	7,65,574	1,09,239	2,85,444	Mukand Iron & Steel	344.00	80	8.50	10.00	12.00	12	Y.P.	
1,31,250P.	8,47,39,398				Premier Construction	100.00XX	75old	10.00	9.50	8.25	6.80	8	Y.P.
3,64,48,500	20,06,85,190	171,78,96,985	47,00,55,755	8,40,787	Tata Iron and Steel	168.00XX	100	6.00	9.00	9.00	9.00	8	Y.P.
7,09,53,800	14,771,790	24,99,87,815	7,79,84,465	1,95,518	Tata Locomotive	168.00XX	100	9.00	9.00	9.00	9.00	8	Y.P.
2,66,00,000	24,78,951	76,50,491	1,44,492	1,06,108	Volta Ltd.	167.76	100	6.00	9.00	9.00	9.00	8	Y.P.
West Bengal and Other Centres													
60,00,000	34,571	1,06,10,922	15,01,855	—4,45,620	North Bihar Trading Co. Ltd.	13.50	10	N/A	N/A		10	Y.P.	
10,00,000	21,82,400	1,38,10,383	53,83,985	8,638	Bhartia Co. Ltd.	16.44	10	1.25	1.25	1.25	12	Y.	
56,59,790	64,00,721	66,62,747	5,45,919	1,75,170	Y. S. Taya, Esq. (Secretary)	27.00	10	2.00	2.00	2.00	2.00	12	Y.P.
12,00,000	39,20,329	73,60,538	36,42,638	14,354	Braithwaite & Co. (India) Ltd.	8.00	10	0.50	0.50	0.50	12	Y.P.	
1,00,00,000	1,70,870	19,50,000	1,79,756	99,900	Bridge & Roof Co. Ltd.	12.81	10	0.60	0.60	0.60	12	Y.P.	
40,00,000	8,42,856	83,18,780	37,65,847	1,97,710	Britannia Building and Iron	11.41	10	0.50	0.50	0.50	12	Y.P.	
5,00,000	5,65,084	22,70,144	13,03,817	63,189	Britannia Engineering	18.11	10	0.60	0.60	0.60	12	Y.P.	
24,00,000	2,26,16,769	4,78,10,005	2,86,58,680	1,36,878	Br. L. Electric Construction	31.44	10	N/A		2.00	12	Y.	
2,00,00,000	2,113,04,630	4,44,58,991	1,89,34,608	1,36,878	Turn & Co.	43.50	100	20.00	20.00	20.00	28.50	4	Y.P.
12,50,000	24,07,000	3,00,24,546	39,12,107	9,214	Quest, Keon, Williams Ltd.	38.37	10	2.30	2.00	2.00	12	Y.P.	
98,94,500	1,72,11,475	43,04,67,967	10,27,74,198	2,73,748	Roop Singh Docking	115.00	80	6.25	6.00	6.00	12	Y.P.	
0,36,74,100	50,07,246	1,11,72,455	68,34,127	37,450	Indian Galvanising Co.	19.75	10	N/A	N/A	N/A	12	Y.P.	
88,98,500	50,07,246	1,11,72,455	68,34,127	37,450	Indian Iron and Steel	24.30	10	1.00	1.00	1.00	12	Y.P.	
52,00,000	8,11,02,206	2,15,60,789	1,37,12,227	14,95,361	Indian Standard Wagon	37.75	0.10	3.00	4.00*	4.00*	5.00	8	Y.
2,98,800	52,15,306	2,15,60,789	1,37,12,227	14,95,361	Indian Steel and Wire Products	18.00	0.1	0.30	0.40*	0.40*	8	Y.	
68,62,575	52,15,306	2,15,60,789	1,37,12,227	14,95,361	Madan Mohanlal Shrivast & Co. Pvt. Ltd.	211.00	100	10.00	15.00	12.00	8	Y.P.	
1,02,00,000	81,49,315	2,54,78,007	72,58,224	68,830	Jay Engineering Works, Ltd.	29.00	10	N/A	N/A	0.60	10	Y.P.	
24,23,187	10,05,500	40,80,671	20,66,580	17,380	Jasoo & Co.	18.00	10	0.50	0.50	0.50	10	Y.	
18,43,520	10,05,500	40,80,671	20,66,580	17,380	Kirloskar & Sons (C. Kirloskarwadi).	6.87	8	0.62	0.45	0.80	11	Y.P.	
1,05,00,000	18,92,270	37,81,581	24,60,718	10,00,074	Bird & Co. Private Ltd.	5.87	2	0.40	0.40	0.40	10	Y.P.	
49,96,000	74,4675	1,25,32,361	68,79,438	9,10,380	Marshall's (Direction) Private Ltd.	5.87	2	0.40	0.40	0.40	10	Y.P.	
80,00,000	20,00,000	50,38,450	18,50,471	9,638	National Iron and Steel Co. Ltd.	2.84N	10	0.62	0.62	0.62	6	Y.P.	
5,00,000	8,26,211	20,00,000	18,50,471	9,638	Richardson & Crudele Ltd.	7.00	4	0.25	0.40	0.40	8	Y.P.	
1,50,00,000	52,27,161	3,90,32,535	17,10,938	36,726	Saran Engineering Co.	2.00	10	1.25	1.50	1.50	12	Y.P.	
					B. B. Ind. Development Co. Ltd.								
					B. B. Sutherland & Co. Private Ltd.								
					Srin Brothers Private Ltd.								

INSURANCE (x)

INSURANCE (x)													
18,50,000	48,17,870	1,39,30,040	.....	1,17,157	K. G. McLeod, Esq. (Mg. Director)	Concord of India	13.44	5	1.00	1.00	1.00	12	Y
10,00,000	8,10,575	25,59,924	.....	86,729 ¹	M. ..	Devikaran Nanjee Insurance	35.00	50	8.00	3.00	.....	12	Y
5,15,000	1,84,95,246	12,38,65,607	.....	.....	R. Vardachari, Esq. (Administrator)	Empire of India Life Assurance	200.00	100	.....	.....	.....	12	Y
24,90,000	96,45,090	1,37,10,163	.....	3,50,888	K. S. Srinivasan, Esq. (Mg. Director)	Hercules Insurance	21.37	10	2.00	2.00	2.00	12	Y
15,74,840	3,80,85,259	4,39,34,168	.....	6,54,194 ¹	M. J. Rao, Esq. (Administrator)	Jupiter General Insurance	6.00	15	NW	NW	.....	12	Y
20,00,000	59,71,818	1,65,41,332	.....	20,910	M. G. Mody, Esq. (General Manager)	New Great Insurance	52.20	20	1.50	2.00	2.00	12	Y
1,06,81,590	7,55,20,902	18,99,08,428	.....	12,2147	B. K. Shah, Esq. (Mg. Director)	New India Assurance Co., Ltd.	60.50	15	8.00	3.00	4.00	12	Y
35,50,000	.....	.....	.....	29,854	R. K. Setalvad, Esq. (Gen. Manager)	Ruby General Insurance Co., Ltd.	7.53	8	0.62	0.62	.....	12	Y
32,00,000	65,90,064	1,60,63,502	.....	89,04	J. D. K. Brown, Esq.	Triton Insurance	140.00	25	11.25	11.25	11.25	12	Y
5,75,000	68,08,816	1,14,90,847	.....	40,151	K. C. Desai, Esq. (Gen. Manager)	Vulcan Insurance	21.52	10	1.50	1.50	.....	12	Y
15,99,270	38,72,613	1,08,12,968	.....	.....	.....	.....	.....	.....	.....	.....	.....	12	Y
OIL													
85,00,000	86,85,432	89,39,928	97,34,832	3,488	Messrs. N. C. Alcock and H. W. Wood	British Ceylon Corporation	5.75N	7	1.50	0.80	NW	12	Y
10,00,000	1,50,18,285	99,00,100	51,80,823	3,28,739	(Joint Managing Directors)	Indo-Burma Petroleum Co., Ltd.	26.75	10	2.00	2.00	2.00	12	Y
7,00,07,478	41,87,493	3,89,11,069	3,45,94,387	12,052	Steel Brothers & Co., Ltd.	Tata Industries Private Ltd.	61.50	25	3.00	2.50	2.00	8.25	Y
6,00,000	9,35,934	7,25,151	1,74,917	70,660	Andrew Yule & Co., Ltd.	Tide Water Oil Co. (India) Ltd.	72.75	10	1.25	1.50	1.50	10	Y
* Includes balance of Indian share. Includes balance of Indian share. Includes balance of Indian share.													

[illegible]

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share	Accounts Closed	Refer- ence
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	1956 1957 1958 1959	Rs. nP	
PAPER											
45,00,000	41,25,868	2,20,92,169	1,63,34,169	95,500	Balmer Lawrie & Co. Ltd.	Benzal Paper Mills	100.00	25	2.50 3.12 5.50	12	Y.P.T.
30,00,000	61,62,258	1,94,26,302	88,70,418	29,471	Andrew Yule & Co. Ltd.	India Paper Mills	25.87	10	1.00* 1.40 1.00	3	Y.
25,00,000	33,79,739	1,52,01,952	96,32,765	43,704	M. D. Shivamurthy, Esq. (Chairman)	Mysore Paper Mills	31.49	10	1.00* 1.50 1.50	3	Y.
1,40,00,000	2,68,74,724	8,20,10,763	1,87,17,832	1,20,329	Birra Brothers Private Ltd.	Orient Paper	38.85	10	0.62 1.00 1.00	1.25*	Y.P.T.
1,25,00,000	86,20,921	1,94,16,369	1,14,73,040	79,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	12.12	10	1.05 1.25 1.25	12	Y.P.T.
50,00,000	9,19,123	74,75,136	39,88,407	20,483	Bajaria & Co.	Star Paper Mills	18.50	10	1.05 0.60 0.60	12	Y.P.T.
2,18,52,240	51,23,786	3,93,85,536	1,10,56,130	18,794	Birra Brothers Private Ltd.	Sirpur Paper Mills	44.82	10	0.50 0.50 0.50	9	Y.P.
50,00,000	8,65,66,722	6,68,99,634	3,73,82,629	1,16,856	F. W. Heilgers & Co. Private Ltd.	Titashur Paper Mills Co. Ltd.	44.82	10	1.12* 2.38* 2.38	9	Y.P.
18,99,098	22,88,639	32,79,430	13,61,671	—4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.78	3	NH NH NH	9	Y.
39,25,000	8,44,84,732	5,28,19,225	2,20,41,205	40,988	Wallace & Co.	Bombay-Burmah Trading Corp.	513.50	10	18.75 19.00K 9.00	7.50K	Y.
42,00,000	20,50,362	21,44,636	16,69,639	1,05,936	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	34.62	10	3.00 2.75 2.50	9	Y.
SAW MILLS AND TIMBER											
214,00,000	16,00,406	48,47,528	82,35,804	60,415	M.	Balrampur Sugar	7.12	NH	0.25 0.25	6	Y.
18,00,000	29,80,260	55,40,831	36,32,435	12,12,000	Naranga Bros. & Co. Private Ltd.	Basti Sugar	125.00	A.100	10.00	10	Y.
19,00,000	9,25,000	33,56,131	26,76,647	66,832	Banur Bros. Ltd.	Beland Sugar	13.12	10	1.00	4	Y.T.
13,00,000	13,08,913	22,66,507	13,89,440	3,957	Cladstone Lyle & Co. Ltd.	Bharat Sugar	11.12	10	1.00 1.00 1.00	9	Y.
32,00,000	23,88,522	1,49,71,224	1,02,01,379	—22,40,000	Beggs, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.75	10	NH NH 0.25	6	Y.P.T.
30,00,000	63,02,047	1,64,83,531	98,80,069	6,822	Beggs, Sutherland & Co. Private Ltd.	Champuram Sugar	20.25	10	NH NH NH	10	Y.P.T.
18,00,000	1,04,11,148	81,691,707	59,06,974	—34,328	K. C. Thapar & Bros. Private Ltd.	Chauria & Sons Private Ltd.	9.75	10	NH NH 1.00	10	Y.P.T.
9,58,252	2,93,564	28,37,378	18,58,328	43,249	Bachraj & Co. Private Ltd.	Hindustan Sugar Mills	203.00	100	0.50 NH 0.50	6	Y.P.T.
60,00,000	65,12,000	2,11,44,128	82,18,546	74,885	Mr. Tulasidas Kilchad (Chairman)	Kesar Sugar	48.00	40	4.00 7.00 15.00	6	Y.T.
18,00,000	1,04,11,148	81,691,707	59,06,974	—34,328	K. C. Thapar & Bros. Private Ltd.	New India Sugar Mills	28.00	10	2.50 2.50 2.50	7	Y.P.T.
7,89,100	25,36,024	80,20,224	29,20,520	3,047	C. O. Thapar & Bros. Private Ltd.	New Savan	5.00	10	0.50 0.50 0.50	6	Y.P.T.
11,00,000	4,52,841	49,08,888	29,20,520	3,047	C. O. Thapar & Bros. Private Ltd.	New Swadesh Sugar Mill	250.00	100	20.00 20.00 2.50	6	Y.P.T.
12,21,100	49,91,797	73,75,775	2,02,363	6,855	Cotton Agents Private Ltd.	Ondi Sugar	50.00	100	5.00 5.00 5.00	6	Y.
77,48,000	64,48,018	2,15,90,028	1,18,25,000	35,816	Beggs, Sutherland & Co. Private Ltd.	Puraburpee Sugar	12.12	10	0.75 1.50 1.50	6	Y.P.T.
9,00,000	1,04,11,148	81,691,707	59,06,974	—34,328	K. C. Thapar & Bros. Private Ltd.	Raza Waid Sugar	12.81	10	1.50 1.50 1.50	10	Y.P.T.
63,54,000	27,42,218	41,58,090	32,94,228	15,062	Govan Bros. (Rampur) Private Ltd.	Ravan Sugar	12.81	10	1.50 1.50 1.50	10	Y.P.T.
8,00,000	6,30,752	29,20,300	23,03,255	1,403	M.	Samatpur Central Sugar	13.68	10	1.75 1.75 1.75	10	Y.P.T.
12,00,000	16,52,871	94,06,432	25,18,422	—2,20,853	Shri Jain Ltd.	Shree Krishna Gyanodaya Sugar	11.28	10	1.00 1.00 1.00	7	Y.P.T.
10,02,115	24,860	32,42,065	14,85,208	—3,83,840	H. K. Ghosh, Esq. and R. N. Datta, Esq. (Managing Directors)	Sri Sitaram Sugar	6.31	10	NH NH NH	7	Y.P.T.
15,80,000	13,52,431	35,50,550	20,58,350	40,666	Cotton Agents Private Ltd.	United Provinces Sugar	11.02	10	1.00 0.50 0.50	6	Y.
8,00,000	37,71,616	1,65,93,602	86,53,620	24,618	M.	United Provinces Sugar	18.50	10	0.60 0.75 1.00	6	Y.P.T.
1,00,00,000	9,72,016	35,04,068	27,87,195	60,290	M.	United Provinces Sugar	18.50	10	0.60 0.75 1.00	6	Y.P.T.
Other Centres											
30,00,000	23,00,000	1,63,98,662	24,72,569	22,096	Ranazara & Co.	Andhra Sugars Ltd.	20.25	10	1.00 1.25 1.60	9	Y.
17,50,000	1,32,26,508	1,08,78,600	2,88,214	310.00	A. H. Bhivandiwale & Co. (Bombay) Private Ltd.	Belpur Company	310.00	50	18.00 18.00 20.00	9	Y.
87,50,000	16,84,720	79,12,437	55,50,813	2,275	Parry & Co. Ltd.	Deccan Sugar & Abkhari	12.15K	50	0.75 0.75 0.75	9	Y.P.T.
20,00,000	10,19,492	1,19,44,323	66,95,463	1,49,743	Farar's Holdings Private Ltd.	East India Distilleries & Sugar	39.50	51	Sh. 3 Sh. 4	6	Y.P.T.
2,00,000	1,308,554	81,691,707	59,06,974	—34,328	Sir P. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	80.00	10	1.12 1.00 1.00	6	Y.P.T.
15,93,900	21,68,383	45,68,562	27,83,312	9,164	Sir P. P. Srivastava & Sons (M.B.) Ltd.	India Sugar and Refineries	13.10	10	1.00 1.00 1.00	6	Y.P.T.
2,00,000	1,308,554	81,691,707	59,06,974	—34,328	Sir P. P. Srivastava & Sons (M.B.) Ltd.	Jaypore Sugar	18.75K	10	0.60 0.60 0.60	6	Y.P.T.
23,17,770	16,75,871	94,06,432	25,18,422	6,611	R. S. Ind. Corp. Private Ltd.	K. C. P. Ltd.	15.50	10	1.00 1.00 1.00	6	Y.P.T.
10,52,200	1,06,50,000	8,37,42,487	1,70,432	88,107	M. T. Debnankar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Q	216.25	50	100.00 100.00 1.50	6	Y.P.T.
2,27,10,000	43,52,907	1,92,16,830	62,59,690	2,98,574	M. T. Debnankar & Co. Pvt. Ltd.	Mysore Sugar	49.50	10	2.00 2.00 3.00	6	Y.P.T.
21,79,280	92,73,108	1,67,31,189	167,873	1,44,257	M. T. Debnankar & Co. Pvt. Ltd.	Phaltan Sugar	180.00	50	2.00 2.00 3.00	6	Y.P.T.
28,50,000	58,21,430	1,16,83,184	67,30,841	1,47,239	M. T. Debnankar & Co. Pvt. Ltd.	Ramnagar, Cane and Sugar	20.75	10	2.00 1.50 1.00	6	Y.P.T.
36,32,370	36,32,370	36,32,370	36,32,370	19,026	M. T. Debnankar & Co. Pvt. Ltd.	Ravangan Sugar Farm	113.00	O	0.70 0.70 0.70	6	Y.P.T.
4,00,000	42,95,804	1,18,46,781	62,59,690	72,206	Walchand & Co. Private Ltd.	Travancore Sugars	32.30	10	1.00 1.00 1.00	7	Y.P.T.
30,00,000	23,85,000	1,65,43,389	27,52,833	1,70,707	Walchand & Co. Private Ltd.	Walchandnagar Industries	322.50	100	21.00 21.00 21.00	7	Y.P.T.
1,01,00,000	1,17,38,888	2,95,28,114	1,17,67,839	1,70,707	Walchand & Co. Private Ltd.	Walchandnagar Industries	322.50	100	21.00 21.00 21.00	7	Y.P.T.
TRANSPORT											
20,00,000	99,30,970	1,25,56,916	20,71,475	88,927	Andrew Yule & Co. Ltd.	Bengal-Assam Steamship Co.	98.50	100	7.50 5.00 8.00	10	Y.P.T.
1,00,00,000	1,00,44,724	3,99,08,572	1,77,61,698	8,17,991	Dinshaw Private Ltd.	Bharat Line	19.98	10	1.00 1.20 1.20	10	Y.P.T.
30,00,000	1,09,50,087	5,87,86,548	1,28,12,203	1,64,438	A. H. Bhivandiwale & Co. (Bombay) Private Ltd.	Great Eastern Shipping Co.	19.98	10	1.00 1.20 1.20	10	Y.P.T.
2,655,580	4,938,735	55,81,271	23,58,891	—192,600	Kilburn & Co. Private Ltd.	India General Navigation & Ry. Co.	13.68	6	NH NH NH	6	Y.P.T.
1,25,19,283	2,65,86,282	10,10,10,777	8,33,97,310	8,09,418	Lionel Edwards (Private) Ltd.	India Steamship Co.	14.08	10	1.00 1.00 1.00	6	Y.P.T.
5,40,800	10,91,45,114	65,05,472	6,56,438	6,56,438	R. R. Aiyar, Esq. (Manager)	Sindia Steam Navigation Co.	18.78	20	1.00 1.25 1.00	6	Y.P.T.
1,10,00,000	20,01,702	12,88,452	8,75,376	1,40,960	Walford Transport Ltd.	Walford Transport Ltd.	1.75	O	0.12 0.12 0.12	6	Y.P.T.
UNCLASSIFIED (Bombay)											
5,37,00,000	1,20,48,754	5,27,61,858	66,48,054	1,35,01,036	S. H. Turner (Chairman)	Hindustan Lever	30.25	10	1.25 1.40 1.60	12	Y.P.T.
1,07,00,000	1,08,47,724	3,99,08,572	1,77,61,698	8,17,991	B. H. Turner Private Ltd.	Hind Cycles	100.00	100	12.00 12.00 1.60	12	Y.P.T.
1,00,00,000	1,09,50,087	5,87,86,548	1,28,12,203	1,64,438	Choonimal Mulla Private Ltd.	Industrial Investment Trust	46.50	50	8.00 8.00 8.00	8.50*	Y.P.T.
2,655,580	4,938,735	55,81,271	23,58,891	—192,600	K. G. Milne, Esq. (Mg. Director)	Killick Industries	142.00	100	11.00 11.00 18.00	2.45*	Y.P.T.
1,25,19,283	2,65,86,282	10,10,10,777	8,33,97,310	8,09,418	Aero-Auto Private Ltd.	Premier Automobiles	130.50	100	6.00 6.00 4.00	11	Y.
5,40,800	10,91,45,114	65,05,472	6,56,438	6,56,438	Polson Agencies Private Ltd.	Polson Ltd.	142.00	100	12.00 12.00 10.00	12	Y.P.T.
1,10,00,000	20,01,702	12,88,452	8,75,376	1,40,960	Mr. A. E. J. Carter (Chairman)	Western India Match Co. Ltd.	215.50	100	11.00* 11.00 10.00	12	Y.P.T.
Other Centres											
5,37,00,000	1,20,48,754	5,27,61,858	66,48,054	1,35,01,036	B. H. Turner (Chairman)	Hindustan Lever	30.25	10	1.25 1.40 1.60	12	Y.P.T.
1,07,00,000	1,08,47,724	3,99,08,572	1,77,61,698	8,17,991	B. H. Turner Private Ltd.	Hind Cycles	100.00	100	12.00 12.00 1.60	12	Y.P.T.
1,00,00,000	1,09,50,087	5,87,86,548	1,28,12,203	1,64,438	Choonimal Mulla Private Ltd.	Industrial Investment Trust	46.50	50	8.00 8.00 8.00	8.50*	Y.P.T.
2,655,580	4,938,735	55,81,271	23,58,891	—192,600	K. G. Milne, Esq. (Mg. Director)	Killick Industries	142.00	100	11.00 11.00 18.00	2.45*	Y.P.T.
1,25,19,283	2,65,86,282	10,10,10,7									

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.		
PLANTING; PRODUCE AND RUBBER														
8,00,000	2,10,000	3,92,508	34,197	15,069	Planting Agencies (Private) Ltd.	Palmadies Plantations	8 1/2	2	0.21	0.45				
28,01,270	20,25,000	50,55,438	15,281	6,38,012	Peirce, Leslie & Co. Ltd.	Cochin Malabar	6 1/2	10	0.75	0.52	0.30*	0.45	5	Y.P.
22,50,000	26,00,000	45,95,649	9,51,056	1,52,298	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	23 7/8	10	2.50	0.50	2.00		6	Y.P.
71,55,000	57,99,923	1,42,78,181	80,95,427	75,545	R. C. Patterson, Esq.	Consolidated Coffee	22 1/2	10	2.00	4.00	2.00		6	Y.P.
4,00,000	5,87,523	12,42,805	60,301	3,401	Associated Planters Private Ltd.	Ceylon Plantations	16 1/2	10	1.50	0.75	1.50		6	Y.P.
18,00,000	9,34,043	30,13,231	6,39,676	21,459	A. V. Thomas & Co. Ltd.	Highland Produce	12 1/2	10	2.00	1.75	1.50	1.50	6	Y.P.
8,00,000	6,92,899	19,66,800	3,05,819	11,993	A. V. Thomas & Co. Ltd.	Kalpetta Estates	12 1/2	10	2.00	2.00	1.70	1.50	12	Y.P.
13,50,000	1,55,890	30,40,929	2,39,888	1,308	K. T. Thomas & Co. Ltd.	Manakara Rubber	19 1/2	10	3.25	2.25	2.00	1.70	4	Y.P.
40,50,000	20,09,139	86,11,082	10,31,522	2,531	A. V. Thomas & Co. Ltd.	Midland Rubber	12 1/2	10	2.00	2.00	1.00	1.00	4	Y.P.
8,55,000	4,08,000	15,43,861	2,26,134	22,019	A. V. George & Co. Ltd.	Nemmeny Rubber	15 1/2	10	1.50	0.75	0.75	0.75	3	Y.P.
2,00,000	2,25,000	9,55,544	65,403	1,308	Associated Planters Private Ltd.	Nisampur Rubber Co.	18 1/2	10	1.50	1.50	2.00		3	Y.P.
19,45,680	23,18,923	46,03,527	15,75,046	4,912	Peirce, Leslie & Co. Ltd.	Ouchterlony Valley Estates	5 1/2	2	1.50	1.50	2.00		3	Y.P.
18,50,000	8,34,102	46,47,820	4,23,004	40,664	A. V. Thomas & Co. Ltd.	Rajapuri Rubber	18 1/2	10	2.50	2.00	2.00		10	Y.P.
5,50,170	2,44,000	5,78,150	38,899	15,748	Peirce, Leslie & Co. Ltd.	Savannah Estates Ltd.	2 1/2	2	1.50	0.80	0.25		6	Y.P.
12,00,000	1,35,000	22,84,855	68,427	16,492	Sansamudhi Coffee Estates Ltd.	Sansamudhi Coffee Estates Ltd.	2 1/2	2	0.80	0.60	0.25		6	Y.P.
10,00,000	2,74,418	22,50,914	1,70,646	32,447	East India Agencies Private Ltd.	Tekoor Rubber (India) Ltd.	7 5/10	10	0.90	0.60	0.19	0.18	11	Y.P.
1,50,000	2,75,000	5,73,150	38,899	33,647	A. V. George & Co. Ltd.	Thamarassery Rubber	26 5/10	10	3.00	3.00	0.80		3	Y.P.
9,15,300	4,00,000	22,40,557	1,37,435	23,927	Peirce, Leslie & Co. Ltd.	Thiruvannamalai Rubber Co. Ltd.	1 1/2	1	0.124	0.00			2	Y.P.
6,00,000	46,742	11,45,990	492,700	1,509	Peirce, Leslie & Co. Ltd.	Thiruvannamalai Rubber	14 1/2	10	2.00	1.50	1.00		2	Y.P.
40,50,000	14,20,901	86,55,046	16,43,700	16,43,700	Peirce, Leslie & Co. Ltd.	Thiruvannamalai Rubber	14 1/2	10	2.00	1.50	1.00		2	Y.P.
20,00,000	96,000	31,23,163	8,27,272	9,162	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	20 1/2	25	0.75	0.40	0.50		13	Y.P.
2,20,000	4,20,990	9,26,748	63,552	872	A. V. George & Co. Ltd.	Udumalpet Rubber Co. Ltd.	10 1/2	10	3.50	3.50	1.25		13	Y.P.
8,50,100	5,90,669	9,55,600	27,217	872	A. V. George & Co. Ltd.	Udumalpet Rubber Co. Ltd.	10 1/2	10	3.50	3.50	1.25		13	Y.P.
6,95,000	1,94,567	14,17,507	60,561	5,473	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	8 1/2	10	1.25	1.00	0.50		8	Y.P.
J.—Final dividend of Rs. 1.50 on the increased capital														
* Includes bonus														

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Number of Looms	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
										1966	1967	1968	1969		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.		
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	Asarpara	879	13 1/2	10	0.25	0.25	0.25	0.25	1	Y.P.
8,00,000	10,81,600	59,82,765	40,52,871	1,06,651	McLeod & Co. Ltd.	Alexandra	126	200	100	10.00	10.00	0.25	0.25	1	Y.P.
80,00,000	25,25,000	1,25,15,910	97,80,831	2,46,190	McLeod & Co. Ltd.	Alliance	1,264	129	100	10.00	10.00	0.25	0.25	1	Y.P.
49,20,700	75,21,000	2,08,03,698	1,18,04,067	2,87,742	Duncan Brothers & Co. Ltd.	Ando-India	2,561	242	100	1.00	1.00	1.00	1.00	1	Y.P.
40,00,000	32,80,924	1,49,52,354	63,17,408	2,215	Hird & Co. Private Ltd.	Auckland	510	210	100	1.00	1.00	1.00	1.00	1	Y.P.
20,00,000	28,35,885	1,07,52,143	1,05,36,898	1,05,368	Birka Brothers Private Ltd.	Bally	959	225	100	1.00	1.00	1.00	1.00	1	Y.P.
22,75,000	28,81,082	1,61,640,294	68,87,497	2,177	Sir John H. Bunder (Chairman)	Barnagore	1,889	163	100	1.00	1.00	1.00	1.00	1	Y.P.
28,00,000	28,08,408	97,77,436	64,82,599	16,240	Andrew Yule & Co. Ltd.	Belvedere	1,820	191	100	1.00	1.00	1.00	1.00	1	Y.P.
45,00,000	29,71,745	58,94,961	32,42,933	4,75,255	Scorail Mulli Nasarull	Benaul	600	11	100	1.00	1.00	1.00	1.00	1	Y.P.
21,25,000	2,61,04,354	64,53,072	1,84,13,072	20,065	Birka Brothers Private Ltd.	Birka	1,373	137	100	1.00	1.00	1.00	1.00	1	Y.P.
38,00,000	19,35,550	1,17,96,452	70,59,451	33,113	Andrew Yule & Co. Ltd.	Budge-Budge	1,661	156	100	1.00	1.00	1.00	1.00	1	Y.P.
7,47,880	26,46,123	44,38,103	32,72,622	2,12,291	Dayaram & Sons	Calcutta Jute Mfg.	502	6 1/2	100	1.00	1.00	1.00	1.00	1	Y.P.
18,00,000	26,46,123	44,38,103	32,72,622	2,12,291	Andrew Yule & Co. Ltd.	Caledonia	618	189	100	1.00	1.00	1.00	1.00	1	Y.P.
39,14,400	75,85,492	2,31,90,792	1,27,90,696	4,45,999	James Finlay & Co. Ltd.	Champdany	1,600	137	100	2.00	2.00	14.00	14.00	1	Y.P.
15,56,000	21,34,070	43,51,243	58,61,109	18,020	Andrew Yule & Co. Ltd.	Chervot	630	222	100	2.00	2.00	2.00	2.00	1	Y.P.
30,15,000	36,50,000	59,14,416	54,94,361	72,480	McLeod & Co. Ltd.	Chitva	1,058	15	100	0.25	1.10	5.00	5.00	1	Y.P.
24,00,000	9,00,000	81,39,984	67,13,337	8,11,818	Shree Krishna Investment Co. Ltd.	Chitva	950	10	100	0.50	1.00	1.25	1.25	1	Y.P.
11,49,200	48,81,566	1,39,75,669	56,08,219	12,92,367	Bird & Co. Private Ltd.	Dahla	758	135	100	1.00	1.00	1.00	1.00	1	Y.P.
28,00,000	38,58,170	1,03,58,008	50,85,995	4,792	Andrew Yule & Co. Ltd.	Dela	770	178	100	5.00	5.00	6.00	6.00	1	Y.P.
19,00,000	36,95,560	1,01,87,796	66,96,232	26,128	McLeod & Co. Ltd.	Empire	634	17 1/2	100	0.50	0.50	0.50	0.50	1	Y.P.
21,00,000	74,32,310	2,61,26,829	1,59,43,058	1,94,546	Kettwell Bullen & Co. Ltd.	Fort Gloster Industries	1,084	350	100	10.00	10.00	20.00	20.00	1	Y.P.
21,00,000	10,22,496	1,27,75,074	68,81,071	1,66,649	Bangor Bros. Ltd.	Fort William	1,814	24	100	0.75	1.50	1.50	1.50	1	Y.P.
34,32,100	21,07,224	1,32,88,825	82,88,825	2,07,452	McLeod & Co. Ltd.	Ganges Mfg.	979	97	100	1.00	1.00	1.00	1.00	1	Y.P.
10,20,000	20,50,315	49,80,330	30,80,330	1,10,070	M. ...	General Ind. Society Ltd.	1,307	30	100	80.00	80.00	2.00	2.00	1	Y.P.
24,00,000	44,12,950	2,41,02,331	1,68,19,415	85,790	Macneil & Barry Ltd.	Gopuram	1,804	440	100	2.50	2.50	20.00	20.00	1	Y.P.
40,00,000	68,76,233	1,38,55,777	75,98,496	2,98,063	Bangor Bros. Ltd.	Hauteville	1,078	99	100	5.00	5.00	20.00	20.00	1	Y.P.
16,50,000	16,50,000	47,76,731	47,76,731	2,92,253	Rajadatta Rajgaria	Hawthorn	720	13	100	1.00	1.00	1.00	1.00	1	Y.P.
65,52,500	36,17,223	2,35,30,920	1,36,45,168	68,053	Jardine Henderson Ltd.	Hawthorn	1,640	23 1/2	10	0.50	0.50	0.50	0.50	1	Y.P.
32,50,000	30,63,764	2,08,62,016	1,09,492	84,875	Rajadatta Rajgaria	Hawthorn	1,640	23 1/2	10	0.50	0.50	0.50	0.50	1	Y.P.
19,80,000	1,15,89,696	87,84,013	2,02,441	2,520	Jardine Henderson Ltd.	Kamarrhaty	1,797	206	100	1.00	1.00	1.00	1.00	1	Y.P.
19,20,000	21,11,227	1,97,71,840	1,24,02,441	2,520	Jardine Henderson Ltd.	Kamarrhaty	1,797	206	100	1.00	1.00	1.00	1.00	1	Y.P.
24,00,000	8,96,279	1,76,62,696	1,05,04,310	21,78,147	Jardine Henderson Ltd.	Kamarrhaty	1,527	206	100	1.00	1.00	1.00	1.00	1	Y.P.
21,00,000	55,00,000	1,41,36,285	98,87,828	1,15,089	McLeod & Co. Ltd.	Kelvin	703	179	100	5.00	5.00	5.00	5.00	1	Y.P.
21,00,000	2,08,697	1,26,09,977	1,26,09,977	1,26,097	Andrew Yule & Co. Ltd.	Kelvin	1,530	179	100	5.00	5.00	5.00	5.00	1	Y.P.
48,00,000	77,82,121	3,38,47,911	1,08,51,649	2,55,560	F. W. Hellekers & Co. Private Ltd.	Kinloss	1,250	179	100	0.50	0.50	0.50	0.50	1	Y.P.
24,48,000	27,76,888	1,28,07,077	68,89,467	2,82,585	Bird & Co. Private Ltd.	Landowne	1,317	137	100	1.00	1.00	1.00	1.00	1	Y.P.
14,00,000	1,63,200	1,63,200	1,63,200	68,897	Bird & Co. Private Ltd.	Landowne	1,317	137	100	1.00	1.00	1.00	1.00	1	Y.P.
81,55,200	23,29,231	2,22,32,793	1,85,72,100	4,00,000	McLeod & Co. Ltd.	Magna	1,204	14	100	0.75	0.75	0.75	0.75	1	Y.P.
29,90,000	34,62,196	1,66,70,565	96,70,690	13,08,719	Hawthorn, Thos. Co. Private Ltd.	Nailait	80	80	100	1.00	1.00	1.00	1.00	1	Y.P.
20,00,000	24,00,000	54,92,732	24,00,000	4,00,000	Andrew Yule & Co. Ltd.	Nailait	425	12	100	0.50	0.50	0.50	0.50	1	Y.P.
56,00,000	99,51,896	46,49,787	12,31,873	19,004	Andrew Yule & Co. Ltd.	Nailait	425	12	100	0.50	0.50	0.50	0.50	1	Y.P.
29,25,000	30,10,072	37,74,995	23,34,173	90,700	McLeod & Co. Ltd.	Nailait	425	12	100	0.50	0.50	0.50	0.50	1	Y.P.
22,50,000	2,12,65,000	1,18,62,772	1,18,62,772	1,18,62,772	Sabu Jute Ltd.	New Central	1,795	12	100	0.50	0.50	0.50	0.50	1	Y.P.
16,70,880	48,58,845	1,35,06,574	61,41,213	2,43,817	Bird & Co. Private Ltd.	Northbrook	587	21 1/2	10	1.50	1.50	1.50	1.50	1	Y.P.
96,70,500	17,81,394	2,26,00,780	1,19,70,101	70,151	Macneil & Barry Ltd.	Nudea	61	1092	100	5.00	5.00	5.00	5.00	1	Y.P.
24,91,000	32,00,000	56,65,850	32,00,000	30,007	Andrew Yule & Co. Ltd.	Nudea	601	183	100	0.50	0.50	0.50	0.50	1	Y.P.
20,00,000	9,16,708	90,06,723	70,04,073	12,289	McLeod & Co. Ltd.	Presidency	400	6	100	0.20	0.20	0.20	0.20	1	Y.P.
20,00,000	17,976	31,76,367	9,08,846	2,706	Birka Brothers Private Ltd.	Rameshwara	5	8	100	0.50	0.50	0.50	0.50	1	Y.P.
49,50,000	4,75,548	1,41,61,131	60,72,920	38,95,851	Jardine Henderson Ltd.	Rameshwara	1,276		100	0.50	0.50	0.50	0.50	1	Y.P.
60,00,000	4,62,285	1,17,87,181	64,19,900	44,19,900	Thomas Duff & Co. (India) Pvt. Ltd.	Samasgarh	2,018	12	100	1.00	1.00	1.00	1.00	1	Y.P.
80,00,000	13,14,010	1,27,12,882	7,21,532	48,032	Bagaria More & Co. Ltd.	Samar	1,011	13	100	0.25	0.25	0.25	0.25	1	Y.P.
20,00,000	7,40,000	1,70,08,405	90,119,405	1,70,08,405	Industries Investment Corp. Ltd.	Soorah	1,404	10	100	0.50	0.50	0.50	0.50	1	Y.P.
60,00,000	6,886,778	1,1,268,067	5,209,248	529,248	Thomas Duff & Co. (India) Pvt. Ltd.	Tatishur	1,725	10	100	0.50	0.50	0.50	0.50	1	Y.P.
86,96,600	48,53,691	1,06,33,316	42,51,934	56,837	Bird & Co. Private Ltd.	Tatishur	1,525	100	1.00	1.00	1.00	1.00	1	Y.P.	
24,00,000	48,53,691	1,06,33,316	42,51,934	56,837	Thomas Duff & Co. (India) Pvt. Ltd.	Victoria	1,525	100	1.00	1.00	1.00	1.00	1	Y.P.	
2,50,00,000	5,000	85,19,768	48,35,821	11,735	McLeod & Co. Ltd.	Waverley	447	4	100	1.00	1.00	1.00	1.00	1	Y.P.

COMMERCE

PRICE : Rs. 2

BOMBAY, 26th SEPTEMBER 1959

THE move to establish a new financial institution, already named as the International Development Association, will figure prominently at the annual meeting of the International Bank for Reconstruction and Development—World Bank for short—due to be held at Washington on Tuesday, the 29th inst. The credit for taking the initiative in this direction goes to the United States of America. The idea was first mooted by Senator Monroney, with the object of helping underdeveloped countries seriously engaged in the task of raising their living standards, and won the approval of President Eisenhower later. For the first time, in August last, Mr. Eisenhower gave public expression to his support to the I.D.A. He included it as one of the three proposals for raising international liquidity and directed the Administration to study the feasibility of its implementation in co-operation with the members of the International Monetary Fund and the World Bank. The first two proposals pertained to a general increase in the quotas assigned to member-Governments of the I.M.F. and in the authorised and subscribed capital of the World Bank. Approval of the members for the latter two proposals was obtained at the last annual meetings of the Bank and the Fund held at New Delhi. They have now been practically implemented, so that only the idea of I.D.A. remains to be fulfilled.

No official information on the I.D.A. has so far been made available by any of the member-Governments of the World Bank. Nor has the World Bank Secretariat issued any Press release. One has, therefore, to go only by the reports in the Press. It is, of course, well known that the idea of establishing the International Development Association is to help the underdeveloped countries by giving them what is generally described as "soft loans." By "soft loan" is meant a loan carrying a low rate of interest, even if it is uneconomical to the lender, and repayable after a fairly long period; the bulk, if not the whole, of repayment will be in the currency of the borrowing country. In other words, the loans will be something similar to those now being made available by the U.S. Development Loan Fund; indeed, if Senator Monroney's idea were to prevail, they should be more favourable than even the loans from the D.L.F. It is also well known that the I.D.A. would be an affiliate of the World Bank. That at any rate is the proposal of the U.S. Government. Mr. Eisenhower said, in August 1958, that the I.D.A. would be affiliated to the World Bank and could usefully supplement the lending activities of the Bank for accelerating the pace of economic development in the less-developed member-countries of the Bank. No opposition to this proposal has been discernible from the official side of any member-country.

Some economists of international repute, however, have been opposed to the I.D.A. being a part of the World Bank. They are of the view that the Bank should be kept out of it, as the provision of "soft loans" would impair the good work that is being done by it. They feel that Gresham's Law will operate in this sphere also. The soft loans imply a large element of subsidy to the borrowing countries. The doling out of such subsidies, they argue, is a politician's function and cannot be satisfactorily dealt with by an institution like the World Bank run on business principles and sound economics. They are afraid that soft loans will encourage the receiving countries to indulge in inflationary policies and undermine their economic stability. They say that a loan is a loan and not a gift; since it implies repayment, there cannot be a fine distinction between a soft loan and a hard loan. They are not opposed to donations being

Contents	
LEADING ARTICLES—	PAGES
International Development Association	497
The Third Plan	498
MARKET GOSSIP	498
ROUND THE EXCHANGES	500
NEWS IN BRIEF	501
PERSONAL	501
THIS WEEK'S SURVEY	502-503
SPECIAL FEATURES—	
Building up Commonwealth's Living Standards	504
Notes from West Germany	504
Manchester Letter	508
Development of Vegetable Oils Industry	510
MONEY AND BANKING	
TEXTILES	508
COTTON	510
SUGAR	511
PLANTING	511
	52

ENGINEERING	52
NEW PRODUCTS AND PROCESSES	52
INSURANCE	52
COMMERCE AND INDUSTRY	52
COMPANY MATTERS	52
POINTS FROM THE CHAIR	52
COMPANY MEETINGS AND DIVIDENDS	52
COMPANY REPORTS	528-529
MARKET REPORTS	531-533
MISCELLANEOUS STATISTICAL INFORMATION	534-535
WEEK'S STOCK EXCHANGE TREND	53

given to deserving projects of deserving countries. Only, they want a spade to be called a spade. They feel that a better proposition would be to encourage private enterprise in underdeveloped countries by establishing international investment trusts which, in turn, can give local currency loans and build revolving funds. They favour this course, because they think that it would lead economic development on sound lines.

In arguing thus, these sound-money theorists are clearly ignoring the political factors operating in underdeveloped countries. Although it must be conceded that there is a lot of force in what they say, they are not realistic in their approach, in that one cannot overlook considerations of political feasibility. Statesmanship demands that efforts should be made to devise a scheme whereby the aspirations of underdeveloped countries can be satisfied, without necessarily sacrificing sound economics and without trying to impose on them an economic dichotomy which they are not prepared to follow. It is not surprising, therefore, that the aforesaid arguments have not carried much conviction to either the U.S. Administration or the top officials of the World Bank. Mr. Eugene Black, President of the Bank, would not have entertained the proposal to have the I.D.A. as an affiliate of the Bank had he reasons to feel that it cannot be worked on sound lines. It is obvious that Mr. Black must be of the view that, by having the I.D.A. under the wing of the World Bank, it would be easier to ensure that "soft loans" were given to finance only sound and essential projects than would be the case if the Association were in the hands of some other U.N. agency. It is true that the I.D.A. is meant to supplement the financial efforts of the World Bank, but that does not necessarily mean that the development projects in underdeveloped countries not taken up by the World Bank are all economically unsound. There are several State-owned industrial projects in India, as, for instance, the steel plants, fertiliser factories, heavy machine building plants and machine tool factories, for which the World Bank is not prepared to give a loan as a matter of policy. Surely, these are economically sound projects and there is no reason why the proposed I.D.A. should not finance them. Failure to do so will only compel the underdeveloped countries to lean more and more on the Communist countries for help. Then, there are several other projects for creating "social capital," such as construction of roads, bridges, slum clearance and urban development, the return on which is small and can be had only after a long time. These, too, are projects fit enough to be aided by the I.D.A. By participating in these projects, the I.D.A., under the auspices of the World Bank, can easily influence the borrowing countries to follow sound economic policies. The underdeveloped countries, on their part, will do well to realise that the loans taken by them from the I.D.A., though soft in terms, are still loans and not grants and that they will have to be gradually repaid after some years. This implies that they will have to use these loans in a manner which will be productive and ultimately lead to a surplus of wealth necessary to repay the interest, as well as the principal. Unless their representatives effectively create this impression among the leaders of Western countries attending the Fund-Bank meetings next week, the spokesmen of sound money theory school may succeed in putting a spoke in the wheel and delay the fructification of the I.D.A.

If the establishment of the I.D.A. meant supplanting, instead of supplementing, the existing sources of foreign aid to underdeveloped countries, or if it means a reduction in the scope for obtaining long-term credits through bilateral negotiations, there is surely no chance in it. To take the case of India alone. The country's foreign exchange needs for the third

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share				Accounts Closed	Reference
						1956 Rs. or £	1957 Rs. or £	1958 Rs. or £	1959 Rs. or £		
10,00,000 14,50,000 1,91,000 40,78,300 1,00,00,000 26,00,000 50,00,000											

Amount Rs. or \$	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred Rs. or \$)	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	8	1st December and 1st June	Carw & Co.	1933	96.00	1st June .. 1968
4,00,000	8½	1st March and 18th September	Carw & Co. (2nd mortgage)	1941	92.00	28th February .. 1960
10,00,000	8	1st August and 1st February	Ravaganao Sugar	1942	97½	30th September .. 1955-62
19,00,000	8	1st May and 1st November	Ravaganao Sugar (New)	1944	97.00	1st November .. 1955-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November .. 1955-64
COAL						
30,00,000	8	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1964
20,00,000	4½	30th June and 31st December	Burrucki Coal Co.	1947	87.00	30th June .. 1969 (a)
47,88,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December .. 1969
COTTON						
7,00,000	5½	30th June and 31st December	Rasani Cotton Mills Ltd.	1942	85.00	30th April .. 1964
4,00,000	8	10th May and 10th November	Bental-Narayan	1897	100.00	15th November .. 1962 (b)
57,1st October	8	1st January and 1st July	Luckingham and Carnatio	1952	100.00	1st March .. 1972 (a)
40,00,000	8	1st April and 1st October	Gokak Mills	1957	100.50	1st April .. 1967 (a)
13,71,000	5½	30th June and 31st December	Jayashree Textiles	1949	90.00	1st January .. 1955-56
59,51,000	6	1st June ..	Tata Mills	1951	93.25	1st June .. 1956-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agria Electric Supply Co. Ltd.	1950	90.00	31st March .. 1965 (a)
1,22,00,000	4½	15th June and 15th December	Abmehad Electric Co. Ltd.	1940	98.50	14th June .. 1960
98,28,000	5½	1st April and 1st October	Andhra Valley Power Supply Co.	1949	101.00	31st March .. 1973
12,50,000	4½	30th June and 31st December	Renares Electric Light and Power Co. Ltd.	1949	90.00	31st December .. 1964 (a)
2,32,99,400	4½	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	95.00	1st January .. 1970 (a)
25,00,000	4	30th June and 31st December	Gorenpore Electric Supply Co. Ltd.	1945	85.00	30th June .. 1969
13,80,000	4½	1st January and 1st July	Sijua (Jheriah) Electric Supply Co. Ltd.	1949	93.00	30th June .. 1969-81
2,00,000	5½	30th June and 30th September	South Madras Electric Supply	1949	93.00	30th September .. 1969
1,00,000	5½	3rd April and 3rd October	South Madras Electric Supply	1930	85.00	1st July .. 1970
47,73,000	5	1st April and 1st October	Tata Power ..	1940	88.25	15th September .. 1956-70
2,60,00,000	4	1st April and 1st October	Tata Power ..	1940	88.25	15th September .. 1956-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Bristanna Engineering	1945	94.00	31st December .. 1969
1,50,00,000	4½	1st January and 1st July	Guest, Keen, Williams Ltd.	1958	109.00	1st January .. 1965-72
29,18,000	4½	15th September and 15th March	Indian Hume Pipe (Engineers)	1942	87.00	1st July .. 1967-68
10,00,000	4½	31st May and 30th November	Kumardhuni Engineering Works Ltd.	1942	84.00	31st May .. 1971
3,01,00,000	4½	1st April and 1st October	Tata Locomotive	1950	100.00	1st October .. 1960-63
40,00,000	6	31st December ..	Textile Machinery Corporation Ltd.	1950	99.50	31st December .. 1960
JUTE						
12,00,000	5½	1st October and 1st April	Azarpura ..	1939	92.00	31st March .. 1959
6,00,000	5½	30th June and 31st December	Alexandra ..	1939	81.00	30th June .. 1959
15,00,000	5½	30th June and 31st December	Burness Mills Co. Ltd.	1945	78.00	31st December .. 1964
10,00,000	4½	30th June and 31st December	Benzal Jute Mill Co. Ltd.	1945	80.00	30th June .. 1969
9,00,000	5	31st January and 31st July	Calcutta ..	1951	87.00	31st January .. 1959
10,00,000	5½	31st June and 31st December	Calcutta ..	1945	86.60	30th June .. 1964
20,48,000	5½	31st March and 30th September	Calcutta ..	1954	90.00	31st March .. 1964
8,86,000	5½	15th January and 15th July	Dalhousie Jute Co.	1954	90.00	15th July .. 1964
80,00,000	5½	31st March and 30th September	Empire ..	1955	95.00	31st March .. 1964
22,00,000	5½	30th June and 31st December	Harmon Mills Co. Ltd			

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th September 1959.

TEXTILES	Closing quotations 10-9-1959		High Low		Closing quotations 17-9-1959	
	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.
Ahm. Adv. (100)	157 50	—	—	—	157 50	—
Apyolia (25)	64 25	—	—	—	64 50	1 24
Bombay Dyeing (25)	117 50	64 80	64 40	1 24	117 50	1 24
Bradbury (50)	117 50	—	—	—	117 50	—
Central India (100)	109 00	—	108 50	104 50	105 00	—
Century Mills (100)	585 00	—	569 50	555 00	598 00	—
Edward Textile (200)	38 00	—	—	—	38 00	—
Edelweiss (50)	38 00	—	—	—	38 00	—
Finlay (100)	273 00	—	—	—	273 00	—
Gokak (100)	273 00	—	273 00	—	273 00	—
Ind. Text. Ind. (1)	1 16	1 12	1 12	—	1 16	—
Karnataka (100)	93 00	8 14	8 88	9 00	93 00	—
Indore Malwa (100)	242 50	241 25	235 00	235 00	242 50	—
Khataul (100)	460 00	—	—	—	460 00	—
Kobhoori (100)	440 00	318 00	—	306 00	440 00	—
Lakshmi (250)	85 00	—	—	—	85 00	—
Minerva Mills (100)	85 00	—	—	—	85 00	—
Mudoli Spinning (200)	282 50	—	—	—	282 50	—
Morari (100)	282 50	—	—	—	282 50	—
Myresore (50)	77 00	—	—	—	77 00	—
National Rayons (100)	350 50	278 00	275 00	—	350 50	—
New City (100)	118 25	348 50	345 75	—	118 25	—
New Great (100)	175 25	175 00	175 00	—	175 25	—
Phoenix (100)	140 00	138 00	137 00	—	140 00	—
Podar Mills (100)	145 00	178 00	182 00	—	145 00	—
Sasopur Silk (10)	40 00	144 00	143 00	—	40 00	—
Shree Spinn (110)	65 30	64 00	64 50	—	65 30	—
Shoolapur (1,000)	200 00	210 00	198 00	—	200 00	—
Shrinivas (100)	150 00	150 00	148 00	—	150 00	—
Simla (50)	150 00	160 00	147 50	—	150 00	—
Standard (100)	571 00	571 00	559 00	—	571 00	—
Suveloshi (100)	251 00	250 00	242 00	—	251 00	—
Swan (100)	890 00	—	—	—	890 00	—
Tala (100)	48 50	—	—	—	48 50	—
Vahnu (100)	109 00	48 00	44 25	—	109 00	—
Western India (1,000)	4,475 00	—	—	—	4,475 00	—

BANKS				
Bank of India (50)	114.00	114.75	112.00	112.00
Do. (New) (50)	114.80	115.50	114.00	114.00
Bank of Bengal (50)	105.00	105.50	102.00	102.00
Central (25)	82.00	82.00	80.00	80.00
Central A (25)	82.00	82.00	80.00	80.00
Central B (25)	82.00	82.00	80.00	80.00
Punjab National (10)	82.00	82.00	80.00	80.00
Union Bank (5)	7.00	7.00	21.00	21.00
United Com. (50)	68.00	7.00	6.88	6.88
				63.00
ELECTRIC COG.				
Ahmedabad (100)	11.16			
Amalgamated (100)	92.80			
Andhra Pradesh (100)	1,150.00	98.00	91.80	111.00
Bomb. Sub. El. (100)	105.50	1,487.50	1,140.00	1,145.00
Burai (100)	111.00			104.00
Tata El. (100)	113.00	118.25		117.00
Tata Power (1,000)	1,191.25	1,105.50		1,107.00

INSURANCE COS.		1,182	1,182
British India (10)	14 00		
Empire of India (100)	300 00	14 24	14 00
Ind. Mercantile (20)	50 00		24 00
Imperial (10)	50 00	50 00	50 00
New India (15)	50 00	6 00	5 80
Yuvaon (10)	21 62	21 62	21 62
			21 62
STEEL COS.			
Ind. Iron (10)	24 96	24 96	24 40
Mukund Iron (10)	18 04	18 44	16 40
Tata Steel Ord. (78)	162 50	162 00	158 75
			159
SUGAR COS.			
Belapur (50)	318 00	311 50	308 50
Bhopal (10)	28 80	24 12	23 80
Changul (50)	27 50	27 00	27 00
Phalpan (50)	163 00	163 00	163 00
			309

Wachand Inc. (100).....	323.76				
CEMENT CO.		325.00	320.00		859
Associated Cts. (100).....	145.25			149.25	146
Digvijay (100).....	146.00	147.25			146
		146.00			146
MISCELLANEOUS					
Aloock Ashdown (100).....	251.50	261.00	264.00		247
Born. Barmham (12).....	627.00	624.00	598.00		611
D. (New) (50).....	180.00	181.00	176.50		181
Br. B. Paphos (sh.).....	1.50	1.50	1.42		1.51
Br. Corp. (5).....	5.40	5.40	5.48		4
Hindustan Lev. (100).....	30.00	18.01	18.00		30
Hindustan Motors (100).....	12.80	12.96	12.52		12
Hindustan (100).....	14.00	4.10	4.00		14
Ind. Inv. Tr. (100).....	4.00				4
Kilikops (100).....	146.00	142.00	140.50		142
Leonty Poubro (100).....	23.16	23.20	22.80		23
Madhira & Mahin-					

IRA (100)	142 00	21 92	21 08	21
Pola Automobiles (100)	135 75	135 00	129 75	142
Premier Con. (80) ..	353 50	351 00	340 50	341
Se. Metals (20)	17 82	17 00	16 72	16
G. E. Shipping (100) ..	19 40	20 00	19 40	16
Shirvaupur (100)	13 84	13 00	87 50	58
Birupa. P. (100)	17 00	17 08	13 08	13
Tata Chemicals (100) ..	194 00x	193 50	183 50	17
Tata Locomotive (100)	194 00x	193 50	183 50	17
Tata Steel (100)	199 00	198 00	80 80	81
Tatas (100)	219 00	218 00	214 00	214
W. I. Metals (100)				216

		Gross Yield		
10-1-1959		Earlier Redemption	Later Redemption	17-9-1959
2 1/2% 1961	98 20	—	8 43	R
3 1/2% 1960	98 20	—	8 43	R

21	1962	..	87.60	3.20	99
22	1976	..	93.25	3.54	97
23	1985	..	96.85	3.81	98
24	1985-86	..	97.70	3.84	87
25	1986-88	..	95.45	3.92	97
26	1987 1st Dev.	..	95.45	3.54	95
27	1988 Con. Loan.	..	74.25	3.85	92
28	1991 N.F. Bonda.	100.00		4.04	74
29	1992 N.F. Bonda.	100.00		4.40	100
30	1993 N.F. Bonda.	100.00		3.48	100
31	1994 N.F. Bonda.	100.00		3.78	99
32	1995 N.F. Bonda.	100.00		3.55	99
33	1996	..	99.80	3.78	99
34	1997 N.F. Bonda.	99.65		3.62	100
35	1998	..	99.65	3.50	99
36	1999	..	99.25	3.57	99
37	2000	..	100.20	3.45	100
38	2001 N.F. Bonda.	100.00		3.45	100
39	2002 N.F. Bonda.	100.00		3.45	100
40	2003	..	100.70	3.28	99
41	2004	..	101.78	3.92	100

	Closing quotations 7-9 1959		Clos- ings 14-9-59
2½% Brit. Consols. ...	51½	—	—
5% Savings Bonds 1965-75	75½	—	51
3% War Loan 1955-59	99½	—	—
3½% War Loan	—	—	—

CON.

VOL. XCIX. No. 2531

**INTERNATIONAL
ASSOCIATION**

THE move to establish a new financial institution, already named as the International Development Association, will figure prominently at the annual meeting of the International Bank for Reconstruction and Development, World Bank for short—due to be

held at Washington on Tuesday, the 29th inst. The credit for taking the initiative in this direction goes to the United States of America. The idea was first mooted by Senator Monroney, with the object of helping underdeveloped countries seriously engaged in the task of raising their living standards, and won the approval of President Eisenhower later. For the first time, in August last, Mr. Eisenhower gave public expression to his support to the I.D.A. He included it as one of the three proposals for raising international liquidity and directed the

Administration to study the feasibility of its implementation in co-operation with the members of the International Monetary Fund and the World Bank. The first two proposals pertained to a general increase in the quotas assigned to member-Governments of the I.M.F. and in the authorised and subscribed capital of the World Bank. Approval of the members for the latter two proposals was obtained at the last annual meetings of the Bank and the Fund held at New Delhi. They have now been practically implemented, so that only the idea of

Not much was said or done at the New Delhi meetings of the Fund-Bank about the I.D.A. For practical considerations, the U.S. delegation to these meetings did not take up the issue. It believed in the wise saying: "Do one thing at a time and do it well." It thought that it was better to get the increases in the capital of the Fund and the Bank first approved by the legislatures of member-countries, before confronting them with the demand for subscription to the capital of a new body. With the U.S.

to the capital of a new body, with the U.S. continuing to lose gold in favour of European countries, there was a misgiving whether the U.S. Congress would give permission for the I.D.A. also. Although the postponement of the idea caused some disappointment to the representatives of underdeveloped countries, it was doubtless a wise move. Apart from the consideration just mentioned, the Governments of several Western countries were not quite clear in their minds whether or not the I.D.A. should be supported. Even a few of the underdeveloped countries themselves were having a misgiving

that the new move would adversely affect the prospects for receiving bilateral aid; they were, therefore, uncertain whether it was worth while supporting the move. Since then, however, the climate for the I.D.A. has distinctly improved. The U.S. Administration has come out strongly in favour of it and the Congress seems to be inclined to give its approval. The Governments of the U.K., India, and Pakistan have also expressed their willingness to support the idea in principle. The reactions of other Governments are not yet known, but the Com-

midweight as a whole may be expected to rally behind it. Several Continental countries, notably France, West Germany, Belgium and the Netherlands, may still be having reservations—last year they were not very enthusiastic about it. Even they, however, may relent under persuasion from the U.S. They have all accepted as a matter of principle, the idea that the interests of the free world will be best served if the underdeveloped countries get external

**“For Commerce, though the child of
Who else must sweat and toil**

BOMBAY, 26th SEPTEMBER 1959

**DEVELOPMENT
TION**

No official information on the I.D.A. has so far been made available by any of the member-Governments of the World Bank. Nor has the World Bank Secretariat issued any Press release. One has, therefore, to go only by the reports in the Press. It is, of course, well known that the

idea of establishing the International Development Association is to help the underdeveloped countries by giving them what is generally described as "soft loans." By "soft loan" is meant a loan carrying a low rate of interest, and even if it is uneconomical to the lender, and repayment after a fairly long period; the bulk, if not the whole, of repayment will be in the currency of the borrowing country. In other words, the loans will be something similar to those now being made available by the U.S. Development Loan Fund; indeed, if Senator Humphrey is correct, they should be

Monroney's idea were to prevail, they should be more favourable than even the loans from the D.L.F. It is also well known that the I.D.A. would be an affiliate of the World Bank. That at any rate is the proposal of the U.S. Government. Mr. Eisenhower said, in August 1958, that the I.D.A. would be affiliated to the World Bank and could usefully supplement the lending activities of the Bank for accelerating the pace of economic development in the less-developed member-countries of the Bank. No opposition to this proposal has been discernible from the many member-country.

Some economists of international repute, however, have been opposed to the I.D.A. being a part of the World Bank. They are of the view that the Bank should be kept out of it, as the provision of "soft loans" would impair the good work that is being done by it. They feel that Gresham's Law will operate in this sphere also. The soft loans imply a large element of subsidy to the borrowing countries. The doling out of such subsidies, they argue, is a politician's function and cannot be satisfactorily dealt with by the World Bank nor by any other international

by an institution like the World Bank run on business principles and sound economics. They are afraid that soft loans will encourage the receiving countries to indulge in inflationary policies and undermine their economic stability. They say that a loan is a loan and not a gift since it implies repayment, there cannot be a fine distinction between a soft loan and a hard loan. They are not opposed to donations being

LEADING ARTICLES—	PAGE
International Development Association	49
The Third Plan	49
MARKET GOSSIP	49
ROUND THE EXCHANGES	50
NEWS IN BRIEF	50
PERSONS	50
THIS WEEK'S SURVEY	502-503
SPECIAL FEATURES—	
Building up Commonwealth's Living Standards	50
Notes from West Germany	50
Neuchâten Letter	50

MANUFACTURING	51
Development of Vegetable Oils Industry	51
MONEY AND BANKING	51
TEXTILES	51
COTTON	51
SUGAR	51
PLANTING	51
ENGINEERING	51
NEW PRODUCTS AND PROCESSES	51
INSURANCE	51
COMMERCE AND INDUSTRY	51
COMPANY MATTERS	51

agriculture, fosters his parent
and gain but scanty fare.”
William Blake.

PRICE : Rs. 2

given to deserving projects of deserving countries. Only, they want a spade to be called a spade. They feel that a better proposition would be to encourage private enterprise in underdeveloped countries by establishing international investment trusts which, in turn, can give local currency loans and build revolving funds. They favour this course, because they think that it would lead economic development on sound lines.

In arguing thus, these sound-money theorists are clearly ignoring the political fac-

tors operating in underdeveloped countries. Although it must be conceded that there is a lot of force in what they say, they are not realistic in their approach, in that one cannot overlook considerations of political feasibility. Statesmanship demands that efforts should be made to devise a scheme whereby the aspirations of underdeveloped countries can be satisfied, without necessarily sacrificing sound economics and without trying to impose on them an economic dichotomy which they are not prepared to follow. It is not surprising, therefore, that the

afore said arguments have not carried much conviction to either the U.S. Administration or the top officials of the World Bank. Mr. Eugene Black, President of the Bank, would not have entertained the proposal to have the I.D.A. as an affiliate of the Bank had he reasons to feel that it cannot be worked on sound lines. It is obvious that Mr. Black must be of the view that by having the I.D.A. under the wing of the World Bank, it would be easier to ensure that "soft loans" were given to finance only sound and essential projects than would be the case if they were in the hands of some

if the Association were in the hands of any other U.N. agency. It is true that the I.D.A. is meant to supplement the financial efforts of the World Bank, but that does not necessarily mean that the development projects in underdeveloped countries not taken up by the World Bank are all economically unsound. There are several State-owned industrial projects in India, as, for instance, the steel plants, fertiliser factories, heavy machine building plants and machine tool factories, for which the World Bank is not prepared to give a loan as a matter of policy. Surely these are economically sound

projects and there is no reason why the proposed I.D.A. should not finance them. Failure to do so will only compel the underdeveloped countries to lean more and more on the Communist countries for help. Then, there are several other projects for creating "social capital," such as construction of roads, bridges, slum clearance and urban development, the return on which is small and can be had only after a long time. These, too, are projects fit enough to be aided by the I.D.A. By participating in these projects, the I.D.A., under the

auspices of the World Bank, can easily influence the borrowing countries to follow sound economic policies. The underdeveloped countries, on their part, will do well to realise that the loans taken by them from the I.D.A., though soft in terms, are still loans and not grants and that they will have to be gradually repaid after some years. This implies that they will have to use these loans in a manner which will be productive and ultimately lead to a surplus of wealth necessary to repay the interest, as well as the principal. Unless their representatives effect

If the establishment of the I.D.A. means supplanting, instead of supplementing, the existing sources of foreign aid to underdeveloped countries or if it means a reduction in the

Plan are estimated at \$5,000 million. The whole of this, or even a substantial part of it, cannot be met by the I.D.A., which is expected to have a capital of only \$1,000 million, contributed by the members of the World Bank in the same proportion in which they have done to the Bank's capital. It cannot, therefore, be the idea of the promoters of the I.D.A. to curtail the scope and extent of aid now being given by them to India and other underdeveloped countries. There is also no convincing reason why they should do so. After all, on the proposed basis of contribution to the I.D.A.'s capital, the share of the U.S. Government will be no more than \$332 million. The U.K. will be contributing only \$136 million, West Germany a little less than \$100 million and Canada about \$80 million. It is inconceivable that these and other Western countries, which are in a far more enlightened mood now than before, think that their obligations to help the underdeveloped countries in their economic development can be fulfilled merely by making these contributions to the capital of the I.D.A. This does not necessarily mean that the Governments of underdeveloped countries can smugly assume that all they have to do is to negotiate with their counterparts in the U.S., the U.K. and other developed countries for large low-interest-bearing loans, repayable in easy instalments, and big grants. They have to realise that there is, particularly in the U.S., a growing opposition to such Government-to-Government assistance, the stress being increasingly on the export of private capital and loans repayable in hard currency. They have, therefore, to make some allowance for this trend in their calculations and revise the economic policies to facilitate a larger inflow of private capital. In the U.S., there is a serious move to encourage private capital investment in foreign countries through tax concessions. The Governments of underdeveloped countries should reciprocate this move by making suitable concessions in their policies. This will also encourage other developed countries to emulate the U.S.

THE THIRD PLAN

IN retrospect, it will be generally admitted that the public discussion which preceded the second Five-year Plan was less animated than what the subject deserved. Perhaps, both the public and the Government were overwhelmed by the relative success of the first Plan into a sense of complacency, though, when the draft actually appeared, there were several voices of protest against the assumptions implicit in the Plan. The third Five-year Plan is, however, in no danger of inadequate preparation and advice. For one thing, the ground for it has been well prepared by the fact that the second Plan has been appraised and re-appraised. Secondly, the approach to the third Plan, by reason of the experience gained by the Government and the public in the implementation of the second Plan, has evoked lively discussion in many quarters. Among these expressions of opinion, a notable contribution is the one made by the Federation of Indian Chambers of Commerce and Industry.

In its memorandum, entitled *The Third Five-year Plan—A Tentative Outline*, the Federation has set forth the broad principles which should guide the next Plan and also the priorities which should govern the emphasis on different projects. The chief merit of the publication lies not so much in the arithmetical calculations in the outline but in the entire approach to the question of development. Thus, there is no disposition to over-emphasise the need for a conservative Plan, under the pretext of economic realism, which may well degenerate into a cloak for a policy of inactivity. Nor is there an exhibition of enthusiasm for a rate of progress which takes no note of what is practicable. An overall target of net investment at Rs. 10,000 crores has been set. This is a figure which has been most frequently mentioned in connection with all discussions in the Plan. But it is when it comes to the actual pattern of expenditure and the economic policy that should guide it that the Federation makes out a convincing case for a sense of moderation. Economic development, in general, and such development in underdeveloped countries, in particular, according to the Federation, is a matter for evolution and adaptation to changing social and economic requirements. Economically desirable results, it is stressed, cannot be ensured by forcing the pace of institutional changes on doctrinaire grounds; disruption of traditional channels could hold up development programmes. This is a sensible approach. Only, the Government does not always listen to the voice of reason.

Yet another general principle which deserves support is the emphasis on agriculture and consumer goods. It was all too readily assumed on the eve of the second Plan that agriculture could be safely relegated to a secondary, if not inferior, status and that all that the country needed was a bold programme of industrialisation. The country now faces the prospect of falling between two worlds—the world of agriculture, languishing, if not dead, and the world of industry, powerless to be born. Increase in foodgrains production has not kept pace with the increase in demand, whereas the pace of industrial production has shown distinct signs of slackening. The Federation rightly points out that the "emphasis on industry should in no way detract the attention of planners from the need to give sufficient consideration to the projects and administration for improved agricultural production." Again, it insists, in effect, that an exclusive preoccupation with austerity and savings and production of capital goods would be wrong. It argues that production has to be maintained by purchasing power and sustained by savings. Further, capital goods industries deserve encouragement. But equal attention should be given to the production of consumer goods and consumer durables. The Federation rightly observes: "This has to be emphasised, because the products of this group of industries are a direct evidence to the people regarding the results and objectives of planned development." Whatever may be the economic wisdom of concentration on producer goods industries in the centrally planned economies, the fact remains that this policy cannot be implemented in a democratic community which will not lightly sacrifice visible signs of prosperity at the altar of some vague concepts of building an enduring economic base.

To turn now to the investment pattern proposed by the Federation. The overall net outlay of Rs. 10,000 crores is sought to be distributed among the public and private sectors in the ratio of 55 : 45. This gives a slightly larger share to the private sector than the allocation in the second Plan in which the original proportions of the public and private sectors were 61:39. By 1960-61, national income, it is computed, will rise to Rs. 12,800 crores. On the basis of a capital output ratio of 2.5:1, national income is expected to rise to Rs. 16,800 crores by 1966. Between 1961 and 1966, population will have increased from 410 million to 445 million and per capita income from Rs. 310 to Rs. 375. The proposed breakdown of the total outlay (in percentages), with corresponding figures in the second Plan, is: agriculture and rural development 12(9); irrigation and power 16(14.5); industries and mining 40(24.5); transport and communications 11(22); social services 14(23) and miscellaneous 7(7). While investment in agriculture and rural development and irrigation and power are being maintained almost at the same level as in the first Plan, there is much greater emphasis on industries and mining in the third Plan. But it is not clear whether transport has not been unjustly treated, though the percentage proposed will give it a total allocation of Rs. 1,100 crores. So far as the impact of investment on employment is concerned, it has been computed that the total outlay will, on the basis of Rs. 7,000 per job, create 16 million new job opportunities.

The basic considerations and industrial priorities for the third Plan, on which the Federation lays emphasis, are: (1) increased production of fertilisers, both organic and inorganic, so as to relate industrial development to the primary need of bringing about a 30-40 per cent. rise in the production of foodgrains and substantial increase in cash crops; (2) the attainment of a level of near self-sufficiency in heavy machine building, as also of other types of industrial machinery, including machine tools, tractors, etc.; (3) sufficient emphasis on the processing and consumer goods industries which are the basic ingredients of a rising standard of living; these industries also need a high priority as a safeguard against inflation; (4) development in the small-scale sector; (5) considerable expansion in producer goods industries, including steel, chemicals and coal; (6) greater emphasis on the exploration, extraction and production of such raw materials as are making a large draft on foreign exchange such as exploration and exploitation of mineral oil, production of virgin non-ferrous metals, wood-pulp and chemical pulp, etc.; (7) modernisation of various industries, with special emphasis on export industries. A study of this list of priorities shows how balanced the Federation's approach is to the problem of industrial development.

Among the somewhat uncertain factors—no plan can fully insure against all uncertainties—which lie at the basis of the Federation's Plan, mention must be made of the feasibility of the target of Rs. 3,000 crores set for investment by the private sector. The Federation recognises that this is a high figure and admits that, "with existing conditions, the private sector may not even be able to muster investment resources of even half this amount." Given the better fiscal climate, for which the Federation pleads, it may be possible to make a near approach to this figure. The share of internal financing is kept at about 33 per cent. of the total outlay. This will be impossible of attainment, without a "taxation structure which positively assists ploughing back of corporate earnings." Liberalisation of certain restrictions imposed by the industrial finance institutions, the formation of unit trusts as in the U.K. and the U.S. and the creation of a proper climate for inflow of foreign capital are among the measures suggested by the Federation. Nevertheless, it may be wondered whether, barring the event of a remarkably favourable trend in the inflow of foreign private capital and management, the private sector will be able to make the contribution set for it in the Federation's outline of the third Plan.

As experience in the implementation of the second Plan has abundantly made clear, any inadequate appraisal of foreign exchange resources may well land all economic programmes in serious difficulties. The Federation rightly assumes that the paucity of foreign exchange will persist in the third Plan. It assesses the foreign exchange requirements at Rs. 2,400-2,500 crores, made up of foreign exchange needed to make repayments of past commitments (Rs. 550-600 crores), foreign exchange requirements of the Plan itself—on the basis of 20 per cent. for industrial investment and 10 per cent. for the rest—(Rs. 1,500 crores) and foreign exchange to meet a reasonable level of essential imports (Rs. 300 crores). The net total requirements, it is expected, will be reduced to the extent of Rs. 350-400 crores which will be carried over from the various credits in the second Plan. Discussing the question of inflow of foreign capital in relation to the foreign exchange requirements under the Plan, the Federation observes:

"It should also be generally recognised that it would be imprudent to depend upon an unduly high proportion of loans and aid from foreign countries. The burden of repayment in such cases is bound to be cumulative and the various complications pertaining to repayment may mean increasing difficulties regarding foreign exchange budgeting. It has also been our experience in the past that the availability of such loans and grants fluctuates from year to year and much depends upon the vagaries of the political situation in each of those countries which desire to allow such financial accommodation to us. Even otherwise, most countries have to budget these funds on the basis of one financial year at a time and to base a long-term plan like ours on anticipations regarding such grants and loans would be somewhat insecure. It is for this reason that greater attention needs to be paid to the inflow of private foreign capital and various steps of policy and procedure which would be necessary to establish a climate which will ensure a steady and sufficient supply of foreign exchange resources in this form."

Little exception can be taken to the reasoning which has been set forth above in an effort to present the inflow of foreign capital in its national and international perspective. The Federation rightly holds that foreign capital is primarily attracted by the profitability of the enterprise with which it might associate itself. This is obviously related to larger fiscal and other questions. In this connection, the Federation makes a number of constructive suggestions. In the first place, the cumbersome procedures for licensing of enterprises involving foreign capital will have to be given up. Secondly, fiscal policies—personal as well as corporate—must provide incentives for investment. Thirdly, controversy and sweeping statements regarding the roles of public and private sectors should not be allowed to disturb the general economic climate. Fourthly, the vast opportunities available to foreign investors within the various lines open to the private sector should be more clearly indicated. To these suggestions, which deserve to commend themselves to the attention of the authorities, must be added the supreme importance of making the foreign investors feel that they are "wanted," for that alone will ensure a steady inflow of such capital.

MARKET GOSSIP

THE share markets are in a buoyant mood again. The bulls have become active, particularly in textiles and miscellaneous industrials. The Life Insurance Corporation is reported to have sold a few scrips, but this has been quietly ignored. The sudden revival of their enthusiasm is inexplicable. The spectacular rise in the profit of Khatau Makanji Mills for the year ended 30th June 1959 might have raised hopes that the well-managed cotton mills would be in a position to show a handsome profit for the current year. There is also a feeling that the Government will take prompt measures to check the upward trend in raw cotton prices by arranging import of U.S. cotton under P.L. 480 to take care of the shortfall in domestic cotton production. Another factor that has imparted strength to share markets is the growing belief that the Government cannot but help giving more opportunities to the private sector for establishing new industries and expanding the existing ones. Shares of well-known companies flare up on rumours, let alone reports, that the companies have decided to put up a new industry or to raise their productive capacity. The sizable rise in Bombay Dyeing this week is due to a rumour of this nature. Anil Hardboards and Alkali Chemicals have gone up on reports of expansion in their productive capacity. The assumption in these two cases is that, sooner or later, these Companies will have to issue additional capital either at par or at a small premium.

The successful working of the existing rayon spinning mills and the high premium commanded by their shares have induced several people to go in heavily for the shares of new rayon spinning companies. A typical instance is provided by Baroda Rayon, which is yet to receive even the licence for establishing the factory. It is not even known when the prospectus will be published. Nevertheless, several investors are reported to have even paid deposits (without interest, of course) to the agents of promoters for getting a firm allotment. The craze for capital appreciation has become so tremendous that many investors do not seem to care to find out as to how long the industry in which they are investing will take to pay even a modest maiden dividend. Strictly speaking, they cannot be regarded as genuine investors. They are, in share market parlance, stags, because they are all hoping to cash their capital profit as early as possible after the issue is subscribed and allotted.

Bullion Weak

While commodity markets are firm, with a further rise in prices, the bullion market is distinctly weak. The spot rates are well below the forward and the bulls who were extracting *buddi* from the bears till recently are now paying the bears for carrying forward their commitments. This development has falsified the expectations of those who thought that, in view of the continued inflation, the Chinese threat and the fall in the flow of smuggled metals, the usual slack season will have no effect on the trend of prices. Unfortunately for these bulls, there has been a perceptible rise in the floating stocks of both gold and silver. While the demand is poor, as is usually the case in the slack season, arrivals are large. It is feared by some that the devastation caused by floods in several parts of India will not only cause a shrinkage in demand for these metals but also bring about distress sales. The *jari* industry in Surat is an important consumer of silver and also gold to some extent. The heavy damage suffered by it as a result of floods last week is bound to cause a fall in offtake, at least for some time to come. The first instalment of India's contribution in gold towards the increase in its quota to the I.M.F. has been made by buying gold from its sterling balances. This has been responsible for the drop of Rs. 3.21 crores in the foreign assets of the Reserve Bank during the week ended 18th September 1959. The Government's intention, it is stated, is to buy gold from the sterling area's central reserve for the other instalments also. It would, however, be risky to infer from this action that Kolar gold and the contraband gold confiscated by the Customs authorities would be sold in the domestic market. The country's need for foreign exchange is so heavy and pressing that the Government is unlikely to dispose of any of this gold.

Mr. Ruia's Contradictory Speech

Elsewhere in this issue are published the salient points made by Mr. Madannohan Ruia, President of the Cotton Buyers' Association, in his address to the annual general meeting of the Association held on Monday. Mr. Ruia should be commended for drawing the attention of the authorities to the urgent and immediate necessity of ensuring adequate supplies of cotton to mills and suggesting ways and means of doing so. He did well in urging the Government to show the same solicitude to the primary producers of cotton which it was showing to the domestic textile industry. He asked the Government to take more active interest in raising cotton production by the provision of adequate monetary incentives to the primary growers.

Mr. Ruia, however, seems to have missed the whole point of his own contention when he urged the Government to pay adequate monetary incentives to primary producers. Monetary incentives for production, whether it be of agricultural commodities or manufactured goods, means better price. Does Mr. Ruia mean that raw cotton prices are now unduly high to induce farmers to raise more crop? His own observation in the next sentence contradicts this. To quote him:

"Whilst this (that is, providing adequate monetary incentives) is a long-range solution to the problem of raising the domestic cotton production, the immediate alternative, in my opinion, of meeting the prevailing shortage of cotton supplies at home is to liberalise imports. This is the only natural remedy which would arrest the rising trend of our domestic prices which, if unchecked, would make our exports of cotton very difficult, apart from rendering exports of cotton piecegoods practically impossible due to fierce resistance from other competing countries."

Mr. Ruia's suggestions for increasing cotton production and easing the present tight supply position contradict each other. If, as he argues, imports are liberalised, which, in the context of the present foreign exchange situation, is difficult—and Mr. Ruia has not pointed out in what way more cotton could be brought in—will they not, by exerting a downward pressure on domestic price level, act as a disincentive to production in the short and long run? Monetary incentives, in the form of higher prices for cotton, will defeat the very purpose of growing more cotton which is to ensure adequate supplies to mills at reasonable prices for the production of cheaper cloth.

As Mr. Ruia, with his intimate knowledge of trade and industry, fully knows, production of cotton in this country is not merely a matter of monetary incentives. Incentives certainly have a role to play. But not all the incentives can make the production of a single bale of cotton possible if the wherewithals of production are not placed at the disposal of the farmer. The Indian farmer still depends upon an indulgent nature for his prosperity. And nature has been extremely unkind to him of late. As Mr. Ruia himself pointed out, the last season bore ample testimony to remind us of this pathetic dependence of the grower on nature. What is urgently required for producing more cotton is, therefore, not higher prices but more irrigation facilities, better seeds, better and more manure, adoption of improved farming methods, provision of marketing facilities, transport and credit at a fair rate of interest. An equally important factor is a reasonable, not necessarily high, price. The farmer, it must, however, be noted, is concerned more with the total income he gets from his farm than with the price he realises on a bale of cotton or a bushel of grain.

The history of cotton production in this country shows that price as such is not the main factor for securing more output. Good crops in the past seasons were the result not of high prices for cotton in the preceding season but of fine weather. Thus, in the 1954-55 season, which was preceded by a season of comparatively low prices with the index number of cotton prices (1952-53=100) standing at 104, there was a bumper crop of 5.30 million bales (official estimate), whereas, in 1957-58, which was preceded by a year of high cotton prices with the index rising to 111, the crop turned out to be no more than 4.7 million bales (official estimate). It is not suggested that the price factor does not influence production. It undoubtedly does. The fact that, in 1957-58, when the crop was 4.7 million bales, the area sown to cotton was 19.9 million acres, as against 18.6 million acres in 1954-55 (when the crop was 5.3 million bales) is an instance of the effect of higher prices. If a fancy price is paid, a larger area will be sown and a bumper crop will follow, provided nature is not unkind. But that surely is not the right way of securing higher production, especially for a country like India, with limited land resources and a leaping population. Further, the price of Indian cotton cannot be very much above world parity, as it will affect its exports of both cloth and cotton. The monetary incentive for the grower has to be reconciled with the need for making cotton competitive. Far more important are measures that will raise the yield per acre. Unless the yield is improved, the strange paradox of the country, with the world's largest sown acreage, being starved of cotton will persist. It is true that efforts are being made to distribute better seeds and manures and to extend irrigation facilities. But they have not been on a sufficiently large scale to bring about a distinct improvement in the yield per acre.

World Coffee

Last year, India exported about 15,000 tons of coffee. This year, it wants to export even more. The quantity actually allocated for export from the 1958-59 crop of about 47,000 tons is 17,000 tons, estimated to yield about Rs. 12 to Rs. 13 crores of foreign exchange. Considering the importance of coffee as a foreign exchange earner thus, it is but natural that India should be keenly interested in the outcome of the International Coffee Study Group's discussions, now being held at Washington, on the ways and means of stabilising the conditions in the world coffee market which continues to rule depressed. The latest available quotation for Uganda Robusta grade coffee in London is 190s. per cwt., as against 200s. a week ago and 266s. a year ago.

Although the meeting of the International Coffee Study Group commenced twelve days ago on Monday, the 14th inst.—after the preparatory sessions of various committees, no information is yet available as to what has transpired at the meeting and how long it will continue. The magnitude of the problem facing the Group is pretty big, because of huge accumulations of stocks hanging on the world market. The total of these stocks is now put at 36 million bags (1 bag=291 lbs. or 132 kilos)—the current world coffee season is due to end on the 30th inst. The stocks are expected to increase considerably in the ensuing season,

what with the forecast of a record exportable production amounting to 56 million bags, 16 million bags more than the anticipated world exports. One estimate places the carryover at the end of 1959-60 at more than 50 million bags. The actual world production of coffee in the current season (1958-59) is put at 59.1 million bags, as against 53.4 million bags in 1957-58. The increase is accounted for entirely by Brazilian production which has risen from 24 million bags to 29 million bags.

The country most worried about the colossal world surplus of coffee is Brazil which is holding as much as 24 million bags, representing 67 per cent. of the total world stocks. To quote a London report: "Without harvesting next year's crop, Brazil could meet a year's home and export needs and still have a large stock." For a long time, Brazil and other Latin American countries have been urging international action to raise world coffee prices by limiting exports from all producing countries under a quota scheme. The export quotas suggested by them are: Latin America: 30.5 million bags; Africa: 8.3 million bags; Asia: 1.2 million bags. The current season's production (in million bags) in these regions is 45.9, 9.6 and 2.6.

The plea of Latin American countries has not, however, found favour with the African producers, who even feel that the solution to the coffee problem lies in limiting production, the root of the trouble, rather than exports. They even allege that "Brazil has been forcing the world market down deliberately in order to encourage the African producers to join an export quota scheme." At the Washington meeting of the Study Group, the African producers are reported to have pressed, in accordance with a decision taken at their meeting in London early this month, for a thorough investigation into the world coffee position, though they are willing to accept an export quota scheme for a trial period of a year, as a preliminary to a more comprehensive plan.

In view of the basic difference in the approach between the Latin American and African coffee producers, doubts are expressed about the success of the Study Group's efforts. Even supposing that a compromise short-term formula will be worked out, it is obvious that stability in world coffee trade can be ensured only through a simultaneous three-pronged attack: regulation of production, control on exports and intensive drive to step up consumption.

Instant Tea

Among the soft beverages consumed in the U.K., tea has been holding pride of place. Of late, however, coffee has been finding more adherents than before. Several are the reasons for this change, but one of the most important is the ease with which a cup of coffee can be prepared by using instant coffee. All that one has to do is to mix this soluble coffee powder in a cup of hot water and add milk and sugar to taste. This advantage has a great appeal to consumers, as it saves a lot of labour, a very important consideration, in people in countries like the U.K. and the U.S., where domestic servants are expensive and difficult to be had owing to full employment. Following constant research, the quality and flavour of instant coffee have also improved considerably, thereby offering an additional incentive to consumers of beverages to prefer coffee.

Producers of tea who are worried by the growing competition from coffee will be glad to hear that instant tea has now been introduced in the British market by that enterprising firm, the Nestle Company. Called "Nes'ia" the new tea is the soluble product (in powder form) obtained from a blend of Assam, Ceylon and other selected teas. Instant tea, of course, is not a new thing. It has been on sale in the U.S. and Canada, as well as on the Continent, for nearly a decade now, but fifteen years of research were necessary before the Nestle Company felt that instant tea was sufficiently developed to be offered to the more discriminating British tea market.

The chances of "Nes'ia" proving very popular among the consumers in the U.K. are quite bright, for two reasons. One, this tea is claimed to retain the flavour of the most popular brands of tea sold in Britain, though it is a little paler in colour as compared with the normal leaf tea. Two, the price of "Nes'ia" is much lower than that of ordinary leaf tea; the currently fixed retail rate is 2s. 10d. per glass jar which, we are told, would be sufficient to make 35 cups of tea, if the recommended measure of half a teaspoon is used.

The introduction of an instant tea in the British market is quite significant. Britain, as is well known, is the largest tea-drinking country in the world, accounting for well over 45 per cent. (519 million lbs. in 1958) of world consumption aggregating 1,144 million lbs. (1958). On an average, every Britisher consumes more than 10 lbs. of tea per annum or 0.44 oz. per day. The per capita (annual) consumption of tea in India, it may be noted here, is less than a lb. 10 oz., to be precise (1957-58).

U.S. Investments in Holland

An extensive, well-documented review of U.S. industrial establishments in the Netherlands has been written by Mr. S. W. Kann, Editor of the American periodical *Industrial World*. His report is based on a personal visit to the Netherlands and the U.S. firms established there. He obtained his information from the proper authorities and the works managers of the firms visited. Of all the countries on the European Continent, the Dutch, according to him, have been the most successful in attracting foreign investments for the establishment of new industrial enterprises. Since the war till mid-1959, 302 foreign industrial establishments (Continued on page 536)

SHARE MARKET FIRM TEXTILES STRONGLY FAVOURED

(From Our Own Correspondents)

BOMBAY, 24th September

THE easy trend noted in the share market last week abated during the week under review. In fact, the market ruled distinctly firm, especially after the start of the new accounting period on Monday, the 21st inst., with all-round handsome rise in values. Although there was no new encouraging development, the operators would appear to take an optimistic view about the future of industries. Such a view was apparently based on hopes of a possible revision in the new scheme of company taxation in the light of the heavier burden on shareholders as reflected in the dividends declared by many companies, as well as on expectations of the planners envisaging increased participation of the private sector in the third and subsequent Five-year Plans.

Textiles were particularly buoyant, thanks to continued reports of higher cloth prices, good export business and decline in stocks held with mills. Even the persistently rising tendency in raw cotton prices was ignored. Steels were well favoured despite reports of a dispute on bonus in the Tata Iron and Steel Company. Indian Irons evoked some support induced by the assurance given by the Company's Chairman that the sales of Dalhousie Holdings shares "would be effected in such a manner as to cause the least disturbance to the market." His statement that the Company had not applied to the Government for the issue of any right shares was noted by shareholders, but this did not have much effect. Sugars attracted good attention, the buying fervour having been fanned by expectations of better return from investment, notwithstanding all controls and rationing. Cements, engineering and miscellaneous industrialists met with buying enquiries. Electrics, however, proved an exception; they were generally subjected to selling pressure and drifted lower.

Steels

In the steel section, Tata Ordinaries opened the week at Rs. 159.50, as against Rs. 159.25, and advanced to touch Rs. 161.75 yesterday. At this level, some profit-taking set in and the quotation receded to Rs. 160. Today, however, the shares firmed up again and stood at Rs. 161 towards the close. Indian Irons recorded a gain of 20 nP over the week, today's closing rate being Rs. 23.68 ex-div., as against Rs. 24.20 on Thursday last.

Textiles

The highlight of trading in the textiles section was the rise of Rs. 87 to Rs. 637 in Standards which followed excellent bull support induced by unconfirmed reports that the Company would take up new manufacturing activities. Katatus responded to the highly satisfactory earnings figures and jumped up by Rs. 32.50 to Rs. 267.50. Swans spurred by Rs. 25 to Rs. 415, Finlays by Rs. 16.50 to Rs. 289.50 and Svadeshis by Rs. 11.25 to Rs. 254. Morarjes and Centurys advanced by Rs. 11 each to Rs. 287 and Rs. 579.50, respectively. Gokaks strengthened by Rs. 9 to Rs. 168. Shreenivas by Rs. 6.50 to Rs. 213.50. Podars by Rs. 6 to Rs. 149 and Central Indias by Rs. 5 to Rs. 110. Bombay Dyeings rallied from Rs. 64.50 to Rs. 68.30. Tata Mills gained Rs. 3.50 to Rs. 48 and Simplex by Rs. 2.50 to Rs. 151. Kohinoors, however, encountered selling and dropped Rs. 3.50 to Rs. 303.

Sugars and Cements

Sugars and cements scored handsome gains during the week, as is indicated below:

	17th September Rs.	24th September Rs.	Net rise Rs.
Sugars			
Belapur ...	309.50	324.50	15.00
Phaltan ...	159.00	165.00	6.00
Walchandnagar	322.50	327.50	5.00
Chanddeo ...	24.12	27.00	2.88
Cements			
A.C.C. ...	146.25	149.00	2.75
Digvijay ...	145.00	147.00	2.00
Orissa ...	14.68	15.32	0.64
Jaipur Udyog	10.28	10.32	0.04
Dalmia ...	10.60	10.68	0.08

Banks and Insurance

Bank and insurance shares were a shade better. Among the former, Centrais hardened by 25 nP to Rs. 49, 'A' shares recording a rise of 60 nP to Rs. 51.50. Barodas 'A's' rose from Rs. 45.25 to Rs. 45.50 and Indias from Rs. 111.25 to Rs. 111.50. Unions gathered 8 nP to Rs. 7. State Banks, however, receded by Rs. 2.50 to Rs. 366.25. Among insurance shares, New Indias picked up 50 nP to Rs. 59.30. British India Generals were firm at Rs. 14.24.

Engineering, Minings and Shippings

Engineering company shares met with sustained buying support. Premier Constructions spurred by Rs. 15.50 to Rs. 357. Alcock Ashdowns advanced by Rs. 7 to Rs. 254. Tata Locomotives rallied from Rs. 184 to Rs. 191.75, before finishing at Rs. 190. Cooper Engineering strengthened by Rs. 6 to Rs. 160. Voltas hardened by Rs. 4 to Rs. 170.75. Mahindras gathered 16 nP to Rs. 22. Larsen and Toubros gained 12 nP to Rs. 22.22. Among minings, Shivrajpur rose by a rupee to Rs. 89. Indian Coppers picked up 8 nP to Rs. 410.

In the shipping group, Great Easterns advanced by 44 nP to Rs. 20.40. Scindias improved from Rs. 16.92 to Rs. 17.16, but declined later to the original level.

Electrics

Electrics, as already stated, were generally subjected to selling. Tata Powers fell by Rs. 52.50 to Rs. 1,130. Hydros declining by Rs. 4 to Rs. 113.50. Andhra Valleys dropped Rs. 42.50 to Rs. 1,102.50. Ahmedabads, however, rose by Rs. 3 to Rs. 96. Bombay Suburbans gathered 75 nP to Rs. 106.

Miscellaneous

The star feature in the miscellaneous section was provided by Anil Hardboards which forged ahead from Rs. 217.50 to Rs. 439, or a rise of Rs. 212.50 over the week, on news that the Central Government had decided to purchase 100,000 tons and installation of a 6,000-ton capacity plant to manufacture insulation board. Bombay Burmahs climbed up by Rs. 27 to Rs. 536. National Rayons advanced by Rs. 17.50 to Rs. 359.50. India Dyestuffs rose by Rs. 11.25 to Rs. 290. Tata Oils by Rs. 3.80 to Rs. 64.80. Wimbos by Rs. 3.50 to Rs. 218. Polychems by Rs. 3 to Rs. 130 and West Coasts by Rs. 2 to Rs. 153. Gwalior Rayons put on 40 nP to Rs. 25.70. Among automobiles, Premiers gathered Re. 1.75 to Rs. 131.50, while Hindustan Motors shed 12 nP to Rs. 12.44.

Calcutta Stock Exchange

CALCUTTA, 23rd September

With restricted buying, dull conditions were in evidence on the Stock Exchange during the week under review. There were more sellers than buyers. The decision of the food agitators to continue their campaign, followed by disorderly scenes in the Assembly on Monday, and the arrest of students on Tuesday brought in a fresh wave of selling. The recovery on Monday proved difficult but was again in evidence yesterday on better Bombay advices. Further, in view of the fact that some of the recent dividends announced had curtailed the net return to the shareholder, it was being taken for granted that the provisions of the Finance Act of 1959 would adversely affect the shareholder. There was extreme caution, and buyers showed a preference for shares of those companies the profit margin of which is greater. Cash needs for the forthcoming Pooja festival season were also a factor which led to more selling. In view of the general dullness, the improvement in economic conditions went unnoticed. There were a few developments for the latter inference. First, the foreign trade results for July were encouraging, inasmuch as the deficit was only Rs. 12 crores, as against Rs. 35 crores in June. Secondly, there were satisfactory reports from Berne and Paris of prospects of substantial help from there for the third Plan following the visit of Mr. Morarji Desai.

Among coals, Equitables advanced from Rs. 33.06 to Rs. 33.87. Bengals were earlier lower at Rs. 296, but recovered to Rs. 300. Pench Valleys changed hands at Rs. 25, as against Rs. 24.94 previously. Burrakurs were quiet at Rs. 16.25 and Western Bengals were unchanged at Rs. 6.25. Raneegungs declined from Rs. 17.25 to Rs. 16.75.

Selected features were recorded in the jute section. On interested support, Orients at Rs. 184 were higher by three points. Another feature was New Centrais which hardened from Rs. 17.75 to Rs. 18.06, but Lansdownes were unchanged at Rs. 137. Kelvins changed hands at Rs. 174, as against Rs. 179, with Ballys slipping to Rs. 221 from Rs. 224. Agaparas found buyers only at Rs. 12.75, as against Rs. 13.81. Nationals being unchanged at Rs. 23.50.

Engineering shares eased following lack of interest. Indian Irons opened at Rs. 23.62 and after improving to Rs. 23.55, eased to Rs. 23.29. At this stage, recovery set in to push the rate up to Rs. 23.62. Texmacos were fractionally lower at Rs. 23.70, while Indian Standard Wagons at Rs. 85 improved by Rs. 3. Jessop and Cos. were quiet at Rs. 28.75, as were Kumardhubs at Rs. 6.69.

Among miscellaneous industrials, Alkali and Chemicals met with unsatisfied demand and improved from Rs. 22 to Rs. 23.37, following the plan to install an organic chemicals plant. Money amounting to Rs. 2 crores would be found from the Company's own resources, and, therefore, there is no need for a public issue. National Cables rose to Rs. 39.12 but closed at Rs. 39.62. Indian Cables at Rs. 31.56 were better while Duple Rubbers eased from Rs. 34.19 to Rs. 33.62. Indian Coppers were unchanged at Rs. 4.03.

Madras Stock Exchange

MADRAS, 23rd September

The Madras Stock Exchange ruled steady during the week under review. A few select scrips registered sizable improvement in prices under the impetus of investment support and some others tended to move up owing to scarcity of floating stocks. Textiles elicited good enquiries on renewed reports regarding domestic offtake and export business. Teas were well favoured, thanks to firmness of tea prices at Cochin auctions and rumours that the Government of India was considering further relief for common teas. Coffees moved in sympathy. Rubbers were active, following rumours that

the Government was contemplating to increase replanting subsidy. Sugars were fully steady. Transactions put through in the miscellaneous section were limited, with values moving narrowly.

In the sugar section, K.C.P.s elicited good buying enquiries and spurred by Re. 1.25 to Rs. 16.75. Cauverys improved by 50 nP to Rs. 118.50. E.I.D.s hardened by 25 nP to Rs. 39.75. Travancores picked up 5 nP to Rs. 12.35. Indias were fully steady at Rs. 13.10. Andhras at Rs. 20.25 and Mysore at Rs. 49.59. Kirlampudis, however, suffered a setback, the quotation declining by a rupee to Rs. 80.

Among tea shares, Nonsuch Teas advanced by 25 nP to Rs. 28.75. Coonoors gathered a similar amount to Rs. 23.25. Halcyonias rose by 10 nP to Rs. 18.50. Be Bes gained a like amount to Rs. 3.00. Periakaramalais were a shade higher at Rs. 3.98. Nilgiris were steady at Rs. 7.90. Nelliampathys at Rs. 2.88 and Chembras at Rs. 3.93. Twyford, however, came in for selling and moved down by Re. 1.40 to Rs. 13.50. Oucherlonys declined by 13 nP to Rs. 5.40. Kil Kotagiris shed 10 nP to Rs. 8.05. Among coffees, Osoors and Wariyullus were marked up by 10 nP each at Rs. 3.90 and Rs. 3.85, respectively. Anaparas were fully maintained at the last week's level of Rs. 3.10. Consolidated Coffees at Rs. 21.80 and Mysore Coffees at Rs. 4.25. The directors of the latter company have maintained the dividend at 15 per cent. for the year ended March 1959. But Coffeelands dropped 35 nP to Rs. 23.40 and Cawcoodys 5 nP to Rs. 6.20. Among rubbers, Highlands spurred by 35 nP to Rs. 13. Vaikundams gathered 12 nP to Rs. 27.62. Midlands gained 10 nP to Rs. 12.20.

In the textile section, Premiers staged a smart rally of Rs. 4.50 to Rs. 172. Cannanores and Metturs improved by a rupee each, the former to Rs. 142 and the latter to Rs. 373.50. Cambodias rose by 60 nP to Rs. 12. Cauvery Spinnings strengthened by 15 nP to Rs. 12.50. Several others were steady. Dhanalakshmis being quoted at Rs. 200. Rajalakshmis at Rs. 63. Trichinopolys at Rs. 10.90. Vasantas at Rs. 211. Venkateshas at Rs. 113. Virudhunagars at Rs. 39. Coimbatore Cottons at Rs. 143 and Coimbatore Pioneers at Rs. 285. Trimurhys, however, fell by Rs. 6 to Rs. 108. Bangalore Woolens and Buckinghamss dropped Rs. 4 each to Rs. 179 and Rs. 185, respectively.

Rallis in the miscellaneous section came in for selling and retreated by 50 nP to Rs. 77.50. Andhra Cements, Travancore Cements and Dalmia Cements fell by 10 nP each to Rs. 9.40, Rs. 10.10 and Rs. 10.50, respectively. India Cements shed 6 nP to Rs. 6.47. But Orissa Cements were steady at Rs. 16.45. Ashok Leylands eased by 5 nP to Rs. 7.75.

INSURANCE DEPARTMENT

We received the following interesting letter from a reader in Coimbatore just before going to press:

"The Insurance Department of the Government of India at Simla has no useful work now worthy of qualified statisticians are there and they services better utilised. After the nationalisation of life insurance, the Department does not appear available to this Department now is very little. Hence even a closure may be considered."

"The general insurance business need no check from the Government. The Code of Conduct, a recent addition to the Insurance Act, could not be enforced by the Department in its real spirit and the illegal rebate problem could not be checked. The Department could not eradicate the evil of rebating in the past and this is impossible to do so in future also. The trade may be left free to take its own shape. No public funds are involved, as in the case of life insurance, and the Government's interference in this business is unnecessary."

"There are hardly about 50 per cent. of Indian insurance companies in sound state of affairs whilst the existence of the rest is a danger to its investors and to the society. The Department is recklessly and carelessly renewing their re-ignition yearly, without taking into consideration the continuous faults committed by the concerned authorities may be directed to take care of this Department immediately."

TEXMACO'S NEW ISSUE

The new preference shares offered by the Textile Machinery Corporation Ltd.—vide page 515—are an attractive investment to those who are on the look out for a sound fixed yield, with prospects of a small capital appreciation. These shares carry a fixed dividend of 6 1/2 per cent., tax-free, cumulative, and are to be redeemed after five years. As many as 100,000 shares of Rs. 100 each raised being Rs. 1 crore, the amount sought to be holders are entitled to this issue first, they are share for every 19 ordinary shares and 10 such shares for every 19 preference shares. The whole issue is underwritten by the Central Bank of India Ltd. It is possible that non-shareholders may get a chance of receiving some allotment, if right shares. It is also possible that several of the existing shareholders may apply for additional shares. The new capital now being sought will be used for financing a number of profitable development schemes, which have already made good progress. The Company's financial position is satisfactory; its prospects are promising; and its existing shares are quite popular with investors. The chances of the whole of this new issue being taken up by investors are bright.

NEWS IN BRIEF

THE Government of India has decided to continue free licensing of export of maize grit obtained as a residue in the process of starch manufacture through the wet milling of maize (provided the commodity is called "maize residue" obtained in starch manufacture) upto the end of September 1959.

The Government of India proposes to set up an export promotion council for sea-food industry in the country. While the total world trade in fish is estimated at Rs. 300 crores a year, India's share does not exceed Rs. 6 crores at present. The annual production of fish in India is about 1.3 million metric tons, of which exports account for no more than 50,000 tons.

A three-man delegation from Aeroflot, led by Mr. V. M. Danilechev, Head of the International Department of Aeroflot of Soviet Russia, arrived in Bombay from Moscow on 22nd September 1959 to review the working of the commercial agreement between Air-India and Aeroflot. The Commercial Agreement between the two airlines has been in effect since June 1958. It has been found necessary to simplify certain procedures originally agreed to in the light of experience gained.

The total sugar production during the 1958-59 season upto 31st August 1959 was 1,907,000 tons, as against 1,972,000 tons in the corresponding period of the previous season. The offtake of sugar from factories during the month of August 1959 was 166,000 tons, as compared with 184,000 tons in the same month of 1958, bringing the total despatches upto 31st August 1959 to 1,743,000 tons, as against 1,705,000 tons in the same period last season. The total closing stock of sugar with factories as on 31st August 1959 was 506,000 tons, as against 696,000 tons on the same date last year.

The draft proposal for the fixation of ceilings on land in Bihar varying from 30 to 90 acres has been approved by the State Cabinet. It is proposed to divide the agricultural lands into five categories, canal irrigated lands (the ceiling per family is fixed as 30 acres), tube-well irrigated lands (45 acres), lands without irrigation facilities (60 acres), diara lands—riverbank lands which are subject to erosion and flooding (75 acres) and hilly lands (90 acres). Compensation for the lands acquired in excess of the ceilings will be paid in interest-bearing negotiable bonds.

The Tamilnad Electricity Workers' Federation, claiming to represent 40,000 workers in public and private electricity undertakings in Madras State, has urged the setting up of the first atomic power station in Madras State. In the course of a resolution adopted at its first annual conference held at Madurai last week, the Federation pointed out that the statement of the Chairman of the Atomic Energy Commission that an atomic power station could help areas where coal was not readily available justified the claim of Madras for an atomic power station.

The Indian Airlines Corporation has started granting fare concessions to air travellers undertaking circular journeys on its services, with effect from the 21st inst. A circular tour, for the applicability of this concession, will be a journey taking in an unbroken chain of air sectors, commencing and ending at the same station. The fare chargeable for these trips will be the sum of half the round trip fare for each of the sectors forming part of the continuous chain. For instance, a person holding a circular tour ticket for Delhi-Bombay-Hyderabad-Bangalore-Trichy-Madras-Calcutta-Delhi will have to pay Rs. 842, as against the normal rate of Rs. 989.

All yellow nickel brass one-anna and half-anna coins will cease to be legal tender when the Demonetisation Order of the Government of India comes into effect on 1st January 1960. While these two coins will cease to be legal tender with effect from the new year, they will continue to be accepted till 30th June 1960 at all offices of the Reserve Bank, at all agency banks of the Reserve Bank conducting Government business and at Government treasuries and sub-treasuries. During this period, they will also be accepted at railway offices and post offices in payment of dues. Even after this date, until further notice, these coins will continue to be accepted by the offices of the Issue Department of the Reserve Bank.

The Government of India has appointed a joint Indo-American team (Chairman: Dr. M. S. Randhawa, Additional Secretary, Union Ministry of Food and Agriculture) to evaluate the progress of agricultural education, research and extension made in the past five years and to suggest measures for improvement, with special reference to the third Plan. The team has been asked to review the "sisterhood arrangements" conducted in 1955 with the five land grant universities in the U.S. under the Indo-U.S. Technical Co-operation programme, in order to find out the extent to which they have helped the development of agricultural education, research and extension programme in the country. The team is expected to submit its report by the end of January 1960.

A Bill to provide for the regulation of warehousing of certain goods in Bombay State has been published in the Bombay Government Gazette dated the 4th inst. The object of the Bill is to unify the laws relating to warehouses which are in force in different parts of the State, namely, the Bombay Warehouses Act 1947, the Central

PERSONAL

MR. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation, left for London last week on a month's visit to the U.S. and Europe.

Lord Heyworth, Chairman of the British company, Unilever, and Vice-Chairman of the Dutch company, Unilever N.V., will retire from the Boards of both the Companies in April next.

Mr. M. Ct. Muthiah, a prominent industrialist of Madras and Chairman of the Indian Overseas Bank Ltd., has been re-elected Director of the Industrial Finance Corporation of India, representing the Scheduled Banks' constituency.

Mr. C. L. Jhunjhunwala and Mr. H. C. Chatterjee have been elected President and Vice-President, respectively, of the Calcutta Stock Exchange for the year 1959-60. Messrs. N. D. Bangur, B. C. Seal, Eric Gregory, J. L. Esplen, Aban Ganguli, Matadin Khaitan, M. L. Pyne, A. V. Sheth, C. L. Haridas, S. Dasgiri, Bhagirath Murarka, H. P. Dhanuka, Sitaram Datta and C. L. Khandelwal have been elected members of the Committee.

Mr. K. S. Vaidyanathan, of Messrs. Patterson and Co., has been elected President of the Madras Stock Exchange for the year 1959-60, vice Mr. V. Natarajan, who has retired. Mr. C. S. Natarajan and Mr. V. Rangachari have been elected Vice-President and Treasurer, respectively. The members of the Council are: Messrs. V. Natarajan, H. Subramaniam and J. V. Somayajulu. Mr. P. S. Nadkarni and Dr. J. S. Raj are the Government nominees on the Council of Management.

and the plan of disposal will seek to avoid a disruption of the market.

A Japanese optical concern has developed a combined camera-radio set, called *Ramera*. The gadget is a combination of a 16 mm camera and a six-transistor portable radio. It is equipped with loudspeaker and earphones and the makers claim that it can run 30 hours on one battery. The camera has an f. 3.5 lens and a shutter speed of 1/200 secs. The rate of production is estimated at 6,000 units per month.

The view that British industry, trade and also Government can save at least £20 million annually by adopting the encouraging the system of "suggestion schemes" was expressed by Mr. P. Clavell Blount, while addressing a meeting under the auspices of the British Productivity Council held last week. He advocated the establishment of an organisation similar to the American National Association Suggestion Systems. He revealed that the American organisation had grown from a membership of about 20 in 1941 to over 1,250 at present.

The Commercial Bank of Scotland and the National Bank of Scotland have merged themselves to form the National Commercial Bank of Scotland. The new bank is the largest among the Scottish banks, accounting as it does for about 30 per cent. of the total deposit business. About 37 per cent. of its "A" shares are held by Lloyds Bank Ltd.

An £800,000-copper pyrites refining plant is proposed to be set up in the Haifa area of Israel. The planned capacity in the first stage is 30,000 tons of pyrites annually, which will be trebled subsequently. Equipment for the plant, scheduled to start in 1961, is expected to be ordered from West Germany and the U.K. The plant will be set up by joint Israeli-Cypriot interests and the pyrites will be obtained from Cypriot mines owned by Bardis, which is associated with the scheme. A special company, called the Israel Ore Processing Company, has already been set up to proceed with the scheme.

The World Bank has sent a mission to Venezuela, at the request of the Government, to make a general survey of the economy and to assist in the formulation of a programme of economic development. The mission began its field work in Venezuela on the 21st inst. and expects to be there for about three months. In close co-operation with Venezuelan Government officials, the mission will examine key sectors of the economy, appraise the potentialities for further growth, and make an assessment of the country's prospective financial resources.

Authorisations have been issued by the U.S. Agriculture Department for purchase by the United Arab Republic of \$25 million worth of U.S. wheat and wheat flour. Payment will be in U.A.R. currency. The authorisations form a part of an agreement announced in July, whereby the U.A.R. will purchase with its own currency some \$57 million worth of U.S. wheat and wheat flour. The U.A.R. currency proceeds from the sales may be used for economic development activities within the U.A.R. as mutually agreed between it and the U.S.

The representatives of the Pakistan Government and a consortium of four British and U.S. oil companies have signed an agreement for the establishment of an oil refinery in Karachi. The proposed refinery will have an initial capacity to refine 1.5 million tons crude oil, which will be expanded to 2 million tons later. The capital cost of the refinery will be Rs. 15.5 crores, of which Rs. 11 crores will be in foreign exchange. The refinery will be completed within about two years. The consortium comprises Burmah-Shell, Caltex, Standard-Vacuum and Shell Petroleum.

From Abroad

The number of overseas tourists who have visited Paris since January 1959 is estimated at 1.5 million.

The U.S.S.R. has resumed direct buying of Australian wool, after an interval of six years through agents of communist bloc countries.

Japan proposes to double its port facilities within the next few years, in order to cope with the estimated increase of about 100 per cent. in traffic in the Pacific.

A leading Japanese manufacturing concern, Asanitsu Industry of Tokyo, plans to set up a \$50-million assembly plant for cars, motor cycles and scooters in Singapore. This is the first Japanese factory to be established in that country.

The Japanese Government has removed restrictions on imports from the U.S. of scrap steel, scrap copper alloy, soya beans, lard, tallow, cattle, hides, abaca fibre and gypsum. These items are now included in the automatic approval system.

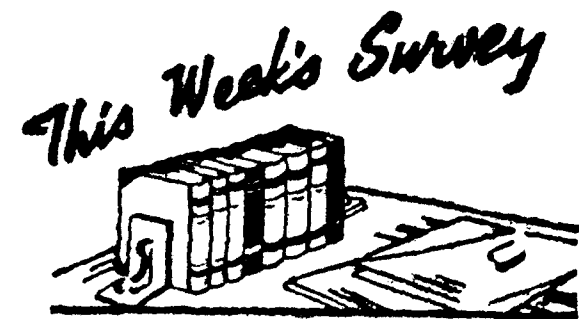
Industrial production in the U.S. in August 1959, the first full month of the steel strike, dropped by 4 per cent. from the record June level, the index of production (base: 1947-49=100) for the month standing at 149, as compared with 155 in June and 153 in July.

The Premier of Ghana, Mr. Nkrumah, has requested Mr. Edgar Kaiser, President of Kaiser Industries, to take the initiative in setting up a consortium of aluminium companies to build an aluminium smelter at Tema. Mr. Kaiser visited Accra recently.

The U.S.S.R. will introduce a seven-hour working day for all factory and office workers, with effect from 1st October next. Miners and other technicians working underground will have to work for only six hours a day. The revised schedule has been in existence, since last year, in the steel and coal industries.

The number of people engaged in scientific and technical research in Norway increased from 750 in 1946 to 3,000 at the end of last year. In 1959, official grants to research amounted to £225,000; this year, the figure is £4.8 million. In addition to this, £7.42 million of the profits of the State football pool company have been used for research purposes since 1949.

The U.K. Government has commenced discussions with the Governments of the principal rubber-growing countries on the disposal of rubber from the British stockpile. The stockpile, which amounts to about 100,000 tons, is said to be no longer required for strategic purposes. Disposal of the rubber will be spread over a number of years,



PLANTATIONS IN CEYLON

MANY underdeveloped countries have an almost pathetic faith in nationalisation. In their anxiety to avoid some of the pitfalls in highly industrialised economies, they attach considerable importance to State initiative in economic affairs. They all too easily equate State capitalism with socialism. The result is that nationalisation is raised to the status of an economic dogma which exercises a fatal fascination for its votaries. Until recently, Ceylon, too, was an uncritical worshipper of this new philosophy. A little over a year ago, the Ceylon Parliament unanimously adopted a resolution favouring early nationalisation of plantation industry. Wiser counsels, however, have come to prevail now. This unexpected development calls for not merely notice but praise. Its socialist Prime Minister, Mr. Bandaranaike, declared on 18th inst. that the Government would not nationalise plantations for at least another ten years.

It is not so much this assurance of immunity from nationalisation as his general views on nationalisation itself that will evoke widespread support from uncommitted public opinion. He said that while any Government with a socialist outlook—like his own—must necessarily consider schemes of nationalisation, it was no magic wand which could solve all the country's economic ills. This commendable, though qualified, attitude is so different from the somewhat unhelpful and doctrinaire attitude in certain other South-East Asian countries, notably Indonesia, which tends to restrain the flow of foreign private capital from the Western world to this region.

Mr. Bandaranaike rightly preferred to apply the pragmatic standard in arriving at a decision on nationalisation of industries and services. After emphasising that his Government took a practical view of the question of State ownership, he said that it had taken over bus services and the ports, as they were not being run satisfactorily under private ownership. But he conceded that nationalisation of plantations was a somewhat different matter, for the Government had to consider whether tea and rubber plantations would function more efficiently after nationalisation. By this standard, plantations should be regarded as peculiarly unfit for State ownership. Being an agro-industrial enterprise, plantations call for a certain personal element in organisation which only private ownership can possess. They are, therefore, best left in the hands of owners, who, after decades of service in the fields, have brought them to their present high level of efficiency.

LIFE INSURANCE

It is, indeed, reassuring that the Life Insurance Corporation of India, under the energetic chairmanship of Mr. P. A. Gopalkrishnan, has successfully got over the vast medley of complex problems of administration and organisation that confronted it from its very inception and is now well set on the road to further expansion of business and more efficient service to policyholders. The Chairman, in his address to the 42nd meeting of the L.I.C., convened to consider the draft annual report of the Corporation for the year 1958, gave a very satisfactory picture of the working of the Corporation during the year and the results thereof.

In respect of new business, the Corporation was able to show a creditable record in 1958. The number of policies issued and the sum assured increased from 795,000 and Rs. 281.90 crores in 1957 to 935,000 and Rs. 343.07 crores in 1958. The total business in force increased to 6,230,000 policies, assuring a sum of Rs. 1,681 crores, at the end of 1958, as compared with 5,683,000 policies, assuring a sum of Rs. 1,473 crores, at the end of 1957.

It is also noteworthy that the net lapse ratio, that is, the ratio of the sum assured lapsed less the sum assured revived, to the mean business in force, declined from 6.4 per cent. in 1957 to 4.5 per cent. in 1958, indicating that the

rise in new business was not the result of doing rush business to produce an impressive record. The renewal expense ratio too has declined, though fractionally, from 15.89 per cent. in 1957 to 15.46 per cent. in 1958. The Corporation hopes to bring down the ratio further, as, indeed, it should, in 1959. Tight budgetary controls are said to have been already instituted for this purpose.

1959 is the first year of the Corporation's Five-year Plan which aims at securing new business of Rs. 1,000 crores in the fifth year of the plan, that is, in 1963. If the trend of new business during the first eight months of 1959 is any indication, and provided it is maintained, it is quite likely that the Corporation will hit the target of Rs. 415 crores fixed for the current year. During this eight-month period, new business completed amounted to Rs. 148.16 crores, representing a rise of 23 per cent. over the figure for the corresponding period of last year.

The figures quoted by the Chairman show that the investments of the Corporation in the public sector steadily increased from year to year whereas investments in the private sector progressively declined. Thus, while investments in the public sector rose from 77.4 per cent. of total investments in 1957 to 78.3 per cent. in 1958 and 78.6 per cent. by the end of July last, investments in the private sector dropped from 22.6 per cent. in 1957 to 21.7 per cent. in 1958 and 21.4 per cent. by the end of July 1959. Though the Corporation is willing to maintain the flow of investment to the private sector, it is said to be finding it increasingly difficult to do so, thanks to comparative shortage of sound scrips. This deficiency is sought to be made good by the grant of loans on mortgage of properties. A decision favouring this has been taken by the Corporation recently. The difficulty presented by shortage of good shares can be partly got over if the Corporation goes in for scrips of comparatively young but promising ventures which may not at present qualify themselves to be on the Corporation's list. This, however, would require a change in the Corporation's investment policy.

The Chairman referred to the need for training the staff, selection and strengthening field force, opening of new offices, market surveys and publicity, etc., to attain the Corporation's Five-year Plan target. These efforts, if well directed, could prove highly fruitful. The Corporation should also ensure that its proposed building programmes for office and staff quarters, the importance and urgency of which the Chairman dilated upon at some length, have a direct bearing on the production of more and better business and efficient servicing of policyholders.

SOAP INDUSTRY

The organised sector of soap industry continues to make efforts at maintaining as high a level of output as possible. Actual production is said to be currently running at an annual rate of 120,000 tons—it was, in fact, higher at 123,456 tons—which compares favourably with 83,146 tons produced in 1951, a rise of 45 per cent. The increase in output has followed a notable expansion of capacity, from 182,000 tons in 1951 to 253,272 tons now (calculated on the basis of single-shift working and 300 working days a year). Although the production performance is quite encouraging, there is nevertheless a lot of idle capacity, to the extent of nearly 53 per cent. Such huge idle capacity has persisted for a number of years. What is it due to? This is a pertinent question, and it is somewhat surprising that Mr. B. Maitra, the retiring President of the Indian Soap and Toilettries Makers' Association, should have failed to explain the reasons for it, when he addressed the twenty-fifth annual meeting of the Association held at Calcutta on Monday the 14th inst. It is to be hoped that the issue will receive due consideration at the Association's silver jubilee proposed to be celebrated sometime during the cold weather.

Mr. Maitra, however, held out bright prospects for the soap industry. "It is my belief," he said, "that, with the growth of population, coupled with the additional purchasing power expected through the heavy development expenditure under the several Five-year Plans, there shall be greater sales of consumer goods." He alluded to the targets for soap production suggested by the sub-committee of the Soap Panel appointed by the Development Council, namely, 539,700 tons to be reached in 1966 (organised sector: 206,000 tons and unorganised sector: 333,700 tons), as against 377,300 tons

(144,000 tons and 233,300 tons, respectively) in 1961 and 291,000 tons (111,000 tons and 180,000 tons) in 1957.

The successful realisation of this target will depend on many factors. In particular, Mr. Maitra mentioned four. First, the requirements of oils, caustic soda, soda ash, salt, rosin, silicate, etc., will be large and the soap industry must get them without much difficulty. Mr. Maitra wanted the manufacturers to utilise as much as possible non-edible oils and poor quality fats which will release the edible and high period fats for food purposes. Secondly, the requirements of essential oils and aromatic chemicals will also be large. The industrialists must take up their manufacture. The establishment of coal tar by-products, intermediates and organic chemicals industries will greatly supply the basic raw materials of the soap industry. The Government should be approached for exempting natural essential oils from import duty. Thirdly, sales tax is still a major headache. This tax must be collected at the source. Also, the sales tax must be combined with excise duty. Finally, soaps are practically subject to double taxation. Oils for the manufacture of soaps should be exempted from excise duty.

The need for encouraging higher production of soaps—both toilet and washing—cannot be stressed too strongly. The demand for the commodity has gone up quite substantially—the actual consumption of soap in 1956 was 240,000 tons, as against 173,400 tons in 1951, a rise of 38 per cent. in five years—and will continue to rise in the coming years. The soap industry must endeavour to meet this rising demand, quantitatively, qualitatively, and at a reasonable price. Mr. Maitra did well to urge the importance of constant research in the field of production, so as to improve the quality of soaps and toilettries, as well as market research, including product studies to evaluate consumer reactions to particular products, consumer studies (why consumers buy and what they like), and advertising studies.

AIR-INDIA'S EXPERIMENT

India's enterprising national airline, Air-India International, in conjunction with the resourceful Bank of India, is trying a new experiment in popularising air travel by bringing it within the reach of the man of modest means. It has announced this week a new scheme of hire-purchase so common in Western countries in the sale of consumer durables—a practice which is gradually getting into vogue in India also. The "travel-now, pay-later" scheme is new to this country, though many other international airlines have it. Air-India itself is no stranger to it, for it too sells its service on hire-purchase basis in some foreign countries such as the U.K., Australia and Greece.

Under the new scheme, which will come into effect on 2nd October next, a passenger, if he wishes to avail of it, will be required to make a down payment of only 20 per cent. of the air passage fare. For the balance, the Bank of India, after the necessary inquiry into the financial status of the passenger, will sanction a loan covering upto 80 per cent. of the fare which will be repayable in 15 convenient monthly instalments from the date of grant of the loan. Interest at one per cent. per month will be charged on the loan. This works out to a little over 9 per cent. per annum.

If a passenger wants to fly from Bombay to London, a tourist class ticket will now cost him Rs. 1,854. If he takes advantage of the new scheme, he is required to make a cash payment of only Rs. 370.80, that is, 20 per cent. of the fare. The balance of Rs. 1,483.20, that is, 80 per cent., will be loaned to the passenger by the Bank of India. The scheme will be put into effect in areas where the Bank of India has its offices. It will also be simultaneously implemented in Aden, Dar-es-Salaam, Jinja, Kampala, Mombasa, Nairobi, Singapore, Tokyo, and Osaka.

This scheme is likely to meet with encouraging response. It will tap new categories of traffic and would also help bring the benefit of fast, convenient air travel (Air-India will operate jet aircrafts next year) within the means of those who are not at present in a position to travel by air. It will be beneficial particularly to students wishing to go abroad for higher studies, but who cannot afford to pay the entire air fare in cash at one stroke. Students, in addition, will get a 25 per cent. concession in fare. But, considering the restriction on the amount of foreign exchange that

a person can take with him, it is doubtful whether the new scheme will, in itself, be a sufficient inducement to travel for those who merely want to go abroad for a holiday. The success of the new scheme will, therefore, depend on the extent to which the Government is prepared to relax this restriction.

INDIAN SHIPPING

Several specific suggestions for the expansion of Indian shipping were made by Mr. C. R. Srinivasan, Chairman, The Bharat Line Ltd., in the course of his speech at the annual meeting of the Company, held this week at Bhavnagar. Mr. Srinivasan felt that the present was a most opportune time for acquiring additional tonnage, thanks to the decline in the prices of ships. But before Indian shipping companies could turn this circumstance to their advantage, there are quite a few conditions which must be fulfilled. Clearly, they cannot go in for new ships, if their earning capacity is restricted or if they do not get the necessary capital resources. In this connection, Mr. Srinivasan deplored that the Government should compel the shipowners to carry State-owned cargo at somewhat unfavourable rates. Broadly speaking, his charge was that the Government wanted to have the best of both the freight worlds. It offered liner rates when the market rates were above them and reversed the process when world market rates slumped. Since the cargo which the Government controls is an increasingly expanding quantum of overseas trade, it is obvious that, unless it gives economic rates to Indian shipowners, they will find themselves in financial deep waters.

Among other suggestions made by Mr. Srinivasan, three deserve special attention from the authorities. In the first place, he suggested that Section 51 of the Merchant Shipping Act 1958 should be so amended as to eliminate the necessity for the foreign creditors of Indian shipping companies to approach the High Court in this country for recovery of their money. Such an amendment would make ships an attractive collateral security for purposes of borrowings. Secondly, he pleaded, in effect, for proper administration of the Shipping Development Fund. Although the Fund had

been set up, it had not yet commenced functioning effectively. He also supported the plea made by Mr. G. L. Mehta for the setting up of a counterpart fund in foreign exchange to the Shipping Development Fund. Thirdly, he emphasised the need for fiscal relief. In particular, he drew the attention of the authorities to the burden of capital gains tax and the operation of the balancing charge in respect of depreciation. Further, he suggested that either the tax paid in a foreign country should be treated as an expenditure, or once the profits have been taxed in a foreign country, they should not be added to the profit made in India. This suggestion merits special consideration, because relief from double taxation is particularly essential for the shipping industry which, by its very nature, is international in its operations.

TOBACCO

The warning against unrestricted and uncontrolled production of tobacco, given by Mr. Lal Bahadur Shastri while addressing a conference of tobacco growers at Guntur (Andhra Pradesh) this week, is both timely and pertinent. Growers of tobacco must get a reasonable return commensurate with the time, energy and money spent on its cultivation. It is true that prices of tobacco have registered a marked rise of late, the all-India wholesale price index (base: 1952-53=100) for the week ended 29th August 1959 standing at 97.6, as against 88.8 a year before. But the rise has not helped the growers, because of the continued heavy accumulations of stocks, despite the appreciable decline in production from 687.52 million lbs. in 1955-56 to 564.48 million lbs. in 1957-58. The quantity of *natu* (country) tobacco at present lying unsold with growers is put at as much as 20-23 million lbs., of which 10 million lbs. are reported to have been damaged.

The crisis that has overtaken the market for tobacco is certainly unfortunate and must be solved. Tobacco, as is well known, is an important commodity from the point of view of both internal consumption and exports; the average annual foreign exchange earned is about Rs. 16-17 crores. It is encouraging to note that Mr. Shastri announced that the Central Government would appoint, in consultation

with the State Governments, an enquiry committee to examine carefully all the problems relating to the tobacco industry. He struck a note of realism when he urged that both short-range and long-range plans had to be devised for improving the prospects for tobacco.

As short-range plans, Mr. Shastri urged increased purchases of tobacco through different business firms and marketing societies. He called upon the big companies like the Imperial Tobacco Company of India and the National Tobacco Company to take more interest and give substantial assistance by purchasing some more stocks. These companies, however, may legitimately point out that taxation on tobacco products is excessive, making heavy inroads on their resources. Mr. Shastri also stressed the need for stepping up tobacco exports. He revealed that the State Trading Corporation was evincing special interest in the matter; the talks with Japan had resulted in releasing 1.5 million lbs. of *natu* tobacco and the S.T.C. was in the midst of negotiations with other countries. With regard to long-range plans, Mr. Shastri pointed out that, since every year surplus stocks of about 20 million lbs. were remaining unsold with either traders or growers, new markets should be found and the quality must be improved. He promised to get the question of starting a cigarette factory in Andhra examined carefully by his department. He also promised to persuade the Food and Agricultural Ministry to provide fumigation facilities in one or two ports. These assurances of Mr. Shastri are quite welcome. Equally reassuring is his statement that the Railway Board is prepared to give priority for the transport of unmanufactured tobacco for export on the recommendation of the Export Promotion Directorate.

The National Coal Development Corporation has drawn up a scheme for training of over 400 mining engineers and officers in foreign countries. So far, 15 officers have been sent abroad—13 to the U.K. and one each to the U.S. and West Germany. Another 42 trainees are expected to be sent shortly under different foreign aid programmes. Four training schools have also been set up by the Corporation to meet the demand for junior technical personnel. The schools were opened in 1958 with an annual recruitment of over 400 students.

NATIONAL DIRECTORY OF MANAGEMENT EXECUTIVES

—the first of its kind in India

SPONSORED BY

INDIAN COUNCIL OF MANAGEMENT EXECUTIVES

(Registered under Societies Act 1960)

POST BOX 1914, BOMBAY-1

BOARD OF CONTROL

Mr. S. M. DAHANUKAR, M.L.C.
Mr. T. O. CAULKINS
Prof. A. R. WADIA, M.P.
Mr. G. D. SOMANI, M.P.
Sir B. P. SINGH ROY
Mr. RAMNIVAS R. RUIA

Mr. K. T. CHANDY
Mr. Y. A. FAZALBHOY
Mr. MOHAN SINGH
General SHANTA SHAMSHER
Mr. M. G. VOHRA
Mr. G. WILHELM

EDITORIAL BOARD

Dr. M. V. MOORTHY (Tata Inst. of Social Sciences)
Prof. R. J. TARAPOREVALA (University of Bombay)
Prof. D. K. SANYAL (University of Calcutta)
Mr. C. L. GHEEVALA (Indian Merchants' Chamber)
Mrs. SHERA N. VAJIFDAR (Progressive Group)

Edited by: K. S. GUPTA, Director, Bombay Labour Bureau

CONTENTS

- * Fifty men behind private sector in India.
- * Who's who of top executives in private sector
- * Who's who of top executives in public sector
- * List of managing directors of public and private limited companies
- * Survey of India's major industries

COPYRIGHT RESERVED

- * Indian economic indicators (1955-1960). Prices, cost of living, wages, labour, industrial production, foreign exchange, foreign trade, foreign aid etc.
- * List of British, American and Foreign firms in India
- * 1000 pages, Rexine cloth-bound on Art paper. Profusely illustrated.
- * Pre-publication price .. Rs. 40/- } POSTAGE
- * Post-publication price .. Rs. 60/- } EXTRA

BOOK YOUR COPY IN ADVANCE

CONTACT THE DIRECTORY'S SECRETARY, MISS F. H. HAMZAWALA, POST BOX 1914, BOMBAY 1.

FOR FREE WRITE-UP OF EXECUTIVES IN WHO'S WHO SECTION OF THE DIRECTORY, SHE IS FULLY INFORMED ON THE SUBJECT. WHY NOT WRITE OR CONTACT HER TODAY BY APPOINTMENT ON OFFICE TELEPHONE 40561?



BUILDING UP COMMONWEALTH'S LIVING STANDARDS ROLE OF ECONOMIC CONSULTATIVE COUNCIL

By Stanley Godfrey

LONDON, 21st September

PAPER plans for easing the world's ills are easy to produce. It is harder to find the money to carry out these plans. And one of the hardest problems that has to be solved is how to make the best use of what money is available for world programmes for aid and development. There are major problems of co-operation between the various monetary regions—the sterling area, for example, the dollar area, and the regions controlled by the Soviet economy.

At the Commonwealth Trade and Economic Conference in Montreal, Canada, last year, the Finance Ministers declared: "It remains our objective that sterling should be made fully convertible as soon as the necessary conditions have been achieved." As a major move towards this end, it was decided that, with effect from 29th December last year, all restrictions on the free transfer of current-account sterling held by non-residents of the sterling area were to be lifted.

The Ministers also decided to support the initiative taken by the United States for consideration of a substantial increase in the resources of the International Bank for Reconstruction and Development (I.B.R.D.).

During the year since that decision was made, steps have been taken to increase I.B.R.D.'s resources by the doubling of subscriptions and of the International Monetary Fund by a 50 per cent. increase in quotas. The United Kingdom has already made both contributions, and other Commonwealth nations have either completed, or are in the process of making, the necessary legislative arrangements. The matter will be reviewed at the forthcoming meetings of I.B.R.D. and the Fund in Washington, and it is hoped that formalities in all member-countries will be completed this year.

Besides discussing the question of economic aid in the world as a whole, the Commonwealth Finance Ministers, at their current meeting in London will also review the needs of the less-developed nations within the Commonwealth family. It was agreed at Montreal last year that the Commonwealth nations would do all they can, "even to the extent of some sacrifice, to assist in a solution of these vital problems."

To this end, a Commonwealth *ad hoc* advisory group met in London in July of this year to give further study to means of mobilising resources to finance schemes of Commonwealth development.

The Ministers are also expected to consider the proposal for an International Development Association which will be further discussed at the forthcoming meetings of I.B.R.D. and the Fund.

So far as the United Kingdom Government is concerned, this question of aid to underdeveloped nations of the Commonwealth has always been of major concern. The United Kingdom representative told the Montreal conference last year that Britain was intending to make Commonwealth assistance loans available from United Kingdom Exchequer funds.

Under this programme, the United Kingdom Government has agreed to make Commonwealth assistance loans of £28,500,000 to India, £10,000,000 to Pakistan, and £12,000,000 to Nigeria after she attains independence during the coming year. They have also agreed to Exchequer loans, under the Colonial Development and Welfare Acts of 1959, of £3,000,000 to Nigeria before independence, and have also undertaken to make available £4,000,000 to British Guiana.

Hand in hand with the need for hard cash to carry out Development plans goes the need for skilled technicians and experts to carry them through. It was with this in mind that the Montreal conference agreed "on the great importance of education and training as an indispensable condition of development," and said that Commonwealth nations should help each other "as much as lies in our power."

These themes were at the basis of the Commonwealth Education Conference held in Oxford last July, where plans were worked out for 1,000 Commonwealth scholarships and fellowships. Other recommendations adopted aimed at more effective pooling and development of educational

resources within the Commonwealth, particularly in improving the supply and training of teachers.

Communications play an important part, too, in improving co-operation within the Commonwealth. The "penny-a-word" special rate for press cables within the Commonwealth has been an important factor in keeping member-nations informed of each other's affairs.

It was agreed in principle at Montreal that communications could be bettered by the establishment of a round-the-world Commonwealth coaxial-cable telephone system. A conference between Britain, Canada, Australia, and New Zealand will open in Sydney on 28th September 1959 to begin the planning of the Pacific section of this round-the-world telephone link.

The Commonwealth Economic Consultative Council meeting in London will cover much wider ground than the Commonwealth Finance Ministers have done in the past. It will be the first meeting of the Council at ministerial level. At the official level, a meeting of senior Commonwealth economic officials took place in London in May. There was also held, in July, a meeting of Commonwealth officials to consider the balance-of-payments position and a meeting of an *ad hoc* advisory group on Commonwealth development.

All in all, it has been a busy year, and from the progress already made it is safe to say that, in the coming years, the Commonwealth Economic Consultative Council will play an increasingly important role in building up the standard of living within the Commonwealth of Nations and demonstrate to the world that membership of the Commonwealth, besides its traditional ties of friendship, possesses economic advantages not to be found in any other grouping of nations.

ALUMINISED CLOTH—A NEW KIND OF FABRIC

British textile experts have developed a new kind of cloth which will keep people cool in summer and warm in winter. It is aluminised cloth and its development—at the Shirley Institute, Manchester—took two years. According to Mr. W. Howard Rees, senior research officer at the Institute and leader of the team that made the new fabric, it was evolved by bonding a film of aluminium on one side of a piece of ordinary rayon cloth, the principle being that the layer of aluminium will serve as an impediment to the transfer of radiated heat. The aluminium looks like the silver paper in a cigarette packet.

Worn with the aluminium on the outside, the cloth will reduce the radiation of heat from a person's clothing and thus would be a more effective insulator than ordinary cloth. Worn on the inside of the material, the aluminium will help keep a person cool in situations where direct sunlight or some other source of heat was falling on it. Thus emerges the prospect of reversible suits.

One of the major difficulties of developing a fabric of this kind was that it was necessary to ensure that it remained porous to the atmosphere, so that water vapour could escape from the layer between the fabric and a wearer's body. In order to provide reversible insulation, it was also necessary to coat only one side of the fabric. This meant sticking the aluminium to the cloth in the form of powder, and it has, as yet, not been possible to estimate the durability of this coating. Mr. Rees is hopeful that better adhesives will become available, so that a tendency for the aluminium to rub off would be diminished.

Only 10 yards of the material are now in existence, but, in two years' time, the fabric may be in commercial production. The invention has been patented as the Shirley Metallized Fabric. One likely use for it is as battle-dress for soldiers and firemen, as the aluminium will, it is claimed, bounce off heat from fires and explosions. And it will make a lightweight mackintosh as warm as a heavy overcoat.

ANOTHER WORLD BANK LOAN TO ITALY

For the first time since its inception 13 years ago, the World Bank has announced a loan for the development of nuclear power. The loan, amounting to \$40 million, has been granted to an Italian Government agency, the Cassa per il Mezzogiorno, for the construction of a 150,000-kilowatt atomic power plant by the Società Elettronucleare Nazionale (SENN) to which the proceeds of the loan will be re-lent. The total cost of the project is estimated at the equivalent of \$66.4 million. The World Bank loan will cover about 60 per cent. of the total cost and the remainder will be provided by SENN's shareholders.

The Bank's loan is for a term of 20 years and bears interest of 6 per cent., including the 1 per cent. commission which is allocated to the Bank's Special Reserve. Amortisation will begin on 15th February 1964. The loan is guaranteed by the Republic of Italy.

NOTES FROM WEST GERMANY

THE FIRST TEN YEARS SPECTACULAR ECONOMIC GROWTH

(From A Special Correspondent)

COLOGNE, 18th September

THIS month marks the tenth anniversary of the Federal Republic of Germany. In September 1949, her parliamentary bodies assembled for the first time. The first—and now retired—President, Professor Heuss, and the first—and still active—Chancellor Dr. Adenauer, were elected, and the first Government of the young Republic were sworn in.

Though there is not much ado about this anniversary in the public, people are aware that an important chapter of German political and economic history has been written in these ten years. The Federal Republic became a full and equal partner in many organisations created after the war for European and world-wide economic integration. The young Republic joined O.E.E.C., the European Payments Union, the European Coal and Steel Community (E.C.S.C.) established in 1951, and the European Economic Community in 1957. She also became a full-fledged member of international bodies such as the International Monetary Fund, the World Bank, G.A.T.T., U.N.E.S.C.O., etc. Along with the process of consolidating the political position of the Federal Republic, the limitations originally imposed on her sovereignty were successively removed. Such limitations were completely abolished when the Federal Republic joined the Western European Union and N.A.T.O. in 1955.

During the last ten years, economic and financial relations with the countries of the free world became more and more normal. German and European production increased at an impressive and steady rate, contributing to a world-wide growth of foreign trade. The Federal Republic's foundation ten years ago may now well be judged in the perspective of an unprecedented economic growth and drive for integration. W. Germany has used her growing economy and her financial resources for a new and very active partnership in solving the economic problems of the free world. The return to economic freedom and to political independence has, therefore, benefited not only Germany herself, but economic prosperity of the world at large.

German industry is fully aware of its heavy responsibilities towards the free Western world to which the Germans are firmly linked by tradition and common cultural heritage. German industry, whose representatives co-operate in many important private and public international bodies and organisations, knows that it has to bear its full share in solving the problems this world still faces, especially those linked with the developing countries. Its readiness to help and to co-operate also is a sign of its gratitude for the assistance and encouragement the Federal Republic has been given in the past by the family of free nations. In this sense, the tenth anniversary of the Federal Republic is also seen as a symbol of her devotion and commitment to the principles of liberty and integration under the banner of freedom, which, the Germans hope, will one day apply to unified Germany, too.

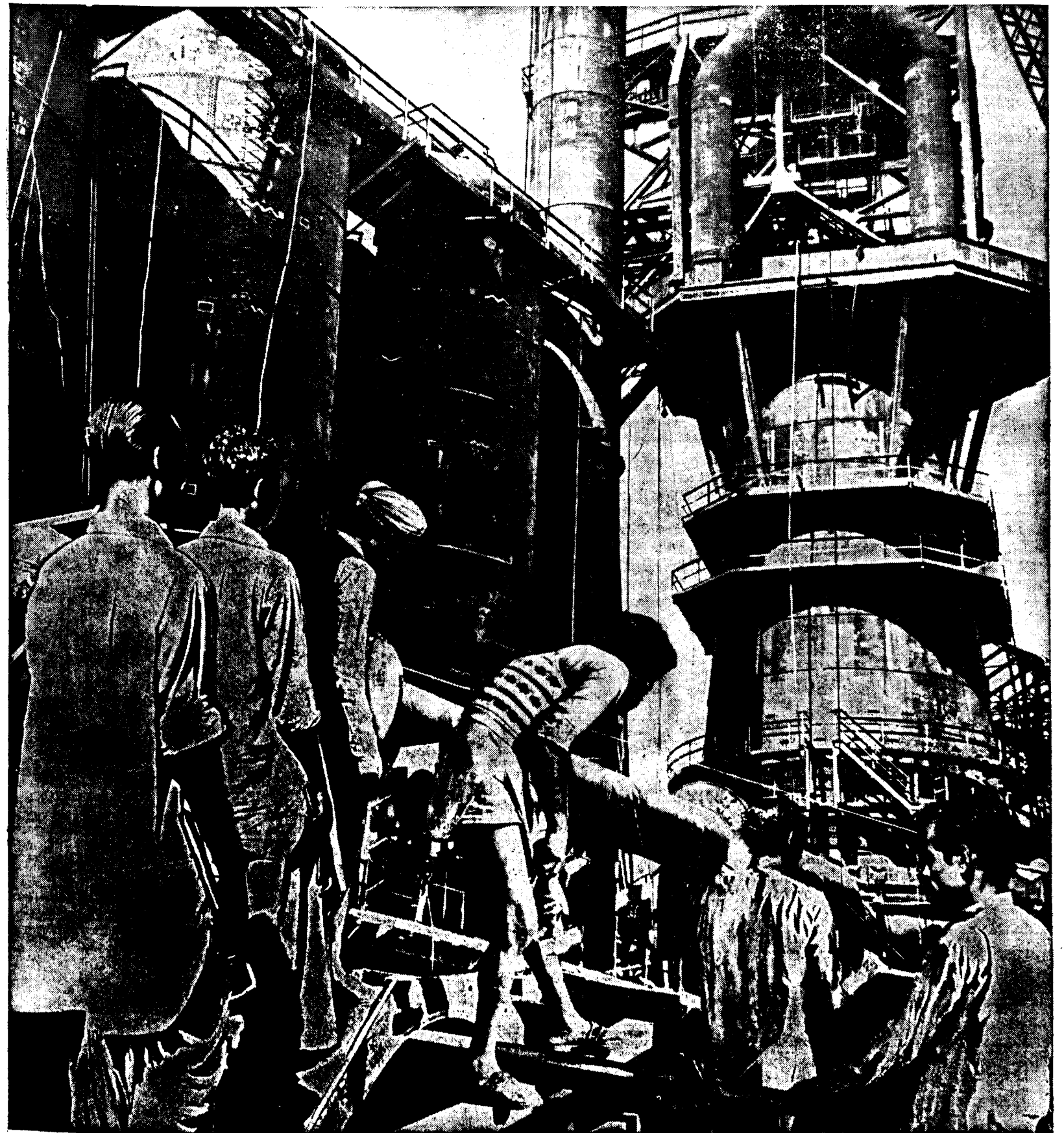
The following data, compiled from official statistical sources, provide some insights into the economic and social record of West Germany during the period 1949-59:

Gross National Product: At current prices, it rose from 97,200 million DM in 1950 to 222,300 million in 1958, an increase of 129 per cent. At 1954 prices, the increase was 77 per cent.

Industrial Production: In 1949, the index stood at 89 per cent. of the country's 1936 level, the last normal pre-war year. In June 1959, it had climbed to 249 per cent. Annual production figures for cars rose from 216,000 in 1950 to 1,181 million last year, for wrist watches from 2.96 million to 7.21 million, for nylons from 23 to 177 million, for cameras from 1.89 to 3.07 million and for TV sets from nil to 1.49 million.

Consumption: Per 100 households there are now 21 refrigerators (vs. 2 in 1953), 20 washing machines (vs. 9 in 1953), 52 vacuum-cleaners (26), 30 electric shavers (5), 12 kitchen machines (1), 15 lbs. in 1948-49 to 35.2 lbs. in 1957-58, that of 206.6 pints, of eggs from 45 to 201, and of citrus fruit from 3.3 lbs. to 41.36 lbs. Per-head consumption of beer doubled from 1950 to 1958 (149.9 pints (1,135 last year), that of cigarettes almost trebled (6.44 lbs.), and that of German champagne-wine more than five times (1.22 pints).

Labour and Wages: Total labour force mounted up from 13.6 million in September 1949 to 19.6 million (Continued on page 536)



The steelworks at Durgapur are helping to build a great new India

Today in Durgapur, 120 miles from Calcutta, nearly thirty thousand Indian men and women and a number of Britain's most famous engineering companies are building the steelworks that will soon be the pride of India. From Durgapur, a million tons of pig iron and steel will pour out every year to be used in India's colossal industrial programme. It will create employment for many thousands of people all over the country. Durgapur will help

to create a better life for everyone.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited, Head Wrightson & Company Ltd, Simon-Carves Ltd, The Welfman Smith Owen Eng. Corp. Ltd, British Thomson-Houston Co. Ltd, The English Electric Co. Ltd, The General Electric Co. Limited, Metropolitan-Vickers Electrical Export Co. Ltd, Sir William Arrol & Company Ltd, Cleveland Bridge & Engineering Co. Ltd, Dorman Long (Bridge & Engineering) Ltd, Joseph Parks & Son Ltd, The Cementation Company Ltd, Iscon Cable Group (Siemens Edison Swan Ltd, and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

RESOURCES OF WORLD BANK AUGMENTED OVERWHELMING RESPONSE FROM MEMBERS

ALL countries which are in need of large-scale external assistance for economic development, more especially the undeveloped and underdeveloped nations, have reason to feel gratified at the excellent response to the World Bank's move last year to augment its resources. At their last annual meeting held in New Delhi in October 1958, it will be recalled, the sixty-eight Governors of the Bank's Board (each representing one member-Government) directed the Executive Directors "to consider the question of enlarging the Bank's resources through an increase in the Bank's capital." The Directors, in turn, recommended that the authorised capital of the Bank be raised, the rise becoming effective on receipt, by the Bank, of \$7,000 million (\$7 billion) in new subscriptions by 15th September 1959. The member-Governments voted overwhelmingly in favour of the rise, and the amount of increase in subscriptions required by the aforesaid date was surpassed by a large margin—as much as \$1,800 million (\$1.8 billion).

The fresh capital subscriptions from member-Governments actually received by the World Bank upto the 15th inst. aggregated \$8,801.4 million, of which \$62.52 million will be paid, the balance being subject to call to meet the Bank's obligations. Forty countries have taken steps to raise their subscriptions to the Bank's capital and others are expected to follow. Out of the total additional subscriptions amounting to \$8,801.4 million, the share of the U.S. alone comes to \$3,175 million, followed by the U.K. with \$1,300 million. West Germany accounts for \$681 million, France for \$525 million, Canada for \$415 million and India for \$400 million.

Additional Subscriptions

By far the larger part of the increases, it is said, consists of a doubling by member-Governments of their subscriptions. A good many members have also made special additional subscriptions, over and above their 100 per cent. increases, as a means of making their capital participation in the Bank more proportionate to their economic growth in recent years. The Governments of 17 countries, including Canada, Japan and West Germany, have made, or indicated their intention to make, such special additional subscriptions.

The principal objective in enlarging the World Bank capital is to strengthen its ability to borrow funds for financing loans for economic development, by increasing the portion of members' subscriptions remaining on call. Prior to the latest action by the members, the subscribed capital of the Bank was \$9,556.50 million. Of this amount, \$1,911.3 million had been paid in and \$7,645.2 million were subject to call to meet the Bank's own obligations in the event of it not being able to do so from its other resources. With the increase in subscriptions received to date, the subscribed capital of the Bank will rise to \$18,357.90 million, of which \$1,973.82 million will be paid in and is usable in the ordinary operations of the Bank. The balance of \$16,384.08 million will be on call, serving as a guarantee fund for the Bank's bonds and other obligations. With effect from the 16th inst., the authorised capital of the Bank has been stepped up from \$10,000 million to \$21,000 million.

The following table shows the effect of increases in capital on the callable liability of the first six large shareholders of the Bank:

(In million U.S. dollars)

	Prior to increase in subscriptions	Amount of increase	After increase in subscriptions
United States	2,540	3,175	5,715
United Kingdom	1,040	1,300	2,340
W. Germany	264	681	945
France	220	525	745
India	320	400	720
Canada	260	415	675

It will be seen from the above figures that India which held the fourth position in the rank of subscriptions to the World Bank has now been relegated to the fifth place. The fourth place is now held jointly by France and West Germany.

Now that its resources have been augmented in a large measure, the World Bank is in a position to extend its lending activity quite substantially. Since the World Bank opened its

door for business thirteen years ago—25th June 1946, to be precise—and up to the end of August 1959, its aggregate loan commitments amount to \$4,604.3 million. Of this sum, \$585.3 million have been sold by the Bank to other investors, \$274.0 million repaid to the Bank and \$112.3 million cancelled or refunded.

The total of the Bank's outstanding funded debt as on 31st August 1959 stands at \$1,905 million. The major portion of this amount—as much as \$1,591 million—is denominated in U.S. dollars, the remaining \$314 million in Belgian francs, Canadian dollars, Deutschmarks, Netherlands guilders, pound sterling and Swiss francs. Roughly half of the ownership of the Bank's issues is accounted for by institutional investors in the U.S. and the other half by investors in forty or more other countries.

The reserves of the Bank aggregate \$433.5 million (as on 31st August 1959). This is made up of (1) a supplemental reserve for losses on loans of \$291.3 million, all of which is derived from net earnings, and (2) a special reserve securing the Bank's obligations amounting to \$142.2 million, derived from the 1 per cent. annual commission charged on all outstanding and disbursed loans of the Bank. During the fiscal year ended on 30th June 1959, the net earnings of the Bank credited to the supplemental reserve were of the order of about \$46.5 million and the commissions credited to the special reserve amounted to \$24 million.

CURB ON BANK CREDIT IN JAPAN

With a view to curbing an undue expansion of bank credit, the Government of Japan has imposed a reserve deposit system on private banks, with effect from the 11th inst. The ordinances providing for such a system were drafted as long ago as in May 1957, but they had been kept in abeyance. The new system requires the city banks with deposits aggregating more than £20 million to keep as a reserve 1.5 per cent. of demand deposits and 0.5 per cent. of fixed deposits; the corresponding percentages of reserve to be kept in the case of bank with less than £20 million deposits are 0.75 and 0.5, respectively.

The above measure followed the warning given by the leading Japanese financial experts that the country's economy had become 'overheated.' Since the beginning of this year, the experts had pointed out, industrial production had been rising at an average rate of 5 per cent. per annum. The rise

had encouraged the industries to begin investing at a rate approaching that of 1956-57 which resulted in a \$500-million foreign exchange deficit in the first half of 1957. Justifying the latest measure, the Finance Minister of Japan, Mr. Eisaka Sato, said recently that it in no way represented the imposition of a tight money policy; rather it was a preventive step against anticipated excesses in economic activities.

Inasmuch as private banks have been trying to augment their reserve deposits over the last year or so, the effect of the new requirement is expected to be more psychological than practical. But, if the move is not effective, the Central Bank of Japan, it has been made clear, will consider the raising of the official bank rate. Commenting on this new restriction on Japanese banks, the Tokyo Correspondent of the *Financial Times*, London, observes:

"The measure is particularly interesting at this time, because it reinforces the feeling in many Japanese financial circles that the Government is strengthening its control over the nation's economy through financial measures rather than trade or tariff measures. This approach will be made easier by a revision of the law governing the Bank of Japan which has just been made public. This is believed to be in line with the Government's attempts to centralise Japanese financial policy to a far greater extent than it is at present. Frequently, economic policies put forward as official Government policies are frustrated by conflicting measures from such agencies as the Finance Ministry and the Economic Planning Agency."

The Government of Japan is also contemplating to have more control over the Central Bank of Japan, so that it may co-ordinate economic measures far more effectively than is possible at present. The proposed draft revision of the Bank of Japan Law, we are told, is now being studied by a special committee consisting of representatives of both the Government and private financial circles. The draft revision is expected to come before the Diet (Japanese legislature) in the ensuing ordinary session beginning in December next.

FOREIGN CAPITAL TO JAPAN

The pace of influx of foreign capital into Japan is expected to be accelerated considerably in future, as a result of the new system put into effect by the Japanese Government. The system envisages that approval for the induction of capital, which may directly or indirectly contribute to the steady development of the Japanese economy or improve the country's international balance of payments, is granted more easily. At the same time, the remittance of compensation, profit and principal will be permitted to such an extent as is consistent with the need for preserving Japan's foreign currency reserves. Remittances may be postponed temporarily. If Japan's currency situation becomes unfavourable, and will be permitted as soon as possible after the situation improves again. The Government firmly believes that it is unlikely that permission for remittances will ever be suspended even for a very short period. The details of the "Approval System" are given below:

1. Conditional approval in accordance with the Foreign Capital Law means that approval will be based on Article 14 of the Law; it will be granted subject to the condition that the remittance of compensation, profits or principal may be temporarily suspended when such remittances shall cause any difficulties with regard to Japan's foreign exchange situation.

2. Approval of remittances (authorisation system) under the Foreign Exchange Control Law is designed to allow foreign investors, who, in concluding agreements for acquiring shares or for rendering technical aid, receive authorisation from the appropriate Minister to transfer compensation, profit or principal, remit such funds automatically by means of simple procedures so long as such remittances do not adversely affect Japan's foreign currency position. The application for such authorisation is to be submitted to the appropriate Minister through the Bank of Japan and will be handled along similar lines to procedures taken in accordance with the Foreign Capital Law.

With the introduction of the new system of conditional approval, the granting of authorisation for the induction of foreign capital into Japan, it is claimed, will be made easier and quicker.

I.F.C.'s INVESTMENT IN VENEZUELA

The International Finance Corporation has just announced a commitment to invest up to U.S. \$1.25 million in Refractories General-Vikora de Venezuela, C.A. (GREKORA), a new Venezuelan corporation, to manufacture refractory bricks and materials. GREKORA will be owned by the General Refractories Company of Philadelphia and the Corao family and associates in Venezuela which have operated a refractories plant in Caracas since 1932. The project includes the construction of a new refractories plant at Barquisimeto with an initial capacity of about 5 million bricks a year on an eight-hour shift basis; modernisation and expansion of an existing plant in Caracas doubling its capacity; and purchase of fire-clay deposits to provide raw materials for both plants. The refractory bricks and materials are used in kilns, glass, ceramic, sugar, and other industries. The total cost of the project is about \$3.4 million, of which \$2.1 million is being invested by the project sponsors. The I.F.C.'s investment will be represented by U.S. dollar notes, maturing by 1967, and bearing interest at 7 per cent. in dollars and addition, the I.F.C. receives an option on shares, without payment.

ANNUAL MEETING OF BHARAT LINE LIMITED CHAIRMAN, C. R. SRINIVASAN, ON GOVERNMENT'S FREIGHT POLICY PLEA FOR TAX RELIEF AND MORE ATTENTION TO DEVELOPMENT OF PORTS

ADDRESSING the Thirteenth Annual General Meeting of The Bharat Line Ltd., held at Kundan Kunj, Bhavnagar, on Wednesday, 23rd September, 1959, the Chairman of the Company, Mr. C. R. Srinivasan, said that the present time offered an excellent opportunity for acquiring additional tonnage for Indian shipping. But he felt that the Government's freight policy did not encourage the shipowners to go in for new tonnage. He pleaded for adequate tax relief and increased attention to the development of ports.

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

"GENTLEMEN,

"I am happy to extend to you a cordial welcome to this thirteenth ordinary annual general meeting of the Company. The audited statement of accounts for the year ended 31st December 1958, and the Directors' report thereon have been in your hands for sometime now, and I hope I have your permission to take them as read.

"It is a matter for regret that the working results of the year under report have not been as satisfactory as that of the previous years. In spite of utmost economy and fullest utilisation of available resources, owing to various factors which have been referred to in the Directors' report, there has been a rather sharp decline in the earnings.

Freight Rates

"In their report, the Directors have stated that one of the factors which contributed more preponderantly to the unsatisfactory results than any other was the fixation of low and uneconomic rates for the transport of rice from Burma ports to Indian ports. The fixation of rates for Government-owned cargoes involves issues of fundamental importance. When the charges for sea transport are allowed to enjoy the free play of the world market conditions, it would be reasonable for the Government to pay the market rate whether the rates rule high or low. The present policy of the Government would, however, appear to be to demand liner rates when the world market rules in the upper register, and to insist that their cargoes be carried at world market rates when these are low without regard to the peculiarities of the trades concerned or the disabilities of Indian owners who may often have to arrange ballast voyages for positioning their ships.

"In these days of foreign exchange crisis, the large foreign exchange expenditure on shipping freights, particularly on the transport of foodgrains, has been a matter of great concern for the nation. It has been felt that the country should increase its mercantile marine so as to reduce this expenditure as rapidly as possible. The present is an excellent opportunity to acquire suitable secondhand tonnage at most reasonable rates. This is possible because the tonnage market in consonance with the freight market, is passing through slump conditions. Unfortunately, the Government's policy in regard to fixation of freights does not encourage the shipowners, willing as they are, to go in for additional tonnage on a significant scale. The importance of Government utilising the immeasurable advantage of controlling a large volume of cargo moving on their account for the development of shipping has been emphasised in various quarters. It is to be hoped that Government will evolve a freight policy which will be satisfactory both to them and to the industry and at the same time promote more rapid increase of the national tonnage.

Shipping Act

"The year under report has been a historic one so far as the Indian shipowning community is concerned. The Merchant Shipping Act, 1958, which provides for the first time for a separate Indian Register, was placed on the statute book. In my speech last year, I had referred to a Special Committee of the Indian National Steamship Owners' Association, who had submitted a memorandum on the Bill, and had hoped that the recommendations of the Committee would register in the right quarters. I am happy to

note that the definition of the 'Indian ship' has been modified on the lines proposed by the Indian shipowners. Unfortunately, however, in the battle for the 'Indian ship,' it would appear, it has not been possible to give adequate consideration to the rest of the recommendations made by the Association. Amongst a number of recommendations which have thus been overlooked I am sure there are many which could be resurrected to the benefit of all concerned. Today, however, I would like to make a special plea in the case of one provision of the new Act, which if brought into force, might make it difficult for Indian shipowners to obtain foreign exchange loans. I refer to Section 51 of the Act, which lays down that if a mortgagee desires to recover his dues, he can only do so through a High Court. So far such intervention of the High Court was not required. The provisions of Section 51 would make an Indian ship an unattractive proposition as a collateral security against loans. I hope it will be possible to amend this section of the Act so that the mortgagee has not to approach the High Court for permission to recover his dues.

"In spite of the anxiety of Government and the industry, the pace of expansion of Indian shipping has been slower than was hoped for. Whether the industry will expand rapidly, or will remain static, will depend upon the evaluation of various deterrents and disincentives which beset the industry today. Primarily the industry lacks capital resources. Although the Shipping Development Fund has been statutorily established, it has not commenced functioning effectively, and as a consequence, loan facility available to the industry is of a very meagre order. To add to this, there is now a chronic dearth of foreign exchange resources. I hope the suggestion of Mr. G. L. Mehta to have a counterpart Fund in foreign exchange to the Shipping Development Fund will meet with the response from the authorities which it deserves.

Taxation

"Proceeding from capital resources to taxation, I would like to invite the attention of the Government to the heavy burdens the industry is compelled to carry in the shape of the capital gains tax, and the operation of the balancing charge in respect of the depreciation as laid down in Section 10(2) (vii) of the Income-tax Act, both of which deprive the industry of valuable funds, which could be usefully ploughed back. Moreover, mostly all the Indian shipping companies do not get the benefit of double taxation relief since they have no assessable income because of accelerated depreciation, etc., granted to them. I would, therefore, suggest for the earnest consideration of the authorities that either the tax paid to a foreign country be allowed as expense, as actually it is an expenditure incurred in earning freight from that country, or, in the alternative, profits earned in a foreign country and taxed by that country be not added to the profit made in India.

"So far as the coastal tonnage is concerned, it has remained static, and I shall be very much surprised if, in the existing conditions, it does not dwindle further instead of reaching the target of 412,000 tons laid down by the Rail-Sea Co-ordination Committee. The foreign exchange position has practically rendered additions to the fleet impossible. Besides, the competition of the railways, on the basis of their freight policy in respect of bulk commodities like coal and salt, as also in regard to other commodities, is not conducive to expansion of coastal tonnage. If, therefore, in the interest of the nation, a coastal fleet is considered desirable, the recommendations of the Rail-Sea Co-ordination Committee submitted to the Government as early as 9th April 1957, should be accepted and implemented without further loss of time, so that the nation is assured of a coastal fleet commensurate with its requirements and the shipowners are assured of regular gainful employment in the trade for the tonnage employed by them.

"On the overseas sector, what is required is not only provision of cargoes, but also the fixation of economic rates. On the latter subject I have already spoken earlier at length. As re-

gards provision of cargoes, it was a happy augury that the Government of India established a Shipping Co-ordination Committee in the Ministry of Transport. The Committee was to have a full-time Secretary with necessary staff under him, and was

"(i) to act as a clearing house of information in regard to the availability of Government-owned cargo and shipping space in Indian ships with a view to making the most effective use of the available Indian tonnage;

"(ii) to advise on the best and the most economical shipping arrangement possible for the movement of Government-owned cargoes when Indian shipping is not available, i.e., whether non-Indian vessels should be chartered and, if so, whether on time basis or voyage basis;

"(iii) generally to co-ordinate and advise on all policy matters relating to shipping, including the development of Indian shipping.

"Although the Committee exists today, I am afraid no secretariat has been formed till date, neither has it functioned in the other capacities for which it was initiated. Recently an assurance was given on behalf of Government that they would undertake a review of the working of the Shipping Co-ordination Committee and effect necessary improvements. It is to be hoped that Government will take early steps to ensure that the Committee effectively performs the functions for which it was established.

"The third Five-year Plan is taking shape. The Special Ad hoc Committee appointed by the National Shipping Board under the chairmanship of Sir Ramaswamy Mudaliar will chalk out plans for the shipping industry. I hope the suggestions I have made in this connection will receive due consideration not only from this Committee, but also from the Government.

Ports

"At a time when the country is thinking in terms of increased industrialisation, increased all-round production and export promotion, it is a matter for grave concern that Calcutta, one of our foremost ports, is deteriorating, and that too at a rapid rate. Temporary solutions like the Anchorage at Haldia are of limited value, and an attempt to solve the problem piecemeal, I am afraid, will not serve the purpose. If the country's eastern gateway is to be preserved and restored to its rightful position and usefulness, it is essential that improvement plans should be laid and executed on a war-time footing. Government should also press on with the schemes for the development of the other major ports.

"For a country with a large coastline like ours, and a growing economy and an expanding foreign trade, the existing number of ports would require to be augmented. I am, therefore, happy to learn that the Government of India have set up the Intermediate Ports Enquiry Committee. I hope the Committee would be able to select ports which would serve the growing needs of their hinterlands, and also be capable of being developed into major ports, if and when the circumstances so demand.

Personnel

"Ships do not run themselves. They require men to sail them. I am happy to note that the welfare of seafarers is being paid increasing attention to. I hope the National Welfare Board will bring their deliberations to a successful close in the very near future. The Board is also considering the subject of social security for seafarers, and I would like to suggest that in this respect it would be advisable if they are treated on the same footing as any other Indian national. Service conditions and welfare aspects apart, there can be no possible justification for differentiating between Indians, seafarers on the one hand and workers employed in other industries on the other, in regard to the measure of social security to be enjoyed by both.

"I am afraid I have taken up much of your time, and before I conclude I should like to take this opportunity of thanking the Ministry of Transport, the Director General of Shipping and their officers and staff for their whole-hearted assistance. My grateful thanks are also due to my colleagues on the Board for the close co-operation I have received from them. I should also like to thank the officers and staff of the Company, ashore and afloat, for their good work on behalf of the Company."

EXPANSION OF TEXTILES IN THIRD PLAN

F.I.C.C.I.'S SUGGESTIONS

THE reference to the cotton textile industry made by the Federation of Indian Chambers of Commerce and Industry in its outline of the third Five-year Plan is rather brief. Thus, the Federation has merely indicated the broad approach to the problem and endorsed the piece-goods production target of 9,600 million yards fixed for 1965-66 by the Committee of the Indian Cotton Mills Federation vide its memorandum submitted to the Planning Commission and published on pages 342 and 343 of *Commerce* dated 29th August 1959. This target, it will be recalled, represents an increase of 1,600-1,700 million yards as compared with the revised target of production expected to be achieved by the end of the second Plan period (1960-61). The Federation has not indicated how the allocation of the extra production should be divided as between the mill sector and the handloom and powerloom sectors. All that it says is that it must be on a rational basis.

Of the production target of 9,600 million yards, domestic requirements are taken to be 8,800 million yards (the Federation's draft puts this figure at 8,100 million yards, apparently a printer's error for 8,800 million yards), the balance of 800 million yards being the quantity needed to meet the export demand. The estimate of the domestic requirements of 8,800 million yards is based on the anticipated per capita consumption of 20.3 yards for a projected population of 434 million at the end of the third Plan. The per capita consumption is calculated on the assumption that the increase in consumption of cloth is just equal to the rise in consumption expenditure, that is, "assuming that the elasticity of demand for cloth is unity." The Federation, of course, admits that, in case the demand in the internal or the external markets shows a rise, or, alternatively, if the population at the end of the third Plan is more than what has been estimated by the industry, it is likely that the target may have to be stepped up to about 10,000 million yards. The per capita consumption is expected to be 17.5 yards in 1960-61, as against the actual figure of 16.7 yards in 1958 and the Planning Commission's original estimate of 18.5 yards. It will be of interest to note here that the average quantity of cloth consumed by an individual every year in the United States is as high as 60 yards, that in Japan and Soviet Russia being 35 yards and 29 yards, respectively.

Modernisation and Rationalisation

The Federation has drawn special attention to the general decline in world textiles trade and to the fact that the cotton mill industry is suffering from a rather high cost structure, resulting from the high prices of raw materials as well as low productivity per man-hour. It accordingly lays emphasis on modernisation and rehabilitation of plant, rationalisation of labour, and overall increase in productivity and efficiency during the remainder of the second Plan and the entire third Plan. "Attention must be paid," it declares, "to giving a fillip to the schemes of modernisation such as by raising the proportion of automatic looms from about 5 per cent, at present to 30-35 per cent, by the end of the third Plan." For implementing these schemes, as also for setting up additional units, including ancillary and processing industries, the investment required is tentatively estimated at Rs. 100 crores.

The Federation is, however, more liberal in fixing a target for raw cotton production than the Committee of the Indian Cotton Mills' Federation. Thus, it has put forward a target of 7.5 million bales, as against the latter body's figure of 6.6 million bales. It feels that, with the prospects of increased production in the current year, the second Plan target of 5.5 million bales is likely to be achieved. This assumption, however, is unlikely to prove correct, as the latest crop estimates place the production at between 4.6 and 4.8 million bales. In this connection, the Federation observes: "It must be kept in view that the country at present is in a position to meet the entire requirements of cotton but for a few finer varieties. More efforts should be made to produce within the country long-staple cotton of the finer variety."

As regards cotton textile machinery in the third Plan, the Federation has suggested a total capacity of Rs. 35 crores worth of machinery and equipment per annum which, it is said, has been arrived at on the basis of new installations, replacements and the desired increase in the percentage of automatic looms.

The investment target for this industry is put at Rs. 25 crores. The domestic requirements of cotton textile machinery are expected to be about Rs. 17 crores annually by 1960-61, while the indigenous capacity attained by that time is estimated at no more than Rs. 10 crores, so that a sizable gap in requirements will be carried over into the third Plan. During 1958, India imported over Rs. 10 crores worth of cotton textile machinery.

Art Silk Fabrics

Turning to art silk fabrics, the Federation has favoured the attainment of a production target of 700 million yards, with a sufficient margin of capacity. The target is considered to be sufficient to meet the expected rise in domestic per capita consumption from 1 yard at present to 1.5 yard in the third Plan and also cater to exports at an annual rate of 25 million yards. The investment outlay on expansion of capacity and modernisation of plants is put at Rs. 25 crores. While formulating the second Five-year Plan, the planners did not provide for any additional capacity, as the production at 230 million yards per annum was much below the installed capacity of 470 million yards on single-shift basis. The actual output in 1958 was 290 million yards, which is expected to expand to 400 million yards by the end of the second Plan.

The revised target for viscose and acetate rayon under the second Plan is 100 million lbs. While most of the schemes for viscose rayon are expected to be completed by 1960-61, the expansion programmes for acetate rayon have not made substantial progress. The shortfall as a result of delay and setbacks is expected to be of the order of 20 million lbs. The distribution of capacity attained by the end of the Plan, according to the Federation, should be about 72 million lbs. for viscose and 8 million lbs. for acetate rayon. As regards staple fibre, the capacity and production are expected to reach 32 million lbs., as against the estimated demand for 40 million lbs. On the basis of six yards of cloth for one pound of rayon, the Federation says that the requirements by the end of the next Plan will be of the order of 150 million lbs. of viscose and acetate rayon. The invest-

ment outlay required for rayon and staple fibre together will be of Rs. 30 crores. For the development of chemical pulp required for the manufacture of viscose rayon, an investment outlay of another Rs. 10 crores will be needed.

The Federation has not prepared any estimate of the likely increase in the country's requirements of woollen textiles, nor has it recommended a production target. Only it has estimated the investment requirement of the woollen textile industry at Rs. 15 crores.

SUBSIDY TO HANDLOOMS

An idea of the colossal subsidy in the form of rebate on sales of cloth which is being extended by the Government of India to the handloom industry can be had from the following figures furnished recently in the Rajya Sabha:

Year	Amount sanctioned Rs.	Expenditure reported by States Rs.
1953-54	84,71,950	3,48,164
1954-55	4,18,490	54,61,193
1955-56	92,98,126	1,69,08,063
1956-57	2,30,25,243	2,23,23,992
1957-58	2,13,18,879	2,59,35,499
1958-59	1,72,69,000*	3,20,68,383
	7,98,01,688	10,30,45,294

*The amount of Rs. 1,72,69,000 sanctioned during 1958-59 was intended only to meet the arrear claims pending with the State Governments upto 31st March 1958. No separate amount for expenditure on rebate was sanctioned for 1958-59 to meet the expenditure on the scheme incurred by State Governments in 1958-59, as this was included in the total grant assistance of Rs. 2,58,28,000 sanctioned to various State Governments.

SPUN ORLON

Spun Orlon textured by the Taslan process has been developed by du Pont in America and is commercially available there from Taslan licences. The resultant yarn is claimed to have greater bulk and loft and, therefore, lower weight with higher covering power; in addition, the development is stated to offer versatility in finishing techniques and increases styling opportunities.

Long-staple spun Orlon in yarn form is subjected to a continuous stream of air which forms loops in individual fibres and raises fibre ends. High bulk or 100 per cent. relaxed (regular) yarns, may be used in a variety of deniers, denier blends, yarn counts and plies to achieve different textured effects, du Pont says. The yarns are usually textured before dyeing either in skein or piece. Development work to date has been connected with socks and sweaters, but numerous applications are foreseen in almost all forms of knitted outer-wear. No knitting problems have been encountered with the new yarns.

For top grade Industrial Chemicals



Monsanto works constantly to develop new, better chemicals—and to improve those chemicals you already use. In every industry, whether it be agriculture—automotive—aviation—ceramics—chemical processing—cosmetics—electrical—foods—insecticides—mining—oil—paint—paper—rubber—soaps and detergents, there is a Monsanto chemical that will help to improve production and quality.



Monsanto Chemicals Limited, London • Monsanto Chemical Company, St. Louis, U.S.A. Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris, Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal cities of the world.
MONSANTO CHEMICALS OF INDIA PRIVATE LTD.
Wakefield House, Sprott Road, Ballard Estate, Bombay 1.
Also at: Calcutta, Delhi and Madras.

POLITICAL PARTIES AND COTTON INDUSTRY

WAGE RATES CONTINUE TO RISE

From A Special Correspondent

EVERY few years the heat of the political battle in Britain reaches boiling point with the advent of a General Election. In the intervening periods, there are moments when the views of one or other Party have a direct bearing on industrial affairs, and the intervention of Govern-

MANCHESTER LETTER

ments into industry in the twentieth century makes it exceedingly difficult to escape occasional clashes on points of policy.

During the weeks before 8th October, many conflicting statements will be made by the politicians about their plans for the future. The cotton trade, to its detriment, has been in the cockpit of party politics ever since the end of the war. The present reorganisation scheme is so much in the public eye that its effect will be quoted by the participants in the Election as a means of furthering their own cause. Whatever the final result at the polls, however, the plan will go through and it can be assumed that no last-minute changes in its administration will be permitted.

The two major political parties have stated their case for cotton. The Government's programme for immediate redundancy and aid for re-equipment until 1964 is already established. Labour's plans stop short of full-scale nationalisation, but various controls are envisaged, including a return to State buying of raw cotton and a Commission to govern the importation of foreign cloth.

Liberal View

The Government's £30-million plan for reorganising the cotton industry was condemned in a statement issued in Manchester by a group of eight prospective Liberal candidates for textile constituencies. The policy on cotton was causing chaos, the Liberals declared, and was "too late, ill-conceived, ill-considered, badly managed, injurious to workpeople and to morale generally and without long-term possibility of success." The proposed closures, according to the statement, often affected good mills and, in many cases, only the interests of the shareholders had been considered. At the same time, the Labour alternative of nationalisation was rejected completely.

The future of the industry, according to the Liberal view, depended on the extension of firms having several processes under one roof or management. "We believe the structure of the industry to be wrong and that financial aid should be given to encourage vertical integration," the statement added.

The candidates urged that mill closures should be phased over a longer period than six months, to allow new industries to take their place. The Government should take steps to set up re-training centres immediately to offer alternative employment to displaced workers and the unions should allow entry of redundant

cotton operatives into other semi-skilled or skilled industries in appropriate cases. A new wage structure should be negotiated between the cotton trade employers, the statement added, to cover shift-working and management should be given the opportunity to be competitive. In its new form, the industry should be able to use male labour as far as possible, avoiding the economic necessity of women having to work "to make ends meet."

"Generous" To Employers

A comparison between the terms of compensation offered to millowners and operatives in the cotton industry under the reorganisation scheme is made in the current quarterly report issued by Mr. Charles Schofield, Secretary of the Operative Spinners' Amalgamation. "In our view, the employers have been provided for very generously indeed," he declares, "particularly in the case of machinery which ceased to operate before 24th April, where it was well-known that there was never any intention to restart production."

The union leader added that it was reasonable to ask that in the administration of the scheme, the employers' representatives would be as generous in their interpretation as the Government had been in the provision of compensation for scrapped machinery. The shareholder, he added, would be able to re-invest the proceeds of the closure immediately it was received, while the workman would have to take the risk whether he could obtain other employment. In most cases, Mr. Schofield went on, the reduction in wage would be a permanent one, whereas the value of the shareholders' investment would have appreciated very considerably. The same improvement in capital values would also apply to the shareholders of the firms which intended to remain in business.

Canadian Tour

A team of two Lancashire cotton experts flew to Canada last week to study the market in an effort to stimulate sales of Lancashire-made cotton goods. The Cotton Board said that the visit was one of a series of market surveys which had been arranged on behalf of the industry.

The mission is composed of two members of the Cotton Board's staff, Mr. H. E. Wadsworth and Mr. A. H. Fruin, who will study outlets in the wholesale, retail, garment making and mail-order sections of the trade, in Montreal, Ottawa, Toronto, Winnipeg and Vancouver. Their programme has been prepared in consultation with U.K. Trade Commissioners in Canada and the Dollar Exports Council.

Higher Wage Rates

Latest Ministry of Labour returns analysing wage rates throughout the country show a further continuation of the upward movement which has persisted for more than the past decade. Average earnings of nearly 7,000,000 workers in the final pay-week in April this year was £11 2s. 6d., a rise of 5s. 2d. as compared

with October last and an increase of 8s. 4d. over the twelve months.

The appropriate returns affecting cotton and kindred workers are shown below, and indicate the improvement in business which has been experienced at the time; the October 1957 figures represent the peak of former earnings:

	Men (over 21)	Youths (under 21)	Women (over 18)	Girls (under 18)	All workers
<i>Cotton Spinning</i>					
October 1957	219 9	129 2	130 0	109 4	162 2
April 1958	209 4	121 7	131 1	104 4	155 8
October 1958	205 0	120 1	129 11	105 3	153 9
April 1959	209 11	120 7	135 1	108 6	157 10
<i>Cotton Weaving</i>					
October 1957	220 7	119 4	142 6	103 5	167 5
April 1958	219 2	114 10	141 9	102 2	166 1
October 1958	218 2	118 1	142 9	108 3	167 7
April 1959	221 9	117 11	144 7	102 10	169 5
<i>Total Cotton</i>					
October 1957	220 1	126 9	138 9	107 3	164 5
April 1958	213 8	119 5	135 11	103 6	160 1
October 1958	210 7	119 5	135 3	105 7	159 8
April 1959	215 1	119 8	139 1	106 6	162 8
<i>Rayon Weaving</i>					
October 1957	235 2	110 10	144 0	99 6	178 11
April 1958	229 0	108 2	141 10	98 11	175 11
October 1958	230 7	113 10	144 6	99 9	178 6
April 1959	239 11	112 0	149 1	99 2	184 4
<i>Textile Finishing</i>					
October 1957	231 9	113 6	120 5	89 9	193 11
April 1958	229 6	113 8	121 0	89 7	192 7
October 1958	235 2	116 2	125 4	93 6	197 11
April 1959	239 10	118 1	129 4	92 10	201 2

Anomalies in the above figures are still apparent, illustrating that weaving remains a more remunerative employment than spinning despite the improvement of 4s. 1d. in the average payment in the spinning branch over the half-year. Oddly enough, the differential between the earnings of juveniles in the two sections has widened, particularly in the case of girls under 18, whose average pay is now over 5s. less in weaving than in spinning. In autumn, 1958, the curtailment of output in the industry was reflected, in the shorter working week in operation. The survey now shows an average throughout the cotton industry of 43.5 hours against 42.6 hours in October last. In weaving, the figure was 43.7 hours, as against 43.3 and, in spinning, 43.4, as against only 42.1. The hours worked in textile finishing were practically identical with six months previously at 47.3.

Far Eastern Trade

Reference to the vulnerability of Lancashire textile exports to the increasing inroads from many foreign sources leads directly to the report covering the recent mission to Australia and New Zealand by representatives of the local trade. The situation in this area is reflected in the sharp decline which has already occurred this year in shipments of cotton and rayon fabrics to this part of the world. Australia, for example, in the first seven months of 1959 took less than 32 million yards of Lancashire cotton cloth, as against over 42 million yards in the previous year; exports to New Zealand fell from nearly 21 million yards to barely 15 million yards. In the case of man-made fibre piece-goods, the relative position was even more disturbing, as shipments to Australia over the seven months amounted to 4,200,000 yards, as against 7,300,000 yards and to New Zealand were barely 5 million yards, as against 7,700,000 yards.

Such losses in markets which have for so many years been a mainstay in Lancashire's overall export trade indicate the seriousness of the position. No attempt is made in the report of the mission to minimise the threat arising from the conclusion of the Japanese agreement with Australia.—All Rights Reserved.

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
Head Office: 8, Clive Row, CALCUTTA-1.
Telephone: 22-4318 Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH 4-D, R. S. Road VIZAGAPATNAM (Dist.)	DELHI STATE 60, Jangpeth NEW DELHI	PUNJAB STATE (India) Jagan Mohan Malviya Road AMRITSAR
BOMBAY STATE Hingwaj Bank Building Vijay Narayan Road Fort, BOMBAY	MADRAS STATE Finance House Pettah Road MADRAS-1	UNITED KINGDOM Friars House New Broad Street LONDON, E.C. 2
MAHARASHTRA Mahatma Gandhi Road BANGALORE	MADHYA PRADESH 41, Tokogum Main Road INDORE	UTTAR PRADESH Mansa Lal & Sons Bldg. Mahatma Gandhi Road KANPUR
GUJARAT Shri Chakrabarti Building Rajiv Gandhi Road AHMEDABAD	HYDERABAD Dhanraj Chaudhary Opera Ground BOMBAY	JALANAGAR P.O. RAMPUR
RAJASTHAN Dewan Park Road JAIPUR	BEHALA Gandhi Road BANGALORE	

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CANTON PRESS, FREE ROAD, BOMBAY. Telephone: 26-3201/2

RAISING COTTON PRODUCTION BIGGER INCENTIVES ADVOCATED

THE annual address delivered by Mr. Madan-mohan R. Ruia, President of the Cotton Euyers' Association, Bombay, contained, in addition to the customary review of the main developments of the 1958-59 cotton season just ended, some suggestions for increasing cotton production in the country, stepping up exports and facilitating imports of the required type of cotton. Mr. Ruia singled out the drop in production, the rise in mill consumption and the improvement in the textile situation, the increase in production of long-staple cotton and larger exports as the noteworthy features of the past season. The decline in indigenous production of cotton to 4.8 million bales (of 400 lbs.) from the earlier estimate of 5.4 million bales and last season's output of 5.1 million bales, according to him, not only indicated that nature was still unkind to the country but also underlined the fact that there was still a long way to go before reaching the second Plan target of 6.5 million bales. This could only be achieved, according to Mr. Ruia, by the authorities showing the primary producers of cotton the same solicitude which they were showing the domestic textile industry, that is to say, by taking a more active interest in raising cotton production through the provision of adequate monetary incentives to producers.

Imports

While this was a long-range solution to the problem of raising cotton production, the immediate alternative, Mr. Ruia observed, was to meet the prevailing shortage of cotton by liberalising imports. This, he felt, was the only natural method for arresting the rising trend of domestic prices which, if unchecked, would render exports of those varieties of cotton which could be spared and also of cloth difficult. Mr. Ruia fully recognised the foreign exchange implications involved in his proposal. But, in the prevailing circumstances, any other alternative, he said, was unthinkable.

The President of the Association readily conceded that, during the past season, the Government showed better understanding and appreciation of the problems of the textile industry. While welcoming this helpful and realistic attitude, Mr. Ruia made the following suggestions to enable mills to get adequate supplies of cotton and to arrest the rising trend of prices in the domestic market:

"By the very nature of the export incentive scheme, it takes a good deal of time in working out the actual allotments to individual mills whenever import quotas are issued. This will be evident from the fact that, even in respect of import quota of 140,000 bales announced three weeks back, certain calculations have yet to be completed and it is clear that this would take some more time before the actual allotments are in the hands of spinners. I, therefore, strongly suggest that an import quota of 200,000 bales, out of the target fixed, be issued in advance to the actual and regular users, whose consumption particulars are already available with the office of the Textile Commissioner, so that it would, in the first instance, give immediate relief to needy mills and, secondly, help to arrest, to some extent, the rising trend of prices in the domestic market."

Exports

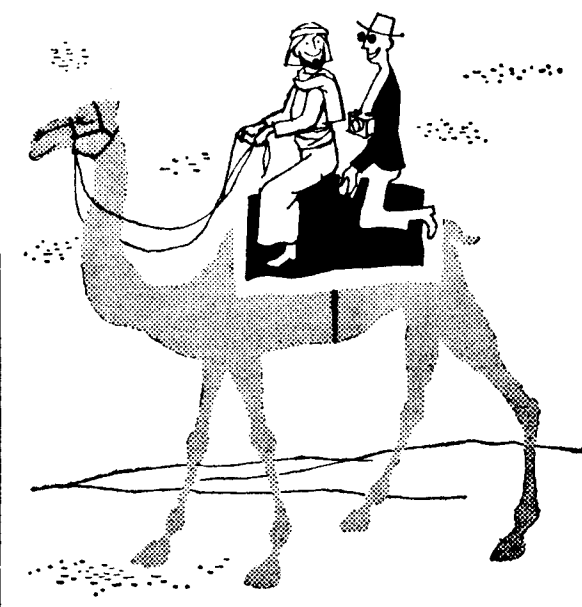
As regards exports, the performance during the last season, having regard to the aggressive selling policies followed by other competing countries, was, according to Mr. Ruia, by no means discouraging. The export quotas issued during the season 1958-59 aggregated 500,000 bales, of which 250,000 bales were for Bengal Deshi, 200,000 bales for 3/4" cotton and 50,000 bales for cotton below 3/4". These large quotas were issued on the basis of early estimates of ample supplies of cotton during the season. By doing so, the Government not only helped ensure continuity of supplies to foreign buyers but also imparted a measure of stability to domestic prices during the season. The actual shipments in 1958-59 amounted to 385,000 bales, as against 292,000 bales in the previous season. Bengal Deshi, as usual, found a regular outlet in world markets at rising prices. This was, however, not the case with 3/4" cotton, which, as the season progressed, was increasingly difficult to sell in the overseas markets, since, in the first instance, the improved local demand pushed up prices to levels which were out of parity with competing styles from other cotton growing countries and, in the second, the demand was either invariably for Bengal Deshi or for cotton stapling above 25/32". Consequently, a substantial part of the

quotas issued remained unutilised at the end of the season.

Commenting on the export prospects for the current season, Mr. Ruia observed that the Government of India, having now been convinced of the need for maintaining the continuity of supplies to spinners abroad, had been prompt enough to announce an initial export quota of 75,000 bales of Bengal Deshi on the eve of the new season. The announcement was very timely, since it coincided with active demand, especially from Japan, and to some extent from the Continent.

He also welcomed the retention of the policy of "first come first served" followed last season which had been fully justified not only from the point of view of earning foreign exchange speedily but also from the point of view of providing opportunities to as many shippers as possible. He, however, suggested that the issue of export quotas to co-operative societies should be modified. These societies were provided with a share of 15 per cent. out of the quota of 500,000 bales issued in the last season. In view of their very poor performance, such special treatment to co-operative societies, Mr. Ruia rightly pointed out, served no particular purpose. It only resulted in reducing exports and foreign exchange earnings. He, therefore, felt that it was advisable that these societies should be either treated on par with other shippers or be provided with a smaller share of the quotas issued. In case the share thus provided remained unutilised, it might be distributed on shippers' account.

It is clear from the foregoing account that the suggestions put forward by Mr. Ruia take full cognisance of the difficult foreign exchange situation, the need to step up exports of cotton and to ensure adequate supplies of foreign cotton to mills.



Friendly Lift

Importing non-ferrous metals has its own problems. Metal Distributors, with their extensive contacts, knowledge of international markets, and long experience, can help you. Import your requirements of non-ferrous metals at the most advantageous terms. Why not give the specialised man the job?

METAL DISTRIBUTORS PRIVATE LIMITED

38 Strand Road Calcutta-1

Branches:

12/18 Vithalbhai Patel Road, Bombay-4.
Dhundhikatra, Mirzapur.

London Associates

Metal Distributors (UK) Ltd.
13-14, King Street, London E.C. 2

MD 12 EVEREST

U.S. COTTON EXPORTS TO ASIAN COUNTRIES

SUBSTANTIAL RISE PREDICTED

OPINION is gaining strength in the United States that exports of raw cotton from that country during the current (1959-60) cotton season will rise to five to six million bales, that is, the "fair historical share" of U.S. in world market. This optimism, entertained in both official and non-official circles, is based on the assumption that conscious efforts will be made to achieve this end and that world market conditions and the stock position in cotton importing countries are such as to make a rise in exports much more than a possibility. For instance, U.S. prices are said to be more competitive now than they were a year ago and stocks in net importing countries, estimated at 4.7 million bales on 1st August, are lower than at the beginning of the three previous seasons.

Not only are exports expected to increase in the current season but also its flow and direction are likely to show significant changes. According to Mr. G. A. W. Schilling, Marketing Specialist of the Foreign Agricultural Service of the U.S. Department of Agriculture, exports to Asia and Australia in 1959-60 would constitute a larger proportion of total U.S. exports. Shipments of U.S. cotton to these destinations during 1956-57 and 1957-58, aggregating 2,580,000 bales (of 500 lbs.) and 1,269,000 bales, respectively, were about 33 per cent. of the total U.S. export of 7.6 million and 5.72 million bales during these years. During the first eleven months of the 1958-59 season just ended, exports to these continents amounted to 1,269,000 bales representing about 45 per cent. of the total estimated exports of 2.82 million bales. Mr. Schilling attributes this percentage rise in exports despite the fall in total exports, to the fact that exports to this area declined much less than to other parts of the world. Shipments to Korea, the Philippines and Formosa were actually higher than in previous years. They were, however, down by half to Japan and by 40 per cent. to India and Australia.

Total U.S. exports in 1959-60 are expected to be greatly above those in 1958-59. Shipments to Asia and Australia would also show further gains, possibly reaching two million bales. Whether this figure will be reached, however, will depend, according to Mr. Schilling, on whether Japan will absorb one million bales of cotton or more. With competitive U.S. cotton prices this, he maintains, should be possible, barring adverse factors such as trade agreements with other countries. Mr. Schilling also points to the possibility of some shifting of cotton exports from countries now exporting textiles to other Asian countries which are building up their textile industry. Commenting on this, he observes:

"The present trend in Australia and in countries of Asia—except for Japan, India and Pakistan—is to expand the cotton textile industry materially. All countries are trying to become self-sufficient in cotton textiles, and eventually to become net exporters of textiles. This trend, which was reported in firsthand marketing studies in 1956 and 1957, is continuing in 1959 and will be intensified for several years to come in less developed countries. This will mean a shifting of cotton exports from countries now exporting textiles to Asia to other Asian countries developing their own cotton textile manufacturing industries. Countries like Korea, Formosa, the Philippines and Indonesia will continue to depend almost entirely on U.S. aid programmes to obtain American cotton. The other countries in the area will buy cotton with their own foreign exchange."

Analysing the country-wise export prospects for U.S. cotton, Mr. Schilling sees the possibility of a rise in exports to Japan while, in the case of India, the position, according to him, is not likely to change materially from the 1958-59 season, although India may absorb more U.S. cotton financed by the aid funds.

Japan should under normal circumstances be expected to provide a market for one million bales of U.S. cotton. In 1956-57 and 1957-58 it absorbed as much as this. In the current season, competitive U.S. prices should help in achieving this goal. In its import budget for the first six months (April to September) of the current fiscal year Japan has made provision for 811,500 bales of cotton to be imported from the dollar area which includes U.S., Mexico and Central and South America, except Brazil. Assuming that during the second half of the fiscal year the import allocation is as large as that in the first, U.S. exports of a million bales to Japan is, Mr. Schilling maintains, within the realm of possibility. Japan's trade agreements

(Continued on page 530)

BIHAR-U.P. SUGAR CONTROL BOARD MEETS INCREASE IN SUGARCANE PRICE DEMANDED

TWO important but controversial suggestions were put forward by the Bihar-U.P. Sugar Control Board at a meeting held at Patna on Wednesday the 16th inst. Dr. S. K. Sinha, Chief Minister of Bihar and Chairman of the Board, presided. One was to the effect that the minimum price of sugarcane for the crushing season 1960-61 should be fixed higher at Re. 1.75 per maund, as against the present price of Re. 1.44; even the price for the ensuing season (commencing on 1st November next), which is "inadequate", must be fixed at Re. 1.75. The other was that there should be control on sugar throughout the country and not merely in North India.

The plea for an upward revision in cane prices has been opposed by this journal on more than one occasion. It was only in our issue dated 22nd August 1959 (vide page 300) that we had discussed the question at some length. It is, therefore, unnecessary to discuss the issue again in detail. Suffice it to say that such a move will not only render the incidence of cane cost—this is already heavy at 40 per cent. of the cost of sugar production—heavier still and thereby give further impetus to price inflation in the country but also result in diversion of land from food crops to sugarcane. After all, the price of Re. 1.44 per maund for cane is only the minimum and nothing prevents any sugar mill to pay a higher price for cane, depending, of course, on the quality of the cane supplied. It is regrettable that, instead of opposing the Board's decision for a rise in cane price, the representatives of sugar industry were agreeable to it, provided a consequential increase in the price of sugar was allowed, ignoring the interests of consumers.

Good Monetary Yield

The existing statutory minimum price of cane, namely, Re. 1.44 per maund, seems to be offering a good monetary yield to agriculturists. Otherwise, it is difficult to explain the appreciable expansion in the area sown to sugarcane crop in Uttar Pradesh during the past four or five years. Since 1953-54, the percentage of area under cane to the total cropped area has gone up from 4.0 to over 6.0, whereas that under wheat has risen only from 18 to 18.6, paddy from 17.7 to 17.9 and oilseeds from 1.9 to 2.2. The following table gives the areas devoted to the cultivation of different crops during the year 1957-58, as compared with 1956-57, 1955-56 and 1953-54.

(In thousand acres)				
Items	1957-58	1956-57	1955-56	1953-54
Sugarcane	8,017	3,066	2,720	1,973
Wheat	9,727	9,980	9,965	9,230
Paddy	9,687	9,531	9,298	9,053
Other foodgrain crops	24,575	25,234	25,143	25,898
Total food crops	46,956	47,811	47,126	46,152
Oilseeds	5,768	6,051	6,042	5,800
Cotton	196	148	141	140

If the State Governments themselves, which are supposed to be the guardians of the people as a whole and follow such policies as are designed to ensure a sound economy, were to put forward proposals that would only aggravate the price inflation, there is hardly anything that could be done about it, except to touch their commonsense. It is, however, nice of the U.P. and Bihar Governments to say that they are insisting on a higher sugarcane price only from the 1960-61 season. This gives the Central Government plenty of time to examine the demand and come to right conclusions.

The recommendation of the Bihar-U.P. Sugar Control Board for clamping down nation-wide controls on the commodity appears to be justified by the present supply and demand situation. If controls are to be had, it is better to have them all over India. There is certainly no logic in punishing producers in North India alone with controls, leaving their confreres in the South scot-free. In any case, this discussion is only of academic interest, in that total controls have already come to prevail practically all over the country. Since all available indications are that the supply position in the 1959-60 season will be no better than that in the current season—if anything it may be worse—one cannot see how controls can be avoided. The objective, however, should be to free the country from sugar controls as early as possible. The only way to do it is to increase the production of white sugar.

sugar economy? It is true that the Governments have provided here and there better water facilities for cane cultivation, supply of improved types of cane seeds, fertilisers and implements, and construction of roads, bridges, etc., in cane-growing areas. But the benefits actually conferred are not commensurate with the colossal sums of money derived by the Governments of U.P. and Bihar in the form of sugarcane cess—Rs. 35 crores and Rs. 10 crores, respectively, during the eight years ended 1958-59. Since the cess collections in U.P. continue to be credited to the general revenues, it is not possible to say how much money has, in fact, been spent on cane development work. In the case of Bihar, out of the Rs. 10 crores raised, about Rs. 6 crores are believed to have been spent.

Despite all the continued loud talk by the powers-that-be about intensifying cane cultivation in the two States, the progress actually achieved is not much. Over the past eight years (1950-51—1957-58), the average recovery per cent. of sugar in cane has declined from 10.26 to 9.91 in Bihar, while it has risen only negligibly from 9.81 to 9.93 in U.P. As regards the per-acre yield of sugarcane, the average has fallen from 11.58 tons to 10.12 tons in U.P.; in Bihar, it has, of course, increased from 7.51 tons to 8.46 tons but the improvement is woefully inadequate to make sugar-making an economic proposition. Even in the development zones in U.P., the average yield of cane is, as we stated in the course of an editorial only last week, a bare 15.92 tons per acre, as against 43.30 tons in Bombay, 39.44 tons in Madras, 32.49 tons in Andhra and 30.00 tons in Mysore. It must not doubt be admitted that the sub-tropical climate of North India is less suitable for cane development than the tropical conditions of South India. Even so, there is no gainsaying the fact that a much larger quantity of cane with richer sucrose-content could be raised even in U.P. and Bihar, if the Governments were to launch a more vigorous drive for intensifying cane development and if the price of cane were linked to sugar recovered from cane instead of to the weight of cane alone as at present.

INDIAN CHAMBERS FEDERATION ON SUGAR INDUSTRY

The aim of planners should be to fix a production target of at least 3.0 million tons of white sugar in the third Plan, with the installed capacity being raised to 3.25 million tons. This is the view expressed by the Federation of Indian Chambers of Commerce and Industry in its publication, *The Third Five-year Plan—a Tentative Outline*. In support of this view, the Federation makes the following observations:

"The consumption of sugar in the country has been steadily increasing, with the rising standard of living of the people. The per capita consumption of white sugar is at present in the region of 11.4 lbs. per year which is nearly half what can be regarded as desirable from the point of view of nutrition. Taking note of the expected increase in population, rise in standard of living and the progressive tendency towards urbanisation, the consumption of sugar will go up considerably during the third Plan period."

Since the investment required for the expansion of existing units is about 50 per cent. of that required for new installation, the Federation urges that favourable consideration be given for schemes of expansion. According to it, the overall investment required for the creation of additional capacity by expansion, as well as for the establishment of new units, together with the cost of rehabilitation and modernisation of existing plants, will be at least Rs. 80 crores.

The targets of installed capacity and actual production for sugar industry in the second Plan, as readers are aware, are 2.50 million tons and 2.25 million tons, respectively. The Federation notes that the pace of licensing was fairly brisk in the early part of the Plan, but, in view of certain difficulties, including competition from khandisari and restrictions on import of machinery, the target of capacity is not likely to be fully reached, in spite of the recent decision to license further capacity. Nevertheless, the Federation opines that it is reasonable to expect that "the production envisaged in the second Plan would be reached by 1960-61, if some of the difficulties encountered by the industry are removed."

The Federation has stressed the importance of a further expansion in sugar machinery manufacture, in order to reduce the country's dependence on imports. It is suggested that machinery worth Rs. 10-12 crores per annum will have to be produced by 1965-66, if the entire requirements of sugar industry—a considerable volume of demand arising from needs of replacement and sufficient demand from new sugar mills to be licensed in the next Plan period—are to be met. The total investment considered necessary for this purpose is Rs. 6 crores. The present organisation of the industry includes firms which produce complete sugar plants and those engaged in the manufacture of a series of individual items. The value of sugar mill machinery actually produced in 1958 was Rs. 171.50 lakhs, whereas imports of plant and machinery amounted to Rs. 726 lakhs. The production target (in terms of value) fixed for 1960-61 is Rs. 250 lakhs.

DIRECTORY OF INDIAN ENGINEERING EXPORTERS

THIRD EDITION

We are glad to announce the publication shortly of the Third Edition of the above Directory.

Advertisements from bona fide manufacturers/exporters of engineering goods will be accepted for inclusion in the Directory. Advertisement rates are as follows:

Full page	..	Rs. 400
Half page	..	250
Quarter page	..	125

For full particulars write to:

Publicity Department

ENGINEERING EXPORT PROMOTION COUNCIL

India Exchange (7th Floor), Calcutta 1.

PRODUCTION AND PRICE OF RUBBER GROWERS' REPLY TO MANUFACTURERS

CONSIDERING that rubber is a strategic material in which the country has still a long way to go to attain self-sufficiency and that rubber growing is a labour-intensive industry, there is sufficient justification for giving it a high priority in any scheme of planning in the country. India's current production of natural rubber—the manufacture of synthetic rubber is still in the stage of planning—is of the order of only 25,750 tons, while consumption is as much as 55,250 tons, leaving a gap of 30,500 tons which is being filled up by imports. If, in spite of the fact that certain regions of the country in the South are blessed with the climatic and soil conditions well suited to rubber growing, rubber production has failed to catch up with the rise in consumption, it is not because our planters are not sufficiently enterprising or are ignorant of the art and science of planting. The reason should be sought elsewhere.

Not only has the Government, until very recently, treated rubber as a Cinderella, but it has actually been the victim of ill-informed policies foisted upon it. Time was, in the not too distant past, when rubber trees were cut down to make room for other paying crops, because rubber was a totally unsaleable commodity and the yield from it was not even sufficient to pay the land revenue. The Second World War brought home to the Government the folly of its policy in respect of a commodity having great industrial and strategic importance. Even after the advent of Independence, things did not change for the better for a very long time. If only the National Government had promptly approved of the plans for expansion submitted by the spokesmen of the industry, the supply of natural rubber today would have been very near the demand. It was only a few years ago that the Government woke up from its slumber and tried to do something for helping the expansion of this industry. Since a rubber tree takes nearly a decade to yield, it will be some years before the results of this change in the Government's attitude can be seen. At the same time, it is necessary to add that, since the Government has not given encouragement to rubber growers to the extent and in the manner necessary for yielding full results, no spectacular achievements should be anticipated.

IR.I.A.'s Charges Against Planters

While this is the story in brief of Government help to natural rubber, the Indian Rubber Industries Association (I.R.I.A.), Bombay, representing the manufacturers, seems to be cavilling even at this. In a memorandum submitted to the Ministry of Commerce and Industry, Government of India, the Association wants the Rubber Board to be reconstituted, with the rubber manufacturing industry being given greater representation than now. The Association submits that, since only a minor portion of the rubber consumed by the industry is produced inside the country, the Rubber Board, which is meant "to deal with the various aspects of production and distribution of raw rubber in this country, should have in its fold members of the rubber manufacturing industry in a majority over the members of the planting industry." The Association pleads that, while a majority representation may be fully achieved at a later stage, at least an equal representation should be given to the consuming industry in the reconstituted Rubber Board.

Looking to the immediate future, that is the coming year, when rubber consumption is expected to increase to 60,000 tons, and to five to seven years ahead when consumption is expected to be 100,000 tons, the Association adds:

"With all the replanting schemes and all attempts to increase production per acre, it is hardly conceivable that the planting industry can ever catch up with such increasing requirements of the manufacturing industry. At least until the present set-up of the Rubber Board, wherein the weightage to the rubber planting industry continues, there is no chance even for the beginning of the reversal of the process of import of rubber necessitated by conditions."

Referring to the question of price of rubber, the Association points out that manufacturers are definitely of the opinion that there must be a graded reduction in the controlled price in course of time which alone, according to it, can save foreign exchange and put the rubber manufacturing industry on a sound footing. This can be achieved, it maintains, by the increased association of the rubber manufacturers with planters through the Rubber Board.

The Association has also pinpointed the question of rubber price as an important factor affecting the future of rubber manufacturing industry, particularly from the point of view of exports. The price of rubber, it points out, is now fixed after taking into account the cost of production of even the most inefficient unit of production, thereby guaranteeing a margin of profit even to the least efficient producer. It also suggests that planting of new areas with unapproved seeds should be made an offence.

Holding that rubber planters have forfeited their claim for continued protection because they have failed to fulfil the conditions of protection, the Association observes:

"When the Tariff Board fixed the prices of raw rubber last time, accepting the principle that the rubber planting industry should be protected and given a price to include the cost of production plus reasonable margin of profit, it was specially stipulated that the planting industry should undertake replanting of rubber so that the cost of production may be brought down. A special rehabilitation allowance was also fixed in the price for this specific purpose. We much regret to have to point out that no action had been taken by the planting industry to replant the rubber estates and agitations were continued to increase the prices of raw rubber without consulting the manufacturing industry or further enquiry into cost of production."

"In order to further encourage replanting, a replanting subsidy had been offered, but in spite of this further inducement, replanting work had been very slow and this is a very sad state of affairs as far as the planting industry is concerned. Usually, protection to any industry is given for a definite period so that it can stand on its own legs by stabilising itself during such period. The planting industry has enjoyed such a protection for a sufficiently long time and there is no case for the continuation of such a protection any more. If the industry has not been able to stand on its own legs then it must try to find the reasons at its own end and investigate what is holding up its progress and try to correct the same instead of penalising the manufacturing industry. Unless the manufacturers are able to make their voice felt on the Rubber Board, we doubt whether any substantial and real progress may be made in replanting."

U.P.A.S.I.'s Defence

The United Planters' Association of South India, Coonoor (U.P.A.S.I.), in a letter addressed to the Secretary, Ministry of Commerce and Industry, has answered, point by point, the criticisms raised by the Association. The U.P.A.S.I. admits that the rubber planting industry cannot, under the prevailing conditions, fulfil all the requirements of the manufacturing industry. But it feels that it is possible to increase both yield and production, provided the necessary facilities are given. It adds:

"The planted area of rubber up to the end of 1958 is reported to be 286,000 acres. Taking the 1959 figures, the total area may be 300,000 acres. If we can, therefore, increase our acreage to 500,000 acres with an average yield of 450 lbs. or, if in the course of the next seven years we can take steps to see that the average yield per acre is raised to about 750 lbs. we may certainly ensure a supply of 100,000 tons and more. Given the necessary facilities, the probabilities are that the area will exceed 500,000 acres in extent and the average yield will come up to about 600-700 lbs. per acre in the course of the next 10 or 12 years."

Refuting the charge of the manufacturers' body that planters want to maintain minimum production to avoid overproduction and to

obtain a premium in price, the U.P.A.S.I. observes that the history of replanting since 1938 will tell a different story. Practically all organised units in the industry have been steadily replanting since 1938 and till the end of 1958 as many as 21,591 acres have been replanted, replanting since 1952 alone being 10,494 acres. As regards new plantings, the U.P.A.S.I. observes:

"The total planted area at the end of 1952 was only 172,786 acres, whereas at the end of 1957, it was 261,998 acres (51 per cent. increase) and if the estimate of the present area at 300,000 acres is more or less correct, the increase in planted area in the last seven years has been 73 per cent. This certainly could not be the result of an effort to maintain production at its lowest. As regards the alleged desire of producers to see that there is no overproduction, producers can surely realise the significance of the gap between the existing 25,000 tons and the prospective 100,000 tons for 1966."

Reduction in Controlled Price

Commenting on the Association's plea for a graded reduction in the controlled price of rubber, the U.P.A.S.I. adds:

"Producers will certainly agree that, once production has reached the target fixed, the question of a fair price should be considered, but they fail to see the need for a graded reduction in the price of rubber. Is it to assure a graded increase in the profits of manufacturers who cannot otherwise make it? If it is in the national interest, the question should be considered on its merits. The price of rubber today in the world market is higher than the Indian price and, at least during certain periods after the war, the world prices were more than three times the Indian price. It is not understood how the reduction in internal prices will save foreign exchange. On the other hand, to stimulate maximum production in the minimum number of years will either decrease or stagnate production and when demand increases import will be the only remedy (apart from any production of indigenous synthetic rubber). This certainly will be a severe strain on the country's foreign exchange. The best means of ensuring maximum production is by giving an incentive price and other forms of liberal assistance to the growers."

The U.P.A.S.I. has also answered the charge that the special rehabilitation allowance has not been properly utilised by the planting industry and that actual replanting has not been on the scale desired. It says:

"Rubber is an agricultural enterprise and it takes 7 to 10 years for it to begin to yield and 10 to 15 years to reach maximum yield. The results of the 105,000 acres of rubber planted since 1952 can only be felt from now on. To judge the production results of the plantation industry by standards of manufacturing industry (which can show 50 per cent. or even 100 per cent. increase in production in one or two years) would not be proper and fair. If the idea of rehabilitation was greater production, the 105,000 acres planted since 1952 should be taken as the surest indication of the growers' desire for greater production. If there have been mistakes in the method of new planting, it is for the Rubber Board, who are issuing the licence, to correct them. A nominal new planting subsidy is now being considered by the Board who can correct any mistakes in new planting methods. Programmes for assistance and education in correct planting methods as well as proper supervision by Board officials would pay dividend, whereas coercion or punitive measures as the U.P.A.S.I. have suggested will only defeat the purpose."

"If actual replanting has been less than expected, the blame should not be on the producers. Many of the smaller units may not have needed replanting or could not have afforded to cut away all expectations."

Unwarranted Criticism

Alluding to the manufacturers' contention that the protection given to the planting industry should be withdrawn without penalising manufacturing industry any further, the U.P.A.S.I. retorts as follows:

"The implications are that there is protection which is unwarranted and that the manufacturing industry is being penalised. We are afraid that the history of the so-called protection of the planting industry is being forgotten. The planting community, in the first place, did not ask for protection. During the years 1929 to 1934 when rubber was practically unsaleable, nobody seems to have come forward to protect the rubber planting industry in India. During the war years, when import of rubber was cut off, producers were asked to slaughter tap in order to produce more and more rubber for national needs (incidentally, during those years) and were given an assurance that the rubber planting industry would be compensated, encouraged and protected. Even after the war, producers asked for the removal of all controls and the giving of a free market. But because of the undervaluing of the war years and of rubber being a commodity of strategic importance, the Government decided to develop the rubber industry under its control. If the figures regarding Indian and world prices of rubber are collected for the war years and after, they may show that the balance of advantage has been with the manufacturers. If, however, the section of the manufacturing industry that section, that is no reason why the rubber growers should be criticised."

The rubber manufacturers' plea for majority representation on the Rubber Board on the

(Continued on page 538)

**COMPLETE
INTERNATIONAL
BANKING
SERVICE**

**THE
UNITED COMMERCIAL
BANK LTD.**

Head Office : CALCUTTA

G. D. BIRLA
Chairman

SUBSCRIBED CAPITAL	Rs. 4,00,00,000
PAID-UP CAPITAL	Rs. 2,00,00,000
RESERVE FUND	Rs. 1,48,00,000

S. T. SADASIVAN
General Manager

★
CONSULT

FOR
INTERNATIONAL
AND
DOMESTIC
BANKING SERVICE

**THE
BANK OF TOKYO
LIMITED**

(Incorporated in Japan under the special law)

30 Overseas branches and representative offices
and

1 Affiliate Bank 1 Trust Company

All information concerning foreign trade
available

All the latest information in respect of the
Japanese pattern of industry and business
and the names of all the principal industrial
manufacturers and manufactured commodities
available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:
"Jeevan Prakash", Sir Phiroozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253048
Office at Calcutta Representative at Delhi

INSURE
against Loss or Damage by
FIRE AND RIOT

**GRESHAM
FIRE & ACCIDENT
Insurance Society, Limited**

(Incorporated in England)
(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA

Telephone: 22-4315
Telegrams: "YULINSURB"

FACING THE FACTS

TO FACE THE FACTS
YOU HAVE TO KNOW THEM.

Buying habits, customs and
needs vary from country
to country. If you are an
exporter or an intending one, it is
necessary for you to know the national
preferences. Engineering
Export Promotion Council knows all
the facts worth knowing.

On the spot studies
are made by our trade delegations;
we participate in foreign
trade fairs and exhibitions;
we have showrooms and
staff at the right
places. We will welcome
your enquiries and
will be glad
to introduce you to
reliable importers and dealers
in foreign countries.


**ENGINEERING EXPORT
PROMOTION COUNCIL**

INDIA EXCHANGE (7th Floor), India Exchange Place, Calcutta-1

EEPC-37

ARE YOU SAVING ENOUGH?

Or are you saving at all? It is in your interest to save for the future. When you open a Savings Bank account with us, you know that your money is safe—until you need it—and

it gathers interest year by year—at present 2½ per annum. Withdrawals may be made by cheque. Why not contact us for further details? We shall be pleased to help you.



National and Grindlays Bank Ltd.

Incorporated in the United Kingdom
The liability of Members is limited

BOMBAY BRANCHES: 90 MAHATMA GANDHI ROAD
MINT ROAD, (CORNER OF MINT ROAD AND SIR P. M. ROAD)

INDIAN COPPER CORPORATION LIMITED

SPEECH OF CHAIRMAN, MR. PATRICK E. G. W. PARISH, AT ANNUAL MEETING

MINING COSTS ARE LIKELY TO INCREASE

THE Indian Copper Corporation is now mining at a deeper level where costs are naturally higher. This was revealed by Mr. Patrick E. G. W. Parish, Chairman of the Company, when he addressed the Company's Annual General Meeting held on Wednesday, the 23rd inst. Mr. Parish stated that it was not possible to foresee any reason to believe that costs in the future could be reduced; on the contrary, they were likely to increase. Alluding to the project to manufacture electrolytic copper, he disclosed that it would be taken up after the final approval of the Government was received. He expected that the outlay of £700,000 on the project would be met from the Company's own resources.

The following is the full text of Mr. Parish's speech at the meeting:

"GENTLEMEN,

"The Directors' report and accounts for the year ended 31st December 1958 have been in your hands for some time. I welcome this opportunity of giving you some further information and comments on the results of the working of your Company during the year.

General Review

"The price at which your Company's products are sold is, naturally, closely in line with the world price of metal, at which price imports of copper into India have, of course, to be purchased. It is, therefore, necessary to consider the trend of world copper prices during last year.

"March 1956 saw the peak at £436 10s. per ton on the London Metal Exchange and, from then until December 1957, the price gradually fell to under £180. In 1958, the price during the first six months fluctuated between £161 and £200 and then rose gradually to £261 in November, declining to about £220 at the end of December. Since the beginning of this year, prices have again risen to over £250 and, during the past month or so, have been steady at around £230.

"A further reduction in price due to world overproduction has only been averted recently by strikes in various producing countries. It seems to me that, when these strikes are settled, it will be necessary for the big producers to curtail production, as they have done in the past; otherwise, overproduction will inevitably result in a downward trend in prices to unremunerative levels.

"So far as India is concerned, of course, we produce only a part of the country's total requirements and, therefore, there is no question of curtailment of output by us. On the contrary, it is our intention to increase production as much as possible within the limits of our capacity.

"You will see from the Directors' report that, on average, all your Company's products have been sold at prices rather below the previous year and this has naturally affected the Company's results.

Working Review

"In 1957, copper production was a record at 7,848 tons. This year, although the ore milled rose from 440,671 tons to 442,088 tons, the amount of copper produced was seven tons less than last year. Total sales amounted to 10,966 tons, as against 10,301 tons last year.

"The demand for our products remains firm, though one cannot help expressing some anxiety lest, owing to foreign exchange difficulties, import licences for zinc, which is the complementary metal used for the manufacture of brass, may not be issued as freely as required.

"During the year, prospecting was continued throughout our leased area in an endeavour to locate other economic ore bodies to replace those which are rapidly becoming depleted. It

is too early yet to say whether these prospecting operations can be considered successful and more work will have to be done before any final conclusion can be drawn. It is satisfactory, however, that the ore reserves at the end of the year stood at 4,034,174 short tons, as against 3,850,757 short tons at the end of 1957.

"As regards costs, we are now mining at a deeper level where costs are naturally higher, and it is not possible to foresee any reason to believe that costs in the future can be reduced. On the contrary, they are likely to increase.

"I am glad to say that, during 1958, on the whole, relations with the workers remained fairly good and, as a result, production during the year has been comparatively unaffected by labour disputes. It cannot be said, however, that the situation is entirely satisfactory, as demands by unions, of varying hues, continue to cause tension, not only to us but to many other industrial concerns on this side of India.

Kyanite

"Sales of kyanite during 1958 amounted to 14,649 tons, as compared with 18,267 tons in 1957. The price has had to be reduced slightly in order to compete with synthetic materials produced in consuming countries which threaten the future of kyanite exports. It is hoped that sales can be maintained at roughly this level again in the present year, and every effort is being made to preserve our present markets and to find new outlets.

"I have no doubt that some of you have read in the newspapers about the suits in regard to your Company's kyanite leases, which have recently been decreed in favour of the Bihar Government on appeal in the High Court after the original suits had been decreed in the Company's favour. The position now is that the Company has applied to the Court for leave to appeal to the Supreme Court. I cannot, therefore, say more about this matter at present, except that it is the opinion of our legal advisers that we have a good case.

Electrolytic Plant

"Last year, your Chairman told you that the Company has had under consideration for some time, in consultation with their technical consultants, a project to manufacture electrolytic copper. Negotiations have reached an advanced stage and application has been made to Government for the release of the necessary foreign exchange. As matters now stand, we are waiting for the final approval of Government, on receipt of which the whole project will be put in hand. A considerable sum of money, amounting to approximately £700,000, will be required to finance this scheme, but it is expected that this can be provided within the Company's own resources.

Accounts

"As you will see from the accounts which are before you, the profit for the year, before providing for taxation, depreciation and reserves, amounts to £997,848. Your Directors have decided to place £150,000 to depreciation and £125,000 to general reserve. Income-tax and super-tax on profits for the year amount to £439,856.

"The Directors recommend that the dividend of 18 per cent. should be maintained involving further taxation on this dividend of £27,428. It is proposed that £71,312 should be carried forward.

"I think you will agree that, on the whole, we have had another satisfactory year and I am sure that I speak for you all in thanking Mr. N. A. B. Hill, the General Manager, and all his staff, for the excellent services they have rendered to the Corporation throughout the year."

CIVIL AVIATION IN INDIA

PROGRESS IN FIRST HALF OF 1959 ENCOURAGING

ALL-ROUND progress in civil aviation took place in the first half of 1959, the two participants in it being the Air-India International (A.I.I.) and the Indian Airlines Corporation (I.A.C.). During the period under review, the A.I.I. flew 6,061,607 kilometres and carried 44,333 passengers, 1,169,062 kg. of cargo and 473,068 kg. of mails, as against 5,118,197 kilometres, 37,831 passengers, 710,897 kg. of cargo and 354,164 kg. of mails in the first half of 1958. The overall load factor was 55.3 per cent., as against 55.6 per cent. in the first half of 1958. On its scheduled services, the I.A.C. flew 14,026,749 kilometres and carried 327,685 passengers, 15,884,674 kg. of cargo and 2,929,526 kg. of mails, as compared with 14,063,475 kilometres, 316,437 passengers, 21,704,346 kg. of cargo and 2,586,785 kg. of mails in the January-June period last year. The overall load factor was 68.8 per cent. as compared with 72.8 per cent. in the first half of 1958. At the end of June 1959, the number of aerodromes controlled and maintained by the Civil Aviation Department was 85, including the new airport at Kandla.

At the end of the first half of 1959, in addition to the A.I.I. and the I.A.C., there were 14 subsidised flying clubs and six air transport companies which held permits for non-scheduled services. Two other transport companies held permits for joy-rides. On non-scheduled services, Indian air carriers are estimated to have flown 3,640,520 kilometres, carrying 38,265 passengers and 15,128,008 kg. of cargo in the first half of 1959, as against 3,991,577 kilometres flown and 65,211 passengers and 18,759,034 kg. of cargo in the first half of 1958.

Trained Personnel

The future of aviation in India depends on the availability of trained personnel. The chief training centre in India is the Civil Aviation Training Centre at Allahabad, which comprises flying, aerodrome, engineering and communication schools with an allied repair and overhaul organisation. During the period under review, 22 candidates completed the flying course and 21 candidates the course in air traffic control while 12 aerodrome operators and 19 fire service personnel took refresher courses. At the communication school, 19 trainees completed radio operators' advanced refresher course and 15 candidates completed radio technicians' advanced refresher course. At the engineering school, training was imparted to 13 aircraft maintenance engineers. At the end of June 1959, there were 103 trainees on the rolls of the Training Centre.

Flying clubs, as is well known, have been established in several centres for imparting training in flying. There are 14 subsidised flying clubs, with their headquarters at Delhi, Bombay, Calcutta, Madras, Nagpur, Patna, Jullundur, Bhubaneswar, Jaipur, Bangalore, Indore, Begumpet, Gauhati and Lucknow (with satellite centres at Allahabad, Kanpur and Varanasi). These clubs trained 115 'A' and 5 'B' pilots during the half-year under review. The Government Gliding Centres at Allahabad, Bangalore and Poona and the Delhi Gliding Club continued to provide facilities for glider flying; they trained 22 pilots during the period under review. The number of persons holding Pilot 'A' licences increased from 1,033 at the end of December 1958 to 1,130 at the end of June 1959; the corresponding figures for those holding Pilot 'B' licences were 552 and 579 and for those holding licences as aircraft maintenance engineers were 1,034 and 1,075.

Two new aeronautical communication stations—one at Banihal and the other at Kandla—were established during the period under review, raising the number of such stations to 78. They provide 130 navigational aids and 496 telecommunication facilities. A point-to-point telecommunication circuit was established at Banihal for providing meteorological data required by air services on Delhi-Jammu-Srinagar route. After extensive trials, a Duplex radio teletype circuit was established between Calcutta and Karachi. Other improvements included the installation of a public address system at Mangalore and the establishment of VHF air-ground radio telephone channels for aerodrome control at Cooch Behar.

This announcement is not an invitation to subscribe for shares but is issued for the purpose of giving information concerning the Company. The formal Prospectus dated 17th September, 1959 has been delivered to the Registrar of Companies, Calcutta, for registration as required under Section 60 of the Companies Act, 1956. Copies thereof can be had from the Registered Office of the Company or from the Banks and Brokers named below.

TEXTILE MACHINERY CORPORATION LTD.

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

ISSUE OF

1,00,000 – 6½ per cent. (Free of Income-tax) Cumulative Redeemable Preference Shares of Rs. 100/- each at par.

Payable Rs. 50/- per share on application and Rs. 50/- per share by one or more calls as may be made by the Directors by giving three calendar months' notice of each call.

REDEEMABLE AT PAR ON 31st DECEMBER, 1970.

SHARE CAPITAL

AUTHORISED	Rs. 5,00,00,000
SUBSCRIBED AND PAID UP:	
15,00,000—Equity Shares of Rs. 10 each	Rs. 1,50,00,000
10,000—5½ per cent. (Free of Tax) Cumulative Preference Shares of Rs. 100 each	Rs. 10,00,000
30,000—5½ per cent. (Subject to Tax) Cumulative Redeemable Preference Shares of Rs. 100 each (Redeemable at the option of the Company at 3 months' notice)	Rs. 30,00,000
	Rs. 1,90,00,000

LOAN CAPITAL

The Company has 4,000—6 per cent. Debentures of the face value of Rs. 40 lacs secured against fixed assets. They are redeemable on 31st December, 1960. The Company has cash credit arrangements with the State Bank of India, Calcutta, and has also obtained unsecured loans and advances from other banks.

Fixed Assets and Reserves

The written down value of the fixed assets as on 31st December, 1958, amounts to Rs. 2,19,34,595. As at the said date the Reserves of the Company (including Development Reserve of Rs. 22,90,000) amount to Rs. 51,20,855.

Profits

Report of the Auditors of the Company shows that the average profit of the Company for the five years 1954 to 1958 inclusive, before depreciation and taxation, amounts to Rs. 70,18,688, and the average net profits (after depreciation and taxation) amount to Rs. 26,20,657.

Dividend Paid

The Company has paid dividends on Equity Shares as under during the last five years:

Year	Rate of Dividend
1954	Re. 1/- on 6,00,000 Shares.
1955	Re. 1/- on 6,00,000 Shares.
1956	Re. 1.25 nP. on 15,00,000 Shares.
1957	Re. 1.50 nP. on 15,00,000 Shares.
1958	Re. 1.50 nP. on 15,00,000 Shares.

PROSPECTUS AND APPLICATION FORMS

Copies of the Prospectus, on the terms of which alone applications will be considered, and Application Forms may be obtained from the Registered Office of the Company or from the following Banks at their Calcutta, Bombay, Delhi and Madras Offices or from the following Brokers or from the Underwriters at their important branches.

BANKERS

THE STATE BANK OF INDIA, 3, Strand Road, Calcutta.	THE UNITED COMMERCIAL BANK LTD., 2, India Exchange Place, Calcutta.	THE UNION BANK OF INDIA LTD., 6, Clive Row, Calcutta.
THE CENTRAL BANK OF INDIA LTD., 33, Netaji Subhas Road, Calcutta.	THE BANK OF BARODA LTD., 4, Brabourne Road, Calcutta.	

BROKERS

Messrs. PLACE, SIDONS AND GOUGH, 6, Lyons Range, Calcutta-1.	Messrs. MAHADEVIA BROTHERS, Stock Exchange Building, Dalal Street, Bombay-1.	Messrs. PATERSON & CO., 22, Errabalu Chetty Street, Post Box No. 48, Madras-1.
Messrs. G. M. PYNE, 14, India Exchange Place, Calcutta-1.	Messrs. BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Bombay-1.	Messrs. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, New Delhi-1.
Messrs. NAVALCHAND T. SHAH & CO., 120, Stock Exchange New Building, Dalal Street, Bombay-1.	Messrs. HARKISONDASS LUKHMIDASS, 5, Hamam Street, Fort, Bombay-1.	

SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on 30th September, 1959, and will remain open until the close of banking hours on 20th October, 1959.

TEXTILE MACHINERY CORPORATION LTD.

BELGHARIA, 21st September, 1959.

DEVELOPMENT OF VEGETABLE OILS INDUSTRY

HIGH COST OF PRODUCTION, THE MAIN HANDICAP

By S. G. Rao

VEGETABLE oils are useful and important both as food and as raw materials in industries like *vanaspati*, refined oils, soaps, paints and varnishes, lubricants, etc. The vegetable oils industry is one of the important industries of India. In 1956, the organised sector of the industry, comprising factories employing 20 or more workers on any day and using power, accounted for a capital investment of about Rs. 43 crores and an employment of about 59,000 persons, whose wages, salaries and benefits amounted to Rs. 4.6 crores. The value of its input and output was Rs. 162 crores and Rs. 173 crores, respectively, the value added by manufacture being Rs. 11 crores.

The demand for vegetable oils both as food and as industrial raw materials has been expanding and is likely to grow still further with the increase in the standard of living of the people as well as with the rapid expansion of the industries based on such oils. The Chairman of Messrs. Hindustan Lever Ltd., in his address at the annual general meeting of the Company in April last, estimated the available net supply of vegetable oils in 1957 at 1,800,000 tons, of which over 900,000 tons or over 50 per cent. of the total net supply was accounted for by groundnut oil alone. Out of the available net supply of 1,800,000 tons, about 300,000 tons of vegetable oils were estimated to be used in *vanaspati*, 200,000 tons in soaps and paints, 200,000 tons for body and hair, nearly 100,000 tons as lubricants and illuminants, leaving a balance of about 1,000,000 tons for liquid edible oil for about 394 million people or about 5.8 lbs. per capita per annum. He has also estimated that the country would need an additional quantity of about 4,500,000 tons of oilseeds in another 20 years and emphasised the need for planning accordingly.

India has not only a great domestic market but also a wide and substantial foreign market in vegetable oils. She exported vegetable oils and hydrogenated oils and fats valued at Rs. 12 crores in 1957 and Rs. 8 crores in 1958.

More Production of Seeds Needed

As is well known, the export trade of India even in her traditional items has been facing severe competition and suffering a serious decline in the recent past. In the context of our planning and development, the growth of both our industry and trade is important. There has no doubt been considerable expansion in our vegetable oils industry in recent years during the first and second Plans, especially in the edible hydrogenated oils (*vanaspati*) whose production rose from 170,000 tons out of an installed capacity of 320,000 tons (53 per cent.) in 1951 to 290,000 tons out of an installed capacity of 440,000 tons (67 per cent.) in 1958. The unutilised installed capacity is still substantial. It is, however, felt that, even at the end of the second Plan, that is, 1960-61, the per capita consumption of edible oils and fats will remain far below the requirements of a well-balanced diet. Therefore, both from the point of view of internal requirements of food and industry and from that of the need for expanding the export trade, the development of vegetable oils industry in the country and the expansion of the production of oilseeds are of paramount importance. It is in view of this importance that a target of 7,600,000 tons for the production of the five major oilseeds (groundnut, sesamum, castor, linseed and mustard) has been fixed by the end of the second Plan, i.e., in 1960-61.

It is evident that considerable attention is being given to the development of this important industry and its raw materials. It will be useful to study the recent trends in the growth of this industry, so that its future development can be considered in the light of the data available and the tendencies revealed. It is also generally believed that even our most important industries are unable to sustain, much less develop, foreign markets because of their high cost structure. It is, therefore, necessary to study this aspect also, in particular, with regard to this industry. If there is great need to develop this industry, there is even greater need to develop it on sound and economic lines.

Figures in respect of the large-scale sector of this industry are available since 1946 in the annual censuses of manufactures. In Table 1

below are shown the aggregates of the capital investment, employment, salaries, wages, etc., value of output and input, and the value added by manufacture in this industry during the period 1946-56. Table 2 shows certain important characteristics revealed by the ratios such as capital to employment; capital to output; value added to capital; output to employment; value added to employment; salaries, wages, etc., to output; salaries, wages, etc., to value added; value added to input; and input to output.

It will be seen from Table 1 that, between 1946 and 1956, the productive capital increased from Rs. 23 crores to Rs. 43 crores or by 89 per cent.; employment rose from 36 thousand to 59 thousand or by 64 per cent.; salaries, wages, etc., went up from Rs. 1.9 crore to Rs. 4.6 crores or by 142 per cent.; value of output increased from Rs. 60 crores to Rs. 173 crores or by 189 per cent.; value of input advanced from Rs. 52 crores to Rs. 162 crores or by 209 per cent.; and the value added by manufacture rose from Rs. 7.5 crores to Rs. 11 crores or by 48 per cent. It will be noticed that relatively conspicuous increases occurred in input and output, and in salaries, wages, etc. The value added by manufacture, which is the income created in this sector of the industry, increased only by 48 per cent.

Costs Rising

The facts that emerge from Table 2 are more revealing. Between 1946 and 1956, there was an increase of 15 per cent. in the productive capital employed per person; a fall of 35 per cent. in the productive capital employed per unit of output; a fall of 22 per cent. in the value added by manufacture per unit of productive capital; a rise of 76 per cent. in the value of output per person; a fall of 10 per cent. in the value added by manufacture per person; a fall of 17 per cent. in the ratio of salaries, wages, etc., to output; a rise of 63 per cent. in the ratio of salaries, wages, etc., to the value added; a fall of 52 per cent. in the ratio of value added to input; and an increase of 7 per cent. in the ratio of input to output. The figures reveal unmistakable signs of increasing labour and material costs in this industry, with the result that the net addition to the value added by manufacture does not seem to be commensurate with the appreciable visible expansion in the industry. It is to be feared, therefore, that the high cost structure of this industry is likely to affect its future growth on sound and economic lines and thereby its capacity to hold its own in a competitive world market.

The prosperity of this industry largely depends on several internal factors such as the domestic demand, prices and Government controls, besides the international factors. The industry has been subject to rather considerable fluctuations in its progress in recent years. The future health and strength of this industry and its capacity to hold its own in internal and external markets depend greatly on the extent to which reasonable reductions can be effected both in material and labour costs in future. The future prosperity of this industry would therefore seem to be essentially linked up with

a substantial reduction in material and labour costs. And this in turn basically depends upon an efficient, economic and expanding production of the major oilseeds in the country and a similar efficiency in the extraction of the oils and manufacture of other products from them. It is well known that both the yield of oilseeds per acre and the yield of oils from the seeds are low in the country, as compared with her competitors in the field. According to the figures available in the publication *Oilseeds in India, 1951-52 to 1955-56* issued by the Directorate of Economics and Statistics, Ministry of Agriculture, Government of India, the average yield per acre in India in respect of major oilseeds is much below the world average (excluding U.S.S.R.): in groundnut 683 lbs. as against 785 lbs. (1954), in sesamum 205 lbs., against 298 lbs. (1954), in castorseed 172 lbs., against 640 lbs. in Brazil (1952), in rapeseed 346 lbs., against 477 lbs. (1953), and in linseed 264 lbs., against 415 lbs. (1954). Similarly, the yield of oils from oilseeds is also low in the country, due to the rather poor and inefficient techniques of crushing. It has been estimated that about 29 per cent. of the total production of the major oils (groundnut oil, sesamum oil, castor oil, linseed oil and mustard oil) is by the village *ghanis* and the rest by the power mills. That the productive efficiency even in the power mills, which account for over 70 per cent. of the total vegetable oil production in the country, is none too satisfactory is evident from the figures analysed above. It is also necessary to add that the rate of oil extraction from the crushed seeds is not appreciably higher in power mills than in the village *ghanis*, the respective rates ranging from 30 to 40 per cent. of the seed crushed in the power mills and from 30 to 35 per cent. in the village *ghanis*.

Although it is obvious, it is necessary to emphasise that an efficient industry based on an efficient agriculture only can give a reasonable assurance of prosperity; nothing less can. It should also be a matter for earnest consideration in a country with scarce capital and abundant labour whether the village *ghanis*, and more and more improved varieties of the same, should not be employed in a greater measure in future than at present, although it need not necessarily be at the expense of the future expansion of the power mill industry.

West Germany's volume of trade with Near and Middle Eastern countries continued mounting during the first half of 1959. Its exports to these areas rose by 85 million to 1,370 million DM. and its imports shot up by 181 million to 1,120 million DM. on last year's first half. Its best customers were Turkey (231 million DM. +41 million), followed by the U.A.R. (193 million DM. +33 million), Iraq (191 million DM.), Saudi Arabia (176.8 million DM.) and Kuwait (72 million DM.). Of the total, W. Germany imports from this area mineral oil worth 682 million DM.

Research and development budgets of nearly 600 U.S. corporations are 12 per cent. higher this year than the record outlay in 1958, according to a survey released by the American Management Association. As much as 64 per cent. of the firms studied increased their budgets for the development of new products and processes, 8 per cent. were unchanged, and 28 per cent. reduced budgets. Among the 23 industry groups studied, automobiles led with a 32 per cent. increase over last year. Three other industries had budget increases of over 20 per cent.: electrical machinery, 23.8 per cent.; instruments, 29.7 per cent.; and metal working machinery, 21.7 per cent. Only one group, namely, miscellaneous machinery and parts, showed a decline.

Items	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	Percentage increase or decrease in 1956 over 1946 (+) or (-)
Productive capital ... Total (Rs. crores)	23.00	31.88	33.36	39.56	48.48	48.27	38.84	36.08	37.80	40.51	48.48	+ 89
Total No. of persons employed	35,917	52,022	58,184	64,397	55,120	52,210	40,240	51,008	57,949	59,030	67,441	+ 44
Total salaries and wages (Rs. crores)	1.90	2.75	3.42	4.06	4.08	5.12	5.76	5.86	8.90	12.38	14.59	+ 142
Ex-factory value of products and by-products and work done for customers (Rs. crores)	59.89	88.94	108.15	124.80	139.31	157.10	125.45	127.11	128.86	143.04	173.24	+ 189
Total input, i.e., value at factory of materials, fuels, etc., consumed and amounts paid to other concerns for work done for factory plus depreciation ... (Rs. crores)	52.48	77.21	95.05	116.93	132.84	151.81	119.02	118.07	125.09	151.78	182.21	+ 209
Value added by manufacture ... (Rs. crores)	7.46	6.78	8.10	7.87	6.47	6.29	6.43	9.04	8.19	10.58	11.03	+ 48

Ratios	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	Percentage increase or decrease in 1956 over 1946 (+) or (-)
Productive capital : Employment .. (Rs.)	6,404	5,992	5,737	6,152	7,933	8,601	7,848	7,232	7,429	7,027	7,359	+ 15
Productive capital : Output .. (%)	38.40	37.38	32.36	31.69	33.83	30.72	30.56	33.20	30.41	29.82	29.07	- 35
Value added : Productive capital .. (%)	32.43	21.44	24.28	19.90	13.44	10.95	10.78	25.06	9.49	25.32	25.39	- 39
Output : Employment .. (Rs.)	16,675	15,951	17,734	19,411	23,952	27,903	24,029	25,514	25,254	24,043	29,353	+ 76
Value added : Employment .. (Rs.)	2,077	1,579	1,368	1,224	1,118	942	1,232	1,595	1,316	1,790	1,988	+ 10
Salaries, wages, etc. : Output .. (%)	25.52	40.82	42.25	51.55	28.93	28.53	28.96	29.90	3.09	12.16	8.60	- 68
Salaries, wages, etc. : Value added .. (%)	14.23	8.71	8.52	6.73	4.87	3.48	5.40	12.21	43.97	43.97	43.97	+ 10
Value added : Input .. (%)	14.23	8.71	8.52	6.73	4.87	3.48	5.40	12.21	43.97	43.97	43.97	+ 10
Input : Output .. (%)	87.54	87.54	87.54	87.54	87.54	87.54	87.54	87.54	87.54	87.54	87.54	+ 7

ALL INDIA GENERAL INSURANCE COMPANY

WORKING RESULTS SATISFACTORY

A **SIZABLE** jump in net premium income is disclosed by the audited accounts of the All India General Insurance Company, Ltd. (General Manager: Mr. Indulal B. Mehta) for the year ended 31st December 1958. Despite keen competition in the field of general insurance and the none too happy claims experience, the Company's underwriting results for the year showed an improvement as compared with the previous year. Despite underwriting losses in two departments, namely, marine and miscellaneous, the year's operations have resulted in net profit of Rs. 8,338, as against a loss of Rs. 7,224 in the previous year, thanks to the profit made by the fire department.

As regards the working of individual departments, the net premium in the fire department amounted to Rs. 7.90 lakhs and the net claims paid and outstanding aggregated Rs. 2.69 lakhs. Commission and expenses were of the order of Rs. 4.11 lakhs. After setting apart Rs. 3.32 lakhs as reserve for unexpired risks, being 42 per cent. of the premium income for the year, and making an additional reserve of Rs. 15,804 bringing up the total reserve to Rs. 3.48 lakhs, a sum of Rs. 28,511 has been transferred as profit to the profit and loss account.

Marine Department

In the marine department, net premium amounted to Rs. 1.10 lakh and the net claims paid and outstanding to Rs. 46,851. Commission and expenses were of the order of Rs. 45,367. After providing a sum of Rs. 87,819 as reserve for unexpired risks, being 80 per cent. of the premium income, and an additional reserve of Rs. 5,488, bringing up the total reserve to Rs. 93,308, a sum of Rs. 23,853 has been transferred as loss to the profit and loss account.

The net premium in the miscellaneous department amounted to Rs. 3.96 lakhs and the net claims paid and outstanding to Rs. 2.26 lakhs. Net commission and expenses amounted to Rs. 2.13 lakhs. After earmarking a sum of

Rs. 1.66 lakh as reserve for unexpired risks, being 42 per cent. of the premium income, and providing for an additional reserve of Rs. 7,930, bringing up the total reserve to Rs. 1.74 lakh, the account shows a loss of Rs. 44,001.

After crediting interest and dividend of Rs. 39,313 and other miscellaneous receipts amounting to Rs. 33,364 to the profit and loss account and crediting the profit of the fire department and debiting the loss from the marine and miscellaneous departments and expenses of management not applicable to any particular fund and other miscellaneous disbursements including capital gains tax paid on compensation received from the L.I.C., a net profit of Rs. 8,338 has been transferred to the profit and loss account which, together with Rs. 4,060 brought in from last year, leaves Rs. 12,398 as profit.

The capital and funds of the Company as on 31st December 1958 aggregated Rs. 19.27 lakhs. The details are as follows:

	Rs.
Capital paid-up	10,00,000.00
Fire fund	3,47,701.20
Marine fund	93,308.20
Accident and miscellaneous fund	1,74,476.41
Capital reserve account	2,196.55
Investment reserve account	2,96,596.95
Profit and loss appropriation account	12,398.67
Total	Rs. 19,26,677.98

Chairman's Review

Reviewing the main events of the year which affected the business and results of the Company's working, the Chairman, Mr. Pannalal Bansilal Pitty, observed, in the course of his speech at the Fifteenth Annual General Meeting of the Company held on 14th September, 1959, as follows:

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

"Before moving the resolution for the adoption of the report and accounts, I shall make a few general observations about the Company's working during last year.

"The total gross Indian premium income written by the Company amounted to Rs. 14,44,176 in 1958, as against Rs. 11,57,245 in 1957. The total expenses of management incurred during last year was Rs. 5,88,033, as against an expenditure of Rs. 5,18,418 in the previous year.

Accounts

"Turning now to the departmental accounts, you will notice from the fire revenue account, that there was an increase of over Rs. 1,62,480 in the net fire premium written by the Company.

"In the marine department, an increase took place in the net premium income, but underwriting conditions were difficult; there were heavy claim settlements, especially from the Government business, which we were getting from the Indian Insurance Companies Association Pool, where the experience in the past was favourable.

"The adverse trend in the underwriting results in the accident department continued even in 1958. While there was some improvement in the claim experience in respect of motor business written in this country, our experience in Ceylon showed further deterioration. Efforts are now being made to curtail our motor portfolio in Ceylon until such time that there is an improvement in the situation.

Rise in Reserves

"You are aware that in the past we have been providing 40 per cent. reserve for unexpired risks in the fire and accident departments and 75 per cent. in the marine department. As a result of the undertaking given by your Directors to the Executive Committee of the General Insurance Council, it has become necessary to increase gradually the reserves from 40 to 50 per cent. in the fire and accident sections and from 75 to 100 per cent. in the marine department. You will notice from the accounts now before you that there is a provision of 44 per cent. in the fire and accident departments and 85 per cent. in the marine department. As a result of this additional provision and the rise in the premium income, there is an increase of about Rs. 1.3 lakh in the reserve for unexpired

(Continued on next page)



REPUTATION
for
Quality, Uniformity, Reliability



CLARETTA



THREE GOLDEN HORSES

High Rayon Fabrics

- # 6040 M/g Habutae
- # 6080 Chiffon
- # 6280 Silver Crepe
- # 6300 Georgette Crepe

Rayon Yarn

- Filament Yarn
- Spun Yarn
- Twisted Yarn
- Staple Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umeda, Kishu, Osaka, Japan Cable Address: "KURARAY OSAKA"

NEW LIFE BUSINESS LIKELY TO REACH RS. 415 CRORES THIS YEAR SCARCITY OF SOUND SCRIPS MAKES INVESTMENT DIFFICULT

MR. P. A. GOPALKRISHNAN REVIEWS L.I.C.'S PROGRESS

ADDRESSING the Forty-second Meeting of the Life Insurance Corporation of India, held in Bombay, on Monday, 21st September, 1959, on the occasion of the completion of three years of its working, the Chairman of the Corporation, Mr. P. A. Gopalakrishnan, I.C.S., stated that, on the basis of the current trends in new life business, the L.I.C. should be able to complete Rs. 415 crores in the current year, as against Rs. 343 crores in 1958 and Rs. 281 crores in 1957. He stressed that, in order to reach the new business target of Rs. 1,000 crores per year, which the Corporation had set for itself, further recruitment and training of staff were necessary. He indicated that the L.I.C. had maintained an investment rate of Rs. 10 lakhs per day but the Corporation had found it "increasingly difficult to make investments other than in Government and approved securities owing to the comparative short supply of sound scrips in the stock markets of the country."

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

"GENTLEMEN,

"I have great pleasure in welcoming you all to the third anniversary meeting of the Corporation. We are meeting today mainly to consider the draft annual report and audited accounts for 1958. These have already been circulated to all the members of the Corporation.

"I may briefly summarise here the salient points in the report. New business in 1958 has increased to 9.35 lakhs of policies assuring a sum of Rs. 943.07 crores, as compared with 7.95 lakhs of policies assuring a sum of Rs. 281.90 crores in 1957. The total business in force has increased to 62.30 lakhs of policies assuring a sum of Rs. 1,681 crores as compared with 56.83 lakhs of policies assuring a sum of Rs. 1,473 crores at the end of 1957. The net lapse ratio, i.e., the ratio of the sum assured lapsed less the sum assured revived in the year 1957 to the mean business in force during the year was 6.4 per cent. Statistics of lapses for 1958 have been received from all zones except one. The available statistics indicate that the lapse ratio in 1958 was of the order of 4.5 per cent., showing a significant reduction over the ratio for 1957. The Life Fund has increased to Rs. 447.81 crores from Rs. 410.41 crores in 1957. The renewal expense ratio has fallen from 15.89 per cent. in the previous accounting period to 15.46 per cent. in 1958. These are indicators of the progress made by the Corporation during the year as well as of the economy achieved in the expenses of management. Tighter budgetary control, which has been introduced from 1959, will not only enable the Corporation to bring down the expense ratio within the statutory limit but progressively lower it in future years.

New Business

"For the first eight months of 1959, the new business completed amounts to Rs. 148.16 crores representing an increase of 23.0 per cent. over the corresponding period of last year. If this rate of progress is maintained during the rest of the year, the Corporation should have no difficulty in realising its target of new business of Rs. 415 crores fixed for the first year of its Five-year Plan.

"As you are aware, the Corporation aims at securing a new business of Rs. 1,000 crores in the fifth year of its plan, viz., 1963. This involves further recruitment and training of officers and staff, selection and strengthening of the field force, opening of new offices beginning from branch and sub-offices upwards, market surveys and publicity and various other organisational improvements without which the Plan will merely remain on paper. All these details have now been worked out and will be presented to you for your consideration in the near future.

Rural Areas

"Meanwhile, whatever possible with the existing organisation is being done to open out rural areas for the expansion of our business. Fourteen branch and 68 sub-offices were opened in different parts of the country in 1958 and one divisional office, 10 branch and 3 sub-offices have been opened during the current year. Some of

these new offices are in remote corners of the country and field officers and agents attached to these offices are now working in inaccessible places which have hitherto not heard of life insurance at all. Besides, rural insurance in intensified form has been undertaken in certain selected Community Development Blocks of Rajasthan and Bihar. With the blessing of the State Governments concerned, the Block Development Officers are co-operating with the Corporation in this experiment and the rural panchayats, who are working as agents of the Corporation in these areas, utilise the commission received for development purposes in the villages. This experiment has been recently extended to some Community Development Blocks in Andhra Pradesh and Assam and the results of these experiments will be useful in intensifying the insurance programme in the rural areas of the country.

"Most of the major staff problems of the Corporation have already been solved, including the categorisation of senior officers, the question of bonus to the clerical, subordinate and supervisory staff and the categorisation of field officers. The conclusion of a five-year agreement regarding bonus with the representatives of the administrative employees was one of the main achievements of the Corporation during the first eight months of this year. Agents who remain on our books without producing any business are gradually being weeded out and new agents with the requisite qualifications are being recruited. The quality of the agency force is thus being continuously improved.

Personnel

"As I have already remarked, in order to cope with the increasing business of the Corporation, an increasing number of trained personnel is necessary. The Corporation has already started 10 training centres which have so far trained 1,500 field officers. Instructors are being sent out to visit the various branches and sub-offices to give short-term training to the agents attached to these offices. Preparations are also being made for opening training centres for administrative personnel, including officers and clerical staff, and these training centres are expected to be started during the next two or three months. With more and more trained staff becoming available, it will be possible for the Corporation to offer better service to its policyholders.

"Allied to the programme for the expansion of the Corporation's business is the building programme for the Corporation's offices and staff quarters. Accommodation for our divisional offices is totally inadequate in many of our divisions and, even in divisions where it is at present adequate, it will become inadequate in two or three years. The Corporation has to speed up the construction of buildings with accommodation to meet the needs of expanding business for the next few years. Similarly, the construction of staff quarters has to be speeded up as without proper housing, it would be difficult for the staff to carry on. The Corporation's decision to grant loans to co-operative housing societies of employees at a concessional rate of interest has not produced any good response. For various reasons, employees find it difficult to form co-operative societies. Firstly, they are liable to transfer from place to place. Secondly, those who are serving away from their homes are not interested in owning houses at the places where they work. Thirdly, procedural delays are taking place in the formation of co-operative societies. After taking all these factors into account, I would urge that the Corporation should go ahead with the construction of staff quarters, wherever they are needed, whether co-operative housing societies are formed or not. If and when they are formed, the quarters can be handed over to them on agreed terms. I would like to emphasise the fact that unless our building programme keeps pace with the expansion of our business, our service to the policyholders is bound to suffer.

Investments

"Turning to the investment activities of the Corporation, the investment rate of over a million rupees a day was maintained during the

year and, in fact, improved upon. Investments are being made in accordance with the investment policy approved by the Government in August 1958. On 31st December 1957 the investments in the public and private sectors were 77.4 per cent. and 22.6 per cent. respectively. At the end of December 1958, these percentages were 78.3 and 21.7 respectively. On 31st July this year, these percentages were 78.6 and 21.4 respectively. It is becoming increasingly difficult to make investments other than in Government and approved securities owing to the comparative short supply of sound scrips in the stock markets of the country. With the Corporation's recent decision to revive the grant of loans on the mortgage of properties, it should be possible to offset, to some extent, the shrinkage of investments in the private sector.

"You will see from the report that the rate of interest realised on the mean life insurance fund in 1958, after deduction of income-tax at source and including the refund of tax received during the year, was only 3.52 per cent. as compared with 3.74 per cent. during the previous accounting period. The reason for this fall is that we have yet to receive a considerable amount by way of refund of tax relating to the year. Taking the anticipated refund into account, the rate of interest earned during the year would very nearly be the same as in the previous accounting period.

Valuation

"Lastly, I would like to say a word about the first valuation completed by the Corporation during the current year. The working out of differential bonuses on the policies issued by the old companies and those issued by the Corporation after the 'appointed day' presented innumerable difficulties. It is a matter for satisfaction that the differential bonuses declared and the quantum of the bonus in the different cases were generally welcomed by the policyholders.

"Summing up, I may mention that by and large the Corporation's efficiency has improved, most of the major staff problems have been solved and the stage has been set for further consolidation and progress towards realising the targets fixed in the first Five-year Plan of the Corporation."

ALL INDIA GENERAL INSURANCE COMPANY

(Concluded from previous page)

risks as compared with last year. You will also notice from the accounts that the profit from the fire department shows a slight improvement upon 1957, but the increase in the premium in the marine department has turned a trading profit into an underwriting loss, after making provision for the unearned premium reserve. I am sure our underwriting results for the year 1958 show a considerable measure of improvement and taking everything into account, they may be considered to be satisfactory.

Fire Premium Rates

"Last year, I referred to the proposed cut in the rates for fire premium, as a remedy to cure the industry of the evil of rebating. It is now reliably learnt that the authorities have decided to make an overall reduction of ten per cent. in the rates. In view of the fact that not only there is no underwriting profit in the marine and accident sections, but they have also to be subsidised by the fire department, it would have been better if some minor adjustment had been recommended instead of a general reduction in the rates. Let me, however, hope that the proposed reduction will not materially affect the working of small and medium size insurers.

"Another important subject that is at present engaging the attention of the trade is Insurance Rule 17E in regard to the provision of the limitation of expenses of management of insurers. I can only hope that the rule will be revised in such a way that there will be no scramble for writing direct business by insurer as at present.

"The year under review has again been a difficult one; the markets generally remained highly competitive and the business which we get from Ceylon has become unprofitable. In spite of these difficulties, we have been trying to expand our business gradually, and with increasing industrial activity under our development plans, there will be scope for us to develop on sound and healthy lines."

Union Bank of India Limited.

(ESTD: 1919)

Head Office:
Union Bank Building
Apollo Street
BOMBAY-1

★

WITH WORLD-WIDE CONNECTIONS
WE ARE FULLY EQUIPPED TO
HANDLE EVERY KIND OF FOREIGN
EXCHANGE BUSINESS

CALL AND FIXED DEPOSITS
ARE ACCEPTED AT ATTRAC-
TIVE RATES

F. K. F. Nariman, General Manager.

THE BANK OF MAHARASHTRA LIMITED

Estd. 1935

Scheduled Bank

BOARD OF DIRECTORS

Shri V. P. Varde (Chairman)	Shri N. G. Pawar (Vice-Chairman)
" D. K. Sathe	" F. G. Pudumjee
" M. V. Shah	" B. M. Gupta
Rao Bahadur	" M. S. Parakhe
" M. B. Jambhakar	" J. K. Rege
Shri V. S. Shirgaonkar	" R. B. Bathia

BANK'S FORTY-NINE BRANCHES

The Maharashtra Bank has now forty-nine branches in the Greater Maharashtra and adjacent territories and it is convenient and beneficial for the people in this area to have relations with this Bank for personal and business transaction.

The Bank has opened a new Branch at WORLI, OPPOSITE PODAR HOSPITAL, BOMBAY on 14-9-59, and will shortly open branches at AKLUJ and BARSIL.

Head Office: C. V. JOAG,
Bajirao Road, Poona-2. Manager.

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri C. D. SOMANI, M.P.

Authorised Capital	-	Rs. 2,00,00,000
Issued and Subscribed Capital	-	Rs. 1,00,00,000
Paid-up Capital	-	Rs. 50,00,000
Reserve and other Funds	-	Rs. 25,00,000

Complete Banking Services inclusive of
Foreign Exchange

S. L. KOTHARI,
General Manager.

MOTORS

TRANSFORMERS
L. T. & H. T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS

THE HINDUSTAN
ELECTRIC CO. LTD.

POST BOX NO. 67 BOMBAY 1

FLY QANTAS AND B.O.A.C. to BRITAIN or AUSTRALIA

See your local BOAC Appointed Travel Agent or BOAC at,
Bombay, Delhi, Calcutta and Madras.

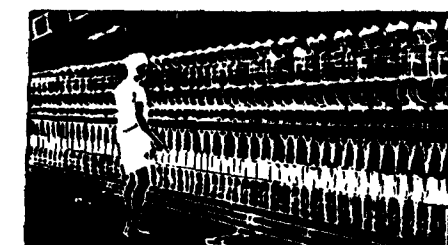
BRITISH OVERSEAS AIRWAYS CORPORATION WITH QANTAS
EMPIRE AIRWAYS LIMITED AND TEAL

In your mill...

whatever the purpose



a SPECIFIC Shalimar



Paint Product applies



be BRIGHT—specify



SHALIMAR PAINT, COLOUR & VARNISH COMPANY PRIVATE LIMITED
CALCUTTA • BOMBAY • MADRAS • NEW DELHI • KANPUR

NEW UNIT FOR MAKING ALUMINIUM TO BE SET UP AT RIHAND CHEAP ELECTRIC POWER VITAL TO ECONOMIC PRODUCTION

ALTHOUGH India does not possess large deposits of non-ferrous metal ores, it is fortunately endowed with plentiful supply of bauxite, the chief raw material for aluminium industry. There is need for expanding India's aluminium industry, in view of the rising demand for this metal. Last year, India produced a little over 8,000 tons, as against its total consumption of the order of 26,500 tons of primary aluminium; the excess of demand over actual production had to be met through imports. Production in the current year, however, will be more than double that of last year. There are now two producers of aluminium in India: the Indian Aluminium Co., Ltd., associated with the world-renowned Aluminium Ltd. of Canada, and the Aluminium Corporation of India, a J.K. concern. Of these two units, the former alone has doubled its capacity, with its current production running at the rate of 16,000 tons per annum. Thanks to this large expansion programme, successfully completed by Indian Aluminium, production this year will be well over 18,000 tons. At the same time, the demand for aluminium, it has been computed, is likely to rise by at least 5,000 tons a year. It is likely to reach 44,000 tons by 1961 itself. It is, therefore, gratifying to note that the situation, arising out of the deficit in supply, will be partially corrected by further expansion by the Indian Aluminium Company by another 10,000 tons and by the establishment of a new aluminium producing unit at Rihand in Uttar Pradesh. This unit, which will be owned by the Hindustan Aluminium Corporation Ltd., will have an initial capacity of 20,000 tons and is expected to commence production in 1962, if not a little earlier.

Demand

In India, the structure of the demand for aluminium is already undergoing changes, indicating the metal's increasingly important industrial applications. There has thus been a marked decline in demand for aluminium utensils. But this is being offset by the increased requirements of aluminium for industrial uses. The Tariff Commission, in the course of its report on the continuance of protection for the industry, observed that "according to present indication, there is a large potential for increased off-take in several industries, particularly in the manufacture of A.C.S.R. and A.A.C. for use in electrical industries, aluminium sheets for transport industries, aluminium structural for engineering and building industries and aluminium foils for use in packing, etc." Indeed, this is the direction in which its use has expanded in all industrial countries. This explains why world consumption of aluminium has doubled every 10 years. Last year, world output of primary aluminium aggregated 3.8 million tons, the leading producers being the U.S. (1.56 million tons), Canada (0.64 million tons), U.S.S.R. (0.55 million tons) and Japan (0.09 million tons).

The chief technical advantage of aluminium, which makes it so versatile a metal, lies in the fact that it is light and can be rendered sufficiently strong through suitable combination with other metals. Thus, aluminium is only one-third the weight of steel or copper. But, when it is alloyed with other metals, it can become stronger than structural steel. Further, the metal has other technical qualities. It is a good reflector of light and radiant energy. It is highly resistant to corrosion. Besides possessing good thermal and electrical conductivity, it can be easily fabricated and joined.

Even though many of these properties of aluminium were recognised and appreciated several centuries ago, commercially-produced aluminium was not accomplished easily. Aluminium comprises about eight per cent. of the crust of the earth, but it is never found in its natural state. To put the metal to use, four major steps must be taken: bauxite, the prime ore for the industry, has to be mined; a white, powdery aluminium oxide or alumina must be obtained by refining the bauxite; the alumina must be electrolytically reduced to pure aluminium; and the aluminium must be fabricated into the desired and workable forms.

The mining of bauxite, except where underground mining is required, is not particularly complicated. Power shovels usually are utilised in open pit mines. The mined ore then is

washed, crushed and dried. In the second step, the ground ore is mixed with lime and soda ash and heated under steam pressure. Aluminium oxide is dissolved, but the many impurities remain suspended, and can be separated by settling and filtration. The alumina, brought out of the solution by cooling and agitation, emerges as a crystalline solid similar in appearance to salt. The crystals then are washed to remove further impurities, and subjected to intense heat to drive off the water. The pure, granular alumina is thus obtained, and this is the basic raw material used in the reduction of aluminium. To reduce metal from the powdery alumina, the oxygen must be removed. This takes place in the smelting furnaces, or "pots"—shallow steel tanks lined with carbon. Cryolite and sodium aluminium fluoride are introduced into the pots, and heated to a molten state. After the alumina is added, electricity, applied through carbon blocks, immersed in bath liberates the oxygen and releases the pure aluminium metal.

Hindustan Aluminium

To revert to the Hindustan Aluminium project now rapidly underway. This project, which is being sponsored by the House of Birla, will derive its bauxite ore from the mines in Madhya Pradesh. The necessary mining lease covering an area of about 1,236 acres has already been obtained. Power and water required by the factory will be supplied from the Rihand dam. The Company proposes to acquire 1,000 acres of land in the vicinity of Rihand dam site for the factory building, housing and other construction. The authorised capital of the Company is Rs. 20 crores, consisting of Rs. 10 crores of equity capital (in shares of Rs. 10 each), Rs. 2½ crores of cumulative preference shares (Rs. 100 each) earning a tax-free dividend of 6.3 per cent. and the balance of Rs. 7½ crores in unclassified shares. The preference shares are redeemable after a period of 20 years. The Directors propose to issue at present Rs. 8.35 crores, made up of Rs. 5.85 crores of ordinary shares and Rs. 2½ crores of cumulative preference shares. Out of this issue, Rs. 1.5 crore of equity capital is reserved for their technical collaborators, Kaisers and their friends, and another Rs. 2.13 crores will be taken up by Birla Gwalior Private Ltd. and its Directors and friends. The remaining equity capital of Rs. 2.1 crores and the whole of Rs. 2.5 crores of preference capital will be offered to the public in a few days.

The Company's American collaborators, the Kaiser Aluminium and Chemical Corporation, are leading manufacturers of aluminium and a wide range of industrial equipment in the U.S. and Latin America. The Corporation is one of the three major aluminium producers in the U.S., with an annual production of 600,000 tons. It is part of the Henry J. Kaiser group of companies which are active in other areas of Indian economic development, including an interest in Mahindra and Mahindra Ltd., manufacturers

of Willys jeep, and the expansion programme of the Tata Iron and Steel Company, Ltd. They are also exploring possibilities of manufacturing cement in India in partnership with Indian capital.

The Kaiser Aluminium's interest in Birla's aluminium enterprise will be approximately 27 per cent. of the equity capital. It will help build the project which is expected to begin operation in 1962. Much interest attaches to this collaboration, for it represents the largest single U.S. private investment so far in a joint venture with an Indian firm. Mr. G. D. Birla has expressed the hope that the successful launching of this venture might bring many similar investments in its wake.

The availability of bauxite and of cheap electric power determines the location of aluminium industry. Of these two considerations, even the availability of bauxite is subordinate to that of cheap power, for there are several countries, such as Canada, which manufacture aluminium out of imported bauxite and sell the metal at competitive prices, thanks to abundant supply of cheap power facilities. The importance of cheap power to an aluminium enterprise will be evident from an estimate made by the Tariff Commission. According to the Commission, a variation in the cost of electric power by one naya paisa per kw.—a 10,000-ton unit will consume about 26,000 kw.—will give rise to a variation in the price of aluminium metal by about Rs. 260 per ton. From this point of view, the recent controversy in Uttar Pradesh over the price at which power is to be supplied to Hindustan Aluminium will be widely deplored. In the U.P. Vidhan Sabha, several members alleged that the State Government had agreed to sell power to the Company at a loss.

Power Costs

Apart from the fact that a wise State Government, anxious to promote industrialisation, will be prepared to face even a loss, the charge levelled against the U.P. Government is not true to facts. In the course of his closely-reasoned defence of the Government's decision, the Chief Minister of the State, Dr. Sampurnanand, pointed out how the price quoted by the Government was Rs. 150 per kw. whereas the cost of power production in the Rihand dam was estimated at Rs. 148 per kw. There is thus a margin of Rs. 2 per kw. Again, there is a fair prospect of a decline in the cost of power production, which would increase the margin of profit for the Government. It must be remembered that the rate to which the Government has agreed will apply only to the power used to extract aluminium from bauxite while power used for other purposes will be charged at higher rates. Further, the agreement is for a period of only eight years—in case of emergency, it may be terminated even earlier—at the end of which the rate would be revised.

Above all, the other States are willing to offer power at rates lower than the rate at which the Hindustan Aluminium will get power from the Rihand dam. Thus, Kerala is willing to supply power at Rs. 113 per kw. and Orissa at Rs. 135 per kw. In view of these considerations, it was singularly unwise on the part of the members of the U.P. Vidhan Sabha to carry on a controversy over the U.P. Government's agreement with the Company. Apart from the fact that the criticism of the agreement is based on an incorrect reading of the facts, it ignores the vital consideration that the agreement has paved the way for the establishment of a new industry in the State and also for a host of other ancillary industries of great benefit to its people.

FIFTY YEARS OF NORWEGIAN SHIPPING

The Norwegian Association of Shipowners has just celebrated its 50th anniversary. The Association was founded in September 1909, and its first President was Shipowner Christian Michelsen who as Prime Minister became one of the most prominent personalities in recent Norwegian history. During these years, Norwegian shipping has undergone a fantastic development and expansion. In spite of two World Wars, each of which reduced the Norwegian fleet by half, the tonnage is today five times greater than in 1909. At the end of the last war, in which 3,650 Norwegian sailors lost their lives on active service and 2.4 million gross tons went down, the tonnage remaining was 2.7 g.t. Already by 1950, the pre-war tonnage figure had been surpassed, and today 1,533 ships with a total of 9,950,000 g.t. at an overall value of 15,000 million kroner (£750 million). (The whole Norwegian merchant fleet adds up to 10.4 million g.t., and is the third largest in the world.)

The shipping industry has been the third biggest contributor to the national product in post-war years, and has earned Norway a net amount—that is, less investments in new tonnage—of 14,000 million kroner (£700 million).

NEW PRODUCTS AND PROCESSES

Moisture Meter for Textiles

THE Shri Ram Institute for Industrial Research, Delhi, has developed SRI Electronic Moisture Meter, a device to determine accurately the moisture content of materials, such as textiles and paper, etc. The instrument, a significant improvement on imported products, gives steady and accurate results; there is no drift in the meter readings even after prolonged use. It is also capable of being used for determining moisture content of materials in bulk like CMC, pulp, soils, grain, etc., by suitably modifying the plates of the electrodes. Moisture content in textiles, paper and similar materials plays an important role because the amount of residual moisture has an important bearing on the physical characteristics such as elasticity, rigidity and swelling. The measurement and control of moisture content is, therefore, of fundamental importance for textile, paper and other similar industries. For measuring moisture content, the material is introduced between the plates of electrode system forming a condenser, resulting in a change in the capacity which in turn affects the resonant frequency of the crystal oscillator resulting into variation in the reading of the indicating meter. As the instrument has already been calibrated and a linear relationship obtained between the moisture determined by oven drying method and readings on the indicator, the moisture content can be directly read from the scale. The instrument has been tried in leading textile mills and results obtained are said to compare favourably with the performance of imported meters.

Off-shore Discharging of Oil

A new system for connecting off-shore tankers and other ships, with tanks, water supplies, etc., on land and vice versa has been evolved by a Swedish consortium, AB International Marine and Oil Development Corporation, Stockholm. The system is based on the use of a buoy, called the Imodco Buoy, connected with the land by pipeline, which has been tested with good results by the Swedish Navy. The first buoy was built at the Helsingborgs shipyard, and world patents are being applied for. The test unit has a diameter of 4.5 m. (15 ft.) and weighs 6 tons (in air). It is designed for use by vessels of 2,000 tons. However, it can be made to specifications of from 3.5 to 12.5 m. diameter. The largest size should be able to serve vessels of the 100,000-ton size. The Imodco Buoy can be used as an intermediary when discharging any type of liquid cargo, or loading of supplies such as bunkers, fresh water, etc. It can also be used for discharging spill-oil and is adaptable for certain types of cargo in solid form.

A heavy crow-foot is applied to the buoy from the vessel, whereupon the discharge or supply pipes are connected. Special swivel-mooring arrangements make it possible for the ship to turn round it in order to be constantly facing the wind or current in the right way. Among the advantages of the new system may be mentioned first of all the ease with which it can be placed at any desired position without depending on existing quays or depth of the harbour to be served. Costs for unloading and reloading arrangements on land are eliminated, waiting time in busy ports can be shortened, the danger of fire and explosion are lessened, oil contamination in port can be avoided, etc. The inventors claim that there should also be great possibilities of using the buoy when tapping new oil fields before adequate harbours have been built. Normally, the ship's own pumping installation ought to be able to handle the unloading or loading, but in the other cases pumping stations on land, or the utilisation of existing height of fall might be resorted to.

Television Camera

A remotely-controlled television camera developed by the B.B.C.'s engineering division has been taken over by the B.B.C. television service for experimental trial. The camera is in a TV interview studio near Broadcasting House, London, but all its functions can be controlled from a news studio at Alexandra Palace, about six miles away. At Alexandra Palace is a control console from which, via cable circuits to the central London studio, the camera can be switched on, panned, tilted, focused, and doimed as required. Alternatively, for interviewing, the control can be taken over by the interviewer in the London studio. It is intended to use this new technique for news and interview studios. An extension of the plan would enable the control to be extended over longer distances.

Plastic Industrial Fans

A standard range of industrial fans made of plastic is to be sold in the U.K. They will be four bladed and range from 6 to 14 feet in diameter in increments of 2 feet. A set of hollow plastic blades may be fitted either to an auto-variable hub, which enables the pitch of the blades to be altered pneumatically while in motion, or an adjustable pitch hub which requires the fan to be stopped while a simple manual alteration of pitch is made. On both hubs the angle of pitch can vary between minus 15 degrees and plus 30 degrees. The blades are made of woven glass cloth and pigmented epoxy resin laminated as a one-piece moulding. They are corrosion and heat resistant. They will not shatter or fragment and, being hollow, are extremely light. A set of blades for a ten-foot-diameter fan weighs 55 lbs.

The aerofoil section of the blades has been designed to give optimum performance characteristics. Fan blades of the same size are readily interchangeable as all blades are balanced to a standard value.

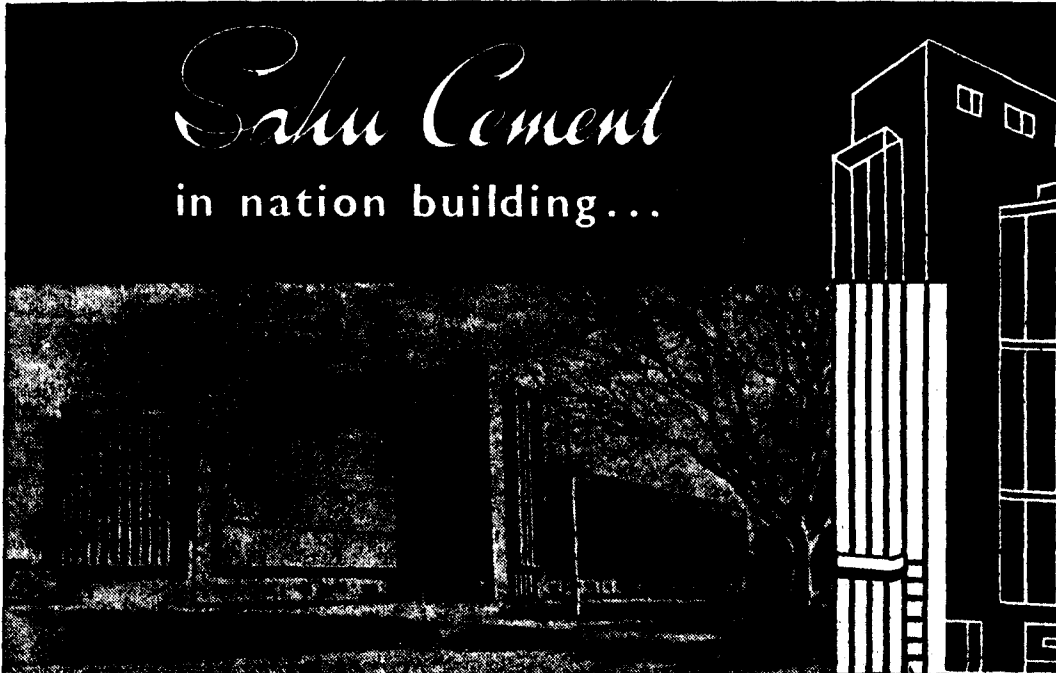


The FIRST
NATIONAL CITY BANK
of New York
(Inc. with Limited Liability in the U.S.A.)

First in
World Wide
Banking

Serving India Since 1903 at Bombay and Calcutta

FNCB.5.2



Sahu Cement
in nation building...

Improvement in the standard of life is a vital need to-day. The building industry is producing tangible evidence of the increasing industrial and commercial life of the nation. In all these nation-building activities CEMENT plays a major role.



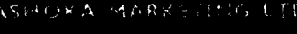
ROHTAS INDUSTRIES LTD.
Dalmianagar, Bihar



JAIPUR UDYOG LTD.
Sawai Madhopur, Rajasthan



ASHOKA CEMENT LTD.
Dalmianagar, Bihar



ASHOKA MARKETING LTD.
Dalmianagar, Bihar

MUST FIRE INSURANCE RATES BE REDUCED? REPERCUSSIONS OF CONTEMPLATED MOVE ANALYSED

By "Arby"

A REDUCTION in fire tariff rates is contemplated and may take place in the latter part of the year or positively early next year. General insurance companies are extremely worried on this score, as will be evident from the fact that chairmen of practically all insurance companies have been dealing at length with this point in their speeches to the shareholders at their annual general meetings. This is as it should be, for a reduction in rates affects all the companies to a considerable extent. As it is the duty of the Board of Directors of companies to review before the shareholders the prospects for the current and ensuing year, and as the reduction in rates is undoubtedly going to diminish the future profits of companies, this matter must be placed before the shareholders in its true perspective.

As the matter concerns the shareholders and the public at large, it is essential to examine as to what has prompted this move on the part of the authorities, whether the step is justified and also as to what effect it is likely to have on the future working of companies.

It is well known that, at present, the most important problem facing the insurance trade and the Controller of Insurance is the eradication of the evil of rebating. Many steps have been taken in the past to curb rebating but they have not been entirely successful.

The reduction in rates was one of the measures contemplated some years ago to stop the granting of illegal commissions. The Controller of Insurance was forced to try this solution, as he found that, in spite of paying substantial rebates to the public and the agents, the companies continued to show handsome profits. It was his firm belief that only due to there being sufficient margins in the fire rates that this practice was freely in vogue and that once the companies started showing reduced profits or even losses managements would be compelled to find out ways of restoring the profits to their original levels. They would thus be forced to cut the rebates that they were paying to the insured.

It was with this idea that in 1954 it was decided to cut fire premium rates at an interval of every three years and to bring the rates down to a level at which the loss ratio would be, on an average, 40 per cent. A beginning was made in this direction in June 1955. Unfortunately, however, the approximate 10 per cent. reduction in rates made during that year had very little effect on the evil of rebating. The next reduction in rates was to have taken place in 1958. Since then the trade and the Government authorities have been examining the question seriously and are trying to decide the quantum of reduction. The insurers in general are, however, vehemently opposed to the reduction in rates.

The grounds on which the insurers are opposing the reduction appear to be extremely sound. They state that the Controller of Insurance is trying to reduce the rates only with one idea in view, namely, to curb rebating. They contend that to look at the fire rates only from that angle would be disastrous. The fire rates are computed after taking into account the following four items:

- (1) Loss ratio,
- (2) Provision for conflagration hazard (increase of reserves).
- (3) Office and procurement expenses, i.e., office and field salaries, stationery, rent, commission to agents, etc.
- (4) Profits.

The insurers maintain that the Controller of Insurance is only taking into account one of the four essential items constituting fire premium rates.

The position prevailing in insurance today, regarding each of the four items mentioned earlier, is as follows:

Loss Ratio

It is agreed by all that, during the past few years, the claim experience has been favourable. But it is argued by the insurers that the

current favourable experience cannot be considered as a permanent factor. Insurers have been free from catastrophic or series of losses for some time now. But, in case some untoward calamity occurs, the profits will go tumbling down and will affect the profits for a number of years. An example is cited of the riots that took place a couple of years ago in Bombay and Ahmedabad. That year the loss ratios of various companies went up considerably. Fortunately, the companies mostly affected were sound ones and as such, with their resources and treaty arrangements, they were able to face the situation without much difficulty. If such a repetition of riots were to occur in the various parts of the country, the resulting profits of insurance companies would be seriously affected. The stability of the country today is not what it was a few years ago. With the various labour, language and political issues in the air, there is every chance of rioting and destruction of property taking place at any time. There is no exaggeration in this argument, as witness the riots that took place in Calcutta only a fortnight ago. The insurers must be prepared to face such eventualities and come out with flying colours. It is only when such disasters as the Calcutta riots that the necessity for, and the value of, insurance is appreciated. Leaving aside the political and other troubles, we have also to consider that, with the advancement of industrialisation, there is bound to be an increase in the claims ratio. This will be evident from the fact that loss ratios in highly industrialised countries are usually quite high. With each Five-year Plan completed, the industrialisation of our country will progress in all directions and the insurers will be required to cover complex risks.

In line with the experience of such industrialised countries as the United Kingdom and Sweden, our claims experience in the coming years is bound to become more adverse than what it is at the moment. Another important point is that these foreign countries are very well equipped to fight industrial fires. Unfortunately in our country, leaving aside a few big cities, the fire-fighting services are inadequate.

Reserves

Keeping the remarks made above in mind, it becomes essential that insurers must be ready to face adverse times by building up sufficient reserves. Insurers must be given every opportunity to build up reserves and an incentive for this purpose must be provided by the authorities concerned. A suggestion put forward is that the reserves equal to the insurer's paid-up capital should not be taxed and the Insurance Act must be amended for this purpose. Simultaneously, the Controller of Insurance must, by legislation, force the companies to build up reserve every year by a specified per-

centage. Only if the Indian companies have substantial reserves will they have any chance of being able to operate in foreign countries.

Another important factor which necessarily must be taken into account while considering the question of reduction of rates pertains to the ever-increasing expenses coupled with the fact that the premium income has been relatively stationary for the past few years in spite of the increasing economic activity. Everyone is aware that the cost of running an office today is much higher than what it was a few years ago. The salaries of the staff, the benefits payable to them, e.g., provident fund, bonus, etc., are on the increase every year, irrespective as to whether the concerns are making profits or not. Further, the efficiency of the staff today is not as high as it was, with the result that a larger number of staff is required for the same amount of turnover than some years ago. It will be apparent that, with the increased awareness of the staff for their so-called rights, the expenses are bound to grow in future. The cost of stationery, printing, rent, advertisement, etc., is also on the increase and there is no chance of their going down in the near future. Thus, the office expenses are positively going to increase in the future.

Profits

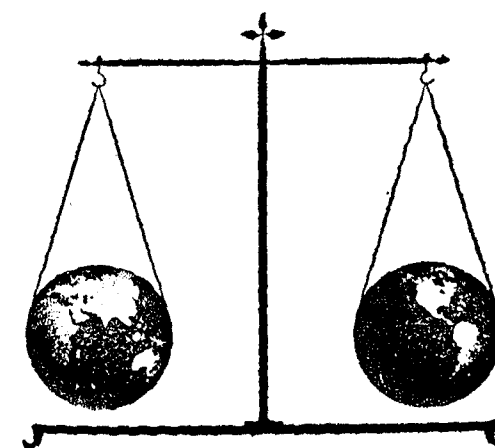
The last item which is taken into account while determining the rates is profits. Naturally, the reduction in rates, if implemented, would seriously affect the profits of companies. The net premium written by the Indian insurers was about Rs. 20 crores in 1956. Out of this amount, a small sum of only Rs. 18 lakhs was available for distribution of dividends. The statistics further show that, out of the 101 companies operating in 1956, only 50 companies were able to declare dividends. Out of these 50 companies, as many as 18 companies were in a position to pay only less than 6 per cent. dividend. If a further analysis of the companies declaring dividends is carried out, it would reveal that they were able to declare dividends not due to any underwriting profits but mostly on account of interest, dividends and rents earned on their capital. In some cases, where the claims experience was unsatisfactory, the earnings on the capital were also swallowed up by the losses. As such, it can safely be deduced that a reduction in rates, if carried out, would completely upset the financial stability of insurers. Even as things are at present, the shareholders of companies today are not satisfied with the returns on their investment and, if the proposed reduction in rates is in fact implemented, 90 per cent. of the companies would be showing losses.

Besides the importance of the four items mentioned earlier, there are some additional points which have an important bearing on the aspect of the revision in rates.

It is well known that, at present, the fire department of companies is the only department on which companies can depend to show regular and substantial profits. The marine and miscellaneous departments cannot be relied upon for adding to the profits of companies to any appreciable extent.

The following table in which the working of the fire, marine and miscellaneous depart-

(Continued on page 538)



In both hemispheres . . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA
BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

THE TRAVANCORE BANK LIMITED

HEAD OFFICE:
TRIVANDRUM.

INVEST IN OUR THREE YEARS
AND FIVE YEARS CASH
CERTIFICATES

and
Earn Compound Interest
At 4% p. a. and 4½% p. a.
RESPECTIVELY.

*
EVERY Rs. 88.75 INVESTED WILL
FETCH Rs. 100.00 AFTER THREE YEARS
and
EVERY Rs. 61.00 INVESTED WILL
FETCH Rs. 100.00 AFTER FIVE YEARS.

*
For particulars, please apply to the nearest Branch

*
D. R. VEDAMUTHU
General Manager.

for
PAPER CLIPS
& PINS

X-KEYS

MANUFACTURED BY
EXCEL INDUSTRIES
ALL INDIA MODEL PATENT NO. 10046
SOLE DISTRIBUTORS
SIGMAN & CO.
12, FALGUNA CHOWK, BOMBAY, INDIA

FLY

SAS

THE GLOBAL AIRLINE

**MARTIN BURN
LIMITED**

Managing Agents
Merchants • Engineers
Builders

Head Office:
MARTIN BURN HOUSE
12 MISSION ROW • CALCUTTA

Branches:
NEW DELHI • BOMBAY • KANPUR

Excellent
cutting
performance

SAP HACKSAWS

**HACKSAW
BLADES**

Manufactured from high quality
steel. They can be used for cutting
all types of steel, brass,
copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.
17, BRABOURNE ROAD, CALCUTTA-1

Sole Selling Agents:
VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI

100 years of service to the nation marks the famous leading House of JUGGILAL KAMLAPAT. Founded in the middle of last century, this illustrious house by steady and consistent progress has become a gigantic institution of its type in India—a truly national concern having in its fold multifarious manufacturing and commercial lines

J.K. ORGANISATION
KANPUR — BOMBAY — CALCUTTA

By setting up factories all over India of such goods as were imported from abroad & K Industries have planted India's feet firmly on the road to adult self-sufficiency and material prosperity. The trade mark of this House is your guarantee of quality.

NON-FERROUS METALS INDUSTRY PROGRESS MADE UNDER TARIFF PROTECTION

THE view that the non-ferrous semi-manufactures industry had registered "considerable progress" under the shelter of protection enjoyed by it for more than a decade was expressed by Mr. K. R. P. Aiyangar, Chairman, Tariff Commission, when he opened the public inquiry into the question of continuance of protection to the industry, held last week, in Bombay. It may be recalled that the industry was first granted protection in 1948 and, since then, it was successively extended upto 31st December 1957. In that year, the Commission undertook a fresh investigation into the claim of the industry for the continuance of protection and recommended that protection to lead and zinc sheets and strips and brass and copper sheets, rods, pipes and tubes be continued upto 31st December 1959. The present inquiry, which is limited to semi-manufactures of non-ferrous metals, is intended to examine the continuance of protection beyond the end of the current calendar year.

Demand

The estimates of demand for different items of non-ferrous semi-manufactures vary widely. In respect of copper sheets, strips and circles, estimates of current demand range from 2,500 tons (commercial) and 500 tons (industrial) to 2,800 tons (commercial) and 800 tons (industrial). The estimate of demand in 1960-62 also varies from 2,500 tons (commercial) and 600 tons (industrial) to 3,400 tons (commercial) and 1,000 tons (industrial). Again, in respect of brass sheets, strips and circles, the estimate of current demand varies from 24,000 tons (commercial) and 3,000 tons (industrial) to 28,000 tons (commercial) and 4,000 tons (industrial), while the estimate of demand in 1960-62 varies from 24,000 tons (commercial) and 5,000 tons (industrial) to 36,000 tons (commercial) and 6,000 tons (industrial). The Development Wing places the current demand for zinc sheets and strips at 4,000 to 4,200 tons and future demand at 6,000 tons and current demand for lead sheets at 500 tons and future demand at 700 to 800 tons.

The following table gives the availability of semi-manufactures of non-ferrous metals (that is, production plus imports minus exports) in 1958:

Non-ferrous Semi-manufactures (1958)

(In tons)	Production	Imports	Exports	Availability
Copper				
Sheets, strips and circles	3,007	400	17	3,390
Rods other than electrolytic	254	7	..	261
Tubes and pipes	53	569	..	622
Brass				
Sheets and strips	19,030	199	62	19,167
Circles	3,180	..	2	3,178
Rods	1,822	..	..	1,760
Tubes and pipes	7	665	..	672
Lead				
Sheets and strips	649	37	..	686
Zinc				
Sheets, strips and plates	2,081	647	..	2,728

At the end of the last inquiry, the Commission had received information about installed capacity from 25 units. The Commission has received such information only from 19 units now. The capacities claimed by these units are:

Capacity
(Single Shift Basis)
(In tons)

	No. of units	Installed capacity
Sheet rolling—		
(a) Cold	5	6,023
(b) Hot	12	21,890
Strip rolling, including rod rolling (copper and brass)	4	3,792
Zinc sheet rolling	1	1,000
Zinc strip rolling	1	2,148
Lead sheet rolling	8	2,600
Lead strip rolling	1	50
Extrusion—		
(a) Solid	1	2,200
(b) Hollow	1	300

The principal raw materials required by the industry are copper, zinc and lead. The demand for these metals is met chiefly through imports. On the basis of domestic production and imports, the total consumption (in tons) of these metals in 1958 with figures in 1957 indicating consumption in 1957 within brackets was: copper 57,874 (52,363), zinc 57,339 (48,008) and lead 14,510 (17,023). During the January-April period in 1959, total consumption of copper was 17,136 tons, of zinc 15,274 tons, and of lead 8,554 tons. In view of the fact that India has to depend largely on imports for its requirements of these three non-ferrous metals, it is clearly

necessary to examine whether fresh sources of supply can be located in India. In its understandable anxiety to locate new sources of petroleum, the Government should not lose sight of the importance of prospecting for non-ferrous metals. Perhaps, the Commission and those who are participating in the inquiry will do well to review briefly the existing mining operations in the sphere of non-ferrous metals and suggest what further measures are indicated in order to give a fillip to these operations.

Refining

As regards the facilities for refining non-ferrous metals, the Indian Copper Corporation is the only unit with capacity for producing fire refined copper; its installed capacity is 7,200 tons. This Company has been granted licence to set up a plant with a capacity of 8,400 tons a year for the manufacture of electrolytic copper. Kamani Bros. (P.) Ltd. had also a proposal for the manufacture of electrolytic copper from imported blister copper with an installed capacity of 15,000 tons per annum. The Hindustan Transmission (Products) Private Ltd., New Delhi and G. D. Binani, Calcutta, have also plans to manufacture electrolytic copper and fire refined copper respectively, from imported blister copper. The position in regard to the manufacture of indigenous lead and zinc remains the same as at the time of the last inquiry. The Metal Corporation of India Ltd. is the only unit engaged in the production of virgin lead with an annual capacity of 6,000 tons. In the absence of smelting facilities for zinc, the firm exports zinc concentrates produced by it to Japan on toll basis and brings back metallic zinc. The firm has already on hand a scheme to set up a smelter with a capacity of 15,000 tons of electrolytic zinc per annum, and expects to complete it by the end of 1960. It also proposes to install a lead smelter having a capacity of 12,000 tons.

Quality

As regards quality of non-ferrous manufactures, it would appear that the Commission has received no complaint about the quality of commercial brass sheets and strips. The Commission had observed in its last report that the quality of industrial sheets and strips required considerable improvements. Two types of complaints specifically mentioned were: (1) the chemical composition was not controlled according to specifications, and (2) articles were of uneven quality and lacked finish. The manufacturers have now informed the Commission of the various steps taken by them to improve the quality of their products. They claim to have received practically no complaints from the consumers. Important consuming industries like Indian Telephone Industries Ltd., Bharat Electronics Ltd., etc., have, however, represented to the Commission that the domestic products continue to have the same old defects. These defects relate, among others, to surface finish, surface defects, internal defects, traces of injurious elements like phosphorus and bismuth.

In this connection, the industry, being a protected one, has a certain responsibility to ensure that the quality of its products is maintained. After all, a protected industry, as the

Chairman himself indicated, owes a "duty to the community at whose expense it enjoys protection to strive continuously to improve the quality of the products and to reduce the costs of production." The Commission, it is stated, is handicapped in its investigations by the absence of reliable cost data. The industry will do well to remedy this defect.

WORLD RICE TRADE

World trade in rice was 6 per cent. less in 1958 than in 1957 and prices paid in 1959 were moderately below those of 1958, according to the Food and Agriculture Organisation in Rome. F.A.O.'s monthly bulletin of Agricultural Economics Statistics makes three points about the international trade picture. In the first place, mainland China's known exports, at nearly 700,000 metric tons, were "easily the highest on record." No information was available on exports to the Union of Soviet Socialist Republics; there was a "pronounced fall" in exports to the U.S.S.R. other than those from mainland China. Secondly, other eastern European countries imported 170,000 tons, an average quantity for recent years. Thirdly, there was less governmental control over the international rice trade than at any time since the Second World War. The note says that a total of 5.4 million metric tons of rice was exported last year. The figure is 250,000 tons less than that of 1957 and a 1/2 million tons lower than that of 1956, when exports hit their post-war peak. International prices of lower grades of rice have fallen well below the level of last year. In the case of broken rice, the note points out, the prices have decreased steadily since early this year and by mid-1959 had returned to the levels existing in 1956 and 1957. Prices of superior varieties, both in the free market and in Government-negotiated deals, fell less than those of lower qualities.

INDO-BRITISH TRADE

During the first seven months of 1959, the U.K. imported from India £71.2 million worth of goods, as against £69.1 million in the corresponding period of 1958. The U.K.'s exports to India in the same period aggregated £97.4 million, or £5.2 million higher than in the first seven-month period last year. The following table gives the breakdown of Indo-British trade in the seven months ended July 1959, in the corresponding period of 1958 and in the year 1958:

U.K.'s Trade With India

	1958	7 months January-July 1959	1958	1959
Total—All exports	158,936	92,227	97,444	
Of which:				
Machinery other than electric	45,042	26,002	30,868	
Electric machinery	18,708	11,070	11,322	
Chemicals	12,228	7,221	9,485	
Road vehicles and aircraft	26,825	17,282	16,189	
Total—All imports	130,422	60,081	71,217	
Of which:				
Tee	74,120	20,895	24,082	
Tobacco and manufactures	9,266	7,584	7,621	
Leather and manufactures	9,975	5,578	7,075	
Miscellaneous textile manufactures	11,468	6,326	6,996	

HOLLAND SUPPLIES THAILAND WITH ICE FACTORIES

A Dutch firm has obtained an order for the supply of 8 ice factories to Thailand. This country intends to build a weir with the aid of moneys from the Development Loan Fund; in order to carry out this project, it requires ice factories for supplying the fine crushed ice used to keep concrete cool during hardening. As there is a great demand for block-ice in tropical countries, plants were sought which could produce crushed ice during the construction of the weir and block-ice afterwards. Grasso's fully automatic ice generators were particularly suitable for this purpose, because, by the turn of a switch, crushed or block-ice can be produced as required. Thus, when the weir in Thailand is completed, the country will have 8 ice factories, each with a capacity of over 15 tons of block-ice per 24 hours. The first ice factory will be shipped to Thailand before the end of the year.

COMPANY LAW SUPPLEMENT

(Monthly Journal)

Main object, to keep the readers informed on all aspects of company law, contains among other matters Queries on problems relating to company law and their answers, amendments of company law, notifications, articles of general importance, digest of cases, etc.

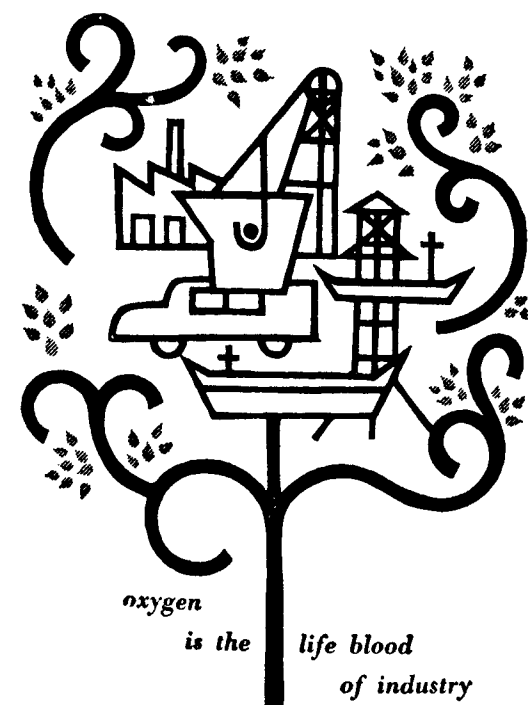
Edited by Messrs. JOHN & ROW, Advocates, Madras,

authors of Ready Reference on the Indian Companies Act, 1956, and other publications on company law.

Annual subscription: Rs. 24.



EXPRESS PUBLISHERS (PRIVATE) LTD.
33, BROADWAY, MADRAS, 1.



Every branch of Indian industry depends on us for supplies of Oxygen. In every phase of India's industrial development, our products and prompt technical service ensure the most modern means and methods of metal fabrication. Whether in mining or metallurgy, transport or shipping, power or irrigation, mills or factories, we serve every industry, big or small, and contribute today to the prosperous India of tomorrow as envisaged under the Second Five Year Plan.

INDIAN OXYGEN LTD

184X718

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE BANK OF INDORE LIMITED

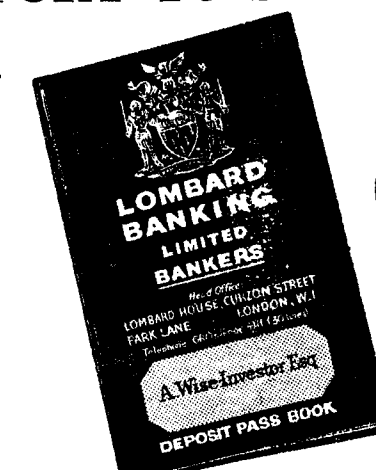
(Incorporated in India 1920)
Authorized Capital Rs. 50,00,000
Subscribed Capital 30,50,750
Paid-up Capital 15,30,375
Reserve Fund 29,00,000

Head Office:
1, Prince Yashwant Road, Indore City
Bombay Offices: 44, Hamam Street, Fort and
Jai Hind Estate, Bhuleswar.
Branch Offices: Cloth Market, Stryaganj and
Sanyogitaganj (Indore City).
Branches: Anjad, Shopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujalpur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)
Safe Deposit Lockers are available at
Head Office, Stryaganj and Cloth Market Indore. Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.



PASSPORT TO SECURITY



BANK DEPOSITS WITH LOMBARD BANKING earn a steady 5% interest in assured Security, without deduction of United Kingdom income tax. Ask the Manager of your nearest Branch or write to the General Manager at Head Office for your copy of "Bank Deposit Account" Booklet No. A091.

Open a **5%** BANK

DEPOSIT ACCOUNT with LOMBARD BANKING

LIMITED BANKERS

Head Office: LOMBARD HOUSE, CURZON STREET, PARK LANE, LONDON, W.1. GRO 4111 (30 lines).
East Africa: MERCANTILE HOUSE, SADDLER STREET, P. O. BOX No. 5669, NAIROBI. NAIROBI 25347.

Nov. 23

TWA FASTEST JET

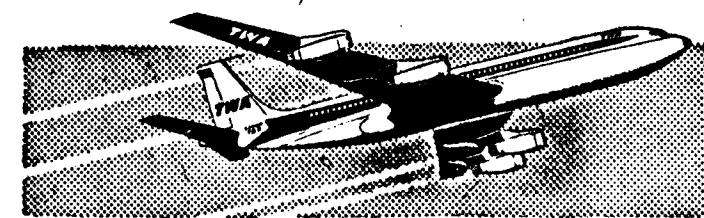
Non-Stop, Europe - U. S. A.

TWA

Intercontinental

BOEING 707

You can book now!



COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253505

GOOD RISE IN PROFIT OF INDIA PAPER PRODUCTION MARKEDLY HIGHER—DIVIDEND SAME—RESERVES ENHANCED

THE downward trend in the profit of the India Paper Pulp Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) noted in 1957-58 has been reversed. The gross profit for the year ended 31st March 1959 is markedly higher at Rs. 27.97 lakhs, as against Rs. 14.57 lakhs for 1957-58 and Rs. 18.22 lakhs for 1956-57. This gratifying improvement of 92 per cent. in profit is not the result of any fall in cost of production or in taxation or of a rise in the price of paper. It is the outcome of expansion in production brought about by a large increase in capacity, involving heavy capital expenditure of about Rs. 105 lakhs. The Company's third paper making machine came into operation in June 1958, nearly doubling the capacity. Its production of paper is now running at about 11,500 tons per annum, as against 6,000 to 6,500 tons before.

The higher profit has, however, not been followed by an improvement in the return to shareholders. It will be recalled that the dividend for 1957-58 was cut to 10 per cent. per annum from 14 per cent., a rate that had been consistently maintained since 1953-54, notwithstanding the doubling of paid-up capital in 1955-56. This cut has not been restored and the shareholders get only 10 per cent. (including the interim dividend of 5 per cent.) for the year under review. The Directors seem to have decided to follow this cautious policy for two reasons: (a) the proposed increase in paid-up capital, with the new shares ranking for dividend *pari passu* with the existing shares from the current year itself; and (b) the heavy provisions for depreciation and development rebate reserve.

Readers will get a clear idea of the Company's results for 1958-59 and the manner in which the gross profit has been allocated from the comparative table below:

	For the year ended 31st March			
	1959	1958	1957	1956
Sales of paper	1,54.75	1,05.88	99.10	93.85
By-products and other income	0.89	1.89	2.33	1.27
Closing stocks	11.02	3.72	4.54	5.49
Manufacturing expenses	62.93	37.02	39.54	36.62
Salaries and wages	30.29	26.56	25.04	23.85
Other expenses	21.49	14.06	12.71	7.79
Excise duty	20.20	14.55	9.47	9.15
Gross profit	27.97	14.57	18.22	18.48
Managing Agents' commission	2.02	1.18	1.75	1.36
Provision for—				
Depreciation	14.70	5.47	4.30	5.60
Taxation	0.74	4.05	6.25	5.85
Net profit	10.50	3.86	5.92	5.87
Transfer to—				
Development rebate reserve	11.50	6.30	6.82	6.82
Dividend	(10%)	(10%)	(14%)	(14%)
Drawn from reserves	7.64	2.39	3.08	0.99
Carry forward	0.55	0.29	0.33	0.14

It will be noted that both revenue and expenditure have gone up. Sales moved up by Rs. 49 lakhs, in round figures, and stocks by Rs. 7.30 lakhs. At the same time, manufacturing expenses and salaries and wages also went up by Rs. 25.96 lakhs and Rs. 3.63 lakhs, respectively. Other expenses, too, were larger by Rs. 7.43 lakhs. Similarly, excise duty paid was higher by Rs. 5.65 lakhs. In short, there was no relief to the Company from any of the adverse factors it suffered in 1957-58. The price of paper also remained unchanged at the unremunerative level determined by the Government. A year has passed since the question of fair selling prices for the different varieties of paper made in India was referred to the Tariff Commission and its verdict is not yet known. While the Government is in a hurry to get prices fixed when it is the chief beneficiary, it takes its own time when ex-factory prices are to be determined. Paper, coal, steel and cement are some of the major industries which have been suffering on this score.

The transfer to depreciation, as will be seen from the above table, has been raised from Rs. 5.47 lakhs to Rs. 14.70 lakhs. Because of the large capital expenditure incurred during the year and the accelerated depreciation provisions, the Company has had no assessable profit, and, consequently, the provision for taxation is small. Of the sum of Rs. 74,000 shown in the table, Rs. 64,000 is for wealth tax and the balance relates to the preceding year. Since the net profit is not sufficient to meet the dividend at 10 per cent. and also provide in full for development rebate reserve, which is a compulsory provision under our tax laws, the Directors have withdrawn from reserves as much as

Rs. 7.64 lakhs. Nevertheless, there has been a net addition of Rs. 4 lakhs to the reserves, in refreshing contrast to the continuous withdrawals since 1954-55. The total depletion in the previous three years aggregated Rs. 6.46 lakhs.

The additions to block account during the year were Rs. 38.55 lakhs. The gross block as at 31st March 1959 stands at Rs. 232.07 lakhs, as against which depreciation provided amounts to Rs. 103.24 lakhs, so that the net block is Rs. 128.83 lakhs. It will be interesting to note here that, of this net block, the additions made during the three years ended 1958-59 alone were no less than Rs. 118.09 lakhs. This means that the fixed assets of the Company have been well depreciated.

As against a paid-up capital of Rs. 63 lakhs (all in ordinary shares of Rs. 10 each), the reserves and surplus, including the share premium account, aggregate Rs. 65.47 lakhs. Current liabilities amount to Rs. 94.36 lakhs and current assets at Rs. 94.44 lakhs are just sufficient to cover them.

The expansion programme has been financed from the Company's own resources as well as from loans. Naturally, its liquid funds have been greatly strained. Since the net block account is twice as large as the paid-up capital, there is a clear case for raising the capital structure. This was obvious even last year and the Directors had stated that the question was receiving their attention. They now say that they have decided to raise new equity capital, in preference to debentures. They propose to issue 252,000 new ordinary shares of Rs. 10 each, at a premium of Rs. 2.37 per share, in the proportion of two shares for every five old shares. This will yield the Company a sum of Rs. 31.17 lakhs which will be utilised to repay the loan from the Managing Agents amounting Rs. 26.79 lakhs as at the end of March last.

The Rs. 10 paid-up shares are currently quoted at Rs. 25.75. On ex-right basis (Rs. 22.14), the yield on the shares at the present dividend is 4.6 per cent. Apparently, the share market is assuming that, in future, the Company should be able to raise the rate of dividend. Such an assumption is not unreasonable.

(Concluded from next column)

way of additions to fixed assets, the great bulk of which has been on plant and machinery. As already stated, this is the secret of the Company's success during the year under review. It is, however, a different question whether the profit earned by the Company is adequate in terms of the heavy capital expenditure incurred by it.

The gross block of the Company now stands at Rs. 353.00 lakhs, on which depreciation provided is Rs. 254.17 lakhs, leaving the net block at Rs. 98.82 lakhs. Since the paid-up capital is Rs. 63 lakhs (Rs. 29.92 lakhs in 4½ per cent., tax-free, cumulative preference shares and the balance in equity capital of Rs. 100 each), it can be stated that the capital and block accounts are fairly well balanced. The reserves and surplus aggregate Rs. 61.34 lakhs. Current liabilities, including secured and unsecured loans (of Rs. 66.55 lakhs and Rs. 31.81 lakhs, respectively), amount to Rs. 200.92 lakhs which are more than adequately covered by current assets of the order of Rs. 253.27 lakhs. The quantum of liquid assets is, of course, small, but this is understandable in view of the huge capital expenditure in recent years. Indeed, the Company seems to be still buying new machinery; it has placed fresh orders for Rs. 26.35 lakhs worth of machinery for replacement and renovation, the delivery of which is expected to take two years to complete.

The Rs. 100 paid-up ordinary shares of the Company are now being quoted at Rs. 247.50 *cum*-dividend, giving a net yield of 4.75 per cent.

The directors of Kemp & Co., Ltd., have recommended a dividend of Rs. 17.50 plus a bonus of Rs. 2.50, thus making a total distribution of Rs. 20 per share of Rs. 200 each for the year ended 31st March 1959. This compares favourably with the dividend of Rs. 15 for the previous year. It might be noted that the dividend which was Rs. 20 for the years 1953-54 and 1954-55. For the subsequent three years, namely, 1955-56, 1956-57 and 1957-58, the dividend was stepped up to Rs. 15 per share.

KHATAU MILL REPORTS RECORD RESULTS SHARP JUMP IN PROFIT

THE Khatau Makanji Spinning and Weaving Company, Ltd. [Agents: Messrs. Khatau Makanji & Co., (Private) Ltd., Bombay] has sprung a pleasant surprise by reporting a record profit for the year ended 30th June, 1959. It is, of course, true that the Company's financial year under review coincides with a period of relatively fair trading conditions in the piece-goods market as compared with the two preceding years. Nevertheless, it would be no exaggeration to say that none had expected the Company to show a profit beating all previous records by an impressive margin. Apparently, the steps taken by the Company to modernise its plant and machinery and push up the sale of its products by country-wide scientific advertising and sales promotion have yielded unexpected results. Sale proceeds have gone up from Rs. 470.49 lakhs in 1957-58 to Rs. 490.00 lakhs. Gross profit has jumped up by more than 100 per cent., from Rs. 29.12 lakhs to Rs. 62.96 lakhs, which is a record in the Company's history. A good part of the rise has been eaten up by taxation; a sum of Rs. 18.90 lakhs, as against a mere Rs. 5.50 lakhs for 1957-58, has been earmarked for this liability. The provision for depreciation has been raised by a little over a lakh of rupees to Rs. 14.73 lakhs. The Managing Agents' commission works out to Rs. 4.82 lakhs, as compared with Rs. 1.55 lakh last year. The net profit has nearly trebled, from Rs. 8.44 lakhs to Rs. 24.51 lakhs. The dividend to ordinary shareholders has been raised from 10 per cent. tax-free to 16 per cent. taxable, in the sense that the tax will be deducted by the Company at the prescribed rates. Even after making allowance for this deduction, the net dividend (Rs. 11.20) compares quite favourably with that for the previous year.

The results for the year under review are highlighted in the comparative table below against the background of those for the three previous years:

	For the year ended 30th June			
	1959	1958	1957	1956
Sale proceeds	4,90.00	4,70.49	4,26.57	4,28.54
Closing stocks	75.03	75.11	98.54	77.24
Raw materials and stores consumed	2,41.58	2,36.06	2,42.62	2,21.81
Wages, establishment and other expenses	1,86.58	1,84.28	1,67.92	1,58.92
Gross profit	62.96	29.12	40.45	50.54
Agents' commission	4.82	1.55	2.47	4.33
Depreciation	14.73	13.63	12.59	15.98
Taxation	18.90	5.50	22.59	15.98
Net profit	24.51	8.44	11.24	17.28
Transfer from reserve	13.28	1.74	9.00	8.90
To reserves	1.71	1.20	1.20	1.20
Dividends—				
Ordinary	9.58	5.98	4.48	5.36
4 per cent. preference	(16%*)	(10%)	(10%)	(10%)
Ordinary	0.24	0.30	0.76	0.26
Carry forward				

* Subject to taxation.
† Additional dividend on ordinary shares at Rs. 4.25 per share, for the year ended 30th June 1954.
‡ Additional dividend on ordinary shares at Rs. 2.00 per share, for the year ended 30th June 1955.

It would be appropriate to quote here the Directors' observations on the state of the cloth market and working conditions, so that readers may have the requisite background information:

"The conditions in the cotton piecegoods market were a little better during the course of the year and the stocks began to move. The overall stock position improved. The substantial sums that have been ploughed back in recent years in renovating and replacing the machinery of the Company and installing plants to improve the finished products and quality of processing have resulted in improved demand for the Company's fabrics.

"Restriction on imports of cotton continued during the year. Due to the introduction of the Export Incentive Scheme, the cost of imported cotton will be enhanced by 20 per cent. during this year.

"The considerable increase in value of dyes and chemicals consumed during the year is due to a substantial increase in the prices of dyes, colours and chemicals."

A point that needs to be appreciated is that the Directors have not distributed the entire increase in net profit in the form of dividends but have also set aside a substantial amount to reserves. The dividends in fact account for less than half of the net profit, the balance having been ploughed back. Of the sum of Rs. 13.28 lakhs transferred to reserves, Rs. 5.28 lakhs are conserved in the form of development rebate; the remaining Rs. 8 lakhs have been credited to general reserve.

In recent years, the Company has been spending large amounts on rehabilitation and modernisation of its productive assets. During the five years 1954-55 to 1958-59, the Company has invested no less than Rs. 166.14 lakhs by

(Continued in previous column)

Points From the Chair

Development of Shipping

"IN spite of the anxiety of Government and the industry, the pace of expansion of Indian shipping has been slower than was hoped for. Whether the industry will expand rapidly, or will remain static, will depend upon the evaluation of various deterrents and disincentives which beset the industry today. Primarily the industry lacks capital resources. Although the Shipping Development Fund has been statutorily established, it has not commenced functioning effectively, and as a consequence, loan facilities available to the industry is of a very meagre order. To add to this, there is now a chronic dearth of foreign exchange resources. I hope the suggestion of Mr. G. L. Mehta to have a counterpart Fund in foreign exchange to the Shipping Development Fund will meet with the response from the authorities which it deserves."

C. R. SRINIVASAN,
Bharat Line Ltd.

Outlook for Cotton Mills

"The stocks with the mills have recently declined considerably and the latest position as at the end of August 1959, is estimated at 383,000 bales as against the all-time record of 660,000 bales at the end of 1957 and 582,000 bales at the end of 1958. Cognisance should, however, be given to the fact that the production too has been running at a lower level. So far as the outlook for the current year is concerned, conditions till middle of the year continued more or less to be the same, but the sentiment very recently witnessed in the cloth market seems to have undergone a radical change for the better. Demand for cloth for internal consumption as well as export markets seems to be again gone to the extent of raising alarm in visualising cloth famine in the near future. Although I share optimism with the trade, I would view the prospects for the industry with caution and restraint. Despite the increase in the price of cloth, the point that remains to be seen is whether at the end of the year there will be enough profits with the mills. The rigid cost structure still continues to sap the profitability of the industry. Prices of raw cotton are shooting up high and with the commencement of the new season already most of the varieties have pierced their ceiling rates. Where it will lead to, none can forecast. But, lest the situation may be rendered more difficult, it is advisable that New Delhi takes adequate measures to enforce control over indigenous cotton or augment supplies by increased imports. Similarly, the cost of other items of expenditure including prices of other materials, dyes and chemicals, wage costs, etc., are also progressively increasing. It is in the context of such an inflationary and rigid cost structure that I would like you to view the prospects of the industry."

KUDILAL GOVINDRAM SEKSARIA,
Indore Malwa United Mills, Ltd.

L.I.C. Investment Policy

"The investment policy of the Life Insurance Corporation is governed by the Government Notification in August 1958 which made Section 27A of the Insurance Act with certain modifications specified therein applicable to the L.I.C. The Finance Minister also has made statements from matter of time on the floor of the Lok Sabha in the notification and the policy enunciated by the Finance Minister, it should be possible for the Investment Committee of the L.I.C. to take a more direct interest in equities, preference shares, debentures and also State loans, electricity bonds, etc., that are quoted on this market. The investments of the Corporation are now being made on headquarters in Bombay, and buying and selling operations are carried on mostly from that centre. One of the main difficulties experienced by our members has been the execution of limit orders given by the L.I.C. from time to time. Invariably, the limits given are at the market rate or below, and in most of the cases the orders prove unworkable and get time-barred. It is contended that the brokers concerned could give counter offers to the L.I.C. but this takes a long time, and by that time the order with the broker either lapses or the market goes against him. If therefore, becomes necessary that there should be a proper person, basis of agreed policies and decisions, at least in the principal cities like Calcutta and Madras, where there are well-organised Stock Exchanges."

V. NATARAJAN,
Madras Stock Exchange Ltd.

Prosperity Again

"Although later developments took place in 1958, I think it is of interest and importance to report that finer counts have been progressively introduced and markets established for them. The mill is now spinning a full range of counts from 10s to 80s and attention is being directed towards the consistent production of the highest quality yarns in each count. This has not been a simple process as no time has been available for leisurely development, but progress and development continue and there is a very satisfactory demand for our yarns at remunerative prices. Our large export sales in 1958 were, at the time, primarily a means of disposing of our excess production of coarse counts. However, by a fortunate combination of circumstances, the great majority of the when the Export Incentive Scheme had been introduced. As a result, a windfall amount of Rs. 58,000 in cash was received in March 1959, and of imported cotton. This we took in the form of 185 bales of Sudan cotton which has just arrived and has accelerated our progress towards a finer average count. We are continuing to concentrate on export sales of our coarser counts in order to ensure regularity of supplies of cotton for our finer

JAIPUR METALS AND ELECTRICALS LTD.

CHAIRMAN, MR. R. H. KAMANI, OPTIMISTIC ABOUT THE FUTURE

THE hope that the Jaipur Metals and Electricals Ltd. could look to the future with pride was held out by its Chairman, Mr. R. H. Kamani, in his speech at the Fifteenth Annual General Meeting of the Company held at Jaipur on Saturday, 19th September 1959. In support of this hope, he referred to the increasing use of indigenous components in the manufacture of products and to the scheme for doubling the Company's output in collaboration with Siemens Schukertwerke A.G., the well-known house of electrical manufacturers in West Germany.

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

"It gives me great pleasure to welcome you on behalf of my Directors and myself to the 15th annual general meeting of Messrs. Jaipur Metals and Electricals Ltd. Before starting my speech, may I request you all to join me in paying our humble and respectful tributes to the late Shri M. G. Purohit who was a Director of the Company and who passed away on 24th April 1959.

"The Directors' report and audited profit and loss account and balance-sheet for the year ended 31st December 1958, which shows a profit of Rs. 9,76,663 after taking depreciation, development rebate, taxation, managing agents commission, etc., allows to distribute 6 per cent. (as against 5 per cent. in the previous year) to ordinary shares and 6 per cent. to preference shares. With your permission, I shall take them as read. There has been, as you would observe, an increase of profit of Rs. 4 lakhs for the year as compared to the profit of last year. This is a remarkable achievement, especially in view of the fact that the value of the overall total annual turnover is slightly less. Due to difficulties in foreign exchange position and consequent restrictions upon the import of essential raw materials, we could not increase our output and turnover to a desired level.

"The working of the Company has been satisfactory during the year under review. There was a marked increase in the production of house service electric meters, which was as much as about 25 per cent. higher than the previous year. Production of the metals division was maintained almost at the level of the previous year, in spite of the difficulties in the way of important raw materials.

"Consistent with the Government policy, allocation of foreign exchange was based on the second Five-year Plan giving top priority to the products required in fulfilment of the same. This had its own impact on the manufacturing industry with very limited foreign exchange available for the import of the essential raw materials and, with the tax burden added, the industrial output in 1958 on a national scale came to an all-time low for the past five years. In the light of this situation, the progress made by your Company is encouraging and cheering.

"The nation is busy shaping the third Five-year Plan and it should cheer you to know that, with our progressive outlook, we are resorting to more and more indigenous components for our products, which should enable us to look to the future with pride.

"The production of house service electric meters components is undertaken progressively. During the year under review, considerable progress has been made in the manufacture of indigenous components and the percentage of imported components has been reduced to the minimum.

"I have the pleasure to state that we have entered into collaboration with Siemens Schukertwerke A.G., the well-known house of electrical manufacturers in West Germany, for the manufacture of house service electric meters according to their patents and designs. This will be in addition to our present activity and thus it would aim to double the production."

counts of 60s and 80s. The process of raising the average count is not by any means complete yet, and I feel confident that we can now look forward to a rising curve of prosperity. It is significant in this context that the changes introduced have been rendered possible only by our extensive modernisation programme. Thus, the reward for this heavy expenditure is now beginning to be earned in increasing measure."

W. E. NORTHEY, M.B.E.,
Coimbatore Mills Ltd.

COMPANY MEETINGS AND DIVIDENDS

NAGAISUREE TEA Co., LTD. Annual General Meeting, Calcutta, 28th September 1959. Dividend: 5 per cent. or Rs. 5.00 per share. Transfer books remain closed from 19th to 28th September 1959, both days inclusive.

HANTAPARA TEA Co., LTD. Annual General Meeting, Calcutta, 28th September 1959. Dividend: 8 per cent. or Rs. 8.00 per share. Transfer books remain closed from 16th to 28th September 1959, both days inclusive.

ETHELHARI TEA Co., LTD. Annual General Meeting, Calcutta, 28th September 1959. Dividend: Nil. Transfer books remain closed from 22nd to 28th September 1959, both days inclusive.

KELCOTT TEA Co., LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: 7½ per cent. or Re. 0.75 per share. Transfer books remain closed from 19th to 29th September 1959, both days inclusive.

DISHERGARI POWER SUPPLY Co., LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: Rs. 7.50 per ordinary share. Transfer books remain closed from 15th to 29th September 1959, both days inclusive.

HOOLUNGOREE TEA Co., LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: Rs. 17.50 per share. Transfer books remain closed from 23rd to 29th September 1959, both days inclusive.

MANABARIE TEA Co., LTD. Annual General Meeting, Calcutta, 29th September 1959. Dividend: Re. 0.50 per share, free of tax. Transfer books remain closed from 23rd to 29th September 1959, both days inclusive.

BHOWRA KANKANEE COILIERIES LTD. Annual General Meeting, Calcutta, 30th September 1959. Transfer books remain closed from 21st to 30th September 1959, both days inclusive.

MOHINI MILLS LTD. Annual General Meeting, Calcutta, 30th September 1959. Transfer books remain closed from 16th to 30th September 1959, both days inclusive.

TELIAPARA TEA Co., LTD. Annual General Meeting, Calcutta, 30th September 1959. Dividend: 12½ per cent. or Rs. 12.50 per share. Transfer books remain closed from 21st to 30th September 1959, both days inclusive.

DAURACHERRA TEA Co., LTD. Annual General Meeting, Calcutta, 30th September 1959. Dividend: 5 per cent. or Re. 0.50 per share. Transfer books remain closed from 21st to 30th September 1959, both days inclusive.

COIMBATORE SPINNING AND WEAVING Co., LTD. Annual General Meeting, Coimbatore, 30th September 1959. Dividend: Nil. Transfer books remain closed from 22nd to 30th September 1959, both days inclusive.

SAPOI TEA Co., LTD. Annual General Meeting, Calcutta, 30th September 1959. Dividend: Re. 1.50 per share. Transfer books remain closed from 21st to 30th September 1959, both days inclusive.

TEESTA VALLEY TEA Co., LTD. Annual General Meeting, Calcutta, 30th September 1959. Dividend: Nil. Transfer books remain closed from 20th to 30th September 1959, both days inclusive.

NEW CHUMTA TEA Co., LTD. Annual General Meeting, Calcutta, 30th September 1959. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books remain closed from 20th to 30th September 1959, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Annual General Meeting, Madras, 5th October 1959. Dividend: 10 per cent. or Re. 1.00 per share, tax-free. Transfer books will remain closed from 28th September to 5th October 1959, both days inclusive.

GANGES MANUFACTURING Co., LTD. Annual General Meeting, Calcutta, 6th October 1959. Dividend: Nil.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 20th October 1959. Dividend: 15 per cent. Transfer books will remain closed from 6th to 20th October 1959, both days inclusive.

BOMBAY CYCLE AND MOTOR AGENCY LTD. Annual General Meeting, Bombay, 22nd October 1959. Dividend: Rs. 2.00 per share, payable on and after 27th October 1959. Transfer books will remain closed from 8th to 22nd October 1959, both days inclusive.

KHATAU MAKANJI SPINNING AND WEAVING Co., LTD. Annual General Meeting, Bombay, 23rd October 1959. Dividend: Rs. 11.20 per share, payable on and after 26th October 1959. Transfer books will remain closed from 28th September to 24th October 1959, both days inclusive.

COORLA SPINNING AND WEAVING Co., LTD. Annual General Meeting, Bombay, 9th November 1959. Transfer books will remain closed from 27th October to 10th November 1959, both days inclusive.

KINNISON JUTE MILLS Co., LTD. Final dividend of Rs. 5.00 per ordinary share, for the year ended 31st March 1959, (making a total of Rs. 10.00 per ordinary share, for the year), without deduction of income-tax paid by the Company.

AUCKLAND JUTE Co., LTD. Final dividend of Rs. 15.00 per ordinary share, for the year ended 31st March 1959 (making a total of Rs. 20.00 per ordinary share, for the year), without deduction of income-tax paid by the Company.

SYNOPSIS OF COMPANY REPORTS

Sone Valley Portland Cement Co., Ltd.

The directors of the above Company (Chairman: Mr. A. K. Jain, Calcutta) present the audited accounts of the Company for the year ended 31st December 1958.

The year's working after meeting all expenses of operation and management shows a surplus of Rs. 12,71,007 (Rs. 11,84,511). From this amount is to be deducted depreciation on fixed assets amounting to Rs. 5,19,022 (Rs. 4,84,871), provision for bonus Rs. 1,65,000 (Rs. 1,46,000), provision for wealth tax Rs. 48,000 (Rs. 39,000) and transfer to reserve for development rebate Rs. 1,30,000 (nil) leaving a net profit of Rs. 4,08,985 (Rs. 4,64,440). To this is added the balance brought forward from last year of Rs. 18,721 (Rs. 4,287) making a total of Rs. 4,27,712 (Rs. 4,68,727). Out of this sum, the directors have transferred Rs. 4,00,000 (Rs. 4,50,000) to general reserve No. 2. The balance of Rs. 27,712 (Rs. 18,721) is proposed to be carried forward.

The directors recommend payment of dividend for the year ended 31st December 1958 to the shareholders as on 30th September 1959 at the rate of 30 (30) p.p. per share, i.e. 6 (6) per cent. (with-out deduction of income-tax) amounting to Rs. 4,50,000 (Rs. 4,50,000) out of general reserve No. 1 constituted out of profits taxed in previous years.

The year's production and despatches have been as under:

	1958	1957
Clinker production ...	1,91,713 Tons	1,75,073 Tons
Cement despatches ...	2,07,010 Tons	1,73,640 Tons
Coal raisings at Hutar ...	25,143 Tons	18,360 Tons

In view of the slackness in demand experienced by cement industry in general, the expansion plans of this Company have been kept in abeyance. The element of rehabilitation allowance included in the price of the Company's cement by the Tariff Commission last year is inadequate to meet the large expenditure on the plant. Steps are being taken for gradual rehabilitation.

The production cost of the Company's cement is higher than that estimated by the Tariff Commission for determining the retention price currently in force. The Company is making suitable representation in this regard to the Government of India.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	75,00,000	Gross block	2,24,78,421
Reserves ...	18,50,000	Less—Depreciation	1,59,97,746
Provision for taxation ...	2,55,320	Net block	64,80,675
Liabilities ...	61,84,937	Stock-in-trade	1,45,612
Profit and loss account (surplus) ...	27,712	Stock-in-process	1,21,871
		Stores and spare parts	44,05,129
		Raw materials	7,07,625
		Other assets	50,084
		Debits, deposits and advances	25,10,243
		Investments	5,26,374
		Cash	6,56,704
		Miscellaneous expenditure	2,13,652
	Rs. 1,58,17,969		Rs. 1,58,17,969

Bagalkot Cement Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tendulkar Industries Private Ltd., Bombay) present the audited accounts of the Company for the year ended 31st December 1958.

After meeting all expenses of operation and management, and after providing for depreciation, wealth tax and bonus to employees, the working of the Company shows a profit of Rs. 7,91,680 (Rs. 6,43,211) which, by adding Rs. 779 (Rs. 10,568), being the amount brought forward from last year's account comes to Rs. 7,92,459 (Rs. 6,53,779). The directors recommend that the following appropriations be made:

To provision for proposed dividend at 7 (6) per cent. without deduction of income-tax on the paid-up capital of the Company as at 31st December, 1958, absorbing Rs. 5,90,000 (Rs. 5,03,000), to provision for part repayment of guaranteed dividend account to the Government of Bombay Rs. 1,50,000 (Rs. 1,50,000), to provision for wealth tax 1957 balance Rs. 1,544 (nil), to preliminary expenses written off Rs. 35,641 (nil) and to exploratory expenses written off Rs. 14,128 (nil) leaving a balance to be carried forward of Rs. 1,146 (Rs. 779).

Production and despatches.—Production of clinker and cement during the year corresponded with the rated capacity of the plant, namely, 1,01,004 tons of clinker and 1,01,011 tons of cement, against 1,00,027 tons and 1,04,530 tons, respectively, in the previous year. The despatch of cement amounted to 1,00,494 tons, against 1,05,129 tons in the previous year. The fall in the production and despatch of cement during the year was due to limited storage capacity and suspension of work of Government projects during the monsoon period.

Expansion.—All the machinery ordered to extend the Company's cement manufacturing capacity at Bagalkot by another 100,000 tons a year has been received at Bagalkot. Two German erectors sent by Messrs. Krupp, the machinery suppliers, have been engaged in the erection work since April 1959. The directors expect that the new kiln may be put into commission before the end of the current year.

Tariff Commission.—The Government of India agreed to implement the recommendations made

by the Tariff Commission in regard to fixation of prices to individual cement manufacturing units. The Government expressed their inability to make this increase in prices with retrospective effect, as the Tariff Commission had recommended. This meant that this Company would get the benefit of price increase of Rs. 3 per ton only for a period of six months of the year under review. The effect of the price increase, therefore, has been reflected in the profits of the Company to the extent of only six months' operations.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	84,40,816	Gross block	1,90,39,819
Reserves ...	42,000	Less—Depreciation	24,56,957
Provision for wealth tax	40,000	Net block	1,65,82,862
Liabilities	1,24,09,368	Stock-in-trade	5,38,506
Profit and loss account (surplus)	1,146	Stores, spares and loose tools, etc.	17,31,674
		Debits, deposits and advances	14,12,168
		Investments	8,122
		Cash	86,863
		Miscellaneous expenditure	5,73,635
	Rs. 2,09,33,830		Rs. 2,09,33,830

Mysore Electrical Industries Ltd.

The directors of the above Company (Managing Director: Mr. N. G. Ayyangar, Bangalore) present the audited accounts of the Company for the year ended 31st March 1959.

After providing for all expenses and payment of bonus to staff, depreciation provision of Rs. 1,09,829 (Rs. 1,04,286) and writing off Rs. 1,989 (Rs. 4,702) for obsolete and discarded assets and adding Rs. 4,321 (Rs. 29,044) being last year's profit brought forward, the total amount available for appropriation is Rs. 5,68,429 (Rs. 5,90,342). The directors recommend appropriation of this amount as follows:

To provision for income-tax Rs. 3,20,000 (Rs. 2,40,000), to dividend at 15 (11) per cent. per share free of income-tax on 9,050 shares Rs. 1,35,750 (Rs. 99,550), to development reserve Rs. 62,867 (Rs. 29,348), to general reserve Rs. 30,000 (Rs. 47,000), to donations to educational institutions, etc. Rs. 15,000 (Rs. 20,000) and carry forward a balance of Rs. 4,812 (Rs. 4,321) after providing Rs. 36,623 to reserve for development rebate and appropriating Rs. 23,500 to Industrial Finance Corporation loan redemption fund).

The production of various products of the Company, both low tension and high tension has been maintained at a high level during the year. However, a trend for a shift in demand from the light L.T. Motor Control Gear to heavier L.T. Gears and to High Tension Gears probably due to a number of small scale manufacturers entering the light motor control gear field is noticed. The Company is in a happy position to meet such shifts due to the diversity of the products it manufactures.

To enable expansion of production, machine tools to the value of Rs. 51,468 were added and applications for the import of special machine tools not manufactured in the country have been made and are awaiting sanction of import control authorities. Manufacture of components required were continued to be farmed-out to small factories round about Bangalore and other places to a much larger extent than in the previous years. Land required for the expansion of the factory as explained in the directors' last report has now been acquired. This land is situated on a main arterial way. The layout of the factory has been finalised and the economical design of the buildings, etc., is now in progress. The finances to the extent of Rs. 11 lakhs approximately required for these expansions is proposed to be met partly by borrowings and partly by raising new capital to the extent of Rs. 5 lakhs by the issue of equity shares.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,05,000	Gross block	12,14,622
Reserves ...	3,88,838	Less—Depreciation	5,16,828
Provision for taxation ...	3,33,444	Net block	6,97,793
Liabilities	16,89,759	Stock-in-trade	2,76,288
Profit and loss account (surplus) ...	4,812	Raw materials, stores and tools, etc.	7,97,570
		Debits, deposits and advances	15,46,979
		Cash	3,123
	Rs. 33,21,753		Rs. 33,21,753

Britannia Biscuit Co., Ltd.

The directors of the above Company (Managing Director: Mr. K. Julian Scott, Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

After providing Rs. 5,65,903 (Rs. 5,98,034) for depreciation and reserving Rs. 16,23,000 (Rs. 11,80,000) for income-tax and super tax, and Rs. 55,000 (Rs. 89,848) for wealth tax the profit and loss account shows a net profit for the year of Rs. 13,35,604 (Rs. 10,36,359). To this must be added the amount brought forward from the last year of Rs. 2,18,164 (Rs. 1,84,683) making a total of Rs. 15,53,768 (Rs. 12,21,042). The directors have transferred to reserve for taxation contingencies Rs. 1,00,000 (Rs. 2,00,000), to general reserve Rs. 2,50,000 (Rs. 2,50,000), to debenture redemption reserve Rs. 3,00,000 (nil) and to development rebate reserve Rs. 43,000 (nil) leaving a balance of Rs. 8,60,768

(Rs. 7,71,042). The half-yearly dividend on preference shares and an interim dividend of 4 (3) per cent. on ordinary shares paid in January 1959 absorbed Rs. 1,84,499 (Rs. 1,38,529). It is recommended that the balance of Rs. 6,76,269 (Rs. 5,32,513) at the credit of the profit and loss account be dealt with as follows:—

To payment of a dividend on preference shares without deduction of income-tax absorbing Rs. 618 (Rs. 618) and to payment of a final dividend of 10 (9) per cent. with-out deduction of tax (making 14 (12) per cent. for the year) on ordinary shares absorbing Rs. 4,59,702 (Rs. 4,13,731) leaving to be carried forward a balance of Rs. 2,15,949 (Rs. 2,18,164).

A review of the accounts for the year ended 31st March 1959 shows a satisfactory increase in the value of sales, but the additional profit on turnover was to a considerable degree absorbed by a further rise in manufacturing costs, wages and income-tax.

The increase in sales from Rs. 1,84,64,000 to Rs. 2,04,35,000 creates a new record in the annals of the Company. The figures establish that the demand for the Company's products continues to grow and the directors look forward to the future with sober confidence. Quality is the keynote of this Company's policy and particular attention is paid to maintaining and improving the recognised standards. The selection of the finest ingredients available guarantees the superior taste and keeping quality of the outstandingly popular products.

A few years ago the directors decided to install Automatic Packaging Machines. In the period that has elapsed the demand for biscuits in packets has substantially increased and the Company is eager to encourage this trend in order to ensure that the biscuits are delivered to consumers in the best possible condition at competitive prices.

The implementation of the plant replacement and modernisation programme remains severely curtailed owing to current import restrictions. The Company has nevertheless, managed to fabricate its workshops and to obtain from indigenous sources several items of ancillary equipment, but the acquisition of major capital plant remains a serious obstacle in the path of future expansion.

The Company's strenuous efforts to develop export markets continue. In spite of intensified foreign competition and extremely unfavourable trading conditions, indents have been secured from overseas, although it has been necessary to establish an unremunerative price structure in order to achieve these results.

If the Company is to expand its export sales, it is essential that import licences should be granted for special plant and machinery which is unavailable in India. It is also important to allow sufficient imports of ingredients and packaging materials for which there are no satisfactory substitutes available locally.

Several years ago this Company commenced manufacturing bread at the Delhi Factory and the directors are pleased to report that the project has proved extremely successful. Consumer demand has fulfilled the directors' expectations and they have recently increased the installed production capacity.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	46,12,470	Gross block	1,17,84,974
Debentures ...	14,00,000	Less—Depreciation	48,55,817
Reserves ...	45,04,814	Net block	69,29,157
Provision for taxation ...	17,43,680	Buildings under erection	30,836
Liabilities	23,59,443	Stock-in-trade	5,56,246
Profit and loss account (surplus) ...	2,15,949	Stores, loose tools, etc.	16,43,557
		Raw materials, Debits, deposits and advances	24,32,957
		Cash	25,78,934
	Rs. 1,48,36,306		Rs. 1,48,36,306

India Jute Co., Ltd.

The directors of the above Company (First Director: Mr. C. L. Bajoria, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The accounts show a profit of Rs. 25,25,469 (Rs. 23,69,693) including Rs. 5,43,530 (Rs. 9,51,177) as dividends from the Megna Mills Co., Ltd., which is an increase of Rs. 5,83,423 in trading profit over that of the previous year.

The year's working shows a trading profit of Rs. 19,81,939 (Rs. 14,18,516). Adding thereto dividend for the year from investments in The Megna Mills Co., Ltd. of Rs. 5,43,530 (Rs. 9,51,177) there is a total of Rs. 25,25,469 (Rs. 23,69,693). Deducting provisions therefor for depreciation of Rs. 5,41,855 (Rs. 4,75,746), for income-tax Rs. 10,39,859 (Rs. 3,82,500) and for wealth tax Rs. 74,115 (Rs. 79,693) there is left a profit of Rs. 8,69,640 (Rs. 14,31,754). To this amount is added the balance brought forward from the pre-vious years of Rs. 84,575 (Rs. 94,993), items relating to previous years of Rs. 5,385 (Rs. 1,392) and (nil) making a total of Rs. 1,10,99,600 (Rs. 1,50,000) including Rs. 789 being income-tax on interest on forfeited dividends paid Rs. 46 (Rs. 1,978) and transfer to development rebate of Rs. 1,81,500 (Rs. 51,474) leaving a balance of Rs. 9,28,054 (Rs. 11,75,476) including after transferring interim dividend for the year ended 31st March, 1959, declared by the Directors on 7th November 1958, at 62 (Rs. 3.75 per share absorbed Rs. 4,33,008 (Rs. 2,61,900) leaving an available balance of Rs. 4,95,046 (Rs. 8,13,574).

From this amount the directors recommend payment of a final dividend on 6,98,400 (69,840) ordinary shares at 62 (Rs. 11.87 shares of Rs. 125 paid) Naye Paise per share for the year ended 31st March 1959 absorbing Rs. 4,33,008 (Rs. 2,61,900) leaving a balance to be carried forward of Rs. 62,038 (Rs. 84,575).

In accordance with The Indian Jute Mills Association working time agreement, the Mills worked 48 hours per week with 124 per cent. of the total complement of looms sealed up to the 28th February 1959, when the Association decided to seal a further 14 per cent. in an attempt to stabilise the gunny market and reduce the accumulated stocks of heavy goods. This decision followed that reached on the 16th February 1959, to freeze the balance of accumulated loom hours. The effect of these measures was reflected in the unsealing of the above 14 per cent. as from the 22nd June 1959, when the stock position showed signs of improvement. Now the Association's latest decision to unseal a further 24 per cent. looms as from the 24th August 1959, though for a restricted period up to 2nd January 1960, means that the Industry's production will reach its highest peak since the end of 1956.

The modernisation of the Preparing and Spinning Departments from the Company's funds and The National Industrial Development Corporation Private Ltd.'s loan has progressed satisfactorily and the scheme will soon be completed.

On the 18th March 1959, it was decided to close No. 3 Mill due to uneconomic working and arrangements are being made to transfer the productive capacity to No. 2 Mill. Subsequently the directors agreed to sell No. 3 Mill comprising approximately 65,815 sq. ft. of land and buildings thereon.

The Company has recently purchased a Cotton Mill, Shree Radheshyam Mills Ltd., which has been standing idle for some time. Arrangements are being made to commence manufacture of Cotton Fabrics.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	87,30,000	Gross block	1,52,85,168
Reserves ...	20,35,465	Less—Depreciation	93,25,868
Provision for taxation*	15,43,202	Net block	59,59,300
Liabilities	54,16,792	Stock-in-trade	47,46,866
Profit and loss account (surplus) ...	62,038	Stores, etc.	5,89,117
		Other assets	3,74,140
		Debits, deposits and advances	22,57,156
		Investments	38,09,978
		Cash	2,50,940
	Rs. 1,77,87,497		Rs. 1,77,87,497

*Includes wealth tax amounting to Rs. 76,115.

Hasimara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport and Co. Private Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

Except for drought conditions until mid-April weather was more or less seasonable but the attack of red spider was severe in almost all estates and a crop of 67,524 (54,11,891) maunds was made against an estimate of 73,300 maunds for the season.

The total net average sale price obtained per pound of tea was Re. 1.95 (Re. 1.82) for Hasimara Division and Rs. 3.43 (Rs. 3.32) for Tumsong Division. Total working cost per pound of tea produced was as follows: Hasimara Division Re. 1.75 (Re. 1.62) and Tumsong Division Rs. 2.94 (Rs. 2.94).

The gross profit for the year is Rs. 12,39,685 (Rs. 10,40,053) and after allowing for provision for bonus to labour Rs. 1,38,000 (Rs. 1,50,000) for taxation Rs. 9,80,192 (Rs. 5,37,079) and development rebate reserve Rs. 15,286 (nil) and writing off Rs. 5,17,803 (Rs. 4,63,808) for renewals, replacement and depreciation of assets and the other adjustments shown in the profit and loss account there is a net profit of Rs. 1,43,809 (Rs. 2,50,929) after transferring Rs. 3,25,000 to general reserve which together with the balance brought forward from 1957 gives a total available on this account of Rs. 5,08,980 (Rs. 6,26,371) which the directors propose to deal with as follows:—

To pay the preference dividend at 7 per cent. free of income-tax for 1958 absorbing Rs. 21,000 (Rs. 21,000), to pay a dividend of 74 (74) per cent. free of income-tax on the ordinary shares absorbing Rs. 2,40,000 (Rs. 2,40,000) and to carry forward to 1959 Rs. 2,47,980 (Rs. 3,65,371).

Estimates for 1959 have been based on a crop of 69,900 maunds of tea at a total cost of Rs. 97,69,000.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	35,00,000	Gross block	1,10,67,827
Reserves ...	55,83,253	Less—Depreciation	54,90,898
Provision for taxation ...	5,00,648	Net block	55,76,929
Liabilities	37,55,618	Stock of tea	35,29,535
Profit and loss account (surplus) ...	2,47,980	Stores and spare parts	18,65,468
		Debits, deposits and advances	13,06,896
		Investments	8,62,977
		Cash	4,45,692
	Rs. 1,35,87,497		Rs. 1,35,87,497

Gillapukri Tea and Seed Co., Ltd.

The directors of the above Company (First director: L. C. Kanoji, Esq., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

Crop.—A crop of 7,49,907 lbs. of tea inclusive of 9,985 lbs. in wastages, etc., was secured in the season against 6,56,148 lbs. in 1957. This crop was disposed of as follows:—

By a total internal and with export quota rights sales effected both at Calcutta and in foreign markets 4,28,500 lbs. and by staff consumption, shortage on sampling and handling and tea waste being destroyed for which no price was obtained 9,985 lbs. Thus a closing stock remained in hand as on 31st December 1958 for sale in 1959 amounting to 3,11,422 lbs. The directors estimate that the production for the year 1959 should be more or less the same as that of the year under review.

The accounts show a revenue profit of Rs. 2,71,803 (Rs. 2,85,633) on which provision for taxation absorbs Rs. 1,29,000 (Rs. 1,32,000) leaving a balance of Rs. 1,42,803 (Rs. 1,53,633). Adding to this the balance brought forward from last year of Rs. 16,110 (Rs. 17,708) and the previous year's adjustment of Rs. 6,689 (nil), the total comes to Rs. 1,65,602 (Rs. 1,71,341). The directors propose to transfer to general reserve a sum of Rs. 20,000 (Rs. 27,247) leaving an amount for disbursement to the shareholders of Rs. 1,45,602 (Rs. 1,44,094). From this the directors recommend a tax-free dividend for the year 1958 at Rs. 2.50 (Rs. 2.50) per share of Rs. 10 each absorbing Rs. 1,25,940 (Rs. 1,25,940) leaving a balance to be carried forward to 1959 of Rs. 16,110 after adjustment in respect of previous year amounting to Rs. 2,044).

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	5,03,760	Gross block	16,03,422
Reserves ...	6,02,614	Less—Depreciation	5,76,961
Provision for taxation ...	5,61,981	Net block	10,26,461
Liabilities	14,38,565	Stock of tea	4,85,984
Profit and loss account (surplus) ...	19,662	Stores, etc.	30,016
		Debits, deposits and advances	6,88,502
		Investments	8,67,829
		Cash	27,790
	Rs. 31,26,582		Rs. 31,26,582

Birpara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The accounts disclose a working profit of Rs. 2,82,339 (Rs. 1,46,094). On transfer of this sum to profit and loss account and after sundry adjustments, including a transfer of Rs. 5,96,356 (nil) from depreciation reserve there is a balance at credit of the profit and loss account amounting to Rs. 8,15,264 (Rs. 1,83,350), of which the directors have transferred Rs. 50,000 (Rs. 50,000) to revenue reserve, Rs. 5,96,000 (nil) to buildings and machinery reserve and Rs. 10,000 (nil) to development rebate reserve.

The directors recommend that dividends of 8 per cent. on the preference shares and 124 (74) per cent. on the ordinary shares, both for season 1958, be declared at the annual general meeting, leaving Rs. 38,764 (Rs. 47,850) to be carried forward.

Tea crop was 12,67,475 lbs. as compared with 11,23,916 lbs. in 1957. The average selling price realised was Rs. 2.06 per lb. as against Rs. 2.04 per lb. in the previous year.

Estimates for 1959 provide for a crop of 12,80,000 lbs. at an outlay of Rs. 23,20,665, including inland freight and sale charges.

Planted area is now 1,346.48 acres after the abandonment of certain unproductive areas.

Notices

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LTD.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Sixty-sixth Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Tuesday, the 27th October, 1959, at 4-30 p.m., for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 28th February, 1959.
2. To declare a Dividend.
3. To consider appointment as a Director of Mr. S. R. Koppikar who is the Chief Executive Officer of this Company and also an ordinary sitting Director of Messrs. N. Sirur & Co. Pvt. Ltd., the Managing Agents of this Company.
4. To appoint Directors in place of those who retire but are eligible for re-appointment.
5. To appoint Auditors for the current year and to fix their remuneration.
6. To appoint Messrs. B. K. Ramadhyani & Co., Chartered Accountants, Bangalore, as additional Auditors of the Company for doing the local statutory audit of the account books of the Company's Mills at Bangalore, for the current year commencing from 1st March, 1959.

The Transfer Books of the Company will be closed from the 28th day of September, 1959, to the 12th day of October, 1959, both days inclusive.

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

(The holders of the 4½ per cent. Cumulative Preference Shares of the Company have no right to be present or to vote either in person or by proxy in respect of their holdings of such Preference Shares at the above Annual General Meeting.)

By Order of the Board,
N. SIRUR & COMPANY PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.
BOMBAY, 31st August, 1959.

N.B.—The Dividend when declared will be made payable at the State Bank of India, Bombay, on and after Friday, the 6th November, 1959, to those Shareholders whose names stand on the Register of Members on the 28th September, 1959. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

THE COORLA SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTY-SEVENTH Ordinary General Meeting of the Company will be held at its Registered Office at Readymoney Mansion, Vir Nariman Road, Fort, Bombay, on MONDAY the 9th day of November 1959 at 4 p.m. (S.T.), to transact the following business:—

1. To consider and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1959.
2. To declare a dividend.
3. To elect a Director in place of Mr. Hirji Cowasjee Jehangir, who retires by rotation but being eligible offers himself for re-election, and for that purpose to consider and, if thought fit, to pass the following Resolution as a Special Resolution of which Special Notice has been given to the Company and is hereby given pursuant to Section 261 of the Companies Act, 1956, in as much as the Managing Agents of the Company are

authorised by the Managing Agency Agreement between them and the Company to appoint a Director on the Board of the Company and Mr. Hirji Cowasjee Jehangir is a Member and Director of the Managing Agents' Company and is liable to retirement by rotation, viz:—

"RESOLVED that Mr. Hirji Cowasjee Jehangir be and he is hereby re-elected a Director of the Company."

4. To appoint Auditors for the current year and to fix their remuneration.
- Please note that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a Member.

By Order of the Board of Directors,
COWASJEE JEHangIR & Co. PRIVATE LTD.,
Managing Agents,
COWASJEE JEHangIR,
Chairman.
BOMBAY, 21st September 1959.

The Transfer Books of the Company will remain closed from the 27th day of October 1959 to the 10th day of November 1959. If the dividend as recommended by the Directors is passed at the meeting, payment thereof will be made to those Shareholders whose names are on the Company's Register on the 28th day of October 1959 and the payment will be made on and after the 11th day of November 1959.

ROHTAS INDUSTRIES LIMITED

NOTICE

THE TWENTY-SIXTH ANNUAL GENERAL Meeting of the Shareholders of Rohtas Industries Ltd. will be held at the Registered Office of the Company at Dalmianagar on Tuesday the 20th October, 1959, at 11 a.m. to receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 31st March, 1959; to declare dividend of 9 per cent. on 'A' Preference Shares, 4½ per cent. on 'B' Preference Shares and 15 per cent. on Ordinary Shares; to elect Director in place of the retiring Director and to appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from 6th October to 20th October, 1959, both days inclusive.

By Order of the Board,
FOR SAHU JAIN LTD.,
A. K. JAIN,
Managing Director,
Managing Agents.
CALCUTTA, 9th September 1959.

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

THE KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED

Laxmi Building, 6, Ballard Road, FORT, BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighty-fifth Annual General Meeting of the Shareholders of the Company will be held on Friday, the 23rd October 1959, at 4.00 p.m. (S.T.), at the Registered Office, Laxmi Building, 6, Ballard Road, Fort, Bombay 1, to transact the business as per the Notice with the Explanatory Statement dated 10th September 1959, separately sent to the shareholders of the Company at their registered addresses.

By Order of the Board of Directors,
LALDAS TRIBHOWANDAS,
Secretary.
Dated 10th September 1959.

Notes: (a) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member.

(b) The Share Transfer Books of the Company will be closed from Monday the 28th September 1959 to Saturday the 24th October 1959, both days inclusive.

(c) If dividends on shares as recommended by the Directors are passed at the Meeting, the payments will be made on and after Monday the 26th October 1959 to those shareholders whose names are on the Company's Register on 28th September 1959.

MINISTRY OF RAILWAYS (RAILWAY BOARD)

TENDER NOTICE

Manufacture of Cast Iron Sleepers

TENDERS ARE INVITED FROM ESTABLISHED foundries in India, having experience in the manufacture of Cast Iron Sleeper Plates for supply, by 31st December 1960, of about 2,50,000 Tons of Cast Iron Sleeper Plates both B.G. and M.G. Tenderers may quote for any small quantity according to their capacity.

2. Railway Board would recommend to the Iron and Steel Controller the issue of Pig Iron according to the requirements of the supplier up to a maximum of 100 per cent. of the quantity of sleepers ordered on the firm. The firms are expected to make up the melting losses under their own arrangements.

3. Applications for tender documents should be made to the Director, Railway Stores, Railway Board, State Entry Road, New Delhi. Tender documents embodying conditions of contract, relevant drawings, etc., will be supplied at Rs. 10 per set and will be available for sale during office hours.

4. Tenders will be received upto 12.00 hours on the 6th November, 1959 and opened in the office of the Railway Board on State Entry Road, New Delhi, at 15.00 hours on the same day.

DIRECTOR, RAILWAY STORES.

NEW DELHI,
Dated 14th September 1959.

THE NATIONAL NEWSPRINT & PAPER MILLS LIMITED, NEPANAGAR (M.P.)

NOTICE TO SHAREHOLDERS

TO COMPLY WITH THE PROVISIONS OF section 619 (5) of the Companies Act, 1956, the Annual General Meeting fixed for 28th September 1959 at Nepanagar is postponed to a future date which will be notified later on.

By Order,
S. L. VISVANADHAN,
Managing Director.
NEPANAGAR, 17th September 1959.

COTTON

(Concluded from page 510)

with Central and South American and Asian countries could, of course, upset this calculation. Cotton consumption in Japan is more or less fixed by the cotton import budget which has been raised during this fiscal year by about 270,000 bales. This, Mr. Schilling infers, indicates that the position of the cotton textile industry is fairly good and that, in the near future, cotton is not expected to lose markets further to man-made fibres. Also, according to him, except for the \$30 million loan recently obtained from the U.S. Export-Import Bank, Japan will not need any U.S. aid in financing purchases of U.S. cotton as its foreign exchange position has improved materially during the past twelve months.

As regards India, Mr. Schilling hopes that the status quo will be maintained in respect of cotton imports. Import of U.S. cotton in 1959-60 may, however, increase with India importing 150,000 bales, as against less than 90,000 bales last season, practically all with U.S. aid funds.

U.S. exports to Australia might be larger in 1959-60 than in the last season and be equal to 75,000 bales, thanks to the present competitive position of U.S. cotton.

It is recognised that export demand for U.S. cotton depends to a large extent, upon how competitive U.S. prices are, except in the case of those countries that rely exclusively on U.S. aid programme. Holding and expanding markets for U.S. cotton will, Mr. Schilling concludes, be largely influenced by the price level.

MUNICIPAL LOAN EXPECTED TO BE OVERSUBSCRIBED

(From Our Own Correspondent)

BOMBAY, 23rd September

In the absence of any fresh developments, there is nothing new to say about the money market this week also. The Bombay Municipal loan was announced shortly after this column was written last week, but the notification came in time to be recorded on an earlier page in that issue. The list for this 4 per cent. 1971 Rs. 5-crore issue opens next Monday, the 28th inst. Market circles are confident that this loan will be heavily oversubscribed, as most of the banks are sure to apply for it, in order to be in the good books of the Municipality. It is common knowledge that, in view of its large commercial undertaking—the B.E.S.T.—in addition to the usual functions of a municipal corporation, the Bombay Municipality is a very valuable customer to a bank. And every bank tries its best to get some business from this Local authority. It is said that even Exchange banks, which were not hitherto investing in this loan, will be evincing some interest this year.

Last week, that is, on the 17th inst., the Madras State Electricity Board floated a 4½ per cent. 1971 loan at par. The amount required was Rs. 3 crores, but within half an hour of the opening of the list, the issue was oversubscribed, by nearly a crore of rupees. There is one more instance of the large surfeit of funds with institutional investors.

As can be understood from the opening sentence of this report, the short-term money market continues to be easy and dull. In the absence of any variations in interest rates and with weekly statements of the Reserve Bank and scheduled banks lagging behind a week and a fortnight, respectively, it is not possible to say, with any degree of precision, whether money is more easy or less easy now than a week ago. Almost all banks, however, are willing to pay for one-week house money and short-term deposits the maximum rates allowed under the inter-bank agreement. These are 3½ per cent. for one-week deposits and 3½ per cent. for one to six months' deposits. The rates generally quoted are 3 to 3½ per cent. for one-week house money and 3 to 3½ per cent. for one to six months. In either case, the lower rate rarely prevails. Inter-bank call money fetches 1½ per cent. among the big Indian banks and Exchange banks and 2 per cent. among the smaller banks.

The 91-day Treasury Bill results show a mixed trend. While sales of Bills on tap were as much as Rs. 2 crores between 16th and 19th September 1959, as against only Rs. 1 crore in the corresponding period of the previous week, the response to Bills by tenders was somewhat lukewarm. Thus, the amount offered was no more than the amount invited, namely, Rs. 2 crores, and the average rate of accepted tenders remained unchanged at 2.44 per cent. per annum. In the previous week, offers for these Bills were Rs. 2.64 crores, that is, Rs. 64 lakhs in excess of the amount invited. Sales of both intermediate Bills and Bills on weekly tenders are being continued in the coming week.

A reduction of Rs. 12.47 crores in notes in circulation and an increase of Rs. 3.82 crores in notes held in the Banking Department are disclosed by the statement of the Reserve Bank for the week ended 18th September 1959, as compared with that for the previous week. The total notes issued are down by Rs. 8.65 crores and this has been balanced on the assets side of the issue Department by an influx of Rs. 1.26 crore in rupee coin and reduction of Rs. 9.92 crores in rupee securities. There is no change, again, in the foreign securities held in this department, but balances abroad, in the Banking Department, are lower by Rs. 3.32 crores, thereby bringing down the total foreign assets to Rs. 163.04 crores. On Central Government's deposits, the Reserve Bank has Rs. 7.51 crores and so also those of banks by Rs. 4.40 crores. Deposits of other Governments have shown a minor fall of Rs. 50 lakhs. On the assets side, besides the fall in the balances held abroad as noted above, the only notable variation is a rise of Rs. 6.69 crores in other loans and advances.

The latest available statement of scheduled banks is for the week ended 11th September 1959 which, as compared with that for the preceding week, reveals a rise of Rs. 7.87 crores in demand deposits and of Rs. 2.82 crores in time deposits. With these increases the total deposits of scheduled banks are short of the Rs. 1,800-crore mark by only Rs. 4.77 crores. As regards inter-bank borrowings, while those of demand nature have declined by Rs. 1.06 crore, those of time nature have gone up by Rs. 3.39 crores. There is not much change in the borrowings from the Reserve Bank but lakhs. Advances and bills purchased have contracted further by Rs. 8.70 crores to stand at Rs. 928.70 crores. Investments have advanced by Rs. 9.38 crores, money at call and short notice by Rs. 1.84 crore and total cash by Rs. 5.06 crores. All these variations are fully in consonance with that week.

There has been a further hardening of rates for the Central Government securities, thereby imparting more firmness to the gilt-edged markets. Over the week, a rise of 15 nP is seen in the rise of 5 nP has taken place in 3½ per cent. 1967, 3½ per cent. 1968, 1967 and 1964. These increases are mainly the result of a stepping up in the selling rate of Reserve Bank. There has been no worthwhile change in the loans of State Governments.

Pound sterling continues to rule firm. In the New York market, spot sterling is a shade better at 280.69-280.72 cents per £. Similarly, three

BULLION IRREGULAR

(From Our Own Correspondent)

BOMBAY, 23rd September

The bullion market moved irregularly during the week under review. Thus, it put on a dull appearance in the first three sessions and, after staging a distinct recovery on Monday, developed a sagging tendency again thereafter. Early in the week, both gold and silver were depressed, thanks to fears of reduced demand following damage to crops on account of heavy rains and floods in several parts of the country. Professional interests were inclined to reduce their commitments. There were also stopless offerings by option dealers. Consequently, prices of both metals tended to decline. On Monday, the sentiment of the market improved, owing to consistent buying from Calcutta and Delhi operators, firmness of commodities, and encouraging advices from the share market. These factors induced a recovery in prices. The recovery, however, abated yesterday when the market experienced long liquidation and professional offerings which persisted today too. Over the week, gold was markedly lower, but silver was higher.

October settlement in gold moved down from Rs. 122-6 to Rs. 120-12 on Friday and, after recovering to Rs. 122-5 on Monday, receded to Rs. 121 today, before finishing at Rs. 121-3-6. The net loss over the week was Re. 1-2-6. September settlement ran off the board of the Exchange at Rs. 121-3-6 on the opening day, that is, Thursday, the 17th inst., as against Rs. 121-14-6 on the previous day.

Ready gold was subjected to selling earlier in the week, the quotation declining from Rs. 122-1 to Rs. 120-6. It recovered subsequently to Rs. 121-13 on the 21st inst., but fell again to Rs. 120-8 today. Towards the close, it was As. 3-6 better. The daily average arrivals of gold were 3,200 tolas, while the offtake was 3,900 tolas. The floating stocks of gold are estimated at 60,000 tolas.

September settlement in silver went off the board at Rs. 202-6 on Friday, as against Rs. 202-11-6 on Wednesday last week. October settlement gave way Friday at Rs. 203-11 to Rs. 202-7 on Friday. After recovering to Rs. 205-12 on Monday, it receded again to touch low Rs. 204-4 yesterday. Opening at Rs. 204-15 today, it finished easy at Rs. 204-11. November settlement fluctuated between Rs. 203 and Rs. 206-4, before closing at Rs. 205-3 today.

Ready silver began the week at Rs. 202-13, as against Rs. 202-14 last week-end, and dropped on selling pressure to Rs. 201-11 on Friday. After improving to Rs. 204-12 on Monday, it moved down again to Rs. 203-7 today. The closing rate was As. 4 better. The daily average arrivals and offtake of silver were 26 bars and 8 bars, respectively. The floating stocks are reported to be around 400 bars.

Both ready and forward silver in the London bullion market remained unchanged during the week under review, the former at 79d. per ounce and the latter at 78½d. Silver in New York was also unaltered at 91.375 cents per ounce. Ready gold in London eased from 250s. 8d. to 250s. 4½d., owing to the firmness of the pound sterling vis-à-vis the dollar. The latest available rate for dollar gold in London is \$35.11½-\$35.13½ per ounce, same as last week.

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

	23-9-59	Highest	Lowest	16-9-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (100 fine Mint)	120 11 1/2	121 13	120 6	122 1
Forward	121 3 1/2	122 5	120 12	122 6
Sovereign	78 4	78 4	78 0	78 4
Ready (100 fine Mint)	203 11	204 12	201 11	202 10
Forward	204 11	205 12	202 7	203 11
London Silver Ready	21-9-59	—	—	14-9-59
London Forward	78 1/2	—	—	78 1/2
London Gold	240s. 4 1/2	240s. 4 1/2	239s. 4 1/2	240s. 4 1/2
New York Silver	91.375c.	—	91.375c.	91.375c.

* 17th October settlement. † 10th October settlement.

KIPS WELL SUPPORTED

(From Our Own Correspondent)

MADRAS, 21st September

The kip market ruled steady. Arrivals were small and were taken up briskly by exporters. Shipment business was selective, considering that U.K. inquiries were for special lines and marks. Importers were trying to force prices down which tanners resisted because of their inability to cover replacement costs in the raw centres.

There was good demand for low grade cow hides for inland trade and prices ruled firm. Tanned cow-calf and buff calf were in short supply and the market was firm.

There was good call for tanned goat light weights and prices touched 20s. for Run-5 per cent. above Korean levels. Tanners expect better demand for other lines, as also for middle class sheep from October onwards.

Months' forward is quoted at 281.05-281.08. A week ago, the rates for spot and months' forward sterling were lower by 0.38 cent. and 0.34 cent., respectively. Following the continued strength of sterling, the rupee also has improved in terms of U.S. dollar. The banks' selling rate for ready T.T. has come down from Rs. 477.50 to Rs. 477 per 100 dollars. Similarly, their buying rate has fallen from Rs. 474.25 to Rs. 473.50.

IMPRESSIVE RALLY IN COTTON

(From Our Own Correspondent)

BOMBAY, 23rd September

The cotton futures market, after having ruled subdued during the first two days of the week, staged an impressive rally in subsequent sessions. The earlier weakness was attributed to profit-taking and speculative selling prompted by the report that earlier fears of damage to crop in Berar, Khandesh and Vidharbha areas were exaggerated. The much-needed clear and sunny weather was said to have set in in these regions. Operators were inclined to think that however extensive the damage done by adverse weather, the crop this season would not turn out to be smaller than last season's 4.8 million bales. Persistent selling induced by these considerations brought down the Jarilla March contract from the opening level of Rs. 713 on Thursday to Rs. 711.50 the next day. This level attracted extensive short-covering and renewed bull support. Shortage of supplies in the ready section and the sustained mill demand for practically all varieties of cotton imparted further strength to the market. Under pressure of large-scale buying Jarilla March contract spurted to Rs. 723.75 yesterday. The firm trend continued till the close today.

I.C.C. Moglai Jarilla March 1960 opened the week at Rs. 713 and, after declining to Rs. 711.50, improved to Rs. 723.75 yesterday. Opening at Rs. 719 today, the contract rallied to Rs. 723.25 before finishing lower at Rs. 722.25. The net gain over the week was Rs. 9.50.

In the spot section, brisk activity was reported. Spinners made extensive purchases of new crop. Over two lakh bales of new crop were reported to have been booked so far for December-January delivery. The varieties which attracted the special attention of mills were 197/3, 0394, Berar, etc. There were practically no sellers for new crop Vijay and Digvijay. Southern and Ahmedabad mills, in particular, bought sizable quantities of new crop. Old crop, too, found favour, thanks to the fear of shortages of supplies.

Export demand slackened. Nevertheless, enquiries were reported from Japan for superfine Bengal. Business done was, however, small, thanks to small offers. Continental countries were also interested in Bengal Deshi. Routine business was done in zoda and yellow pickings.

Interest in foreign cotton was subdued. Spinners were on the look out for high grade Sudan and selected East African growths. U.S. cotton also attracted some attention. Turnover was, however, limited. Mr. Rula's plea at the annual meeting of the Cotton Buyers' Association for liberalisation of imports was greatly welcomed by the trade which hoped that the Government would give due consideration to it.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 700; Berar Jarilla 790; Hubli Laxmi 990; Jaydhar 885.

The easy conditions witnessed in the Karachi cotton futures market towards the close of last week gathered momentum during the week under review. Values receded on profit-taking and lack of support. Export demand was subdued. N.T.R.G. January came down from Rs. 64-9 last week-end to Rs. 64-7. The March contract dropped As. 3 over the week to Rs. 64-12. The following are the latest available spot quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 78; Punjab Deshi 67; 4F Punjab Roller 70; S.G. 71-8; L.S.S. Punjab Roller 71; S.G. 72; N.T. Roller 78; S.G. 82; 289F Punjab Roller 71-8; S.G. 73-6.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. The quotation for both the long-staple Karnak and medium-staple Ashmouni contract declined on hedge pressure and liquidation. Foreign demand was weak while crop news was encouraging. The export price discount was reduced by 4 per cent. to 22 per cent. on Monday. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 70.50; January 70.82. Ashmouni: October 60.03; December 59.60.

Cotton futures in Liverpool suffered a setback during the week, thanks to hedge selling, and Commission House liquidation which were only partly absorbed in short covering. The large-scale scrapping of machinery in the textile industry under the redundancy scheme led to fears that demand for raw cotton would fall. This discouraged buying support. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one-inch staple contract: October-November 21.60; December-January 21.65; March-April 21.70; May 22.05.

American cotton mixed growth contract: October-November 22.00; December-January 21.95; March-April 22.10; May 22.15.

Sudan: September-October, November-December, January-February 22.75.

New York cotton futures market ruled fairly firm. Values advanced on trade buying and mill support which was influenced by the increased activity in the yarn and piecegoods market and the shortage of cotton for immediate shipment. Reports that rains had delayed cotton harvesting favourably affected sentiment. The near delivery months were, however, a shade easy.

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

	(In cents per lb.)	22-9-59	14-9-59	8-9-59
Spot	...	32.90	32.90	33.10
October	...	32.50	32.58	32.41
December	...	32.38	32.21	32.25
March	...	32.83	32.68	32.67

ART SILK YARN FIRM

(From Our Own Correspondent)

BOMBAY, 23rd September

Art silk yarns and staple fibre yarns ruled distinctly firm during the week under review, while cotton yarns were somewhat easy. The firmness of art silk yarns was aided by reports that the Continental manufacturers had raised prices of yarn by 2d. to 3d. per lb. and that they were trying to revive the cartel which existed a few years ago with a view to maintaining prices at high levels. A section of local traders are, of course, sceptical about the success of the proposed move, as they think that several Continental producers secretly undersell art silk yarns at lower prices without the knowledge of the proposed cartel. Even the marked shrinkage in demand from Surat and other weaving centres as a result of the heavy rains and floods had no effect on the market. The rumours of heavy arrivals of imported yarns against licences granted under the Export Promotion Scheme for art silk fabric, too, failed to have any effect. In sympathy with art silk yarns, staple fibre yarns also tended to look up. Cotton yarns, however, were easy, despite firmness of raw cotton prices. The easiness was due to slackness in inquiries from handlooms and powerlooms, especially in the northern part of Bombay State.

An official announcement says that it is now permissible to import all types of art silk yarns by actual users against rupee payment quota from East Germany, Hungary and Egypt. It will be recalled that the State Trading Corporation had earlier made arrangements for the import of only viscose art silk yarns on rupee payment from the aforesaid sources. The prospective importers are now asked to book orders for import of art silk yarn through the authorised agents of the foreign suppliers concerned against 24 per cent. of their quota licences. The orders will be subject to observance of the face value restrictions on imports of certain special types of yarn such as viscose, acetate, and a few deniers of synthetic yarn.

Cupressa Bamberg yarn (60X2) October contract jumped up from Rs. 1,614 to Rs. 1,632. December position improved from Rs. 1,646 on Friday, the 18th inst., to Rs. 1,655 today. Spot Cupressa recorded a gain of 3 nP, today's closing rate being Rs. 7.28. Among imported yarns, 120 Japan spurted by 19 nP to Rs. 4.94. 150 Japan rose by 9 nP to Rs. 4.78. 120 Italy advanced by a like amount to Rs. 4.84. 150 Italy put on 6 nP to Rs. 4.71. Among indigenous yarns, National Rayons 150 bright cones first grade gained 3 nP to Rs. 4.19. 120 bright cones first grade were steady at Rs. 4.49.

Staple fibre yarns (40X2) October contract rallied from Rs. 665 to Rs. 678. December contract was firm at Rs. 668 today, as against Rs. 649 early on Friday. Centuries increased by 10 nP to Rs. 3.72. Citys hardened by 3 nP to Rs. 3.59. Kohinoors were fully maintained at Rs. 3.75. Among imported yarns, 80X2 Paramounts and Fujis strengthened by 6 nP each to Rs. 7.87 and Rs. 8.56, respectively.

In the cotton yarn section, ten counts Podars came in for selling and dropped 12 nP to Rs. 14.50. Twenty counts Moderns were dull at Rs. 18.25. Forty counts Moderns fell by 25 nP to Rs. 26.25. Minaxis rose by 12 nP to Rs. 25.50. Sixty counts Raghavamsis were neglected at Rs. 56.50, as also Finlays at Rs. 63. Eighty counts Mahendras declined by 25 nP to Rs. 73.25. Moderns eased by a like amount to Rs. 75.75. Finlays and Citys were both quiet, the former at Rs. 82 and the latter at Rs. 68.50.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those eight days before.

	22-9-59	14-9-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	Rs. 1,632	Rs. 1,614
60/1 Cupressa Bamberg spot (per lb.)	7.28	7.25
120 Japan (per lb.)	4.94	4.84
150 Japan (per lb.)	4.78	4.69
120 Italy (per lb.)	4.84	4.75
150 Italy (per lb.)	4.71	4.65
Staple fibre yarn—		
40 X 2 October (per case of 200 lbs.)	678.00	665.00
40 X 2 Kohinoor (per lb.)	3.75	3.75
40 X 2 City	3.59	3.56
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.50	14.02
20s Modern	18.25	18.75
40s Minaxi	25.50	25.62
60s Finlay	63.00	63.00
80s Mahendra	73.25	73.50

EXPORT QUOTA FOR H.P.S. GROUNDNUTS

(From Our Own Correspondent)

BOMBAY, 23rd September

The firmness noted in the oilseeds market during the last fortnight continued unabated during the week under review. Under the leadership of groundnuts and cottonseeds, all other seeds and oils moved up to higher levels, thanks to better export prospects and reports of damage to crops from floods in the producing areas. An export quota for H.P.S. groundnuts was announced yesterday. The Government of India announced that established shippers of H.P.S. groundnuts will be given second repeat allotment equal to 25 per cent. of their basic year exports after they have completed shipment of H.P.S. groundnut quotas to which they are entitled at present. A trade notice issued by the Joint Chief Controller of Exports in Bombay yesterday further added that co-operative societies will also be given second repeat allotment equal to the quantity admissible to them earlier after they have completed shipment of H.P.S. groundnut quotas. The quota for H.P.S. groundnuts at this time is not viewed with considerable enthusiasm by traders, since a substantial portion of the previous quota remains unutilised.

In the groundnut section, there was a fresh bout of buying enquiries following reports of sizeable business having been done with Burma, the U.K. and some other countries. The upward trend in world prices for groundnut oil was another bullish factor. Supply position continues to be none too comfortable. The reports of heavy rains and damages to crops in the groundnut producing areas led to further keen buying enquiries. Groundnut February 1960, which had wound up last week at Rs. 170.75, gradually rallied to close today at Rs. 174.02. Bold ready improved by 25 nP to Rs. 40.25, after fluctuating between Rs. 38.87 and Rs. 40 over the week. Oil ex-mill rose by 37 nP to Rs. 20.87.

The castorseed section moved up in sympathy with groundnuts. Today, there were some reports of good business in oil with some of the communist countries. But for this, the export front was rather featureless during the week. Castorseed September 1959 contract rallied from Rs. 151.50 to Rs. 154.87, after moving both ways in a narrow groove, over the week. May 1960 contract advanced by Rs. 3.12 to Rs. 160.12. Bold ready picked up 13 nP to Rs. 30.75. Oil B.S. closed today firm at Rs. 16.94, as against Rs. 16.87 last week-end.

The linseed section, too, improved. There were some reports of business in linseed oil, particularly with Australia. Linseed May 1960 contract closed today on a steady note at Rs. 33.81, as against Rs. 33.44 last week-end, after moving between Rs. 33.37 and Rs. 33.69 over the week. Bold ready gathered 25 nP to Rs. 33. Linseed oil was higher by 10 nP at Rs. 16.50.

Buoyant conditions prevailed in the cottonseed section. The firmness in the raw cotton market imparted considerable strength. Cottonseed February 1960 contract spurted by Rs. 6 to Rs. 127.

The following table shows the closing prices of oilseeds and oils on the 23rd, as compared with those on the two previous weeks:

	23-9-1959	14-9-1959	9-9-1959
Groundnut			
February 1960	174.02	170.75	168.37
Bold ready	40.25	40.00	39.00
Coromandel ready	40.25	40.75	39.25
Khandesh quality	20.87	20.50	20.50
Oil ex-mill ready	20.82	20.25	20.12
Railway receipts*			
Castorseed			
September 1959	154.87	151.50	150.62
May 1960	160.12	157.00	155.37
Bold ready	30.75	30.62	30.37
Ready Madras	29.50	29.37	29.37
Ready Kanpur	16.94	16.87	16.75
Oil B.S.S.†	15.94	15.90	15.81
Oil commercial			
Linseed			
September 1959	—	32.25	32.62
May 1960	33.81	33.44	33.50
Bold ready	33.00	32.75	33.12
Oil ready†	16.50	16.40	16.87
Cotton seed			
September 1959	—	140.50	138.00
February 1960	127.00	121.00	117.00
Niger seed	31.00	31.50	30.50
Kardhi seed	22.50	22.75	22.50

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

BLACK PEPPER FIRM

(Messrs. Parekh & Co.)

BOMBAY, 23rd September

Malabar black pepper ruled firm but irregular, in line with black pepper at Singapore, which, after improving from Str.98 to Str.110, came down to Str.105. White pepper at Singapore rallied from Str.158 to Str.176 to drop to Str.167.

Unгарbled at Cochín witnessed hectic activities and touched the highest at Rs. 850, following heavy purchases by exporters who sold about 500 tons to East European countries. Ready garbled at Cochín showed a perpendicular rise from Rs. 133 to Rs. 144, following short-covering and fresh purchases by exporters. There were heavy fluctuations in October delivery, the highest and the lowest being Rs. 148 and Rs. 134, to come down to Rs. 139½ today. December moved between Rs. 128 and Rs. 144½, before finishing at Rs. 139½. Calcutt, after touching Rs. 900, is hovering around Rs. 860.

Spot in New York, after touching the highest at \$0.32½, came down to \$0.31, as grinders refused to follow through. The impending dock strike is reported to have created uncertainty in the market.

At the time of writing, Malabar is reported to be inactive, as both bears and bulls are awaiting development. Bears are not anxious to go short as the position is still not clear and there are more chances for the future improvement in the market, as the crop prospects of Lampung and Sarawak are disappointing.

The stock position at Singapore is very tight, as most of the stock is controlled by the bull syndicate. It is also reported that the bull syndicate in Singapore have purchased about 3,000 tons of Lampung black pepper for October for September-October shipment. If it is so, they who have made big money in their recent manipulations will not let down the market at least for the coming two or three months.

The future of the market depends upon the final outcome of Lampung crop and the selling policy of the Indonesian growers. The political and economical uncertainty in Indonesia is a supporting factor.

New crop of Malabar is estimated at 26,000 tons, but, in view of the light carryover, together with poorer Lampung and Sarawak crop, the prospects for Malabar this year appear to be brighter than those of the previous years.

Ready pepper in the local market is quoted between Rs. 108 and Rs. 112 per Bengal maund according to quality. The demand is not encouraging, owing to dislocation of railway transport, on account of floods.

TEA ADVANCES

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

COCHIN, 18th September

In Sale No. 35 held on the 15th inst., 975,000 lbs. of teas were offered. Offerings showed a further improvement and a useful selection of high-grown teas was on offer. Against a strong active demand, prices were irregularly dearer for everything, particularly fannings of all types. Low mediums met with useful enquiry and were dearer by 5-10 nP. Medium broken were well supported and sold at 5-10 nP above last rates, whilst similar fannings, in particular black clean descriptions, were well competed for and, in some cases, prices advanced by as much as 25 nP. There was keen competition for improved quality high-grown teas and these were considerably dearer following quality. A small selection of tippy teas and C.T.C. teas met useful support. Whole leaf grades were quoted fully firm on last week's rates. The quotations were:

	1959	1958
Rs.	Rs.	Rs.
Low medium	1.65 to 1.75	1.55 to 1.70
Medium	1.90 to 2.10	1.80 to 2.05
Good medium	2.20 to 2.35	2.10 to 2.35
Quality	2.40 to 3.95	2.75 to 4.30

Dust sale 'Y', held on the 17th inst., comprised 320,000 lbs. The quality of dusts on offer was well maintained. There was good general keen interest in colour mediums and these were dearer by 5-10 nP. Other types, though they met with useful support, were irregularly easier by 5 nP. Black grainy descriptions continued in demand and were the strongest feature of the sale. C.T.C. dusts evoked useful demand at slightly lower rates than last.

London Market: Sale of 14th September 1959: Firm to dealer throughout. Orthodox Assams fannings strongest feature.

Sale of 15th September 1959: Dearer at top and bottom, steady in the middle.

Sale of 16th September 1959: Fully firm to dealer.

Colombo Market: Sale of 14th September 1959: Active general demand for top UVAS lower. Below best very irregular. Following quality Dimbula Dickyva broken were active and substantially dearer. Following improved quality mediums active and dearer by 15-20 cents. Low-grown teas dearer by 5-10 cents.

Sale of 15th September 1959: Active demand. All liquoring offgrades substantially dearer, particularly UVA sorts.

Calcutta Market: Export: Sale 14: 59,000 chests. Quite good general demand. Plain broken and fannings strong at about last rates. Few best C.T.C.s well supported. Remaining Assam C.T.C.s and orthodox easier by 20-30 nP. Some withdrawals.

Internal: Sale 14: 522,000 chests dust. Good general demand. Orthodox dealer by 4 nP. Medium C.T.C. irregularly easier. Best C.T.C. easier by 10-20 nP.

Export Quota: The market has continued to be rather quiet and some business has taken place at 2½ nP. At present, there are sellers at 2½ nP and buyers at 2 nP.

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

"Sale No. 36: 1,030,000 lbs. offered. Strong general demand, particularly for all fannings. Plain and low mediums dearer by 5-10 nP. Others irregularly dearer, following improved quality. Whole leaf teas were strong."

(From Our Own Correspondent)

CALCUTTA, 22nd September

Good demand was maintained during tea export sale held yesterday and internal sale of types eased. Quality teas firmed up, while poorer teas eased. The trade noted with disappointment the Union Commerce and Industry Minister's rejection of the plea for abolishing duty on tea, put forward at the meeting of the Export Advisory Council. The Minister referred to the recent readjustment of the export duty and said that frequent revision would create doubts in the minds of exporters and buyers. Mr. Lal Bahadur Shastri claimed that the Government had done all it could not rising to the occasion.

It is regrettable that the Minister's tone was far from helpful; however, industry and trade circles think that the Government should clearly come forward and state how the tea industry qualifies for such "unkindly" remarks. If prices are selling below cost of production, and yet the W. Bengal Government has increased the minimum wage of tea garden workers by Rs. 2 per day in talks, the W. Bengal entry tax on tea continues. The Centre also continues to benefit by its several levies on the tea industry.

During the year ended March 1959, 57.3 million lbs. more tea were exported, bringing to the total an additional foreign exchange of Rs. 18 aggregated 16 million lbs., which was more than double that of the previous year.

At a time when the tea industry is finding it difficult to make both ends meet, it is strongly felt private time to set up a Wage Board for the tea industry. The Government is reconsidering this question following representation from workers. The matter will come up at the forthcoming meeting of the Industrial Committee on Plantations.

During the week, considerable shipping space was taken up by tea. Shipments to the United Kingdom were substantial.

News of considerable importance is the commencement of marketing in London of instant tea by Nestles. The blend, which is new to Great Britain but which has been marketed in the U.S. and the Continent for the past several years, consists of leaf from Ceylon and Assam and other producing countries. It is claimed in London that "Nestea", as the blend is called, is cheaper than ordinary leaf but similar in quality.

At the sale for domestic consumption held on the 16th inst., dusts on offer amounted to 22,051 chests. General demand was good. Exportable kinds were much favoured, the orthodox manufacture hardening by 4 nP. Darjeelings were firm, with a rising tendency in leg-cu. teas. Medium C.T.C.s opened lower by 10 nP and soon declined by 15 to 20 nP. At this stage, interest was revived with the very best C.T.C.s receiving good attention towards the end of the sale. The quotations, exclusive of excise duty, were: Best Assam C.T.C. Rs. 2.50 to Rs. 2.70; medium Assam C.T.C. Rs. 2.00 to Rs. 2.05; medium Doars Rs. 1.90 to Rs. 2.00; and medium Assam Re. 1.88 to Re. 1.96.

Leaf on offer amounted to 901 chests. Green teas eased, while others met with good demand.

In the sale held at Chitagon on the 17th inst., the offerings amounted to 13,363 chests. They met with strong demand. Best liquorings added As. 4 and leg-cut fannings an anna to two. The rates were: O.F. Re. 1-13; P.F. Re. 1-8; and B.O.P. Re. 1-7-6.

There were a few features in the export sale held yesterday, following good general demand. Offerings aggregated 66,970 packages. Plain fannings advanced irregularly, but medium broken and fanning grades eased slightly, despite good support. However, the brighter liquorings sorts were about steady. Teas for price and plain broken were firm. C.T.C.s, after recording a dearer tendency, eased. Although non-wither Doars met with ready support prices were lower. All bright liquorings medium Assam B.O.P.s and O.F.s were unchanged, while the plain B.O.P.s gave way by 20 to 30 nP. Whole leaf grades on lesser demand eased, but clean black pekoes were steady. There were some withdrawals of tippy teas, and Darjeelings met an easier market. The quotations exclusive of excise duty were: Best Assam C.T.C. fannings Rs. 2.70 to Rs. 3.10; best Assam C.T.C. B.P. Rs. 2.30 to Rs. 2.70; clean black pekoe Re. 1.94 to Re. 1.98; medium fannings Rs. 2.12 to Rs. 2.22; plain B.P. Re. 1.86 to Re. 1.88; medium B.P. Re. 1.90 to Rs. 2.00.

Export quota was quoted 2½ nP. No business was done.

NO EXPORT DEMAND FOR JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 23rd September

Following lack of interest shown by overseas buyers, featureless conditions were in evidence in the jute goods market during the week under review. There were hardly few inquiries for shipping space, and the continued silence on the part of exporters for the United States made market circles anxious. Meanwhile, there were inquiries for sacking from Burmese sources for ready delivery. Orders were anticipated; the hopes in this regard were heightened by the inability of Pakistani mills to accept any order for October and/or earlier deliveries. Although business passing through the raw jute market recorded a noticeable decline during the week, prices were maintained, thus completely ignoring the fall in goods prices. This trend was due to the reserve shown by sellers following the disparity between prices in Calcutta and in the mufussil trading centres.

The report of a fall of 4 million yards to 65 million yards in the U.S. burlap consumption disappointed market circles, but it was thought that, the decline being connected with the steel strike in that country, consumption would tend to rise again when once the strike ended and normalcy in industrial relations prevailed. The news, however, did not affect hessian prices which were maintained firm at previous levels. This was due to the low level of stocks here and also to the spot stocks in the U.S. at the end of August having fallen by 7 million yards to 162 million yards, thereby indicating that consumption exceeded imports, and naturally replacement buying must be resorted to. In the month of August, due to more holidays, mills here worked for only 200½ hours, as against 209 hours in the previous month, and accounted for the fall in total production by 2,700 tons to 86,923 tons.

Hessian fell by 2,900 tons to 37,566 tons and miscellaneous goods by 1,800 tons to 7,425 tons. The percentage of decline in comparison was 2 and 1.7, respectively. On the other hand, the stock of sacking goods rose by 2,000 tons to 41,900 tons. These figures showed that the process of transfer of hessian looms to sacking manufacture was continuing, and that most of the 4 per cent. of the looms recently unsealed in two instalments was being concentrated in sacking.

The fact that the increased demand for sacking, which led to the unsealing move, was not being followed up and that the uncertainty about more Chinese orders, which resulted from the Sino-Indian border issue, were matters for worry in market circles. Until it was thought, higher proportion in the manufacture in favour of sacking would continue. So until hessian manufacture became more profitable, sacking stock would tend to increase. In any case, mills are committed to seal off 2½ per cent. of the looms in January next.

In the course of a statement, the Indian Jute Mills Association has explained that its policy is to maintain the maximum level of activity, employment, and foreign exchange earnings, while retaining fair and stable prices for jute goods. Referring to the fall of 11,700 tons in stocks in August, the Association claims that the increased

production has revived the confidence of foreign buyers in the ability of mills to make regular supplies and maintain delivery dates, and that increased production leads to stability in prices.

Although the market was officially closed on Tuesday last, prices were about firm. The news of lower consumption of burlap in the U.S. during August was not noted as being significant against the background of the steel strike there and also the noticeable fall in spot stocks. In fact, ready hessian 40" 10 oz. firmed up from Rs. 40.25 to Rs. 40.35, while ready B. twills fell by 5 nP to Rs. 100.80. At this stage, active conditions returned to the futures market, and bullishness there pushed up ready B. twills to Rs. 101.50 and hessian 40" 10 oz. to Rs. 40.45 on Wednesday. The possibility of a Government order for a substantial quantity of B. twills added to sentiment. There was also some scattered business done with Australia in the futures market continued on Thursday also for some time, but profit-taking soon intervened to lower prices. This was reflected in the ready market by B. twills receding to Rs. 101.00 and hessian 40" 10 oz. to Rs. 40.40. However, activity in the export market was limited to little quantities here and there and, on Friday, B. twills dropped further to Rs. 100.10 and hessian 40" 10 oz. to Rs. 40.25. Towards the week-end, prices were almost unchanged at Rs. 100.15 and Rs. 40.25, respectively. An easier tendency was recorded yesterday, as the export market was neglected. Ready B. twills closed lower at Rs. 100 and hessian 40" 10 oz. at Rs. 40.10.

Despite lower interest shown by mills, raw jute prices were firm and unchanged. Mills accepted some offers, particularly in the lower grade. The firmness in the raw jute market followed the recent heavy rains which brought harvesting operations to a standstill for more than a week. Heavy rains have been followed by bright sunshine in the last two days, and farmers in West Bengal are getting an opportunity to dry their jute before sending the same to the agencies. Complaints of increased moisture content in new arrivals are in the meantime continuing and it is due to the poor nature of stocks the growers and to the biparis have indulged in the practice of adding water willy-nilly. However, with the changed conditions now and a surplus in raw jute, mills may insist on an improvement in the quality of raw jute. The latest quotations for the new crop near and/or immediate delivery are:

	Middles	Bottoms
	Rs.	Rs.
White:		
Assam Upper	25.50	23.00
Lower Assam	25.25	22.75
Northern	24.75	22.25
Desal	24.25	21.75
Cuttack	27.75	24.75
Murshidabad	23.75	21.25
Bihar, Jungli, U.P.	23.50	21.00
Tossu:		
Ordinary Daissee	26.00	23.50
Murshidabad	25.00	22.50
Assam-Agartala	26.50	24.00
Mesta:		
Daissee	23.75	21.25
Jungli	23.25	20.75
Bimli f.a.q.	—	Rs. 20.75
Pucca Bales:		
First marks	Rs. 168.00	per bale.

LINSEED STEADY

(Messrs. A. Bradley & Co.)

CALCUTTA, 21st September

The linseed market remained steady during the week. Although there was no appreciable change in prices, a bullish sentiment prevailed in sympathy with groundnut and other oilseeds. Trading was slow, with crushers consuming available ready supplies, and sellers reserved for forward delivery.

Linseed oilcake ruled steady. Fresh export business was reported, following an improvement in the U.K. prices to £36 5s.

There was no change in the linseed oil section. With a general firmness prevailing in overseas markets, shippers were active locally and there was a fair local turnover daily.

The latest quotations per maund are: Ready September Rs. 23.69; October-November Rs. 23.87; September futures Rs. 23.75; and May futures Rs. 23.44.

ELECTROLYTIC ZINC BUOYANT

(From Our Own Correspondent)

CALCUTTA, 23rd September

The highlight of trading in the metal market during the week under review was the buoyancy in electrolytic zinc which, on good demand from alloying industries, shot up from Rs. 109 to Rs. 115 per cwt. The metal was in short supply, and the increased demand was attributed to the release of copper against permit. Thus a proportion of zinc was also necessary to be bought for alloying. Moreover, higher advices from Bombay were also received. On the London Metal Exchange, the quotation declined by £1½ to £85 per ton, following a sharp contraction in backwardation. However, a recovery soon set in and the closing rate was at £86½.

During the week, there was a decline in demand for copper scrap, following availability of the virgin material through the permit system. Utensil scrap declined from Rs. 230 to Rs. 225 per cwt. and clean wire scrap from Rs. 242 to Rs. 240. The earlier announcement that advance licences for import of non-ferrous metals would be issued against the six months beginning from 1st October also contributed to a quieter demand, although copper scrap was by no means an abundant commodity.

In London, copper eased from £229½ to £226½ per ton. Although the U.S. steel strike caused the recession, the downward trend should have been more prominent had it not been for some demand from the Continent.

In the local market, tin opened at Rs. 584 and improved to Rs. 589 per cwt. Supplies were limited. Lead was unchanged at Rs. 74.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 21st September

Quietly steady conditions prevailed in the foodgrains market during the week. The Union Food Minister, Mr. S. K. Patil, called for an all-out effort by the State Governments to step up food production during the forthcoming rabi season, by mobilising all the resources and manpower and co-ordinating the

MISCELLANEOUS STATISTICAL INFORMATION—Continued

INDEX NUMBERS OF SECURITY PRICES

[1952-53-100]

Group and Sub-Group	Week ended			
	12th Sept. 1959	5th Sept. 1959	15th August 1959	13th Sept. 1958
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES— ALL INDIA.				
1. Total	101.4	101.3	101.2	100.5
2. Government of India	101.2	101.2	101.0	100.4
3. State Government,	102.5	102.5	102.5	101.3
4. Municipal, Port Trust, etc.,	99.9	99.9	99.9	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.1	102.1	102.1	100.0
PREFERENCE SHARES—ALL INDIA.				
6. Total	93.8	93.5	93.1	88.0

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA				
7. Total	153.5	152.5	154.4	142.7
8. Agriculture and Allied Activities: Total*	150.8	152.8	153.8	155.9
9. Tea Plantations	151.7	153.5	150.5	152.5
10. Rubber Plantations	146.2	146.2	146.0	142.5
11. Mining and Quarrying: Total	145.1	143.1	145.1	146.3
12. Coal	113.7	112.7	112.6	111.5
13. Other Mining	166.7	163.8	170.0	173.9
14. Processing and Manufacturing: Total	158.9	157.6	158.5	141.1
15. Processing and Mfg. (Food-stuffs, Textiles, etc.): Total*	149.3	148.1	148.5	128.8
16. Sugar	177.4	176.6	175.9	171.7
17. Cotton Textiles	124.7	123.9	124.7	118.4
18. Jute Textiles	98.0	98.0	99.4	80.0
19. Silk and Woolen	660.5	642.5	649.2	410.4
20. Processing and Mfg. (Metals, Chemicals, etc.): Total*	177.9	176.2	176.3	157.0
21. Transport and Storage	184.3	177.7	185.0	182.6
22. Transport Equipment	184.3	177.7	185.0	182.6

24. Electrical Machinery	136.2	132.2	135.2	146.3
25. Machinery other than Transport and Electrical	189.9	191.1	193.4	168.0
26. Basic Industrial Chemicals	150.0	159.2	153.4	127.0
27. Processing and Mfg. (Others):				
Total*	152.6	151.6	152.3	150.0
28. Cement	133.8	134.6	138.4	140.7
29. Paper	133.8	134.6	138.4	140.7
30. Other Industries: Total*	212.3	211.2	206.4	197.3
31. Electricity Generation and Supply	115.6	116.1	116.3	116.3
32. Shipping and Other Transport	91.5	92.3	91.9	92.9
33. Shipping and Other Transport	104.0	102.1	103.1	104.2
34. Construction	123.3	123.0	128.2	128.2
35. Construction	104.6	104.6	104.6	104.6
36. Financial: Total	172.1	171.0	174.3	174.3

38. Investment Trusts	142 5	143 3	141 6	130 0
	99 5	99 5	99 5	93 4

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	..	..	157.2	154.9 157.8 148.5
40. Calcutta	..	..	140.0	140.1 147.3 135.7
41. Madras	..	..	157.7	157.7 168.4 165.3
42. Dehli	..	..	183.4	181.0 192.7 168.8

* Including "Miscellaneous." † Including "Edible and Vegetable Oil."

IRON AND STEEL PRODUCTION (In Tons)				
		Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	..	1,155,500	1,073,400	797,500
Do. 31st March, 1958	..	1,008,300	1,106,800	786,000
Do. 31st March, 1959	..	1,137,000	1,149,900	824,700

June	..	..	57,400	52,900	28,500
July	..	..	84,900	85,700	62,000

August	102,500	108,100	68,800
May 1959	99,620	70,000	60,000
June	128,800	116,400	91,400
July	116,700	114,800	88,100
August	122,000	121,000	88,000
Year ended 31 March, 1957	128,700	125,000	97,100
Indian Iron and Steel Co., Ltd.			
Year ended 31 March, 1957	696,156	532,213	441,483
Do. 31st March, 1958	733,046	507,580	410,588
Year ended 31st March, 1959	969,938	608,206	496,217
January to March, 1958	190,839	133,563	106,501
January to March, 1959	222,705	176,443	155,907
April	51,232	70,887	60,770
May	89,820	70,887	40,151
June	94,105	57,483	49,470
July	73,708	59,610	29,600
August	97,082	71,411	55,903
	94,580	68,644	57,565
INDUSTRIAL DISPUTES (All-India)			
Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957	1,630	889,371	6,420,819
1958	1,344	720,500	5,729,878
January 1958	152	71,225	606,787
February	144	67,225	5,400,819
March	102	57,225	4,699,787

April	1950	80,909	845,699
May	1950	65,124	597,269
January	1951	100,123	

Month	1959	1960	1961	1962	1963	1964	1965
February	..	160	176,468	..	902,357	..	..
March	..	128	64,17 (8)	..	316,868 (8)	..	..
April	..	136	..	..	..	291,294 (4)	..
May	..	168	65,078 (1)	..	270,346 (1)	..	..
June	..	154	49,450 (4)	..	365,744 (4)	..	..
July	..	181	58,756 (5)	..	353,744 (5)	..	..

* In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available. Figures relate to all states and centrally administered areas as notified reorganisation.

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	1957-58	393.94	..	10,830	275.6
Pakistan†	1956-57	83.50	..	2,076	248
Burma	1956	20.90	..	228	109
Ceylon	1964	20.90	Yr. 1964	1,031	1,500
Japan	1964	90.90	Yr. 1964	1,031	1,500
France	1963	32.80	Fr. 1963	1,031	1,500
N. Zealand.	1967	2.80	N. Z. 1967	1,031	1,500
Aus. India	1967	0.60	A. I. 1967	1,031	1,500
U.S.A.	1967	81.40	U. S. A. 1967	1,031	1,500
Canada	1967	17.40	C. A. 1967	1,031	1,500
U.K.	1967	56.10	U. K. 1967	1,031	1,500
W. Germany	1967	44.00	Fr. 1967	1,031	1,500
Italy	1967	46.10	It. 1967	1,031	1,500
Sweden	1967	8.49	Sw. 1967	1,031	1,500
Netherlands	1967	17.50	N. L. 1967	1,031	1,500
Denmark	1967	4.50	D. M. 1967	1,031	1,500
Switzerland	1967	5.10	S. W. 1967	1,031	1,500

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

Source: International Financial Statistics, October 1968.

† Preliminary estimate.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Almudabad	Sholapur	Kanpur	Nasirpur	Calcutta	Madras City	Dehli	Ajmer	Gauhati	Jamshcdpur	Jabalpur	Bangalore
	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100	Base 1940-100
1952 Average ..	103	237	259	310	92	101	351	102	108	108	111	112	90	115
1953 ..	103	283	279	327	103	103	349	109	106	108	111	112	90	115
1954 ..	101	359	244	294	85	99	327	108	105	91	95	102	98	102
1955 ..	98	339	217	244	78	96	321	99	99	83	87	98	88	103
1956 ..	105	353	247	315	89	103	347	111	109	98	99	104	100	110
1957 ..	111	369	259	339	94	112	364	116	114	99	103	115	107	126
1958 ..	116	395	274	313	98	120	384	124	113	103	103	123	109	131
February 1958	110	380	248	267	89	116	364	120	108	95	102	118	105	128
March ..	111	381	263	293	89	112	368	119	108	96	102	119	105	128
April ..	111	389	261	295	91	116	369	119	107	96	100	118	106	128
May ..	113	387	263	295	93	117	371	120	108	97	101	119	107	129
June ..	116	395	267	307	98	117	378	121	111	103	103	120	113	129
July ..	119	407	285	317	101	118	392	125	116	105	103	122	114	130
February 1959	118	399	300	326	103	129	364	127	126	108	94	120	110	134
March ..	101	360	290	320	99	126	364	127	126	108	94	121	106	134
April ..	117	400	296	313	95	130	364	128	119	101	95	121	104	137
May ..	119	406	307	328	95	131	371	131	116	102	96	125	104	138
June ..	121	418	309	337	97	132	385	134	117	103	97	126	106	140
July ..	123	418	315	345	97	132	385	134	117	103	97	126	106	140

(In lakhs of rupees)

Year Month	National Savings Certificates			12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Certificates D	Post Office Cash Certificates, Defence Savings and Defence Savings Bank Deposits	10-Year Treasury Savings Deposit Certificates		15-Year Annuity Certificates G		Total		
	5-Year A	7-Year B	12-Year C	Re-cppts	Out-stand- ing	Re-cppts	Out-stand- ing	Out-stand- ing	Out-stand- ing	3½ % F	4 % G	Re-cppts	Out-stand- ing	Re-cppts	Out-stand- ing H	
1954-55	4.70	4.99	124.84	..	..	134.94	130.88	7.38	-36.35	37.15	..	56	54	177.35	810.50	
1955-56	3.76	6.48	144.37	..	..	158.11	107.85	16.38	-37.68	41.25	..	45	95	203.53	380.04	
1956-57	3.00	6.01	163.68	..	..	176.97	107.50	25.38	-38.62	44.28	..	43	132	225.82	440.17	
1957-58	2.29	7.78	151.75	71.45	..	179.88	213.31	..	-38.58	47.43	..	87	164	264.32	509.72	
1958-59	1.73	3.79	110.81	87.11	162.48	182.82	256.92	..	-40.09	42.57	635	11.68	67	241	277.01	581.78
1959-60	1.06	4.38	136.18	5.94	94.45	16.04	215.13	22.01	-40.06	43.17	47	7.63	5	2.07	22.40	558.88
1960-61	1.94	4.30	135.26	6.50	100.72	14.40	219.31	22.02	-40.13	43.07	65	6.11	5	1.10	21.91	632.77
January 1960	1.80	3.93	122.88	0.97	135.09	14.37	218.71	21.27	-40.13	42.98	58	5.72	3	2.32	24.07	559.17
February	1.78	3.87	120.96	0.64	143.14	14.40	219.31	21.13	-40.00	42.62	68	11.14	5	2.36	28.22	566.41
March	1.78	3.79	110.11	1.06	152.48	22.29	226.92	21.01	-40.09	42.57	65	11.66	6	2.41	34.06	581.74
April	1.72	3.72	110.73	6.58	147.74	14.40	219.31	21.01	-40.09	42.57	68	12.02	6	2.41	34.06	581.74
May	1.68	3.65	116.69	7.1	162.02	15.68	226.92	20.76	-40.80	42.39	61	12.79	5	2.64	31.08	596.40
June	1.65	3.69	114.16	6.03	167.24	15.89	224.23	20.61	-40.88	42.33	42	13.19	3	2.56	22.40	589.70
July	..	..	..	..	..	..	..	..	..	42.25	53	13.66	8	2.02	..	..

Note—Outstandings relate to end of Period and not include Indian Rupee share of pre-1957 deposits. Repayments include those from principal and interest on deposits. Repayments of principal and interest on deposits from May 10, 1954 to May 30, 1957. E.—Progressive net repayments at the end of period from August 15, 1947. F.—No sales from June 1, 1957. G.—From July 1954. H.—Outstandings in respect of items in column 9 marked "E" are not included. N.B.—10-Year Cumulative Time Deposits commenced from January 1, 1957. 10-Year Cumulative Time Deposits commenced from January 1, 1959 and the outstandings at the end of June 1959 is rupees five lakhs.

IMPR. TRUST LOANS

[illegible]

1955	5,00,16,000	1st Sept. 1967	100.30	
1958	6,58,15,000	3rd Sept. 1968	100.25	9

IRON AND STEEL PRODUCTION (In Tons)			
Tata Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Salable Steel
Year ended 31st March, 1957 ..	1,155,550	1,073,600	797,500
Do. 31st March, 1958 ..	1,008,300	1,106,800	786,000
Do. 31st March, 1959 ..	1,137,000	1,149,900	854,700
May 1958 ..			
June ..	57,400	52,900	28,600
July ..	99,600	85,700	62,000
August ..	102,500	100,100	68,000
May 1959 ..	94,900	79,000	49,000
June ..	128,800	116,400	91,400
July ..	118,700	114,800	83,100
August ..	128,000	121,100	86,600
June ..	128,700	125,600	97,100
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957 ..	695,156	532,315	441,489
Do. 31st March, 1958 ..			

1968	5,48,81,000	15th July 1970	101.95	7
1969	6,60,00,000	19th Aug. 1971	100.00	5

INDUSTRIAL DISPUTES (All-India)			
Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957*	1,630	889,371	6,420,810
1958	1,442	928,158	7,716,710
January	106	57,125	396,887
February	106	95,650	449,803
March	178	90,909	845,699
April	106	95,650	567,289
May	178	109,468	902,357
June	106	64,177	341,410
July 1959	128	98,850	291,294
August	128	95,678	270,740
September	134	95,714	344,111
October	169	104,745	374,111
November	181	55,752	354,111
December	181	55,752	354,111

y	1949	5,49,68,000	1st Aug. 1982	97.00	6
y	1950	2,83,50,000	31st July 1980	99.50	6

NATIONAL INCOME*				
Country	Year	Population (in millions)	National Income (in millions)	Per capita income (in rupees (Crores))
India†	1947-48	892.94	..	275.6
Pakistan†	1947-48	82.50	..	87.0
Burma	1957	20.00	..	2,079
Ceylon	1957	8.88	..	446
Japan	1957	8.88	4,450	223
N. Zealand	1957	2.22	..	1,470
Philippines	1957	22.80	8,325,000	1,015
S. Africa	1957	2.22	2 (N.Z.)	2,095
A. India	1957	2.22	2 (A.)	1,327
U.S.A.	1957	51.40	4,678	970
Canada	1957	16.00	332,400	2,052
France	1957	44.00	25,380	1,694
W. Germany	1957	44.00	138,000	1,694
Italy	1957	44.00	158,000	1,694
Norway	1957	4.40	12,211,000	9,412
Sweden	1957	8.49	46,290	1,540
Netherlands	1957	11.00	22,240	1,490
Denmark	1957	4.50	22,450	3,574
Switzerland	1957	5.50	26,900	2,968

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the country, including net income from trade and services in the country.

†† According to budget speech of Pakistan Finance Minister.

January to March, 1958	..	199,839	133,563	106,501
------------------------	----	---------	---------	---------

		Week ended 18th September 1959		Week ended 11th September 1959	
		Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
		3,10,523	74,89,39,000	3,09,556	67,19,60,
		1,78,000	75,40,30,000	1,79,000	70,93,00,
		87,860	13,60,35,154	99,910	11,24,50,
		..	..	40,008	87,24,35,00,
		..	..	41,672	89,54,80,00,
		..	..	45,175	87,67,12,00,
59		..	..	4,060	8,48,53,00,

January 1959 ..	160	109,488	902,367
February " ..	160	64,147(8)	819,885(8)
March " ..	128	25,252(8)	

		(Cont. 1952-53 = 100)		Financial Year Average	
July 1959	July 1958	Percentage of Increase (+) or Decrease (-) in July 1959 as compared with July 1958	1958-59	1959-	
121 0	118.4	+ 3.2	118.2	106	
107 0	109.9	- 2.6	106.8	106	
96.7	99.7	- 3.0	107.0	107	
140.5 R.	131.3	+ 6.0	137.7	82	
217.6	210.7	+ 3.2	210.7	103	
131.3	131.3	+ 0.0	107.0	107	
114.7	122.4	- 6.2	124.3	122	
114.6	126.8	- 3.9	108.4	82	
161.1 R.	150.4	+ 10.3	151.3	103	
88.9	88.9	+ 0.0	88.9	103	
97.3	90.9	+ 7.0	95.4	83	
102.0	102.0	- 0.0	102.0	103	
120.2	115.5	+ 4.1	118.4	104	
129.6	118.9	- 0.1	118.4	116	
136.3	130.0	+ 4.9	118.4	116	
136.3	136.3	- 0.0	127.0	103	
213.6 R.	198.3	+ 7.4	206.0	108	
108.5	107.1	+ 1.9	108.5	107	
108.5	108.5	- 0.0	116.1	103	
107.5	111.7	- 2.9	116.1	107	
113.8	102.9	+ 1.7	109.2	107	
84.7	88.1	+ 3.8	109.2	102	
113.8	110.2	+ 2.6	111.7	110	
104.2	105.0	- 1.6	105.0	106	
104.2	94.9	+ 9.1	95.0	82	
143.8	143.8	+ 1.9	93.2	82	
108.7	104.3	+ 4.3	143.8	101	
145.3	145.1	+ 0.1	145.1	104	
105.9	104.3	+ 2.5	138.0	101	
113.6	118.5	- 4.9	108.8	104	
			118.7	110	
116.8	114.7	+ 1.9			

assigned to the respective sub-group to arrive at

Statistical Organisation.

assigned to the respective sub-group to arrive at

† Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with the rate for the preceding week.

NOTE:—Weight shown against the sub-groups under each group index. R—Revised.

are those assigned to the respective sub-group to arrive at

†† According to budget speech of Pakistan Finance Minister.

ABBREVIATIONS. N—Nominal. C—Held by Commissioners. D—Domestic Loan not marketable.

MARKET GOSSIP

(Concluded from page 499)
(subsidiaries and participations) have settled there, including 1.9 from the U.S.

The rush of plants to the Netherlands started some ten years ago. Among the first were the oil companies (Standard Oil, Caltex, Aramco), business machine manufacturers (Remington Rand, International Business Machines, Monroe, Royal McBee, Friden) and machine tool firms (Cincinnati Milling, American Tool Works). Today, U.S. manufacturers operating in Holland are engaged on a wide variety of products in plants greatly differing in size. Sometimes, the industrial enterprises are large, such as that of Royal McBee, with 1,700 employees. A very important establishment ventured early this year is a \$20-million Orton plant of Du Pont at Dordrecht.

U.S. industrial investments in the Netherlands amount to nearly \$250 million in plants employing 20,000 Dutch workers. The output of these plants has added about \$150 million to Holland's industrial exports. Approximately \$110 million of this goes to other European countries, the remainder to other continents, including \$7 million to the U.S.

One half of the U.S. plants in Holland visited by Mr. Kanti was in the midst of expansion programmes; one-third had new plant buildings under construction. The answer was yes whenever Mr. Kanti asked if the management would again select Holland as a plant site. The author mentions nine main reasons why U.S. enterprises establish plants in Holland. These are:

1. Political stability: Expropriation is unknown.
2. Favourable geographical location: The Rhine delta and the North Sea make Holland a natural gateway to Europe.
3. Labour stability: Netherlands labour is productive and loyal; there have been no significant strikes in the last 30 years.
4. Low costs: Wages and fringe costs are lower than in any other Common Market country.
5. The Government's obliging attitude.
6. Commercial know-how: Amsterdam is one of the world's great banking centres; Holland's dependence on export has developed an extensive knowledge of international traffic and foreign markets.
7. A wide knowledge of foreign languages, in particular English.
8. No ownership restrictions: A concern may be 100 per cent. foreign-owned and may be managed by foreign personnel.
9. No limitations on dollar remittance of earnings, nor is there a tax on dividends paid to non-resident stockholders.

Here is something for the authorities in this country to think about the conditions they should offer and the climate that should prevail for attracting foreign private capital.

NOTES FROM WEST GERMANY

(Concluded from page 504)

lion in June 1959, unemployment dwindled from 8.8 per cent. ten years ago to 1 per cent. now, smallest percentage within all E.E.C. countries, in spite of 12.7 million refugees and expellees and in spite of 4 million war victims W. Germany had to care for.

Effectively worked week in industry (paid work week less paid but unworked hours such as holidays, leave and red-letter days) now counts 41.5 hours, as against 45.1 hours in France, 45.3 hours in Britain, 46.8 in Switzerland and 50.2 in Japan.

The average nominal weekly pay packet of an industrial worker rose by 75 per cent. from 61 DM in 1950 to 106 DM in 1958. To earn the price of the following items, an industrial worker had to work:

	1950	1958
Bread (1 lb.)	0 11	0 10
Sugar (1 lb.)	0 25	0 15
Pork chop (1 lb.)	1 31	1 04
Men's suit	81 41	55 16
Men's shoes	19 26	11 53
Bicycle	120 32	74 84
Radio	134 0	92 06
Volkswagen	3,809 31	1,626 36

The tax-free wage allowance moved up: In 1949 a family with two children paid no tax up to 104.24 DM monthly income, today the tax-free allowance comes to 599.99 DM.

Housing: In ten years, 4.7 million new dwellings worth 78,000 million DM were built, that is, about one new building for every fourth household.

PLANTING

(Concluded from page 512)

ground that that would lead to maximum production of natural rubber with minimum cost, has elicited the following reply from the U.P.A.S.I.:

"If the I.R.I.A. could explain how this objective can be achieved by its predominance on the Rubber Board, the matter should be considered by all interests. We suggest that investment in planting companies by manufacturers or opening of large areas by manufacturers may lead to this end. The main function of the Board, according to the memorandum, is to increase production and to distribute raw rubber. We suggest that rubber production and all activities allied to it should be left to a wing of the Rubber Board, where planters have predominance and distribution be left to another wing where manufacturers may predominate."

It is evident from the foregoing account that the U.P.A.S.I. has given convincing replies to the contentions of rubber manufacturers and that the latter's suggestion that protection to rubber plantations should be withdrawn cannot be sustained. There cannot be two opinions—and the manufacturers' association itself seems to admit this—on the need for stepping up raw rubber production. The ways suggested by the Association will certainly not help to achieve this end. Surely, it is in the interest of rubber manufacturers themselves that rubber production is increased. They should not therefore harbour any ideas which tantamount to cutting the nose to spite the face, for, if rubber production suffers for any reason, rubber manufacturers will be one of the worst hit. At the same time, rubber planters should make every effort to step up production.

INSURANCE

(Concluded from page 522)

ments is shown will bring out the position very clearly:

No. of companies registered	Fire	Marine	Miscellaneous
No. of companies showing losses	66	63	176
No. of companies earning less than Rs. 25,000	9	33	30
No. of companies earning more than Rs. 25,000	11	20	25
No. of companies earning more than Rs. 50,000	41	6	16

An examination of the figures given above will show that, in the fire department only 13 per cent. of the total number of companies showed losses, while, in the miscellaneous and marine departments the position is quite discouraging and is as high as 39 per cent. and 52 per cent., respectively. Similarly, 62 per cent. of the total number of companies transacting fire business was able to earn more than Rs. 50,000, while, in the marine and miscellaneous departments, only 9 per cent. and 21 per cent., respectively, were able to earn profits over Rs. 50,000. Further, more than 20 and 25 companies earning less than Rs. 25,000 in the marine and miscellaneous departments, respectively, could easily show losses, if the claims experience became slightly more unfavourable. These figures reveal that more and more companies are depending on the fire department for compensating the losses of their marine and miscellaneous departments. It is pointed out by the insurance companies that they are running these two losing departments solely for giving service to the insuring public.

The reduction in rates will also have a serious effect on the reciprocal business that companies are able to obtain from their overseas friends. The foreign insurers today are out to obtain Indian business only due to the favourable claims experience. The Indian companies in return are able to ask foreign insurers to pass on to them some foreign business in exchange for the Indian business given by them. This exchange of business serves one of the most important principles of insurance, and that is "spread of risks." The Indian market is as yet not so developed as to be able to absorb all the reinsurance requirements of Indian insurers. The insurers have got to approach the foreign companies for obtaining reinsurance cover and, if the companies start showing unsatisfactory claims ratio, many of the excellent reinsurance contracts available to Indian companies today would be cancelled.

The total net fire premiums written by Indian insurers outside India in 1956 was over Rs. 6 crores. This business received from abroad can be from two sources only, one, direct operations abroad, and two, exchange of reciprocal business. As the total number of companies operating directly abroad is very small, it can be safely estimated that more than half of the total business received from abroad is due to reciprocal treaty business. Now, if our Indian business ceases to be advantageous, there is every likelihood of the foreign companies refusing to pass on their business in exchange of ours. The country will thus stand to lose quite a lot of foreign exchange.

The aforesaid observations will show that considerable thought is needed before any final decision is arrived at as to whether the rates should be reduced and, if so, by what extent. It must be borne in mind that it is easy to reduce the rates, but it is extremely difficult to increase them again. The recent controversy over the increase in the rates in the motor department will bear this out.

The insurance trade firmly believes that a reduction in rates will not have any significant effect on eliminating rebating but will spell disaster for several companies. It is to be hoped that only such step would be taken by the trade and the Controller of Insurance as would be beneficial to the insurers and the public alike.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 24th September 1959.

	Closing quotations 17-9-1959	High	Low	Closing quotations 24-9-1959
TEXTILES				
Ahm. Adv. (100)	157.50	165.00	157.50	165.00
Apollo (2)	1.24	1.32	1.20	1.30
Bombay Dyeing (25)	64.50	68.50	64.10	68.50
Dradbury (50)	117.50	122.50	117.50	120.00
Central India (100)	105.00	110.00	104.00	110.00
Century Mills (100)	220.00	225.00	214.00	220.00
Edward Textile (200)	365.50	382.50	364.50	370.50
Expimstone (50)	36.00	38.00	35.00	36.00
Finlay (100)	150.00	158.00	148.00	158.00
Gokak (100)	273.00	280.50	273.00	287.00
Ind. Untd. Dtd. (1)	1.10	1.20	1.08	1.18
Ind. Untd. Ord. (10)	0.00	0.88	0.86	0.88
Indore Mills (100)	91.50	95.00	92.00	94.00
Khatia (100)	235.00	270.00	235.00	267.50
Kolindoor (100)	306.50	306.50	296.00	303.00
Kolindoor (250)	460.00	468.75	460.00	468.75
Lakshmi (50)	65.00	68.00	65.00	65.00
Model Nagar (250)	56.25	58.00	56.25	56.25
Morari (100)	275.00	287.00	275.00	287.00
Myvare (50)	70.00	71.50	70.00	71.50
National Rayons (100)	342.00	361.00	339.00	359.50
New City (100)	116.25	119.00	116.25	119.00
New Great (100)	172.00	174.00	172.00	174.00
Phoenix (100)	138.00	145.00	137.00	145.00
Polar Mills (100)	143.00	149.00	143.00	149.00
Sassoon Silk (10)	10.00	10.00	10.00	10.00
Sassoon Spg. (10)	65.00	69.20	65.00	69.20
Shirpur (100)	205.00	213.50	204.00	213.50
Simplex (50)	118.50	121.00	118.50	121.00
Standard (100)	570.00	638.00	572.00	637.00
Swan (100)	232.75	254.00	242.00	254.00
Swan (250)	390.00	415.00	390.00	415.00
Tata Mills (25)	44.00	45.00	44.00	45.00
Western India (1,000)	109.00	111.50	109.00	111.50
	4,475.00			4,475.00

BANKS				
Bank of India (40)	112.00	112.25	111.50	112.25
Bank of India (50)	114.50	114.50	112.00	114.00
Bank of Baroda (50)	102.50	102.50	102.00	102.50
Central (25)	48.75	49.00	48.25	49.00
Central A (25)	51.00	51.50	51.00	51.50
Dena Bank (50)	82.50	82.50	82.50	82.50
United Bank (10)	21.75	21.64	21.62	21.64
United Bank (50)	6.82	7.04	6.86	7.00
United Com. (50)	63.00	62.50	61.50	62.00

ELECTRIC COS.				
Ahmedabad (100)	98.00	98.50	98.00	98.00
Amalgamated (100)	111.50	111.50	110.00	111.00
Andhra Valley (1,000)	1,145.00	1,146.25	1,095.00	1,102.50xd
Dom. Sub. El. (100)	105.25	106.00	105.00	106.00
El. (100)	111.00	111.00	107.50	108.50
Tata Hydro (100)	117.50	118.00	117.00	118.00
Tata Power (1,000)	1,182.50	1,185.00	1,126.25	1,130.00xd

STEEL COS.				
Ind. Iron (10)	24.48	24.32	23.40	23.88xd
Mukund Iron (10)	18.28	18.60	17.76	18.44
Tata Steel Ord. (75)	159.25	161.75	158.50	161.00

SUGAR COS.				
Belapur (50)	309.50	325.00	308.00	325.00
Bijapur (10)	24.12	24.12	24.12	24.12
Chandigarh (12.50)	27.00	27.15	27.00	27.00
Phalant (50)	159.00	165.00	158.00	165.00
Walchand Ind. (100)	322.60	330.00	321.25	327.50

CEMENT COS.				
Associated Cts (100)	146.25	150.50	145.00	149.00
Digvijay (100)	145.00	147.00	144.50	147.00

MISCELLANEOUS				
Alcock Ashdown (100)	247.00	255.00	244.00	254.00
Alcock Ashdown (125)	311.00	338.00	304.00	338.00
Do. (New) (50)	181.00	185.00	181.00	185.00
Dr. B. Petrol (4 sh.)	1.42	1.44	1.40	1.42
Dr. B. Petrol (5)	0.09	0.12	0.08	0.12
Hindustan Lever (10)	30.25	32.00	30.00	32.00
Hindustan Motors (10)	12.56	12.76	12.40	12.44
Ind. Copper (2 sh.)	0.02	0.12	0.00	0.10
Ind. Inv. (100)	97.75	98.00	97.00	98.00
Kilicks (100)	142.00	140.00	140.00	140.00
Larsen & Toubro (10)	22.80	23.00	22.84	22.92
Malindi & Malindi (10)	21.84	22.00	21.76	22.00
Polson (100)	142.00	142.00	142.00	142.00
Pre. Automobile (100)	129.75	138.75	128.50	138.50
Premier Cpn. (80)	94.00	98.00	94.00	98.00
Reliance (20)	16.92	17.16	16.84	16.92
R. S. Shipping (10)	19.96	20.52	19.96	20.40
S. S. Shipping (10)	80.00	80.00	80.00	80.00
Sirpur Paper (10)	18.78	14.19	13.76	14.08
Tata Chemicals (100)	17.00	17.00	16.68	16.76
Tata Locomotive (100)	184.00	191.75	184.00	190.00
Tata Oil (25)	61.00	65.00	60.00	64.80
Tata Oil (100)	194.75	172.00	165.75	170.75
W. L. Mahal (100)	214.40	215.00	215.00	215.00

17-9-1959		24-9-1959	
GOVERNMENT SECURITIES			
	Rs.	Earlier Redemption	Later Redemption
2 1/2% 1961	98.50	—	98.50
2 1/2% 1960	99.00	—	99.00
2 1/2% 1959	97.00	—	97.00
2 1/2% 1958	97.50	—	97.50
2 1/2% 1957	97.50	—	97.50
2 1/2% 1956	97.50	—	97.50
2 1/2% 1955	97.50	—	97.50
2 1/2% 1954	97.50	—	97.50
2 1/2% 1953	97.50	—	97.50
2 1/2% 1952	97.50	—	97.50
2 1/2% 1951	97.50	—	97.50
2 1/2% 1950	97.50	—	97.50
2 1/2% 1949	97.50	—	97.50
2 1/2% 1948	97.50	—	97.50
2 1/2% 1947	97.50	—	97.50
2 1/2% 1946	97.50	—	97.50
2 1/2% 1945	97.50	—	97.50
2 1/2% 1944	97.50	—	97.50
2 1/2% 1943	97.50	—	97.50
2 1/2% 1942	97.50	—	97.50
2 1/2% 1941	97.50	—	97.50
2 1/2% 1940	97.50	—	97.50
2 1/2% 1939	97.50	—	97.50
2 1/2% 1938	97.50	—	97.50
2 1/2% 1937	97.50	—	97.50
2 1/2% 1936	97.50	—	97.50
2 1/2% 1935	97.50	—	97.50
2 1/2% 1934	97.50	—	97.50
2 1/2% 1933	97.50	—	97.50
2 1/2% 1932	97.50	—	97.50
2 1/2% 1931	97.50	—	97.50
2 1/2% 1930	97.50	—	97.50
2 1/2% 1929	97.50	—	97.50
2 1/2% 1928	97.50	—	97.50
2 1/2% 1927	97.50	—	97.50
2 1/2% 1926	97.50	—	97.50
2 1/2% 1925	97.50	—	97.50
2 1/2% 1924	97.50	—	97.50
2 1/2% 1923	97.50	—	97.50
2 1/2% 1922	97.50	—	97.50
2 1/2% 1921	97.50	—	97.50
2 1/2% 1920	97.50	—	97.50
2 1/2% 1919	97.50	—	97.50
2 1/2% 1918	97.50	—	97.50
2 1/2% 1917	97.50	—	97.50
2 1/2% 1916	97.50	—	97.50
2 1/2% 1915	97.50	—	97.50
2 1/2% 1914	97.50	—	97.50
2 1/2% 1913	97.50	—	97.50
2 1/2% 1912	97.50	—	97.50
2 1/2% 1911	97.50	—	97.50
2 1/2% 1910	97.50	—	97.50
2 1/2% 1909	97.50	—	97.50
2 1/2% 1908	97.50	—	97.50
2 1/2% 1907	97.50	—	97.50
2 1/2% 1906	97.50	—	97.50
2 1/2% 1905	97.50	—	97.50
2 1/2% 1904	97.50	—	97.50
2 1/2% 1903	97.50	—	97.50
2 1/2% 1902	97.50	—	97.50
2 1/2% 1901	97.50	—	97.50
2 1/2% 1900	97.50	—	97.50
2 1/2% 1899	97.50	—	97.50
2 1/2% 1898	97.50	—	97.50
2 1/2% 1897	97.50	—	97.50
2 1/2% 1896	97.50	—	97.50
2 1/2% 1895	97.50	—	97.50
2 1/2% 1894	97.50	—	97.50
2 1/2% 1893	97.50	—	97.50
2 1/2% 1892	97.50	—	97.50
2 1/2% 1891	97.50	—	97.50
2 1/2% 1890	97.50	—	97.50
2 1/2% 1889	97.50	—	97.50
2 1/2% 1888	97.50	—	97.50
2 1/2% 1887	97.50	—	97.50
2 1/2% 1886	97.50	—	97.50
2 1/2% 1885	97.50	—	97.50
2 1/2% 1884	97.50	—	97.50
2 1/2% 1883	97.50	—	97.50
2 1/2% 1882	97.50	—	97.50
2 1/2% 1881	97.50	—	97.50
2 1/2% 1880	97.50	—	97.50
2 1/2% 1879	97.50	—	97.50
2 1/2% 1878	97.50	—	97.50
2 1/2% 1877	97.50	—	97.50
2 1/2% 1876	97.50	—	97.50
2 1/2% 1875	97.50	—	97.50
2 1/2% 1874	97.50	—	97.50
2 1/2% 1873	97.50	—	97.50
2 1/2% 1872	97.50	—	97.50
2 1/2% 1871	97.50	—	97.50
2 1/2% 1870	97.50	—	97.50
2 1/2% 1869	97.50	—	97.50
2 1/2% 1868	97.50	—	97.50
2 1/2% 1867	97.50	—	97.50
2 1/2% 1866	97.50	—	97.50
2 1/2% 1865	97.50	—	97.50
2 1/2% 1864	97.50	—	97.50
2 1/2% 1863	97.50	—	97.50
2 1/2% 1862	97.50	—	97.50
2 1/2% 1861	97.50	—	97.50
2 1/2% 1860	97.50	—	97.50
2 1/2% 1859	97.50	—	97.50
2 1/2% 1858	97.50	—	97.50
2 1/2% 1857	97.50	—	97.50
2 1/2% 1856	97.50	—	97.50
2 1/2% 1855	97.50	—	97.50
2 1/2% 1854	97.50	—	97.50
2 1/2% 1853	97.50	—	97.50
2 1/2% 1852	97.50	—	97.50
2 1/2% 1851	97.50	—	97.50
2 1/2% 1850	97.50	—	97.50
2 1/2% 1849	97.50	—	97.50
2 1/2% 1848	97.50	—	97.50
2 1/2% 1847	97.50	—	97.50
2 1/2% 1846	97.50	—	97.50
2 1/2% 1845	97.50	—	97.50
2 1/2% 1844	97.50	—	97.50
2 1/2% 1843	97.50	—	97.50
2 1/2% 1842	97.50	—	97.50
2 1/2% 1841	97.50	—	97.50
2 1/2% 1840	97.50	—	97.50
2 1/2% 1839	97.50	—	97.50
2 1/2% 1838	97.50	—	97.50
2 1/2% 1837	97.50	—	97.50
2 1/2% 1836	97.50	—	97.50
2 1/2% 1835	97.50	—	97.50
2 1/2% 1834	97.50	—	97.50
2 1/2% 1833	97.50	—	97.50
2 1/2% 1832	97.50	—	97.50
2 1/2% 1831	97.50	—	97.50
2 1/2% 1830	97.50	—	97.50
2 1/2% 1829	97.50	—	97.50
2 1/2% 1828	97.50	—	97.50
2 1/2% 1827	97.50	—	97.50
2 1/2% 1826	97.50	—	97.50
2 1/2% 1825	97.50	—	97.50
2 1/2% 1824	97.50	—	97.50
2 1/2% 1823	97.50	—	97.50
2 1/2% 1822	97.50	—	97.50
2 1/2% 1821	97.50	—	97.50
2 1/2% 1820	97.50	—	97.50
2 1/2% 1819	97.50	—	97.50
2 1/2% 1818	97.50	—	97.50
2 1/2% 1817	97.50	—	97.50
2 1/2% 1816	97.50	—	97.50
2 1/2% 1815	97.50	—	97.50
2 1/2% 1814	97.50	—	97.50
2 1/2% 1813	97.50	—	97.50
2 1/2% 1812	97.50	—	97.50
2 1/2% 1811	97.50	—	97.50
2 1/2% 1810	97.50	—	97.50
2 1/2% 1809	97.50	—	97.50
2 1/2% 1808	97.50	—	97.50
2 1/2% 1807	97.50	—	97.50
2 1/2% 1806	97.50	—	97.50
2 1/2% 1805	97.50	—	97.50
2 1/2% 1804	97.50	—	97.50
2 1/2% 1803	97.50	—	97.50
2 1/2% 1802	97.50	—	97.50
2 1/2% 1801	97.50	—	97.50
2 1/2% 1800	97.50	—	97.50
2 1/2% 1799	97.50	—	97.50
2 1/2% 1798	97.50	—	97.50
2 1/2% 1797	97.50	—	97.50
2 1/2% 1796	97.50	—	97.50
2 1/2% 1795	97.50	—	97.50
2 1/2% 1794	97.50	—	97.50
2 1/2% 1793	97.50	—	97.50
2 1/2% 1792	97.50	—	97.50
2 1/2% 1791	97.50	—	97.50
2 1/2% 1790	97.50	—	97.50
2 1/2% 1789	97.50	—	97.50
2 1/2% 1788	97.50	—	97.50
2 1/2% 1787	97.50	—	97.50
2 1/2% 1786	97.50	—	97.50
2 1/2% 1785	97.50	—	97.50
2 1/2% 1784	97.50	—	97.50
2 1/2% 1783	97.50	—	97.50
2 1/2% 1782	97.50	—	97.50
2 1/2% 1781	97.50	—	97.50
2 1/2% 1780	97.50	—	97.50
2 1/2% 1779	97.50	—	97.50
2 1/2% 1778	97.50	—	97.50
2 1/2% 1777	97.50	—	97.50
2 1/2% 1776	97.50	—	97.50
2 1/2% 1775	97.50	—	97.50
2 1/2% 1774	97.50	—	97.50
2 1/2% 1773	97.50	—	97.50
2 1/2% 1772	97.50	—	97.50
2 1/2% 1771	97.50	—	97.50
2 1/2% 1770	97.50	—	97.50
2 1/2% 1769	97.50	—	97.50
2 1/2% 1768	97.50	—	97.50
2 1/2% 1767	97.50	—	97.50
2 1/2% 1766	97.50	—	97.50
2 1/2% 1765	97.50	—	97.50
2 1/2% 1764	97.50	—	97.50
2 1/2% 1763	97.50	—	97.50
2 1/2% 1762	97.50	—	97.50
2 1/2% 1761	97.50	—	97.50
2 1/2% 1760	97.50	—	97.50
2 1/2% 1759	97.50	—	97.50
2 1/2% 1758	97.50	—	97.50
2 1/2% 1757	97.50	—	97.50
2 1/2% 1756	97.50	—	97.50
2 1/2% 1755	97.50	—	97.50
2 1/2% 1754	97.50	—	97.50
2 1/2% 1753	97.50	—	97.50
2 1/2% 1752	97.50	—	97.50
2 1/2% 1751	97.50	—	97.50
2 1/2% 1750	97.50	—	97.50
2 1/2% 1749	97.50	—	97.50
2 1/2% 1748	97.50	—	97.50
2 1/2% 1747	97.50	—	97.50
2 1/2% 1746	97.50	—	97.50
2 1/2% 1745	97.50	—	97.50
2 1/2% 1744	97.50	—	97.50
2 1/2% 1743	97.50	—	97.50
2 1/2% 1742	97.50	—	97.50
2 1/2% 1741	97.50	—	97.50
2 1/2% 1740	97.50	—	97.50
2 1/2% 1739	97.50	—	97.50
2 1/2% 1738	97.50	—	97.50
2 1/2% 1737	97.50	—	97.50
2 1/2% 1736	97.50	—	97.50
2 1/2% 1735	97.50	—	97.50
2 1/2% 1734	97.50	—	97.50
2 1/2% 1733	97.50	—	97.50
2 1/2% 1732	97.50	—	97.50
2 1/2% 1731	97.50	—	97.50
2 1/2% 1730	97.50	—	97.50
2 1/2% 1729	97.50	—	97.50
2 1/2% 1728	97.50	—	97.50
2 1/2% 1727	97.50	—	97.50
2 1/2% 1726	97.50	—	97.50
2 1/2% 1725	97.50	—	97.50
2 1/2% 1724	97.50	—	97.50
2 1/2% 1723	97.50	—	97.50
2 1/2% 1722	97.50	—	97.50
2 1/2% 1721	97.50	—	97.50
2 1/2% 1720	97.50	—	97.50
2 1/2% 1719	97.50	—	97.50
2 1/2% 1718	97.50	—	97.50
2 1/2% 1717	97.50	—	97.50
2 1/2% 1716	97.50	—	97.50
2 1/2% 1715	97.50	—	97.50
2 1/2% 1714	97.50	—	97.50
2 1/2% 1713	97.50	—	97.50
2 1/2% 1712	97.50	—	97.50
2 1/2% 1711	97.50	—	97.50
2 1/2% 1710	97.50	—	97.50
2 1/2% 1709	97.50	—	97.50
2 1/2% 1708	97.50	—	97.50
2 1/2% 1707	97.50	—	97.50
2 1/2% 1706	97.50	—	97.50
2 1/2% 1705	97.50	—	97.50
2 1/2% 1704	97.50	—	97.50
2 1/2% 1703	97.50	—	97.50
2 1/2% 1702	97.50	—	97.50
2 1/2% 1701	97.50	—	97.50
2 1/2% 1700	97.50	—	97.50
2 1/2% 1699	97.50	—	97.50
2 1/2% 1698	97.50	—	97.50
2 1/2% 1697	97.50	—	97.50
2 1/2% 1696	97.50	—	97.50
2 1/2% 1695	97.50	—	97.50
2 1/2			

INDIA AND WORLD BANK

WAY back fifteen years ago, when India's participation in the World Bank and the International Monetary Fund was secured by its representatives, prominent among whom were Mr. A. D. Shroff and Mr. C. D. Deshmukh, there were many cynics in this country who doubted their utility. A large number of these cynics was found in the party now in power. As the then Governor of the Reserve Bank, Mr. Deshmukh, continued to follow the traditional policy of not speaking to the public about what the Indian delegation did at the Bretton Woods Conference to ensure for India a prominent place in these institutions, it was Mr. Shroff who did much of the explaining to the public, bringing out the significance of India's membership of the Fund and the Bank. Today, Mr. Shroff is much despised by the powers-that-be for his outspoken criticism of their defective economic policies and programmes. Mr. Deshmukh is out of their company. But they can be proud of the foresight with which they laboured hard to safeguard India's interests. The benefits derived by this country from both the Fund and the Bank are immense, as a reference to their annual reports for 1958-59 will show. Twice during the current decade, the I.M.F. has helped India to minimise its balance of payments difficulties. Far more has been the World Bank's assistance to India in implementing its plans for economic development.

Among the borrowers from the World Bank, India stands foremost, its total borrowings upto the end of June last being \$550.61 million out of a total \$4,521.94 million. No single country has been given loans for such a large amount, the next largest borrower being Australia with a total of \$317.73 million, followed by France (\$302.50 million), Brazil (\$292.09 million), Japan (\$258.90 million), Italy (\$259.63 million), the Netherlands (\$244 million), Mexico (\$205.80 million), South Africa (\$196.80 million), Iran (\$147 million) and Pakistan (\$126.45 million). These figures refer to gross amounts of loans sanctioned by the Bank, but, even on the basis of net amount of loans taken from the Bank, the order of countries that have borrowed is the same, with India far ahead of others. Of the total loans sanctioned to India, more than half—\$300.51 million, to be precise—was in the last two years. In 1958-59, India was granted three loans, \$85 million for railways, \$25 million for D.V.C. and another \$25 for the Koyana hydel project, making a total of \$135.00 million, the corresponding total for 1957-58 being \$165.51 million. Railways, electric power, iron and steel industry, ports, civil aviation and industrial finance have been the recipients of World Bank loans to India. Of the loans sanctioned, \$18.50 million have been cancelled and \$32.02 million have been repaid, so that India's outstanding obligations (including those taken up by private investors but excluding the balance awaiting disbursement) are in the neighbourhood of \$480 million.

There are only two possible grounds on which India can still grumble against the World Bank: one, the loans given are not adequate, and two, the rates of interest are high; they have gone up from 4 per cent. in 1949-50 to 6 per cent. now. The World Bank authorities are fully alive to India's needs, but they are not prepared to depart from policies considered necessary for ensuring the creditworthiness of the Bank at a high level, so that it can continue to attract funds from private investors for expanding its activities. It has, however, tried to help India to tide over its foreign exchange difficulties by arranging for concerted action by the U.S., the U.K., West Germany, Canada and Japan. The undertaking given by the consortium of these countries to see India through its second Plan is well known and does not require to be recounted at length. The World Bank is also actively assisting the U.S. in its efforts to establish the International Development Association for giving soft loans to underdeveloped countries. When this move materialises, it will enable India to get loans on terms less rigorous than those quoted by the World Bank.

India is also being helped by the World Bank in another important direction, namely, solution of the decade-old dispute with Pakistan over the sharing of the waters of the Indus Basin. Although no final solution has yet been arrived at, the Bank has succeeded in bringing both the countries nearer to it. Alluding to this development, the Bank's annual report says:

"The engineering plan on which a settlement would be based involves a system of works estimated to take about ten years to construct, and to require expenditures in

India and Pakistan aggregating about \$1,000 million, partly in foreign exchange and partly in local currencies. Over and above the amounts that would be provided towards the cost by India and by Pakistan, it is envisaged that financial assistance would be forthcoming from the Bank itself and from friendly Governments. The Bank has already opened discussions with representatives of the Governments of Australia, Canada, Germany, New Zealand, the United Kingdom and the United States, and it is believed that other countries may also wish to provide financial support."

The aforesaid plan was discussed in London early this month by the representatives of both the countries with Mr. W. A. B. Iliff, Vice-President of the World Bank, continuing his role as the mediator. It is said that the ground remaining to be covered is small, though important, and that talks are to be resumed again. Describing the pending issues as constituting a narrow gap, Mr. Eugene R. Black, the Bank's President, who specially visited India and Pakistan in May last for promoting a speedy settlement of this dispute, said in Washington on Tuesday this week: "It would be profoundly disappointing, if the gap was not closed. I am confident that we can rely upon the statesmanship of Mr. Nehru and President Ayub to see that it is closed." All right-thinking persons in both the countries of this sub-continent will doubtless endorse these remarks of Mr. Black. If this issue is resolved, as is now hopefully expected, it will reduce the tension between the two countries, thereby enabling them to devote more attention and resources to economic development. It is difficult to evaluate this assistance of the World Bank in terms of money. Apart from the indirect benefit just referred to, an investment of \$1,000 million in the Indus river basin, of which the greater part will be in Pakistan, is bound to yield tangible results of lasting value for the peoples of both the countries.

TARGET FOR COAL

ALTHOUGH details of the deliberations of the Coal Council of India, which met at New Delhi last week, are not available, it is noteworthy that the Council addressed itself to the question of production target for coal in the third Five-year Plan. Being a body, representative of the Government as well as the industry, it is eminently fitted to arrive at right conclusions on the target for the industry. It would appear that the Council has felt that, for purposes of planning, the requirement of coal should be placed at 110 million tons at the end of the third Plan. It is not clear how the Council arrived at this estimate. Clearly, a fuller account of the basis on which the estimate was arrived at would be in the public interest. It may be mentioned here that the Federation of Indian Chambers of Commerce and Industry, in its memorandum on the next Plan, has set the third Plan target for coal at 90 million tons. It is likely that the Federation has underestimated the requirements of coal while the Council has overestimated them. In any case, the question should be adequately examined so that a realistic target, which is well within the capacity of the industry, is fixed.

Appropriately enough, the Council felt that the pattern of production of the additional target should be more thoroughly examined. Accordingly, it decided to set up a small committee, with the Coal Controller as Convener, to examine the question of additional target from each of the coalfields. It also considered the reports of its committees, namely, those on assessment of resources, requirements and utilisation, and production and preparations. It noted the assessment of requirements of mining machinery and equipment in the third Plan period. The view was expressed that the equipment scheduled to be produced at the Durgapur mining machinery plant and other projects should be used in the coal and metalliferous mines. Besides, the owners of coal mines, it was urged, should give necessary guidance to these projects as to the type and quality of various kinds of equipment to be manufactured. This is an eminently thoughtful suggestion to which coal producers will do well to respond wholeheartedly. It will be in their own interest to do so, for the country has to be enabled to go ahead with its plans for the establishment of heavy industries; it has not got sufficient foreign exchange resources to meet its diverse import requirements.

The Council's emphasis on physical equipment necessary for reaching the target of coal production is certainly well-placed, considering

that, in the current Plan period, the paucity of such equipment has been a factor that has held up progress. But no less important are the financial aspects of coal production. This problem is closely connected with the allocation of additional production targets between the private and public sectors. In the second Plan, a somewhat larger role has been assigned to the public sector. Thus, out of the additional production of 22 million tons, the share of the public sector is 12 million tons and that of the private sector 10 million tons. It is now generally believed that it may be difficult to reach the overall target of 60 million tons. Production is now running at an annual rate of 47 million tons. With only eighteen months left for the second Plan to come to a close, there is little likelihood of the leeway in production being made up. It is also widely believed that, whereas the private sector may be able to deliver its share of additional production, it is extremely unlikely that the public sector—though for certain very understandable reasons—may not be able to reach the target fixed for it. In view of this consideration, it will certainly be realistic to assign a larger role to the private sector in the third Plan. The least the Government should do is to see that additional production is divided as between the two sectors on a 50-50 basis, as against the 55-45 basis for the additional coal production programme in the second Plan.

Irrespective of the Government's decision on the precise ratio which will govern the allocation of additional production, it is of the utmost importance that the private sector should be enabled to acquire the financial resources it will need for increasing its production. No reliable estimate of how much the industry will need in order to increase its production is now available. On a rough estimate, the industry may well require about Rs. 280 crores in order to increase its production by 50 million tons over the 60 million-ton target fixed under the second Plan. Assuming that the additional production is divided on a 50-50 basis, the private sector will need something like Rs. 140 crores. It may probably do with less, for, in several units, additional production may be won at relatively less cost than in the public sector. No reliability is, therefore, claimed for this figure which should serve more as a rough guide to financial commitments involved than as a reliable yardstick of measurement.

Is the industry in a position to raise the large finance it will need for increasing its production? All available evidence suggests that the industry will be hard put to it to acquire the necessary finance from the capital market, while its own internal financial position has not been sufficiently strong to permit it to take care of its present requirements and to pay decent dividends necessary to attract fresh capital. The Government has certainly dealt a grievous blow to the industry by granting a mere 50 paise increase in the price of coal per ton, which is a far cry from the demand for Rs. 3.50 which the industry felt justified in putting forward. It may not, therefore, be long before the Government is compelled to reopen the question. There is reason to believe that the Coal Prices Revision Committee, on the report of which the Government's decision is based, has not fully taken into account the question of the immense expenditure which the industry will have to undertake in the cause of larger production. The result is that there is a genuine fear that the resources which are likely to accrue to the industry on the basis of the limited increase in coal price now permitted will be insufficient for providing for rehabilitation and replacement of machinery and for development of new areas.

Finally, it cannot be too strongly reiterated that the training of personnel for manning the new mines that may be opened and supervising the additional production in existing mines should receive high priority. It was once computed that, in order to reach a target of 100 million tons of coal, the industry will need 400 additional geologists, 2,000 drilling engineers and 3,000 mining engineers. The Coal Council, at its meeting, rightly stressed that the question of training junior technical personnel should be pursued with vigour and steps should be taken by collieries in both the public and private sectors to provide adequate facilities for such training. Much good work in the sphere of technical education has been done by the National Coal Development Corporation, but much more remains to be done. Perhaps, it will be wise to undertake a review of the training facilities now available, in order to examine how best they may be augmented to a level at which they can meet the requirements of personnel in the coming years.

MARKET GOSSIP

THERE have been no new developments in Bombay markets. Both gold and silver are unable to make any headway, as demand is slack. The bulls seem to have decided to bide their time, pending the arrival of the usual busy season which is still some four months ahead. Among commodities, cotton is steady to firm, with no signs of a downward trend emerging in the near future. Reports about the new crop are still unfavourable to bears. The upward trend that manifested itself in oilseeds is faltering. Groundnut is distinctly easy, castor seeds erratic, and linseed listless. On the Stock Exchange, steels are quietly steady; textiles are less buoyant than last week; chemicals are strongly fancied; rayons are still in demand; this is true also of engineering, sugar and a host of miscellaneous scrips.

The A.I.C.C. session at Chandigarh was less exciting than was feared by some. Mr. Nehru held both hot and cold at the private sector. A careful analysis of all his observations reveals no change in his basic attitude. He is firmly convinced that the public sector should grow and that the private sector should be allowed to expand only in the small industries sector. He dislikes criticisms of the public sector and accuses the private sector of the charge of trying to throttle the public sector. He wants this controversy between the two sectors to end, but he himself tries to do everything which will keep it alive.

The Prime Minister's demand that the public sector should not be criticised is not fair. Constructive criticisms constitute an essential ingredient of democracy. They are necessary to ensure efficiency and healthy progress. We do not know of any destructive criticisms of the public sector from any responsible quarters. There are, of course, many in this country, including this journal, who have been saying that more encouragement should be given to the private sector, that the State should not take up those industries which this sector is willing to establish, and that mere ownership of industrial undertakings or occupation of strategic heights in the financial world by the State is not real socialism. The Swatantra Party holds this view. It is also held by most of the business men, though they are still supporting the Congress Party. The propagation of this view does not amount to a criticism of the enterprises of the Government; it is a criticism of the Government's basic economic philosophy. In a democracy, this is surely a legitimate function of an opposition party. It is, therefore, unrealistic on the part of Mr. Nehru to expect the protagonists of free enterprise system to remain silent on the issue of the private sector versus the public sector. The only way to silence the critics made will be to make on the resources of the industry to supply the growing needs of petroleum products which are likely to be of the order of 10.5 million tons by 1966, as against approximately 6 million tons at present. It is in this context of growing demand for oil that much interest attaches to the efforts now being made to locate new sources of supply. Time will show how far the present efforts are sufficient and whether they yield results which are expected of them.

As a part of its continuous drive to introduce socialism in this country, the Congress Party has now decided that the managing agency commission should be drastically curtailed from 10 per cent. to 4 per cent. through a slab system. Here is one more curtailment of the facilities given to the private sector. The share market, however, has taken no serious notice of this move. This is understandable, for a reduction in managing agency commission will, other things remaining the same, raise the profit available for distribution to shareholders.

Petroleum Products

A notable feature of fuel consumption in India is the steady increase in the consumption of petroleum and petroleum products. In the last 10 years, the per capita consumption of oil and oil products has increased from 1.74 gallon to 3.60 gallons. Last year, the total consumption rose by 6.1 per cent., a rate of growth somewhat lower than that in recent years. Commenting on this trend, the publication, *Survey of Activities 1958*, issued by the Burmah-Shell Oil Storage and Distributing Company of India Ltd., observes that the "slowing down was brought about primarily by the general restriction on imports and consequent pressures in the industrial sector of the economy in particular." But following the restoration of the cut in imports of oil a few months ago, the pace of growth in oil consumption is gathering momentum again. The publication does not contain the usual section on finance, since negotiations with the Government of India on the price formula are now in progress and the agreement, when it is reached, will have retrospective effect from 1st April 1958.

The rise in the demand for petroleum products, which rose from 2.2 million tons to 6 million tons during the 10-year period 1948-58, has been accompanied by significant changes in the pattern of consumption. Thus, in 1948, kerosene accounted for 23.32 per cent. of total consumption, whereas it now forms 28.37 per cent.; over the past 10 years, kerosene consumption has nearly trebled. The percentage break-down of the consumption in 1958 for different products with similar figures for consumption in 1948 within brackets is: motor spirit 13.60 (21.20); high-speed diesel 16.17 (12.82); light diesel oil 8.63 (12.82); furnace oil 18.18 (21.71) and others 15.05 (16.03). As compared with 1957, trade in kerosene fell by 1 per cent. in 1958 and in motor spirit by 9.1 per cent., whereas the demand for high-speed diesel moved up by 28.9 per cent.; for the first time, in 1958, sales of H.S.D. exceeded those of motor spirit. It is noteworthy that the total sales of bitumen increased by nearly 6.8 per cent. in 1958. Road-making accounts for about 60 to 80 per cent. of consumption of bitumen. It is

estimated that about one-third of all the surfaced roads in the world are of asphaltic construction.

In comparing the level of prices of petroleum and petroleum products in India with those of Western countries, it is well to bear in mind the enormous difficulties of distributing these products in a country of India's continental size, ill-served by modern communications. For instance, kerosene, a common man's daily necessity, has to be transported over long distances to places inaccessible by rail. This adds to the cost of transportation of petroleum products. Even railway capacity is sometimes found insufficient to meet the demand for it. In order to meet this problem, Burmah-Shell has had to transport its products by road. Last year, it operated a fleet of 350 lorries varying in capacity from 600 to 2,400 gallons. These lorries ran nearly 6 million miles during the year. In addition, the Company hired lorries for long hauls to distribute its products to consumers. It has continued to expand its facilities at port installations to meet the country's growing needs of petroleum and, during the year, it increased its tank storage capacity by over 31,000 tons. The new installation at Visakhapatnam is expected to be ready in 1959. At upcountry depots, which now number 590, the Company has increased tankage by 8,000 tons mainly to cater for the country's growing requirements of H.S.D.

Despite the heavy costs of transportation of petroleum products in India, it is noteworthy that the prices of these products have remained remarkably steady. Indeed, they would have shown a welcome decline, if the Government had permitted the producers to pass on to the consumers the reduction in prices to which they agreed in May last year. The holding of the oil price line stands out in contrast to the general price index (base: 1952-53 = 100) which rose from 106.0 in January 1958 to 111.4 in December last. It must be remembered that a large part of the price of petroleum products is represented by Central Government duty and sales tax collected by the State Governments. The following is the breakdown of the consumer prices of motor spirit and H.S.D. as on 31st December 1958:

	Motor spirit	H.S.D.
	Per cent.	Per cent.
Central Government duty ...	47	40
State Government sales tax ...	14	5
Import warfage ...	1	2
Dealer's commission ...	6	5
Company's basic price ...	32	48

Commenting on the prospects for the consumption of oil, the Burmah-Shell's publication forecasts that as India's Five-year Plans forge ahead, demand will be made on the resources of the industry to supply the growing needs of petroleum products which are likely to be of the order of 10.5 million tons by 1966, as against approximately 6 million tons at present. It is in this context of growing demand for oil that much interest attaches to the efforts now being made to locate new sources of supply. Time will show how far the present efforts are sufficient and whether they yield results which are expected of them.

Coffee Agreement

As was anticipated in these columns last week, the International Coffee Study Group has succeeded in formulating a compromise short-term formula to stabilise the world coffee market. The eleven-day session at Washington, culminated in the signing of a new one-year coffee marketing agreement (beginning from 1st October 1959) by all the seventeen participating countries, with the exception of Ecuador and the Dominican Republic which are expected to sign later. The salient features of the agreement are:

1. The total coffee marketing quota covering the 1959-60 crop in the seventeen participating countries is fixed at 32.65 million bags (of 60 kilos or 132 lbs. each), the individual quotas—in thousand bags—being: Brazil 17,431; Columbia 5,969; Costa Rica 694; Cuba 312; Dominican Republic 398; Ecuador 455; El Salvador 1,259; French Community and Camerouns 638; Guatemala 1,083; Haiti 500; Honduras 176; Mexico 1,303; Nicaragua 344; Panama 10; Peru 251; Portuguese Africa 1,165; Venezuela 660. These quotas exclude the domestic consumption of exporting countries.

2. The exporting countries have agreed to supply their traditional markets. Marketing quotas for each quarter will be established. The quota for the first quarter will be worked out and announced sometime late this month. If a country normally exports more in the first half of marketing year, it will be free to do so; in case the normal marketings are heaviest in the second half for certain countries, they also can do likewise. But each country has agreed to stay within its overall quota. Transshipments will, of course, be watched.

3. Any coffee sold to new markets will not be included in the export quotas.

4. There will be a levy of 25 cents per bag on coffee exported from the Latin American countries and of 15 cents per bag on exports from the African countries. The proceeds of this levy will be used to set up a promotional fund for augmenting world consumption of coffee.

Over and above these provisions of the agreement, Kenya, Uganda and Tanganyika are understood to have agreed to withhold from the market a total of 54,000 bags of coffee from the election of 1959. The country who are expected to even a relaxation in the export controls that prevail in all our important cities.

The aforesaid developments have not, however, had any effect on the world coffee market. On the contrary, the prices have declined further, the latest available quotation for Uganda Robusta grade 10 (unwashed) in London being 197s. per cwt., as against 200s. prevailing immediately before the outcome of the Washington meeting of the Coffee Study Group was known, and 266s. a year ago. The continued weakness of the coffee market is not surprising, in view of the heavy surplus and slackness in demand. The total export quotas mentioned above plus the quantity which Kenya, Uganda and Tanganyika have agreed to withhold come to less than 33 million bags of 60 kilos each or 15 million bags of 132 kilos each. This quantity is equal to no more than 38 per cent. of the anticipated world exports (of 88 million bags of 60 kilos each and 27 per cent. of million bags of 132 kilos each) and 27 per cent. of the estimated production for export (of 123 million bags of 60 kilos each or 56 million bags of 132 kilos each) in the current season which commenced on the 1st inst.

It is the markedly wide gap between world supply and offtake of coffee thus that invests the Coffee Study Group's move to establish a nation fund for raising world consumption with utmost significance. To the extent the efforts in this direction meet with success, India, too, will be benefited. Both the coffee growers and the authorities, however, will have to do all they can for enhancing the competitive capacity of Indian coffee in world markets.

A Mundhra in Britain!

The most sensational development in the City of London, since the alleged Bank Rate leakage two years ago, is what is known as the "Jasper affair" which came as a dramatic anticlimax to the hectic season of "take-over bids." The failure of Mr. Harry Jasper, chairman of a group of public limited companies dealing in property business, to pay in full for two companies, namely, Lihang Investments, Ltd., and Ely Brewery Company, Ltd., which were taken over by the Jasper group by outbidding many competitors, created a scare among investors. The shares of a dozen companies controlled by Mr. Jasper declined sharply on the London Stock Exchange, following rumours that the group was experiencing difficulty in paying certain investors who had accepted its bid for Ely Brewery. Pending clarification of the position of each company in the group, the London Stock Exchange Council promptly suspended dealings in the shares and stocks of the companies associated with Mr. Jasper. Meanwhile, the Board of Trade, under Section 165 of the Companies Act, has appointed Mr. Neville Faulks, Q.C., the Recorder of Deal, as an Inspector to investigate the affairs of Mr. Jasper.

It is now alleged that the bids were made not on behalf of the Jasper group but in the name of a private client of Mr. Jasper, Mr. Grunwald, managing director of several companies in the Jasper group, in his personal capacity. It is said that the funds available with him were sufficient for taking over the shares of only one company. Having bitten much more than he could chew and digest, Mr. Grunwald is reported to have quietly left for Israel for a rest cure and none knew his whereabouts for quite some time. Later, he issued a statement from Haifa, accompanied by a medical certificate, that he was suffering from mental strain and shock.

It also came to light that a building society, which is not permitted under law to have large blocks of its funds locked up in one group, had committed nearly 40 per cent. of its assets of £10 million in loans to the Jasper group on first mortgage and that the repayments were in default. Moreover, the funds were also said to have not been employed for the purpose for which they were taken from the building society.

Whatever might be the real truth, and Mr. Faulks may be expected to bring it to light, the affair has brought into disrepute take-over bids which had already been the subject of much criticism in Britain. It has also focussed public attention on the loopholes in the British Company Law. Apparently, the present law, despite the thorough overhauling to which it was subjected in the early post-war years, is not fool-proof to check spurious transactions and indiscriminate financial interlocking. The Conservative Party has stated in its present election manifesto that it would appoint a committee to review the working of the Companies Act in the light of the present conditions. It may be noted here that the British Company Law was found wanting in several respects when two leading American aluminium companies made a bid to get control of the British Aluminium Company.

As the so-called "Jasper affair," which is no very different from the attempts made by Mr. Haridas Mundhra in India to build an industrial empire, came to light on the eve of the election, it was generally thought that it would provide some ammunition for political propaganda by the Opposition. But it must be said to the credit of Mr. Hugh Gaitskell, leader of the Labour Party, that he firmly denied that his party had any intention to make political capital out of it. His statement that "it is important at this critical moment that nothing shall be said by anybody about this particular business which could make things worse" is certainly befitting the responsible statesman that he is. Evidently, he must have realised that any attempt on the part of the Opposition to exploit the incident for political advantage would have caused a scar among investors and a financial crisis which would be injurious to the nation as a whole. Mr. Gaitskell, however, felt that the affair was an inevitable consequence of the Rent Act which took nearly a million homes out of rent control, resulting in a boom in property shares. This, according to him, attracted speculators in a big way. There is no doubt that this explanation would come in handy for those in this country who are opposed to even a relaxation in the rent controls that prevail in all our important cities.

EQUITIES MOVE UP FURTHER

UNDERTONE STILL FIRM

(From Our Own Correspondents)

BOMBAY, 30th September
THIS week's review of the share market covers only four working sessions for two reasons. First, the market was closed on Monday, owing to the death of a member. Secondly, we have to go to Press a day earlier, as our printers have to declare a holiday to their staff to celebrate Mahatma Gandhi's birthday. During this short period, equities continued to maintain the last week's upward trend, though the undertone of the market was relatively less firm. The Prime Minister's statement at the A.I.C.C. session (Chandigarh, Punjab) that the private sector would be allowed to continue to play a prominent part was received with satisfaction by market circles. Some, however, had their own misgivings about the future for industries. It was vaguely feared that the proposed reduction in the maximum limit of profits and commission allowed to managing agents from 10 per cent. to 4 per cent., as revealed by Mr. Lal Bahadur Shastri at the A.I.C.C. session, might be followed by a vigorous control on dividends distributed by companies. But for this fear and reports of L.I.C. sales in certain counters, the gains recorded by many scrips would have probably been more handsome.

Steels

Tata Ordinaries met with some support and advanced from Rs. 161 on Thursday last week to Rs. 162.50 today. At this level, profit-taking set in and the quotation eased to Rs. 162 towards the close. The net gain over the week was Re. 1. Indian Irons began the week at Rs. 23.72, as against Rs. 23.68, and, after declining to Rs. 23.44 yesterday, recovered to Rs. 23.60 today before finishing at Rs. 23.52.

Textiles

Several scrips in the textiles section scored handsome gains during the week. Khataus were particularly in the limelight, the quotation surging by Rs. 12.50 to Rs. 280. Sydeahis advanced by Rs. 5.25 to Rs. 259.25. Shreenivas registered a rise of Rs. 3.50 to Rs. 217. Indores and Kohniores strengthened by Rs. 3 each to Rs. 97 and Rs. 306, respectively. Swans gained Rs. 2.50 to Rs. 417.50, New Greats Re. 1 to Rs. 165 and India Uniteds 36 nP to Rs. 10.24. Apollos were fully maintained at Re. 1.30, Elphinstones at Rs. 36 and Gokaks at Rs. 168. Simplex, however, declined by Rs. 2.50 to Rs. 149.50 for want of follow-up support. Bombay Dyeing, moved narrowly, today's closing rate being Rs. 87.60, as against Rs. 88.30. Centurys eased by a rupee to Rs. 578.50. Morarjis lost Rs. 2 to Rs. 285, Finlays Re. 1.50 to Rs. 288 and Central Indias Re. 1 to Rs. 109.

Sugars

Sugar shares elicited good support. Although the support did not persist throughout, today's rates were generally higher than those at the end of last week. Phaltans were particularly well supported, their quotation climbing up by Rs. 14 to Rs. 179. Belapurs firmed up from Rs. 324.50 to Rs. 329.50 on the opening day, that is, Friday, 25th September. After easing in the subsequent sessions to Rs. 326.50 yesterday, they improved to Rs. 328 today before closing a rupee lower. The net rise over the week was Rs. 2.50. Bhopals rallied from Rs. 24.12 to Rs. 24.52. Chandsons were fully steady at Rs. 27. Walchandnagars rose from Rs. 327.50 to Rs. 328.50 and, after easing to Rs. 326, recovered to finish at Rs. 326.25.

Cements

Cement shares showed a tendency to harden. Associated Cements moved up by Rs. 3 to Rs. 152, thanks to hopes of higher dividend. Digvijays rose by a rupee to Rs. 148. Orissas gained 8 nP to Rs. 15.40. Dalmias were steady at Rs. 10.60. Jaipur Udyogs, however, came in for selling and receded by 28 nP to Rs. 10.04.

Banks

There was an all-round rise in values in the banking section. Barodas picked up Rs. 2 to Rs. 104.50. Centrals gathered 25 nP to Rs. 49.25. Bank of India were better by 25 nP at Rs. 112.50. 'A' shares advancing by Re. 1.50 to Rs. 115.50. United Commercials strengthened by 80 nP to Rs. 62.80 and Unions by 4 nP to Rs. 7.04. Jaipurs were firm at Rs. 40. Among insurance shares, New Indias improved by 40 nP to Rs. 59.70; 'A' shares were unchanged at Rs. 60.

Engineering and Minings

Buying support was generally well sustained in engineering shares. Cooper Engineerings spurred by Rs. 9 to Rs. 169, notwithstanding the reduction in dividend to Rs. 9.10 for the year ended June 1959 from Rs. 10 paid in the previous year. Voltas recorded a rise of Rs. 8.75 over the week, today's closing rate being Rs. 179.50. Larsen and Toubros gained 11 nP to Rs. 23.04. Premier Constructions were fully maintained at the last week's rate of Rs. 357, at one time today, they were higher at Rs. 358.50. Alcock Ashdowns softened by a rupee to Rs. 253. Mahindras lost 40 nP to Rs. 22.52. Mining shares tended to look up, Shivrappurs rising by 50 nP to Rs. 89.50 and Indian Coppers by 4 nP to Rs. 4.14.

Shippings

Shipping shares were irregular. Scindias strengthened by 24 nP to Rs. 17.16. But Great Easterns declined by 12 nP to Rs. 20.28. Indian Steamships eased by 8 nP to Rs. 13.44.

Among electricity shares, Tata Powers put on Rs. 5 to Rs. 1,135. Andhra Valleys improved by Rs. 2.50 to Rs. 1,105. Surats gathered a rupee to Rs. 109.50. Ahmedabad Electrics were firm at Rs. 96, as also Bombay Suburbans at Rs. 106 and Tata Hydros at Rs. 113.50.

Quotations for many miscellaneous industrials firmed ahead, under the impetus of excellent buying support. India Dyestuffs jumped up by Rs. 51.25 to Rs. 341.25. Colour Chems (new) by Rs. 48.50 to Rs. 248. Amar Dyes by Rs. 37.75 to Rs. 229. Kemp and Cos. strengthened by Rs. 30. National Rayons' new shares spurted by Rs. 26 to Rs. 352. Ordinaries rallying from Rs. 359.50 to Rs. 364.50. Polychems hardened by Rs. 16 to Rs. 146. Alembics and Ceat Tyres rose by Rs. 7 each to Rs. 190 and Rs. 170, respectively. Wincos increased by Rs. 4 to Rs. 222. Bombay Burmahs opened at Rs. 537, as against Rs. 538, and firmed up to Rs. 549.50 yesterday but receded to Rs. 540 today. After moving rather erratically, Gwalior Rayons gathered 30 nP to finish firm at Rs. 26. Among automobiles, Hindustan Motors gained 28 nP to Rs. 12.72. Premiers were unchanged at Rs. 131.50, after being higher at Rs. 132. Hardboards, which had registered a rise of as much as Rs. 212.50 to Rs. 430 last week, encountered profit-taking this week and dropped Rs. 75 to Rs. 355.

Madras Stock Exchange

MADRAS, 29th September

The steady trend noted on the Madras Stock Exchange last week gathered further momentum during the week under review. The hopes of sizable financial assistance from friendly countries for India's third Five-year Plan, following the Union Finance Minister's current overseas tour, had a stimulating influence. Textiles continued to be well favoured on renewed reports regarding the export of piecegoods and yarns. Tea scrips also elicited enlarged buying enquiries, induced by pronounced overseas demand for teas. In sympathy, coffees and rubbers tended to move up. Sugar and miscellaneous industrials, too, generally improved, the buying fervour having been fanned by expectations of better corporate news.

In the sugar section, United Breweries advanced by Rs. 2.50 to Rs. 481.50. E.I.D.s and Indias picked up 10 nP each to Rs. 40 and Rs. 13, respectively. Cauverys were firm at Rs. 118.50, as also Kirlampudis at Rs. 80 and Mysore at Rs. 49.50. Travancore, however, dropped 35 nP to Rs. 12, reflecting disappointment of operators over the announcement of taxable dividend of 10 per cent. for the year ended April 1959, as against the tax-free dividend of 10 per cent. distributed in the previous year.

Tea shares changed hands at higher prices. Nonsuch Teas went up by 50 nP to Rs. 29.25. Nelliampathys hardened by 4 nP to Rs. 2.92. Chembras gathered 2 nP to Rs. 3.95. Haileyburias were fully maintained at Rs. 18.50, Kil Kotagiris at Rs. 8.05, Nilgiris at Rs. 7.80 and Twyfordas at Rs. 13.50. In the coffee group, Wartyhullis rose by 5 nP to Rs. 3.90. Anaparis were steady at Rs. 5.10 and Ossors at Rs. 3.90. Coffeelands, however, shed 7 nP to Rs. 23.33. Cowoodys lost by 5 nP to Rs. 6.15. In the rubber group, Vaikundams and Highlanders increased by 13 nP each, the former to Rs. 27.75 and the latter to Rs. 13. Kailasas gained 10 nP to Rs. 4.90. Malankaras were unaltered at Rs. 19. Rajagiris at Rs. 18.70 and Teekoys at Rs. 7.50. Midlands shed 10 nP to Rs. 12.10.

Among textiles, Cambodia provided the brightest spot, the quotation surging by Rs. 3.75 to Rs. 15.75. Following the rapid increase in the value of this scrip, the Stock Exchange authorities have decided to permit only spot transactions in ordinary shares. Cannanores rallied from Rs. 142 to Rs. 148. Dhanalakshmis advanced by Rs. 4 to Rs. 204. Coimbatore Cottons rose by Rs. 2 to Rs. 145. Metturs improved by Re. 1.50 to Rs. 374. Bangalore Woollens and Buckinghams hardened by a rupee each to Rs. 180 and Rs. 186.50, respectively. Venkateshas gained a similar amount to Rs. 114. Coimbatore Pioneers were fully steady at Rs. 285. Rajalakshmis at Rs. 63. Trichinopolys at Rs. 10.90, Vasantas at Rs. 211 and Virudhunagars at Rs. 38.

In the miscellaneous section, Western India Plywoods rose by Rs. 19 to Rs. 210. Textools strengthened by Rs. 5 to Rs. 196. Orissa Cements gathered 55 nP to Rs. 17. Travancore Chemicals were higher by 25 nP at Rs. 13.75. Dalmia Cements recorded a gain of 20 nP to Rs. 10.70. Indian Steel Rollings rose by 10 nP to Rs. 13.30. F.A.C.T.s and Ashok Leylands hardened by 5 nP each, the former to Rs. 9.15 and the latter to Rs. 7.80. Standard Motors were steady at Rs. 17 and Parrys at Rs. 4.24. Travancore Cements, however, dropped 10 nP to Rs. 10 and Andhra Cements 5 nP to Rs. 9.35. Rallis were marked down by 50 nP at Rs. 76.50.

Industrial production in the six European Common Market countries is expected to go up by 6½ to 7½ per cent. in the final quarter of 1959, according to the latest report of the Economic Community Commission. Since the beginning of this year, there has been a steady expansion in the economic activities of these countries. Industrial production was higher by 1.8 per cent. in the first quarter and by 6.4 per cent. in the second quarter, as compared with the corresponding quarters of 1958. The total value of exports was also higher by 11 per cent. in the second quarter of 1959, principally owing to expansion in exports to the U.S. With the exception of coal industry, several industries which were affected by recession last year, particularly steel, textiles, clothing and leather goods, are now said to have entered a new phase of expansion.

NEWS IN BRIEF

EXPORTS of leather meals will be licensed freely without any quantitative restrictions upto the end of September 1962 to all permissible destinations.

The U.P. Government will commence a scheme to establish 10,000 service co-operatives in the State on 1st November next. It is said that the scheme will be completed within two months.

The Calcutta Municipal Corporation has decided not to renew the agreement with the Oriental Gas Company, as it favours the gradual replacement of gas and oil lamps by electricity.

The Heavy Electricals Ltd., Bhopal, has awarded a £125,000 contract to the U.K. firm, Humphreys and Glasgow, for the supply, erection and commissioning of a gas-making plant at Bhopal to be completed early in 1961.

Discussions between the representatives of India and the U.S. on the five-million-ton grain reserve plan, proposed by Mr. S. K. Patil, are expected to commence soon after the five-million-ton P.L. 480 agreement is signed at Washington.

As part of the export promotion drive, the Railway Board has decided to grant a rebate of 50 per cent. on freight on consignments of bicycles and their component parts booked from Sonepat and Bahadurgarh to Amritsar for onward despatch to Afghanistan via Pakistan.

Nearly 150 highway experts from India and foreign countries will gather in Bombay towards the end of this month to carry out a scientific study of the problems of safety on highways. The study is organised by the Government of India under the auspices of the United Nations Economic Commission for Asia and the Far East and in collaboration with non-official organisations interested in road transport and highway safety.

The Hirakud Dam Project will be transferred to the Orissa Government and its administration will be taken over by the State Government from the Government of India with effect from 1st April 1960. The financial arrangements between the Central and State Governments for this purpose are at present being worked out and are expected to be completed before the date of the transfer of the project.

The Geological Survey of India has tentatively estimated the iron ore deposits at Redi Central Block in the Ratnagiri District of Bombay State at 25 million tons. The nature and mode of occurrence of these deposits are said to resemble those of Goa which have been mined on a comparatively large scale by mechanised means. The Ratnagiri deposits have the advantage of being favourably located for export trade because of their proximity to the port.

A Joint Management Council consisting of equal number of the representatives of labour and management has been set up in the Hindustan Insecticide Factory at Delhi. The second of its kind in the public sector projects—the first Joint Management Council was set up in the Hindustan Machine Tools Ltd., Jalahalli in June 1958—the Council will enable workers to participate actively in management and promote harmonious labour-management relations. The Council was formally inaugurated on Wednesday this week.

The Central Government is understood to have approved of the project report and specifications for the establishment of a clay washing plant at Neyveli, prepared by the Neyveli Lignite Corporation. According to the report, china-clay is available in large quantities on the Neyveli project site. When washed, it will be of excellent quality, suitable for the manufacture of ceramics, particularly high and low tension insulators, sanitaryware, crockery, etc., as well as for use in the textiles, rubber, paper and chemical industries.

The working of the 16 Development Councils and nine panels was reviewed at a meeting of the Councils' chairmen held at New Delhi on 25th September. A working group was set up to suggest measures for reorganising the Councils, in order to cope with the increasing tempo of industrial development in the third Plan. Presiding over the meeting, Mr. Manubhai Shah, Union Minister for Industry, suggested that the Development Councils should concentrate their attention on various aspects of indigenous production and internal prices, with a view to competing in the world market. He also stressed the importance of industrial designing.

The Government of India has decided to fix the production targets for steel at 10 million tons in terms of ingots and at 1.5 million tons for pig alloy and special steels under the third Five-year Plan. It is proposed to erect two new steel plants, one with a capacity of one million tons at Bokharo in Bihar and another with a capacity of 500,000 tons at Neyveli in Madras. The public sector of the existing public sector projects will be expanded from 3.0 million tons to 5.2 million tons. Besides, the Tata Steel Company and the Indian Iron and Steel Company will be permitted to expand their capacities further. Some private industrialists will be offered facilities to set up a network of about two dozen electric blast furnaces in the different parts of the country.

The Government of Bombay proposes to fix the minimum rates of wages payable to workers employed in public motor transport in the Marath-

PERSONAL

MR. A. M. H. El Feki, United Arab Republic's Ambassador-designate for India, arrived in Bombay last week.

Mr. Raj Krishna Tandon, Chief of Protocol and Joint Secretary in the Ministry of External Affairs, has been appointed Ambassador of India to the Netherlands.

Mr. Vijayananda Dahanayake, until recently Minister for Education, Government of Ceylon, was sworn in as Prime Minister of Ceylon on 26th September, vice Mr. S. W. R. D. Bandarnaike, who was assassinated.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., left for Japan on Sunday last to attend the annual general meeting of the International Air Transport Association, of which, he is the President. The meeting is scheduled to commence on the 12th inst.

Mr. L. J. Evans, Managing Director, Technicon Instruments Co., Ltd. (of London), will be arriving in Bombay on the 8th inst., to see the possible users of the Technicon range of equipment, including their auto-analyser. He will be in the City till the 12th inst. The Technicon auto-analyser is a new system for continuous chemical analysis which is used in various industrial processes and in hospital laboratories.

The Board of Directors of The First National City Bank of New York, in anticipation of the retirement of Mr. Howard C. Sheperd, Chairman, on 1st November 1959 and the retirement of Mr. DeWitt A. Forward, Vice-Chairman, on 1st October 1959, announced on 29th September 1959 the following appointments to take effect on 1st November 1959:

Mr. James S. Rockefeller, formerly President and Director, becomes Chairman of the Board and Chief Executive Officer; Mr. Richard S. Perkins, formerly Vice-Chairman and Director, becomes Chairman of the Executive Committee and Director; Mr. George S. Moore, formerly Executive Vice-President and General Manager of the Overseas Division, becomes President of the Bank and Director; Mr. Walter B. Wriston, Senior Vice-President, Europe, Africa, and Middle East District, Overseas Division, will assume general supervision of the entire Overseas Division. Mr. Wriston is currently travelling in the Far East and is expected to visit Bombay and Calcutta from the 4th to 8th inst.

per cent. higher. Larger deliveries for electricity stations were the major factor in the rise. Motor spirit consumption, at 3.35 million tons, rose by 8½ per cent. Further expansion of the domestic use of fuel for heating appliances resulted in a rise of about 10½ per cent. for the half-year.

The total world production of raw wool in the 1959-60 season is provisionally estimated at 5,460 million lbs. (greasy basis), which represents a rise of 3 per cent. as compared with the previous season. Free world output alone is expected to go up by 2 per cent. to 4,420 million lbs. The rise is accounted for entirely by Australian clip. On a clean basis, free world production is placed about 2 per cent. higher at 2,450 million lbs., a new post-war record. Wool output in Communist countries is expected to go up by 6 per cent.

An agreement has been signed at Warsaw between the Imperial Chemical Industries (U.K.) and the Polish foreign trade enterprises, the Polimex and the Textilimport. The agreement covers purchase by Polimex of production know-how and a licence to enable a plant for polyester fibre to be built in Poland. It also covers the purchase by Textilimport of polyester fibre which the I.C.I. will supply to Poland during the years 1960-64. It is expected that the plant producing the Polish polyester fibre under the name of Elana, will be commissioned in 1963.

The Indonesian bank notes of 1,000 rupiahs and 500 rupiahs, which were devalued by 90 per cent. of their face value last month, will be withdrawn from circulation from the beginning of next year. The Indonesian Government has also instructed all Dutch companies, now under its control or nationalised, to put their deposits or accounts in State banks or Government-controlled banks. The Dutch companies still having credit relations with non-Government banks will, however, be allowed to continue their business with these banks until the end of their obligation to repay credits.

The total outlay of Pakistan's second Five-year Plan, scheduled to begin next year, has been fixed at Rs. 1,800 crores, including Rs. 650 crores in the private sector, by the panel of economists, appointed by the Government of Pakistan. The major part of the outlay, to the tune of Rs. 1,150 crores, is proposed to be met by mobilising domestic savings and the balance of Rs. 650 crores from foreign aid. The share of agriculture alone is put at Rs. 200 crores. The Plan seeks to raise national income by 20 per cent. and per capita income by 10 per cent. The panel has emphasised the need for achieving self-sufficiency in food by stepping up agricultural production by 20 per cent. It has also suggested a long-term programme to achieve full employment in the country at the end of the third Plan. Further, the panel has urged the removal of existing price and profit controls, which, according to it, discourage private investments and production, encourage consumption and reduce Government's income.

FERTILISER PLANTS

Simon-Carves design, engineer and erect

complete plants for:

Synthesis gas, derived from coke oven gas or from

gaseous, liquid or solid hydrocarbons.

Ammonia synthesis by the Ammonia Casale process.

Production of nitrogenous, phosphatic

and complete fertilisers.

Complete
Fertiliser plants
by

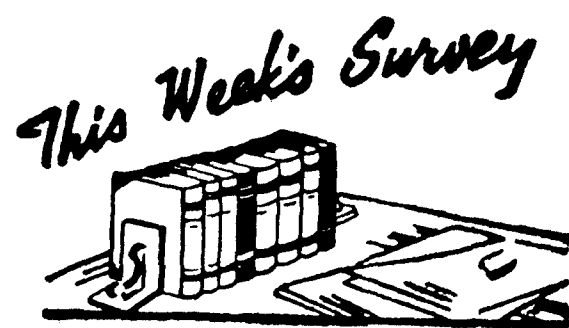
Simon-Carves Ltd

INCORPORATED IN ENGLAND. THE LIABILITY OF THE MEMBERS IS LIMITED.



STANDARD BUILDINGS,

32, DALHOUSIE SQUARE SOUTH, CALCUTTA-1



ADVERTISING

THE role of advertising in economic development was admirably brought out by the Union Minister of Industry, Mr. Manubhai Shah, as well as by Mr. Chinubhai Kilachand, the President of the Indian Society of Advertisers, at a meeting of the Society, held this week in Bombay. Mr. Shah commended the Society's campaign, entitled "Why We Advertise," which is intended to educate public opinion in the relevance of advertising to national economy. He rightly declared that advertising was part of "our national movement of productivity." He added: "Modern methods of mass production are in a way advantageous, in that they bring about a progressive reduction in the cost. In a country like ours with a lower living standard as compared to other countries of the world, it is necessary that we have products which are relatively cheap to meet the requirements of our people. Advertising can help to sell those goods better." A similar view was expressed by Mr. Chinubhai Kilachand who, after pointing out that all modern economies were based on the assembly line technique of mass manufacture, averred that "scientific and purposive advertising served to create new demands."

There is no doubt that advertising and mass production go hand in hand. Together, they determine the level of consumption. The consumer benefits from the higher volume of production and sales which implies lower cost per unit. But advertising serves to extend the area of the market for a product, which, in the rapidly shrinking world of ours, is international, rather than merely local or even national in scope. From this point of view, the campaign for advertising, which the enterprising Indian Society of Advertisers has undertaken, is all to the good. In India, there has undoubtedly developed a healthy awareness of the importance of advertising among manufacturers. There are, however, quite a few among them, who are inclined to allot a lower order of priority to advertising, presumably in the belief that their goods are bound to sell by themselves. The fact must be brought home to them that, if a manufacturer does not care to advertise his goods, the official auctioneer will be soon doing it for him. Nor is the manufacturer alone in need of education in the importance of advertising. The average consumer remains a doubting Thomas, for he is often weighed down by an uncomfortable feeling that he is being made to pay heavily for the advertising efforts of the manufacturer whose products he buys. It is necessary that he should be told that, far from his having to pay more for the advertised goods he buys, he is actually paying less. For, in the absence of advertising, the market would shrink and the unit cost of the product would rise; the consumer would thus lose rather than gain through inadequate publicity. In the first of the series of advertisements, under the title "Why We Advertise," the well-known industrialist, Mr. Dharamsey Khatau, observes: "My own experience in industry has convinced me that advertising not only assists the manufacturer in the development of his business. It also brings many very real benefits to the consumer—to you." Advertisement, as Mr. Khatau says, is a "great power for good, a tremendous educative force."

There are three aspects of advertising which deserve special notice in the context of Indian conditions. In the first place, it is wrong to think that advertising, by itself, can sell goods. In the final analysis, it is price and quality that will appeal to the consumer. Mr. Chinubhai Kilachand did well to emphasise that "it is only the producer of quality goods that creates confidence in the minds of consumers." Given this basic factor, advertisement can do much to promote sales. Secondly, it is not always true—in fact, it is seldom true—that the manufacturer or producer can manage all his advertising himself. Advertising is at once a great art and a great science, which demands much intricate knowledge of the markets and of the consumers, as well as of the best means of reaching them. Referring to the increasing volume of advertising by the public sector, Mr. Kilachand stressed that such advertising was best left in the

"hands of professional men." This is true of all advertising, whether by the Government or the private manufacturer. The professional advertising agent is an indispensable element in modern market economy. Because of his special insight into problems of marketing, and of the fact that he is free from the day-to-day problems of production by which the manufacturer is generally overwhelmed, the advertising agent can do a better job of advertising than the producer.

Finally, there is need for greater emphasis on co-operative advertising, particularly in the sphere of export advertising. In this connection, as Mr. Manubhai Shah himself suggested, the example of Swiss manufacturers of watches is worthy of emulation. Advertising by a whole industry benefits all the units in it and carries a special appeal to the consumers. Co-operative advertising does not, however, "override" advertising of brands by individual companies. But, by cutting much wasteful expenditure involved in competitive advertising, co-operative publicity builds up better goodwill at a smaller cost than unplanned individual advertising efforts. There is a large field, nearer home as well as abroad, where Indian producers can co-operate in advertising and sales promotion.

I.F.C.'S NEW MOVE

The Industrial Finance Corporation of India—I.F.C. for short—has been authorised by the Central Government to relax some of its lending rules, in order to give rupee loans to industrialists who import machinery and equipment under foreign credits obtained by the Centre from such sources as the U.S. Export-Import Bank, the Development Loan Fund, other foreign Government banks and credit institutions. Accordingly, the I.F.C. will now follow a flexible policy in these cases. Addressing a Press conference at New Delhi last week-end, Mr. K. R. K. Menon, Chairman of the I.F.C., said that he would not insist on the normal 50 per cent. margin against the value of a scheme before making a loan. No floor has been fixed, we are told, and the I.F.C. "will operate in these cases as flexibly as is necessary to make the facility effective."

On the face of it, this move of the Central Government appears to be a gesture of "help" to the private sector for making use of long-term foreign exchange facilities that are available from the aforesaid sources. But, really speaking, the gesture is not so generous. A principal cause for the private sector's slow pace of absorption of foreign credit, such as that offered by the Ex-Imp Bank, has all along been the Government of India's insistence on down payment in rupees to the full value of goods imported under foreign credits. The industrialists are now no doubt enabled to make this down payment by obtaining a loan from the I.F.C., but they have to pay a high rate of interest, namely, 7 per cent. (a rebate of 1 per cent. is, of course, allowed for payment of interest and repayment of instalments of principal on due dates), as against the lower rate of interest of 5½ per cent. at which the Government obtains loans from the Ex-Imp Bank and Development Loan Fund. If the Government really wants to help the industrialists to reap the benefit of foreign credits, it must itself extend to them the credit element by accepting rupee payments for the imported goods in easy instalments and charging the same rate of interest as that charged for foreign credits, namely, 5½ per cent. Even by doing so, the Government can make some extra money, by utilising the funds deposited by the industrialists for financing its own projects. Representations to this effect have been made by the industrialists and it is regrettable that the Government has rejected them. What it has now done is only to make the I.F.C. benefit in the form of interest on loans granted to finance imports of machinery and equipment under foreign credits.

Further, there are doubts as to whether the industrialists' response to the I.F.C.'s offer of loans will be encouraging. As readers are aware, the conditions in the capital markets are quite comfortable, with a surfeit of funds and lenders. It is not surprising that the total number of loan applications (26) received by the I.F.C. and the aggregate amount of loans applied for (Rs. 11.17 crores) during the year ended on 30th June 1959 were both less than in either of the two preceding years—48 applications covering Rs. 14.89 crores in 1957-58 and 67 applications wanting Rs. 21.36 crores in 1956-57. In view of easy money conditions, industrialists may prefer to meet their requirements of funds from banks and others, instead of from the

I.F.C. which charges such a high rate of interest as 7 per cent. The response to the I.F.C.'s offer would, perhaps, have been encouraging if the offer had been made immediately after the Ex-Imp Bank and Development Loan Fund credits had been announced, that is, nearly two years ago.

In his Press conference, the I.F.C. Chairman disclosed that he was taking up with the Central Government the question of the I.F.C. being authorised to subscribe directly to the equity and preference shares of industrial concerns, as this would be a profitable line of investment for the I.F.C.'s surplus funds. He said: "Such participation in equity capital should also be possible through the exercise of the right to convert loans into equities. Besides these facilities for profitably employing its funds, the Corporation should in future be able to share the profits of a concern financed by it—the method of sharing being negotiated along with the terms of a loan."

Evidently, the I.F.C. has taken the cue from the International Finance Corporation which participates in future profits and growth of the business in the form of (1) a right to convert the loan or some part of it into some type of share capital or an option to subscribe to share capital or (2) a right to some additional income related to earnings, or (3) both. Few would underrate the importance of earning power and balanced capital structure for the Industrial Finance Corporation of India. But a scheme of this nature is not very popular with Indian entrepreneurs. It is also outside the objectives of the I.F.C. The Corporation was meant only for providing loan capital and for underwriting new issues, in which direction it has done precious little so far. It would be better if the I.F.C. were to specialise in this branch of business for which conditions are now propitious, rather than try to break new ground.

Not many business concerns would like to have a State-dominated, and practically State-owned, financial institution in their register of shareholders. There would always be a fear of the Government stepping into their show through the back door. In the case of loans from the International Finance Corporation, it may be noted, no attempt is made to secure representation on the board of directors of the borrowing company nor are any conditions imposed in regard to distribution of dividends. Will the Industrial Finance Corporation of India agree to similar conditions? We wonder.

There is, however, no harm in trying the new approach. Maybe, if the I.F.C. is prepared to give long-term credit with the right to participate in profit on more favourable terms than it does at present for non-participating loans, some entrepreneurs and investors may come forward to avail themselves of the facility, especially for capital-intensive industrial ventures which are difficult and take a long time for yielding a return on investments. This would, however, mean that the I.F.C. must be permitted to hold shares of borrowing companies for a period longer than seven years, the maximum period specified under its Charter. Mr. Menon is, of course, aware of this need. He said that he would try to get the Act amended for this purpose. That should be easy, for the Government rarely says "no" to any proposition which gives it more control over the private sector.

PLANTATIONS IN KERALA

Much confusion and apprehension have been caused by certain provisions of the Kerala Agrarian Relations Bill which is now awaiting the approval of the President. These doubts and fears arise from the vagueness of some of the clauses of the Bill and, therefore, are liable to various interpretations. There are also clauses that are patently unfair in their effect on plantations. Attention to some of these aspects of the Bill was drawn by Mr. J. N. A. Hobbs, Chairman of the Chembra Peak Estates Ltd., in the course of his address to the twenty-seventh annual general meeting of the Company held at Calicut on the 9th September. Mr. Hobbs said that the effects of the Bill, as passed by the Kerala Assembly, had not been fully realised nor was it appreciated just how far-reaching the effects would be if the Bill received Presidential assent. He pointed out that the general impression that plantations were exempted from the provisions of the Bill was not correct, though it was very difficult to say where the line would be drawn and what the actual effects of the Bill would be as far as plantations, and plantation companies in particular, were concerned.

As an example of one of the most confusing provisions of the Bill, Mr. Hobbs referred to

Section 59 which placed a limitation on the reserve land that might be retained by a plantation. This was fixed at 20 per cent. of the land lying contiguous to such plantations. It could be inferred from this, he added, though the Bill did not make the point explicit, that any land in excess of 20 per cent. or not lying contiguous to a planted area would have to be surrendered, unless specifically exempted by the Government under the provisions of Section 57(2). Naturally, it would take considerable time to notify such exemptions and, by this time, the reserve lands would have been surrendered and distributed.

To what lands these provisions would apply was also not clear. It was true that the Bill exempted uncultivable waste lands, but who was to decide what was cultivable and what was not? Commenting on this provision, Mr. Hobbs said:

"Whether such land might be deemed to be surplus and be available for distribution to outsiders is a possibility which is fraught with danger. The implications are that we would either have to surrender our plantable reserves or else accept the likelihood of outsiders being given plots and parcels of land in the middle of our planted areas."

Section 58 provided among other things, that, in calculating the land ceiling for a family or adult unmarried person, the shares held in a company shall be taken into account and that such shares shall be deemed to be the extent of land which would be allotted to such family or person, had the lands owned or held by such company been divided or partitioned on the date of coming into force of Section 59. If, on such calculation, it was found that such family or person owned land in excess of the ceiling, such excess land would have to be surrendered. This would appear to contemplate the possibility of a shareholder surrendering land owned by the company. This, of course, was contrary to the existing law but, according to Mr. Hobbs, it was possible to foresee a great deal of confusion and litigation resulting from these provisions. Carried to the extreme, this could lead to the possibility of shareholders causing dismemberment of the company's estates.

In another respect also, according to Mr. Hobbs, the Bill discriminated against shareholders of plantation companies. Section 59(2) allowed a normal family to own or hold plantations up to an extent of 30 acres. In case they owned plantations in excess of this, their ownership of other lands would be reduced to 50 per cent. of the normal ceiling. In calculating his plantation holdings, all estate lands attributable to his shareholding would be deemed to be included in the lands held by him. Thus, a person's holding of shares in any plantation companies might affect his entitlement to hold other lands.

Moreover, there was the implication that, since shares held by a shareholder in a plantation company were supposed to represent a proportionate share in the land held by the company, it might be deemed that his shares were subject to the provisions of Section 60 of the Bill, which prohibited voluntary transfers of land by persons holding land in excess of the ceiling with effect from 18th December 1957 and, by implication, it might be deemed that even the transfers of shares which had been effected by such person since that date would be deemed to be transfers calculated to defeat the provisions of the Bill and would be treated as null and void.

In Mr. Hobbs's view, the provisions in regard to compensation for lands surrendered were harsh. He also felt that Section 3(iii) of the Bill, which denied fixity of tenure to plantations of above 30 acres, when one of the avowed aims of the Bill was to give fixity of tenure to persons who hold land under various kinds of leases or licences, was discriminatory.

Mr. Hobbs is convinced that the Bill, if approved in its present form, will have a very serious effect on the development of plantation industry in Kerala, a major source of gainful employment in the State. It will also frustrate the objects of three Central legislations, namely, the Tea Act, 1953, The Coffee Market Expansion (Amendment) Act 1955, and the Rubber Production and Marketing (Amendment) Act 1955, all of which are aimed at developing the plantation industry under the control of the Central Government. If implemented, the Bill will, in fact, result in the control of the plantation industry in Kerala passing entirely into the hands of the Kerala Government. In view of the widespread fear and concern expressed by planters on many occasions, the Union Government will do well to see that the necessary changes are made in the provisions of the Bill before it becomes a fait accompli.

AUTOMOBILE INDUSTRY

The illuminating address delivered by Mr. Lalchand Hirachand, President of the Automotive Manufacturers' Association of India, at the annual general meeting of the Association held in Calcutta on the 29th ultimo, should dispel all doubts regarding the industry's past performance and its ability to deliver the goods in future. Mr. Hirachand pointed out that the phased production programmes of the various units of the industry, laid down by the Government on the recommendation of the Tariff Commission, showed satisfactory progress. The rated installed capacity for the industry was already reaching the target of 65,000 vehicles a year and it was expected to exceed the target by the end of the second Plan. The indigenous content of automobiles was also increasing. In respect of passenger cars, it was as high as 73.4 per cent. in certain cases and, in the case of trucks, 64.4 per cent. Mr. Hirachand was confident that, if the necessary Governmental assistance were forthcoming, the industry would be able to attain the target level of 80 per cent. indigenous content by 1960-61. The ancillary industry also was making commendable progress.

Considering the restrictive policy in respect of imports of components, the progress made by the automobile industry is certainly creditable. This, no doubt, was made possible, to a large extent, by the assistance provided by the Tariff Commission and the greater appreciation by the Government of the importance of the industry. But there are still several problems facing the industry which deserve urgent attention from the Government. The first, according to the President, is insufficient foreign exchange allocation. He said that foreign exchange shortage had adversely affected the production programmes of the various units in the industry. The total annual output of vehicles, after showing a healthy increase in recent years, had declined of late. Thus, production of motor cars, lorries and jeeps which was of the order of 32,138 in 1956, after rising to 33,058 in 1957, declined to 26,788 in 1958.

Mr. Hirachand observed that a section of the industry producing passenger cars was badly affected by the foreign exchange shortage and was subject to much public criticism on that score. It was not realised that shortage of cars was not due to any increase in demand and want of manufacturing capacity but was the result of restriction on imports of certain essential components and parts. In the import programme for automobiles, the emphasis was on components of commercial vehicles in view of the priority given to them in the Plan. Even the loans available from the Development Loan Fund and the Export-Import Bank were earmarked for road carriers. This was because passenger cars were still considered a luxury. Mr. Lalchand felt that manufacture of passenger cars should be encouraged and that, in no case, the priority for passenger cars should be sacrificed in the interest of the truck section of the industry.

Assuming that production would increase as a result of freer imports, the main problem of the industry, according to Mr. Hirachand, would be to find ways and means of bringing about a reduction in production cost and stimulating demand. The industry was in a vicious circle. The low rate of motor vehicles production in the country was directly linked up with the low rate of consumption which was again linked up with the high cost of production. The low standards of living and lack of sufficient purchasing power made demand sluggish. In the circumstance, unless the income levels of the people were substantially raised, there was no prospect of any appreciable improvement in demand.

Mr. Hirachand was not very optimistic of the possibility of producing low-cost cars—a question which is now being examined by an ad hoc committee presided over by Mr. L. K. Jha, Additional Secretary, Ministry of Commerce and Industry. The limited character of the Indian market for automobiles and the prevailing heavy burden of taxation on motor vehicles, he said, made the problem of manufacturing a low-cost car for the common man in the price range of Rs. 5,000 to Rs. 7,000 difficult of solution. He quoted the following observation of the Tariff Commission in support of his contention:

"The Indian automobile industry has so developed that it is impracticable at this stage to plan the production of a baby car on the basis of the largest possible volume. In our view, the development of automobile industry should not be allowed to follow the law of the survival of the

fittest, but should be so planned as to avoid, as far as possible, any difficulties in the way of the smooth implementation of the projects already approved. We consider that it would be inconsistent with this principle to grant approval to any new project for the manufacture of a baby car...."

The Commission was also of the view that the commitments already undertaken in respect of small cars precluded any prospect of a low-cost car being produced in India in the near future, unless one of the existing units showed potentialities for achieving such cost. The position, Mr. Hirachand maintained, had not materially altered since then. He, however, made one suggestion in this regard. One way of achieving production of a car at a lower cost was to allow the present manufacturers to increase their production. This would help reduce the cost, thereby obviating the necessity for a low-cost car. A low-cost car could not be produced, unless production was on a decent volume of not less than 10,000 vehicles. Further, the production of this car would have to be started from scratch and would involve a good deal of foreign exchange, let alone rupee capital. If all the available foreign exchange were utilised for increasing the production of the existing models, it would certainly bring down prices.

DISPOSAL OF INDUSTRIAL WASTES

As industrialisation makes headway in this country, the problem of disposal of industrial wastes and effluences assumes considerable importance. Indiscriminate disposal of certain industrial effluences, such as those found in the manufacture of chemicals, sugar or leather, will be harmful from the point of view of public health. Some of the gases formed in the process of manufacture are often poisonous in nature. The availability of appropriate outlets for disposing of wastes, therefore, is a factor that has to be taken into account in the location of industries. A familiar way of doing away with solid or liquid wastes is to discharge them into rivers. This pollutes the water. Besides rendering such water unsuitable for drinking purposes, it may adversely affect the fish in the water and also make the water less suitable for irrigation. Scientific research is therefore essential to determine the nature and extent of the problem and to suggest measures for eliminating any possible deleterious effects of unplanned disposal of wastes. This will also make it possible to devise ways for the economic utilisation of certain recoverable materials from the wastes. Much useful work is being done by the various units of the Indian Council of Medical Research in this connection. At a recent meeting of the Bihar Regional Committee of the Council held at Ranchi, some valuable results of the investigations conducted by the regional research unit were disclosed.

The Bihar unit is currently engaged in investigating the problems connected with the disposal of wastes from the Rottas Industries group at Dalmianagar, comprising a paper factory, a chemical factory and a sugar factory. These factories discharge their wastes into the Sone river. It has been found that, during the dry season, that is, from November to June, the pollution spreads to a distance of 40 miles downstream and has a marked toxic effect on the fish in the river. There is hardly any such problem during the flood season, since at this time the effluents get so diluted that they cease to be obnoxious.

The unit carried out an experiment by constructing a large settling tank in the bed of the river with sand walls. The liquid part of the wastes filters through the sand and becomes harmless, whereas the solid wastes left behind in the tank, consisting mostly of fibres from the paper factory, are recovered and used again. One drawback in this process is that any sudden flooding of the river due to rain in the dry season destroys the tank. Further investigations are under way to improve upon the method.

The unit has also discovered that green algae would be useful in purifying sugar factory wastes. It has also discovered a medium on which green algae grow profusely. Pilot experiments have shown that discharging sugar factory wastes in a tank covered with green algae is highly efficacious. The unit proposes to adopt this method on a large-scale, in order to purify wastes in a number of sugar factories. We commend the work of this research unit to other States. It is to be hoped that similar work will be undertaken in other parts of the country, so that the problems of disposal of industrial wastes, peculiar to each region, may be studied with a view to formulating appropriate solutions for them.

AMERICAN LETTER

WORKERS IGNORE MR. KHRUSHCHEV STEEL STRIKE PERSISTS—GOVERNMENT MAY INTERVENE

From Our Special Correspondent

NEW YORK, 24th September

THE last few weeks and days have been exciting ones in the United States, politically and economically. Taking the latter sphere first, the rising interest rate curve has produced a setback in all bond markets, notably in the Treasury sector.

The re-discount rate in all 12 Federal Reserve districts is now at 4 per cent., while the prime lending rate of commercial banks is at 5 per cent. This means that most borrowers who are not "prime" have to pay considerably more. Yet, the new high yields for bonds are attracting buyers away from the stock market which has been turning in poor performances of late.

The visit of Nikita S. Khrushchev, Soviet Prime Minister, psychologically, was another depressing factor. I have watched foreign dignitaries arrive at Washington and New York since 1924 and I must say that the reception to Mr. Khrushchev by the people who lined the streets was the coolest and most sceptical I have yet encountered here and abroad.

Comrade Khrushchev blew hot and cold. He waved and smiled and he threatened. His greatest asset, perhaps, was his wife Nina who disarmed everyone by her simple charm and naturalness. The Prime Minister had a rough time during the question and answer period, both at the National Press Club at Washington and at a dinner of the Economic Club of New York. On the latter occasion, he threatened to walk out, because he resented being interrupted when he did not answer a question why United States' publications were banned in Russia while Russian journalists enjoyed every freedom in the U.S. The Soviet Prime Minister was generally held to be a very intelligent man, a great actor who can turn on charm and scorn at the occasion warrants.

Workers' Cold Reception

Like other Soviet leaders who were here, they did not seem to understand just what American labour represents. Mr. Khrushchev speaks frequently of the "toilers" who produce the wealth of any country. He assumed automatically that every toiler in the world—and who isn't?—must love him automatically. Yet, when he rode through New York's garment district and along the waterfront, the workers, with very few exceptions, just stared at him silently.

In Washington, the Soviet Prime Minister and President Eisenhower rode together in an open car. The New York City police, conscious of all the racial minorities and refugees from Iron Curtain countries, did not take that chance. They placed Mr. Khrushchev in a closed car and, with a very heavy motor-cycle escort, whisked him through the streets which had been cleared beforehand.

The top Soviet leader also insisted on seeing the largest Negro district of New York—Harlem. Apparently, he expected to get a tumultuous welcome. Yet, there was hardly anyone on the streets when he was driven through the area.

Former President Truman declined an invitation by former Governor Harriman to join him in a reception for Mr. Khrushchev. Mr. Truman said he had a previous date with his daughter and son-in-law. Also, the top labour leaders refused to meet with the leader of the Kremlin. Against their wishes, though, five Presidents of San Francisco trade unions did invite the top Communist to meet with them.

The final show-down between President Eisenhower and Premier Khrushchev is to occur at Camp David outside of Washington. It is a secluded military establishment assuring absolute privacy. The final outcome of these meetings, outside of the official communiques, may not be known for some time.

Some 600,000 steel workers are still on strike at this writing. Another contingent of hundreds of thousands of workers have been laid off in other industries as a result. It is a bitter strike. The combined American Federation of Labour and the Congress of Industrial Organisations, at their annual convention at San Francisco, agreed to raise \$15 million a month to help the steel workers.

In the meantime, the chances are that, sooner or later, the Taft-Hartley Act will be invoked by the Government. This Act provides for a cooling off period during which work is to be resumed whenever a national emergency is deemed to exist. It is a pity that Mr. Khrushchev cannot see the inside workings of this steel walkout, in which one group of capitalists strikes against the other without a revolution.

Indeed, the steel strike has caused just a ripple in the economic indices. Employment which usually improves in August fell 353,000. Layoffs in the automobile industry caused by early model changeovers were mostly responsible for this fall. Strikers, statistically, do not count as unemployed, unless they actively seek employment elsewhere.

In the middle of September, auto production started again on the 1960 models. Included in the new line will be a number of small cars in competition with European autos which have been enjoying increasing sales for a number of years.

Business spending plans have continued to increase, despite the steel strike. Expenditures for new plant and equipment this year are now projected at \$33,300 million which is \$700 million above the Department of Commerce estimates three months ago. Officials of the Department and of the Securities and Exchange Commission predicted the total may be boosted still further if the steel strike is settled soon.

It may be of interest to readers in India to quote from the *Monthly Review* of the Federal Reserve Bank of New York. "The impact of the strikes in the steel and copper industries had a relatively minor effect on the nation's economy at the end of August," the Bank said. It was noted, however, that reports of cutbacks and prospective cutbacks were "becoming more frequent."

Radio-Isotopes in U.S. Mining

Scientists report that successful experiments have been completed in the use of radio-isotopes in the extraction of essential metals from ore, such as cobalt, iron, nickel and beryllium. The experiments are centered in the U.S. Department of the Interior Research Center at Salt Lake City, Utah.

Atomically "tagged" substances are prepared for bombarding the metals in an atomic reactor. These substances do not differ chemically from their non-radioactive counterparts. They can be detected, though, with radiation counters. A radio-isotope, Cobalt 60, for example, can be mixed with material containing ordinary cobalt, then followed step by step through an extraction process with Geiger counters, scintillometers or similar instruments.

Process control systems for commercial milling and refining operations are also being benefited by this work. Still more important, radio-isotopes seem to lead scientists to more efficient metallurgical techniques, permitting utilisation of materials which cannot be processed economically by present methods. Isotopes already are used widely by some industries in tracer and control operations, also in medicine and agriculture for exploring biological processes.—All Rights Reserved.

WORLD BANK LOAN TO PAKISTAN

The World Bank has made a loan equivalent to \$10 million to the Pakistan Industrial Credit and Investment Corporation (P.I.C.I.C.). Like an earlier bank loan of \$42 million to P.I.C.I.C., the latest loan will be used to meet the foreign exchange requirements of projects financed by the Corporation. The loan is for a term of 10 years, and amortisation will begin in October 1962. Provision has been made to extend the term of the loan by another four years, if particular projects require a longer repayment period. Each part of the loan allocated for a particular project will carry its own interest rate, which will be the Bank's current rate of interest at the time the project is approved for financing. The loan is guaranteed by the Republic of Pakistan.

The P.I.C.I.C. may be noted, was established in September 1957 by Pakistan, British, Canadian, American and Japanese private investors to promote the growth of private industry in Pakistan. It makes loans and equity investments and helps industry to obtain managerial, technical and administrative services and advice. By May 1959, it had approved 87 loans for a total of Rs. 5.60 crores (\$11 million) and, in conjunction with some of its larger credit operations, had acquired small amounts of equity participations and option rights.

LONDON LETTER

LABOUR PARTY'S MANIFESTO

From Our Own Correspondent

LONDON, 19th September

"TWO worlds, one white, well-fed and free, the other coloured, hungry and struggling for equality, cannot live side by side in friendship"—so says the Labour Party in its election Manifesto "Britain belongs to You." And it claims that a Labour Government would be far more understanding of the needs of colonial peoples than a Tory would be. Similarly, in the field of foreign policy, Labour can put forward a case that it might do better than its opponents whom, it says, it has pushed slowly along towards a summit conference.

But, necessarily, the main weight of the Labour Party's propaganda is on the home front, where Mr. Gaitskell and his men put their emphasis on the social services. They propose an immediate rise in old age pensions and then a gearing of these pensions to the cost of living index. Then they have put forward a more ambitious superannuation scheme than their opponents—financed as to 80 per cent. by employee-employer contributions proportionate to earnings and as to 20 per cent. out of taxation. The idea is to provide half pay on retirement for the average wage-earner and rather more for the low paid worker.

Better Education

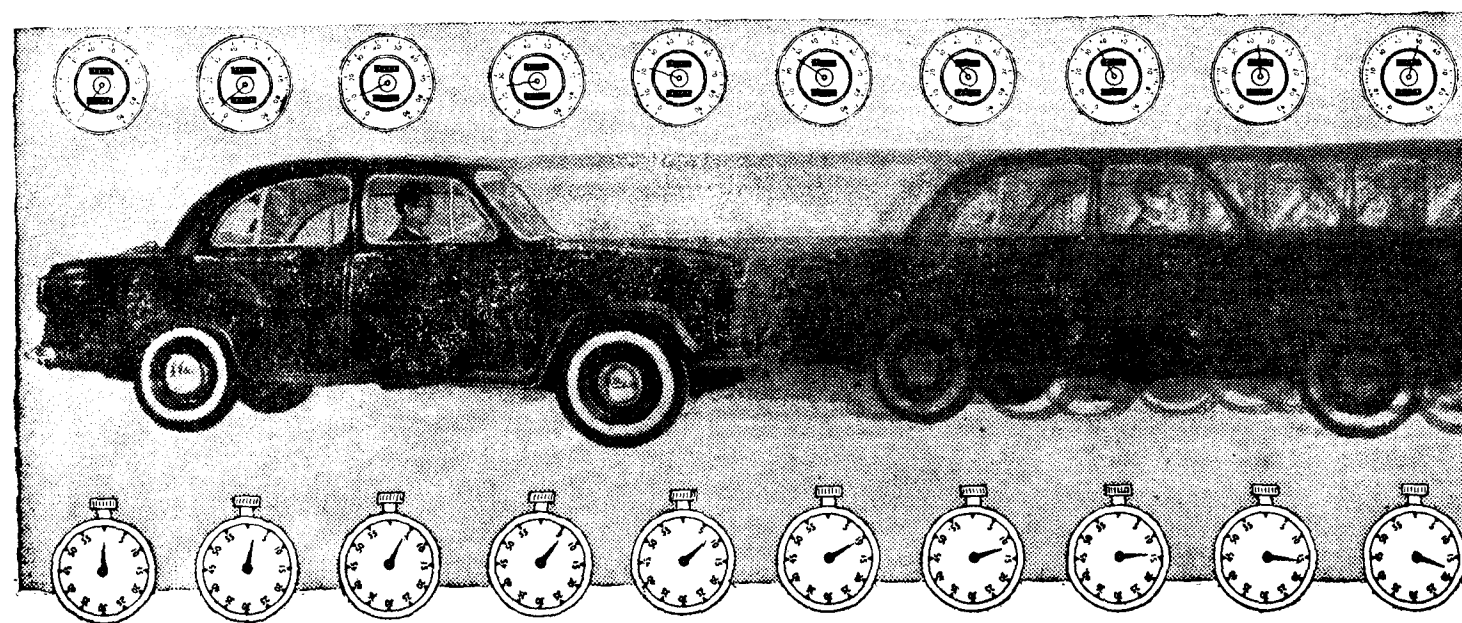
Labour promises better education, but is not specific when the improved standards will be attained; they promise better housing and more hospitals and even without being specific it is clear that these social services represent a priority for the Party. On the other hand, there is to be no tenderness towards business men, who are to have stiffer hurdles to clear before their expense accounts are passed, who will suffer tax on Stock-Exchange capital gains and on compensation paid to directors when they lose office after a take-over bid. But it is not pretended that the revenue the Exchequer may gain from such additional taxation will pay for all the schools, hospitals and pensions that Labour want.

"The chief way of raising the finance," says the Manifesto, "will be through planned expansion"—and that is the new catch-phrase, planned expansion. The case is that the Tory damper on production held on after the danger of inflation had passed cost the country £1,700 million in 1958 "of which the Exchequer would have received £450 million." With such additional income, Mr. Gaitskell argues that the nation could afford not only the additional expenditure but enjoy a reduction of taxation as well. Clearly, this is an attractive programme—a painless financing of a desirable policy plus tax remissions.

No Confidence

The Tory Party men counter that by saying that their conduct of affairs produces the best climate for business men to do their own expanding without any planning. They will improve the social services and remit taxes through the natural processes of a free economy. Unfortunately, past experience gives one no confidence that the natural processes will always work the right way (they worked the wrong way between 1955 and 1958 when production did not expand at all). But then neither can one understand "planned expansion" without specific elaboration.

What more then does the Manifesto tell us? First, on nationalisation we are told that steel and road haulage will go back to public ownership but that beyond that nationalisation is only to be considered where an industry is "failing the nation." There is to be "a high rate of investment as the basis of raising productivity, an energetic application of science in all phases of our economic life; a favourable balance of payments, including the development of Commonwealth trade; and a strong pound." Such then are the aims of the Labour Party but the only clue to "how?" is that only a Labour Government "is ready to use the necessary controls and able to win full co-operation from the unions." And there is the rub: will the unions in fact play? Will they sacrifice immediate benefits because a Labour Government says it is in the national interest? And it is on this slender thread that the economic case of Labour hangs.—All Rights Reserved.



This is GOOD going: 0 to 50 mph in just 18 seconds!

Because of the NEW O.H.V. Engine—the latest power unit with amazing performance!

That burst of speed that you need so critically for safe overtaking and for manoeuvring through heavy traffic, is there, at the tip of your foot! And that's not all.

Now, the BIG Ambassador with the NEW OHV Engine gives you all that you look for in a car: excellent performance; luxurious accommodation and amazing economy!

HINDUSTHAN

Ambassador

HINDUSTAN MOTORS LTD. CALCUTTA

DEALERS:

Agra; Ambala Cantt.; Ajmer; Ahmedabad; Ahmednagar; Allahabad; Baroda; Bangalore; Bhopal; Bherampur; Bombay; Bareilly; Calcutta; Cuttack; Coimbatore; Dehra Dun; Durg; Dumka; Dibrugarh; Dhanbad; Guwahati; Imphal; Indore; Jaipur; Jabalpur; Jodhpur; Jalgaon; Jorhat; Jamshedpur; Jullundur City; Jammu; Kanpur; Kolhapur; Lucknow; Madras; Madurai; Mangalore; Meerut; Nagpur; New Delhi; Nepal; Patna; Poona; Pondicherry; Rajkot; Ranchi; Sambalpur; Shillong; Secunderabad; Silchar; Srinagar; Satna; Tezpur; Tanjore; Tiruchirappalli; Trivandrum; Varanasi Cantt.; Vijayawada; Vizianagram.

NATIONAL DIRECTORY OF MANAGEMENT EXECUTIVES

—the first of its kind in India

SPONSORED BY

INDIAN COUNCIL OF MANAGEMENT EXECUTIVES

(Registered under Societies Act 1860)

POST BOX 1914, BOMBAY-1

BOARD OF CONTROL

Mr. S. M. DAHANUKAR, M.L.C.
Mr. T. O. CAULKINS
Prof. A. R. WADIA, M.P.
Mr. G. D. SOMANI, M.P.
Sir B. P. SINGH ROY
Mr. RAMNIVAS R. RUIA
Mr. K. T. CHANDY
Mr. Y. A. FAZALBHOY
Mr. MOHAN SINGH
General SHANTA SHAMSHER
Mr. M. G. VOHRA
Mr. G. WILHELM

EDITORIAL BOARD

Dr. M. V. MOORTHY (Tata Inst. of Social Sciences)
Prof. R. J. TARAPOREVALA (University of Bombay)
Prof. D. K. SANYAL (University of Calcutta)
Mr. C. L. GHEEVALA (Indian Merchants' Chamber)
Mrs. SHERA N. VAJIFDAR (Progressive Group)

Edited by: K. S. GUPTA, Director, Bombay Labour Bureau

CONTENTS

COPYRIGHT RESERVED

- * Fifty men behind private sector in India.
- * Who's who of top executives in private sector
- * Who's who of top executives in public sector
- * List of managing directors of public and private limited companies
- * Survey of India's major industries

- * Indian economic indicators (1955-1960). Prices, cost of living, wages, labour, industrial production, foreign exchange, foreign trade, foreign aid etc.
- * List of British, American and Foreign firms in India
- * 1000 pages, Rexine cloth-bound on Art paper. Profusely illustrated.
- * Pre-publication price .. Rs. 40/- POSTAGE
- * Post-publication price .. Rs. 60/- EXTRA

BOOK YOUR COPY IN ADVANCE

CONTACT THE DIRECTORY'S SECRETARY, MISS F. H. HAMZAWALA, POST BOX 1914, BOMBAY 1.

FOR FREE WRITE-UP OF EXECUTIVES IN WHO'S WHO SECTION OF THE DIRECTORY, SHE IS FULLY INFORMED ON THE SUBJECT. WHY NOT WRITE OR CONTACT HER TODAY BY APPOINTMENT ON OFFICE TELEPHONE 40561?



WORLD ECONOMIC SITUATION DISTINCTLY BETTER I.M.F.'S ENCOURAGING SURVEY

THE most encouraging impression one gets from a perusal of the latest annual report of the International Monetary Fund (I.M.F.), that covering the year ended 30th April 1959, is that there has been a distinct improvement in the world economic situation. Reflecting this improvement are the general expansion in business activity, the greater international flow of funds, the consolidation of monetary gains achieved since the second war, and the strengthening of the financial structure of the world economy. In 1958-59, the following events were particularly outstanding:

1. Sharp upswing of industrial production in the U.S., together with indications of renewed expansion in other industrial countries.
2. Increase of more than \$3.5 million in the gold and foreign exchange reserves of West European countries.
3. Adoption, in December 1958, of external convertibility by 14 European countries and the complementary steps taken by 15 other countries to adjust their exchange controls to the new conditions thus established.
4. Proposal made at New Delhi in October 1958 and the agreements subsequently reached to augment the financial resources of the Fund and the Bank.
5. Steps taken by many primary producing countries to withstand inflationary pressures and introduction of comprehensive stabilisation programmes in some cases.

It is certainly heartening to hear from the I.M.F. that by far the largest part of world trade is now being carried on in convertible currencies, so that the exporting countries are generally free to use their export proceeds anywhere in the world. This development, as the Fund rightly says, is of both psychological and technical importance to countries applying multiple rate practices. There is already an increased willingness to discard such practices in favour of unitary rates. Commending non-resident convertibility of currencies achieved by the European countries, the I.M.F. observed:

"... the road has been opened to the elimination of discrimination in trade and payments practised on balance of payments grounds. That improvement in reserves and in balance of payments positions which made possible the move to non-resident convertibility itself also facilitated a greater freedom of trade. It was, therefore, natural that the move should be associated in some countries with a further liberalisation of trade, and it is to be expected that countries will be able to make further progress along these lines. The Fund intends to continue its study of the remaining restrictions—and especially the remaining discriminatory restrictions—and, in the meantime, it is urging its members to eliminate discrimination as rapidly as is feasible."

Three Notable Points

In this connection, the I.M.F. has stressed three notable points. One, increasing care will have to be taken to maintain, by appropriate policies, internal stability and the external value of the currency. Two, the importance of external financial assistance to the less developed countries today has become even greater than before. Three, such measures as would lead to a sound monetary situation must be adopted in the less developed countries, thereby making it easier for the countries concerned to arrange for long-term funds for economic development.

The year 1958 witnessed an improvement in the reserve positions of many industrial countries. The total official gold and foreign exchange reserves held by national monetary authorities (excluding the U.S.S.R. and the countries associated with it) rose by \$975 million to \$54,860 million during 1958, as against an increase of \$800 million in 1957 and \$1,300 million in 1956. Of this rise, gold reserves accounted for \$715 million and foreign exchange reserves (mainly U.S. dollars and sterling) for \$260 million; the actual figures of reserves held in these two forms at the end of 1958 were \$38,070 million and \$16,790 million, respectively. The proportion of the world's reserves held in the form of foreign exchange was practically unchanged at the previous year's level of 30.7 per cent, as against 32.0 per cent. in 1956. Although the total of official foreign exchange and gold reserves held at the close of last year was higher, they afforded a lower level of cover to imports (c.i.f.). Thus, the percentage of official reserves to imports, which had steadily fallen from 63 in 1955 to 59 in 1956, to 55 in 1957, dropped fur-

ther to 53. But the percentage of these reserves of countries other than the U.S. improved from 36 to 39, though it was lower than the 1955 level at 43. In fine, the liquidity of countries outside the U.S. registered a significant improvement.

Thanks to the improvement in the reserve positions of many industrial countries, there was an appreciable increase in the repayment of credits taken by them from the I.M.F. from \$86.81 million to as much as \$537.32 million. At the same time, there was also a marked fall in their borrowings from the Fund from \$665.73 million to \$263.52 million. The total of repurchases at the end of 30th April 1959, namely, \$537.32 million, were substantially higher than the total purchases from the fund aggregating \$263.52 million. Indeed, the year 1958-59 was a record year for repurchases, both the number of members repurchasing and the amount repurchased being greater than in any previous year. The stand-by arrangements in force as on the aforesaid date was equivalent to \$1,257.13 million, as against \$1,500.03 million a year before.

The volume of I.M.F. transactions in 1958-59, it is stated, was smaller than in the two preceding years when the total was dominated by a few large transactions which gave valuable support to several currencies, particularly sterling, French franc, guilder, yen and Indian rupee. While there were no comparable critical conditions in the year to cause such large demands on the Fund's resources, as many as 20 countries borrowed from the Fund or entered into stand-by arrangements with it.

Resources Strengthened

At the end of April 1959, the I.M.F. held \$2,500 million in gold and U.S. dollars, but, of this, only \$1,400 million were uncommitted, as compared with \$3,500 million at the end of September 1956—before the recent "active period" began. It will be recalled that, in order to ensure that the I.M.F. would be in a position to meet the demands which might properly be made upon it, action was initiated at the last annual meeting at New Delhi for securing a substantial increase in the Fund's resources. It was decided with the concurrence of all member-Governments that there should be a 50 per cent. general increase in members' quotas and that, in addition, a special increase should be effected in the quotas of W. Germany,

Interest Rates in Industrial Countries

(In per cent. per annum)

	1957	1958	1959
	Sept.	Dec.	Mar.
United States			
Treasury bill rate	3.58	3.10	1.35
Government bond yield (medium-term)	3.99	2.95	2.40
Government bond yield (long-term)	3.84	3.22	3.25
Canada			
Treasury bill rate	3.80	3.02	2.27
Government bond yield (long-term)	4.42	3.75	3.71
United Kingdom			
Treasury bill rate	5.44	6.43	5.77
Government bond yield (short-term)	5.38	5.91	5.06
Government bond yield (long-term)	5.84	5.88	5.69
Corporate bond yield (debentures)	6.59	6.47	6.26
Australia			
Government bond yield (short-term)	4.44	4.41	4.30
Government bond yield (long-term)	4.98	5.00	4.98
New Zealand			
Government bond yield	4.83	4.98	5.01
Union of South Africa			
Treasury bill rate	3.25	3.25	3.50
National Finance Corporation (deposit) rate	3.12	3.12	3.38
Government bond yield	4.75	4.75	5.00
Belgium			
Treasury bill rate	4.82	4.25	4.00
Government bond yield	4.82	4.94	4.50
Denmark			
Government bond yield	5.76	5.74	5.43
France			
Government bond yield	6.10	5.91	6.11
Call money rate, public	3.28	3.24	3.62
Call money rate, private	5.77	5.72	5.98
Germany, Federal Republic of			
Call money rate	4.28	3.94	3.63
Mortgage bond yield (fully taxed)	5.46	5.10	4.76
Italy			
Government bond yield (short-term)	6.81	6.1	6.1
Netherlands			
Treasury bill rate	4.86	4.64	3.14
Government bond yield	4.82	4.86	4.40
Sweden			
Government bond yield	4.39	4.48	4.42
Industrial bond yield	5.18	5.28	5.28
Commercial banks' discount rate (three-month bills)	5.75	5.75	5.75
Switzerland			
Government bond yield	3.92	3.07	3.37

Canada and Japan in keeping with the improvement in their position in world trade. When these decisions are fully implemented, the Fund's resources will increase by the equivalent of \$5,100 million, including \$1,300 million in gold. Its holdings of gold and U.S. dollars will be doubled, from \$2,300 million to \$4,600 million, and its holdings of gold and six currencies so far drawn from \$4,700 million to \$8,200 million. Commenting on this development, the I.M.F. report says:

"The significance of this increase in the Fund's resources is not to be measured only by the extent to which these new resources are drawn upon. A stand-by arrangement that is not followed by use of the Fund's resources is as important as a stand-by under which a drawing has been made; and, in the same way, the increase in the Fund's resources may still have great importance, even if for some time to come, drawings on the Fund do not reach substantial amounts. The essential objective is, above all, the creation of a feeling of confidence among Fund members that, even if the reserves directly under their control are considered not adequate to meet every eventuality, they can safely make their decisions with respect to the freedom of payments and trade without having to pay undue regard to such temporary balance of payments difficulties as may from time to time occur."

World Economy—Main Trends

To revert to the I.M.F. review of world economic situation during 1958. The review reveals the following features:

Industrial production: World industrial production (outside the Centrally planned economies) was lower by 2½ per cent. as compared with 1957, because recession in the U.S. was accompanied by slower growth or mild decline elsewhere. The decline in investment demand, which characterised the recession or the temporary cessation of economic growth, was due to the appearance of surplus capacity in many countries and hence to a reduction in the anticipated profitability of new investment, as well as to a rise in the cost and decline in the availability of investible funds.

Employment: In the U.S., both the fall in industrial employment during recession and the rise during recovery were less marked than the corresponding movements of industrial production. In other industrial countries, employment in manufacturing was lower than, or about the same as, in 1957.

Prices: While wholesale prices moved down a little, or remained fairly stable, the cost of living, wage rates and even money wage costs per unit of manufacturing output were generally higher.

Trade: The value of world trade in 1958 was 5 per cent. less than in 1957, being \$94,300 million, as against \$99,400 million. More than half of this decline reflected a fall in prices. The average price (unit value) received by countries exporting primary products declined by 5 per cent. and the average price of their imports (c.i.f.) by 4 per cent., so that their terms of trade deteriorated again by 4 per cent. The volume of trade fell by 2 per cent. in contrast to a rise of 10 per cent., 8 per cent. and 6 per cent. over the three preceding years, respectively.

Balance of payments: The principal changes in world balance of payments relations during the year under review were the re-emergence of a large payments surplus of the rest of the world with the U.S., a rise to unprecedented levels in the aggregate surplus of other countries exporting manufactures, and an increase in the total deficit of countries exporting mainly primary products. In 1958, the surplus of the rest of the world in transactions with the U.S. as measured by transfers to official holders, amounted to \$2,900 million, in distinct contrast to a deficit of \$1,400 million in 1957.

The I.M.F. has made special mention of the net flow of capital and grants (excluding credits intended to finance projects) received by primary producing countries other than Venezuela. The flow during 1958 was a little smaller than in 1957. Some decline in the U.S. direct investment was largely offset by increased loans from Government agencies. The net flow of capital from the U.K. to the sterling area was slightly less. Disbursements to primary producing countries by the World Bank amounted to nearly \$500 million, about \$125 million more than in 1957. Of the aggregate \$1,400 million deficit of these countries (including Venezuela), \$475 million would appear to have been financed by official borrowing (as against \$130 million in 1957), \$125 million (\$350 million) by net borrowing from the I.M.F., and \$800 million (\$800 million) by drawing on reserves.

Correcting Payments Disequilibrium

The I.M.F. next refers to the measures taken by countries to deal with payments disequilibrium. According to the survey, in most of the manufacturing countries, improvement in payments position was such as to enable them, without risk of serious pressure on the balance of payments, to lessen the severity of fiscal and monetary restraints, while the falling tendency of market and official interest rates helped to counteract the slackening of external demand

and economic activity. With regard to primary products exporting countries, those which had sizable exchange reserves continued to draw upon them substantially in 1958; there was also an increase in official borrowing to finance deficits caused by declining earnings from exports. However, shortages of reserves and limited borrowing capacity compelled many primary producing countries to adopt other measures to reduce external disequilibrium. In most of these countries, the measures took the form of adjustments of exchange rates or taxes which raise exporters' returns and importers' costs in domestic currency; some countries reimposed or tightened import controls. These measures were combined, as a rule, with some degree of restraint on domestic credit creation. Few countries, however, have found it possible to make use primarily or solely of fiscal and monetary measures to establish equilibrium.

Industrial Countries

The I.M.F. refers next to the domestic financial developments and policies in the industrial and primary producing countries. The most "overt manifestation" of anti-recession policy noted in the industrial countries during 1958-59 was widespread, though mostly moderate, reductions in discount rates. While these reductions were generally preceded by downward revisions in market interest rates, they were also a signal for reductions in the rates paid and charged by commercial banks, with possible reactions on domestic investment and international capital movements. The table in the previous page gives the market interest rates in selected countries.

In addition to reducing discount rates, many industrial countries relaxed restrictions on bank credit in 1958, though slowly and selectively. In a few countries—the U.S., West Germany, Austria, Switzerland, South Africa and New Zealand—legal reserve requirements for commercial banks were altered. The other monetary measures included relaxation of restrictions on hire-purchase transactions in the U.K., France and the Netherlands; encouragement to private investment in Italy; aiding of large increase in new capital issues by reductions in maximum rates on time and savings deposits in West Germany; removal of certain restrictions on bank advances in the U.K. and France; and easing of regulations governing commercial bank lending activities in Norway.

The recessionary tendencies appearing in many industrial countries in 1957-58 were to some extent counteracted by the "built-in stabilisers" of the fiscal system. While Government revenues tended to decline, expenditures on unemployment benefits increased automatically. Both tendencies helped to sustain private expenditures. New tax measures designed to combat the slackening in activity were generally selective rather than sweeping, and frequently aimed not only at maintaining demand but also at supporting some particular sector or enhancing the efficiency or competitiveness of the economy. On the other hand, in many countries, there was a more than normal increase in Government expenditures, though there was no large-scale recourse to public works.

Primary Producing Countries

In the case of primary producing countries, many, according to the I.M.F., have permitted money and credit to expand much faster than current real output in the endeavour to accelerate the growth of their productive resources. To quote it:

"The urge for rapid economic growth, of which these inflationary tendencies are often a by-product, is very powerful in many parts of the world today. Some of the less developed countries have made substantial progress, even in a few cases when hampered by the distortions created by inflationary pressures. In others, however, inflationary pressures have resulted in little more than an appearance of feverish activity, while real output and income were actually stagnating, or were expanding only at an unsatisfactory rate. Experience has shown that one of the foremost problems that confronts such countries is the establishment of financial stability, both internal and external, as a necessary—although not a sufficient—condition for sound and accelerated economic development."

The I.M.F. has also taken note of the steps taken by developing countries to hold the strain on their external resources caused by their large development expenditure and continued adverse terms of trade. These included: scaling down of development expenditure in several countries (India and the Philippines, for example); efforts to soften the impact of declining prices on domestic producers by cutting export duties in a number of countries (such as India, Peru and the Sudan); upward revision in

ECONOMIC TRENDS IN WESTERN EUROPE SUBSTANTIAL IMPROVEMENT

BUSINESS activity in Western Europe is again on the upgrade. This fact is important in appraising two key questions about future developments, says the *Report on Western Europe* issued by The Chase Manhattan Bank, New York, U.S.A., last week. First, can the European economy regain the rapid rate of growth which has characterised the post-war period? Second, will the move towards free trade continue to gain momentum and eventually embrace not only the Common Market nations but also the "Outer Seven"?

The fact of recovery in Western Europe has been obscured by the lack of a sharp and dramatic turnabout along the U.S. pattern. However, it is important to remember that the impact of the 1958 recession was much sharper in the U.S. than in Europe.

U.S. industrial production turned down in late 1957, dropped 13 per cent. in seven months, regained its previous high in February 1959 and moved 7 per cent. ahead of that high by mid-1959.

In contrast, Western Europe's industrial production merely levelled out in 1958. Output actually moved ahead, though at a slower pace than in earlier years, in France and Western Germany.

In this perspective, the recovery in Western Europe is fully as significant as that in the U.S.

Industrial production in Western Europe is now showing substantial gains over 1958. Latest figures (for May) show an overall 6 per cent. increase for the Common Market and the U.K. The recent strength in European home construction, steel exports and consumer durables indicates that the summer months will also show sizable increases.

Unemployment is falling. In France, the number of unfilled jobs rose 23 per cent. during June, while job applications fell 14 per cent. British unemployment is now down to 1.9 per cent. of the labour force. Germany may be facing an acutely tight labour market for the first time since the end of the war.

All in all, recent trends point to a continued and rapid economic recovery in Western Europe. The future rate of advance may not match that of the earlier post-war period, when reconstruction requirements lent an unusual urgency to investment in new plant and equipment. Yet the impetus towards growth in Western Europe is strong. The rate of investment is relatively high in most nations, and the demand for consumer goods (particularly autos and other durables) is vigorous. Thus, the conditions for rapid economic growth—at a rate possibly above that in prospect for the U.S.—would appear to be present in Western Europe.

The "Outer Seven"

It now seems likely that the so-called "Little Free Trade Area (F.T.A.)" will come into being. In July, ministers of the seven nations—Britain, Switzerland, Sweden, Norway, Denmark, Austria and Portugal—agreed at Stockholm on the details of the new trading bloc. A formal agreement, to be ratified by the respective Parliaments of each country, is expected this fall.

Under the plan, the seven countries will start cutting internal tariffs and increasing quotas next July. All internal trade barriers will be eliminated by 1970. In this regard, the Little F.T.A. closely parallels the Common Market.

More important is how the Little F.T.A. is unlike the Common Market. There are three main differences:

The Little F.T.A. would not have a common external tariff and trading policy towards the outside world.

The Little F.T.A. do not plan to match the Common Market's close integration in agriculture, anti-trust matters, nuclear energy, mobility of labour and capital, harmonisation of tax and social legislation.

The Little F.T.A. would not be a political agreement. This is, perhaps, the most fundamental difference between the plan of the Outer Seven and the Rome Treaty of the Six. In the eyes of its founders, the Common Market is an economic community whose new institutions represent the first step towards a federal system of "European" government.

(Continued in previous column)

(Concluded from next column)

The Little F.T.A. plan is non-political—and eminently suited to Britain and her Commonwealth ties, on the one hand, to politically neutral Switzerland, Sweden and Austria, on the other.

These basic differences between the two groups remain unsettled. The challenge to both sides is to prevent them from dividing Europe permanently into two trading camps. Germany has an especially great stake in this, since she now exports more to the Outer Seven than to her Common Market partners. Similarly, the Outer Seven as a group export more to the Common Market than they do to one another. In view of these mutual interests, the pressure for some agreement between the two blocs will be strong—undoubtedly much stronger than with only the Common Market in existence.

This pressure for a *modus vivendi* in European trade is the constructive side of the Little F.T.A. plan. Seen in its full perspective, the plan represents a tactical move to strengthen the bargaining position of the outside countries vis-a-vis the Common Market. Such a change opens up the possibility for a new approach to solving the problem of Europe's trading relationships. And Europeans on both sides would agree that the old wrangle over the "Big" Free Trade Area versus the Common Market was simply getting nowhere.

WORLD GOLD PRODUCTION, MOVEMENTS AND PRICES

RECENT TRENDS REVIEWED

[The chapter on gold production and prices in the Annual Report of the International Monetary Fund for the fiscal year ended 30th April 1959 is informative, giving a compact account of all the main developments pertaining to this metal. In view of the paucity of information on this important subject in this country and in accordance with our customary practice, the Fund's review is published on this page.—Ed.]

TOTAL world production of gold, defined as excluding output in the U.S.S.R. and countries associated with it, increased by nearly 3 per cent. in 1958, to 30 million fine ounces or about 800,000 ounces more than in 1957. Valued at US\$35 per ounce, output in 1958 was \$1,049 million, as compared with \$1,021 million in 1957, \$980 million in 1956, and \$945 million in 1955. Production in 1958, which was a post-war high, was about 9 million ounces more than the 1945 post-war low, but it was about 17 per cent. (or 6 million ounces) less than the all-time peak attained in 1940, when production was valued at \$1,264 million.

About 78 per cent. of the increase in total output from 1957 to 1958 was due to the continued expansion of gold mining in the Union of South Africa. Output in that country in 1958 was 17.7 million ounces (\$618 million), the highest ever recorded, and accounted for about 59 per cent. of total world production. In 1957, South African output had been 17.0 million ounces (\$596 million) and in 1951, 11.5 million ounces (\$403 million). The increase in 1958 was about half that recorded in each of the four preceding years; further moderate increases may be expected as the new mines in the Orange Free State and on the Far West Rand develop. The grade of ore is higher in these newer mines than in the older mines on the Witwatersrand, so that the yield per ton of ore mined has risen steadily in recent years, from 4,553 dwt. in

World Gold Production, Excluding Output of U.S.S.R. and Associated Countries
(In millions of U.S. dollars at US\$35 per fine ounce)

	1940	1945	1954	1955	1956	1957	1958
South Africa ..	492	428	463	511	556	596	618
Canada ..	188	95	153	150	153	155	159
U.S.A. ..	170	82	85	86	85	83	83
Australia ..	67	31	39	37	38	38	39
Ghana ..	31	10	28	24	22	26	29
R. Rhodesia ..	29	20	19	18	19	19	19
Colombia ..	22	18	18	13	15	11	12
Philippines ..	39	17	15	15	14	13	15
Mexico ..	81	17	14	12	12	12	12
Others*	207	75	89	89	88	86	83
Total*	1,264	785	897	945	980	1,021	1,049

Source: International Monetary Fund, International Financial Statistics.
* These figures include estimates for data not available.
† All-time peak production.

1956 to 5,000 dwt. in 1957 and to 5,228 dwt. in 1958. This increase, together with the steady expansion of the native labour force, which reached 329,000 at the end of 1958, helped to make 1958 an outstanding year in the history of gold production in the Union of South Africa.

In Canada, output increased in 1958 by \$4.1 million, to \$158.8 million, about the same as the post-war high of 1955. Increases of about \$1.5 million were recorded in Ghana and the Philippines, of about \$0.6 million in Australia, and of about \$0.5 million in Southern Rhodesia. Small increases elsewhere in 1958 were approximately equal to the small decreases recorded in India and Mexico.

Cost of Production Still High

High production costs continue to be a matter of concern to the gold mining industry in most major gold producing countries. Where possible, mines have shifted from the production of lower grade to that of higher grade ore; some mines are unable to make this shift, and therefore have had difficulty in maintaining a reasonable margin of profit. In South Africa, indeed, the rise in working costs in 1958, from 45s. 4d. per ton of ore milled to 46s. 11d. was not so great as in 1957, and the total profits of South African gold mining again increased. In 1950, South African working costs had been 29s. 7d. per ton and in 1956, 42s. 11d. The average working profit from gold per ton of ore milled, which had been 14s. 4d. in 1956 and 17s. 6d. in 1957, rose to 18s. 10d. in 1958. Likewise, the combined working profits from gold and uranium, which had risen from £73.1 million in 1956 to £91.1 million in 1957, increased further, to £99.1 million, in 1958. Working profit from gold rose by £3.5 million, to £61.4 million, and profit from uranium by £4.4 million, to £37.7 million. Dividends paid by all producers of gold and uranium during 1958 amounted to £43.4 million, compared with £37.6 million in 1957 and £29.1 million in 1956.

The high dividend yields on gold shares, as well as the generally favourable tax status accorded by South Africa to foreign investors, encouraged further foreign investment in the industry. But, while the total profitability of the gold mining industry in South Africa reached an all-time peak in 1958, 21 of the 32 non-uranium producers had working profits smaller than in 1957. The South African Minister of Mines stated in Parliament last year that his department regarded 14 mines as being in fact marginal mines. These mines employed roughly one quarter of the total labour force of the industry, both European and native.

Subsidy to Producers

The gold subsidy programmes of the Governments of Australia, Canada, and Colombia, discussed in previous Annual Reports, are still in operation. During the past fiscal year of the Fund, Canada modified its subsidy programme, and the Government of Fiji adopted measures to give relief to its only gold producer. The Fund deemed both of these programmes, described below, to be consistent with the objectives of its statement of 11th December 1947 on gold subsidies.

In August 1958, the Government of Canada amended the Emergency Gold Mining Assistance Act to extend the subsidy authorised by that Act through the calendar years 1959 and 1960, and to provide for a 25 per cent. increase in the amount of assistance for the years 1958, 1959 and 1960. The basic structure of the subsidy formula remained unchanged. Under this formula, the subsidy provided for eligible mines is equal to two-thirds of the excess of the costs of production over Can\$26.50 per ounce, up to a maximum of Can\$12.33 per ounce. The subsidy applies to two-thirds of the output of the assisted producers. The increase of 25 per cent. in the amounts payable to individual mines is intended to offset a continuing rise in production costs and the effects of the free exchange rate of the Canadian dollar. The subsidy is paid to mines that produce only gold and that have production costs high enough to justify assistance; it is not payable to base metal mines which produce gold as a by-product. Gold mines ineligible for assistance and base metal mines are permitted to sell their gold on the free market. Mines receiving assistance are required to sell their output to the Royal Canadian Mint for the equivalent in Canadian dollars of US\$35 per fine ounce. Since the Canadian dollar has been at a premium over the U.S. dollar in recent years, the price paid by the Mint for gold has been proportionately reduced; during 1958, it fluctuated between Can\$33.58 and Can\$34.62 per fine ounce. The total amount of subsidy paid for the year ended 31st March 1959 is estimated at Can\$11.6 million, as compared with Can\$8.6 million for the previous year.

The United Kingdom, which has accepted the Fund's Articles of Agreement in respect of Fiji, consulted the Fund in February 1959 with regard to a plan of financial assistance to Fiji's only gold producer, under which the amount of subsidy would be related to the economic need of the mine. An annual subsidy of £150,000 is to be paid to the mining company in each of the years 1958-59, 1959-60, and 1960-61, on condition that the company shall carry out capital development, costing an equal or greater amount, on mine buildings, plant, and underground workings (exclusive of staff or employees' housing) during the period of the subsidy; the company shall be required to refund to the Government all sums received by way of subsidy in excess of the cost of such capital works; and in the event of production in any one year falling below 75,000 ounces, the subsidy shall be reduced below £150,000 at the rate of £2 per ounce of the shortfall.

The Fund has approved similar plans involving subsidy payments to individual mines, where the assistance was related to the economic need of the mines and the object of which was to sustain a volume of production close to the current production and not to stimulate increased output. Fund members considering the introduction of subsidy schemes to prevent a reduction in gold output, as well as those which desire to amend existing subsidy programmes,

have an obligation to consult with the Fund on the measures to be introduced.

Gold Reserves

As regards, the important shifts which took place during 1958 in the distribution of the world's gold reserves, the outstanding developments were the increase of \$3.1 billion in the gold holdings of the major industrial countries of Western Europe, and the decline of \$2.3 billion in U.S. gold holdings, with the rest of the Western European accumulation coming from new production and sources other than the United States.

The stock of gold held by the monetary authorities in the world (excluding the U.S.S.R. and the countries associated with it, but including the Fund and the Bank for International Settlements as well as the European Fund, the successor to the European Payments Union) is estimated to have increased during 1958 by about \$740 million, as compared with increases of about \$735 million in 1957, \$550 million in 1956, and \$215 million, a post-war low, in 1951. Gold sales in Western European countries by the U.S.S.R., estimated at about \$210 million, were equivalent to more than one-fourth of the increase in 1958. Since the value of last year's gold output outside the U.S.S.R. was \$1,049 million, the total increase in the amount of gold that became available to the rest of the world was thus about \$1,260 million. The amount of gold absorbed by the arts and industries or by private hoards in 1958 may, therefore, be estimated at about \$570 million, which is not very different from the estimate for 1957.

At the end of 1958, world monetary gold reserves—as defined above, and without taking account of the adjustment of B.I.S. holdings—amounted to approximately \$39.9 billion, \$5.2 billion more than at the end of 1948 and \$13.9 billion more than at the end of 1938, an increase of about 53 per cent. during the twenty-year period. Of the increase between 1938 and the end of 1958, about \$6 billion went to the United States, \$4 billion to Continental European countries, \$1 billion to Latin American countries, \$900 million to Canada, and \$200 million to the United Kingdom and other sterling area countries. Of more significance are the shifts in the actual holdings of individual countries and in the proportions held by them of the total gold reserves of the world. The distribution of gold holdings between 1938 and 1948 and between 1948 and 1958 is shown in the table below. The holdings of the United States increased from \$14.6 billion (56.1 per cent. of the world's monetary gold) at the end of 1938 to \$24.4 billion (70.3 per cent.) at the end of 1948, but declined to \$20.6 billion at the end of 1958; at 51.6 per cent., the U.S. percentage of the world's total holdings was then slightly less than in 1938. The holdings of Continental

Distribution of Estimated Gold Reserves at End of Year, 1938, 1948, and 1958

	1938	1948	1958
In millions of U.S. dollars	In millions of U.S. dollars	In millions of U.S. dollars	In millions of U.S. dollars
International monetary reserves*	14,622	24,390	39,885
United States ..	14,622	24,390	20,552
Canada ..	186	401	2,078
United Kingdom ..	4,411	13,181	8,605
Continental European countries ..	6,100	8,850	10,100
Latin American countries ..	710	1,020	1,790
Rest of world† ..	990	1,090	1,024
Total ..	26,000	54,700	89,885
	100.0	100.0	100.0

Source: International Monetary Fund, International Financial Statistics.
* International Monetary Fund, Bank for International Settlements, and European Fund.
† Excluding the U.S.S.R. and associated countries.

European countries, which had declined by \$2.6 billion during and after World War II, rose by \$6.5 billion during the second ten-year period, to about \$10.1 billion at the end of 1958 (25.2 per cent. of the world's monetary gold, compared with 23.5 per cent. in 1938). While the holdings of the United Kingdom and other sterling area countries rose by \$1.4 billion during the second ten-year period, their percentage of the world's gold stocks declined from 13.1 per cent. at the end of 1938 to 9.1 per cent. at the end of 1958. The share of the "Rest of the World" declined from 3.8 per cent. to 2.6 per cent. during the twenty-year period. The aggregate gold holdings of Latin America doubled during the first ten-year period, to \$1.6 billion at the end of 1948, and increased during the second ten-year period by about \$110 million. Substantial reductions in the gold reserves of Argentina and Cuba during the second ten-year period were more than offset by large increases (Continued on page 567)

BOARD OF TRADE PRESIDENT ON COTTON INDUSTRY'S REDUNDANCY SCHEME

TEXTILE PRICES MOVING UP

From A Special Correspondent

MANCHESTER, 22nd September
IN view of the widespread discussion which is taking place in the Lancashire cotton trade concerning the extent of the current redundancy programmes, a suggestion that the scheme is not going far enough has created much interest.

This idea was put forward in an article in the Financial Times, which contended that the scrapping of stopped machinery would only clear out the "dead wood" and that

the volume of running plant likely to be dismantled was relatively small in relation to the remainder, particularly if shift-working was widely introduced. The writer managed to create the illusion of only a minor programme of readjustment, working on the assumption that all the remaining machinery in the trade would eventually be turned on to shift-working. The article did not delve deeply into the various problems surrounding this complicated reversal of past methods of operating the plant. Although the system may be far more widely adopted in the future than it has been, it is unlikely that its use will become universal in a short time.

In little more than a week, the full quantity of machinery to be scrapped under the redundancy schemes will be known and for the moment only an interim judgment can be passed on the response. The latest official returns to the end of August indicated a maximum of 12 million spindles being available for operation, as against approximately 16 million running earlier in the year. Those advocating the complete introduction of double-shift working, therefore, contend that another four million spindles should be consigned to the scrap-heap; if three shifts are to be worked, additional plant needs to be eliminated.

Social Aspect

Similar figures can be produced to show that the present plans for the weaving section are equally inadequate, but there is no mention of the human and social aspects of this fundamental change in the industry's structure. Costing experts would no doubt agree that a reduction of overheads would be achieved by the adoption of shift-working in many areas, but the predominance of women in the mills makes such a procedure by no means as simple as it looks on paper.

Another theoretical argument encourages the transformation of the manufacturing branch by the complete installation of automatic looms. Again, such a policy appears attractive on the surface, but, irrespective of the cost, the type of specialist fabric frequently produced in Lancashire weaving sheds is more suitable for manufacture on the traditional non-automatic machines.

There is, of course, ample scope for the much wider use of automatics and, clearly, this trend will continue, but it is not long since Lancashire was being exhorted to concentrate on specialities and leave long runs of standard cloths to her competitors. A significant feature of the current confusion in which both producers and distributors find themselves is that customers are growing exceedingly anxious about the flow of supplies of certain goods which have been made to special order in the past. The interference with such contracts involving unusual constructions is a matter for much concern. When the producing firms are going out of business, much fresh sampling will be required before alternative sources of supply can be found.

Levies and Margins

The present political campaign has been instrumental in providing preliminary details of the probable extent of the compensation levies shortly to be imposed on those firms remaining in the industry. Sir David Eccles, President of the Board of Trade, possibly "jumped the gun" a little in estimating the figures before the closing date for applications to participate in the redundancy scheme. In the course of a short visit to the cotton towns, he was at pains to dispel ideas that payment of the levies would bring higher prices for finished textiles, as had been freely forecast in some directions. Pending final arrangements being made, Sir David said that the length of the levy would range between 7 and 10 years. He obviously regarded the amount involved as a very small sum, but it yet remains to be seen whether the imposition of perhaps £5,000 a year on the debit side of a spinning mill's accounts will be easily passed on to customers. His suggestion was that a 100,000-spindle mill would have to find a total levy of about £35,000 over the period.

The rising trend of prices for yarn and cloth has already materialised. In some cases, sellers have raised their quotations to cover the anticipated levy, while, in others, the natural laws of supply and demand have governed the movements. A firm which finds that a backlog of orders is being built up and that customers cannot apparently secure goods from alternative sources either in this country or abroad is lacking in business acumen, if it fails to obtain rather better margins, particularly after a period in which the profits gained have been comparatively narrow. The critics and the economists may storm and object, but there is precedent in plenty for such an attitude.

Cost of Re-equipment

After his brief tour of one or two mills and research and productivity centres, Sir David appeared optimistic enough about cotton's prospects. He tended to make light of the displaced worker problem, pointing to the frequent advertisements for labour in local papers. More

mobility in travelling to work will be required under the new regime.

The price situation is still something of a paradox. If firms provide transport for operatives to come from a distance, their overheads will be raised. The shorter working week insisted upon by the unions in cases where shifts are adopted also has a distinct bearing on costs. Additionally, there is the prospect of heavy expenditure on modernisation.

Agreed that, in the long run, all these efforts to improve the efficiency of the trade should result in economies and more competitive prices, but, in the meantime, there must be a fairly lengthy phase of rising values. The President of the Board of Trade blandly stated: "One of the objects of re-equipment is to get prices down by using new and more effective machinery."

The Government is prepared to subsidise 25 per cent. of the mill modernisation plans approved during the next three years and for installation within five. Sir David estimated expenditure of between £60,000,000 and £80,000,000, "if all goes well." Millowners in Lancashire and surrounding areas will, therefore, be expected to find up to £60,000,000 within this period—a sizable sum. Attempts will surely be made to pass on at least a part of this expenditure in the shape of higher margins.

Yarn Up: Cloth and Manpower Down

July production returns are always affected by the holidays in the weaving centres, so that cloth output invariably shows a marked reduction as compared with the previous month. This year, the weekly average of 24,880,000 yards showed a 50 per cent. fall on the June figures and was nearly 3,000,000 yards a week lower than in July 1958. In spinning, however, single yarn output exceeded the weekly average in July 1958 by more than 1,000,000 lbs. This improvement was achieved in yarn spun from both cotton and man-made fibres. Production in July was 13,130,000 lbs. weekly, as against 14,480,000 lbs. in June and 12,110,000 lbs. in the same month last year.

In view of the possible reaction on employment of the redundancy schemes, forthcoming labour statistics will be watched with more than usual interest. The June return was remarkable in that it showed an upward movement in manpower for the first time for many months. The gain as only 50 spread over spinning and weaving, but the long and often heavy decline had apparently been halted. Subsequent weeks, however, belied this cautious optimism. Despite a further gain in the labour force for doubling, a net loss over all sections of 1,100 workers was incurred. By the beginning of last month, the number on the books of employers had shrunk to 200,420, a drop of 20,000 as compared with a year previously.

Harrogate Assembly

Only a fortnight after the final figures relating to redundancy are totted up, delegates from all sections of the industry will once again be assembling at Harrogate to discuss the trade's affairs at the annual Cotton Board conference. With the General Election barely completed, the gathering this year will be shorn of the political characters which have sometimes predominated in the past.—All Rights Reserved.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4316

Telegrams: YULINSURE

ANDHRA PRADESH
61-D Raghupati Road
SECUNDERABAD (Dn.)

DELHI STATE
60, Janpath
NEW DELHI

PUNJAB STATE (India)
Mahan Mohan Malgaya Road
AMRITSAR

BOMBAY STATE
Kingsway Bank Building
Veer Narayan Road
Fort, BOMBAY

MADRAS STATE
Finance House
Puttalas Road
MADRAS-2

UNITED KINGDOM
Friars House
New Broad Street
LONDON, E.C. 2

BANGALORE
Shri Chinnabai Building
Radri Bazar, Cross Lane
AHMEDABAD

MADHYA PRADESH
41, Tokogum Main Road
INDORE

UTTAR PRADESH
Moons Lal & Sons Bldg.
Mahan Mohan Road
KANPUR

BHAVNAGAR
Dhanraj Chamber
Gesta Ground
Bhavnagar

MYSORE STATE
Koonoor Building
Ramesh Chali
BELLARUM

JALNAGAR P.O.
BAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CASTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3301 (2 lines)

TEXTILES IN THE THIRD PLAN NEED FOR EARLY ANNOUNCEMENT OF PRODUCTION TARGETS FOR THE VARIOUS SECTORS

By A Special Correspondent

ACCORDING to the current line of thought, the size of the third Five-year Plan is likely to be three times that of the first Plan and about one and a half times that of the current one. In what form the Plan will finally emerge, it is too early to say, but every effort will undoubtedly be made to raise the living standard of the common man in a more effective manner than at present. Since food, cloth and housing are the basic indicators of a country's economic well-being, it is time that some earnest thought was given to the place that should be assigned to the cotton textiles in the third Plan.

The plea for an early discussion and decision on the subject is well supported by the cotton mill industry's unfortunate experience during the current Plan period. Among the several factors that have contributed to the crisis that has overtaken this sector since the closing months of 1956—a crisis from which it cannot be said to have yet emerged—failure to make a judicious allocation of production targets to the three sectors of the industry was the major one. In spite of the obvious increase in the demand for cloth, the ban on the expansion of the weaving capacity of the mills was not relaxed in the hope that such a course of action would ensure the unhampered growth of the handloom sector. The expectations entertained about the latter's capacity to give increased output on the required scale, however, proved illusory, thus forcing the Government to adopt drastic fiscal measures to obviate the threatened imbalance between the supply and demand for cloth towards the end of 1956. The enhanced excise duty, brought into effect from 1st September of that year, marked the beginning of the travails of the mill sector.

"Per Capita" Availability

It is, therefore, imperative that such miscalculations which have brought ruin to a number of marginal units, should not be allowed to recur when formulating the production programme for textiles under the third Plan. According to the Planning Commission, the per capita income at the end of the second and third Plans will be Rs. 331 and Rs. 396, respectively, while the consumption expenditure per head will be Rs. 295 and Rs. 343 respectively. The per capita availability of cloth over a period of years has been as indicated below:

1952, 14.4 yards; 1953, 15.2 yards; 1954, 15.2 yards; 1955, 16.1 yards; 1956, 16.6 yards; 1957, 16.5 yards and 1958 16.7 yards.

The Government of India's consumption target of 18.5 yards, to be realised at the end of the second Plan, was revised by the Textile Enquiry Committee (July 1958), which put the figure at 17.5 yards. Since the increase involved on the basis of present consumption is only 0.8 yards per capita, it may be confidently hoped that the modified target will be reached.

Cloth Requirements

Similarly, it is within the bounds of reason to anticipate that the cloth requirements of the country will be 20.3 yards per capita or 8,810 million yards per annum for a population of 434 million at the end of the third Plan. These calculations are based on the assumption that the demand for cloth will increase in proportion to the rise in the per capita consumption, namely, 16 per cent. Assuming that India's annual export commitments will be 800 million yards, the three sectors of textile industry will be called upon to produce 9,600 million yards per annum. On the basis of an estimated production of 7,900 million yards to 8,000 million yards in 1961, the industry will have to achieve an annual output of 1,600 to 1,700 million yards of additional cloth, in order to meet both the country's domestic needs and the export target.

The point for consideration is how best the task of producing the extra volume of cloth should be assigned to the different sectors of the industry. The following table shows their annual output during the years 1952 to 1958:

	(In million yards)	Handlooms	Powerlooms
1952	4,598	1,109	204
1953	4,878	1,200	221
1954	4,998	1,318	243
1955	5,094	1,480	273
1956	5,306	1,509	278
1957	5,317	1,643	303
1958	4,927	1,798	331

Before we proceed to consider what can appropriately be regarded as an equitable target for the mills, it would be pertinent to assess the capacity of each of the non-mill sectors to meet the clothing requirements of the community by fulfilling the twofold criteria of quality and cheapness.

A Warning

Perhaps, the greatest claim of the handlooms for their continued existence consists in the fact of their antiquity and their ability to offer employment to a large section of the population, especially in the rural areas. In a country like India, where the incidence of unemployment is heavy, the policy of granting preferential treatment to labour-intensive enterprises is unexceptionable, but recognition of this fact does not, *ipso facto*, lead to the conclusion that the inefficient instruments of production should be fostered till the end of time. It would be reasonable to suggest that they should be given sufficient time and opportunities to adapt themselves to modern conditions. The *Framework of the second Five-year Plan*, published in July 1955, while recognising the importance of cottage and small-scale industries, urges that they "must not be thought of in terms merely of traditional techniques and traditional types of products." The document warns that, if these industries are not rehabilitated betimes, "the emphasis on capital-saving methods may well land us between two stools—the large-scale capital-using methods may get discouraged without other methods filling in the gap." In view of the adverse developments in the cotton mill industry during the last few years, no doubts can be cast on the essential soundness of this observation.

One year before the Planning Commission made these weighty remarks, the Kanungo Committee had arrived at a similar conclusion concerning the handlooms. In its Report dated September 1954, the Committee recommended that this sector should be rendered "technically more efficient by converting the handloom either into a semi-automatic loom and/or into a powerloom." It suggested that the reform should be properly phased, in order to avoid unemployment, and felt that the retention of a small proportion of traditional handlooms for purposes of turning out specialised types of cloth would fully meet the requirements of the situation. The scheme was evidently acceptable to the Government of India, which, in its announcement of June 1956, envisaged the installation of 35,000 powerlooms in the handloom sector, with a view to producing 200 million yards of cloth on them under the textile programme for the second Plan period. The decision was a bold and statesmanlike one, but it has so far yielded no results.

Large-scale Spoon-feeding

Whatever may be the reason for the tardiness on the part of the Government in enforcing an essential reform, it should at least ensure that the already numerous handlooms do not proliferate and thus aggravate the problem of their modernisation. Even as it is, a heavy price has to be paid, in order to keep this sector from disintegration and eventual dissolution under the pressure of modern conditions. Annually, a sum of about Rs. 7 crores is being collected from the mills for financing the handlooms. Apart from the various concessions granted to the latter, the rebate on the sale of their products alone amounts to a big sum of money, as the following figures given in Parliament in September 1959 bear out:

	Amount sanctioned	Expenditure reported by States
	Rs.	Rs.
1953-54	84,71,950	3,48,164
1954-55	4,18,490	54,61,192
1955-56	92,98,128	1,69,08,063
1956-57	2,30,25,243	2,23,23,991
1957-58	2,13,18,879	2,59,35,499
1958-59	1,72,69,000	3,20,68,382

Such large-scale spoon-feeding of this sector has become necessary, because the labour of the persons engaged in it can only yield a minimum level of subsistence income, thus making it incumbent upon the Government to subsidise it heavily. Discussing the implications of rendering financial assistance to labour-intensive

small-scale industries, the Karve Committee, which reported in October 1955, says that such help would, in effect, "involve relief of the unemployed through public funds." Obviously, it is not in the best interests of the country to perpetuate such patently uneconomic enterprises.

The Indian Cotton Mills' Federation, which has given a good deal of thought to the question of the role that should be assigned to the different sectors of the cotton industry in the third Plan, has arrived at the conclusion that the allocation of 2,500 million yards per annum as the target for the handlooms would be the most equitable arrangement. No injustice is involved in this recommendation, because the handlooms will be called upon to raise their output from an estimated total of 2,100 million yards in 1961 to 2,500 million yards at the end of the third Plan. If further expansion is desired and if such a project is feasible, it should be sought more in terms of increased exports than in those of making a larger volume of handloom fabrics available for domestic consumption. There is a large and lucrative foreign market, especially in America, for such cloth.

The cottage powerlooms, whose growth has been alarmingly rapid, present an entirely different set of problems. Enjoying immunity from the various statutory and financial obligations which weigh upon the mill sector so heavily, and being burdened with none of the infirmities that afflict the handlooms, the powerlooms have, as the Federation so aptly observes, the best of both worlds. Such a happy position has led to a large increase in the number of unauthorised powerlooms, whose unreckoned output, besides vitiating the accuracy of the statistics relating to textile production and consumption, poses a menace to the other two sectors. Firm action on the part of the Government in bringing all the powerlooms within the co-operative fold alone will eliminate this danger. Meanwhile, the Federation considers that the sector should be given a production target of 500 million yards under the third Plan.

The Ambar Charkha is a newcomer and the high hopes built upon it as a big source of employment and income have not yet come true. The announcement of June 1956 prescribed for it an annual production of yarn equivalent to 300 million yards of cloth—to be attained by the end of the current Plan. The wide disparity between expectation and realisation is borne out by the following figures given by the Government from time to time in Parliament. The Union Minister for Commerce and Industry stated in the Lok Sabha on 29th November 1958 that 4.67 million pounds of Ambar yarn and 20.96 million square yards of Ambar cloth were produced from 1956-57 to 1958-59 (upto 30th September 1958). The same authority declared later that the output of Ambar yarn and Ambar cloth in 1958-59 was 2.93 million pounds and 19.80 million yards respectively.

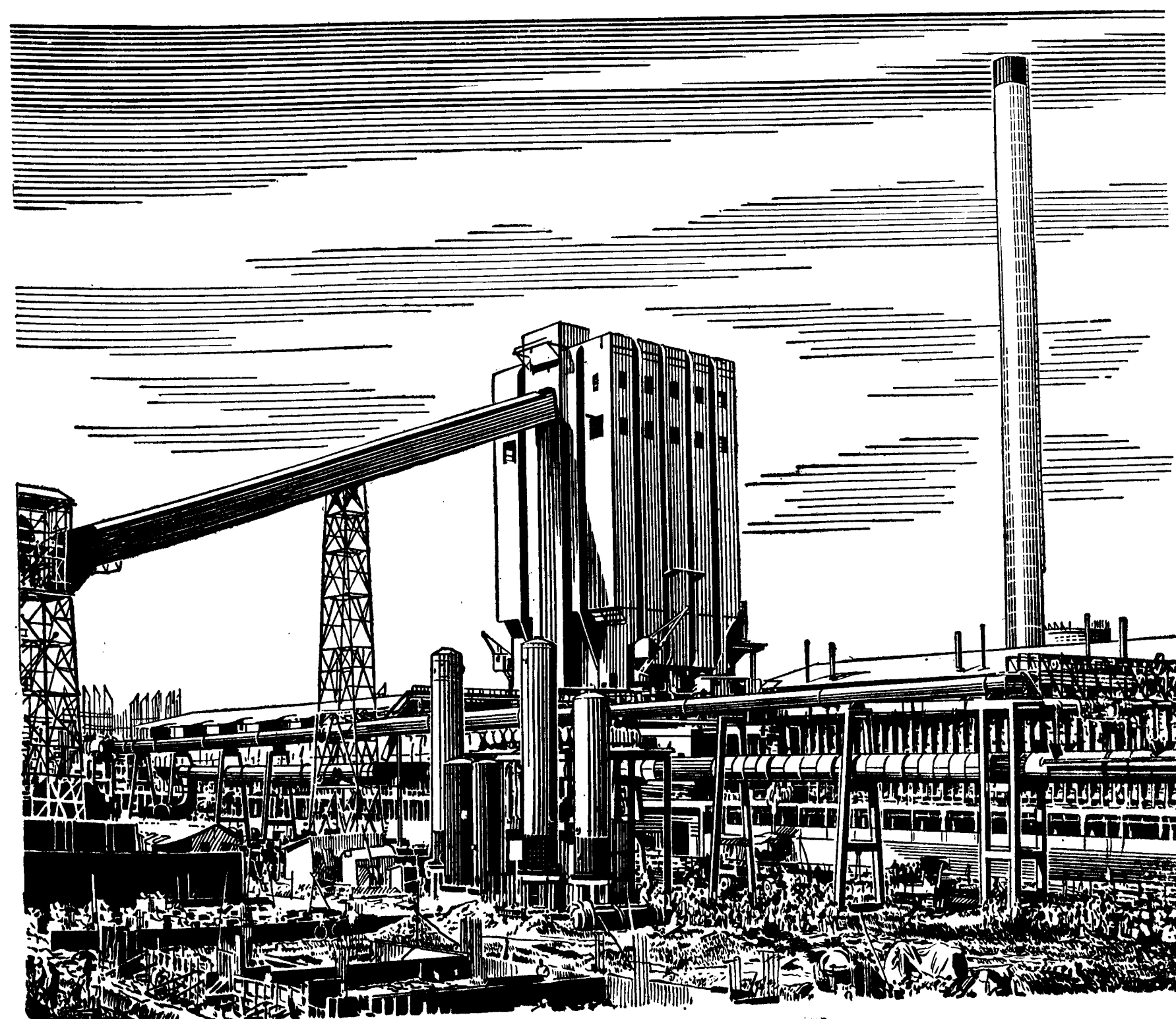
The total amount spent by the Khadi and Village Industries Commission on the Ambar Charkha programme during that year was Rs. 177.75 lakhs as grants and Rs. 680.23 lakhs as loans. This help excluded payment on account of the rebate of 19 nP per rupee on retail sales of Ambar cloth. The amounts sanctioned by the Government for the Khadi and the Ambar Charkha programmes in the earlier years are shown below:

	Rs.
1956-57	11.59 crores
1957-58	10.92 "

On one occasion the Minister disclosed that the average monthly income of a wholetime Ambar Charkha spinner was Rs. 19, that is, if he worked eight hours a day and 25 days in a month. In a subsequent statement, he disclosed that these earnings varied from Rs. 9 to Rs. 15 per month. In spite of the manifest limitations of the Ambar Charkha programme, the organised sector has urged that the production of cloth with Ambar yarn during the third Plan should be fixed at 300 million yards.

The apportionment among the non-mill sectors of the task of meeting the additional demand for cloth that is likely to be generated during the third Plan period is thus not only equitable but generous. There should, therefore, be no hesitation in allowing the mills to undertake the responsibility for increasing their output from an estimated Rs. 5,200 million yards in 1961 to 6,300 million yards per annum by the end of the next Plan. To enable them to attain this target, they should be given every opportunity both to expand their equipment and to replace the present outmoded and wornout machinery by modern ones.

(Continued on page 573)



The lighting-up of the Coke Oven battery No.1 marks a new stage in the progress of the Durgapur steelworks

With the lighting-up of the Coke Oven battery No. 1 on 24th August, the Durgapur steelworks of Hindustan Steel Limited enters a new stage. ISCON is proud

to announce that work on this battery has been completed nearly ten weeks ahead of schedule.

When the process of gradually heating up the battery to operating temperature is completed, the Coke Ovens will be ready to supply coke for the first blast furnace to produce Durgapur's first pig iron.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Simon-Carves Ltd. Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. The Wellman Smith Owen Eng. Corp. Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. The Cementation Company Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

THIRD PLAN TARGET FOR COTTON

COTTON COMMITTEE SUGGESTS 7.2 MILLION BALES

THE eightieth meeting of the Indian Central Cotton Committee was held in Bombay on the 26th September at a time when heavy damage was feared to have been done to the cotton crop by excessive rains and floods in many parts of the country. The flooded Tapi and Godavari washed away the crop in extensive areas in Surat and Andhra Pradesh. The crop prospects for this season are none too bright and much will depend upon the course of weather hereafter.

The experience of the past season, that is 1958-59, once again demonstrated that weather continued to be the determining factor in cotton production. It was perhaps the full recognition of this pathetic dependence of cotton production on the fickle weather that has prompted the Committee to recommend a lower production target for cotton under the third Plan than that suggested by the National Development Council. The Council had earlier proposed 8 million bales as the target which was revised, at the recent meeting of the State Ministers, to 7.8 million bales. The Committee has suggested a target of only 7.2 million bales which itself is considered to be on the high side.

Targets and Performance

Reviewing the main developments during the 1958-59 season, Dr. M. S. Randhawa, President of the Committee, observed, in the course of his address to the meeting, that production during the season fell short of the target by 600,000 bales to 5.1 million bales. It may be mentioned here that the trade estimate places the crop at only 4.85 million bales. The Committee, according to him, had been relying on three factors to increase cotton production, namely, improved seed, fertilisers and provision of irrigation. While the distribution of seed and fertilisers fell short of targets during 1958-59, in respect of provision of irrigation, the target figures were exceeded. Thus, out of a target of 1,494,950 maunds, 773,211 maunds of seeds were distributed. So also, out of a target of 44,650 tons fixed for fertilisers, only 15,708 tons were actually distributed, thanks to the shortage of fertiliser supplies. In respect of irrigation, on the other hand, 334,178 acres were brought under irrigation, as against the target of only 291,811 acres. Total area under irrigated cotton in India in the 1958-59 season was 2.4 million acres, representing 12 per cent. of the total sown area. In the Punjab, over 93 per cent. of total area was irrigated, in U.P. 83 per cent. and in Madras 28 per cent.

Dr. Randhawa suggested that, in view of the untimely rains generally experienced in September-October, farmers should be encouraged to grow cotton and groundnut together in alternate rows. While cotton gets damaged, rain during this period was very beneficial to groundnut which was as much a valuable crop as cotton. This, according to him, would be a good crop insurance and deserved to be adopted in the States of Punjab and Rajasthan, in particular.

Improving Punjab Cotton

Proceeding, Dr. Randhawa referred to the fall in output and the deterioration in quality of cotton in recent seasons in the Punjab, one of the country's leading cotton-growing regions. The President said that an expert sub-committee appointed by the Central Committee came to the conclusion that this was due to two factors. First, the increased rainfall received for a longer period of four to five months from June to October in practically all the districts, and second, the heavy incidence of jassid attack to which even the improved strains succumbed under adverse environmental conditions.

The Sub-committee also found that the cultivation of American cotton was originally confined to areas with assured drainage. Owing to the high prices the extension of cultivation of American cotton had gone on without proper consideration of the suitability of the land, with the result that the farmers grew it on lands where the water-table was initially high and became higher as a result of floods and heavy rainfall in recent years. The committee had, therefore, recommended that the cultivation of cotton on lands where water level was within the range of 0' to 5' should be generally discouraged and that the Department of Agriculture should demarcate such areas with higher water-table and conduct a campaign against the cultivation of cotton in such areas.

that research should be initiated at the Agricultural Research Station, Jullundur, for evolving new strains tolerant to September-October rains, and that arrangements for undertaking plant protection measures should be strengthened by supply of insecticides and sprayers to cotton growers at subsidised rates. Another recommendation was that some of the re-selections and new strains already available, which were found to resist jassid attack to a high degree, should be tested for their fibre properties and, subject to their being found suitable, might be multiplied and distributed. Dr. Randhawa pointed out, in this connection, that, since Punjab cotton production would greatly affect the achievement of the targets, it was necessary that the State Department of Agriculture should implement the above recommendations in the current season itself.

Self-sufficiency

Dealing with the question of attainment of self-sufficiency in respect of cotton currently imported, Dr. Randhawa observed that the evolution of Indo-American 170-Co.2 and 134-Co.2-M, MCU-1 and 2, LL-54 and M.A.5, as also the development of Sea-Island 'Andrews' and hybrid cottons, which could be utilised by the textile industry in partial replacement of some of the styles imported from Egypt, Sudan, U.S.A. and East Africa, constituted important landmarks in the progress of cotton research in this country. Further work for isolating still better and finer types were going apace under the three schemes in operation in the Punjab, Bombay and Madras. The Working Group constituted by the Ministry of Commerce and Industry to examine the question of the development of extra long-staple cottons had recommended certain incentives for the speedy development of these cottons. The floors and ceilings for these cottons had now been fixed in accordance with the recommendations of the Committee. The Sea-Island and hybrid cottons having superior staple than these have been kept outside the price control. Dr. Randhawa felt that the production of cotton of 1" to 1½" staple might even exceed the target of 840,000 bales fixed by the working group since they would be replacing those already grown in the areas concerned.

The Sea-Island cotton, Dr. Randhawa pointed out, was gradually attaining commercial status as a result of the efforts made under the Committee's scheme which had been reorganised on a State-wise basis. The total quantity of lint of this cotton produced during the 1958-59 season amounted to 208 bales which fetched high prices at the various auctions. Despite this, the expansion during the third year for which a target of 20,000 acres had been fixed, could not be achieved owing to delay in onset of monsoon and heavy rain in June-July which completely upset the programme. Another reason was delay in the appointment of survey and extension staff in the States of Kerala and Mysore. However, the total area covered during the year was 3,955 acres, as against 1,049 acres harvested in the previous season.

Sea-Island Cotton

This cotton was grown on marginal lands in the States of Mysore and Kerala and the impression spread that it was largely a waste land crop. This impression, Dr. Randhawa said, must be corrected and farmers should be impressed that this cotton required the best land and careful manurial treatment. Hence the decision taken that it should be cultivated on irrigated land in Mysore was welcome. This would enable early sowing and would thus ensure the success of the crop. It was also desirable, according to him, that the crop should be cultivated on compact blocks and not spread out too much on small holdings over a large area. It was further decided that, for the present, Sea-Island cotton may not be extended to Assam, where the emphasis should be on improvement of harsh staple Comilla cotton.

While the extension of Sea-Island cotton and hybrid cotton may contribute, to some extent, in attaining self-sufficiency in extra-long staple cottons, it was cottons possessing 1" to 1½" staple, capable of spinning 40 counts and over, that would largely contribute to the attainment of self-sufficiency in regard to imported varieties. Dr. Randhawa suggested that, in view of this, the cultivation of acclimatised Egyptian varieties being grown in Mysore, namely, Giza 7 and Giza 12, should be raised to remunerative

levels, especially as a summer crop in Babbur areas in Mysore. He hoped that the Mysore Government would take a greater interest in the matter.

Research

The organisation of agricultural research Dr. Randhawa observed, was taking a concrete shape. The co-ordinated research stations at Coimbatore, Sirsa and New Delhi had already started functioning where others were expected to be commissioned very soon. The question of establishing a centre for the foreign region was under consideration.

Dr. Randhawa referred to the problem of mixing of cotton in ginneries. All the care taken in raising the crop, manuring, irrigating, weed ing, picking, etc., would be largely wasted if ginning was not done properly. The Bombay Millowners' Association had brought to the notice of the Committee serious lapses in the process of ginning and the admixture of foreign matter. Since this, in addition to giving a lot of trouble to spinners, also brought into disrepute Indian cotton in foreign markets, the State Governments should enforce the legislation in this respect strictly.

U.S. TEXTILE MILL PRODUCTION AND PROFITS

Textile mill production and profits this year may reach their highest points since the Korean War, reports *Textile World*, a McGraw-Hill publication. Mill production hit 119 (1954 equals 100) on the magazine's index in August, two points below the May, 1953 high of 121, and two points above the 1955 high of 117. Present mill commitments were almost certain to carry production well above the 1953 high this fall, the magazine said. The index point reached 129 at the height of mill activity during the Korean War.

In the first half of this year, profits rolled in at a more satisfactory rate than in any other year since the Korean War, and total 1959 profits may double 1958 profits, the publication predicted. Seven companies, accounting for about 12 per cent. of the total industry sales, showed net profits of 28,676,268 dollars in the first half of this year (one three months), as compared with 14,584,403 dollars in the same period last year.

With total industry sales running about 15,000 million dollars this year, industry profits should run between 450 million dollars and 500 million dollars for the year, a level that has not been reached since 1957, the magazine estimated. Last year, industry profits were 212 million dollars.

LONG-STAPLE COTTON

A considerable excess of supply over demand for long-staple cotton during the current season is forecast by a special Sub-Committee of the International Cotton Advisory Committee, Washington, in a report published a week ago.

This report was issued after a five-day meeting recently held in Alexandria which was attended by representatives from the United States, the United Arab Republic and Sudan, and observers from Peru, Brazil, the United Nations Food and Agricultural Organisation and the World Bank.

The report observed the fall in prices for long-staple cotton since 1957 had reduced the living standards of the producing countries and retarded their economic development. To meet the situation, the Sub-Committee recommended that cotton prices should be made as stable as possible at competitive levels so that spinners' risks in using long staple would be reduced.

This would involve return to free market practices, as soon as possible, greater effort by the main producers both to match production to demand and diversify agricultural production and reducing dependence on cotton as the main cash crop.

U.S. IMPORTS OF WOOL TEXTILES

The Chairman of the U.S. Wool Manufacturers' Council, Mr. Roger Rimwade, has described the State Department decision to re-negotiate American wool fabric tariffs, at Britain's request, as "the opening gun of another war on the textile industry." He told the Northern Textile Association annual meeting that the State Department had acceded to the British request, despite a recent Senate report of a decline in the domestic wool textile industry in the face of rising imports. He went on: "If the State Department succeeds in present quota, then all of us have been defeated, and hopes for cotton and man-made fibre textiles have been snuffed out. We have no choice but to fight," Mr. Grimwade declared.

FOREIGN EXPERT TO ADVISE ON COTTON YIELD

The Indian Central Cotton Committee has decided to invite a French expert from West Africa under the technical assistance programme for advising on the ways and means of improving cotton yields in India. The low yields of cotton in West Africa are said to have been stepped up considerably by the adoption of the methods suggested by the expert.

It was also decided that a delegation consisting of two experienced scientists should be sent to the Tashkent, U.S.S.R. to study the agronomic technique employed in that country to enhance cotton yield and that students of Agricultural College should also be sent to Tashkent for studying the different techniques employed in boosting yields with a view to adapting them to Indian conditions.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND SUBSCRIBED: Rs. 5,50,00,000
CAPITAL PAID-UP: Rs. 3,00,00,000
RESERVE FUND: Rs. 3,10,00,000

Head Office:

MAHATMA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA:
AHMEDABAD, Bhopal, JUNAGADH
Bhadrachalam, BHUJ (Kutch), KANPUR
(Main Office), CALCUTTA, MADRAS
Ellis Bridge, 23-B, Netaji Subhas Road, Armenian Street
Manek Chowk, Subhas Road, Sowcarpet
Navrangpura, (Main Office), NAGPUR
Station Branch, Bara Bazar, Kingsway
AMRITSAR, Chowringhee, Itwari Bazar
BANGALORE, Square, NEW DELHI
BARODA, CALICUT, PALANPUR
BOMBAY, COCHIN, POONA
Andheri, COIMBATORE, POONA CITY
Bullion, DELHI, RAJKOT
Exchange, GANDHIDHAM, SURAT
Colaba, (Kutch), SHOLAPUR
Churchgate, HYDRABAD, VERVALA
Fort, Kalbadvi, (Deccan)
Malabar Hill, JAMSHEDPUR, VISAKHAPATNAM
Santa Cruz, BRANCHES OUTSIDE INDIA:

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

DIRECTORS:

SIR COWASJEE JEHLANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHA
Mr. RAMNIVAS RAMNARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJU M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA
Mr. JAISINH VITHALDAS
Mr. GIRDHARILAL MEHTA

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 3 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.

Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.

The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally. Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.

GUARDIAN ASSURANCE COMPANY LIMITED

(Incorporated in England)

(The Liability of the members of the Company is Limited)

ALL CLASSES OF GENERAL INSURANCE BUSINESS TRANSACTED

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

THE BANK OF BEHAR LTD.

Head Office: PATNA

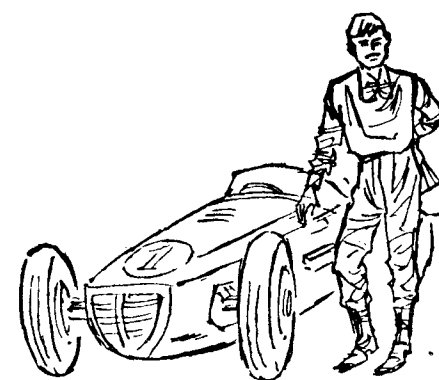
ESTD. 1911

BRANCHES AT:

Arrah, Beharsharif, Buxar, Chapra, Calcutta, Daltonganj, Gaya, Jaunpur, Jharia, Kanpur, Katrasgarh, Laheriasarai, Motihari, Muzaffarpur, Monghyr, Patna, Patna City, Ranchi, Siwan and Varanasi.

A. C. BHAT,
General Manager.

Hastings Belting

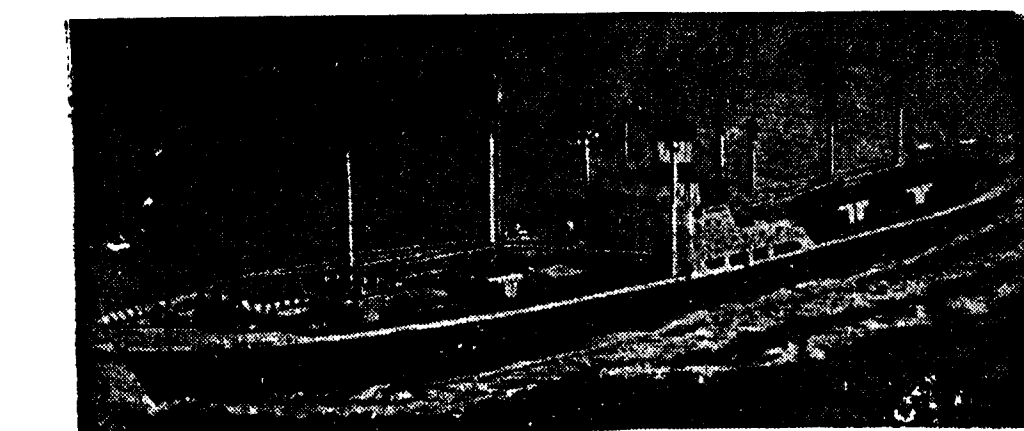
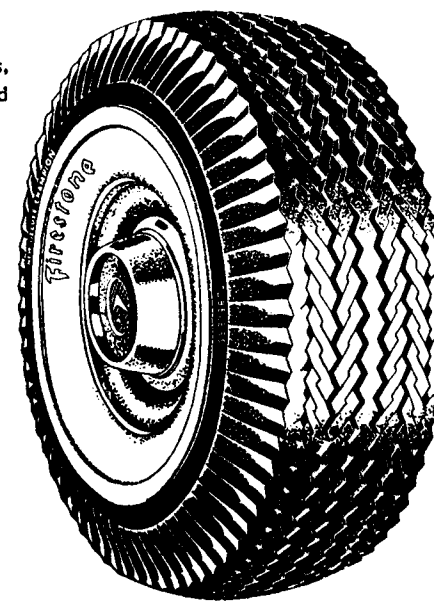


WORLD CHAMPIONS CHOOSE Firestone
..SO SHOULD YOU

because — In the world's foremost racing events, Firestone tyres prove their safety year after year in standing up to the tortuous twisting, pounding and heat without a single tyre failure. You, too, can have this same safety and dependability because the Firestone tyres for your car are built with the same safety construction features as racing tyres. Firestone tyres are Safety-Proved by performance.

To the ever growing list of Firestone racing champions, comes Mickey Thompson who recorded an average speed of over 266 miles an hour at Bonneville Salt Flats in Utah.

Firestone
New DeLuxe Champion
TUBELESS OR WITH TUBE



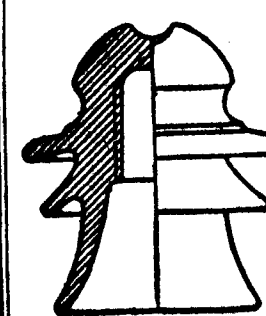
Our fleet of sixteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1

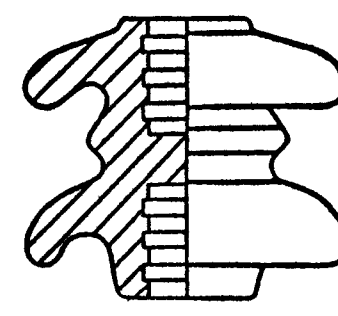
Managing Agents: — LIONEL EDWARDS (PRIVATE) LTD.



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



WHAT IS DIFFICULT SUGAR SUPPLY SITUATION DUE TO?

MR. A. M. THOMAS'S EXPLANATION NOT CONVINCING

THE Union Deputy Minister for Food, Mr. A. M. Thomas, has very conveniently explained away the present difficult sugar supply situation as a case in which man has no control. Inaugurating the joint convention of the Sugar Technologists Association of India and the Deccan Sugar Technologists Association held at Poona on Friday last week, Mr. Thomas is reported to have declared: "The difficult sugar supply situation has not been due to any incorrect assessment of future consumption trends or defective planning. I would rather describe it as a case in which man has no control. Sometimes, certain circumstances jeopardise the Government's well meant efforts which it cannot help. Considerable fall in the area under sugarcane in Uttar Pradesh and the diversion of cane from white sugar to gur and khandsari accounted for the shortfall in the targeted production. Besides, foreign exchange difficulties delayed completion of some licensed schemes."

The explanation of Mr. Thomas is not at all convincing. The area sown to sugarcane in Uttar Pradesh during the 1958-59 season was no doubt smaller as compared with the previous season, but the actual extent of the decline was not "considerable" as Mr. Thomas described. The official second estimate of the cane crop in this State places the total area at 2,943,000 acres, as against 2,962,000 acres, a fall of just 19,000 acres. Taking the average per-acre yield of cane as 11 tons, the decline in the production of cane comes to no more than 210,000 tons. In terms of sugar, this means a shortfall of about 20,000 tons, which is equal to about one per cent. of the output in the preceding season. Further, the fact that there had been a reduction in the acreage under cane in Uttar Pradesh was known many months prior to the commencement of crushing operations in mills. What is more, continued fears of diversion of cane supplies from mills to gur and khandsari manufacture had been expressed by millowners ever since the crushing operations began in the 1957-58 (that is, in November 1957) season.

Government's Mistake

Although the State Government's attention was repeatedly drawn to this aspect, the Government failed to take effective steps to check such diversion by controlling the manufacture of gur and khandsari, in general, and in the factory areas, in particular. The Central Government also paid no heed to the warning until as late as in March 1959—that is, nearly one and a half seasons after the warning had been given and production of white sugar had been drastically affected. It was only after much damage had been done that the Union Finance Minister came out with his proposal to levy an excise duty on khandsari. Even this levy gave, and continues to give, a sizable tax advantage to the khandsari producers vis-a-vis white sugar manufacturers; the difference between the incidence of taxation on white sugar (Rs. 13.16 per maund) and that on khandsari (Rs. 4.64 per maund) is as much as Rs. 8.52.

It is thus clear that, if the State Government had adopted effective measures to regulate khandsari manufacture and if the Centre had subjected this commodity to a heavier load of taxation, the production of white sugar would have been more—to the tune of about 100,000-150,000 tons in 1957-58 and 200,000-250,000 tons in 1958-59, or a total of 300,000-400,000 tons. This quantity, it must be emphasised again, represents the loss of sugar suffered in extraction and is, therefore, not made good by a corresponding rise in the supply of khandsari and gur. It is a total loss to the country. As readers are aware, sugar recovered from cane in the form of brown sugar is nearly a third less than the sugar obtained when the same cane is used for making white sugar. How, then, can Mr. Thomas say now that the difficult sugar supply situation is a case in which man could have no control over the circumstances?

Mr. Thomas, however, talked some sense when he referred to the subject of expanding the capacity of sugar industry to take care of the country's growing needs. He was quite right when he said that the additional capacity in sugar industry should necessarily be set up in areas where adequate supplies of good

quality cane are available. He had naturally in mind the States of Bombay, Andhra Pradesh, Mysore and Madras. Since these States have tropical climate, they are much more suitable for cane development than Uttar Pradesh and Bihar which have sub-tropical climate. It is not surprising that both the yield per acre and the recovery per cent. in the cane grown in these States are higher than those in Uttar Pradesh and Bihar, as the following figures relating to the 1957-58 season show:

	Average yield per acre (Tons)	Average recovery (Per cent)	Output of sugar per acre (Tons)
Bombay ...	27.10	11.15	3.02
Andhra Pradesh ...	27.30	9.70	2.65
Mysore ...	24.10	10.28	2.48
Madras ...	25.70	8.69	2.23
Uttar Pradesh ...	10.10	9.93	1.00
Bihar ...	8.04	9.91	0.83

While nature is doubtless favourable for growing sugarcane in the Bombay Deccan and South India, this advantage can be exploited for increasing sugar production only if more irrigation facilities are made available and land laws are framed in such a way as to permit

Pretty as a Picture

because she wears Rayon saree
made of **TRAYONS** yarn



Yes, TRAYONS yarn makes even low priced dresses look gorgeous and because it is cool and moisture-absorbent, it is comfortable for our tropical climate.

TRAYONS yarn has other special properties too. It's extremely strong and easy to dye, blends and processes well with other fibres.

Travancore Rayons, the pioneers of rayon manufacture in India, produce yarn in bleached and unbleached varieties in 100, 120, 150 and 300 deniers. They also make coloured yarn, being the first to introduce it in India.



THE TRAVANCORE RAYONS LIMITED
India's pioneer manufacturers of Rayon Yarn
Sales Office: 2/6, Second Line Beach, Madras-1
Factory: Rayonpuram, Kerala State.

Distributor:

R. Sutramdas (India) Private Limited
United India Building, 5th Floor, Sir Pheroze Shah Mehta Road, Bombay 1

sugarcane-growing on a commercial-plantation scale. Mr. A. M. Thomas and our planners should pay attention to these questions, if their scheme for raising sugar production is to succeed.

Although the level of sugar production is always influenced greatly by the actual availability of cane and its quality, much also depends on the efficiency of the cane crushing machines. Mr. Thomas did well to urge the sugar technologists to help in the production of more sugar by reducing losses and extracting the maximum sugar out of the available supply of cane. "There is," to quote him, "considerable room for improvement in the milling of cane." It may be mentioned here that most of the sugar plants in Uttar Pradesh and Bihar were installed twenty-five years ago and several plants were second-hand ones. What is immediately needed is renovation and modernisation of machinery, as well as standardisation of the crushing capacity of mills at economic levels. This would be possible only if the authorities were to give due encouragement to the mills through adequate relief in taxation and sufficient financial assistance.

Expansion of Sugar Industry

A brief review of the position in regard to expansion of sugar industry was made by Mr. Thomas. His review reveals that out of the 54 new mills so far licensed, 27 have already gone into production. In the case of licences for expansion granted to 69 existing units, 28 factories have completed their programme and six more units are expected to do so during the ensuing season (commencing on 1st November next).

In his speech, Mr. Desh Raj Narang, President of the joint convention, stressed that India should plan for substantially increased production of sugar in the third Five-year Plan. He described the record of sugar industry in the first Plan as "quite commendable," the actual sugar output of 1,861,837 tons in 1955-56 exceeding the targeted figure of 1,500,000 tons. He also expressed his confidence that the production target of 2.25 million tons fixed in the second Plan would be reached by next year. Mr. Narang made two notable points. First, the Indian sugar mills should advance on Hawaiian lines by increasing their capacity through installation of automatic devices. Secondly, sugar controls do not suit India.

Speaking on the occasion, Mr. V. S. Shirgaokar, President of the Deccan Sugar Technologists Association, called upon the State Governments to spend a portion of the large amounts of cane cess collected by them on starting cane breeding stations. This is certainly a valuable suggestion. If more sugar is to be produced from a given area of cane, it is imperative that adequate attention must be paid to the proper breeding of cane on which depends so largely that actual quality of the cane harvested. It must be remembered that sugar is made more in the ground than in the factories.

A NEW SUGARCANE PLANTER

The Indian Institute of Sugarcane Research, Lucknow, has developed a bullock-drawn cane planter which, it is claimed, will reduce plantation costs to a minimum. The implement, worked by a pair of bullocks and three men, can plant two acres in eight hours, whereas, under the present practice, two pairs of bullocks and 24 men are required to plant 2½ acres in eight hours. What is more, the new implement is said to be capable of performing in one run all the three operations involved in planting.

Planting is perhaps the most expensive operation in the cultivation of cane. In most cane-growing countries, planting is done by machines. In India, however, the land holdings being generally small, plantation of cane is done mostly by manual labour. The usual practice for planting involves opening out furrows about 4 inches deep, with a bullock-drawn ridge plough. After applying the fertiliser in these furrows by hand, the cane sets are placed horizontally at the bottom of the furrows, the set's being covered up by the field is finally levelled. This practice involves considerable expenditure.

The new implement consists of two units, a fore-carriage and a trailed ridger hinged to the fore-carriage. The fore-carriage carries a seat for one operator and two seed boxes, one on either side. The trailed ridger which makes furrows has a chute for dropping cane sets into the furrows and a fertiliser distributor. A prototype of the implement has been tested extensively and has given satisfactory results. Fabrication of the implement can be taken up at places where ordinary workshop facilities are available.

The parties desirous of undertaking the commercial development of the implement are invited to correspond with the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1.

Make your
SAVINGS
grow through our
**RECURRING
DEPOSIT SCHEME**

THE
**UNITED COMMERCIAL
BANK LTD.**

Head Office: CALCUTTA

SUBSCRIBED CAPITAL Rs. 4,00,00,000
PAID-UP CAPITAL ... Rs. 2,00,00,000
RESERVE FUND ... Rs. 1,46,00,000

G. D. BIRLA
Chairman

S. T. SADASIVAN
General Manager

ESTD: 1906 HEAD OFFICE: UDIPI, S. I.

**THE CANARA BANKING
CORPORATION LIMITED**

54 years strong, the Bank is transacting business of every description with a fine network of 53 branches spread over the States of Madras, Andhra Pradesh, Kerala, Bombay, West Bengal and Mysore and agency arrangements throughout the Indian Republic.

It's the oldest of all the Scheduled Banks
founded in the State of Mysore!

Branches in Bombay City:

FORT OFFICE:

"Lentin Chambers," Ground Floor, Dalal Street,
(Phone No. 252977)

MANDVI OFFICE:

First Floor, 209/211, Naraina Street, Mandvi
(Phone No. 73342)



HINDUSTAN ELECTRIC

MOTORS

TRANSFORMERS

L. T. & H. T. SWITCH GEARS

ACSR & ALL ALUMINIUM

CONDUCTORS &

ACCESSORIES

MACHINE TOOLS

Manufactured by

THE HINDUSTAN

ELECTRIC CO. LTD.

POST BOX NO. 67 BOMBAY 1

BRANCHES: CALCUTTA, MADRAS

DELHI, FARIDABAD.



for the
future

Under the furrowed brow, his aging eyes see
his child grow to manhood. He gives his all: care
and protection, knowledge culled from experience.
And prepares him to meet the future.

Soon the youth will learn from life.
Soon will come the struggle to achieve.
Soon he will be part of the striving...

The striving and effort for a better world.
A world that offers a little more—
a little less of the care, a little more of the joy.

Today, as in the past, our products help to make homes
cleaner, healthier, happier. But today we are also working for
Tomorrow, when the evergrowing urge for better living
will demand still greater efforts. And we shall be
ready with wider service, new ideas, new products...

Today and Tomorrow... Hindustan Lever serves the home.

PR. 4-X52

Trade with Canada

If you are interested in Canada as a field for trade or business expansion, you will find The Royal Bank of Canada a useful ally. Branches from coast to coast. Specialized services for foreign traders available. Ask your banker. Enquiries invited. Correspondents the world over.

London Offices—6 Lothbury, E.C.2. B. Strath, Manager.
2-4 Cockspur Street, S.W.1. R. B. Murray, Manager.

THE ROYAL BANK OF CANADA

Incorporated in Canada in 1869 with limited liability.
Over 900 branches in Canada, the Caribbean area and South America.
HEAD OFFICE, MONTREAL. OFFICES IN NEW YORK AND PARIS.

Assets exceed \$4,000,000,000

**THE BRITISH INDIA GENERAL INSURANCE
COMPANY, LIMITED**

(INCORPORATED IN INDIA)

TRANSACTS

FIRE - MARINE - MOTOR

HEAD OFFICE

MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairman: JAL H. MEHTA

General Manager: M. S. DASTUR

DEVELOPMENTS IN NATIONAL TAX LAWS

BUREAU OF FISCAL DOCUMENTATION ON NEED FOR PROPER PSYCHOLOGICAL CLIMATE

THE growth in world trade and the increase in the flow of private capital from the highly industrialised countries to the underdeveloped regions have together served to emphasise the need for a study of international tax problems. A foremost institution engaged in such a study is the International Bureau of Fiscal Documentation. Established in 1938, the Bureau commenced its function on a very modest scale. Since then, and more especially in the post-war years, the Bureau has become an important clearing house of international fiscal information. From its many member-countries have come questions on various aspects of national tax laws and their relevance to other countries. The Bureau has rendered great service not only in answering those questions but also by publishing from time to time its own reviews of fiscal developments in different parts of the world.

During the first ten years of its life, the Bureau functioned as a 'daughter' of the International Fiscal Association. In 1948, the Bureau became an independent organisation, so that the relationship between the two bodies is now as between two 'sisters'. The Bureau, in its annual report for 1958, recalls how at the time it was founded, international fiscal law had already become a subject of study. However, it was some years later that the League of Nations undertook its pioneering work by setting up a number of committees to deal with the problems. Linked with the League of Nations' work in this sphere are such names as G. W. J. Bruins, Luigi Einaudi, R. A. Seligman and Lord Josiah Stamp. Other names are: Enno Becker, Ottmar Buhler, Benvenuto Grizotti, Ernst Elumenstein and P. J. A. Adriani. The League, on its part, adopted two model conventions on double taxation, those of Mexico and London, in 1943 and 1946, respectively.

Double Taxation

Although the consideration of double taxation and property taxes continues to form an important part of international tax law, the latter now devotes more and more attention to other taxes, such as sales taxes and excise duties. Double taxation conventions did not exist in great numbers before the Second World War. Switzerland, however, has made an important contribution to the solution of the vexed problem of double taxation—even before 1939, it had made such contribution—thanks to the fact that the Swiss Constitution [Art. 46(2)] forbids double taxation. Since the war, the number of agreements on double taxation has increased. Indeed, this has created a new problem. In each country, there is a tendency to resolve the same problem in accordance with the various wishes of the countries with which it concludes fiscal agreements. This results in the introduction of a variety of solutions of the same problem in the country's tax law.

Not only has there been, according to the Bureau, an ever-increasing interest for the study of international tax law itself but there have been fundamental changes in the concepts and object of it as well. It was the view of the Comité des Savants of the League of Nations

that the creditor country and not the debtor country should have the right to levy tax. Nowadays, it is usual, in international agreements, to concede the right to levy taxes to countries which are in the process of developing. In this connection, propositions are upheld to adopt the tax exemption method, instead, even in cases in which as a result of tax facilities in the countries of source *de facto*, no double taxation occurs. Reference may be made here to unilateral and bilateral double taxation relief provisions. In the first case, the country of residence—in which the beneficiary resides—bears all the tax reduction. In the latter case, the right to levy taxes is divided between the contracting countries. The most satisfactory solution seems to be a combination of the method whereby the right to tax is divided and the tax exemption method, whereby income from sources which are to be taxed by the country where the income is derived from is exempt in the country where the beneficiary resides.

Measuring Distortions

The Bureau observes that the formation of Benelux, the Coal and Steel Community, the O.E.E.C. and the Common Market has resulted in efforts being made to measure the distortions caused by the differences in tax burdens borne by commodities, circulating within the enlarged areas, and the effects of these distortions on the freedom of competition in these areas. As regards the Coal and Steel Community, a detailed report was produced in 1953 on this problem by a committee under the chairmanship of Prof. J. Tinbergen, the members of which are among the foremost experts from those countries. The problems which arise in this connection can only be solved by calling in the aid of general theories underlying the science of taxation. Examples of the problems are: incidence of taxation, uniformity and equality of the tax burden, the composition and effectiveness of the national tax systems and many others.

Till now a certain distinction—even in a way a separation—has been made between the so-called direct and so-called indirect taxes. The development as regards the first group in international tax law has resulted in rules which divide the right to tax between the two countries, where the production on the one hand and the consumption on the other take place. As regards the latter group of taxes, many countries leave the right to taxation *de facto* exclusively to the country where consumption takes place. The twin ideas underlying this attitude are that only inland consumption may be taxed and export should be exempt from tax, and that imported commodities should be subjected to the same tax burden as commodities produced in the country. They arise from the notion that only indirect taxes influence the price of a product, in contrast to direct taxes, which are considered as being neutral in this respect. The Bureau recalls that more than once it has uttered a warning against looking at one single tax or group of taxes, without taking into account other taxes, which either influence the price of a product, because they can be passed on to cus-

tomers, or adversely affect them where they cannot be so passed on. In considering fiscal co-operation within the framework of the Common Market, the fact that, in some countries, direct taxes and in other countries, indirect taxes provide the bulk of the revenue should never be lost sight of. In harmonising taxes, attention, it is stated, should not be limited to one of these groups.

Reviewing the changes in tax policies in different countries in 1958, the Bureau notes that income-tax was increased in several countries including Algeria, Argentina, Chile, Cuba, France, Kenya, Malaya, Pakistan, Peru and the Philippines and that sales tax was increased in Chile, Greece, Pakistan and Thailand. Income-tax has been reduced in Austria, Canada, Switzerland and the U.K. and sales tax in Australia and the U.K. Measures to stimulate investment were adopted in Cambodia, Ceylon, Malaya and Singapore; in India, the liability to income-tax of foreign enterprises was restricted. Agreements on double taxation relief have been concluded by Belgium with Canada, by France with Finland, Italy and Luxembourg, by Sweden with Pakistan, by Switzerland with India (air navigation). In the German Confederation, differential rates for distributed and undistributed profits were adopted. Again, in that country, the special surcharge levied on the sales tax payable by integrated enterprises in connection with the equalisation of competitive conditions has been declared contrary to the Constitution. It is proposed to revert to the system of treating inter-company sales between member-companies of a combine as though they were (untaxable) transfers between branches of one legal entity for the purpose of taxation of the sales (or turnover) tax, despite the fact that the sales are inland sales between two legally independent entities.

Among the questions referred to the Bureau for advice, mention must be made of the Common Market which was the subject of many inquiries. Several members wanted to know the precise meaning of double taxation conventions. The Bureau points out that great difficulties often arise in the interpretation of these conventions which "are frequently not very clearly drawn up." It would appear that several questions on death duties were referred to the Bureau.

Bonus Issues

Again, many enterprises, which wanted to embark upon capital reorganisation, referred to the Bureau the question as to how they would be affected in different countries. In many cases, the tax reductions granted in the country in which the company was registered would have been counteracted by the additional taxation which the reorganisation would have forced their foreign shareholders to pay, owing to the fact that any shares issued under such a scheme of reorganisation would in the foreign shareholders' country be taxed as income in the normal way. Foreign shareholders, the Bureau points out, are not likely to assent to schemes so inimicable to their interests. It stresses that the general problem of taxation of bonus shares may also be considered in this connection, particularly in regard to its effects in Common Market countries. The fact that in a number of countries special taxation reliefs on the issue of bonus shares are being proposed is another reason for giving the problem serious attention.

(Continued on page 562)

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:
 Authorised - - - - - £2,500,000
 Issued and Fully Paid - - - £2,000,000
 Published Reserves - - - £2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN (Crater)	PERSIAN GULF
INDIA	ABU DHABI
BOMBAY	BAHRAIN
IRAQ	DUBAI
BAGHDAD (3 branches)	KUWAIT (2 branches)
BASRA	(AND AHMADI)
JORDAN	MUSCAT
AMMAN	QATAR (DOHA)
JERUSALEM	SHARJAH
LEBANON	SAUDI ARABIA
BEIRUT (3 branches)	ALKHOBAR
TRIPOLI	(for DHAHRAN)
LIBYA	JEDDAH
BENGHAZI	U.A.R.
TUNIS	Syrian Region
	ALEPPO
	DAMASCUS

BOMBAY OFFICE:

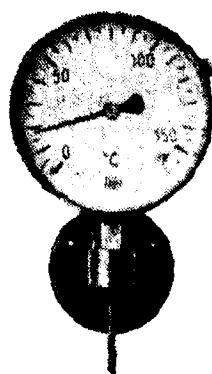
314, Dr. Dadabhai Navroji Road, Fort
 Telephone No: 25-2267 Cable Add: BACTRIA

Associated Bank in Iran

THE BANK OF IRAN AND THE MIDDLE EAST

INDUSTRIAL INSTRUMENTS

EX: M/S. DREYER ROSENKRANZ & DROOP, GERMANY



For

1. Industrial Pneumatic Controllers.
2. Recording or Indicating Thermometers.
3. Vacuum or Pressure Gauges.
4. Combined Gauges.
5. Engine Indicators, etc.

Contact Sole Agents

TOSHNIWAL BROTHERS PRIVATE LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches:

AJMER CALCUTTA NEW DELHI MADRAS

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
 Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspects of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown 4 size
- Attractive get-up

Annual subscription: Single copy
 In India .. Rs. 12.00 In India .. Rs. 2.00
 Abroad .. Rs. 30.00 Abroad .. Rs. 3.00

For further particulars please apply to:

The Secretary, Forward Markets Commission
 Urine Drive, Bombay-2



Over 10 years ago, the TISCO Research and Control Laboratory at Jamshedpur, illustrated above, was Shalimar Tar waterproofed and is, today, still waterproof.

Proof enough that bituminous proofing is the best. Throughout India, crores of rupees worth of Government property, industrial establishments and private homes are protected from dampness of ceilings, walls and floors, from acid and alkali action by Shalimar Tar bituminous based protective materials.

Manufactured in India, applied and guaranteed by



SHALIMAR TAR PRODUCTS (1935) LIMITED

Calcutta • Delhi • Bombay • Lucknow • Chandigarh

Agents:

The Bombay Company Private Limited, Madras-1 • R. C. Abrol & Company (Private) Limited, New Delhi-1

Advertising
 helps you
 to buy
 better quality
 goods

YOU CAN TRUST THE ADVERTISING IN YOUR PAPER



Inserted by
 The Indian & Eastern Newspaper
 Society and the Advertising
 Agencies Association of India



Dalonia

DEADBURNT MAGNESITE
 FOR BASIC REFRACTORIES

- Magnesite Cement Mortar
- Peas for ramming of Steel Furnace Bottom
- Special Magnesite Ramming Mixture for Lining of Induction Steel Melting Furnaces

For your requirements
 please write to:

Dalonia MAGNESITE CORPORATION

P. O. Salem
 (Madras)



THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

Speech by the Chairman, Mr. G. H. J. Clarke, at the Forty-eighth Annual General Meeting of the Company on the 25th September 1959.

LADIES AND GENTLEMEN:

I have much pleasure in welcoming you to this the Forty-eighth Annual General Meeting of the Company.

The Notice convening this meeting, the Report of the Directors and the Accounts have been circulated, and with your approval we shall take them as read. I will now ask the Secretary to read the Report of the Auditors.

Board of Directors

At the end of May 1959, Mr. J. K. Hill retired from the Board. Mr. Hill first joined the Company late in 1926, and his long service ended with nearly four years on the Board. We wish him health and happiness in a well-earned retirement.

Accounts

The Balance Sheet and Accounts have been in your possession now for some time and I hope are largely self-explanatory. However, you may welcome comment on some of the more important items.

On the Assets side of the Balance Sheet, you will see that the value of Fixed Assets less depreciation shows a slight reduction this year. Details are given on pages 16 and 17 of the Report, from which you will see that the net additions to Fixed Assets are only Rs. 33 lakhs. Last year the comparative figure was Rs. 76 lakhs, and although this reduction reflects partly the fact that the Company's modernisation programme is nearly complete, it also highlights the stringency of import control on capital goods.

During the year, Rs. 40 lakhs of the Company's holding in Government paper matured and this accounts for the reduction in Investments.

The stock of Raw Materials shows an increase of Rs. 67 lakhs. This represents increased stocks of leaf tobacco, a large part being American tobacco purchased under American Public Law 480. Such purchases are paid for in rupees, no foreign exchange being involved.

The reduction in stocks of Manufactured Goods has been brought about by increased use of road transport, the more expeditious delivery enabling us to reduce stock holdings and at the same time ensure that the consumer receives fresh stocks.

On the Liabilities side of the Balance Sheet, you will see that a further sum of Rs. 17½ lakhs has been added to the Fixed Asset and Stock Replacement Reserve. There is a reference to this transfer in the Directors' Report and I would add only that the need to retain in the business sufficient funds to cover the present cost of replacing fixed assets and stocks at today's higher prices is becoming increasingly widely recognised.

Turning now to the Profit and Loss Account, you will see that the value of sales shows an increase over last year of nearly 5%, though the increase in volume was only a little over 1%. You will recall that, in December 1957, Sales Tax on tobacco products was withdrawn and replaced by additional Excise Duties. The effect of this, which applied only to three months of the previous year but to the whole of the year under review, was of course to inflate the value of sales to the extent to which it was possible to pass on this additional taxation to the consumer.

The last items of the Accounts to which I shall make reference are the profit for the year and the rate of dividends—the items with which I know you are most concerned. You will have seen that the profit has dropped from Rs. 132 lakhs to Rs. 115 lakhs. This has been caused mainly by increased costs of Raw Materials and increased Excise Duties. You will all be aware of the continued upward trend of costs, and the materials which we use for making and packing our products are no exception. In certain instances, it was deemed wise to absorb part of the Excise increases rather than risk loss of volume of business by increasing retail prices by the full amount.

Your Board remains firmly of the opinion that dividends should be paid only out of current profits, after setting up adequate reserves. We have, therefore, transferred to Fixed Asset

and Stock Replacement Reserve Rs. 17½ lakhs, which we consider no higher than prudence dictates, and recommended the payment of a final dividend of 2%.

Raw Materials

When I addressed you last year, I stressed the fact that the Company relied on Indian resources for most of its leaf tobacco and all its requirements of cigarette paper, printing board and papers, aluminium foil and packet wrappings. We are now going further and are considering extending the manufacture of spare parts and encouraging the manufacture in India of fibreboard containers.

In addition to the commodities I have mentioned, we are also encouraging the erection of a factory in India to produce cigarette filters. Throughout the world, the filter-tipped cigarette is gaining in popularity and there are now some filter-tipped cigarettes on the Indian market. The filters are imported, just as they were when your Company first made such cigarettes in this country some years ago. If, as we hope, our plans fructify, our previous experience will enable us to give the Indian consumer a quality cigarette of this type without any appreciable use of foreign exchange.

Competition

This has been a year of exceptional activity throughout our industry and competition has been intense. Repeated increases in Excise Duties, and consequently in prices, in recent years have to some extent upset the established pattern of consumer preference, not always in favour of your Company's products, and some competitors have benefited thereby. The building up of consumer loyalty to new products is expensive of both time and money but provided no further adverse circumstances supervene, we are confident that your Company will maintain its leading position in the trade.

Exports

Your Company's main contribution to India's balance of payments position has hitherto been the form of conservation of foreign exchange by the substitution of indigenous for imported raw materials. We are making every effort to find an outlet for exports of tobacco goods and a member of our staff has recently made an extensive tour of West Asian countries to this end. Although, in the last two months, we have been able to make some modest export shipments, it would be wrong to raise false hopes. The export of manufactured tobacco goods from one country to another continues to decline throughout the world as one country after another establishes its own industry and raises tariff walls to protect it, as this country has effectively done, and though we anticipate obtaining a share of any export business which offers, we cannot reasonably expect to obtain from this source either important additional profits or any major contribution to the country's foreign exchange.

Staff Training

On pages 6 and 7 of our Report, we have reproduced photographs of our residential training centre near Calcutta. This venture is proving of great benefit and during the year under review, 105 members of the staff attended residential courses. In addition to these training courses, senior members of our staff have attended sessions at the Administrative Staff College of India at Hyderabad, of which the Company is a patron. Where necessary, special tours for technical duty abroad are arranged in order that our staff can keep abreast with the latest developments in the industry.

Labour Relations

During the year, the Company has, in co-operation with the Union, experimented at one of its factories with Workers' Participation in Management. It is a little early to draw any conclusions but there are indications that this scheme is creating better understanding between workers and management. As a further step towards promoting mutual understanding, the Company is arranging a number of industrial tours for its workers to enable them to see at first hand some of the developments taking place in this country as a result of the 5-year plans.

The Company's terms and conditions of service for its workpeople are among the best in the country; the wage scales are scientifically based and the dearness allowance scales are linked to published cost of living indices. Together they provide an adequate level of reward in present day conditions.

Production and employment at all your Company's cigarette factories has been reasonably satisfactory except at Monghyr. The Monghyr operation has been unsatisfactory for a number of years, due largely to the labour force being greater than was justified by the output required for this factory. This position is likely to deteriorate further in the coming year if, as expected, orders for Nepal, which represent an important proportion of Monghyr production, are lost because that country becomes self-sufficient and ceases to be a customer. We are anxious to avoid a complete shut-down and there is still a hope, provided the full co-operation of all is assured, that a future can be given to this factory, albeit a limited one.

Although on occasion there has been some difference of outlook between management and workers, I am certainly not unmindful of the hard work put in by the Company's employees during the year, and once again I should like to thank them for their co-operation.

Taxation

When I addressed you last year, I expressed the hope that further imposts on the tobacco industry would not be forthcoming. The 1959 Budget shattered those hopes by imposing a further burden on the industry in the form of substantially increased Excise Duty. As a result, the Company had to make further changes in its selling prices, this being the fourth change in two years. As I have already indicated, such changes have a disrupting influence on trade and cause a number of smokers to look elsewhere for their favourite brands. This incidence of taxation is probably the greatest single factor which handicaps the private sector at the present time. The general rise in prices of raw materials and services is usually gradual and part of a nation-wide tendency affecting all industry alike. Changes in Excise are arbitrary and may affect one section of industry alone. They cannot be foreseen and are therefore the more difficult to deal with when they occur. When this form of taxation constitutes the largest single element in the cost of production, as in the cigarette industry, you will readily understand the magnitude of the difficulties which face the Management when the Government decides to revise the rates of Excise.

These difficulties are further enhanced by the continued and increasing activities of municipalities in raising revenue from tobacco products by octroi and terminal taxes. The effect of these is that either retail prices are forced higher in some places than in others, with a deleterious effect on the flow of trade, or your Company has often to contribute towards these taxes with a consequent immediate reduction of your profits.

In the field of direct taxation, we welcome the removal of Wealth Tax on Companies and Super Tax on excess dividends announced in the last Budget. We also welcome the simplification in the system of dividend taxation, coupled with a revised rate of Income Tax and Super Tax on Companies, but it should be noted that the implied rate of a total tax on Company profits of 45% will not be confirmed until the 1960 Budget is passed, and does not affect the accounts under review.

Prospects

The Company's sales during the five months to August 1959 show an improvement in total volume over the same period last year, but I must tell you that the general trend continues whereby there is a decline in the return to shareholders in relation to volume of sales. I therefore cannot anticipate with confidence an improvement in the final results in the coming year. Your Board, however, felt justified in declaring an interim dividend of 2½% subject to tax, in respect of the year to 31st March 1960.

(Note.—This is not a report of the proceedings of the Annual General Meeting).

The difference between



LAST WEEK



and THIS WEEK is Amazing

HADENSA
for PILES

AVAILABLE AT ALL CHEMISTS

For Service & Security
PANDYAN BANK LTD.
Central Office: MADURAI.

Paid-up Capital ..	Rs. 15,00,000
Reserve Fund ..	Rs. 10,50,000
Working Funds as on 30-6-59 Rs.	5,60,04,840

BANK WITH PANDYAN
THE BANK
THAT SERVICE BUILT
82 Convenient Offices in South India
All Banking Business transacted

S. N. K. SUNDARAM,
Managing Director.

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED
9, BAKEHOUSE LANE, FORT, BOMBAY-1.
(ESTABLISHED IN 1911)

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

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

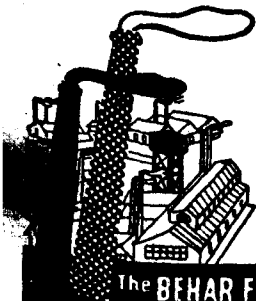
PAID-UP SHARE CAPITAL:	Rs.
Subscribed by the Shareholders ..	Rs. 48,00,000
Subscribed by the Government of Bombay ..	Rs. 81,00,000
RESERVE AND OTHER FUNDS ..	Rs. 17,20,00,000
TOTAL DEPOSITS ..	Rs. 29,08,00,000
WORKING CAPITAL ..	Rs. 28,00,00,000

BRANCHES AND AFFILIATES AT 304 PLACES IN BOMBAY STATE

Collection arrangement in all the important cities of the Indian Union. Banking business of every description transacted. Deposits of all kinds accepted. Terms on application.

G. M. LAUD, Managing Director.
Bombay State Co-operative Bank Ltd.

'BEHAR' the dependable name
in FIRECLAY & SILICA Refractories



For over 35 years 'BEHAR' REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass Factories, Tanneries, Sugar and Cotton Mills and other industries in the country.

Phone: 22-5952
22-3101
Gram: "BANCO"

THE BEHAR FIREBRICKS & POTTERIES LTD.
22, STRAND ROAD, CALCUTTA-1.



This is your Heritage

When motoring in the south, you must see the famous Jog Falls, on the borders of Mysore and North Kanara. In a beautiful woodland setting, the falls cascade down the side of a precipitous rock face 960 feet in depth, making a scene of magnificent grandeur. Throughout India there are so many wonderful places to visit, set in a country side that is full of exciting interest to the motorist. And wherever you motor in this vast land, your trip will be more pleasant, and free from car troubles, when you drive on Caltex Petroleum Products.



SEE YOUR COUNTRY ON CALTEX PETROLEUM PRODUCTS

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines) Telegrams: 'Harvey'

— MADURAI —
SOUTH INDIA

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE
BELTING DUCK — TYRE CORD — SEWING THREAD
MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines) Telegrams: 'HARVEY'

ENGINEERING INDUSTRIES IN THIRD FIVE-YEAR PLAN

F.I.C.C.I. DRAWS UP TENTATIVE PROGRAMMES

THE need for ensuring that the Indian economy attains a firm base of basic and producer goods industries in the period of the third Five-year Plan has been emphasised by the Federation of Indian Chambers of Commerce and Industry in its memorandum, entitled *Third Five-year Plan*. Although the Federation stresses that high priority should be given to processing and consumer goods industries, since increased availabilities of consumer goods are the very *sine qua non* of development in underdeveloped economies and are also a safeguard against inflationary pressures, it insists at the same time that the third Plan should be "machine building and fabrication industry oriented." Accordingly, it allocates Rs. 2,265 crores to what might be called mining and engineering industries. The break-up of the allocation is: coal Rs. 175 crores; petroleum Rs. 300 crores; iron and steel Rs. 400 crores; ferro-manganese Rs. 15 crores; others, including non-ferrous metals, Rs. 200 crores, heavy machinery Rs. 500 crores; other industrial machinery (including machine tools) Rs. 225 crores; railway rolling stock Rs. 125 crores; steel fabrication, automobiles, etc., Rs. 200 crores and electrical and electronic industries Rs. 225 crores.

The increase in demand for coal is expected to come from expanding industries such as steel, fertilisers and chemicals. Demand is expected to go up to 90 million tons. In order to meet this demand, Rs. 175 crores will be needed to develop coal industry. Similarly, in order to meet the increased demand for the important fuel, petroleum, a capacity of 10 million tons should be created. Including the costs of exploration, the target of expenditure for petroleum is fixed at Rs. 300 crores. So much for these two basic fuels.

Steel

The demand for steel is expected to go up in the third Plan period. It is suggested that the third Plan should aim at a total capacity of 9 million tons of steel ingots, so as to attain a production of 6.75 million tons of finished steel. The production of steel during 1958 was 1.30 million tons, as against the total consumption of 2.5 million tons; steel output is expected to go up to 4.5 million tons by 1960-61. The achievement of the target proposed for the third Plan, it is stated, is dependent on the development of the steel fabrication and other industries, which sustain the demand for steel. Such industries include the second shipyard, heavy machinery plant and railway and locomotive industries. Among non-ferrous metals, the Federation lays considerable emphasis on increase in aluminium production. If the various plans taken up in the second Five-year Plan come through, India will have a total capacity of 22,300 tons by 1960-61, plus another 20,000 tons. The demand for aluminium is expected to increase to 75,000 tons by the end of the third Plan; for this, a capacity of 80,000 tons should be aimed at.

The mechanical engineering group of industries consists of automobile industry, agricultural tractors, machine tools, textile machinery, sugar mill machinery and cement machinery. The demand for motor vehicles is expected to go up to 75,000 by the end of the third Plan; the level of demand will, however, be determined by the place assigned to such schemes as the development of road transport. By the end of the second Five-year Plan, the industry is likely to produce 65,000 automobiles, consisting of 20,000 cars, 40,000 trucks and 5,000 jeeps and station wagons. The investment required for achieving the increase in capacity envisaged is Rs. 30 crores, including ancillaries. In this connection the Federation emphasises that in order to enable optimum production, it will be necessary for the policy makers to ensure that this capacity is used to the maximum and various facilities which might become necessary for such economic operation should be given. This type of policy will also suitably encourage expansion of capacity and production in the course of the third Five-year Plan. This would mean a judicious and prompt release of foreign exchange for essential components and capital equipment and avoidance of steps which might restrict the demand particularly of commercial vehicles. Much will also depend upon the concurrent development of ancillary industries which have been developed admirably in the past.

Till recently, the agricultural tractor industry limited itself to the assembly of imported parts of foreign makes. In view of the expanding demand for tractors which will be essential for any sizable increase in the national agricultural production, units are being licensed for the manufacture of tractors of specified horsepower. One estimate of the current demand for tractors is about 3,000 per year. Against this, the total capacity licensed so far is about 3,000 tractors per annum. If, however, mechanised farming by groups of farmers is recognised as a good method for accelerated yield of agricultural products throughout the country, these targets will have to be revised considerably upwards. The Federation, therefore, suggests a land reclamation target of at least one million acres and employment of tractors on about one million existing farms during the next Plan period. On this basis, the total requirements of tractors will be at least around 75,000 to 100,000, implying an average annual demand of about 15,000 to 20,000 tractors. It may be difficult to visualise the attainment of this rate against the perspective of the present demand, supply and production situation. But if the need for this kind of agricultural policy is firmly recognised, the establishment of such units should not be difficult. The investment required for a unit with a capacity of 40,000 tractors per annum is estimated at Rs. 20 crores; for the production indicated above the total investment outlay might, therefore, be of the order of Rs. 8 to 10 crores.

Machine Tools

The pace of expansion both in capacity and production of machine tools in recent years has been satisfactory. Thus the annual production of machine tools during 1958 was over 10,000 of the value of over Rs. 3.9 crores. The total projected annual capacity in the industry is expected to be about Rs. 10.7 crores by the end of the second Plan. However, the share of the indigenous machine tools industry in meeting the total requirements is still very low. Even at a very conservative estimate the annual rate of imports by the end of this Plan would be about Rs. 20 crores. The industry is at present undergoing considerable difficulties with regard to raw materials and arrangements regarding capital as well as foreign collaboration. The proposed entry of the Hindustan Machine Tools factory into the cheaper varieties of machine tools is also viewed with considerable anxiety. It is, therefore, necessary that these difficulties should not be allowed to become chronic problems, if the massive needs of the third Five-year Plan are to be fulfilled. The demand for machine tools will be positively correlated with the consumption of steel in the country. In terms of value, it may be suggested that a capacity of machine tools worth Rs. 35 to 40 crores by the end of the third Five-year Plan should be aimed at. This would cover the estimated annual average of Rs. 20 to 25 crores plus the domestic production of Rs. 10 crores. Machine tools industry is of necessity capital-intensive. The variety and range of machine tools will also have to be

considerably increased and at a rough estimate investment worth Rs. 100 crores may perhaps be adequate.

The Federation next deals with the group of machinery-making industries. These industries, namely, textile machinery, sugar mill machinery and cement machinery, as is well known, have made considerable progress in recent years. In 1958, India produced textile machinery worth Rs. 7.3 crores and imported Rs. 13.8 crores worth of such machinery. The development of jute mill machinery, it is stated, has been "comparatively satisfactory in terms of import substitution." The requirements of cotton textile machinery are expected to increase to Rs. 17 crores annually by 1960-61, as against which indigenous capacity may go up to Rs. 10 crores. By the end of the third Plan, a total capacity of Rs. 35 crores of machinery may be necessary. On this basis, an investment target of Rs. 25 crores has been proposed. The annual requirements of jute machinery are placed at Rs. 4 to 6 crores during the third Plan period; this would require an additional investment of about Rs. 3 to 4 crores. The total production of sugar mill machinery in 1958 was Rs. 1.7 crore, whereas imports were Rs. 7.2 crores; the second Plan target is for Rs. 2.5 crores. By 1965-66, India may need Rs. 10 to 12 crores worth of sugar mill machinery; for this, an investment of Rs. 6 crores will be necessary. Last year, India produced cement machinery worth Rs. 65 lakhs; imports were valued at Rs. 58 lakhs. The target set for the second Plan, namely, Rs. 2 crores of cement machinery, is not likely to be entirely fulfilled. In the next Plan, the capacity of the industry, it is stated, should be increased to Rs. 3.5 to 4 crores a year.

Turning to electrical engineering industries, the Federation urges the allotment of Rs. 10 crores to electrical motors industry, in order that it may reach a capacity of 2.4 to 2.5 million h.p. by the end of the third Plan; the second Plan target was 1.2 million h.p., though capacity by 1960-61 is likely to be only 0.7 million h.p. The target set for transformers in the third Plan is 3.5 million k.v.a., requiring an investment of Rs. 8 crores; by 1960-61, India's transformer capacity is likely to reach 1.5 million k.v.a. Last year, India's dry battery industry produced 166 million cells. The industry may not reach the second Plan target of 275 million cells. By 1965-66, its capacity should be increased to 330 million cells at a cost of Rs. 2 crores. The demand for storage batteries—last year, the industry's capacity was 316,500 units and production 343,000 units—is bound to increase in the third Plan. It may also be possible to find export outlets for them. The capacity for storage batteries should be increased to 600,000 by the end of the third Plan at a cost of Rs. 3.5 crores.

Radio Receiver

Finally, the Federation has made tentative estimates for radio receiver industry. The installed capacity for radio receivers was 240,000 in 1958. Production exceeded 215,000 sets, if one were to take into consideration the production of small units and assemblers of radio receivers whose capacity has been estimated roughly at an additional 30,000 units. The total demand by the end of the second Plan has been estimated at 300,000. Against this, the licensed capacity in the organised sector is expected to reach 290,000. Together with the production of 20,000 to 25,000 units in the small-scale sector, the target is likely to be fulfilled. The manufacture of components has also progressively developed and the indigenous content of radio receiving sets is increasing rapidly. The demand for radio sets increased by 60 per cent. in the course of the first Plan and is expected to increase by 100 per cent. during the second Plan. Assuming an annual average increase of 20 per cent. in demand, the capacity to be achieved by the end of the third Plan should exceed 700,000. The additional investment which might be required for achieving this expansion can be estimated at around Rs. 10 to 12 crores.

I.A.T.A. COMPLETES FORTY YEARS

The International Air Transport Association (I.A.T.A.), the world airline organisation, celebrated its fortieth anniversary on 28th August. Six fledgling European companies, B.O.A.C.'s ancestors among them, met at The Hague on that date in 1919 to organise what has since become the International Air Transport Association, comprising 90 airlines from many parts of the globe. The 1919 airliner was an 85 m.p.h. transport vehicle with a 300-mile range and an 800-lb. payload. It could only work 300 hours a year and in six months of winter did virtually no flying at all. Today's fleets operated by I.A.T.A. members number more than 3,200 aircraft, the largest and newest of which cruise at up to 600 m.p.h., can carry a payload of

40,000 lbs. over ranges of 4,500 miles, and can put in 3,000 or more hours per year.

During those 40 years, I.A.T.A. has worked to eliminate barriers of language, law, currency, commercial practice, technology and of economic regulations, and to weld the individual routes of the airlines into a viable world-wide system.

Some interesting comments on the technological revolution brought about by the application of jet power to civil air operations are contained in B.O.A.C. staff news. They were made by Sir William Hildred, Director-General of the International Air Transport Association, at the annual meeting of the British Association for the Advancement of Science. Sir William pointed out that scheduled airlines of the world carried a few million passengers in 1948 and 90 million passengers last year. They flew 900 million kilometres in 1948 and 3,000 million last year.

Maximum cruising speeds had increased from between 190 and 230 m.p.h. to more than 550 m.p.h.; passenger capacity had increased from 22 or 44 to up to 160 and still air range had been raised to over 5,000 miles.

Direct operating costs were the normal yardstick by which the commercial desirability of an aircraft was assessed. Though the calculations for large jet aircraft varied in degree, they all showed one trend; the direct operating costs per ton-mile were significantly reduced. This was why the airlines had turned to the jet. The operator produced and sold a public service, the passenger seat-mile and the cargo ton-mile. The only way to keep ahead of the rising cost of materials and services was to improve productivity and expand the market.

Since the price of the jet and its operating cost per mile were high, the airlines had been criticised for paying an excessive amount for speed. The fact was that the speed was virtually incidental: the jets carried more seats and what the airlines were buying was the lower cost per seat-mile. This was the present position of the industry. The technology of air transport dictated that, in order to keep one jump ahead of the airlines' own costs, they must use more efficient and more economical aircraft. That meant aircraft of much greater productive capacity, which must be filled with a larger payload.

"We must get passenger fares and cargo rates down still further," Sir William continued. "The fares are like a dam on a little river. Lower the height of the dam even a little and a very large volume of water will flow over. Raise it and the overflow stops. It is the task of the Conference to recognise these facts of the life about us and come up with fares and rates which Governments can approve and which the public will find too attractive to ignore."

POWER SITUATION IN EUROPE

Under the adverse economic climate of Europe in 1957-58 and a consequent slackening in use of primary energy, electric power consumption continued to advance by 7 per cent. and to replace directly-used primary fuels. This is stated in a study, *The Electric Power Situation in Europe in 1957*. (Published by United Nations Economic Commission for Europe: Geneva, 1959; 80 pages. Price \$0.50.) This report has a twofold purpose, namely, to provide a survey of the main facts and present tendencies affecting the industry, and to draw the attention of the E.C.E. Committee on Electric Power to salient questions of European interest which may require consideration. The present document points to a number of basic features of the situation in Europe, including:

The importance of certain industries, such as metal-manufacturing and chemicals, and of household consumers, in maintaining a high growth of consumption even in the face of recession; the progress planned in interconnection of the various European countries so that all except three that are adversely placed geographically will, in a few years, be able to import and export electric power across their frontiers; the high rates of construction foreseen in the immediate future for hydro, thermal and nuclear power plants and extra high voltage transmission lines; the greatly increased economic feasibility of combined power and heating plants in Europe due to increases in size and to other factors of technical progress; and a notable technical advance in automatic power frequency regulation that now allows groups of adjoining countries to maintain complete flexibility in parallel working and easy interchange of electric energy at short notice.

OIL PIPELINE FROM VOLGA TO ELBE

In keeping with the spirit and aims of the Mutual Economic Aid Council, the U.S.S.R. is helping member-countries that do not have their own oil by supplying them increasing quantities of oil. The cheapest means of delivering oil products is by pipeline; transportation by pipeline costs one-sixth to one-seventh of the shipment cost by rail or sea. This, coupled with the big economic tasks confronting the socialist countries and the great growth in oil consumption they involve, prompted the Mutual Economic Aid Council to adopt a decision on the joint building of a trunk pipeline from Kuibyshev in the Soviet Union to Poland, the G.D.R., Czechoslovakia and Hungary. The new trans-European underground trunk line is to be over 4,000 km. long and pass through the greater part of Europe.

The Mutual Economic Aid Council and its permanent committee on the oil and gas industry studied the problems involved in the construction of the pipeline, and decided that the master plan of the pipeline be drawn up in the Soviet Union by the pipeline designing institute of the gas industry. The master plan which will serve as a basis for designing the pipeline sections that pass through the territory of the interested countries, has now been completed.

NEW PRODUCTS AND PROCESSES

Automatic Sampling

ONE of the problems in the preparation of tonic water and other similar liquids is to maintain precisely the ratio of concentrate to water. In order to facilitate production of such beverages, Schwepes has recently installed a specially designed and constructed automatic titration analyser in its Hendon bottling plant. The apparatus, which was designed and made by Electronic Instruments of Richmond, Surrey, England, automatically and continuously monitors the final stages of manufacture by taking periodic samples from the production line and titrating these to a pre-set end point. In this way it not only releases the laboratory staff from having to carry out a tedious and the time-consuming operation, but it also provides a continuous graphic record of the tonic water stream and gives immediate warning if changes in concentration occur. The equipment is said to be so flexible that it can be adapted to suit almost any plant conditions including titrating to single, or double end points. It can be used for many other automatic sampling presses in the food manufacturing industry.

Push-button Watch

A Swiss watchmaking factory has just put on the market a watch which will certainly please all those who wish to possess a time-piece which keeps exact time, in spite of all external circumstances. It is a well-known fact that however accurate may be the watch and however good the quality of its timing, the temperament of its wearer and the difference in temperature, in altitude, in pressure can all affect it and cause a variation in its movement. The absolutely new conception of the "Correctomatic," which can be timed without opening the case, now makes it possible to do away with all these factors of inaccuracy. The "Correctomatic" possesses, in addition to the usual winding and setting-crown, two push-buttons. When the first of these is used, the hands of the watch which have been set at the approximate time, within two minutes, will, when the button is pressed at the exact signal for a quarter hour period (at any 15-minute interval: 15, 30, 45, or the hour), move instantly to the right place, and the watch will start going. Exactly 24 hours after setting, button No. 2 is pushed for automatic correction, which thus takes place if the loss or gain in time does not exceed two minutes. A variation of more than two minutes could only be the result of an accident and would therefore require the attention of a watchmaker.

Welding Apparatus for Packing Textiles

A Netherlands commercial firm markets a welding apparatus with which a maximum width of 90 cm can be packed tightly and attractively in polyethylene or heat-sealing cellophane. The apparatus is provided with a thermostat and a thermometer to ensure exact temperature control. Since a roll is used in the operation textiles of different thickness can be packed without loss of material.

The apparatus has a 100-cm built-in element covered with Teflon, a glass fabric. It is therefore possible to make a good longitudinal weld, especially in the case of polyethylene. By taking wider packing material on the sides to be put into the cardboard cases of the textile rolls in order to obtain dustproof packing.

This welding apparatus can weld 400-600 rolls per hour with a maximum roll width of 110 cm.

Continuous Colorimeter

A Netherlands instrument factory has designed and taken into production a new colorimeter for continuous measuring or recording. Colour intensities of liquids; concentration of components in liquids showing selective light absorption; concentration of components in liquids which after exposure of specified reagents show light absorption proportional to the concentration of these components. This colorimeter is based on the principle of the illumination of two sets of photocells by the same lamp. The photocell currents are measured by means of a galvanometer via a potentiometer connection, or measured and recorded by means of a Brown recorder. The advantages of the measuring arrangement with two photocells are that mains voltage variations have practically no effect on the degree of accuracy of the measurement, the measuring range is arbitrary and the cup may be so adapted that the fullest benefit is derived from the highest degree of accuracy afforded by the apparatus.

Swiss Amplifier

A Swiss concern has invented a transistorised amplifier which has some very remarkable qualities. Actually, this is the smallest and lightest amplifier now on the market, with the enormous output-power of 45 watts. Weighing approximately 8.85 pounds, small in construction and using very little current, this small amplifier can be transported and installed very easily; it can be connected instantly and operates anywhere. It is particularly suited for use in publicity, parades, sports events and can also be used by the police and the army, on building sites, in railway stations, and so on. There is even a special type for fire brigades.

Colour-change Floodlighting System

A new system of floodlight illumination has just been demonstrated in Aberdeen, Scotland, by The General Electric Company. The firm illuminated three types of building—a college, a theatre, and a hotel. Known as "Anilume," the system is a simply operated modern technique for the floodlighting of all types of buildings. It involves colour changes which can be effected by remote radio-control, "changing the visual impact of modern and ancient architecture" and bringing "a new versatility into this realm of lighting." It also meets a criticism of floodlighting—that, after the first switch-on, spectator appeal is short-lived.

MERCANTILE BANK LIMITED

(INCORPORATED IN ENGLAND)
(Liability of Shareholders Limited)

Authorised Capital - £4,000,000
Issued and Fully Paid Capital - £2,940,000
Reserve Fund - £2,200,000

Head Office:

15, GRACECHURCH ST., LONDON, E.C. 3
West End Office:

123, FALMALL, LONDON, S.W. 1

Agents in New York: BANK OF MONTREAL
AND THE CHASE MANHATTAN BANK

Branches and Agencies:

INDIA, PAKISTAN, CEYLON, BURMA,
MAURITIUS, SINGAPORE, MALAYAN
FEDERATION, HONGKONG, THAILAND
AND JAPAN

The Bank transacts banking business of every description.
Current Accounts are opened and Fixed Deposits
are received on terms which may be ascertained on
application.

Trusteeships and Executorships accepted.
Safe Deposit Lockers available.

12/60, Mahatma Gandhi Road,
Bombay.

J. R. N. SHIRREFF,
Manager.

THE ENFIELD INDIA LIMITED

A YEAR OF SIGNIFICANT PROGRESS

MR. K. R. SUNDARAM IYER'S REVIEW

PRESIDING over the Third Annual General Meeting of The Enfield India Ltd. held on Wednesday, 23rd September 1959, at Tiruvottiyur, Madras, Mr. K. R. Sundaram Iyer, Chairman of the Company, said:

"LADIES AND GENTLEMEN,

"I have great pleasure in extending to you a cordial welcome to this third annual general meeting of the Company. The Directors' report and the statements of account for the year ended 31st December 1958 have been with you for sometime and, with your permission, I shall take them as read.

Results of the Year

"You would have seen from the report and accounts before you that the Company has made significant progress in its activities during the year. The production of the Company was higher by about 50 per cent., as compared with last year and the sales during the year were higher by nearly Rs. 27 lakhs over 1957. You would have noticed also that the Company made substantial additions to its building, plant, machinery and equipments and the gross block stands at Rs. 39.40 lakhs, as against Rs. 22.65 lakhs at the end of the previous accounting period. The Company increased its issued capital to Rs. 25 lakhs and I am glad to inform you that it stands fully subscribed. We have also fully availed of the loan of Rs. 11 lakhs sanctioned by the Industrial Finance Corporation of India.

"The profits of the year amounted to nearly Rs. 5 lakhs, as against Rs. 1.5 lakhs for the previous year, before providing for depreciation. A significant portion of the expenditure incurred during the year was of an anticipatory character in the sense that your Company has had to incur, and will continue to incur upto 1960, expenditure that will facilitate manufacture of new components in your factory in accordance with the phased programme. I had occasion to give you an indication of this type of expenditure in my last year's speech. Further, owing to acute shortage of foreign exchange, workers, plant and machinery had necessarily to work considerably below capacity, as sufficient raw materials could not be fed into the machines. I hope you will consider the performance satisfactory and encouraging at this early stage of the Company's working. In pursuance to the provisions of the Finance Act of 1958, your Directors consider it necessary to transfer to the development reserve a sum of Rs. 1,99,926. It has, therefore, been possible to recommend only the dividend on the preference shares, carrying forward the balance to the next year's account.

Progress Towards Self-sufficiency

"In industrially advanced countries, the automobile manufacturer is able to obtain a substantial portion of the components from ancillary industries. Though it has been the policy of your Company to obtain from ancillary industries as many items as possible, due to the fact that such industries have not yet developed sufficiently in our country, we have been obliged to undertake the manufacture of a number of components in our own factory which should normally be undertaken by ancillary industries. It is interesting to note that your U.K. collaborators are not themselves making such components in their own factories.

"In spite of this, you will be glad to hear that your Company has been able to maintain the pace of progress in raising the indigenous content in our products and we can reasonably hope to complete the phased programme of all the components during 1960 according to the original schedule, barring, of course, the proprietary items. However, the inadequate number of ancillary industries has necessitated the installation of additional plant and machinery. For this purpose, an application has been made to the Industrial Finance Corporation of India for a further loan of Rs. 9 lakhs. At the same time, steps are being taken to promote a number of small-scale ancillary industries which are desirable in the national interest, apart from these being in the interest of your Company from the long-term point of view.

"Your Company is grateful to the Government of India for allotting to it foreign ex-

change under quite difficult circumstances, but for which it would not have been possible to achieve the increase in the number of vehicles produced. Even so, the Company's production capacity could not be fully utilised. The increased outlay on the manufacture of components and parts for the reasons stated earlier, and the difficulty in stepping up output to full capacity have naturally led to heavier working expenses. We have, however, taken care to ensure that the consumer got his motor cycle at reasonable prices. I am glad to say that our prices compare quite favourably with those charged for similar motor cycles when imported from the U.K. It is hoped that, as a result of the more liberal policy pursued by our Government, it would be possible for us to obtain the required additional foreign exchange which will enable this industry to utilise its production capacity to a greater degree. Our plant capacity is capable of meeting not only the country's present needs but also the likely increase in the demand for motor cycles for some years to come. It is needless to say that a reduction in price to the consumer can be achieved with an increase in our output. Further, without full utilisation of the plant capacity and spread of overheads, it will be difficult to establish markets for our products outside India.

"Production during 1959 is expected to increase well over 1958. As a result of the larger exchange granted recently, still further increase in production is bound to be registered during 1960, although it will be below your Company's production capacity.

General Engineering Department

"I mentioned at the last year's annual general meeting that the Company had commenced undertaking general engineering work orders to make use of its unutilised plant capacity. Your Selling Agents, The Madras Motors Private Limited, were able to secure good orders, a substantial portion of which was executed during the year. We can expect a steady increase in such orders that will result not only in additional revenues but will assist in spreading the overheads over a larger area of production—overheads which are now being borne by the main departments.

Sales Promotion And Service After Sales

"During the year, apart from organising various other sales promotion activities, your Selling Agents, The Madras Motors Private Limited, continued to bestow their attention in developing further sales and service points, whose number has increased by 21, making a total of 91 sales and service points all over India. The shareholders will be pleased to note that the important aspect of service-after-sales continued to receive the constant attention of the Company and is being vigorously implemented through the Selling Agents and their dealers and sub-dealers all over the country. Bi-annual training courses are being conducted to train more and more personnel of the dealer and sub-dealer firms. In addition, the Selling Agents have made arrangements to station qualified and trained engineers in the various regions in the country to guide and assist the service departments of the dealers and sub-dealers.

Labour-Management Co-operation

"During the year, the Company's relations with its employees continued to be cordial, though I cannot say that there was not occasional cause for anxiety in this regard. But, the basic goodwill that has characterised labour-management relations in your Company has, I am glad to inform the shareholders, helped to surmount problems so familiar in this context. The management carried on negotiations with the employees for settlement of their demands commencing from the later part of 1958 and I am happy to inform the shareholders that, in May 1959, a three-year agreement was reached. It is my sincere hope that they would appreciate that the Company, though comparatively young, has agreed to wages and salaries that compare favourably with those in longer established industries. This has naturally been done with a view to ensuring the utmost harmony and cordiality in labour-management relations and your management think that the expenditure involved is worth it. Apart from the financial

benefits, the agreement provides for a scheme of joint consultation between labour and management to improve productivity and on matters of performance standards, job evaluation and employees' grievances. Your Company is also considering the introduction of an incentive scheme. I have every hope that the trade union movement in your Company will develop on healthy and correct lines to the mutual benefit of the employees and the Company; that the employees will realise that their prosperity is linked inseparably with the prosperity of the industry, towards which they should contribute their utmost by better productivity and discipline.

"The Government of India and the State Government have continued to give their active assistance and guidance and I take this opportunity to convey our gratitude to them.

U.K. Collaborators

"Your U.K. collaborators, The Enfield Cycle Company Limited, have given us their utmost co-operation during the year and this has contributed not a little to the success of the programme of manufacture. I convey our thanks to the collaborators.

"I take this opportunity to thank the selling agents, the dealers and sub-dealers all over the country for their active co-operation during the year. The workmen, staff and officers of the Company have put in a great deal of work which has contributed to the satisfactory results I have already referred to and I take this opportunity of recording our appreciation of the same."

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

DEVELOPMENTS IN NATIONAL TAX LAWS

(Concluded from page 556)

It would be a great advantage if the countries concerned could co-ordinate their legislative proposals they intend to pass into law.

Finally, several questions were asked by enterprises as to whether, and if so, where they could emigrate, in order to avoid what they consider excessive taxation. There was, of course, no question of defrauding the revenue authorities. Only, the questioners wanted to take advantage of the opportunities open to them by the national tax laws and the double taxation conventions. In this connection, the Bureau says: "The question whether anything can be done about the state of affairs that produces this desire to emigrate will not be discussed here, although it would be prudent for the Governments concerned to pay keen attention to this phenomenon."

Emphasising the need for the maintenance of a proper psychological climate in the fiscal sphere, the Bureau avers, in effect, that the Governments in several countries do not fully realise the importance of adequate publicity of their intentions in levying taxes. This results in a tendency on the part of the persons who pay taxes to "resort to every device and artifice to avoid taxation, which causes friction between the revenue authorities and the taxpayer." The enterprises also emigrate to foreign countries to the detriment of their nation. Again, some underdeveloped countries try, on the one hand, to attract foreign capital and levy, on the other hand, high taxes which make the fiscal climate "very unhealthy." Appropriately enough, these considerations have induced the Bureau to stress that the psychological effect of taxation should receive increasing attention in all countries.

The Damodar Valley Corporation has constituted a study team to survey the water resources of the Valley and to recommend how best these could be utilised for the economic development of the region. The terms of reference of the team include study of the present and future water requirements of the region for agricultural, industrial, navigational and other purposes, and the need for augmenting the flood control capacity of the D.V.C. The team will further examine the effect of the Tilaiya, Konar, Malhotra and Panchet Hill dams on the Damodar and Barakar rivers, as well as on the lower reaches of the Damodar and Rupnarayan rivers and the Hooghly as they affect the Port of Calcutta. The possible repercussions following construction of additional dams and the availability of stowing sand for collieries will also be considered. On the basis of these studies, the team will make recommendations regarding the construction of one or more dams at Aiyar, Bokaro, Belpahar, Bermo or at other suitable places. The team will keep in view the question of submergence of any coal-bearing areas while selecting suitable sites for additional dams in the valley.

B. I. C.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

Branches:—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

BEGG, SUTHERLAND & CO.
PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champarun Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.

A Policy Issued By

The
Bombay Fire & General Insurance Company, Ltd.
(Incorporated in India)

Your Symbol of Security in the
Event of

**FIRE, ACCIDENT OR A
MARINE PERIL**

Head Office:

**Henley House, Graham Road
Ballard Estate, BOMBAY 1**

Represented in

INDIA, BURMA & PAKISTAN

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorized Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.

STEARIC ACID

(Double Distilled)

Manufactured by:

THE MODI VANASPATHI MFG. CO.

Bombay State Distributors:

RAMJILAL LAKHMICHAND

Head Office: 322, Kalbadevi Road, Bombay-2
Phone: 35361

Branch: 695, Rold Road, Ahmedabad
Phone: 2663

Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

when others can't tackle the job

BEDFORD

will!



Lowest priced in its class ★ 19500 G.V.W.

Wherever tough transport jobs are being done, you'll most often find Bedfords doing them.

That's because long experience in the transport business has convinced operators all over the world that Bedfords stand up well when

hauling maximum payloads under all road and operating conditions.

Easy and attractive hire purchase terms offered by Hindustan Motors Corporation Ltd. Contact your dealers for particulars.

BEDFORD

A Product of General Motors
World's largest automobile manufacturers

Diesel or Petrol

HINDUSTAN MOTORS LTD., CALCUTTA
DEALERS AT

Agra; Ambala Cantt.; Ajmer; Ahmedabad; Ahmednagar; Allahabad; Baroda; Bangalore; Bhopal; Berhampur; Bombay; Bareilly; Calcutta; Cuttack; Coimbatore; Dehra Dun; Durg; Dumka; Dibrugarh; Dhanbad; Gauhati; Imphal; Indore; Jaipur; Jabalpur; Jodhpur; Jaigaon; Jorhat; Jamshedpur; Jullundur City; Jammu; Kanpur; Kolhapur; Lucknow; Muzaffarpur; Madras; Madurai; Mangalore; Meerut; Nagpur; New Delhi; Nepal; Patna; Poona; Pondicherry; Rajkot; Ranchi; Sambalpur; Shillong; Secunderabad; Silchar; Srinagar; Satna; Tarpur; Tanjore; Trivandrum; Varanasi Cantt.; Vijayawada; Vizianagaram City.

India can make it EXHIBITION

the largest exhibition to be held in Bombay since 1933

OPENING LAST WEEK
NOVEMBER 1959

AT AZAD MAIDAN
BOMBAY

ORGANISED BY
THE SWADESHI LEAGUE
OPEN TO ALL GOODS
MADE IN INDIA

For details and booking of stalls contact
The Swadeshi League,
East & West Building, 51, Apollo Street, Bombay-1
Telegram: SWAEXHIBIT • Telephone: 253804

**BOMBAY BRANCHES: 99 MAHATMA GANDHI ROAD
IT ROAD, (CORNER OF MINT ROAD AND SIR P.M. R**

PROMOTING INDIA'S EXPORTS EXPERIENCES OF A MANUFACTURER

By D. M. Desai

MANAGING DIRECTOR, HINDCO LIGHTING INDUSTRIES (PRIVATE) LTD.

DURING my 20,000 miles whirlwind study tour of most of the countries of W. Europe, British East Africa and Egypt, I had the opportunity of coming in contact with some Indian Consulates and import houses with whom I discussed today's vital problem of promoting India's exports. In view of the many anomalies and shortcomings that exist in the working of both the exporters and the Government, I am of the opinion that concerted and positive steps need to be taken immediately by both these sections, if we are not to lose vast business potentialities, particularly in the newly developing countries.

I shall first deal with the misdoings of Indian manufacturers and export houses. It is very regrettable that this group of people have failed to see beyond their noses, and have exported non-standard goods; even samples and supplies have been different. I shall quote only a couple out of scores of examples which came to my notice during my tour abroad. When I walked into an electrical importing firm owned by an Indian in Nairobi, British E. Africa, I was courteously received and offered a seat. But when I mentioned that "I came from India and we have a manufacturing unit," he suddenly lost all patience and was not even interested in knowing what I manufactured. He abused me in the worst possible language and asked me to clear out. He did not know me from Adam or Eve, nor did he know what we manufactured, but he was, perhaps, waiting to meet any Indian coming from India to express his resentment towards his countrymen, arising out of foul play of Indian export houses. He immediately asked his servant to bring wooden blocks used for electrical installations and lay them on the table. I observed that no two pieces were of identical shape or size, the wood used was of third rate quality, and partly eaten up in some places. I guess some old lady with poor eyesight and trembling hands must have applied the varnish to these blocks, and, due to her physical failings, there were two coatings at some places and none at all at others. This poor Indian in Nairobi had imported a single consignment worth Rs. 40,000 and, in a crying tone, he said that he could hardly realise Rs. 6,000 to Rs. 8,000 for this in a decade or so.

At another place, an electrical importer placed a dozen electric switches on the table, opened them out and displayed that the two holes that are there in each switch for fixing it on the wooden block had different dimensions in all the switches and hence he would have to buy individual sized screws to fit each of them. At yet another place, an importer said that he would consider marketing my products, provided I did not fix the label "Made in India" on them. What a pity?

All these Indians in E. Africa expressed great nationalist sentiments and said that, after India achieved independence and began industrialisation, they had decided to encourage products "Made in India," with patriotic feelings and were even willing to work on a lower margin than what they would get on goods of other countries. But they were there to do business, earn their living and maintain their families, and could hardly afford to lose their capital due to raw deals given by Indian export houses and manufacturers.

Indian Consulates

About Indian Consulates abroad, there is an equally sorry tale to tell. In the list of addresses supplied in April-May 1959 by Indian Consulates in E. Africa and Egypt, some names of parties not dealing in electrical goods were given. Some firms, only grocers, using two naked bulbs in their shops were listed as electrical importers in E. Africa. In Egypt, too, out of the 20 addresses given for Cairo, over a dozen firms had closed down at the time of the Suez Crisis in 1956. Is it not a sad commentary on the operation of the Indian Consulate that they had not corrected their lists for three years, knowing fully well what had taken place at the time of the Suez crisis? One is naturally tempted to ask whether the officers and staff of these Consulates are on a holiday at the cost of the Indian taxpayer.

On inquiring about the *modus operandi* of compiling these lists, I was informed that they were obtained from local Chambers of Commerce and from local Directories published from time to time. If this is the way our Consulates

obtain addresses and information in various countries, may I ask whether there is any need to incur colossal expenditure in foreign countries by maintaining large staffs? This simple work can be done by 20 clerks and 2 officers in a hutment in Delhi. They could as well write to all the Chambers of Commerce and purchase local Directories and make out such lists in Delhi.

Some Suggestions

While as an Indian I consider it my duty to highlight our shortcomings and offer criticism, I firmly believe that the matter should not end with making criticisms only. Constructive and positive suggestions should be made by all right-thinking men to remedy our drawbacks. In this spirit, I venture to make following suggestions:

1. In view of the greatest need to maintain higher standards of quality and to check malpractice and cheating by some Indian manufacturers and exporters, there is an urgent need to establish organisations similar to the Better Business Bureau, popularly known as B.B.B. in the U.S.A. Such organisations may be voluntarily established by men in industry and business.

2. The Indian Standards Institution must enlarge their staff and quicken their speed in formulation of standards for all goods having large potential export market. This must receive top priority.

3. The Government of India should: (a) strengthen the staff of Consulates abroad; (b) avoid frequent transfers from each country, because, very often, before an officer begins to pick up the threads in a country, he is transferred; (c) provide staff conversant with local languages in each country to enable these Consulates to have market research and correct records; (d) increase the allocation of funds to such Consulates where great export potentialities exist; (e) em-

ploy staff with experience and background of business as far as possible; (f) co-ordinate the activities of various Export Promotion Councils and obtain maximum benefits by avoiding duplication of efforts and expenditure and thus effect economy; (g) encourage sending more trade delegations and give all possible assistance to those going abroad for the purpose of export promotion; (h) organise more exhibitions of Indian goods in foreign countries; (i) open showrooms in important centres displaying Indian goods.

4. There appears to be an urgent need for spring-cleaning in the methods of working and approach in the Indian Consulates abroad. It would pay them to study the methods employed by the Consulates of highly industrialised and export-conscious countries like the U.S., U.K., Germany and Japan, and adopt such systems to their advantage. I would recommend (a) preparation of forms to be filled in by importers in each country giving details about their name, organisation, financial status, lines of business, bank and trade references, agencies held, etc.; preparation of a standard form by the Ministry of Commerce and Industry, Government of India, to be utilised by all Consulates abroad is recommended; (b) to eliminate the instances of, say, grocers, getting into the list of electrical importers, a field staff knowing local languages be appointed who should go round the markets, meet each importer, get details from him about his organisation and make cross references and checks from others in the same trade. This is being done by American and British Consulates in India and Indian Consulates abroad could usefully adopt this procedure; (c) some of the importers in those countries complained about lethargy and delay in attending to their complaints lodged with the Indian Consulates, and it is imperative that an efficient machinery be set up to attend to such complaints expeditiously.

5. Indian manufacturers and exporters should (a) take it upon themselves as a national duty and honour not to export sub-standard goods and endeavour their best to supply in accordance with samples and/or specifications; (b) as far as possible, visit foreign countries and study the market trends and consumer preferences personally, and/or appoint influential local agents having proper organisations and set-

(Continued on page 570)

"UMESH YOGA DARSHAN"

(FIRST PART)

In Four Languages: English, Hindi, Gujarati and Marathi.

(Author: SHRI YOGIRA) UMESHCHANDRAJI)



An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE : Rs. 15/- Plus Postage Rs. 2/- extra. No V.P.P. sent.

RAMTIRTH BRAHMI OIL

Special No. 1 Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices : Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price : Rs. 2.50 including Postage, to be sent by M.O. only.

YOGIC CLASSES are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

SHREE RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone : 62899

WORLD GOLD PRODUCTION, MOVEMENTS AND PRICES

(Concluded from page 548)

in Mexico and Venezuela and smaller increases in some other countries.

The decline of \$2.3 billion in U.S. gold reserves during 1958 contrasted sharply with the increase of \$1.1 billion during the preceding two years. It was the largest outflow of gold from the United States in any single post-war year, the second largest, \$1.7 billion, having been recorded in 1950. Other countries whose gold reserves declined in 1958 were Argentina, Canada, Cuba, Egypt, Mexico, Peru, Spain, and Sweden, the aggregate decrease in these countries amounting to about \$250 million. E.P.U. gold stocks fell by \$128 million, to \$126 million, which was turned over to the European Fund when the European Monetary Agreement became effective in December 1958. The largest increase in monetary gold reserves during 1958 was in the United Kingdom, where gold holdings increased by an estimated \$1,250 million, to about \$2,850 million. This increase exceeded by about \$510 million the estimated total increase in the official gold holdings of the world as a whole. The second largest increase was in Italy, where gold stocks rose by \$634 million, to \$1,086 million, after having increased by \$114 million in 1957. Other increases in 1958 were \$355 million in Belgium, \$306 million in the Netherlands, \$207 million in Switzerland, \$97 million in Germany, \$91 million in Austria, \$36 million in Australia, \$32 million in Portugal, \$31 million in Japan, \$14 million in Iraq, and \$10 million in Colombia. The increase of \$152 million, to \$1,332 million at the end of 1958, in the gold holdings of the International Monetary Fund was mainly the result of repurchases, subscriptions, and charges paid in gold by Western European countries and, to a smaller extent, by other members of the Fund.

The decline in U.S. gold reserves continued during the early months of 1959. From 1st January to 30th April, it amounted to \$224 million, most of which corresponded to substantial increases in Japan and in Western European countries. On 30th April 1959, U.S. gold holdings amounted to \$20.4 billion, or about 51 per cent, of the world's monetary gold stock.

Foreign Holdings in U.S.

Of the total gold holdings at the end of 1958 of the monetary authorities of the world (as described above), \$29.2 billion, or about 75 per cent, was physically located in the United States. Gold held under earmark by the Federal Reserve Bank of New York for the account of foreign central banks and Governments and international banking institutions rose by \$2 billion during the year, to about \$8.5 billion. Many central banks and Governments find it to their advantage to have a portion of their gold reserves in the United States to meet current and future requirements, since the United States is prepared to buy and sell gold for official monetary purposes at a fixed price in unlimited amounts. Transfers on official account in 1958 between earmarked gold accounts held by the Federal Reserve Bank of New York amounted to approximately \$4.1 billion. In addition to purchases from and sales to the United States, there were movements of gold between foreign accounts as a result of monthly E.P.U. settlements and of gold transactions facilitated by the services of the Bank for International Settlements and the Fund. The volume of gold movements between official accounts negotiated in the London market was again considerable, though it was probably less than in 1957.

Gold Markets and Gold Prices

In 1958, the increased demand for gold by central banks exceeded by a wide margin the supply available from new production and from sales by countries other than the United States. The difference was made good by purchases from the United States, where during most of the year the price was lower than in London. The demand in the London market was met, for the most part, by sales of newly mined gold. In view of the strength of sterling, it was not necessary as in previous years for the Bank of England to sell gold to acquire U.S. dollars; instead, it was a net buyer of substantial amounts of gold. Thus, the dollar price of bullion on the London market (converted at the sterling-dollar rate of exchange at the time of the daily fixing) remained above \$35 per fine ounce during nearly the whole of 1958 and in the early months of 1959. From May through December 1958, the monthly average dollar price of gold in London was above the U.S. selling price of \$35.0875 per fine ounce. From time to time, however, central banks bought gold in

London, especially when gold was available in both London and New York at the same price, or when the London price was less than the U.S. selling price. These periods were short, and, during the greater part of the year, substantial purchases of gold were made in New York. Some new arrangements have been made to facilitate purchases of gold by private citizens; in Canada, for example, one commercial bank offered for fixed fees its facilities for storing gold against which the bank issues "gold certificates," and the Toronto Stock Exchange announced that gold bullion would be listed for trading as from 3rd February 1959.

Restrictions Relaxed

During the past financial year, several countries took further measures to relax restrictions on the sale of gold and the movement of gold through their territories. The most significant steps were taken in connection with the adoption of external convertibility by 14 European countries in December 1958. At that time, the United Kingdom announced that, as from 29th December 1958, dealings in gold would be permitted against "external" sterling or any foreign currency. On 20th March 1959, restrictions on forward dealings in gold were removed. Previously, any transaction that was not a spot transaction, that is, with delivery and payment within two working days, required the approval of the Bank of England. It is understood that, for the time being, the pre-1939 practice of having a daily fixing of forward gold prices, as there is for spot transactions, will not be revived.

In June 1958, a new Government loan was offered in France, carrying interest at 3½ per cent. and with repayments, which will begin in 1970, related to movements in the Paris market price of the napoleon. At the same time, in order to encourage the repatriation of foreign assets, the law of 1948 which prescribed a fine of 25 per cent. on reimported capital was abrogated, provided that repatriation took the form of gold which was to be promptly offered for sale on the Paris gold market. It has been estimated that, through these operations, the Bank of France acquired approximately 140 tons (4.5 million fine ounces) of gold and that, of this amount, some 3 million fine ounces came from discharging in France.

In the Federal Republic of Germany, the last limitations on domestic trade in uncoined gold and gold coins were removed on 26th January 1959, and the import and export of gold and gold coins were made completely free. However, purchases and sales of gold, other than by the monetary authorities, are still subject to the general 4 per cent. turnover tax. In April 1959, the Minister of Finance of the Union of South Africa announced that the South African Reserve Bank would sell gold bars to private purchasers outside the sterling area at a price corresponding to that on the London market. The bars to be sold are of the regular standard size of 400 fine ounces each, and the minimum individual purchase is fixed at 25,000 fine ounces. The Minister also stated that these sales were intended to encourage private ownership of gold, and that buyers may either leave the gold for safekeeping with the South African Reserve Bank or have it shipped to any country.

London Market

London bullion dealers continued to engage in gold transactions on a world-wide basis during the year. The Union of South Africa and other sterling area producers, together with the U.S.S.R., continued to be the main source of most of the fresh supplies in the London market. When the price of gold exceeded \$35 per fine ounce, most of the monthly E.P.U. settlements were made in dollars and no longer contributed substantially, as they had done in previous years, to the market turnover of gold. Private operators purchase gold in London for export to the Middle East and the Far East; the estimate of the net absorption of gold by the arts and industries and by private hoarders in 1958 suggests that purchases on private account by non-residents of the sterling area must have been on a comparatively small scale. The increased central bank demand for gold, together with the strong demand from the Middle East which was associated with the political uncertainties in that area, caused the price to remain firm when supplies were short in London. The price of bar gold in sterling at fixing increased from 249s. 2½d. per fine ounce on 1st May 1958 to 250s. 11½d. on 18th July 1958. It did not fall below 250s. per fine ounce until 8th January 1959, after which a downward tendency was maintained, with the price falling to 248s. 11½d. on 3rd April 1959. At the end of April it was quoted at 249s. 3½d., equivalent to \$35.094 at the day's dollar exchange rate. The fixing price in London rose to the equivalent

of \$35.14 per fine ounce on 8th October 1958, the highest dollar equivalent at the fixing since the reopening of the London market in March 1954. When supplies became more plentiful, partly as a result of U.S.S.R. sales in late 1958 and early 1959, the price at fixing declined below the equivalent of the U.S. selling price at the end of the year, and on 18th March, 1959 fell to \$35.04½. Subsequently, it rose to \$35.10 on 20th April as a result of renewed central bank demand.

The prices at which bar gold is traded directly for U.S. dollars in other markets deviated by only a few cents from the London dollar price during the year under review. In Zürich, for example, it was usually quoted a few cents per fine ounce above the London price, moving between the high of \$35.17½ on 17th July 1958 and the low of \$35.06½ on 16th-17th March 1959. On 30th April 1959 the price was \$35.11½ per fine ounce.

In Paris, the price of bar gold began to fall early in 1958, following the anti-inflationary measures adopted in December 1957, and this movement continued throughout most of the year, partly in response to the actions taken in June 1958, which have been described above. The rate quoted on 13th October 1958 was F.512,000 per kilogram. At the time of the devaluation of the French franc, the price of bullion advanced sharply, and on 19th January 1959 it was F.573,000 per kilogram. From 21st January to 30th April 1959, the price of bar gold remained within a narrow range, between F.568,000 and F.563,000 per kilogram, compared with F.555,000, the equivalent at the par value. During the period 1st May-27th December 1958, the U.S. dollar equivalent price of bullion fluctuated between a high of \$36.72 per fine ounce on 19th May and a low of \$35.85 on 27th August. After the devaluation of the franc, this price remained within a narrower range of the London dollar price, moving between a low of \$35.09 per fine ounce on 29th December 1958 and a high of \$35.86 on 19th January and 27th April 1959. On 30th April 1959, it was equivalent to \$35.74.

In Brussels, the U.S. dollar equivalent price of gold remained within a narrow range of the price in London from 1st May to 31st December, 1958, moving between \$35.37 and \$35.14. In January 1959, it fluctuated more widely because of market technicalities; and from 2nd February to 30th April 1959, it moved between \$34.94 and \$35.25 per fine ounce. In Milan, the price was slightly higher, fluctuating between \$35.20, the price in the last week of August 1958, and \$35.77 in the middle of January 1959; at the end of April, it was \$35.33 per fine ounce. Because of the political unrest in Lebanon, the U.S. dollar equivalent price of bullion in Beirut fluctuated more widely and at a slightly higher level than in the previous year. On 30th April, it was quoted at \$35.19 per fine ounce. In Hong Kong, the U.S. dollar equivalent price of gold increased from a low of \$38.03 on 6th June 1958 to a high of \$38.68 on 7th April 1959; at the end of April, it was quoted at HK\$252.50 per tael (equivalent to \$38.65 per fine ounce at the day's T.T. Hong Kong dollar rate for the U.S. dollar).

In India

In view of the rigid restrictions imposed on imports and exports of gold in India, the price of gold on the Bombay market is determined principally by local supply and demand conditions and is subject to wide fluctuations, depending upon the interplay of various economic forces and, to some extent, political and other factors. The price of gold rose from a low of Rs. 104.19 per tola (equivalent to \$58.35 per fine ounce at par value) on 10th July 1958 to a new high of Rs. 125.31 per tola (\$70.17 per fine ounce) on 30th April 1959, which exceeded the all-time peak of Rs. 121.00 (\$97.78 per fine ounce at the predevaluation rate of Rs. 3.3 per U.S. dollar in August 1948).

In the markets for gold coins, the prices of the sovereign and the napoleon continued in 1958 the gradual decline that began in 1957. The decline in the price of the sovereign is attributed to the release by the United Kingdom during 1958 of a substantial quantity of sovereigns for sale abroad. At the end of April 1959 the price of the sovereign in Paris and Brussels was lower by about \$0.90 and \$0.20 per fine ounce, respectively, than at the end of April 1958; in Beirut it was about the same as a year earlier, and in Milan it was about \$0.30 higher. In Paris it was equivalent to about \$40.20 per fine ounce, in Milan to \$40.85. From the end of April 1958 to the end of April 1959, the price of the napoleon declined in Paris by the equivalent of about \$7 per fine ounce, to about \$38.70; in Milan, by \$4.50, to \$39.50; and in Beirut, by \$2.00, to \$39.20.

COMPANY MEETINGS AND DIVIDENDS

Rs.	<u>36,11,839</u>	Rs.	<u>36,11,839</u>
-----	------------------	-----	------------------

Rs.	25,53,122	Rs.	25,53,122
------------	------------------	------------	------------------

The total sales for the year ended 31st December 1958, together with the closing stocks as on

Rs.	25,80,509		Rs.	25,80,509

Rs. 56,30,338 **Rs. 56,30,338**

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

Rs. 93,01,848 **Rs. 93,01,848**

Rs. 39,59,595

Good early rain and favourable weather helped production and a record crop of 25,107 (21,710) maunds of tea was made as against the estimated crop of 21,500 maunds. The total net average sale price obtained per pound of tea was Re. 1.72 (Re. 1.59) and the working cost per pound of tea produced was Re. 1.44 (Re. 1.43). Expenses incurred on the compulsory provident fund scheme for plantation labour which was introduced by the

Rs. 41,21,199	Rs. 41,21,199
---------------	---------------

Rs. 23,23,618	Rs. 23,23,6
---------------	-------------

The season's working resulted in a profit on the revenue account of Rs. 1,98,439 (Rs. 2,81,739) after providing for depreciation amounting to Rs. 1,00,882, writing off development expenditure of Rs. 21,291 (Rs. 14,104) incurred during the year, tea estate and providing Rs. 30,000 (Rs. 38,774) for contingencies. After transferring the above for contingencies, making various adjustments, setting aside for taxation Rs. 95,000 (Rs. 1,37,000), the balance available on profit and loss account amounts to Rs. 1,77,138 (Rs. 2,90,222) from which it is proposed to pay a dividend of 5 (20) per cent.

Rs.	<u>22,60,897</u>	Rs.	<u>22,60,89</u>
-----	------------------	-----	-----------------

*Includes wealth tax of Rs. 64,377.

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

KAILAS RUBBER Co., LTD. Final dividend 10 per cent. (making a total of 20 per cent. for year), for the year ended 28th February 1959. Transfer books remain closed from 1st to 1st October 1959, both days inclusive.

NILGIRI TEA ESTATES LTD. Dividend of 5 cent. for the year ended 31st March 1959. Transfer books will remain closed from 6th to 24th October 1959, both days inclusive.

Notices

THE MORARJEE GOCULDAS SPINNING & WEAVING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 88th Annual General Meeting of the Company will be held at its Registered Office at Suparibaug Road, Parel, Bombay 12, on Tuesday, the 3rd November 1959, at 4 p.m. (I.S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statements of Accounts for the year ended 30th June, 1959.
2. To declare a dividend on Preference and Ordinary Shares.
3. To elect a Director in place of Shri Motilal Tapuria who retires by rotation under Article 140 of the Articles of Association of the Company, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Basudeo Kanoria who retires by rotation and being eligible offers himself for re-appointment and to consider, and if thought fit, to pass the following Resolution as a Special Resolution in respect of which a Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and is hereby given to the members:—

"Resolved that Shri Basudeo Kanoria who retires by rotation and who is an Associate of Messrs. Piramal Sons Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint an Ex-Officio Director to the Board) be and is hereby re-appointed a Director of the Company."

The reasons which make this Special Resolution necessary are fully set out in the Resolution itself and in the Explanatory Statement annexed to this Notice.

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

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

The Share Transfer Books of the Company will be closed from Friday, the 9th October 1959, to Tuesday, the 3rd November 1959, both days inclusive.

By Order of the Board,
For PIRAMAL SONS PRIVATE LTD.,
GOPIKISAN PIRAMAL,
Director,
Agents.

BOMBAY, 14th September 1959.

The Dividend, if sanctioned, will be payable from Monday, the 9th November 1959, to those Shareholders whose names stand on the Register of the Company on 8th October 1959.

Dividend Warrants will be posted in due course to the Registered Addresses of the Shareholders. Change of address, if any, should be notified without delay.

An Explanatory Statement in respect of the above item of special business is herewith annexed.

EXPLANATORY STATEMENT

Under Section 173 of the Companies Act, 1956, and Annexure to the accompanying notice.

Shri Basudeo Kanoria is a Director of the Company who retires by rotation and is eligible for re-appointment. A Special Notice has been received from a Member proposing the appointment of Shri Basudeo Kanoria as a Director in accordance with the provisions of Section 261 of the Companies Act, 1956. Shri Basudeo Kanoria has been a Director of the Company for some years and it is in the interest of the Company to receive the benefit of his advice as a member of the Board. As set out in the Special Notice received by the Company, the reasons which make it necessary to have a Special Resolution are as follows:—

- (a) The Managing Agents of the Company are authorised by its Articles and its Managing Agency Agreement to appoint a Director on the Board.

- (b) Shri Basudeo Kanoria is liable to retirement by rotation of Directors.
- (c) He is an associate of the Managing Agents.

By Order of the Board,
For PIRAMAL SONS PRIVATE LTD.,
GOPIKISAN PIRAMAL,
Director,
Agents.

BOMBAY, 14th September 1959.

MYSORE CHEMICAL MANUFACTURES LIMITED

Chikbanavar P.O., Bangalore Dist.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of the Shareholders of the MYSORE CHEMICAL MANUFACTURES LTD. will be held at the Registered Office of the Company at Chikbanavar P.O., Bangalore District, on Friday the 23rd October 1959, at 10 a.m., to transact the following business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1959, and the Auditor's Report thereon.
2. To declare Dividends on (1) Preference Shares, (2) Ordinary Shares.
3. (i) To elect a Director in place of Sri S. Ramanathan who retires by rotation and being eligible offers himself for re-election.
(ii) To elect a Director in place of Dharmaprakash M. V. Veerappa who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors for the year 1959-60 and fix their remuneration.

The Share Transfer Books of the Company will be closed from 10th to 23rd October 1959, both days inclusive.

By Order of the Board,
S. RAMANATHAN,
Managing Director.

BANGALORE, 23rd September, 1959.

A Dividend of 20 per cent. on Equity Shares (excluding the Bonus Shares issued on 2nd May 1959) and 6 per cent. on Cumulative Preference Shares, free of Income-tax, have been recommended, which, when declared will be payable on and after 26th October 1959. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register as on 9th October 1959.

Shareholders are requested to notify the Company of any change in their address.

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

THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office:
MADRAS-1.

NOTICE OF THE 25th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 25th Annual General Meeting of the Shareholders of THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED, will be held at the Registered Office of the Company at No. 20, Second Line Beach, Madras, 1, on Wednesday the 28th October 1959, at 3 p.m.

AGENDA

1. To consider and adopt the Directors' Report and Audited Accounts for the year ended 31st March 1959.
2. To declare Dividend on Preference and Ordinary shares.
3. To consider the appointment of Directors:—
(a) To elect Directors in the place of those retiring by rotation.
(b) To consider the nomination of Sri K. V. Suryanarayana Aiyar to be a

Director on the Board as per the Special Notice under Section 281 of the Companies Act, 1956, received from a member, and if thought fit to pass the following Resolution:

"RESOLVED that Sri K. V. Suryanarayana Aiyar be appointed a Director of the Company notwithstanding the fact that he is aged 66 years and that the age limit prescribed in Section 280 of the Companies Act, 1956, shall not apply to him."

4. To appoint Auditors for the year 1959-60 and fix their remuneration.
5. Any other subject that may be brought up before the Meeting.

The Share Transfer Books of the Company will remain closed from 21st October 1959 to 28th October 1959, both days inclusive.

By Order of the Board,
For CHANDRIE & COMPANY (PRIVATE) LIMITED,
S. VENKATARAMAN,
Director,
Managing Agents.

20, SECOND LINE BEACH,
MADRAS-1, 16th September 1959.

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

(b) The Dividend when sanctioned will be paid on or after the 28th October 1959, to those Members whose names stand on the Register of Members on 20th October 1959.

The Explanatory Note concerning item 3(b) above is being sent to the Members individually.

PROMOTING INDIA'S EXPORTS

(Concluded from page 566)

ups; (c) pay greater attention to proper packing and labelling in conformity with modern trends and local requirements; (d) make suitable modifications and/or alterations in their products as may be required in each country.

Government Policies of East Africa and Egypt
All Government, Municipal, and semi-Government purchases in British East Africa are channelled through London, and it appears that there is not much scope for supplies to them, because of their policy to buy "Made in England" goods. The market left open for exports, therefore, is the consumer market. There are no currency restrictions and, in recent months, even dollar currency has become easy. Hence, there is keen competition from all over the world.

In Egypt, there is an acute shortage of foreign exchange, including Indian currency, and the only currency easily available to them is from the Communist countries. In the past three years, bulk of the imports were, therefore, channelled through Communist countries. Thanks to the recent Indo-Egyptian Trade Agreement, there are some hopes of doing business with Egypt, but the stipulation to get the contracts between Indian manufacturers and exporters with Egyptian firms registered with the State Trading Corporation is likely to be a deterrent, because of the high percentage of margin of profit demanded by the S.T.C. At a time when manufacturers are required to tighten their belts and work at low or no margin of profit, the compulsion to have S.T.C. as an intermediary and load the prices cannot be understood. I would strongly recommend to the Government that Indian manufacturers and exporters be allowed to enter into direct contracts with Egyptian firms, and thus help to be more competitive. Otherwise not much business will materialise.

In Egypt, a new consciousness for industrialisation of the country is gathering momentum and all protection and encouragement are being given by the Government to those who set up new industries. Their plans are ambitious and Egypt aspires to be a strong industrial nation as well.

Since our popular Minister for Commerce and Industry, Mr. Lal Bahadur Shastri, has evinced keen interest in export promotion and adopted a number of constructive measures, I am sure that he will take effective steps to remedy these shortcomings in the Government of India and the Indian Consulates abroad. I would also appeal to my brethren in Indian industry and commerce to raise their ethical standards, realise their responsibility to the country and not support or co-operate with those who fail them. Such persons do not deserve any mercy.

MONEY EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 30th September

Thanks to the Bombay Municipal Loan, the list for which opened and closed on Monday the 28th inst., there was some activity in the inter-bank section of the money market. At one time on Monday, the rate for inter-bank call money went up to 3 per cent. Subsequently, it came down to 2 to 2½ per cent., but today, conditions became distinctly easy, again, following the return of money to the banking system from the Municipality. Today, the inter-bank rate for day-to-day money was the same as that a week ago, namely, 1½ per cent. among the big Indian banks and 1½ per cent. among the smaller Indian banks was 2 per cent., after having gone up to 2½ per cent. earlier in the week.

The response to the Bombay Municipal loan was, as anticipated, excellent. Although no official communiqué on the results of this issue has so far been issued by either the Municipality or its bankers, it is stated that the total amounts tendered by investors was well over Rs. 9 crores as against Rs. 5 crores invited and that the list closed within 30 minutes of its opening. It is believed that the Corporation must have exercised its option to take up 10 per cent. more out of the excess subscriptions.

The Central Government 91-day Treasury Bill results show an appreciable change, as compared with last week. For the second week in succession, the total amount offered was the same as the amount invited, namely, Rs. 2 crores. The average rate of accepted tenders remained unchanged at Rs. 2.440 per cent. per annum. All this shows that the Bills must have been taken up by special quarters. Nevertheless, tenders for Rs. 2 crores of bills have been invited for the next week also. Sales of intermediate Treasury Bills between 23rd September and 26th September 1959 fetched Rs. 85 lakhs, as compared with Rs. 2 crores in the corresponding period of the previous week. These Bills have been offered again at the same rate at which they were sold during the week under review.

The Reserve Bank's statement for the week ended 25th September 1959, as compared with that for the previous week, shows a contraction of Rs. 15.81 crores in notes in circulation and a rise of Rs. 16.52 crores in notes held in the Banking Department. The difference of Rs. 71 lakhs in the total notes issued is balanced by a rise of Rs. 59 lakhs in rupee coin and of Rs. 12 lakhs in rupee securities. Foreign securities in the Issue Department are unchanged at Rs. 163 crores, but balances held abroad in the Banking Department have declined further by Rs. 213 crores, taking the total of foreign exchange reserves down to Rs. 180.91 crores. The other changes in the Banking Department are of a minor nature, the only notable variation being a drop of Rs. 9.06 crores in the deposits of banks.

The decline of Rs. 4.72 crores and a rise of Rs. 10.56 crores are the major variations in the statement scheduled banks for the week-ended 18th September 1959. Borrowings from the Reserve Bank show a rise of Rs. 5.70 crores, of which Rs. 1.79 crore is against usance bills. There has been a small increase of about Rs. 1.84 crore in bank credit and of Rs. 2.96 crores in investments. Money at call has risen by Rs. 1.20 crore and so also total cash by Rs. 5.20 crores.

The gilt-edged market was firm, with a broadening of turnover. Prices of both Central and State Government loans improved by 5 to 10 nP. Much of the activity was due to buying by the L.I.C.

A notable development of the week in this section was the announcement of a loan of Rs. 5 crores by the Industrial Finance Corporation of India. This loan, in the form of bonds, carries interest at 4 per cent. and is repayable after 12 years. The issue price is Rs. 98.75 per cent. In other words, the terms are identical with those of the Bombay Municipal Loan referred to above. The list will open on 5th October and close on 12th October 1959 or earlier as soon as the issue is fully subscribed. The Central Government has guaranteed the repayment of the principal and payment of interest. The bonds are, therefore, approved securities under the Indian Trusts Act, the Insurance Act and the Banking Companies Act. They are also eligible securities for purposes of advances to scheduled banks by the Reserve Bank of India and the State Bank of India.

In the foreign exchange market, as sterling was a shade quiet in relation to the U.S. dollar, the rupee-dollar rate moved up from Rs. 477 per \$100 to Rs. 477.75 for banks' selling T.T. The banks' buying rate also was higher by 50 nP at Rs. 474.25. In the New York market, spot sterling and three months forward lost 0.50 cent over the week. The rate at the time of writing is 280.25-280.28 cents for spot sterling and 280.56-280.59 cents for three months forward.

KIPS CLEARANCE GOOD

(From Our Own Correspondent)

MADRAS, 28th September

Arrivals of kips in the market were moderate and clearances good. Prices ruled unchanged. U.S. buying was small, because importers were trying to buy at 1d. to 2d. lower than the levels last established. E.I. farmers were not keen to take higher prices, considering that the raw markets had been small. There were several inquiries for but few arrivals of cow calf and pig. Prices were small. There were several inquiries for but few arrivals of cow calf and pig. Prices were small. There were several inquiries for but few arrivals of cow calf and pig. Prices were small.

The market for tanned goat 5½/6 lbs. and 8/9 lbs. was firmer and sellers were quoting high prices. Tanned sheep middle class was also in good demand and prices hardened though other types were steady.

BULLION PRICES FINISH LOWER

(From Our Own Correspondent)

BOMBAY, 30th September

The bullion market exhibited a firm trend during the major part of the week under review, but staged a retreat today. The firmness was engendered by scarcity of fresh offerings in both gold and silver, as well as expectations of an early revival of demand. The continued rising tendency in commodity prices also imparted some strength. Consequently, the two metals registered an improvement in values. Today, however, selling was in evidence, thanks to fears regarding resumption of silver coin imports from Tibet and reports of inflow of contraband gold. Moreover, in silver, the earlier expectations that the bull clique might take delivery in the maturing contract (19th October settlement) turned out to be somewhat baseless, as was evident from the widening of the carry forward rate for October settlement from As. 8 last week to As. 10 yesterday and As. 13 today.

October settlement in gold began the week at Rs. 120-15, as against Rs. 121-3-6, and moved up to touch a high of Rs. 122-6 yesterday. After declining to Rs. 122-0-6 today, it finished half an anna higher. The net gain over the week was As. 13-6. Business in November settlement commenced at Rs. 122-3 on Saturday. The settlement advanced to Rs. 122-12 before closing at Rs. 122-7.

Ready gold was well supported, the quotation spurring from Rs. 121-11-6 to Rs. 121-15 yesterday. It encountered selling today and receded to Rs. 121-10. As in the past week, it continued to be at a discount under the forward position. The daily average arrivals and offtake of gold were 3,000 tolas and 3,200 tolas, respectively. The floating stocks are reported to be around 70,000 tolas.

October settlement in silver rallied from Rs. 204-11 on Wednesday last week to Rs. 205-13 yesterday, but fell to Rs. 204-8. November settlement, after rising from Rs. 205-3 to Rs. 206-7, finished lower at Rs. 205-8.

Ready silver, which stood at Rs. 203-11 last week-end, met with good support and improved to Rs. 204-15 yesterday. Today, it receded to Rs. 203-12. The daily average arrivals of silver were 30 bars, while the offtake was 7 bars. The floating stocks of silver are estimated at 700 bars.

There was no change in the quotations for ready and forward silver in the London bullion market during the week under review also; the former stood at 78d. per ounce and the latter at 78½d. Silver in New York, too, was unaltered at 91.375 cents per ounce. Ready gold in London, firmed up from 250s. 4½d. to 250s. 8½d. per ounce, owing to the easiness of the pound sterling vis-à-vis the dollar. The latest available rate for dollar gold in London is \$35.12-\$35.14 per ounce, as against \$35.11-\$35.13 last week.

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

	30-9-59	Highest	Lowest	23-9-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint)	121 10	121 15	120 8	120 11½
Forward	122 1	122 6	120 15	121 3½
SILVER	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint)	204 15	204 15	203 14	204 11
Forward	205 3	206 7	203 14	204 11
30-9-59				
London Silver Ready	78½	78½	78½	78½
London Forward	78½	78½	78½	78½
London Gold	250s. 8½d.	250s. 8½d.	250s. 8½d.	250s. 8½d.
New York Silver	91.375	91.375	91.375	91.375

* 17th October settlement. † 19th October settlement.

METALS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, 29th September

The proximity of the import policy announcement for the six months beginning from 1st October and the expectations of increased allotment of foreign exchange for import of virgin metals and scrap depressed the metal market during the week under review, and prices gave way. Stocks were far from being nervous, as they thought that it would not be before weeks any liberalisation in the import policy would have its effect on supplies. Meanwhile, it was noted here that, in overseas markets, excepting for copper, other base metals recorded a weaker trend during the week. Such a trend was attributed to slackness in demand.

Copper scrap prices here recorded a further recession despite shortage for the metal. Clean wire scrap eased from Rs. 240 to Rs. 238 per cwt. and utensil scrap at Rs. 222 was lower by Rs. 3. Elec. rolytic copper on the London Metal Exchange opened firm at £224½ per ton and gradually rose to close at £229, following greater demand in the face of a decline in warehouse stocks. A firmer trend was also reported from New York. The higher trend was attributed to the strike negotiations in Kennecott bearing no fruit.

Electrolytic zinc was subjected to speculation, following low level of stocks in the market; however, the price gave way, thanks to anticipations of a more liberal import policy. From Rs. 115 per cwt. the metal gave way to Rs. 110. In London, the price was earlier at £244 per ton to close higher at £251.

Tin closed here at Rs. 586, as against Rs. 587 earlier in the week. There was fair demand, but the stock position was good. Lead was quiet at Rs. 73.50 per cwt.

COTTON FUTURES EASY

(From Our Own Correspondent)

BOMBAY, 30th September

The cotton futures market, after a firm start, turned easy in subsequent sessions. The earlier firmness was due to reports of rains in Punjab and fear of damage to the crop. The sustained mill demand for spot cotton aided sentiment. The Jarilla March contract firmed up to Rs. 629.50 on Thursday. The trend of the market changed for the worse since then, and barring occasional rises, the contract steadily moved down. Rumours of the imminence of a large import quota and reports from the growing regions that the weather was taking a turn for the better induced some nervous bull liquidations and values declined. The fall in price would have been more marked but for the fact that spot prices of most varieties remained at the ceiling, some even pierced it. It was, therefore, considered not unwise to hold on to long position.

I.C.C. Moglai Jarilla March 1960 opened the week at Rs. 719 as against the previous close of Rs. 722.25 and, after rising to Rs. 729.50, declined to Rs. 724 yesterday. Commencing today at Rs. 723, the contract, after improving fractionally, declined to Rs. 718. The finish was, however, a shade higher at Rs. 719.

In the spot section, there was sustained mill demand early in the week. Both old and new crop were much sought after. Ahmedabad mills were keen buyers of old crop CO 2, Laxmi, Rajapalayam and 0394. Of the new crop, Berar 0394, 197/3, and Punjab 320F were well favoured. Towards the latter half of the week, however, activity subsided. Bills were seen keeping off the market in anticipation of an import quota.

Export demand continued to be weak. No fresh inquiries were reported. Some routine business was done in Zoda and Yellow pickings and Bengal Deshi.

Business in foreign cotton was restricted owing to the uncertainty about the import quota. Mills evinced some interest in Egyptian and Indian varieties.

The allocation to non-actual users and needy mills out of the quantity of 100,000 bales, reserved for them out of the recent quota has not been made. The announcement regarding the balance of 40,000 lbs. is also awaited.

Meanwhile, the Indian Cotton Mills Federation, in a telegram sent to the Government of India, stated that "traditional users of foreign cotton had almost completely exhausted their stocks and unless the Government took immediate measures, we apprehend partial or full closure of some of the mills and further deterioration of cotton supply position." The Federation has appealed to the Government to expedite the allocation of foreign cotton to mills out of the 140,000 bales recently released for import and to permit further imports of 300,000 bales for the period September 1959 to February 1960.

The following are the latest available quotations—in rupees per candy of 784 lbs.—from the spot market:

Bengal Deshi 695; Berar Jarilla 790; Hubli Laxmi 985; Jaydhar 890.

Cotton futures values in Karachi declined further during the week. Export demand continued to be weak. Mill buying was on a very restricted scale. The N.T.R.G. January contract receded on profit-taking from Rs. 64-6 last week end to Rs. 63-9. The March contract gave way to selling and declined from Rs. 64-11 to Rs. 63-15. The spot section ruled subdued. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 77; Punjab Deshi 80; 4F Punjab Roller 60; S.G. 70-8; L.S.S. Punjab Roller 70; S.G. 71; N.T. Roller 76; S.G. 80; 289F Punjab Roller 72; S.G. 75.

Quiet conditions prevailed in the Alexandria cotton futures market during the week. Export demand continued to be small. Spot premiums also weakened, thanks to lack of support.

Export sale of new crop up to the 15th inst., aggregated 148,432 bales (of 720 lbs.), while shipments up to the 16th inst. amounted to 3,228 bales. As regards crop, both in Upper and Lower Egypt new crop ginnings were reported to be in full swing. First arrivals of new crop Karnak were said to be of good staple and quality.

The following are the latest available quotations—in tallars per lb.—from Alexandria:

Karnak: November 70.25; January 70.62.

Ashmouni: October 60.25; December 59.68.

Cotton futures in Liverpool made modest gains during the week on trade buying and mill fixations. Selling was light and was merely in the nature of hedging. Turnover was limited and price movements narrow.

Liverpool brokers are becoming somewhat impatient of the persistent stability of the cotton futures market. Since the beginning of August, when dealings in the new season's U.S. crop began the market has shown an overall fall of only 10 points, while, for the last few weeks, prices have hardly varied at all. Dealers now feel confident that the market will remain firm throughout the next few months.

The latest available quotations—in pence per lb.—from Liverpool are given below:

American cotton one inch staple contract: October-November 21.60; December-January 21.70; March-April 21.85; May 22.10.

American cotton mixed growth contract: October-November 22.10; December-January 22.05; March-April 22.30; May 22.30.

Sudan: September-October, November-December, January-February 29.75.

Dull conditions prevailed in the New York cotton futures market during the week. Squaring

Maana.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY. 30th September 1959.

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
STEEL, PIPE, GALVANIZED SHEET, COLD



PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAT; BY-PRODUCTS.

FUJI IRON & STEEL CO., LTD.

President: Shigeo Nagano

Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano. Room 805, 52 Broadway, New York
N.Y. U.S.A. Tel: Bowling Green 9-8672

Points From the Chair

Electricity Industry

"MOST of you have doubtless considered in your own minds the implications of the impending scheme of taxation whereby all future dividends will be subjected to deduction of tax at source at the prescribed rate of 30 per cent. As one who is very closely associated with the electricity supply industry, I should say that the position of electricity companies is generally much more complicated than other companies, in that electricity companies come under the dual, and often conflicting, provisions of the Income-tax Act and the Electricity (Supply) Act, 1948. The profit-earning capacity of an electricity supply company is governed by the exhaustive financial principles embodied in the Sixth Schedule to the Electricity (Supply) Act, and while there has been some divergence of opinion as between the authorities and the industry over certain aspects of detail of these financial principles, there is no doubt that the scheme of the legislation intends that the permitted fair return should be a net return, free from all taxes. The investors in this industry, in general, and certainly those such as yourselves, who have been used to obtaining some 'grossing-up' of dividends in your hands, will be adversely affected in, determining the clear profit under the Electricity (Supply) Act, the amount of tax deducted from dividends and paid to Government under the revised scheme of taxation, is not admitted as a charge to the consumers. Representations have already been made by the industry to the Government of India impressing upon it the legitimacy of reckoning the amount of tax deductible from dividends as an expense in computing the clear profit in the same way as income-tax is allowed. I do hope that this effort will bear fruit in the near future, as it is only reasonable that just as the benefit of all tax concessions redound to the consumers in the case of our industry, any addition to tax liability should also reasonably be to their account."

P. D. C. R. CLARK,
Surat Electricity Co., Ltd.

Taxation on Plantations

"Taxation, of course, continues to swallow up a disproportionate slice of the fruits of our labours, and the reliefs so far granted have gone hardly any way to affording us relief. The reductions in excise duty have helped a little. The reductions in the Central taxation on companies have given us negligible relief, since our liability for Central tax is relatively small; at the same time, however, we shall, hereafter, have to deduct full tax at source from the dividends. Export duty, agricultural income-tax, and sales tax continue to be penal in extent, and add not a little to our administrative labours. There is talk of including tea and coffee among the commodities whose sales tax is consolidated into excise duty. I would regard this as a most welcome step and, since the Centre has assured the States that they will not be losers thereby, commend the proposal most strongly for acceptance by all the Governments concerned. It was slightly encouraging to hear the Finance Minister, Mr. Morarji Desai, saying at Coonoor, recently, that he would make sure that the planting industry would not be taxed out of existence. Perhaps, his visit to the U.P.A.S.I. Conference will have given him a better understanding of our problems, and a realisation that, unless some real relief is given soon, the goose will continue to moult, and lay less and less of those valuable eggs which are so important for the country's bill of fare. It may be said that we protest too much. Unfortunately, we can no longer get on with the job, and suffer in silence. Nowadays, the time and minds of those who guide our destinies are so fully occupied with diverse affairs—ideological as well as practical—that we in this industry must continue to make our protests, lest it be thought that they are don't ask, don't want. There are vague signs that our voices are beginning to be heard above the general clamour, and that, in course of time, we shall be allowed to concentrate our energies on the essentials of producing more of those goods on which the country's future depends."

J. N. A. HOBBS,
Chembra Peak Estates, Ltd.

Enthusiasm for the Job

"I am very ready to get away from my work on a Friday. I am very lucky to be able to go into the country, to hear the birds singing and to smell the country smells and breathe the country air. Time was when I thought myself lucky to be away from my office by Saturday afternoon; but things change—and I am glad they do. It is a good thing to have leisure for oneself and to give it to others. But my word on Monday morning I am like a kid at a school treat. I rush back to the office with eager expectation as to what awaits me on my desk. The thrill of business and what it brings makes every Monday an exciting day. Now we in management try our best to instil into every one of our colleagues at office desk or factory floor the same enthusiasm for their job, the same enjoyment in their work. We fail sometimes. But when we succeed—and we believe we do succeed quite often—the results give us infinite joy."

SIR GRAHAM CUNNINGHAM,
Triplex Holdings Ltd., London

Tea Export Duty in Ceylon

"The export duty, which for some long time has been levied to the extent of 70 cents per lb., has now been abolished and, in its place, a new export duty of 35 cents per lb. has been introduced coupled with a complicated *ad valorem* tax based on the price at which tea is sold. This *ad valorem* tax applies to all teas sold over Rs. 1.85 per lb. and therefore low and mid-country teas are unlikely to have to pay much of it and the main burden would appear to fall on the estates growing high quality teas. If the Government is to get out of

this tax the same income as it did from the 70 cents levy it seems that producers of high-grown teas will have to provide an undue proportion of the revenue desired by the Ceylon Government. In addition to this export tax there is cess on all tea exported, in order to provide a subsidy to assist the replanting of tea areas with approved high-yielding material. The subsidy will cover only part of the cost of replanting. Our Company will participate in this scheme and a limited programme of replanting will be undertaken in the interest of still greater efficiency and a larger production in the future. In common with others in Ceylon, progressive and efficient agriculture has always been our aim and, indeed, the tea industry in Ceylon has been described, even by the authorities themselves, as the most highly organised and efficient agriculture in the world. Even the most severe critics will admit that British capital and enterprise have contributed a very large share in the past, and are still contributing to the well-being of Ceylon."

FRANCIS W. DOUSE,

Anglo-Ceylon & General Estates Co., Ltd.

Braithwaites in India

"Braithwaite & Co. (India) Ltd., in which the home company holds approximately 23 per cent. of the share capital, has again had a very successful year. Its associated company, the Braithwaite Burn and Jessop Construction Company, Limited, has also had a successful year. The Ganga Bridge Construction Company, Limited, also an associate, recently completed an important bridge over the River Ganges—a project of major importance to the Indian economy."

J. HARVEY HUMPHREYS,
Braithwaite & Co. (Engineers) Ltd., London

Notice

THE MYSORE COFFEE ESTATES LIMITED

18, Second Cross Road, Shankarapuram,
BANGALORE-4.

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the Shareholders of the MYSORE COFFEE ESTATES LIMITED, will be held at Madras Woodlands Hotel, No. 5, Sampang Tank Road, Bangalore, on Monday, the 16th November 1959, at 4 p.m., to transact the following business:—

- To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March 1959 with the Auditor's report thereon.
- To declare a Dividend.
- To elect Directors in place of:—
 - Sri S. M. Ramakrishna Rao who retires by rotation and being eligible, offers himself for re-election.
 - Sri Dharmaprakasam M. V. Veerappa who retires by rotation and being eligible, offers himself for re-election.
 - Sri K. H. Srinivasan who retires by rotation and being eligible, offers himself for re-election.
- To appoint Auditors for the year 1959-60 and to fix their remuneration. Messrs. Sankaran and Raman, Chartered Accountants, Madras, retire and are eligible for re-appointment.
- SPECIAL BUSINESS:—To consider and if thought fit to pass with or without modification, the following Resolution which will be proposed as an Ordinary Resolution notice of which with the Explanatory Statement is sent to Shareholders individually.

"Resolved that the Board of Directors be and is hereby authorised to sell Gundikhan Estate, a small fractional part of the undertaking of the Company at the best price possible by receiving offers."

The Share Transfer Books of the Company will be closed from 1st November 1959 to 16th November 1959 (both days inclusive).

By Order of the Board,
PAVAN & CO., PRIVATE LIMITED,
Managing Agents.

BANGALORE, 21st September 1959.

Note:—The Board of Directors have recommended a Dividend of 15 per cent. on the Paid-up Capital of the Company, which when declared will be made payable on and after 25th November 1959 to those Shareholders whose names stand on the register as on 1st November 1959.

Shareholders are requested to notify immediately any change in their address for incorporation in the Books of the Company.

A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. Such proxy should be registered with the Company at least 48 hours before the time fixed for the meeting.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 30th September 1959.

	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahem. Adv. (100)	165.00	—	—	166.25
Apollo (2)	1.30	1.34	1.28	1.30
Bombay Dyeing (25)	68.30	68.60	67.50	67.60
Bradbury (50)	121.25	128.50	121.25	128.50
Central India (100)	110.00	112.00	108.50	109.00
Century Mills (100)	579.50	584.00	574.00	578.50
Edward Textile (200)	250.00	—	—	250.00
Elphinstone (50)	36.00	—	—	36.00
Finlay (100)	287.00	290.00	286.00	288.00
Gokak (100)	168.00	170.00	167.00	168.00
Ind. Unit. Defd. (1)	1.18	1.24	1.16	1.24
Ind. Unit. Ord. (10)	9.68	10.40	9.70	10.24
Indore Malwa (100)	94.00	97.00	92.00	97.00
Khalau (100)	267.50	282.50	268.75	280.00
Kohinoor (100)	303.00	308.50	300.00	306.00
Lakshmi (250)	468.75	470.00	462.50	470.00
Minerva Mills (100)	65.00	65.00	62.00	62.00
Model Nagpur (250)	56.25	60.00	56.25	60.00
Morari (100)	287.00	288.00	285.00	285.00
Mysons (50)	71.50	72.00	71.50	71.50
National Rayons (100)	359.50	366.00	357.50	364.50
New City (100)	119.00	120.00	119.00	120.00
New Great (100)	164.00	165.00	163.00	164.00
Phonix (100)	145.00	149.00	145.00	149.00
Podar Mills (100)	145.00	147.00	145.00	147.00
Sassoon Silk (10)	10.00	10.00	10.00	10.00
Sanjay Sps. (100)	69.20	—	—	69.20
Shrinivas (100)	213.50	219.00	212.00	217.00
Simplex (50)	161.00	160.75	158.00	158.00
Standard (100)	637.00	648.00	633.00	648.00
Swadhai (100)	254.00	263.50	253.00	259.25
Swan (100)	415.00	420.00	411.25	417.50
Tata Mill (25)	11.50	49.00	47.00	48.50
Vidya (100)	48.00	113.00	112.00	112.00
Western India (1,000)	4,475.00	—	—	4,475.00

BANKS	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Bank of India (50)	112.25	113.00	112.00	112.00
De. (New) (50)	114.00	114.00	113.00	113.00
Bank of Baroda (50)	102.50	104.00	102.00	103.00
Central India (25)	49.00	49.50	48.75	49.25
Central A. (25)	51.30	51.30	51.00	51.00
Dena Bank (50)	52.80	53.00	52.50	52.80
Punjab National (100)	21.64	21.64	21.24	21.24
Union Bank (5)	7.00	7.00	7.00	7.04
United Com. (50)	62.00	62.00	60.00	60.00

ELECTRIC COS.	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Ahmedabad (100)	98.00	98.00	96.00	96.00
Amalgamated (10)	11.16	11.24	11.12	11.16
Andhra Valley (1,000)	1,102.50	1,107.50	1,102.50	1,107.50
Bom. Sul. Ind. (100)	106.00	108.25	106.00	108.00
Surat (100)	108.50	109.50	108.50	109.50
Tata Hydro (100)	113.50	114.00	113.00	113.50
Tata Power (1,000)	1,130.00	1,137.50	1,130.25	1,135.00

INSURANCE COS.	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
British India (10)	14.24	—	—	14.24
Empress India (100)	300.00	—	—	300.00
Ind. Mercantile (20)	50.00	—	—	50.00
Jupiter (15)	6.00	47.50	46.50	47.50
New India (15)	59.30	59.70	59.30	59.70
Victoria (10)	21.32	21.52	21.32	21.52

STEEL COS.	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Ind. Iron (10)	23.68	23.76	23.44	23.52
Mahaland Iron (10)	18.44	20.12	18.76	20.12
Tata Steel Ord. (75)	151.00	162.50	150.50	162.00

SUGAR COS.	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Belaia (50)	325.00	329.50	323.00	327.00
Bhawal (10)	24.12	24.52	24.12	24.52
Chandee (12.50)	27.00	28.00	27.00	28.00
Phalgun (50)	165.00	181.00	167.00	179.00
Wahland Ind. (100)	327.50	329.00	325.00	329.25

CEMENT COS.	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Associated Cts. (100)	149.00	153.50	148.25	152.00
Digvijay (100)	147.00	148.00	145.00	148.00

MISCELLANEOUS	Closing quotations 24-9-1959	High	Low	Closing quotations 24-9-1959
Atock Ashdown (100)	254.00	255.00	251.50	253.00
Bom. Burnal (125)	538.00	540.50	530.00	540.00
De. (New) (50)	186.25	187.50	184.50	186.25
Br. E. Petrol (4 sh.)	1.04	1.46	1.40	1.42
Br. I. Corp. (5)	30.25	31.00	30.25	30.75
Hindustan Lever (10)	12.25	12.76	12.40	12.72
Hindustan Motors (10)	4.10	4.20	4.06	4.14
Indian Copper (2 sh.)	140.50	138.75	138.00	138.75
Ind. Ir. (100)	22.92	23.12	22.96	23.04
Kilicks (100)	22.92	23.12	22.96	23.04
Larsen & Toubro (10)	22.92	23.12	22.96	23.04
Mahindra & Mahindra (10)	22.92	23.12	22.96	23.04
Polson (100)	142.00	142.00	142.00	142.00
Pre. Automobile (100)	131.50	132.50	129.75	132.00
Pratt & Whitney (10)	367.00	367.00	367.00	367.00
Sealand (20)	16.82	16.82	16.82	16.82
G. E. Shipping (10)	20.40	20.28	16.84	17.16
Shivrajpur (10)	38.00	38.00	38.00	38.00
Sirpur Paper (10)	14.08	14.08	14.08	14.08
Tata Chemicals (10)	15.76	17.90	14.04	14.44
Tata Locomotive (100)	180.00	185.50	182.25	185.50
Tata Oil (25)	64.80	180.00	182.25	185.50
Tatals (100)	170.76	180.00	170.76	180.00
W. I. Match (100)	215.00	222.00	217.00	222.00

GOVERNMENT SECURITIES		24-9-1959	Gross Yield		222.00
		Rs.	Earlier Redemption	Later Redemption	Rs.
2 1/2 %	1961	88.20	—	—	88.20
2 1/2 %	1960	89.60	—	8.48	98.30
2 1/2 %	1959	89.60	—	8.75	99.60
2 1/2 %	1958	89.60	—	8.51	99.60
2 1/2 %	1957	89.60	—	8.18	99.60
2 1/2 %	1956	89.60	—	8.45	99.60
2 1/2 %	1955-65	97.95	8.63	3.28	87.25
2 1/2 %	1954-58	95.75	—	3.20	92.75
2 1/2 %	1953-75 1st Dev.	92.70	—	3.92	95.90
2 1/2 %	1952-60 N.P. Bonds	74.50	—	4.01*	80.70
2 1/2 %	1951-60 N.P. Bonds	74.50	—	3.38	80.30
2 1/2 %	1950-60 N.P. Bonds	100.25	—	3.38	100.30
2 1/2 %	1949-60 N.P. Bonds	100.15	—	3.45	100.30
2 1/2 %	1948-60 N.P. Bonds	100.15	—	3.45	100.30
2 1/2 %	1947 N.P. Bonds	99.65	—	3.53	99.80
2 1/2 %	1946 N.P. Bonds	99.65	—	3.78	99.80
2 1/2 %	1945 N.P. Bonds	99.65	—	3.62	100.85
2 1/2 %	1944 N.P. Bonds	99.65	—	3.58	99.35
2 1/2 %	1943 N.P. Bonds	99.65	—	3.65	99.65
2 1/2 %	1942 N.P. Bonds	100.20	—	3.45	100.20
2 1/2 %	1941 N.P. Bonds	100.60	—	3.67	100.60
2 1/2 %	1940 N.P. Bonds	100.70	3.28	70.92	92.70
2 1/2 %	1939 N.P. Bonds	101.70	—	8.64	101.65
2 1/2 %	1938 N.P. Bonds	101.80	—	8.68	101.65
2 1/2 %	1937 N.P. Bonds	101.80	—	8.99	100.60
2 1/2 %	1936 N.P. Bonds	100.10	—	—	100.10

when the whole system comes up for renewal next year. The Commission, it may be noted, consists of non-officials representing all sections of the public. The Government, true to its earlier promises, has agreed to accept the Commission's recommendations. The schedule itself, as stated at the outset, does not imply any excessive loss of income to the managing agency firms. Being based on a slab system, the schedule will be less burdensome than a straight percentage cut or a step system. On the lower ranges of income, the reduction is bound to be negligible. It is true that, on an average, the rate worked out to about 6.6 per cent, in the case of managed companies, the net profits of which are Rs. 1 crore. There are not many companies of this size at present. And, in the case of most of such companies, the rate of managing agency remuneration is even now only 7.1 per cent. It must also be remembered that the companies under the management of several large managing agency houses are markedly expanding their production. This is bound to lead to a large increase in the profits of managed companies, which may be depended upon to cushion the restrictive effect of the new schedule. Further, quite a good number of managing agency houses themselves are directly entering the manufacturing field, which in itself is a desirable trend from the country's point of view.

There is also another point to be borne in mind. It is that, while the proposed new rates are for general application, the Government has powers to vary them in special cases, where the services rendered by managing agents warrant such a course. The variation can be in both downward and upward directions; in either case, it can be done only in consultation with the Advisory Commission. If the services rendered by a managing agent to any one of his managed companies are of a costly nature and the general rates are found insufficient, the Government has power to enhance them up to the maximum rate specified in the Act. There is thus plenty of room for flexibility to accommodate hard cases.

Now that the schedule of remuneration has been revised in a downward direction, the Government will be well advised to see that no new restrictions are placed on the managing agency system. For a socialist Government, like the one that India has today, the pace of its reform of company law has been commendably evolutionary, rather than revolutionary. It would be in keeping with this tradition, if the Government refrained from making frequent changes in company law or corporate financial administration. The proposal that the period of managing agency should be reviewed every five years for industries which are well established has no merit, unless the idea is to evolve a political device to keep the managing agents perpetually under the thumb of the ruling party. A few bad sheep in the corporate sector here and there cannot be made an excuse for large-scale interference with company managements. In any case, the Government and the shareholders have ample powers to check mismanagement; to cite one provision in company law, shareholders, with no more than one-tenth of the voting power, may compel the Government to institute an enquiry into their company. Indeed, this and other powers granted to shareholders, if they are intelligently and wisely used, must be sufficient to ensure the maintenance of high standards of corporate rectitude. It is better to help spread a wider awareness of company finance and administration among shareholders, existing and prospective, than to seek new legal remedies.

DEVELOPMENT OF PORTS

THE problem of developing ports which has attracted considerable attention in recent years is a subject that calls for constant attention and vigorous action, in view of the importance of ports to the country's economic progress. It is true that foreign exchange difficulties have been among the factors which have prevented the authorities from giving the subject the attention it deserves. But this reason—if it is wrong to call it an excuse—cannot be pleaded for long, considering that inadequate port development may itself be a potent cause for foreign exchange difficulties. After all, a well-developed system of ports, covering the economic regions in the interior of a country, is a valuable aid to export trade. Again, unless the ports are efficient and well equipped, they cannot promptly clear the imports. Hold-up of ships in ports costs a tremendous amount of money and thereby adds to the cost of imports. Port development is thus an important source of foreign exchange earnings as well as savings.

From this point of view, it is gratifying to note that some encouraging information about the progress of development schemes for Indian ports was given by the Minister of State in the Union Ministry of Transport and Communications, Mr. Raj Bahadur, in the course of his speech at the eighth meeting of the National Harbour Board, held at Calcutta last week.

Since the Calcutta port has caused the greatest concern to the Government as well as to commercial interests in this country and abroad, the authorities have given their earnest attention to remedying the many shortcomings which hamper the wider use of the port. The development programme of Calcutta port includes the provision of additional harbour craft and equipment, diversion of railway lines in the Budge-Budge area, reconstruction of the Majerhat bridge, expansion of the marshalling yard, construction of two general berths in King George's dock, construction of a new warehouse for tea and improvement of ship repair facilities.

The chief problem of the Calcutta port, however, is the one caused by the river Hooghly, which has deteriorated fast, so that the maintenance of adequate depths in the navigable channel from sandheads to jetties remains a continual struggle against nature. Mr. Raj Bahadur discussed the development programme in its three chief aspects—intensive dredging, river training and restoration of adequate headwater supply. It would appear a new suction dredger has been ordered; it is expected to be available for service in about 15 months. Meanwhile, efforts have been made for the purchase of a secondhand dredger. Since even this may take time, the authorities have decided to overhaul their dredger *Ganga*, in order that it may remain in service for another ten years. At the same time, global tenders have been called for in order to locate parties who may be willing to take up dredging on a contract basis. The World Bank has agreed to finance the dredging project by a release of Rs. 2.50 crores of foreign exchange, out of the loan of Rs. 14 crores it has sanctioned for the development of the Calcutta port. River training continues to engage the attention of the authorities. Success in this sphere has necessarily to be preceded by careful model experiments. The Poona Research Station has undertaken to conduct investigations into such aspects of river training as will be relevant to the Calcutta port. The authorities, on their part, have already undertaken the execution of the Futla project.

While the work undertaken so far in respect of the development of Calcutta port is in the right direction, it is necessary to emphasise that the entire programme should be speeded up. Nor should the authorities slow down their efforts designed to develop a subsidiary port to Calcutta. As Mr. Raj Bahadur briefly pointed out, it is not likely that Calcutta port will ever be able to take vessels more than 26 feet draft, whereas modern shipbuilding trends point towards the construction of larger ships. It is gratifying to note that, at the anchorage set up at Haldia, near Calcutta, all arrangements have been made for the offloading of foodgrains ships. Port facilities should be promptly augmented at Haldia, so that it could relieve the burden on the Calcutta port.

Considerable progress has been made by the Kandla port. In 1958-59, the traffic handled by the port crossed the one-million-ton mark. Its revenue aggregated Rs. 68 lakhs, as against Rs. 48 lakhs in 1957-58 and Rs. 30 lakhs in 1956-57; the surplus amounted to Rs. 28 lakhs, Rs. 11 lakhs and Rs. 12 lakhs, respectively. It may be recalled that, at the time of sanctioning the project, the port was expected to earn an annual net revenue of only Rs. 12 lakhs. The project has thus more than fulfilled the planners' expectations. Kandla's importance will increase when Ahmedabad is brought within its economic hinterland through the provision of a broad-gauge link between Kandla and Jhund. Kandla, however, has its problem. The deterioration in the depth of the entrance channel has been engaging the Government's attention. It is proposed to purchase a new dredger for the port. The long-term remedy, however, lies in appropriately training the channel.

Among the other major ports, Madras has embarked upon an ambitious project, known as the "wet dock" scheme which is intended to add to its berthing capacity, while Cochin has a programme for the construction of four additional wharf berths in the Ernakulam channel. Visakhapatnam has come into greater prominence in recent years, thanks to the fact that it is becoming an increasingly significant outlet for the export of iron ore. It is proposed to con-

struct in this port four additional berths—two for ore and two for general cargo—at an additional cost of Rs. 4.5 crores. Long-term repairs to the breakwater in the port are also engaging the Government's attention.

It is not clear why the equally urgent problem of the Bombay port did not figure prominently in the Board's deliberations. The scheme for the modernisation of the port, as is well known, has had to be modified in the light of restricted availability of finance. The authorities have, however, concentrated on the modernisation of Prince's and Victoria docks. This scheme, which has come to be known as the minimum scheme, is expected to cost Rs. 4.30 crores. It is to be hoped that at least this scheme will be implemented without delay. The Board, on its part, has recommended that a suitable scheme for additional deep draft berths in the Bombay port should be prepared for inclusion in the third Five-year Plan.

Expenditure on the development of major ports during the first three years of the second Plan aggregated Rs. 24 crores, as against the total provision of Rs. 78 crores. This is by no means a very creditable record, though there are certain obvious limitations on increasing the level of expenditure, arising chiefly out of paucity of foreign exchange for importing the necessary equipment. The Board has done well to stress the importance of expediting the development schemes in the next two years. So far as the third Plan is concerned, all the major ports will be called upon to cater to an expanding volume of traffic. At the end of the second Plan itself, such traffic is expected to increase from 31 million tons to 40 million tons. It is bound to increase further in the third Plan. Clearly, much careful thought and preparation must precede the formulation of programmes of port development to be incorporated in the third Plan. The Planning Commission has advised the Board to take into account the acute shortage of foreign exchange and the difficulties of internal finance. Perhaps, the authorities will do well to consider whether some equipment, which all the ports need, may not be jointly owned or owned by the Government and lent to ports from time to time. In any case, consistent with the availability of foreign exchange, maximum allocations should be made to major ports, so that they are enabled to play their role effectively in the execution of the third Plan.

The development of intermediate and minor ports also leaves much to be desired. The report of the Intermediate Port Development Committee, which is expected to be submitted shortly, will be awaited with interest. The Union Minister himself referred to the "unsatisfactory" progress in the execution of development programmes for certain minor ports. He said: "It is, indeed, an irony that, while, on the one hand, the Board has been asked to reconsider the question of a port development fund with the specific object of finding resources for carrying out the development schemes of minor ports, some State Governments are not in a position to utilise fully the resources already made available to them in the form of loans." During the first three years of the second Plan, the expenditure on the development of minor ports aggregated Rs. 2.9 crores, as against Rs. 5 crores provided under the Plan. The chief bottleneck in the speedier development of minor ports, it is stated, is lack of trained personnel.

Two decisions taken by the Board are worthy of notice from the point of view of their significance to the future development of ports. In the first place, the Board has recommended the acceptance of the suggestions of the Ship Repairs Committee, subject to the comments of the Government. The provision of facilities for ship repairs at the major ports is certainly an important factor in the development of these ports. Secondly, the Board has accepted a proposal to constitute a cadre of consulting engineers in India; the scheme proposed by the Union Ministry of Transport will be examined further and a decision is expected to be reached soon. For all technical advice, the ports are now largely dependent on firms of foreign consultants. The senior staff of these consultant organisations, who advise Indian port authorities, include men who are retired from employment in India itself. What is now proposed is to build up a body of consultants from retired experts or specialists in such fields as harbour engineering, dredging, navigation and traffic. There is no doubt that, through this approach, it will be possible to achieve, in the not distant future, virtual elimination of dependence on foreign firms for technical advice.

MARKET GOSSIP

ALTHOUGH at the time of writing industrial equities are a shade below the best levels recorded a little earlier, they show handsome gains over the week. Steels and Tata Locos, which were sluggish for some days now, have returned to the limelight. The buoyancy in textile shares persists, despite reports of profit-taking by the L.I.C. in a few leading scrips. Sugar shares are active, following fresh interest taken by some operators. Led by Belapur, the shares of Deccan sugar companies have advanced by a few points, ignoring the fact that the production of almost all of them in the 1958-59 season was lower. It is true that prices realised by them must have been a little better than in the previous season, but the improvement could not have been so much as to offset the fall in production. Buying fervour has reappeared in several of the miscellaneous and engineering counters, even though the yield in the case of many of them is in the neighbourhood of 4 per cent only. All first class tax-free preference shares are in keen demand and they are commanding a sizable premium now.

A significant feature of the present upward trend in equities is the large turnover. We are told that prices have been rising, although large blocks of shares are bought and sold. Another feature is the increasing tempo of business in the cash section. Shares of new companies are being bought at high premiums ranging from 50 to 100 per cent, even with the knowledge that their maiden dividends may not be forthcoming for another two or three years. The low yield on the shares of well-established dividend-paying companies and the high premium commanded by the scrips of new companies which are yet to join the dividend list or have just joined by declaring a modest maiden dividend are coinciding with the finalisation of the endeavours of some business men for establishing new industrial units or for expanding their existing units. Almost all of them have a sizable element of foreign capital participation. Conditions are, therefore, quite favourable for them to get their requirements of indigenous capital. Banks are so flushed with funds that a number of them is courageously coming forward to underwrite new issues, mainly preference shares and debenture capital.

How Long Will It Last?

The continuance of bullish trend in shares is a puzzle even to staunchest bulls and a dismay to confirmed bears. They are unable to explain it. They say that this cannot go on for ever. They said so before, but a setback that came was quickly absorbed and the markets are on top form again. Several brokers and operators are now saying that the markets will boom during Diwali and that, if investors miss that opportunity to book profits, they will not get another for a long time to come. They are, however, unable to give any rational explanation for taking that view. Barring the general statement that the bull cycle has gone on for a long time now and has to stop at some stage.

Leaving out such blind surmises, the position may be briefly outlined thus:

The international tension has eased considerably. Even Communist China may tone down its aggressive designs against India and South-East Asian countries. Indo-Pakistan relations are improving. Domestically, though the Congress Party talks in terms of full socialism, no serious assault on the private sector is likely. The next budget may not contain any new direct taxation. The Communists are on the defensive, after their defeat in Kerala and West Bengal and the Congress move to divide the Bombay State.

The world economic situation is one of steady improvement. Inflation is under control in most of the countries. Full employment is being maintained. Production in West Europe, East Europe and Russia is upward. The big coal strike in the U.S. is over. The accumulation of supplies in these countries. Consumer demand is strong everywhere. Capital expenditure is being kept up. Balance of payments position is comfortable and the surplus available for investment in outside countries is gaining in size. Only in the U.S. there is a menacing strike of steel workers, while elsewhere employer-employee relations are in good shape.

In India, too, industrial production is improving. Almost all industries are doing well. Deficit financing has slowed down, thanks to substantial Government borrowings and growing P.L. 468 funds. Conditions in the money market are still comfortable. The deposits are continuing their upward trend and there is ample room for banks to borrow from the Reserve Bank to cover their requirements of funds during the coming busy season. Excepting for any unforeseen developments, the chances of an appreciable increase in interest rates in the 1959-60 busy season are remote. Labour position is cordial, with Mr. Gulzarilal Nanda trying to follow a policy designed to avoid any serious conflict. Capital expenditure is being kept up, several new industries such as aluminium, synthetic rubber, plastics, tyres, chemicals, pulp and paper are being established in the private sector. Efforts are being made by the Government to woo foreign private capital and these may be attended by modest success. A treaty with the U.S. for avoiding double taxation is ready for the approval of the U.S. Congress and the Government of India.

In short, so far as one can see, there are no factors that can seriously upset the share markets in the near future. There may develop a critical shortage of raw materials and food on account of

the damage caused by the recent floods. The exact position in this respect is not clear, but it is a fly in the ointment. As for the medium-term (two to three years) and long-term prospects, it is hardly possible to say anything worthwhile. General elections fall due in 1962. It is too early to say whether it will be preceded by economic shocks of the type the investors experienced during September 1956 to June 1957. Nor can one tell how strong the Communist Party will have become by then. No useful purpose will be served by speculating on these issues. One must have faith in the future.

I. D. A.

The U.S. Government's proposal for establishing a new international agency for helping underdeveloped countries has been unanimously approved by the Board of Governors of the World Bank. As many as 34 speeches were made by the representatives of member-countries of the World Bank, extending full support to the U.S. move. The relevant resolution requests the Executive Directors of the Bank to formulate the articles of agreement of the new institution, having regard to the views expressed by member-countries and considering the broad principles on which it should be established. Thus, the seed for the International Development Association has been sown and, since the ground has been well prepared and the climate is congenial, it may be confidently expected to germinate early next year. By giving their consent to this act, the representatives of developed countries, which will be the major contributors to this billion-dollar association, have provided an impressive evidence of their willingness to aid economic development of the less fortunate countries in the free world. It is true that some speakers expressed certain reservations in regard to the manner in which the I.D.A. should function, but the fact that all of them consented to the creation of the I.D.A. itself is another major advance in the sphere of international economic co-operation.

All members of the World Bank have now agreed that the I.D.A. should be an affiliate of the World Bank; there was hardly anyone at this meeting to voice the view of the hard-money school that this organisation should be kept out of the Bank's purview and reared as a separate U.N. agency. They have also agreed that the capital of the I.D.A. should be \$1,000 million, not a small amount as some critics in this country have tried to make out. The point has been made that, whereas the International Finance Corporation was brought into existence in order to strengthen private enterprise in underdeveloped countries by obviating the need for Government guarantee, which is necessary for loans from the World Bank, the I.D.A. is being planned to help the public sector in these countries by giving loans to those projects which are not bankable with the World Bank. From this thought proceeds the interesting description that, whereas the I.F.C. was brought in to strengthen the right flank of the Bank, the I.D.A. is being created to lend strength to the left flank.

The third point on which all member-countries are agreed is that the I.D.A. should be looked upon as a proposal to increase the total flow of development capital to the less developed areas and not as a substitute for bilateral assistance from the industrialised countries. The representatives of both the U.S. and the U.K., in particular, explicitly made this point. This understanding should be particularly welcome to India, as it had doubts on this issue earlier. It must, however, be noted here that the very idea of establishing the I.D.A. led to the postponement of the plan for a Commonwealth Development Bank. There is now a little prospect of this plan materialising. This country can, however, have some consolation from the fact that the U.K. has announced its decision to pay the balance of its cash subscription to the World Bank (generally described as the 18 per cent subscription) much earlier than was originally planned. Its share of subscription to the Bank in pounds sterling is £38.6 million, of which the balance due was £21 million. Of this balance, it has just paid £10 million and promised to pay the remainder in January next. The significance of this development to Commonwealth countries is that they can avail themselves of more sterling loans from the World Bank.

Of the I.D.A.'s capital of \$1,000 million, three-fourths are expected to be the share of the developed countries, including Japan. The U.S. has agreed to provide \$320 million. The U.K. has announced that it will contribute \$140 million. Thus, these two countries themselves will account for nearly half of the I.D.A.'s capital. While the U.K. Government has clearly stated that its subscription will be in united form, the position in regard to the U.S. share is not that clear. Some reports from Washington have hinted that, in view of the continued deterioration in the balance of payments position of the U.S., the contribution from that country may not be in convertible dollars, that is to say, the U.S. may allow its quota of cash to be spent only on American goods and services. There is, however, no indication in the speeches of U.S. officials at the World Bank to infer such a possibility, even though it is true that the U.S. balance of payments situation is pretty difficult. The amount involved is so small that it is to be hoped that the U.S. Government will not find it necessary to tie its contribution to purchases in America only. The placing of such a condition will mean a two-fold disadvantage to countries which are sought to be helped through the I.D.A.

First, it may induce other developed countries also to follow suit, though, as things are today, they will not be morally justified in doing so, because almost all of them are enjoying a favourable position and accumulating dollars and gold. Secondly, in many cases, the cost of U.S. capital goods and technical services is higher than elsewhere. In some cases, they may not suit the exact needs of certain underdeveloped countries.

On the terms and conditions of loans from the I.D.A., the views of some of the developed member-countries of the World Bank, particularly the U.S. and the Continental nations, seem to differ from those of the would-be borrowers. Some say that they differ from the views of even the U.S. The assumption here is that the latter is for terms more liberal than those which the West European countries are prepared to concede. All countries are, however, agreed that the I.D.A. should lend on terms which will be easier than those of the World Bank and for projects which are not eligible for the Bank. The differences of opinion pertain only to the extent to which the I.D.A. loans should be soft. The underdeveloped countries, India included, would like to repay the bulk of the I.D.A. loan in the currency of the borrower. The U.S. seems to be sympathetic to this suggestion, though it may not be ready to go the whole hog with them. The U.K. and other European countries, however, do not consider that repayment of even a part of the I.D.A. loan in the currency of the borrowing country will be in keeping with sound international lending. They seem to have some reservations even in regard to the concessionary rates of interest on I.D.A. loans. This means that the only concession they are prepared to make is in regard to the period of repayment; they have no objection, it is said, to spread the repayment of the loan over a longer period than is allowed by the World Bank. In fine, they are not for soft loans, but only for loans that are slightly less hard than the loans of the World Bank. If this is their attitude, the U.S. and World Bank authorities will have to persuade them to soften it considerably, for it is not in keeping with the original ideas of the authors of the I.D.A. These are: the loans are to be for a pretty long period, carrying a low rate of interest and repayable in whole or in part in the currency of the borrower. Since a loan is a loan and has to be repaid, there is, we feel, room for accommodating the European countries on the question of its return in local currency, provided they agree to the repayment being spread over a long period of, say, thirty to forty years, and to keep the rate of interest at a low level, say, two per cent per annum.

Tax on Gratuity

It is not clear what considerations prompted the Union Ministry of Finance to reject the perfectly valid plea for exemption from income taxation of retiral gratuities at the hands of recipients made by the Bengal Chamber of Commerce and Industry some time ago. Surely, it is somewhat unjustifiable stand for the Government to take on a question which is of the essence of a welfare State. It would appear that the Chamber addressed the Ministry of Finance recommending that consideration should be given to the grant of exemption to retiral gratuity schemes instituted by employers in private industry and commerce. The Chamber pointed out that exemption from taxation had already been conceded in the case of contributions made to recognised provident funds. It suggested that the Government should frame rules whereby retiral gratuity schemes might be submitted to Commissioners of Income-tax for recognition. It was thought that such rules could embody simple safeguards to ensure that there was no loss of revenue to the Government. The Chamber's suggestion was modest in that it said that the benefits could be confined to employees whose total emoluments, including allowances, did not exceed Rs. 1,000 per month. Indeed, the Chamber should have urged the exemption of gratuities for all employees, irrespective of the level of salaries drawn by them.

Here is a perfectly justifiable plea for tax relief. After all, gratuity is a lump sum payment which, together with provident fund, constitute the chief source of livelihood in the evening of a man's life, the best years of which he will have spent in working for his employer. Apart from this human consideration, which, by itself, would justify the grant of exemption from tax to retiral gratuity, there are two other grounds which lend weight to the Chamber's plea. In the first place, the contributions made to recognised provident funds are exempt from tax. If provident fund contributions are exempted from tax on the ground that they are an important source of income for a retired man, there is no reason why a similar treatment cannot be accorded to gratuity schemes which, like provident fund schemes, are intended to make life less difficult for a retired person. Secondly, the Government has granted relief from tax to death-cum-retirement gratuities paid to all employees of not only the Central and State Governments but also to those of Government-owned corporations, without any restrictions related to the level of salary drawn by the employees at the time of retirement. Thus, when an officer of the State Bank of India retires, no deduction for tax is made from his gratuity, even though the total amount may run into several thousands. But, when an officer of a commercial bank retires, tax will be deducted from his gratuity at the full rate applicable to his total income. It is manifestly unjust, and, from the point of view of Constitutional injunction about equality of persons before the law, clearly wrong, that employees of the private sector should suffer a fiscal disadvantage as compared with employees in the public sector.

A strong protest against this gross discrimination was made by the Indian Banks' Association also, but nothing came out of it. It is very likely

(Continued on page 627)

EQUITIES BUOYANT SHARP RISE IN TELCOS

(From Our Own Correspondents)

BOMBAY, 8th October

THIS week's review of the share market covers again a short period of three sessions, as a result of the closure of the Stock Exchange on the 2nd inst., on account of *Gandhi Jayanthi*, on the 3rd, it being the day following the fortnightly settlement, and on the 5th as a mark of respect to the late Mr. Bhaidas Maganlal Dalal, Vice-President of the Exchange, who died on the 3rd inst. During these three sessions, equities were buoyant on account of a fresh bout of heavy buying and short-covering. Prices touched new high levels in the recent upward movement. Despite reports of sale by the L.I.C. of some textile shares, particularly Centurys this section gained strength. Higher levels however, attracted profit-taking and closing rates were well below the week's peak. The announcement of a higher final dividend of 13 per cent. (as against 12 per cent.) by the Bombay Burmah Trading Corporation for the year ended 31st May 1959, making a total distribution for the year of 19 per cent., as compared with 18 per cent. for 1957-58, was greeted by the market with a sharp jump in its scrip. What is more, the dividend for 1958-59 is tax-free, as the Company's assessment year is 1959-60 and the provisions of the Finance Act 1959 in respect of deduction of tax on dividend at source do not apply. Secondly, the announcement of the final dividend came close on the heels of the payment of the interim dividend on 28th September 1959 and much earlier than usual.

Although the earlier reports about curtailment of managing agency commission had led to some misgivings and a disquieting effect on the market, the clarification by Mr. D. L. Mazumdar, Secretary, Company Law Administration, of the proposed scheme of slab system of commission at a Press conference held in Bombay on the 1st inst. was received with satisfaction. Any setback to confidence caused by this report was quickly repaired, as Mr. Mazumdar clearly showed that the Government's move would be beneficial to shareholders.

Under the proposed scheme, the managing agency remuneration, which would be 10 per cent. on the first Rs. 10 lakhs of net profit, would gradually decline to 4 per cent. on profit of Rs. 1 crore and over. The new schedule is as follows:

	Per cent.
On the first Rs. 10 lakhs	10
On the next Rs. 10 lakhs	9
On " " "	8
On " " "	7
On " " "	6
On " " Rs. 25 lakhs	5½
On " " " "	5
On profit of over Rs. 1 crore	4

It will be seen from the aforesaid figures that, on a net profit of Rs. 1 crore, the total remuneration works out to Rs. 6,82,500 or an average of 6.82 per cent., as against a maximum of 4 per cent. as made out in earlier reports. An official notification on the new schedule may come any time now.

To revert to the trend of the share market. In the steel section, Tata Ordinaries rallied from Rs. 162 to touch Rs. 165.25 today, before profit-taking at the higher level brought them down to Rs. 164.25 at the close. Indian Irons hardened from Rs. 23.52 to Rs. 24.24 but finished a shade lower at Rs. 24.08.

Among textiles, Centurys advanced from Rs. 578.50 to Rs. 589. After a lapse to Rs. 579.50 today, presumably due to sales by the L.I.C., the scrip gained back to Rs. 583. Bombay Dyings shot up from Rs. 67.60 *cum-div.* to Rs. 68.60 *cum-div.* before closing at Rs. 68.10 *ex-div.* (interim dividend 70 p). Kohinoors recorded a gain of Rs. 13.50 at Rs. 319.50; the highest level touched for the week was Rs. 324.50. Central Indias moved up by Rs. 8.50 to Rs. 117.50. Finlays by Rs. 7 to Rs. 295 and Gokaks by Rs. 5 to Rs. 173. *Indu Ordinaries* improved by 92 p to Rs. 11.16. A rise of Rs. 5 to Rs. 170 was recorded in New Greas and of Rs. 9 to Rs. 226 in Shree Niwas Cottons. Simplex advanced by Rs. 3.50 to Rs. 152. Standards by Rs. 3 to Rs. 137 and Svadeshis by Rs. 2.75 to Rs. 262. Tata Mills gained Rs. 1.50 to Rs. 49.

Sugar shares continued to attract attention. Belapurs firmed up from Rs. 327 to Rs. 344 before closing at Rs. 340. Phaltans recorded a rise of Rs. 3 to Rs. 182 and Walchandnagars Rs. 5 to Rs. 331.25. Bhopals were taken up 73 p higher at Rs. 25.25. Maharashtra Sugars changed hands at Rs. 16 higher at Rs. 247.

Good support was accorded to engineering shares among which Tata Locomotives provided the highlight with a spurt from Rs. 192.50 to Rs. 206. Alcocks jumped up by Rs. 13 to Rs. 266. Hindustan Constructions by Rs. 23.50 to Rs. 380.50 and Larsen and Toubros by 44 p to Rs. 23.48. Mahindras were done 92 p higher at Rs. 23.44. Cooper Engineerings gained Rs. 2 to Rs. 171. Mukund Irons were marked up by Rs. 1.44 to Rs. 21.56. Mining shares were docile. Shivrajpurs rose by no more than 50 p to Rs. 90, while Indian Coppers were a shade quiet at Rs. 4.04.

In the miscellaneous section, Bombay Burmahs were a bright feature with a rise from Rs. 327 to Rs. 344. The closing was, however, lower at Rs. 340. National Rayons shot up from Rs. 364.50 to Rs. 380.25, but profit-taking pruned the gains and the shares closed at Rs. 375.50. Tata Oils were picked up Rs. 2 higher at Rs. 65. Tata Chemicals were quiet at Rs. 17.04, following the disappointment over the cut in dividend for the year ended

June 1959. The Directors have recommended a dividend of 75 p per share, subject to deduction of tax, on the old shares and a dividend of 33.542 p and interest of 38.333 p, making a total of 71.875 p per share on the new shares. The net dividend on the old shares works out to 52.5 p per share, as against a tax-free distribution of 75 p made for the previous year. Alembic Chemicals moved up by Rs. 2.50 to Rs. 192.50 and Dhrangadhra Chemicals by Rs. 5 to Rs. 134. Seat Tyres hardened by Rs. 10 to Rs. 180, while Killick Industries looked down from Rs. 138.75 to Rs. 131. Voltas improved by Rs. 3.25 to Rs. 182.75 and Wimcos by Rs. 6 to Rs. 228.

Madras Stock Exchange

MADRAS, 7th October

Equities on the Madras Stock Exchange scored handsome gains during the week under review. The proposed reduction in the managing agency commission was interpreted to mean an enhancement of the profit available for distribution to shareholders, provided, of course, other things remained the same. There was, therefore, a perceptible revival of buying activity. Textiles were particularly well fancied, thanks to reports of the continuously upward trend in domestic offtake and export business in cotton piecegoods and yarn. There were expectations of a fresh sale of cotton yarn to Burma following the visit of a three-man trade delegation from that country now touring India.

In the sugar section, Cauverys spurred by Rs. 6.50 to Rs. 125. E.L.D.s rose by Rs. 2 to Rs. 42. Mysore hardened by 62 p to Rs. 49.62. Deccans moved up by 52 p to Rs. 12.60. Travancore gathered 30 p to Rs. 12.30. Indias put on 18 p to Rs. 12.18. Kiriampudis were fully steady at Rs. 80 and United Breweries at Rs. 461.50.

Among teas, Oucherlony and Nelliampathys strengthened by 8 p each, the former to Rs. 5.45 and the latter to Rs. 3.00. Nilgiris picked up 5 p to Rs. 7.75 and Chembras 3 p to Rs. 3.98. Non-such Teas were maintained at the last week's level of Rs. 29.25, as also Kil Kotagiris at Rs. 8.05. Halleyburies changed hands at Rs. 16.37 *ex-right*, as against Rs. 18.50 *cum-right*. In the coffee group, Consolidated Coffees strengthened by 20 p to Rs. 22.15. Coffee Lands improved by 17 p to Rs. 23.50. Wartyhullys gained 5 p to Rs. 3.95 and Ossors 3 p to Rs. 3.93. Among rubbers, Highlands advanced by 75 p to Rs. 13.75. Vaikundams hardened by 50 p to Rs. 28.25. Kailas gathered 22 p to Rs. 5.12. Middlands were higher by 5 p to Rs. 12.15.

In the textile section, Coimbatore Pioneers elicited excellent support and forged ahead from Rs. 285 to Rs. 320. Premiers jumped up by a like amount to Rs. 212. Dhanalakshmis spurred by Rs. 21 to Rs. 225. Metturs and Vasantas advanced by Rs. 9 each to Rs. 383 and Rs. 220, respectively. Bangalore Woollens rose by Rs. 8 to Rs. 188. Coimbatore Cottons and Rajalakshmis increased by Rs. 4 to Rs. 170 and Rs. 67.50, respectively. Buckinghams increased by Rs. 3.50 to Rs. 190. Radhakrishnas by Rs. 2 to Rs. 28.75. Virudhunagars by Rs. 1.50 to Rs. 39.50 and Janardanas by Rs. 1.00 to Rs. 61.

In the miscellaneous section, Textools advanced by a rupee to Rs. 197. Mysore Papers improved by 23 p to Rs. 21.85. Western India Plywoods were done at Rs. 234 *cum-right* today, as against Rs. 210 last week-end. India Cements rose by 12 p to Rs. 6.60. Travancore and Dalmia Cements gathered 10 p each to Rs. 10.10 and Rs. 10.80, respectively. Travancore Chemical Manufacturings rose by 25 p to Rs. 14. Indian Steel Rollings gained 10 p to Rs. 13.40 and Leylands 5 p to Rs. 7.85. Central Scientifics were unchanged at Rs. 6.55. The directors of the Company have declared a final dividend of 5 per cent. for the year ended March 1959, same as that paid in the previous year. Rallies, however, lost 50 p to Rs. 76. Spencers eased by 25 p to Rs. 19.90.

Calcutta Stock Exchange

CALCUTTA, 7th October

Equities on the Calcutta Stock Exchange were buoyant during the week under review, thanks to the good investment support at lower levels, which led to impressive gains in all sections. Miscellaneous industrials were a particular favourite of small investors, and several features were recorded in this section. Steadier conditions on the eve of the *Puja* holidays marked a departure from the traditional caution and poor performance on the Exchange, but this only reflected the definitely improved capital market and the increase in the number of small investors. As one operator put it, there is evidence of a spread of savings habit which leads to subsequent investment in equities. The payment of annual bonus by several industrial and trading concerns at this time of the year to their employees is also a factor which has led to more investment support. Had it not been for widespread rains and flooding, which have caused much havoc in several parts of West Bengal, conditions would have shown further improvement.

The support from the more prudent investors was guarded for another reason also. They were watching as to the nature of the return on capital following the change in taxation of dividend and the official edict to deduct the tax at source of payment in respect of dividend falling in the financial year 1959-60.

The Calcutta Stock Exchange will remain closed from the 7th to 18th inst. (both days inclusive) on account of *Puja* holidays.

Among cottons, Kesorams continued to rise, and touched Rs. 19.12, as against Rs. 18.12 earlier. Elgin Mills, at Rs. 16.62, were fractionally higher. Cawnpore realised Rs. 5.45, as against Rs. 5.30 earlier.

A strong feature in the coal section was provided by equitables which, on interested support, gained to Rs. 34.50 from Rs. 33.87. Western Bengals improved by a rupee to Rs. 7.00, before closing lower at Rs. 6.81, while Katras Jherriahs were pulled down to Rs. 70 from Rs. 75.25 previously and Pench Valleys to Rs. 23.00 from Rs. 25. Burrakurs were unchanged at Rs. 16.31.

Prominent features in the jute section included the impressive rise in Indias from Rs. 15.50 to Rs. 16.25. On reports of improved prospects, Kankannarhs jumped to as high as Rs. 128 from Rs. 114. On considered support, New Centrals scored a point to Rs. 19.56. Barnagores were pushed up to Rs. 177 from Rs. 166. Kamarhattys hardened by four points at Rs. 210. Agaparas closed steady at Rs. 13.44 after rising to Rs. 13.62 from Rs. 12.94. Ganges changed hands at Rs. 10.06, as against Rs. 9.50 earlier, and Birlas at Rs. 25.37, as against Rs. 24.06. Fair interest was shown in Budget Budgets which, as a result, strengthened to Rs. 163 from Rs. 156. Ballys advanced to Rs. 250 from Rs. 231, while Champdany declined to Rs. 134 from Rs. 136, and Alliances were unchanged at Rs. 130.

Fair interest was shown in engineering. A strong feature was the persistent support accorded to Jessop & Co., which rose to as high a rate as Rs. 33.25 from Rs. 30, on expectations of a rights issue. Indian Irons were pushed up to Rs. 24.10 from Rs. 23.46 following expectations of increased retention prices. On continued buying, Indian Steel and Wire Products closed higher at Rs. 41.12 after opening at Rs. 40.62. Texmacos rose to Rs. 24.20 from Rs. 23.70. Kumardhubis were fully steady at Rs. 7, as against Rs. 6.69 earlier, and Braithwaites were firm at Rs. 24.94.

Paper mills received more attention on improved prospects. Orients recovered to Rs. 38.40 from Rs. 37.75. Sirpurs, at Rs. 16.62, were fractionally higher, as were Titaghar Papers at Rs. 45.50. Bengals received attention at Rs. 107, as against Rs. 105.50 previously.

Several features were recorded in the miscellaneous industrials section. On interested buying National Pipes advanced steadily to Rs. 19.75 from Rs. 18.19. At Rs. 29.50, Indian Oxygens gained one point. Indian Aluminiums hardened to Rs. 22.91 from Rs. 21.19 following proposals for expansion of the alumina plant at Muri and the Bellur Rolling Mill, and for the installation of a new extrusion press in Alupuram. On news that the National Carbon Company has applied for official sanction to issue ordinary rights at a premium of Rs. 2.50 per share in the proportion of two to every five existing shares, the scrip was a favourite among buyers and that accounted for the firmness at Rs. 38. Dunlop Rubbers reached Rs. 35.12 from Rs. 34.87 following reports of an expanding market for its products. Alkali and Chemicals reached a new high of Rs. 24.12 as the plan for production of rubber chemicals was believed to have made satisfactory progress. Indian Cables were firmer at Rs. 32, as were Rohtas Industries at Rs. 26.06.

MANDYA NATIONAL PAPER MILLS

The capital issue of the Mandya National Paper Mills Limited (incorporated on 7th November 1957) has just been announced. The details of the announcement are published on pages 602 and 603 of this issue. It will be seen therefrom that, out of the total issued capital of Rs. 2,000 crores, a sum of a little over Rs. 1,000 crore has already been taken up by the promoters, their American collaborators (Messrs. Parsons and Whittemore Lyddon Organisation), Directors and their friends. The balance of Rs. 99,68,110 is now offered to the public for subscription. This amount is made up of 396,941 ordinary shares of Rs. 10 each (Rs. 39,69,410) and 59,987 7 per cent. tax-free redeemable cumulative preference shares of Rs. 100 each (Rs. 59,98,700). The preference shares are redeemable after 15 years from the date of allotment. The list for public subscription will open on Monday, the 12th inst., and close on Saturday, the 24th inst.

The Company will set up a factory near the Krishnarajasagar Dam in Mysore State for manufacturing high-grade printing and writing papers, using sugarcane bagasse as the primary raw material. The initial production capacity of the factory will be about 35 tons per day.

The above project is a sound venture and should yield satisfactory results given efficient management. The factory is assured of a ready market for its product. The demand for high-grade printing and writing papers is quite good at present and will increase substantially in the coming years, what with the economic development of the country and the spread of literacy. The other notable features of this project are:

1. The paper produced by the factory may be expected to be of high quality. The factory, we are told, will be equipped with first class, most modern plant and machinery. In addition to supplying the equipment, Messrs. Parsons and Whittemore Lyddon Organisation and their associates have agreed to supply technical services and to supervise the erection and start-up of the factory. They have also guaranteed the due performance of the plant.

2. The cost of producing paper from bagasse is claimed to be lower than that manufactured out of bamboo. Ample quantities of bagasse will be made available by the Mysore Sugar Company, Ltd., which has a supply of 100,000 tons of bagasse in a normal crushing season. As against this supply, the requirements of this paper factory are of the order of 72,000 tons.

3. The promoters feel that the Company will be able to commence payment of dividends after the first three years of operation.

NEWS IN BRIEF

A PROPOSAL for the manufacture of plastics, with alcohol as the base, by the Mysore Sugar Mills at Mandya has been approved by the Government of Mysore.

The Central Government has issued a licence to the Greater Mysore Rayon Grade Pulp and Paper Mills Ltd. for setting up a rayon pulp manufacturing plant in collaboration with U.S. firm in the North Canara District of Mysore State.

India had a favourable balance of trade to the tune of Rs. 204 lakhs with Australia during the first half of the current year, as against Rs. 195 lakhs in the same period last year. Exports declined from Rs. 996 lakhs to Rs. 877 lakhs and imports from Rs. 801 lakhs to Rs. 673 lakhs.

A six-member Polish trade delegation, headed by Mr. T. Olechewski, Director, Department of Foreign Trade, has arrived in New Delhi to review the working of the existing trade agreement between the two countries and also to hold discussions in connection with the formation of a trade plan for the next year.

The U.S.S.R. has offered to invite 10 teams and 45 trainees annually from the National Productivity Council of India to train them in the various methods of increasing industrial production. Czechoslovakia has also agreed to invite five to seven teams and 25 trainees every year.

The erection of the second blast furnace at the Rourkela Steel Project has been completed in record time, thanks to the successful co-operation of the West German and Indian engineers. Pre-heating of this furnace and the hot blast stoves prior to putting them into commission is in progress.

The Government of India is considering the desirability of reintroducing a Prize Bonds Scheme, designed to encourage small savings drive, particularly in the rural areas. The proposed scheme envisages floating of prize bonds once every six months in denominations of Rs. 5 and Re. 1, subject to a maximum of 10,000 bonds per holder.

The Government of India has removed the restrictions on the export of *khandasari* sugar from the State of Uttar Pradesh, with effect from the 1st inst. Restrictions on export of *khandasari* sugar from other States, however, will continue under the Sugar (Movement Control) Order, 1959. There will be no restrictions in the import of *khandasari* sugar from Uttar Pradesh into any State.

A two-stage scheme to manufacture the small car Fiat 600 entirely in this country has been submitted by the Premier Automobiles Ltd., Bombay, to the Automobile Enquiry Committee, which is currently studying the possibility of building low-cost cars in India. The proposed car is expected to be sold at Rs. 7,226 at Bombay, exclusive of taxes. It is estimated that an additional capital of Rs. 54 crores will enable the Company to manufacture the Fiat 600 entirely indigenously. The firm is already producing the Fiat 1100.

Recent geological investigations have disclosed the occurrence of rich deposits of copper in various parts of the country. On the basis of drilling, it is officially estimated that the copper ore deposits in a small block of the Khetri belt in Rajasthan amounts to 28 million tons. A Polish mining team will shortly visit the site and discuss with the Central Government the question of technical assistance, including provision of equipment. In the meantime, the search for copper is being intensified at Darjeeling in West Bengal, Kurnool in Andhra Pradesh and Singhbhum in Bihar.

The national income of India in real terms recorded a rise of 6.9 per cent. in 1958-59, as compared with the previous year, according to the "quick estimates" prepared by the Central Statistical Organisation on the basis of trends disclosed by the current available data. Of this increase, 5.1 per cent. was contributed by agriculture alone and 1.8 per cent. by the other sectors. The net rise in national income in real terms during the first three years of the second Plan, namely, from 1956-57 to 1958-59, was of the order of 10.4 per cent. The corresponding rise in the per capita income was 6.3 per cent.

The Government of India has decided to introduce the metric system, with effect from 1st April 1960, for the purpose of levy and collection of customs duties. The sugar industry will adopt the system from the beginning of its next crushing season on 1st November 1959. The *vanaspathi*, over to the soap industries will also switch the coir industry with effect from next April and recalled that the metric system has already been introduced in certain specified areas and selected industries such as cotton textiles, jutes, iron and steel, cement, paper, salt, engineering and coffee.

The first motor tanker for India under the 5-billion-yen credit programme of the Japanese Government for the development of Indian shipping is due to arrive at Visakhapatnam shortly. The 11,200-ton 13-knot tanker, named *Desh Deep*, has been built at a cost of Rs. 112 lakhs by the Harima Shipbuilding and Engineering Company, Ltd. in Japan. The tanker, with a total cargo capacity of 515,000 cubic feet, is designed to carry three different grades of oil simultaneously in 21 tanks. It has been acquired by the Western Shipping Corporation and chartered to Caltex India Limited, mainly for the movement of its products from the refinery at Visakhapatnam.

PERSONAL

MR. F. Sheed Anderson, Chairman of the International Wheat Council for the last ten years, has retired.

Mr. Justice Jayantilal C. Shah, a Judge of the Bombay High Court, has been appointed a Judge of the Supreme Court of India.

Mr. A. D. Pandit, Chief Commissioner of Delhi, is expected to be appointed adviser to the Planning Commission. He may be succeeded by Mr. Bhagwan Sahay, Indian Ambassador to Nepal.

Gen. S. M. Srinagesh, former Chief of the Army Staff and at present Principal of the Administrative Staff College, Hyderabad, has been appointed Governor of Assam.

Mr. Samarendranath Sen, Joint Secretary in the Ministry of External Affairs, has been appointed High Commissioner for India in Australia and concurrently accredited as High Commissioner to New Zealand.

Mr. L. K. Jha, Special Secretary in the Union Ministry of Commerce and Industry, will leave for Tokyo on the 15th inst. to assist the Union Finance Minister, Mr. Morarji Desai, who is scheduled to be in Japan then to hold discussions regarding further Japanese aid to India.

Mr. K. C. Lall, Director, Standardisation (Mechanical), in the Research, Design and Standardisation Department of the Union Ministry of Railways, has been appointed General Manager of Chittaranjan Locomotive Works vice Mr. K. Ramachandran, who has gone on leave preparatory to retirement.

Mr. W. R. Natu, Chairman of the Forward Markets Commission, left Bombay for Rome on the 10th inst. to take over his new assignment as a consultant to the Food and Agricultural Organisation in the appraisal of agricultural development programmes in selected countries in the East. He has also been invited by the United Nations to serve as a member of the Expert Group appointed to review the U.N. Pension Fund. Mr. Natu's services have been loaned by the Government of India for three months.

The U.K. spent over £30.3 million on advertising in the Press during the second quarter of 1959, an increase of 11 per cent. over the previous quarter and 13 per cent. over the second quarter of 1958.

Tourist traffic in the U.K. is expected to touch an all-time peak of 14 million during 1959, a rise of 11 per cent. as compared with 1958, according to Mr. Arthur Morse, Chairman of the British Travel and Holidays Association. It is estimated that the tourist revenue will amount to £220 million, including £86 million U.S. and Canadian dollars.

The Government of Turkey proposes to open a Foreign Capital Investments Office attached to the Prime Minister's Office to provide potential investors with detailed and reliable information, among others, on current industrial capacities, raw materials supply position, customs charges, foreign trade regulations and availability of local finance.

Free Saturdays every two weeks have been found to be the most popular way of adapting the reduction of the working week from 48 to 45 hours, which was brought into effect in Norway in March this year. As many as 42.2 per cent. of workers affected now have a long week-end every second week, while 18.3 per cent. work half an hour less every day. A five-day week has been introduced for 4.7 per cent. of workers and for 11.4 per cent. of workers no change has taken place as they were already having a 45-hour week.

The U.K. Government has agreed to grant a loan of £2 million to Malaya to be repaid by the end of 1969. This loan is being made in accordance with the policy on Commonwealth assistance loans announced at the Montreal conference in September 1958. Subject to the acceptance of the loan being approved by the Parliament of Malaya, the Malayan Government has decided to apply it to the purchase of telecommunications equipment. The loan, details of which have still to be completed, will be made available through the Export Credits Guarantee Department.

The Commonwealth Development Finance Company and the Colonial Development Corporation will both subscribe to the first issue of the Investment Company of Nigeria, proposed to be established shortly. The Nigerian company will seek to encourage the development of industries by meeting a part of the necessary funds and providing technical advice. The authorised capital of the Company will be £5 million, of which £1 million will be raised in the first issue some time this month. The bulk of this sum is expected to come from private sources in Nigeria and the U.K.

In a report on vegetable oils and oilseeds published in London, the Commonwealth Economic Committee has estimated the world supply of vegetable oils from crops harvested in 1957-58 at 15.7 million tons, about one per cent. less than the record quantity available in the previous year. The Commonwealth countries accounted for about 22 per cent. of the estimated world supplies of vegetable oils—much the same as in the preceding year. Both India and Nigeria had record groundnut crops in 1957-58. The Commonwealth is of outstanding importance as a producer of groundnuts, accounting in the five years 1952-53 to 1956-57 for no less than 48 per cent. of world output. India, the Committee says, is not only the leading Commonwealth producer of groundnuts, but also the largest world producer.

THE BANK OF NAGPUR LTD.

Head Office:

217, Kingsway, Nagpur

Chairman:

SETH NARSINGDAS FATECHAND
MOR.

Founded by:

LATE SETH JAMNALAL BAJAJ

at the Instance of Mahatma Gandhi at Wardha

Oldest Scheduled Bank of VIDHARBHA

BRANCHES IN BOMBAY STATE

- | | |
|-----------------|----------------|
| 1. Amravati. | 8. Pulgaon. |
| 2. Arvi. | 9. Nagpur. |
| 3. Chanda. | 10. Sitabuldi. |
| 4. Dhamgaon. | 11. Wardha. |
| 5. Gondia. | 12. Warora. |
| 6. Hinganghat. | 13. Wani. |
| 7. Nagpur City. | 14. Yeotmal. |

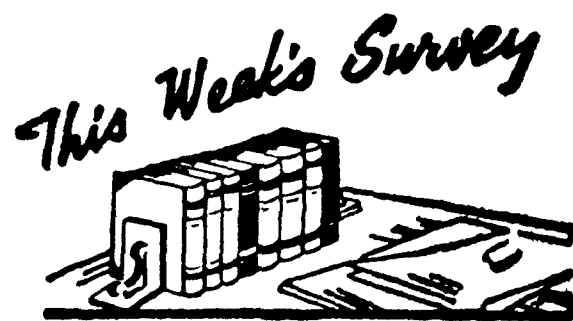
BRANCHES IN MADHYA PRADESH

- | | |
|----------|-----------------|
| 1. Durg. | 2. Rajnandgaon. |
|----------|-----------------|

All types of Banking business transacted.

DEPOSITS RECEIVED AT ATTRACTIVE
RATES.

S. N. BHOOT, B.Com.,
General Manager (Offg.).



CODE OF EFFICIENCY AND WELFARE

MR. G. L. Nanda, Union Minister for Labour, was at pains to expound, in some detail, the role and ramifications of the proposed code of efficiency and welfare in his address to the National Productivity Council last week. Mr. Nanda perhaps felt constrained to do so, because, unlike the code of discipline, which found ready acceptance, the code of efficiency and welfare has met with some resistance. Employers are of the view that the adoption of another code, when the one relating to discipline is still in the experimental stage, would only complicate matters and that it would, therefore, be advisable to watch the latter's progress before committing employers and workers to a new one. Moreover, they are of the view that the code of discipline is sufficient in itself to achieve the objective set for the code of efficiency and welfare, provided it is observed in letter and spirit by both the parties.

The Labour Minister apparently did not agree with this line of argument. Tracing the genesis of the idea of the code, Mr. Nanda said that it was provoked by the constant complaint of leaders of industry that the level of the Indian worker's efficiency was very low and that industry had consequently to bear a disproportionate burden, on account of cost of wages and other labour charges. He urged the employers to specify their complaints, so that the workers' representatives could then be called upon to make their position clear in this respect. This, according to him, had to be done in any case, because, on the workers' side, there was acute discontentment regarding the present scale of remuneration and demands were being repeatedly made for higher wages. These claims, Mr. Nanda felt, would only continue as irritants without being realised, unless productivity was raised and the cost of production brought down.

When workers were confronted with the demand for increased efficiency, they would point to certain impediments which, according to them, were created by the management. They would ask for improvements in several directions to enable them to make their best contribution. This would have reference to working conditions, amenities and even living conditions, especially housing. The Minister was, therefore, convinced that, if any real progress in the direction of efficiency was desired, the question of welfare had to be brought within the scope of the discussion of efficiency and should form a part of an overall settlement.

Mr. Nanda emphasised that there was nothing sacrosanct about the code either in its name or contents. If employers and workers sat around a table to consider their rights and obligations, as they had so often to do, and if the discussions proceeded on healthy and constructive lines, some positive conclusions should emerge which would more or less be a kind of code, whether it was called so or not. The importance of evolving a code lay in the fact that it proceeded systematically to define the obligations of the parties, to secure acceptance by their representatives and to make provision for implementation and follow up. When these things were set down in this form, the parties were brought face to face with realities. Calling upon employers and workers to take a constructive approach to the problem, Mr. Nanda said:

"If employers were not to remain content with their slogans of efficiency, they would have to face and discharge their responsibilities and if the workers ever could hope to obtain a high degree of welfare and adequate wages, it would only happen when they had done their part well in the struggle for higher levels of productivity."

The code, he maintained, gave certain firmness and reality to the talks about productivity. Although there were no codes as such in foreign countries, their ingredients had been built up there in course of a long history of collective bargaining and agreements. Indeed, many collective agreements, he pointed out, contained provisions which were sought to be generalised in the code. Emphasising the need for bringing about an awareness and understanding of the

needs of the situation and mutual obligations, Mr. Nanda observed:

"This applied both to the employees and employers. The broad ideas which were incorporated in the code in the first instance would be propagated on a wide scale as they entered into the consciousness of those who had to do their jobs on the spot. This helped to create a favourable climate for the introduction of concrete steps which must follow. It was common ground amongst those whose business was to promote productivity, that the outlook and attitude of workers constituted the major determinant of success of any scheme or programme for raising productivity. More important than any clause of the code was the concept itself, the acceptance of which, was bound to create a new psychological impact."

Dismissing the objection to the code on the basis of what he called "some notions" about the code of discipline as of no validity, Mr. Nanda asked why anyone should be in such haste to proclaim whether the code had succeeded or not. Where lakhs of workers and hundreds of employers were involved how much time did it require for new ideas and spirits to seep down to the level of the unit, he asked. He urged employers to remember that what was at stake was not a document of a few clauses but a whole approach and avenue of peaceful progress of industry, the alternatives to which were only more legislation and more conflicts.

The Minister has, no doubt, convincingly argued out the case for the code. There need not be any objection to the code in principle. The fear of employers that, in practice, it may involve additional financial burdens for them, unaccompanied by any compensatory increase in productivity, is understandable. The emphasis should, therefore, be as much on the efficiency aspect as on the welfare aspect of the code. Care should be taken to see that, in course of time, welfare, as in the fable which tells of a tiger which agreed to give a lift to a lady and returned with the lady inside, does not swallow up efficiency. The acceptance of the code by employers, even if it does not result in any immediate *quid pro quo*, will surely have a new psychological impact on workers, a development of no mean consideration in an atmosphere ridden with strife and mutual mistrust. The new code should be viewed not in isolation but as part of what Mr. Nanda rightly called an integrated process of which the code of discipline, and the scheme of workers' education and participation in management are vital and interdependent elements.

UNFAIR INTERFERENCE

But for the objection raised by Canada and Australia, an agreement on the supply of American wheat (about three million tons) and cotton (together worth Rs. 140 crores or \$280 million) to India under P.L. 480 would, perhaps, have been signed by now by the Governments of the two countries. The objection by Canada and Australia is on the score that a sale of three million tons of wheat by the U.S. to India for payment in rupees would adversely affect the market for the Canadian and Australian wheat in India and thereby make the problem of disposing of their own surplus wheat difficult. The two countries have complained to the U.S. that India is placing its normal requirements of heat at a low level, while inflating its abnormal requirements, that is, those necessitated by crop failures, so that they could be covered under the P.L. 480 programme. These countries have drawn special attention to the fact that American farm surpluses can be sold abroad only for local currency to supplement and supplant a country's normal purchases from its regular suppliers. The U.S. Government, it may be recalled, has given an assurance that, in disposing of its farm surpluses, it will bear in mind the need for not disturbing the normal market trends.

The U.S. Government is rather in an embarrassing position. It is quite anxious to conclude the agreement with India as early as possible for two important reasons: (1) to assist India not only to meet the difficult food situation but also to enable it to go ahead with its economic development programmes, and (2) to dispose of the large-scale surplus wheat hanging on the domestic market. At the same time, the U.S. Government does not want to strain its relations with the two wheat-producing allies, that is, Canada and Australia. Under the pressure exercised by these allies, the American Administration proposes to write into the proposed agreement a condition that India should buy during the coming year 400,000-500,000 tons of grain from normal sources.

No one will dispute the fact that Canada and Australia have been regular suppliers of wheat to India. Nor will anyone in this country forget the assistance rendered by these countries to India in the task of economic development. Only last year, it will be recalled, Canada gifted to India 127,000 tons of wheat and Australia 9,450 tons under the Co-ombo Plan; the former also agreed to supply 543,000 tons of wheat worth 33.8 million dollars (Canadian) on deferred payment terms. But it is difficult to appreciate their contention that India should purchase 400,000-500,000 tons of wheat from normal sources. The purchase of such a quantity would involve the spending of precious foreign exchange to the tune of as much as Rs. 15 to 19 crores which the country can ill-afford at present. India just does not possess the wherewithal to pay for the additional wheat which these two Commonwealth countries insist on selling to it. Even the reported willingness of the Indian Government to buy from the normal market sources (mostly Canada and Australia) the same quantity of wheat that was bought last year, namely, 230,000 tons, involves an expenditure of a fairly large amount of foreign exchange, estimated at Rs. 8-9 crores.

Surely, Canada and Australia would evoke the praise of all in India, if they were to view the problem more from a humanitarian angle than from a purely commercial perspective. They are rich enough to supply the additional 200,000 to 300,000 tons of wheat to India on the same terms on which the U.S. is willing to do. If they do not wish to do so, they should at least refrain from placing obstacles in the way of a poor fellow member of the Commonwealth getting assistance from one who is willing to oblige. The Governments of Australia and Canada should ponder as to what they would do, if they were faced with a position confronting the Government of India now.

WOOLLEN INDUSTRY

India spends every year fairly large amounts of foreign exchange on imports of raw wool and wool tops; the actual value of imports in 1958 was Rs. 10 crores. This is due to the fact that the bulk of the raw wool produced within the country is of a quality which can be used in the manufacture of only rough blankets and carpets. Indeed, the worsted and woollen sections of the wool industry are dependent on imported raw materials to the extent of 100 per cent. and 90 per cent., respectively. Considering the continued shortage of foreign exchange and scarcity in raw material supplies, Mr. R. K. Birla, the retiring President of the Federation of Woollen Manufacturers in India, certainly did well to stress, in his speech at the Federation's annual meeting held in the City last week, the importance of making attempts to find out if indigenous wools could be consumed progressively in the manufacture of fabrics. At the same time, Mr. Birla warned that, unless the indigenous breed of sheep was improved to the extent that the fibre of raw wools might be such as to enable the spinners to spin yarn for the manufacture of worsted fabrics, there would not be much scope for greater utilisation of indigenous wools by the worsted industry. In this connection, he revealed that schemes were afoot for establishing two wool combing plants—one to be sponsored on co-operative basis at Ludhiana and the other to be set up by a joint Indo-British venture. Pending the improvement in the quality of wool, Mr. Birla pleaded for some relaxation and adjustments in the Defence and Civilian specifications for woollen goods, which, he said, would encourage the industry to use more of indigenous raw wool.

Alongside measures to improve the quality of indigenous raw wool, steps must also be taken to raise the efficiency of woollen-worsted goods manufacture. How important is this aspect will be evident from the following remarks of Mr. Birla:

"... a large part of the machinery and equipment of the mills is so very old that it requires complete replacement by the very latest machinery. During my recent tour of the U.K. and the Continent of Europe, as well as my visit to the International Textile Machinery Exhibition at Milan, I had the opportunity of seeing undreamt-of machinery which is nothing short of a revolution. Our competitors abroad are now using these latest four processes, instead of the conventional eight or nine. The quality of the yarn and the cloth manufactured by such machinery is so very superior to ours, that, if we do not have such machinery here, we shall not have the slightest chance against our competitors abroad."

These are, indeed, very pertinent observations. But there are two chief obstacles in the

way of modernising the woollen mills, namely, paucity of foreign exchange and none too happy financial position of many units. It is somewhat disquieting to hear that, notwithstanding the several representations to the Government by the Federation, no arrangements have still been made to finalise any scheme for advancing "rehabilitation loans" to the woollen industry, unlike in the case of cotton textile and jute industries. There is certainly no exaggeration in the statement of Mr. Birla that, unless such loan facilities and facilities for import of the required machinery are provided, the woollen industry will "not have the ghost of a chance to compete with the advanced nations of the world." Top priority, he urged, must be given to the question by the concerned Department of the Government and a well-formulated scheme conceived to serve the woollen industry and help it to develop more vigorously.

Four other notable suggestions were put forward by Mr. Birla and all these deserve the consideration of the authorities concerned. First, a standing committee of persons representing the Federation, the office of the Joint Chief Controller of Imports and the Textile Commissioner, must be constituted to go into the question of imports of spare parts and accessories of woollen mills. Secondly, the Government should keep a strict watch on the quality control of the indigenously produced shuttles, bobbins, reeds, healds, pickers, etc. This is necessary to ensure manufacture of perfect and high-quality woollen-worsted goods. Thirdly, a joint standing committee consisting of the representatives of the Government Departments concerned and the Federation should be set up to evolve a suitable scheme for ensuring adequate supply of imported dyes, chemicals and other auxiliaries. Finally, no excise duty or excess should be charged on goods that are sent as samples against either Government tenders or civilian demands, irrespective of the size of the samples, for such samples are not meant for sale and are not sold, and the cess should be levied on the net yardage of fabrics.

ANTIBIOTICS IN INDIA

The production of antibiotics, a principal component in the drugs and pharmaceuticals group, is of recent origin in India. The credit for manufacturing them goes to the Hindustan Antibiotics Limited, Pimpri, Poona. Established in 1952, the Company commenced production by 1956-57. Since then, it has made great strides of progress. This public sector project is claimed to be the biggest of its kind in Asia, barring China. The factory is producing penicillin since last July at an annual rate of 40 million mega units, or more than four times that in the first year of production. The value of turnover stood at Rs. 321.07 lakhs in 1958-59, as against a mere Rs. 57.80 lakhs in 1956-57. One of the important factors responsible for the large increase in production is the import of some quantities of first crystals of penicillin G, in order to augment penicillin supplies from indigenous sources. With the present demand in India estimated at 85 million mega units, the factory is capable of meeting about two-thirds of it.

It may be recalled that the U.N.I.C.E.F., the W.H.O. and also the U.N. Technical Assistance Board extended liberal economic and technical assistance to put through the Penicillin project in India. The Company was registered as a private limited company, with an authorised share capital of Rs. 4 crores. Its subscribed and paid-up capital is Rs. 2.46 crores. All the shares are held in the name of the President of India and his nominees. The Company had taken a loan of Rs. 70 lakhs from the Government of India, which has now been fully repaid. Though the factory suffered some losses in the beginning, it is now well established. It is estimated that the excess of income over expenditure will be over Rs. 1 crore in 1958-59, as compared with Rs. 33.43 lakhs in the previous year, and a loss of Rs. 10 lakhs upto March 1956.

The price policy of the Company is designed to bring about price reduction in such a way that the benefit is passed on to the consumer directly and, at the same time, to enable the unit to build up sufficient reserves for financing its plans for production of other antibiotics. The Company has been able to reduce the prices of its products substantially from Rs. 1.25 per mega unit of penicillin (in bulk) to 60 p.p. per mega unit. This has been made possible by technological improvements and lower production costs. While his reduction in prices is welcome, even the reduced price is very much above the world price. It may be noted here that the international price for penicillin has come down from over Rs. 1.25 in 1952 to about Rs. 0.30 per mega unit.

The Indian price can be brought down further only through the adoption of new and more efficient techniques.

Among the major expansion programmes of the Company, mention may be made of its plans to manufacture other important antibiotics such as streptomycin and dihydrostreptomycin, which have proved an effective cure for tuberculosis. The value of India's imports of these two items amounts to over Rs. 1 crore per year. A Rs. 1.7-crore plant is being set up at Pimpri to manufacture about 40,000 to 45,000 kg. of these two antibiotics; it is expected to go into production by 1961. A consultant service agreement has been signed with Messrs. Merck and Company of the U.S. for the implementation of the scheme. Another project for the production of 25 tons of broad-spectrum antibiotics of the tetracycline group at an estimated cost of Rs. 1.3 crore is also under consideration. When all these schemes materialise, this factory will be producing antibiotics of the value of Rs. 4 crores annually and will rank among the big antibiotics-producing units of the world.

MORE ON COAL TARGET

The Coal Council of India, as we pointed out last week (vide page 538), has fixed the target of coal to be reached by the end of the third Five-year Plan at 110 million tons. This target is 20 million tons higher than the one envisaged by the Federation of Indian Chambers of Commerce and Industry. Information that became available after we wrote on this subject last week shows that, in determining the target thus, the Coal Council has proceeded on the basis of anticipated rise in the demand for coal, arising out of expansion of activities by the major consumers of coal. The railways, for instance, are expected to carry 245 million tons of freight by the end of the third Plan, the steel industry is expected to produce 10 million tons (ingot) and thermal power production will rise to 5.5 million kw. The total demand for coal from these and other consumers on these assumptions is calculated to rise to 110 million tons by 1965. The break-up of this demand with figures in

brackets representing demand in 1960-61 is as under:

(In million tons)

Railways 26.0 (16.5); iron and steel 22.6 (9.5); thermal electricity 13.0 (6.8); cement 6.0 (3.0); paper industry 2.25 (1.02); textiles 2.50 (2.41); refractories and glass 3.0 (1.18); sugar and chemicals 2.20 (1.09); foundries and re-rolling mills 2.00 (0.58); bunker and export 3.50 (2.88); domestic use 6.0 (3.5); others 21.00 (11.74). Total 110.00 (60.20).

The target of 110 million tons represents an increase of about 50 million tons over the target of 60 million tons set under the second Five-year Plan. The increase in production in the third Plan period is expected to come chiefly from Jharia, Raniganj, Karanpura and Bokaro coal-fields. The break-up of the target in respect of the chief coal producing regions with figures in brackets giving the respective targets fixed under the second Plan is:

(In million tons)

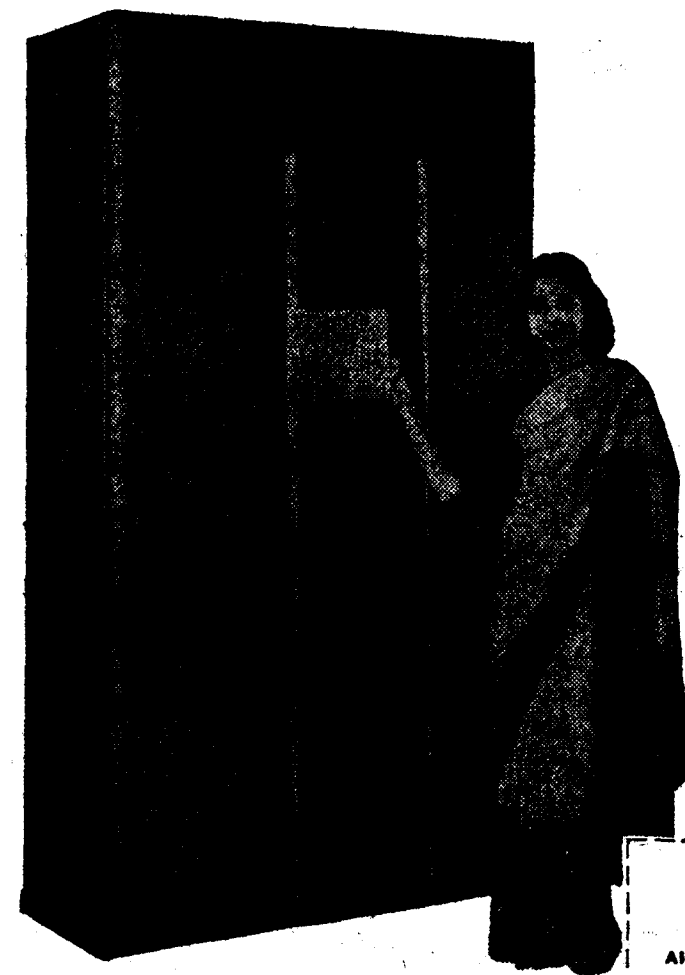
Jharia 26.22 (16.72); Raniganj 28.87 (18.67); Karanpura 13.05 (7.05); Bokaro (including Kathara) 9.41 (4.41); Chanda 0.45 (0.35); Korea 9.42 (4.32); Bishampur 3.0 (—); Jhilmil 2.0 (—); Korba 5.1 (1.60); Pench Valley-Kanhan Valley 2.5 (2.0); Singareni 7.2 (3.0); Orissa 2.05 (1.05); Assam 0.54 (0.54); Singuruli 2.5 (—); others 0.44 (0.44). Total 112.75 (60.35).

An important factor on which the future of coal production depends is the availability of technical personnel. It is believed that there is no danger of the output of coal or other mines being held up for want of technical men. Indeed, there is fear that more technical men may chase too few jobs. Thus, it has been computed that, by the end of the third Plan, coal and metal mines will need some 750 graduate engineers; actual supply of engineers will exceed double this number. Again, these mines are likely to need 2,250 mine managers with diplomas in mining or other appropriate qualifications, whereas the number of such men will exceed 2,400. It is, therefore, feared that there will be a scramble for jobs in the mining sector. If these calculations are correct—we have no means of knowing the true position—technological institutions will do well to take note of this development in planning their annual intake of candidates for mining education. Young men will also be well advised to ascertain the prospects carefully before deciding to take mining as their career.

BIGGEST AIR CONDITIONING NEWS

The new WORTHINGTON 5-ton Packaged Air Conditioner

now made in India by BLUE STAR.



Supreme comfort for the home, office or shop! The new WORTHINGTON Packaged Air Conditioner incorporates all the most recent advances in complete packaged units: new compactness and beauty, greater silence, minimum maintenance, handy controls for fresh, clean air at all times. With optional accessories, it can even be used for heating purposes, in cold weather.

WORTHINGTON

AIR CONDITIONING & REFRIGERATION

engineered and sold in India exclusively by

BLUE STAR

Climate Engineers to Industry Business and the Home

BOMBAY - CALCUTTA - DELHI - MADRAS

Main Office:

Kasturi Buildings, Jamshedji Tata Road, Bombay 1

LONDON LETTERS

STRENGTH OUT OF SEASON INDUSTRIAL PRODUCTION UP—STERLING FIRM—RESERVES STILL RISING

From Our Own Correspondent

LONDON, 3rd October

WAS there ever a September like this before? September—traditional crisis month; month which saw the first ever devaluation of the British pound twenty-eight years ago, the second devaluation ten years ago and crises in every other year since then. In that sequence, this September was due for the next crisis and, with a general election in train, a Stock Exchange upset over take-overs, and interest rates now fallen below the New York levels, the stage was properly set for the bi-annual gold drain to reinforce a seasonal weakness on commercial account. Instead, we have the Stock Exchange share index (*Financial Times*) jumping over eight points in the past week to a new high level of 262 which is thirty per cent. over the level of a year ago; a Treasury Bill rate which barely moved over the 3½ per cent. level in spite of New York attractions; and, most surprising, a jump up in the gold reserves by £13 million to the highest level for eight years.

Financial factors apart, the pound tends seasonally to be weak just now when heavy dollar payments are made. But such is the current strength of the pound based on an active balance of payments that the net demand for sterling exceeds the supply. In the past quarter, the gold reserves have indeed gone up by £40 million and over the year to date by £77 million. And this in spite of payments by way of subscription to the International Monetary Fund and the European Fund of £60 million. Thus, the true gain has been of the order of £137 million. But, of course, even at their present level of £1,173 million, they are still £200 million below the post-war peak reached in June

1951 and, at the present rate of striking, it would still take two years to climb back to that level.

As for the financial factors usually at work in a time of electoral uncertainty, they are bidding their time on the argument that, if the Government is returned to power, the market will shoot up still further, while, if it is not, they will sell out quickly and buy in again as soon as the slump has reached about the bottom. In any event, the strength of British industry—with a production index which has climbed every month since the spring—is such that a post-election reaction is likely to be only short-lived, though a reaction there is bound to be if Labour are returned to power.

This unseasonable strength of sterling is based on the strongly favourable trend of the balance of payments, of which the second quarter figures have just been published. These figures are all the more encouraging, in that they are issued after a downward reassessment of British shipping earnings which has knocked off no less than £40 odd million from the estimated surplus for the first quarter of this year. Firstly, on the import/export visible balance, the expected adverse figure in the first quarter ran at the rate of £21 million per month, which dropped in the second quarter to £8 million per month (less than an annual rate of £100 million); secondly, the first quarter, the invisible income (mainly shipping) netted £33 million per month—giving an average monthly surplus of £12 million; while, in the second quarter, the invisible income rose by £10 million per month—giving an average monthly surplus of £36 million. Taking the two quarters together, the total invisible income was £142 million—an annual rate of perhaps £250 million—allowing for the lower monthly income to be expected in

the autumn. But, then, such is the strength of British exports as well as invisibles at present, that the annual rate might well rise to £300 million which makes a very favourable comparison with the figure of £350 million which was reached in 1958 and then regarded as phenomenal. Such figures as these provide for an investment surplus (after allowing for a steady addition to the gold and dollar reserves) of between £100 million and £200 million to flow into the Commonwealth and the undeveloped territories—all of which are steadily increasing their claims for capital.

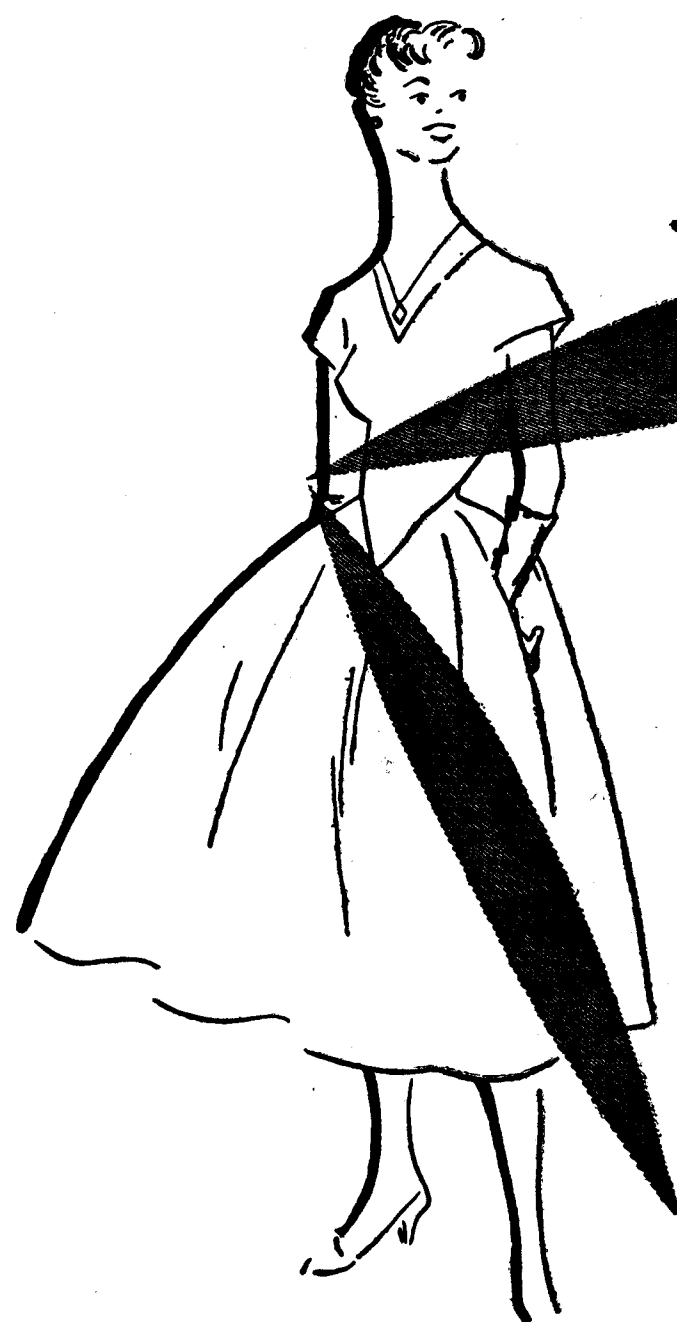
THE JASPER AFFAIR

LONDON, 28th September

Take-over bids have become a commonplace of City activity over the past two years, but the latest of these scrambles after capital gain looked last week as if it might become a significant item in the forthcoming Election. So far all take-over bids have gone through to their completion in an orderly, if sometimes expensive, fashion, the accepting shareholders getting their money and their capital gains without question or delay. But the latest one, known as the Jasper affair (because the bidding was conducted through the merchant banking firm of Messrs. Jasper) or the Ely Brewery affair, was a novel departure from the accepted course of events. The bidders had just taken over a property-owning organisation called Lintang Investments (though its properties were not in Malaya but in London) and then some of the major shareholders found that there was a hitch in getting paid. At the same time, the Ely Brewery Company had accepted a bid and the shareholders then found it could not be implemented. In short, the would-be takers-over had overbid their hands. The upshot has been an investigation into the affairs of Messrs. Jasper and the group of companies for which they have been acting, which were the would-be takers-over in this case.

The Opposition has always been resentful of the technique of take-over bids, with the evidence they have offered of very large tax-free capital gains being made by a very few people. Its spokesmen have denounced the system as one of the shadier aspects of capitalism

(Continued on page 627)



REPUTATION

for

Quality, Uniformity, Reliability



High Rayon Fabrics
6040 M/g Habutae
6080 Chiffon
6280 Silver Crapè
6300 Georgette Crapè



Rayon Yarn
Filament Yarn
Spun Yarn
Twisted Yarn
Staple Fibre

Pamphlet available. Please apply to:

KURASHIKI RAYON CO., LTD.

2, Umada, Kita-ku, Osaka, Japan Cable Address: "KURARAY OSAKA"

VOLTAS LIMITED

have pleasure in announcing their appointment
as Distributors for

ALL HENLEY PRODUCTS

manufactured by

W.T. HENLEY'S TELEGRAPH WORKS CO. LTD., ENGLAND

and for

ELECTRIC WIRES AND CABLES TO BE MADE IN INDIA

by

HENLEY CABLES INDIA LIMITED

Henley's, cable manufacturers for more than 120 years, have been associated with India since 1863 when W. T. Henley, Founder of the Company, laid the 1,615-mile long submarine cable in the Persian Gulf for the Government of India. Henley's organisation in India, instituted over 40 years ago, has continued to play a vital role in this country, supplying and installing Electric Cables, Wires, Accessories and Distribution Equipment.

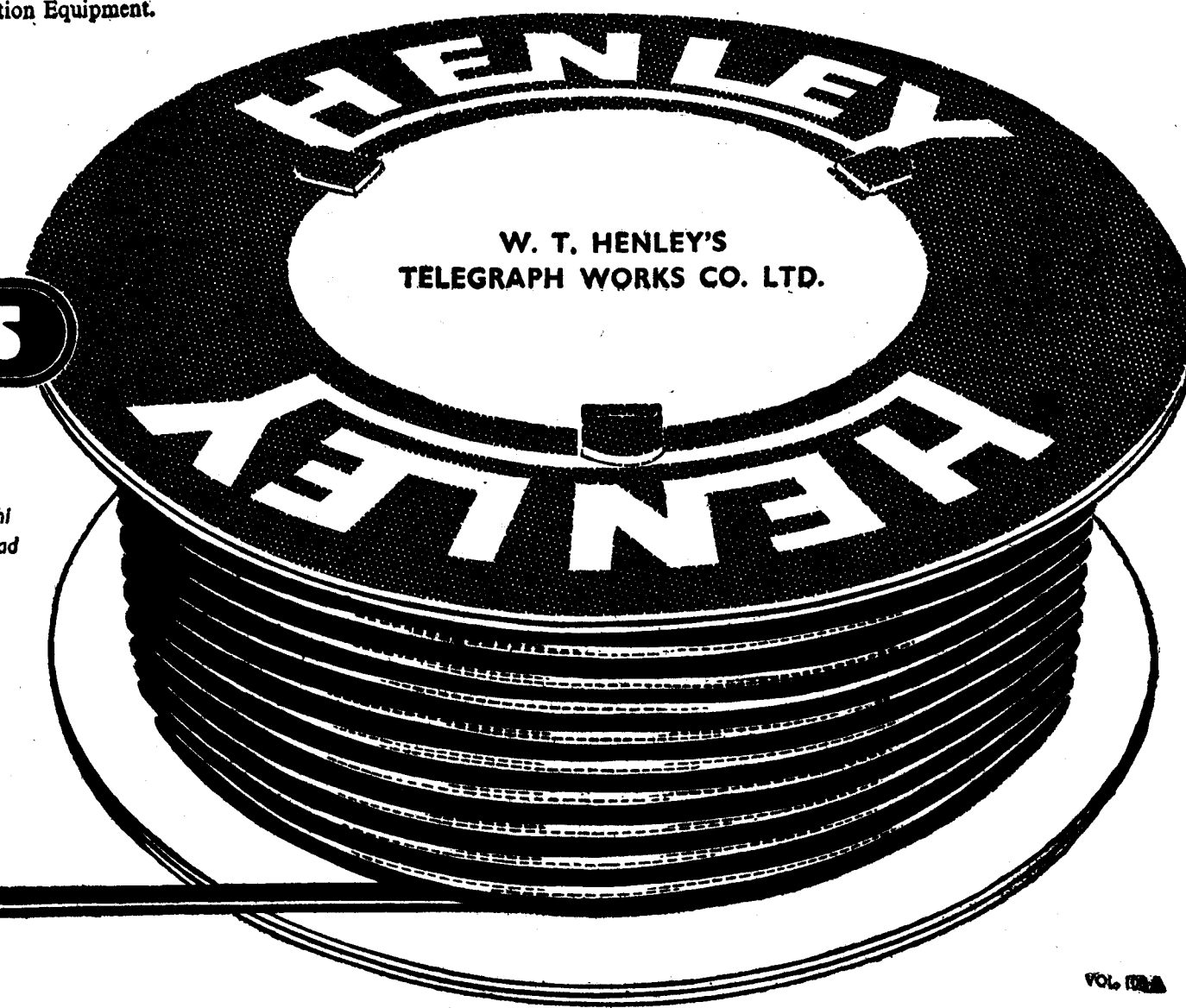
Last June a new company, Henley Cables India Limited, was formed in conjunction with the Investment Corporation of India Limited (a Tata concern) for the manufacture of a range of Henley cables in India. They will be distributed by Voltas Limited, whose Electrical Department has for many decades supplied, installed and serviced a wide range of electrical equipment.

VOLTAS

VOLTAS LIMITED

Head Office: Bombay I

Calcutta • Madras • New Delhi
Bangalore • Cochin • Ahmedabad
Secunderabad • Lucknow



INDUSTRIAL FINANCE CORPORATION RECORD HIGH PROFIT—IMPORT RESTRICTIONS, HOWEVER, HAMPER PROGRESS

THE year ended 30th June 1959 proved to be the most satisfactory period so far for the Industrial Finance Corporation of India, in that its gross income, for the first time, exceeded Rs. 2 crores and its profit (before taxation) touched a new peak of Rs. 73.08 lakhs, representing an increase of Rs. 14.83 lakhs over that for 1957-58. This improvement has taken place notwithstanding the fact that the number of industrial concerns seeking long-term financial assistance and the amount of loans sought for and disbursed continued to show a decline. Thanks to the sizable improvement in earnings, the Corporation has been able not only to dispense with the subvention from the Central Government for the third year in succession but also to increase the amount of repayment on account of subvention received in earlier years from Rs. 5.45 lakhs (in 1957-58) to Rs. 10 lakhs. What is more, it has also raised the transfer to the general reserve from Rs. 11.50 lakhs to Rs. 14.12 lakhs and declared the guaranteed dividend of 24 per cent. to the shareholders out of its own earnings for the third year in succession.

As in the previous year, no provision for doubtful debts has been made, as the percentage of defaults in the payment of instalments of principal showed a decline from 6.1 per cent. in 1957-58 to 5.4 per cent. in the year under review. Further, none of the defaults is said to be of a nature that warrants any fresh provision. Another feature of the year's working is the further drop in the percentage of administrative expenses to gross income, thus bringing it down from 15.65 in 1955 to 5.11 in the year under review.

Results Compared

The main features of the Corporation's financial results for the past four years are compared in the following table:

	For the year ended 30th June			
	1959	1958	1957	1956
Interest earned ..	2,00.05	1,54.36	95.93	67.19
Other income ..	3.83	0.54	0.40	0.43
Interest paid ..	1,15.75	88.85	44.17	26.99
Other expenses ..	10.29	9.08	8.96	7.82
Depreciation ..	0.12	0.14	0.13	0.13
Profit ..	78.08	58.25	48.06	32.68
Provision for—				
Taxation ..	37.71	25.21	8.59	10.18
Doubtful debts ..	..	..	22.25	22.50
Discount and brokerage on bonds written off ..	4.64	4.83	..	..
To reserve for contingencies ..	..	..	1.00	..
„ general reserve ..	14.12	11.50	..	..
Subvention from Government ..	..	..	..	11.25
Subvention returned to Government ..	10.00	5.45	..	..
To dividend ..	11.25	11.25	11.25	11.25
	(24%)	(24%)	(24%)	(24%)
Loans applied for ..	11,10.57	14,88.50	21,36.25	27,70.02
Loans sanctioned ..	3,79.00	7,78.50	11,90.75	18,18.00
Loans disbursed ..	7,47.71	8,33.35	9,77.50	2,20.23

As stated earlier, the number of applications for loans, as well as the amount sought for and sanctioned, has declined. Out of 26 applications for an aggregate sum of Rs. 11.16 crores (as against 48 applications for Rs. 14.88 crores in 1957-58), 19 loans for a sum of only Rs. 3.79 crores were sanctioned, the corresponding figures for 1957-58 being 22 loans for Rs. 7.78 crores. The actual disbursements amounted to Rs. 7.48 crores, as compared with Rs. 8.33 crores in the previous year. There has been an increase in the applications which have been treated as lapsed or withdrawn, while loans for Rs. 11.71 crores were under consideration as at the close of the year. This setback in the main activity of the Corporation is not due to paucity of resources, but to the impact of the severe restrictions on imports of capital and other goods from abroad. The total amount of loans sanctioned since the inception of the Corporation up to the end of the year under review is Rs. 66.69 crores, of which the amount disbursed aggregated Rs. 42.32 crores.

As in the past few years, the bulk of the loans sanctioned by the Corporation are for new undertakings, that is, those which went into production after 15th August 1947. Thus, out of the sum of Rs. 3.79 crores sanctioned during 1958-59, as much as Rs. 3.24 crores were granted to new undertakings.

An industry-wise classification of loans sanctioned during the year shows that food manu-

facturing industry (mainly sugar) continues to top the list, followed by cement and textiles, as will be seen from the following table:

Manufacturing industry	Amount sanctioned		
	Upto 30th June, 1958	During the year ended 30th June, 1959	Total
Food (except beverage) ..	19,27.00	1,45.00	20,72.00
Textiles ..	9,07.75	65.00	9,72.75
Artificial fibres ..	1,10.00	..	1,10.00
Wood and cork (except furniture) ..	30.00	..	30.00
Paper and paper products ..	5,71.50	..	5,71.50
Rubber products ..	50.50	..	50.50
Basic industrial chemicals ..	7,66.00	..	7,66.00
Vegetable and animal oil and fats ..	11.00	..	11.00
Miscellaneous chemical products ..	77.25	..	77.25
Glass and glass products ..	1,27.50	..	1,27.50
Pottery, China and earthenware ..	64.25	..	64.25
Cement ..	5,07.00	1,10.00	6,17.00
Iron and steel ..	1,17.00	..	1,17.00
Non-ferrous metals ..	2,57.50	33.00	2,90.50
Machinery (except electrical) ..	1,42.50	..	1,42.50
Electrical machinery, appliances, etc. ..	1,75.70	6.00	1,81.70
Rail-road equipment ..	50.00	20.00	70.00
Motor vehicles and ancillaries ..	1,68.00	..	1,68.00
Bicycles ..	80.50	..	80.50
Miscellaneous manufacturing industries ..	43.90	..	43.90
Electric light and power ..	82.75	..	82.75
Total ..	62,90.00	3,79.00	66,69.00

Co-operative societies, particularly sugar co-operatives, continued to receive the Corporation's special attention. Thus, of the nine loans for an aggregate sum of Rs. 1.70 crores given during the year under review, eight for Rs. 1.45 crores were for co-operative sugar factories and the remaining one for Rs. 25 lakhs to a co-operative spinning mill. This brings the total amount of loans sanctioned to co-operative sugar factories up to the end of June 1959 to Rs. 14.68 crores. All these loans, it may be noted here, are guaranteed by the State Governments concerned.

A State-wise analysis of the loans sanctioned, given in the table below, reveals that Bombay State has received the largest amount, Madras comes second with less than half the sum granted to Bombay.

State	Up to June 1958		Up to June 1959	
	No. of units	Amount (Rs. lakhs)	No. of units	Amount (Rs. lakhs)
Bombay ..	58	18,89.65	56	19,49.85
Madras ..	19	8,57.00	22	9,47.00
West Bengal ..	27	6,53.50	27	6,58.50
Uttar Pradesh ..	14	5,80.00	15	5,80.00
Myore ..	17	4,80.00	17	5,08.00
Bihar ..	12	4,77.75	12	4,97.75
Kerala ..	6	4,27.50	6	4,27.80
Orissa ..	5	2,94.00	5	3,77.00
Andhra Pradesh ..	10	3,10.50	10	3,10.50
Punjab ..	11	2,96.60	11	3,01.80
Rajasthan ..	3	74.50	3	74.50
Assam ..	1	45.00	1	60.00
Delhi ..	1	20.00	1	20.00
Madhya Pradesh ..	1	3.50	1	3.50
Total ..	185	62,90.00	190	66,69.00

The ways and means position of the Corporation has considerably improved, thanks to the two successful issues of bonds in November 1957 and in 1958 each for Rs. 4 crores. As in the case of the 1957 issue, the last issue was for a period of ten years, but the rate of interest offered was 1 per cent. less, at 4 per cent. Unlike the previous two issues, last year's issue was open for public subscription and subscriptions received aggregated Rs. 8.39 crores, as against Rs. 4.56 crores subscribed for the 1957 issue, despite the lower rate of interest offered. A sum of Rs. 4.38 crores was retained by the Corporation, bringing the total amount of bonds outstanding at the close of the year under review to Rs. 16.75 crores. This week, the Corporation offered 12-year bonds for Rs. 5 crores carrying interest at the rate of 4 per cent., a further reduction of 1 per cent. from last year. The bonds were oversubscribed, total subscriptions amounting to Rs. 6.53 crores.

Thanks to the improvement in resources, the Corporation springily availed of borrowings from the Reserve Bank. It also repaid during the year Rs. 5 crores towards loans taken from the Central Government. Subsequently, it borrowed Rs. 3 crores from the Govern-

ment, leaving the outstanding loans at Rs. 13 crores at the end of the year. The borrowings from the Government, it may be noted, continue to carry interest at 4½ per cent., whereas the rate of interest charged by the Reserve Bank is only 4 per cent. and the Corporation itself has been able to borrow from the public at 4½ per cent. last year and at 4 per cent. this year. The Corporation's lending rate to industries is 7 per cent. with a rebate of ½ per cent. for payment of interest and instalments of principal on due dates. It is the intention of the Corporation to use the proceeds of the loan raised from the public this week for repaying a part of the borrowings from the Central Government and thereby effect a saving on interest charges.

A new field of activity entered by the Corporation in December 1957 was the guaranteeing of deferred payments, on behalf of industrial concerns, to foreign manufacturers of capital goods. During the first six months of its entry, the Corporation received applications for such guarantee for an aggregate sum of Rs. 5.24 crores, of which applications for Rs. 3.96 crores were sanctioned. While applications for guarantee for Rs. 16.51 crores were received during the year under review, the applications sanctioned were for no more than Rs. 35 lakhs. Applications withdrawn or lapsed amounted to Rs. 5.14 crores, while those pending aggregated Rs. 12.30 crores. These large withdrawals and outstandings were mainly the result of severe import restrictions on imports based on deferred payment terms, in view of the cumulative strain that is likely to be caused thereby on the country's foreign exchange position a few years hence.

Underwriting

While lack of foreign exchange resources proved to be a handicap to the Corporation in the matter of sanctioning fresh loans and guaranteeing deferred payment credits, it is gratifying to note that the I.F.C. has been successful in underwriting of capital issues by industrial concerns, a function which it was supposed to perform right from its inception, but was undertaken only in 1957-58. During the year under review, the Corporation underwrote a preference share issue for Rs. 50 lakhs, in which its share of commitment was Rs. 37.50 lakhs. The issue was oversubscribed and the Corporation was, therefore, not called upon to take up any shares. Another application for underwriting an issue of Rs. 50 lakhs in preference shares was sanctioned by the Corporation, subject to the approval of the Government; this has since been received. These bring the total amount of underwriting approved by the Corporation to over Rs. 1.68 crores.

U.S. EX-IMP BANK

The Export-Import Bank of Washington has just completed 25 years of its activities; it was established in 1934, in the wake of the Great Depression of the 1930's. During this quarter of a century, the Bank was authorised to use \$10 billion of U.S. taxpayers' money for the purpose of giving loans to support trade between the U.S. and other nations, to assist Americans to sell goods and services abroad and to improve the living standards of people in 69 countries.

When the Bank was established with the object of financing and facilitating exports and imports and the exchange of commodities between the U.S. and any other foreign country, it had only \$11 million to lend. In the initial stages, it financed exports of locomotives and rail, road-building equipment, machinery and tractors, equipment for steel mills, cotton and other agricultural commodities. Early in 1945, the Bank's lending authority was increased to \$200 million, in order to enable it to make reconstruction credits to Finland after the Russo-Finnish war. In September of that year, the lending authority was again raised to \$700 million, specifically to help Latin American countries, which were cut off from their normal outlets and sources of supply in Europe. One of the first uses to which this money was put was to assist Brazil in setting up an integrated steel industry. This was born out of the first basic projects for economic development of a so-called less developed country. The Bank also financed whatever capital goods could be released by the U.S. to serve its Latin American allies.

With the end of World War II, the U.S. Government's attention was diverted to the devastated countries of Europe. The problem of reconstructing the European countries was taken up and the Export-Import Bank was assigned the job. In July 1945, the Bank was made by statute as a fully independent U.S. agency and its lending authority was increased to \$5.5 billion. The problem of reconstruction in the European countries was so enormous that it was found that dollar repayable loans by the Export-Import Bank could not be increased by Europe in the amounts needed to do the reconstruction. In 1948, the U.S. therefore, embarked upon the Marshall Plan.

Following this, the Export-Import Bank turned its attention to the rest of the world. The last twelve years, particularly the past three, constituted the most active period for the Bank. Loans have been granted for a variety of purposes, including the overcoming of a critical foreign

IMPACT OF STEEL STRIKE IN U.S. BUSINESS MEN OPTIMISTIC OF FUTURE

THE steel workers' strike in the U.S. is now in the thirteenth week and there are yet no signs of it coming to an early end. Over a million American workers have been rendered idle, of whom 500,000 are steel employees. The impact of this prolonged strike on the U.S. economy—the keystone of the free world—is discussed in the October issue of the *First National City Bank Monthly Letter* as part of its survey of general business conditions. The following is an extract from it:

"The steel strike, now dragging into its twelfth week, is beginning to pinch. Durable goods fabricators, braced for a long strike, had maintained a high rate of operations out of inventories through mid-September. In the latter part of the month, however, reports of layoffs, shortened work weeks, and shutdowns were more frequent. On 25th September, the union, referring to the companies' resistance to employment cost increases as a 'farfetched filibuster,' withdrew from the bargaining table. President Eisenhower, concerned with the threat of spreading steel shortages to industrial activity, has declared that he will 'use every conceivable personal and official influence available' to break the impasse. The obvious recourse is to invoke the emergency powers provided under the Taft-Hartley Act.

"Despite the crippling of one of the nation's chief industries and the spreading impact of steel shortages, the economy, as Mr. Khrushchev might have noted in his recent tour, has been strong and vigorous. Retail trade is well sustained. Business, counting on renewed growth to new heights after major labour disputes are settled, has stepped up plans for new plant and equipment outlays. Symptomatic of potential overstrain on the nation's productive capacity, and on the savings supply, credit has tightened and interest rates have risen further.

"Industrial activity apparently slipped a bit further in September as a result of steel shortages, strikes in non-ferrous metals industries, and the continuing model changeover in the automobile industry. The latest Federal Reserve index of industrial production (seasonally adjusted, 1947-49=100) declined four points in August to 149. Including the dip of two points in July, overall production dropped 4 per cent. from the record June level. Excluding the primary metal and automobile industries, however, all other types of manufacturing combined were somewhat higher in July and August than in June. Producers of non-durable goods, operating at record levels in August, are looking optimistically towards the fall season.

Stalemate in Steel

"Steel stocks have lasted longer than many anticipated. The trickle of steel available from mills still operating, together with imports, swaps, and special purchases, helped business men fill thin spots in their inventories. With every week that passes, however, supplies are getting smaller and more unbalanced. Even after the strike ends it will take time to get furnaces repaired and back into production and to restore finished steel shipments to prestrike levels.

"Considering the way in which incomes and consumption have been sustained, the main impact of the strike so far has been to work off abnormally high steel stocks and to push demand ahead to a later time. However, should layoffs because of steel shortages begin to snowball in a wide range of industries, there is the danger of sales losses which will not be recouped.

"The Executive has been provided by the Taft-Hartley Act with a legal means of dealing with such situations. When, in the opinion of the President, a strike imperils the national health or safety, he may, after receiving a report from a board of inquiry, direct the Attorney General to obtain a federal injunction suspending the strike for 80 days. If a settlement has not been reached by the end of 60 days, the fact-finding board's report is made public, and the National Labour Relations Board must then take a vote of the workers on management's last offer. If the issues continue unresolved beyond the 80-day period and the strike resumes, the President may submit recommendations to Congress.

"Neither party has favoured invoking the Taft-Hartley procedure. The steel workers union, although resisting an approach which would restore for a Government-appointed fact-finding commission with power to recommend a settlement. Steel management feels that a contract should be reached by the process of free collective bargaining without Government intervention.

"Complicating the situation is the fact that wage negotiations in a number of industries are ment is known. Metal fabricators and aluminium producers are foremost among those seeking to use the steel pact as a yardstick. In addition, strikes meat packers and copper mines and smelters. Important contractors with West and Gulf Coast long-shoremen run out 15th September and those with railroad brotherhoods expire a month later. With all these negotiations in the balance, a truly non-inflationary settlement for steel is critically essential.

"Payroll losses caused by the strike have made only a slight dent in overall consumer spending power. During the first half of this year, the seasonally adjusted annual rate of personal income was an average of \$3.8 billion per month to \$3.94 billion in June. Despite the payroll cuts caused by the strike, the momentum of rising incomes in other

lines kept the total at record levels in July and within one per cent. of its peak in August.

"Consumers have been spending freely out of these high incomes on both durable and non-durable goods. Their confidence in the outlook has been convincingly expressed in the increased volume of major purchases—automobiles and appliances particularly—and in their willingness to commit their future income through credit purchases. The expansion in consumer instalment credit during the five months ended 31st July (latest data available) was the sharpest since the 1955 credit boom. The net growth in instalment credit outstanding has added half a billion dollars a month to consumer spending power during this period. Nearly two-thirds of this credit expansion has been in automobile paper.

"Despite the rapid rise in debt, there is little indication that consumers are taking on more debt than they can comfortably handle. For the past year, the rising level of instalment credit repayments has roughly kept pace with the rise in disposable income. In fact, the proportion of current income earmarked for instalment debt repayment so far this year has been consistently below that prevailing in 1957.

"Business men have also demonstrated that uncertainties of the steel situation have had little effect on their long-range plans. A survey taken by the Securities and Exchange Commission and the Department of Commerce about a month after the strike started showed that business spending on new plant and equipment is being enlarged. Such outlays are now expected to total \$33.3 billion in 1959, up 9 per cent. from 1958. By the fourth quarter of this year, the annual rate of capital expenditures is scheduled to reach \$35.3 billion, 18 per cent. higher than in the corresponding 1958 quarter and within 7 per cent. of the third quarter 1957 peak of \$37.8 billion. Available information on machinery orders, industrial building contracts, and new capital appropriations by corporations indicates a further increase in business fixed investment in 1960.

"In the past, plant and equipment expenditures have tended to respond after a lag of six months or so to an increase in the flow of funds available for such purchases, notably depreciation charges and undistributed profits. Any business man knows of capital projects which he might undertake if he had the money. When profits are rising and the

outlook is favourable, he is in a mood to go ahead with such projects. Similarly, a reduced flow of profits usually provokes second thoughts about further plant and equipment purchases. Thus, the peaking out of retained earnings and depreciation charges in the fourth quarter of 1956 was a clue to the topping off of the rise in capital spending in the third quarter of 1957. The upturn in undistributed profits in the second quarter of 1958 was followed by recovery in plant and equipment outlays in the fourth quarter. Similarly, to the extent that the resurgence of activity widely anticipated after settlement of the steel strike is accompanied by rising profits, it will give a further impetus to capital spending.

"Fundamentally, this dependence of capital spending programmes on profits trends underlines the basic role of profits in underwriting economic growth. Profits supply the means for payment, the creditworthiness for borrowing, and the incentive for expansion.

Tightening Money

"With all the confidence that business will surge forward again once the steel strike ends, the question is raised with increasing frequency as to whether a new boom can long endure in the face of rapidly tightening money and capital markets. Better business, sustained home building, and enlarged auto sales will need more credit.

"Some people have used the word 'crisis' to describe the deterioration of bond prices. This is too harsh a word for a situation where money rates and bond yields are barely rising into the range which was normal for prosperous years prior to 1930. On the other hand, the rate of advance over the past fifteen months has created acute tensions in the market as well as difficulties for the Treasury in designing new securities that people will want to buy.

"Save for warnings to banks not to rely on continuous borrowings to supplement loan resources, the Federal Reserve has taken no action to intensify credit tightness. . . . The stringency has developed naturally out of excessive pressures of demands for borrowed money in an environment where inflationary fears lead investors to demand higher interest rates.

"The effects of tight money are not easy to appraise. It is generally agreed that it has considerable impact on the mortgage market and home construction. But the timing of its restrictive impact elsewhere in the economy is more uncertain. The expansive forces in the economy may well prove strong enough to continue to make progress, though at a slower rate, in the face of tight money. The desirable outcome would be a pace of advance which can be sustained."

T. I. CYCLES OF INDIA
now manufacture
BRAMPTON
cycle fittings

We have just commenced production of the world-famous Brampton cycle fittings. These will be supplied, for the present, to the assembler manufacturers.

Soon we expect to be able to supply to the trade, to serve the replacement needs of cycle owners everywhere.

T. I. CYCLES OF INDIA, MADRAS

INDO-U.K. TEXTILE AGREEMENT SIGNED CEILING ON EXPORTS FIXED AT 175 MILLION YDS.

At long last, a final understanding has been reached in regard to the volume of cotton piecegoods shipments from India and Pakistan to Britain. An official announcement to this effect was made in Manchester by the Cotton Board on Tuesday, 29th September. The details of the agreement and the views expressed thereon by some persons (including those representing the cotton industry, the labour and the Government) have been given fairly wide publicity in the British Press. But, in India, the Indian Cotton Mills' Federation and the Cotton Textiles Export Promotion Council, the two organisations which jointly conducted the negotiations, have chosen to remain silent on the agreement, without giving any information whatever. Enquiries made by us reveal that the two bodies are not at all aware of the details of the agreement. This is certainly surprising, if not intriguing. Further, while the trade unions in Lancashire have taken an active part in the developments that led to this agreement, the trade unions in this country have evinced little interest. Here is an instance to prove that the trade unions in India are taking a narrow view of their responsibilities to its members.

The agreement now concluded, according to the Cotton Board's announcement, fixes the ceiling on cloth imports to Britain for retention in the home market at 175 million square yards per annum for India and at 38 million square yards for Pakistan. The agreement will be in force for a period of three years with effect from 1st January 1960 and is subject to the Lancashire-Hong Kong pact continuing.

Does Not Apply to Re-exports

The aforesaid ceilings, it must be clearly noted, applies only to exports of cloth consumed in Britain and not to those re-exported. Accordingly, if, in any year, the U.K. exports X million yards out of the cloth imported from India, then India can ship to that country 175 million plus X million yards. It is, however, not yet known how the quantity of cloth re-exported will be ascertained and the necessary adjustment in the ceiling made.

The upper limits for cloth exports from both India and Pakistan to Britain, namely, 175 million yards and 38 million yards, respectively, it is said, are higher than the present levels of exports, estimated at 144 million square yards and 14 million square yards. The total quantity of cloth actually shipped from India to Britain for both retention in the home market and re-export during the first eight months of 1959, aggregated 106.50 million square yards from India, as against 79.67 million square yards in the corresponding period of 1958. The corresponding figures—in million square yards—for other countries were: Hong Kong, 91.75 and 67.93; other Commonwealth nations, 15.26 and 0.76.

Imports Into Britain

In this context, the following table showing the U.K.'s annual imports of cloth from India and Hong Kong for the past five years will be found interesting:

(In million square yards)			
	Total imports into U.K.	From India	From Hong Kong
1954	267.17	127.76	18.12
1955	299.47	130.28	48.76
1956	306.83	127.48	55.86
1957	416.35	182.09	71.10
1958	386.76	120.95	116.08

Sources: *Tattersall's Cotton Trade Review.*

N.B.—While total imports into the U.K. shown in the table include all varieties of cotton cloth, imports from India and Hong Kong refer only to grey, unbleached. Separate figures for others are not available. It will be noted that India's actual exports of grey, unbleached alone to the U.K. in 1957 were in excess of the ceiling of 175 million yards. While figures for Pakistan are not available, its exports to the U.K. were of the order of six million yards in 1956 and 1957; currently, they are said to be at 14 million yards per annum.

The ceiling of 175 million square yards for India and 38 million square yards for Pakistan plus the ceiling of 164 million square yards fixed in the Hong Kong give a total of 377 million square yards that will be allowed into Britain (for retention in the home market) from the Far East

countries. This quantity is almost equal to Britain's total exports of piecegoods during the year 1958.

The conclusion of the above agreement has been welcomed by Sir David Eccles, President of the Board of Trade. Sir David said at London the other day: "With the arrangements already in force for Hong Kong, this will assure Lancashire of a period of stability as far as Asian Commonwealth imports are concerned. The success of the negotiations—an outstanding example of Commonwealth co-operation in the interests of all the parties concerned—should add greatly to the confidence with which the cotton industry tackles the problems of re-equipment and modernisation. Production can now be planned ahead with much greater security."

It may be recalled here that, for the last few years, the U.K. Government has been repeatedly placing on record its determination not to limit Commonwealth exports to Britain through Governmental action. The origin of the agreements with Hong Kong, India and Pakistan goes back to 1956 when Sir Anthony Eden, the then Prime Minister of Britain, and Mr. Jawaharlal Nehru, India's Prime Minister, decided that a solution to the problems besetting Lancashire as a result of increased imports of cotton textiles from Asian Commonwealth countries should be sought by the negotiations of voluntary export ceilings.

Views of U.K. Millowners and Labour

While some sections of the Lancashire cotton textile trade have commended the new agreement as a means of providing for stability to the U.K. textile industry, other sections, particularly the trade unions, point out that the ceilings fixed are too high for Lancashire to be of any practical use. Here are the opinions expressed by a spokesman for millowners and a representative of labour:

Mr. J. Michael Grey (Chairman, Cotton Spinners and Manufacturers' Association): "The agreement will help it (the cotton industry in Britain) to carry out its reorganisation plans with better confidence. While the figures are high when taken in conjunction with those from Hong Kong, meaning that a substantial proportion of the home market requirements will be available to Commonwealth suppliers, it is essential that, at this time, the U.K. cotton industry should know where it stands."

Miss Alice Foley (Secretary, Bolton Weavers' Association): "It is going to be difficult to compete with this intake of cheap cloths. I suppose it is better to have an agreement rather than none at all, but I feel the figures are relatively high. Even with concentration and modernisation and a probable extension of shift-working, I think it will be a formidable obstacle for Lancashire."

The reaction of the leading millowners and exporters in Hong Kong to the Lancashire-India-Pakistan agreement is one of satisfaction. However, Mr. John D. Clague, Chairman of the General Chamber of Commerce, who led the Colony's delegation for talks with Lancashire, says that the agreement is not the direct concern of Hong Kong, as the Colony's voluntary undertaking is not conditional upon a similar agreement being reached with India and Pakistan. Of much more immediate concern to Hong Kong, he emphasises, is the question of re-exports of Hong Kong cloth from the U.K. He observes: "Hong Kong has already raised this matter officially through the Hong Kong Government. I am personally quite satisfied that a satisfactory answer to our problem will be forthcoming, now that the Cotton Board has finalised its discussions with India and Pakistan. Our problem does not in any way affect the overall understanding, but is of immediate vital importance to local textile interests."

A recent report from Hong Kong avers that the British Board of Trade is considering the Colony's plea for the exclusion of 15 per cent. re-exports of Hong Kong cotton piecegoods to Britain from the voluntary ceiling. Such an undertaking had been given by the Board prior to the signing of the Lancashire-Hong Kong pact last year. The undertaking was based on the normal re-export figure of 2.2 million square yards each year. As against this quantity, the actual shipment up to the end of August, 1959 was only 542,000 yards. The textile interests of Hong Kong feel that, if Britain were to concede their plea, the current pressure on mills would be relieved to some extent. Meanwhile, the issue of allocating the Colony's textile ex-

port quota next year remains unsettled, as the meeting among the various associations concerned has been postponed several times, thanks to the divergence of opinion among them.

NIGHT SHIFTS IN MILLS

Recently, Mr. S. R. Vasavada, General Secretary of the Indian National Trade Union Congress, suggested that night shifts in cotton mills be discontinued, the workers employed in the shift (estimated at 40,000) being absorbed in the first and second day shifts. This suggestion has, however, been opposed by the President of the Madurai-Ramnad Chamber of Commerce, Mr. T. Manickavasagam Chettiar, in the course of a statement issued to the Press. His opposition is on the following grounds:

While such a step may contribute to better health and family life of workers, it will result in increased unemployment. It is undesirable to adopt a measure that will throw a large number of workmen out of jobs.

The cost of production in the Indian textile industry is already the highest in the world on account of the low workload. The absorption of night shift workers in other shifts will aggravate the situation.

The cost of production during night shifts is not higher than in day shifts, as is alleged.

The expansion of installed capacity as a measure of absorbing workers will not also be immediately possible on account of foreign exchange difficulties.

Discontinuance of night shifts will prevent staggering of power consumption during night hours, while any additional installation will be affected by shortage of power already being experienced during the day time.

In view of all these factors, Mr. Manickavasagam Chettiar feels that discontinuance of night shifts will "prove detrimental to workers, the industry and the national economy as a whole."

RESULTS OF VIENNA COTTON CONFERENCE

One hundred and twenty delegates from Western Europe, the United States of America, the United Arab Republic, Japan and Australia met in Vienna from 22nd to 25th September 1959 for the annual meeting of the International Federation of Cotton and Allied Textile Industries. The meeting was opened by Mr. Alfred B. Lohner, President of the Austrian Cotton Spinners' and Manufacturers' Association, the host organisation. Dr. W. T. Kroese (Netherlands), President of the International Federation, was in the chair. In his opening address, Dr. Kroese referred to structural change which is at present taking place in the cotton textile industries of the world. The setting-up of highly competitive cotton textile industries in developing countries has created difficult problems for the cotton industries in Western Europe and the United States. It will be one of the most important tasks of the future to re-establish equilibrium in the cotton and allied textile industries of the whole world, according to the principle of "live and let live."

The Committee for European Affairs discussed the problems with which the textile industry is faced as a result of Europe's division into two integrated economic areas. This development can cause only great concern to the industry, as it threatens to break the traditionally wide ramifications of foreign trade in textiles for Western Europe. The cotton textile industries of Western Europe, therefore, consider an early association of the European Economic Community with the proposed European Free Trade Association imperative; the foreign trade policies of both integrated areas should also be harmonised as much as possible. One of the technical difficulties is the question of certificates of origin. In this connection, the textile industry can only accept the so-called integrative processing definition, i.e., a textile end-product must be spun, woven and finished in the same country, in order to become eligible for preferential treatment within the area.

The Raw Cotton Merchants' Committee noted the initiative taken by some Latin American producer countries to stabilise raw cotton prices by commodity controls. From the consumers' point of view, such measures must be rejected, as they are neither technically feasible nor economically desirable. Inter-governmental controls over the price formation of raw cotton on the world markets will bring prices to an unrealistically high level, when they will be uncompetitive with the prices of man-made fibres. The International Cotton Federation, in a resolution, urges all raw cotton producing countries to direct their resources into more constructive channels, by supporting endeavours to increase consumption through market research and sales promotion. The removal of the obstacles which are still in the way of the free functioning of futures markets will also contribute to the stabilisation of prices. The Committee also expressed itself on matters pertaining to quality maintenance and improvement of raw cotton of various growths.

The Committee for Man-made Fibres examined problems connected with the terminology and standardisation of man-made fibres. Some concern was expressed regarding the ever-increasing number of labels and trade-marks, which tend to cause confusion among the consuming public. The possibilities of international legal protection of textile designs were carefully examined. In view of the administrative and technical difficulties involved, the protection of textile designs on an international level can only be achieved through moral obligation. The Federation will work out proposals to that effect.

Among the technical subjects discussed at the meeting were the standardisation of the terminology and description of cloth constructions, the

(Continued on page 627)

THREE MORE BIG MILL COMBINES TO SCRAP EQUIPMENT NO CAUSE FOR CONCERN BY CONSUMERS

From A Special Correspondent

MANCHESTER, 29th September

COMPLETED scrapping plans under the Government's £30-million reorganisation scheme for the Lancashire cotton industry were announced last week by three of the biggest mill combines. The statements came within five days of the final date for submission of applications to participate in compensation for redundant machinery. The Amalgamated Cotton Mills Trust has

scrapped, or proposes to dismantle, more than 500,000 spindles, comprising 278,000 mules, 216,000 rings and 19,500 doubling spindles, together with

848 looms. The group proposes to close the Mill Hill Spinning Company, the Haslam Spinning Company, both at Bolton, and the Astley Bridge, Bolton, branch of John Ashworth Ltd. Also eligible to participate in the scheme, but closed before its original announcement, was the plant controlled by the Acme Spinning Company, Pendlebury and the spinning department at Mossley of Robert Hyde Buckley and Sons. The other units which were closed by the combine before qualifying for the reorganisation schemes were the Haslam Weaving Company at Bolton and the Chorley branch of Robert Hyde Buckley and Sons.

The Lancashire Cotton Corporation announced the intention to close the Heron and Orme Mills, both in Oldham. This follows the announcement that the Corporation was to shut the Dowry and Willow Bank Mills at Oldham, and the Waterside Mill at Ashton. In addition, mule spinning will gradually cease at the Newby Mill, Shaw, but output of other yarns will continue. The Directors made it clear in their statement that no further mills will be closed in the group and that similar employment at other units under their control would be offered to the majority of the operatives affected by the closures. "The Corporation is confident that it should be able to satisfy all customers' requirements from units which it is continuing in operation," the Directors added.

Harbens Decision

Courtaulds intends to cease operations at the Harbens plants at Parkside Mills, Golborne, and Daisy Bank Mills, Culcheth, both near Warrington, during the coming six months. At present, production of viscose rayon yarn of textile and industrial types is carried on at Parkside Mills and processing of textile yarn at Parkside as well as Daisy Bank Mills. Altogether, 270 staff and 870 hourly-paid operatives are employed.

Textile yarn production will start to close down at the beginning of December and will have ceased by the end of the year. Industrial yarn production and textile yarn processing are planned to continue until March 1960. Staff and workpeople will be given priority for suitable

vacancies occurring at other Courtaulds' factories and Courtaulds will do what it can to help the resettlement of those who move. In addition to giving ex-gratia terminal payments, the Company will help in finding other employment for those for whom work will no longer be available.

No Shortage

Fears that the scrapping of machinery under the reorganisation plan would lead to a shortage of supplies and a sharp rise in prices were allayed in a statement issued by the special Committee of the Cotton Board, set up under the Cotton Industry Act to administer the scheme. "After full discussion with representatives of the industry, the special Committee are satisfied that there should be no undue interference with supplies as a result of the scrapping of machinery on the scale proposed," the statement declared and added: "The scrapping will be spread over a period of six months, and this should give firms remaining in the industry time to make necessary adjustments to their production programmes to meet any increased demand which may be put upon them."

The Committee disclosed that 13,500,000 spindles will be left after scrapping is completed, as against 16,500,000 spindles operating in April when the scheme was first planned. This represents a reduction of 18.2 per cent. More doubling spindles will remain after the scrapping programme than were actually in use in April, the number left being 1,046,000, as against 1,015,000. The reduction in looms working will be 16.5 per cent., comprising 153,000 looms, as against 183,000 in use in April. About 45,500 of these are automatic machines, of which 7,000 were working three shifts, 20,000 two shifts and 2,500 were idle. It is estimated that only about 1,000,000 spindles were working more than one shift.

On prices, the Committee pointed out that, for some time past, margins in all sections of the industry had been uneconomic. The cost of the levies payable by firms in the industry remaining in business could not significantly affect prices, as it had been calculated that they represented an average of less than 1d. per lb. of production of yarn and a similar amount in the case of woven cloth. "The figures take no account of the saving in costs which it is expected will in due course result from the improved operating efficiency which the reorganisation schemes have been designed to make possible," added the Committee.

Meanwhile, the cotton trade unions are approaching the employers' associations for joint talks to settle details of arguments which have arisen over payment of compensation to displaced workers. Mr. James Milhinch, Secretary of the United Textile Factory Workers' Association, said: "Many operatives are anxious to get other jobs as quickly as possible, but some employers have refused to let them go."

No relief is in sight for the hard-pressed Lancashire textile shipper who has seen his business dwindle so fantastically in the past few years. Each time the monthly returns are issued by the Board of Trade, the screw represented by rising imports seems to tighten more perceptibly on the shrinking export trade in cotton goods.

During the first eight months of the current year, the volume of arrivals of foreign fabric has never dropped below 35 million yards, and on two occasions has been as high as 44 million yards. In contrast, the biggest shipments abroad were little more than 33 million yards in May and only just exceeded the 30-million-yard mark last month. The lowest total has been barely 25 million yards in June. As a result, the situation at the end of August was that imports had outstripped comparable exports by almost 100 million square yards, the totals being 325,727,000 square yards and 227,041,000 square yards. At the same point a year ago, exporters still held the upper hand, having shipped 268,441,000 square yards abroad, while receipts from foreign producers amounted to 253,133,000 square yards.

The reversal of fortunes during the past twelve months is only too obvious from the above figures, which show that imports have increased by over 72 million square yards, while exports have declined by more than 41 million square yards.

The situation here is not yet as depressing as the cloth picture, but, already in eight months of 1959, shipments of yarn have fallen from 18,869,000 lbs. to 15,396,000 lbs., while imports have risen from 8,714,000 lbs. to 13,556,000 lbs. Details of the sources of supply of this yarn are not available, but it will be recalled that the spinners were strongly critical of the Hong Kong agreement when the negotiations disclosed that no understanding had been reached on the subject of yarn imports.

Contrasting Gains and Losses

No slackening has occurred in the persistent arrivals of cotton grey cloth from India and Hong Kong. To the end of August, imports from India were 106,495,000 square yards, as against 79,665,000 square yards in the same period last year. Hong Kong sent 91,753,000 square yards, as against 67,929,000 square yards. Proportionally, the main increase has been from "other Commonwealth countries"; these sources have provided 15,263,000 square yards of cloth this year, as against only 758,000 square yards in 1958.

From Hong Kong reports are to hand of the attitude of the millowners in the Colony at the end of seven months' trading under the voluntary ceiling. During the time, nearly 98 million square yards of cotton goods were despatched to this country and a further 6,500,000 yards were awaiting shipment at the end of last month. Of the total exported, 26 million yards were in made-up goods and 413,000 yards finished goods. Apparently, traders in the Colony are disappointed at the quantity of Hong Kong cloth likely to be re-exported from the United Kingdom during the current year. So far, this only amounts to 2,280,000 yards, according to assurances given to the Board of Trade. Hong Kong anticipated that about 15 per cent. of shipments to Britain would be re-exported and the Colony's Government is already being urged to exert pressure on the authorities in this country to stimulate re-exports.—All Rights Reserved.

THE CONCORD OF INDIA Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 3, Clive Row, CALCUTTA-1.

Telephone: 22-4218

Telegram: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
2-D, Hyderabad Road
BOMBAY (E.S.)

BOMBAY STATE
Bombay State Building
Vijay Narayan Street
Port BOMBAY

Bombay State Building
Mahatma Gandhi Road
L.A. 11

St. Chappin, Calcutta
Ravi Bala, Calcutta
AHMEDABAD

Dharmraj Chandra
Gandhi Ground
Mumbai, MADRAS

Durga Para Road
BHAVNAGAR
Gandhi Road
BARODA

DELHI STATE
80, Janpath
NEW DELHI

MADRAS STATE
Finance House
Pattinam Road
MADRAS-2

MADHYA PRADESH
41, Tolagan, Main Road
INDORE

HYDERABAD
Kamraj Building
Lal Bahadur Shastri
HYDERABAD

HYDERABAD
Kamraj Building
Lal Bahadur Shastri
HYDERABAD

HYDERABAD
Kamraj Building
Lal Bahadur Shastri
HYDERABAD

PUNJAB STATE (India)
Madan Mohan Malaviya Road
AMRITSAR

UNITED KINGDOM
Finsbury House
New Broad Street
LONDON, E.C. 2

UTTAR PRADESH
Meena Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

UTTAR PRADESH
Meena Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

UTTAR PRADESH
Meena Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

UTTAR PRADESH
Meena Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD. SECURITY PRINTERS

CANTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3200

COTTON CONSUMPTION RISING SEQUEL TO RECOVERY IN TEXTILE ACTIVITY

TEXTILE activity in many countries has been showing a remarkable recovery of late. Reflecting this improvement, raw cotton consumption has also been picking up. In the United States, cotton consumption in the current season is expected to rise to nine million bales (of 478 lbs. each), as compared with 8.7 million bales in the 1958-59 season which ended on 30th July last. The increase in consumption during the last few months has been quite marked in all the main textile centres in Western Europe. Since the beginning of the year, consumption in India has been running higher than a year ago. A recent upturn is very noticeable in Japan too.

The upturn in textile production during recent months has made it necessary to revise consumption estimates for the last season. Thus, the International Cotton Advisory Committee, Washington, now estimates that aggregate free world consumption during the 1958-59 season was of the order of 28.7 million bales (of 478 lbs.), as compared with the earlier estimate of 28.4 million bales and the 1957-58 figure of 28.5 million bales. Consumption in the U.S. was higher at 8.7 million bales, as against 7.9 million bales in 1957-58 while, outside the U.S., it was down by half a million bales at 20 million bales. Consumption in Western Europe declined by about 600,000 bales and in Japan by 150,000 bales. There was a net increase of 250,000 bales in other countries.

The following table indicates the trend of consumption in the free-world countries:

(In thousand bales of 478 lbs. each)			
Country	1958-59*	1957-58	
United States	8,684	7,999	
Net importing countries—			
Canada	355	330	
United Kingdom	1,275	1,484	
France	1,175	1,407	
F. R. of Germany	1,350	1,433	
Italy	860	884	
Belgium	875	374	
Netherlands	880	882	
Switzerland	155	194	
Portugal	210	207	
Spain	470	475	
Other W. Europe	555	595	
India	4,400	4,360	
Japan	2,800	2,458	
Hong Kong	285	270	
Other net importing	1,246	1,201	
Total ..	15,341	15,980	
Net exporting countries—			
Mexico	450	460	
Pakistan	950	980	
Turkey	530	520	
U.A.R. (Egypt)	500	447	
(Syria)	50	40	
Greece	180	131	
Argentina	575	540	
Brazil	1,050	1,050	
Other net exporting	450	412	
Total ..	4,725	4,530	
Total (excluding Communist bloc and China).	28,750	28,509	

* Estimated.

The situation in the cotton textile industry in the U.S. is now more favourable than in the past several years. Unfilled orders are large, stocks low and mill margins are the highest since 1956. Cotton yarn and cloth production has, however, been well controlled at the mill level in the expectation that domestic cotton prices would be lower in the current season. According to the International Cotton Advisory Committee, all these factors indicate that the textile situation in the U.S. over the foreseeable future will be favourable and that there will be a further increase in cotton consumption.

Long-term Prospects

As regards the longer-term prospects, there has been renewed pressure from many sectors of the industry in the U.S. for action to protect domestic interest. The latest development has been an appeal by the National Cotton Council for restrictions on imports of cotton textiles and apparel. Action is demanded under Section 22 of the Agricultural Adjustment Act which provides for relief against imports, if they interfere with Government agricultural programme. It is pointed out that, between 1949 and 1958, the excess of exports of cotton textiles over imports dropped from 650,000 bales annually to 6,000 bales. Concern was expressed that this loss of cotton markets would be accelerated in the next few years. The raw cotton price advantage,

which the foreign mills now enjoy, is likely to be increased still further this season by reason of the increased export subsidy. The appeal is directed not only at what might be termed the traditional exporters of cotton textiles but also to several of the lesser developed countries who are planning to develop an export market for surplus domestic production of textiles. The Secretary for Agriculture has promised to undertake a complete review of the problem.

The U.S. is not alone in this respect. Textile industry leaders in several other textile manufacturing countries are also said to be concerned over the rising trend in imports. For instance, the Canadian Textile Association has recently stated that, if imports of textiles from Japan continue at the same rate as during the January-May 1959 period, this would mean an increase in imports of nearly 50 per cent. over last year's rate. The seriousness of the import problem in Canada is illustrated by the fact that the share of domestic mills declined in 1958 to as low as 45 per cent. of the total market for cotton fabrics. The main source of textile imports continues to be the U.S. and such imports continue to increase. Cotton consumption from May till July 1959 showed a sizable reduction from earlier months but the total for the 1958-59 season was about 6 per cent. higher than in 1957-58. In Europe, the Common Market nations have urged strong action against foreign imports and specific recommendations to limit or even exclude imports of low-priced cotton textiles have been made by member-nations to the O.E.E.C. authorities.

Western Europe

The textile outlook in Western Europe has undoubtedly improved in many countries. The textile trade in the U.K., as is well known, is presently preoccupied with the Government's reorganisation scheme which is apparently influencing some customers to cover more than their anticipated requirements. Cotton consumption increased significantly during the third quarter of the past season and indications are that this improvement is continuing. The

future, however, is clouded by the further marked contraction in exports of both cotton yarns and fabrics this year. Imports so far have been considerably larger than a year ago, with the major increase in imports being from India and Hong Kong.

On the Continent of Europe, the improvement is fairly general. The increase in cotton consumption in France is very noticeable, though consumption is still running under a year ago. With order books expanding and a healthier stock position, consumption prospects this season are bright.

Cotton consumption in the Federal Republic of Germany showed a striking rise in April this year and was in fact considerably higher than in the same month in 1958. In Italy, it is hard to detect any real trend. Cloth exports continue to decline but exports of cotton yarn may be ahead of a year ago. In Belgium, the improved offtake of cotton textiles is no doubt related to the upswing in economic activity generally and, since the beginning of the year, consumption has been running much higher than a year ago. In the Netherlands, the reduction in textile stocks at both the wholesale and retail level, allied to an improved demand, has put the industry on a much firmer footing. Yarn consumption is on the increase but orders continue on a hand-to-mouth basis with few longer-term commitments.

Profit Margin

Despite the improvement in the European textile industry, however, profit margins in many countries are still unsatisfactory and this is considered by many to be a limiting factor on any expansion in textile production.

The situation in Japan has changed radically in the last few months. From a low level of 173,000 bales in January, consumption of cotton has risen to over 200,000 bales per month and the trend is still upwards. Production of pure cotton yarn during the first half of 1959 was up by 30 per cent., as compared with the same period in 1958. Furthermore, despite relaxation in production controls, cotton yarn stocks have continued to decline and are now near to what is generally felt to be a normal level, namely, around 400,000 bales (of 400 lbs.). The increase in domestic demand has been

(Continued on page 627)

DURGAPUR

IS GETTING READY

At the Durgapur steelworks at this moment, nearly ten weeks ahead of schedule, the first Simon-Carves coke oven battery is being gradually and carefully heated up to operating temperature.

When this highly skilled process is finished, the coke ovens will be ready to supply coke for the first blast furnace to

produce Durgapur's first pig iron. Simon-Carves, a leading member of the British consortium ISCON which is building the Durgapur steelworks, are privileged to be the first contractors to put their plant into service—plant which is vital to Durgapur's coming production of another million tons a year of Indian steel.

COLLIERY, STEELWORKS, POWER AND CHEMICAL PLANTS BY

Simon-Carves Ltd

Incorporated in England. The liability of the members is limited.

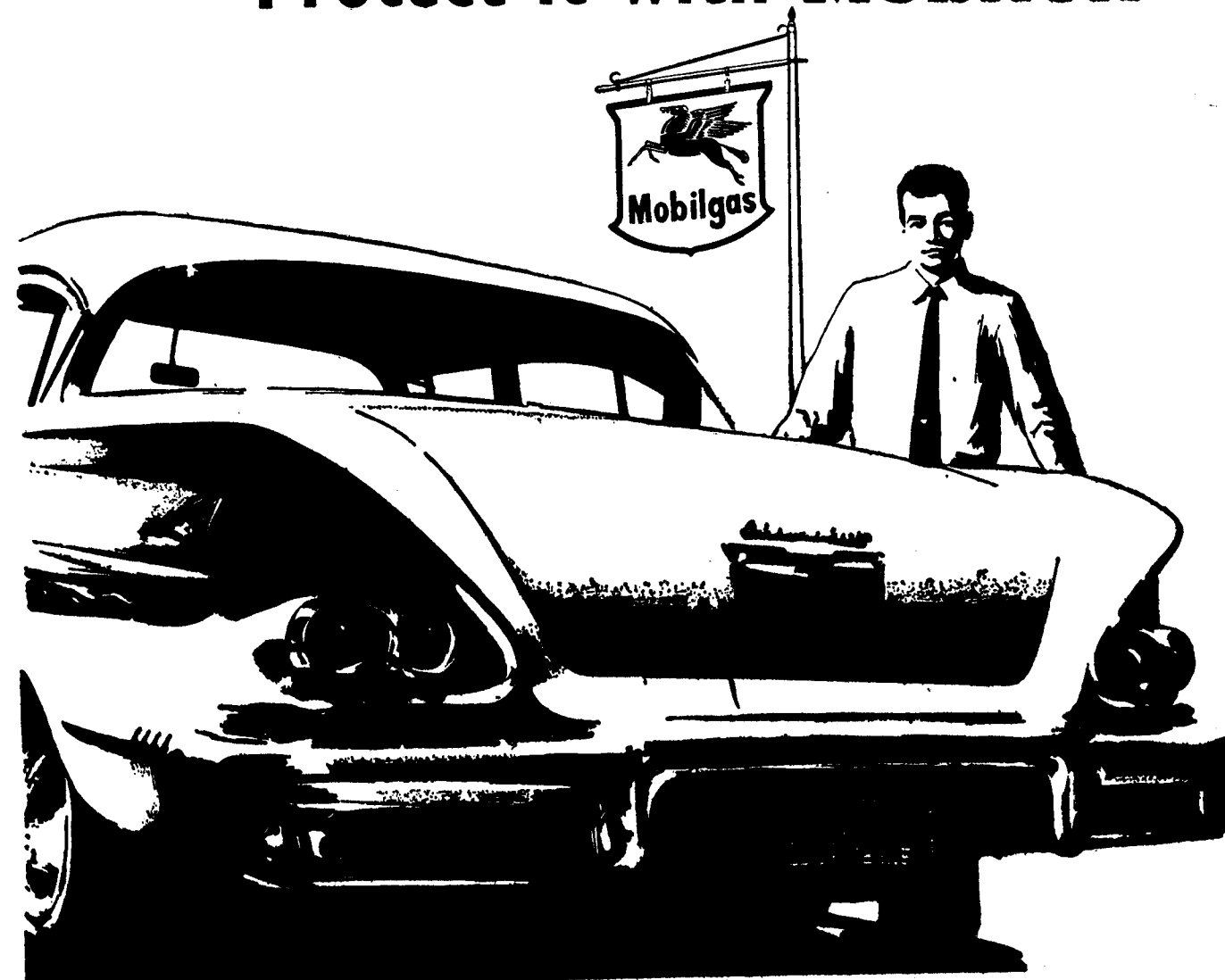
STANDARD BUILDINGS, 32, DALHOUSIE SQUARE SOUTH, CALCUTTA-1

YOU'VE invested a lot of money in your car! All the more reason, then, that you should guard this investment by keeping your car in top condition for a long, long time!

MOBIL OIL gives your car full protection. Whether your engine is cold, or racing at high temperatures, MOBIL OIL maintains a tough, protective, unbroken film between moving parts. This film also cuts down on friction, resulting in increased power and longer engine life.

Your car is a valuable investment

Protect it with Mobiloil



Mobiloil

FIRST IN PROTECTION — FIRST IN WORLD SALES

STANDARD VACUUM OIL COMPANY (Incorporated in the U.S.A. with Limited Liability)

HINDUSTHAN MERCANTILE BANK LTD.

Head Office:

10, CLIVE ROW, CALCUTTA-1

Chairman: SRI M. L. JALAN

CAPITAL

Authorised Rs. 2 Crores

Issued and Subscribed Rs. 1 Crore

Paid-up Rs. 50 Lakhs

Interest allowed on Savings Bank account at 3%

All types of Banking business transacted.

Branches and Agencies throughout India.

Deposits received on various terms. Special concession on deposits from Widows and Orphans.

Loans granted on approved securities.

Terms on application.

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKALIC BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS

for

Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY
CO., LTD.

4, LYONS RANGE, CALCUTTA 1.

Bombay Branch:

35A, HOSPITAL AVENUE, PAREL.

FORWARD MARKETS BULLETIN (Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspects of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown 4 size
- Attractive get-up

Annual subscription | Single copy
In India .. Rs. 18.00 | In India .. Rs. 2.00
Abroad .. Rs. 30.00 | Abroad .. Rs. 3.00

For further particulars please apply to:

The Secretary, Forward Markets Commission
"Everest" 100, Marine Drive, Bombay-2

REPAYING INDIA'S EXTERNAL DEBTS

NATURE OF THE PROBLEM AND ITS IMPLICATIONS

ALTHOUGH the objectives and targets of the third Plan have been discussed fairly extensively since the commencement of this year, an aspect of the Plan that has not elicited due attention is that relating to the problem of repaying external debts incurred in the first and second Plan periods. The only point made known is that, out of the total foreign exchange needs of the third Plan estimated at Rs. 2,100 crores, interest on, and repayment of, loans contracted earlier will account for Rs. 600 crores. As this important problem has been dealt with in a cursory manner, the public is not in a position to understand what exactly is the problem and how it is proposed to be met. And many are even greatly apprehensive that the second and third Plans will bequeath to future Plans the legacy of large-scale debts. Viewed thus, the *Tata Quarterly* (July 1959 issue) has done a signal service in putting the nature of India's repayment problem in its correct perspective.

Appropriately enough, the *Tata Quarterly* has prefaced its study by a brief review of the size of external aid authorised during the first and second Plans, if only to emphasise that the repayment of loans even in rupees is a problem and a burden all the same. The table below summarises the position in respect of aid authorisations:

	Aid authorised during			
	First Plan		Second Plan*	
	Amount (Rs. crores)	Percentage to total aid	Amount (Rs. crores)	Percentage to total aid
Loans to be repaid in foreign currency				
U.S. A.D.	30.69	8.13	189.76	18.05
Foreign Governments	153.38	40.61	256.70	25.11
Other loans	..	..	92.09	9.04
Total	184.07	48.74	538.55	52.20
Loans to be repaid in rupees				
U.S. Development Loan	..	..	89.38	8.18
Fund ..	..	..	270.87	26.68
P.L. 480 ..	..	..	88.16	8.16
Other loans	..	..	..	..
Total	89.38	10.40	348.41	33.92
Grants	154.94	40.86	100.80	9.88
Grand total	477.99	100.00	1,018.99	100.00

* Up to 31st January 1960. This table excludes India's drawing on the I.M.F. amounting to Rs. 50 crores.

It will be seen from the above figures that almost 38 per cent. of the second Plan loans to date will have to be repaid in rupees and as such does not create the problem of raising external resources. Nevertheless, the *Tata Quarterly* says that it involves the question of releasing internal resources. To quote it: "As the early years of the second Plan have amply demonstrated, the problem of raising external resources for developmental purposes is by no means easy, particularly in an environment of inflation. . . . But the repayment of loans in rupees is a problem and a burden all the same—a problem which domestic policies will have to cope with and a burden which will reduce the national resources by the extent of the repayment."

Total Burden

The third Plan foreign exchange needs on account of interest on, and repayment of, loans contracted in the first two Plans, as already mentioned, are estimated at Rs. 600 crores, or an average of Rs. 120 crores per annum. The sum includes the servicing charges of foreign loans made to the private sector also but exclude about Rs. 200 crores that will be transferred out of profits by the subsidiary or branches operating in India to their principals abroad. The aggregate repayment burden thus comes to Rs. 800 crores, or Rs. 160 crores per annum. This compares with the average annual export earnings on current account estimated at no more than Rs. 800 crores. In other words, the investment service ratio, that is, the proportion of current foreign exchange receipts absorbed in any given year by the servicing costs of loans and investments, comes to 20 per cent. This is the yardstick normally used to measure the burden of repayment. The *Tata Quarterly* admits that this ratio may not be large as compared with the ratio of other countries during their developmental periods (as, for example, 25.8 for Canada and 30.7 in Australia in 1929-39, 39.5 for Argentina in 1931-41, and 33.5, 39.1 and 54.3 for Venezuela, N. Rhodesia and Iran, respectively, in 1946-49). But it stresses that the more important question is whether it will be large in relation to India's capacity to repay. It is here and

on the basis of existing trends that the *Tata Quarterly* begins to entertain doubts about the capacity to repay. In its opinion, the capacity of the country to bear an investment service ratio of 20 does not seem to be particularly bright. This view is based on the following grounds:

Absence of foreign exchange reserves: The most valuable safety-belt that could be utilised in times of crisis is no longer available; the reserves depleted during the first three years of the second Plan amounted to Rs. 550 crores.

Import quotas and exchange controls: These are already very severe; the slowing-down of the rate of industrial production growth is admitted to be due largely to the rigours of import restrictions.

Foreign capital: So far as loans are concerned, there is no assurance as yet that the foreign needs of the third Plan will be underwritten by foreign Governments and international agencies, while, in the case of private investments, India has given no particular proof that it is more safe and more profitable to invest in India than in other developing countries as well as in the advanced countries themselves. In any case, foreign aid to be really useful will have to be on a very large scale, and absorption of such aid will only compound the repayment problem for the fourth Plan, even though it will ease that of the third Plan.

Two Familiar Solutions

What then is the way out? The *Tata Quarterly* alludes to two familiar solutions, namely, export promotion and import replacement. While on the former, the *Tata Quarterly* points out that there are limits to the country's capacity to promote exports. And it is quite right when it observes: "The stringent import controls, the spate of welfare legislation and, above all, the increasing use of deficit finance or bank credit creation—all promise us a regime of inflation. An inflationary climate is, however, inimical both to increasing exports and to increasing the flow of private foreign capital, the two factors on which we so badly rely to solve or ease our oncoming repayment problem." As regards import replacement, the two general assumptions made are that, during the third Plan period, there would be insignificant imports of food and steel and that the indigenous machine-building capacity would expand substantially. The *Tata Quarterly* feels that these assumptions repeat the past errors of over-optimism. Here is what it says:

"Agricultural production has by no means shown such signs of improvement as to raise hopes of self-sufficiency; and it is difficult to escape the policy-conclusion reached by the Foodgrains Inquiry Committee (Asok Mehta Committee) that, for quite some years to come, food imports of 2 to 3 million tons per year will be necessary. . . . the most destabilising factor in our balance of payments situation is likely to be fluctuations in the marketable surplus of food. This factor lends considerable variability and confusion to our repayment problems. . . . Not only is the third Plan expected to be appreciably larger in size than the second Plan, but its emphasis on heavier industrialisation, with all its complex and correlated needs, is bound to whet its appetite for foreign exchange. Indeed, the very dynamism which the Indian economy will derive from a more adequate flow of iron and steel will itself generate an upward pressure on imports."

There is considerable force in these observations of the *Tata Quarterly*, as also in its statement that India is no longer in a position to reap some of the advantages which it enjoyed in the past. Of these, special mention may be made of four: First, a sizable part of India's commitments consisted of remittances of variable dividends, rather than the repayment of fixed interest charges, and, thus, the transfer burden was adjustable to changes in internal conditions. Secondly, foreign investments tended to boost "through investments" in tea, jute, etc. India's exportable capacity and even the railways, largely buttressed by foreign loans, were oriented towards stepping up exports. Thirdly, remittances abroad varied in the same direction

as export profits. Fourthly, currency convertibility was no problem.

As against the absence of these advantages, there are certain distinctly favourable factors. The country, for instance, is now free from the uncertainty of sudden and sharp withdrawals of capital which, in the past, so much disrupted the economies of capital-importing countries, particularly those of Latin America. Further, the domestic economy is no longer so vulnerable to the traditional dangers of depression as are most other underdeveloped countries. Again, the chances of the country getting sizable outright grants are good, not to speak of the advantage of repaying the loans in rupees. What is more, nearly all the loans taken by India have been geared to development purposes, instead of being frittered away in conspicuous consumption or prestige investment. Excluding the Rs. 52.68 crores to be kept by the U.S. Government in India as part of the P.L. 480 Loan assistance, the total of Rs. 1,370.30 crores (received by India up to January 1959) has been spent on, or has been earmarked for, the following:

Item of expenditure	Rs. crores
Iron and steel (including iron ore)	261.55
Railways	117.99
Irrigation and power	39.60
Ports	20.48
Capital imports and industrial development	117.54
Loans and grants for the above purposes	694.36*
Wheat	106.02
Others	12.76
Total	1,370.30

Three Heavy Burdens

Nevertheless, the question is whether the aforesaid factors will be sufficient to offset what at present appears to be a much heavier list of adverse factors. It is against this background that the *Tata Quarterly* has analysed the implications of the three kinds of burdens involved in repayment—primary, secondary and tertiary—as follows:

The primary burden is a purely quantitative one. The volume of repayment, say 'X', represents a definite reduction in national income, which could have been used for increasing either the consumption or savings of the country. The country obtains nothing in return for the resources it transfers abroad.

The secondary burden is a mixture of both qualitative and quantitative effects, and is, therefore, neither easily diagnosable nor accurately measurable. In order to release 'X' volume of resources for repayments, the repaying country may be forced to follow a number of policies which are in conflict with its other goals of planning or to undertake a number of projects which clash with the criteria of economic productivity.

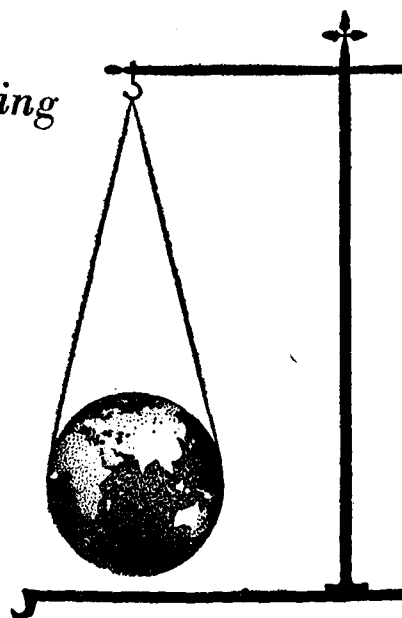
There is a third set of difficulties connected with the repayment problem. Even after the economy is able to release the resources for repayment, they must be converted into foreign exchange. This tertiary burden does not arise in the case of loans to be repaid in rupees, but it is all-pervading in the case of loans to be repaid in foreign currency, which loans form the majority of den is dependent on a number of factors—the general state of the world economy, the levels of tariffs, particularly in the countries to whom we are repaying, the degree of currency convertibility, the elasticity of world demand for our products, and so on.

The secondary and tertiary burdens, according to the *Tata Quarterly*, will be a multiple of the primary burden. To quote it again: "Herein lies the real crux of the repayment problem. Our repayment of Rs. 600 crores during the third Plan represents merely the primary or the quantitative loss. It by no means measures the true burden of repayment. For this we shall have to be prepared to pay the secondary and tertiary losses also."

The foregoing survey clearly brings out the magnitude of the repayment problem. Any failure on the part of planners to recognise it and make suitable provision for it in the third Plan is to invite serious economic and political troubles later on. If this aspect had been considered carefully when the second Plan was drafted, things would not have been so bad as they are at present. It is to be hoped that the third Plan will not err in the same direction. As the *Tata Quarterly* has very aptly put it, "it may have been difficult for us to be wise before the event, but, now, let us at least be wise after the event."

*This is a miscellaneous group, the exact breakdown of which is not available. In the case of U.S. Development Loans and Export-Import Bank loans, the different industries to which foreign exchange is to be allotted are mentioned, but, except for the iron (Rs. 11.76) of \$40 million to railways, the exact volume of allotment is not stated.

Weighing
the
world
up...



... even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

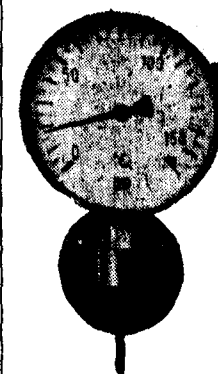
BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

INDUSTRIAL INSTRUMENTS

EX: M/S. DREYER ROSENKRANZ & DROOP, GERMANY



- For
1. Industrial Pneumatic Controls.
 2. Indicating or Recording Thermometers.
 3. Indicating or Recording Vacuum or Pressure Gauges.
 4. Combined Gauges.
 5. Engine Indicators, etc.

Contact Sole Agents

TOSHNIWAL BROTHERS PRIVATE LIMITED

198, Jamshedji Tata Road, Bombay-1

Branches:

AJMER CALCUTTA NEW DELHI MADRAS

FOR PAPER CLIPS & PINS

X-KEYS

EXCEL INDUSTRIES
CALCUTTA, NEW DELHI, MADRAS
Sole Agents
SINGH & CO.
10, Chittaranjan Road, Calcutta

MOTORS
TRANSFORMERS
L.T. & H.T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS

THE HINDUSTAN
ELECTRIC CO. LTD.

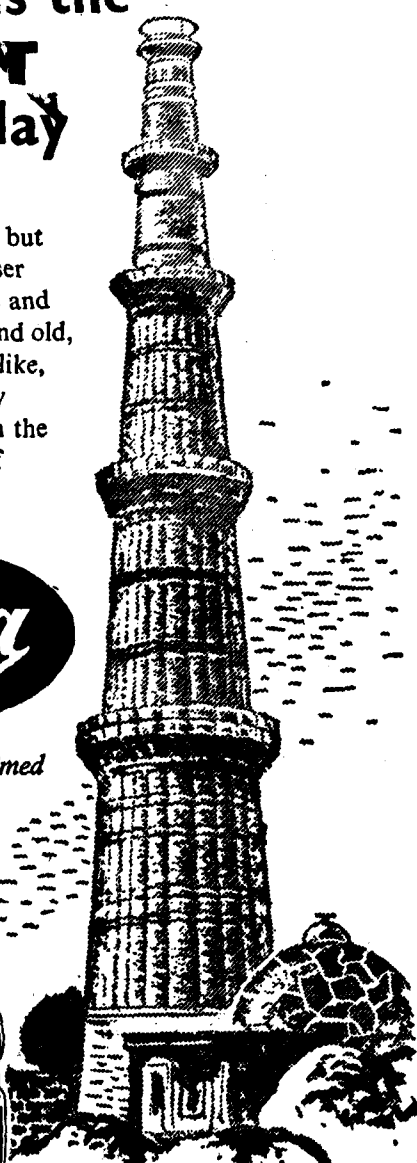
POST BOX NO. 10, CALCUTTA

Commands the HIGHEST sales to-day

LOMA is not only a perfect hair darkener, but an excellent hair dresser too! That's why more and more people, young and old, men and women, all alike, go for Loma than any other hair-darkener in the length and breadth of India and abroad.

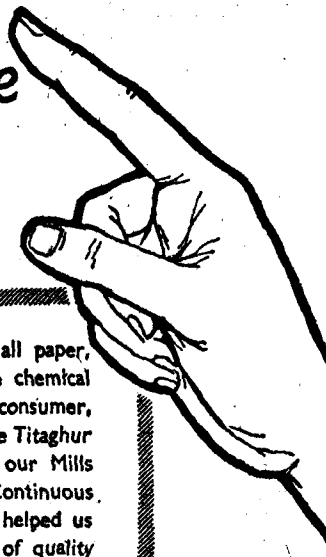


The universally acclaimed
hair darkener.



Sole Agents:
M. M. KHAMBATWALA
Ahmedabad-1
Agents:
C. NAROTAM & CO.
Bombay-2

How much
 $C_6H_{10}O_5$
do you use
in a month?



TITAGHUR PAPER consists like all paper, mainly of cellulose for which the chemical formulae is $C_6H_{10}O_5$. You, the consumer, are now using every month more Titaghur paper than at any time since our Mills were founded 77 years ago. Continuous research during those years has helped us to produce the widest range of quality paper and you can rely on Titaghur to give you the right paper for the job. Today, the Titaghur Mills produce more bamboo pulp and paper than any other mills in the world.

THE TITAGHUR PAPER
MILLS CO., LTD.

QUARTERED BANK BUILDINGS, CALCUTTA-1.



PROMOTING EXPORTS OF JUTE GOODS

I.J.M.A. DELEGATION TO VISIT NORTH AMERICA AND U.K.

YET another delegation of the Indian Jute Mills' Association is due to visit the U.S., Canada and the U.K. this month. The delegation is a small one, consisting of the Association's Chairman, Mr. Kenneth E. Tosh, and its Vice-Chairman, Mr. D. P. Goenka. The visit is in pursuance of the I.J.M.A.'s policy of maintaining close contact with jute goods importers and consumers abroad. The delegation will study the present market position, examine the success of the promotional activities of the Association in North America and consider plans for the future form and scope of these activities. It will, in particular, review the progress made with the research into new uses for jute goods, particularly in industry, and will make recommendations for further development. It will be interesting to note here that the industry has recently enlisted the aid of the Indian Government's commercial representatives overseas for assembling market data for analysis. This will facilitate the work of the Indian delegation to study market conditions at close hand and discuss with the Indian and U.S. Government commercial representatives research and promotional activities.

On the way home, the delegation will spend some time in the U.K., where discussions are to be held with the U.K. Jute Controller and officials of the Board of Trade on common problems and the prospects for increasing trade with that country. It will also meet representatives of large U.K. consumers and of various important overseas consumers with buying agencies in London.

Exports Improve

The proposed visit of the I.J.M.A. delegation to North America and the U.K. is timely, in that it will help the Indian jute industry consolidate and improve upon the recent gains in exports of gunnies, particularly hessian, as the following table of exports during the last three seasons will show:

Country	Hessian			Sacking		
	1958-59	1957-58	1956-57	1958-59	1957-58	1956-57
U.K.	42.8	31.7	39.4	15.0	13.1	10.2
Rest of Europe	28.5	27.9	9.4	12.8	11.0	6.9
Near East	5.8	8.5	1.4	6.9	2.2	7.9
Far East	0.0	8.0	0.0	0.7	68.2	84.3
Africa	13.4	16.8	14.6	60.9	100.2	84.2
U.S.	212.4	199.8	200.1	6.8	5.2	8.2
Canada	27.8	33.8	33.9	..	0.2	..
Argentina	59.5	58.2	55.6	1.7	2.2	0.8
Rest of America	18.0	11.7	19.4	61.2	75.7	68.0
Australia	16.2	14.9	14.9	70.7	68.7	80.7
New Zealand	5.6	6.9	4.1	11.2	10.7	11.8
Others	2.3	4.0	29.3	8.6	19.6	29.2
Total	454.8	387.8	422.1	320.7	376.7	392.3

Exports of hessian during the year ended June 1959, touched the record level since the partition of the country and represented an increase of 67,000 tons over 1957-58. The bulk of this rise was accounted for by the U.S., the exports to which were higher by 42,600 tons. The U.K. took 11,100 tons more and the rest of Europe 8,600 tons more. Canada's intake rose by 4,000 tons. Exports of sacking were disappointing, with a further fall of 66,000 tons during 1958-59, thus sustaining the downward trend since 1954-55. In the course of the last four years, exports of sacking have shrunk by 133,400 tons, that is, from 454,100 tons to 320,700 tons. The decline during 1958-59 is mainly due to the drop of 39,300 tons in exports to Africa and of 15,000 tons to South America.

The industry's performance so far during the current year has been encouraging, thanks to the steady market conditions. If the industry is allowed to work under conditions which will ensure competitive and stable selling prices, there is no reason why it cannot look forward to the future with a measure of optimism. The industry is also in a better position to retain its leading place in the export trade of the country than it was some years ago. In the first instance, it is almost self-sufficient in raw jute. There is, however, need for improving the per-acre yield and quality which are lower as compared with Pakistan. There are many ways by which the yield can be stepped up. First, the use of fertilisers, which is still marginal in most

of the jute-growing areas, should be enlarged and the cultivator should be educated in the use of more scientific method of cultivation. Secondly, improved varieties of seeds should be disseminated from the State seed multiplication farms, and thirdly, better retting facilities should be provided and for this there should be adequate supply of good seeping water.

Modernisation

The second main factor which has improved the position of the jute industry is the large-scale rehabilitation of preparatory and spinning machinery. The programme of modernisation, it is claimed by the spokesmen of industry, has reached an advanced stage and is expected to be completed by the end of the third Five-year Plan. Increased attention is being paid to modern processing techniques on the manufacturing side, with a view to improving the efficiency and reducing the cost. This, together with the closure of uneconomic units and transfer of loom-hours to modernised units, has also improved the mechanical proficiency. The supply of even quality yarn has ensured a general improvement in the quality of gunnies. But there is still scope for further improvement when the quality of raw jute is enhanced through use of fertilisers, improved seeds and better retting facilities.

The industry is also in a position, through the working time agreement and reserve capacity, to regulate output to meet any rise and fall in demand for jute goods and to stabilise their prices.

Position of Sacking

The declining trend in exports of sacking, however, poses a problem. This is due to its high prices, as compared with those of Pakistani manufacture. This, in turn, is attributed to the paucity of cuttings used in its manufacture and the relatively higher prices paid for them. In order to regain the position in respect of sacking exports, it is suggested, in some quarters, that

a quantity of about 400,000 bales of cuttings could be imported from Pakistan and a corresponding quantity of raw jute could be exported. The loss of foreign exchange on account of such imports will, it is said, be more than made good by the earnings from raw jute exports and larger exports of sacking which will result from a reduction in its price.

JUTE INDUSTRY IN PAKISTAN

The jute industry in Pakistan has made very rapid progress during the last eight years. Established in 1951 with a small spinning mill, the industry is now equipped with 7,934 looms which are working double shift. The progress is more heartening when one looks back to the conditions which prevailed when the country attained independence in 1947 and East Pakistan, where the industry is concentrated, was an entirely agricultural province, with hardly any industry.

These eight years did not prove to be a smooth period for the growth of jute industry. The efficiency of labour was low and the cost of power was very high. In addition, the industry had to face severe competition in the world markets. The political insecurity during 1957 and 1958 added fresh problems to the industry, particularly on the labour front. Production would have been drastically cut but for the army coup in October 1958. Thanks to the political change, the industry was able to turn the corner and increase its production by 45 per cent. during the first six months of the military regime, as compared with that in the previous period. Production is now said to be running at the rate of 240,000 tons per annum.

The industry has also been able to compete successfully in foreign markets, thanks to the export bonus scheme introduced in January last. Devised by West German foreign trade experts, this scheme enables industries, such as jute, to retain a specified proportion of their foreign exchange earnings for their own use. This scheme has enabled the jute industry to modernise its units, as well as to install balancing and other machinery, which will enable mills to work on a three-shift basis. Specialised looms for the manufacture of mats, carpets and webbing have been installed. Plans are afoot to add another 4,000 tons during the next five years.

The labour is said to have turned more industrial-minded and, with the completion of the Karnafull hydro-electric project, power will become cheaper. It is expected that the industry will be able not only to reach the target of production of 250,000 tons set for this year but also exceed it by 10 per cent.



SATHE BISCUIT & CHOCOLATE CO., LTD. POONA-2.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorised Capital Rs. 50,00,000
Subscribed Capital " 30,40,750
Paid-up Capital " 15,30,375
Reserve Fund " 29,00,000

Head Office:

1, Prince Yashwant Road, Indore City
Bombay Office: 44, Hamam Street, Fort and
Jai Hind Estate, Bhuleshwar.

Branch Office: Cloth Market, Siyaganj and
Sanyogitaganj (Indore City).
Branches: Anjad, Shopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujalpur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)

Safe Deposit Lockers are available at

Head Office, Siyaganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favourable terms.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

GUARDIAN ASSURANCE COMPANY LIMITED

(Incorporated in England)

(The Liability of the members of the Company is Limited)

ALL CLASSES OF GENERAL INSURANCE BUSINESS TRANSACTED

3, Clive Row - CALCUTTA

Telephone: 22-4115

Telegram: "YULINSURE"

THE BANK OF JAIPUR LIMITED

Treasurer to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital Rs. 2,00,00,000

Issued and Subscribed Capital Rs. 1,00,00,000

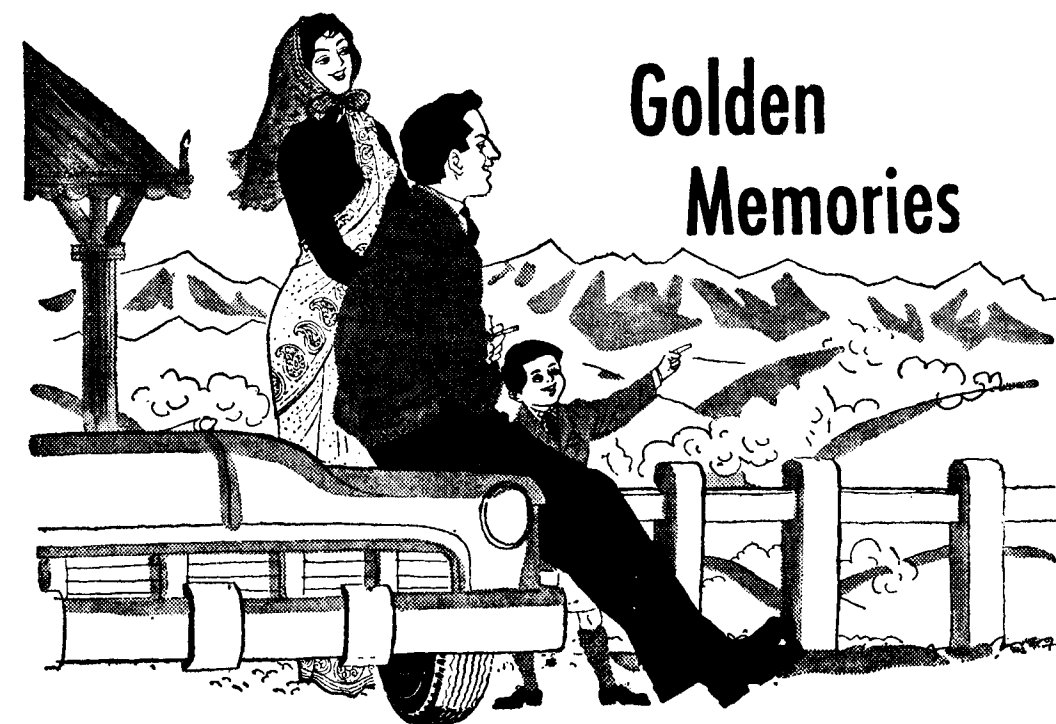
Paid-up Capital Rs. 50,00,000

Reserve and other Funds Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,

General Manager.

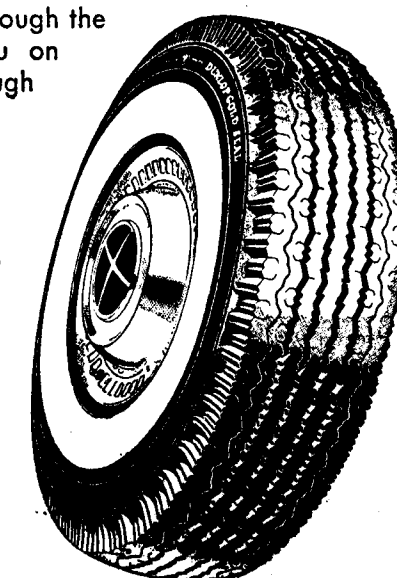


Your happiest motoring memories will be linked with the new Dunlop Gold Seal Tyre. It will see you through the routine of everyday motoring, go with you on delightful holidays, and stand by you on rough roads and wet. Years later you will remember the happy thought which made you pick on Dunlop Gold Seal.

It's a new car tyre — and better than ever

DUNLOP 'Gold Seal'

for happy motoring



CC-514

Advertising helps you to buy better quality goods

YOU CAN TRUST THE ADVERTISING IN YOUR PAPER



Inserted by
The Indian & Eastern Newspaper
Society and the Advertising
Agencies Association of India



WORK OF WORLD ATOMIC AGENCY GENERAL CONFERENCE REVIEWS PROGRESS

It is being increasingly realised that, in the sphere of atomic development, even more than in any other sphere, world co-operation is essential. After all, nuclear radiation knows no national boundaries and its effects cut across all geographical or political frontiers. It is, therefore, of the utmost importance that all countries should co-operate in the interest of safety from atomic radiation and of peaceful uses of atomic energy. Appropriately enough, these topics figured prominently at the meetings held in connection with the General Conference of the International Atomic Energy Agency (I.A.E.A.) held towards the close of last month, at Vienna. At these meetings, the work of the Agency as well as nuclear developments in different leading Western countries were reviewed, with a view to assessing their significance to the rest of the world.

Addressing the plenary session of the General Conference, the Director-General of the I.A.E.A., Mr. Sterling Cole, stressed the "inescapable" need for international action in the fields of atomic assistance, atomic safety and atomic security. He called for firm international agreement to further important steps designed to protect the health and lives of human beings from accidental or intentional damage from the use of atomic materials. It would appear that the Agency has already three panels studying such health and safety problems as the disposal of radio-active wastes into the sea and the international transport of radio-active substances. It is also preparing a manual of safe operation of research reactors in response to problems posed by the growing number of reactors used for research. A draft convention on civil liability for nuclear hazards is under preparation. A manual on the safe handling of radio-isotopes has been adopted.

Atomic Security

In the field of atomic security, Mr. Cole said the Agency had drafted principles governing safeguards against the diversion of fissionable materials from peaceful to military uses, as well as proposals for detailed regulations for the application of the principles. Mr. Cole urged all countries which supply nuclear fuel to demand that the use of the materials should be in accordance with I.A.E.A.'s safeguard procedures. He asked: "How else can we avoid the spectre of eventual atomic weapon production resulting from an initial and apparently innocent transaction involving the sale of uranium as an ordinary mineral carrying no different tag than coal or oil?"

There is no doubt that safeguards are essential in the interest of preventing the diversion of atomic materials to military uses. At the same time, the safeguards should not penalise the innocent out of excessive fear of possible misuses of the material. This, in fact, was the view expressed by India's representative, Dr. H. J. Bhabha. The safeguards now proposed, according to Dr. Bhabha, would make things difficult for countries which were not in a position to manufacture atomic weapons while leaving unaffected those countries which were either manufacturing such weapons or in a position to do so. He argued that the world Atomic Agency was unlikely to become the principal supplier of source atomic materials—so far, the only supply arranged had been that of three tons of uranium metal to Japan—so long as it insisted on a cumbersome system of safeguards. The Agency, he said, should not forget that much larger quantities of atomic materials continued to be supplied by certain countries to others without even the condition as to their peaceful use. Surely, the Agency will do well to consider how best its system of safeguards could be modified so that they could be easily implemented without having any deterrent effect on nuclear progress towards peaceful ends.

Technical Aid

In the course of his speech, the Director-General, Mr. Cole, reviewed briefly the progress of the Agency's technical assistance programme. The Agency has sent, or planned to send, some 50 experts to 20 countries and about 600 students from 42 countries have been selected for training in member States. Studies have been undertaken on the need for an establishment of isotope training centres in Africa and the Middle East. Three large missions and a number of smaller teams have visited countries in the Far East, Latin America, the Mediterranean region and the Middle East to study prospects

for atomic development. Mr. Cole admitted that the programme had been modest so far. He pointed out that the Agency had encountered a difficult problem, in that there was a scarcity of experts able and ready to leave their own laboratories, universities or nuclear institutions, even temporarily, for assignments abroad. He rightly felt that nothing could be "more damaging" to the Agency's efforts than for the Agency to build up hopes of an early sharing of atomic energy only to discover that trained personnel were not available because of national or personal interests.

Fuel Supply

At another meeting, held in conjunction with the Conference, some of the major aspects of the development of atomic energy for peaceful purposes were reviewed by three leading atomic scientists Sir John Cockcroft (U.K.), Dr. H. J. Bhabha (India) and Dr. B. Goldschmidt (France). Reviewing the progress in various fields of atomic science and technology during the past year, Sir John said that the recession in nuclear power programmes was partly due to the changing picture of fuel supply in the world. This appeared to be mainly due to a large-scale switch of industry from coal to oil, resulting in a temporary surplus of coal. Referring specifically to the power programme in the U.K., Sir John pointed out that there had been an increase in the estimated cost of nuclear power and a decrease in the estimated cost of future coal-fired stations. One factor which could favour nuclear power cost was a fall in uranium prices. Some advantage might also be gained from technological improvements. When these factors were taken into account along with the expected rise in power demands, Sir John said, one must conclude that the recession in nuclear power construction could only be a temporary phase. Regarding marine propulsion by nuclear energy, Sir John pointed out that the economic problem still seemed to be difficult and the future would depend on a reduction in capital costs. As for thermo-nuclear stations, the emphasis now was more on an understanding of the behaviour of hot plasmas (super-heated ionized gas in which fusion reactions are expected to take place) than on the design of the reactors.

Economics of Power

Discussing the economics of nuclear power in underdeveloped countries, Dr. Bhabha referred to the wide variations in conditions of different areas in this region. He felt that in view of this factor, no generalisation about the applicability or non-applicability of atomic energy in the underdeveloped areas of the world could be made. Speaking in detail about the situation in India, Dr. Bhabha said that a number of factors that were in operation in India negated "all the generalisations which one might expect to be true about the applicability of atomic energy in underdeveloped areas." Among the special factors, he mentioned the comparatively small reserves of coal, the concentration of coal deposits in a few areas, the consequent necessity of transporting coal over long distances to feed thermal stations and the resulting strain on the country's transport system. He emphasised that, when one talked about the relatively high costs of nuclear power in a country like India, one must also take into account new investment in railways that was needed for coping with the problem of coal transport for conventional thermal stations. He also pointed out that the interest rate charged on capital investment in underdeveloped countries tended to be overestimated by some economists. He said: "The capital investment required by nuclear power is quite comparable with the capital investment we, in India, have been used to making for hydro-projects and is not much higher than the national investment required for thermal power at places remote from coalfields. Bearing in mind the limited reserves of coal and hydro-power in the country which are enough only to see us through the expansion of the next ten or twenty years, it is clear that an important beginning with nuclear power has to be made now so that it may be in a position to take on a progressively greater fraction of the increase after 15 years." He said that the position in other underdeveloped areas might be quite different but felt that the example of India would show that one should "study each problem on its merits and not jump to facile conclusions that nuclear power cannot be economical today in underdeveloped countries."

Dr. Goldschmidt spoke on the role played by chemistry and metallurgy in the development of atomic energy and the applications of radio-isotopes and other radiation sources in industry, particularly in chemical processes. He said no important changes had taken place in these two fields since the Geneva Conference last year. Reviewing the broad lines of development and future possibilities, Dr. Goldschmidt said that attempts were being made to use the kinetic energy of fission products to produce chemical reactions and if these experiments were successful, nuclear reactors might one day be built solely for the purpose of achieving chemical syntheses. He added: "We now have the possibility of using in the chemical industry a new factor, ionisation by radiation, in addition to the conventional factors of temperature and pressure and we see appearing over the horizon a new branch of industrial chemistry—radio-chemistry." He also pointed out that the chemical applications of high level radiation represented only a small part of possible industrial uses which included food preservation, sterilisation of pharmaceutical products, insect control, creation of improved varieties of plants by induced mutations and production of vaccines. He observed: "Thus, a group of new technologies is emerging, the development and exploitation of which entail fewer resources and which will become more widely available, so allowing many more countries to profit from them, in particular those for whom a nuclear power production programme would at present be premature."

Outlook

After the opening statement, the three scientists answered a number of questions from the audience. In reply to a question whether the economic outlook for nuclear power seemed less bright today than two years ago, Sir John said that the increase in costs was likely to be offset by a fall in the price of uranium and the capital costs of nuclear power projects started two or three years hence were expected to be considerably lower than now. Asked if thermonuclear research had reached a deadlock, he said he would not call it a deadlock, but a stage in which the scientists really understood what the problems were. Dr. Bhabha, answering another question on fusion research, expressed a similar view and said that the very change of approach from efforts to achieve dramatic breakthroughs to attempts to gain a sound understanding of the scientific problems, represented progress. Both Dr. Bhabha and Sir John thought it important to continue the research and experiments on thermonuclear fusion. Asked which types of small or medium power reactors would be suitable for underdeveloped areas, Dr. Bhabha said there were three or four which seemed to offer almost equal advantages and it was difficult to make a unique choice. In reply to a question, Dr. Goldschmidt doubted the feasibility of producing heavy water at one half of one-third of the present cost. Asked whether nuclear wastes could be utilised for power generation, he expressed the view that the energy output was too small for economic exploitation.

W. BENGAL'S ROADS

Much concern over the inadequacy of roads in W. Bengal, in general, and in Calcutta, in particular, was expressed by Mr. Anandi Lal Poddar, in the course of his address at the annual meeting of the Bengal Bus Syndicate, held recently at Calcutta. Mr. Poddar said that, whereas the second Five-year Plan for W. Bengal envisaged the construction of 3,600 miles of State roads at a cost of Rs. 26.50 crores, and the revised Plan should ensure the construction of at least 2,340 miles, a shortfall in road construction was now during the first two years of the Plan and in the might be constructed, leaving a balance of at period.

Alluding to the road system in Calcutta, Mr. Poddar deplored that traffic difficulties and jams on chronic. He stressed the need for constructing broader roads and replacing some of the roads which were "mere apologies". In particular, he suggested a 200-ft. wide road from Dum Dum Air-port to Jadavpur. The total travelling population of Calcutta had now increased to 4.5 million a day, of whom some two million used tramways and public buses; a total of at least 200,000 arrived by the two railway stations every day. Pending electric trains, Mr. Poddar stressed the importance of improving the existing roads and construction condition of the Grand Trunk Road and the construction of bridges on all approach roads and construction of a bridge over the Hooghly near Shalimar Point should ease the traffic situation. In conclusion, he urged the preparation of a master plan for improvement of Calcutta and the industrial area around it.

NEW PRODUCTS AND PROCESSES

Catalogue System for Building Materials

BUILDING materials are proliferating at a bewildering rate and it is becoming difficult for the architect and civil engineer to keep up with them, let alone know their application in every instance. The Universal Asbestos Manufacturing Company, of the United Kingdom, which specialises in asbestos cements, pitch fibre, and reinforced plastics used in construction work, has extensively revised, in a novel manner, its catalogue system enabling up-to-date technical information to be easily accessible. Based on a recommended classification system with a standard size of 11.75 in. by 8.25 in., it conforms to five principles believed to satisfy the varied requirements of those with an interest or a potential interest in the company's products, namely, a standard size, a concise presentation of essential information which can be located quickly, a comprehensive presentation of each product in a single catalogue, a uniform system of classification, and a method of keeping the information up to date. The first catalogue issued concerns the Group's standard six asbestos cement sheet. The first page identifies the product and, on the reverse side, the other products of the group are summarised pictorially together with the name, address, and telephone number of the firm whose product is the subject of the catalogue. There is then an index to the various sections with classification numbers and a concise explanation of this index appears on the reverse side. A data sheet with essential physical details appears next and is followed by a section giving standard working details and fittings for vertical cladding. A sub-section on pink paper contains examples of special products suggesting to architects various ways in which to design with asbestos cement. Next comes a section with standard working details of the product's application to roofing. Finally, there are sections devoted to specifications and prices, fixing instructions, component reference sheets, and allowance for information on new developments. The loose-leaf nature of the catalogue enables revised or supplementary sheets to be included from time to time.

Storing Chemicals

A new powder technique for storing chemicals such as anti-oxidants, anti-ozonants and constituents of high-temperature lubricants, has now been developed. It can also be used, the scientists responsible for developing it claim, to store many other types of chemical compounds that are difficult to store under normal conditions. At the same time it can be used very simply to store chemicals

in liquid mixtures under such conditions that they form no part of the mixture until they are released by the use of heat, or by their replacement inside the storage powder by water, or some other liquid compound. The operation of the process depends on the use of special man-made metal-alumino silicate crystals as storage vessels. Each crystal contains thousands of millions of cavities which are connected by channels of constant diameter. The strong surface tension and the uniform size of the channels inside the crystals serve to isolate the chemicals contained inside the cages formed by the channels, so that they are not contaminated by other compounds. Yet the release of the compounds for active use can be precisely controlled for industrial purposes.

Metal Hydraulic Fluid

Hydraulic fluids which are liquid metals having a low melting point are being developed for industrial and military use by a joint Franco-German research team working in France. The liquid metal fluid is said, by the scientists responsible for carrying out the research, to offer a number of practical advantages in terms of performance over conventional chemical fluids used in hydraulic systems. The operation of a system using the new liquid metal fluid would depend on the use of special metal seals. Operating pressures which are being investigated range from one thousand pounds per square inch up to six thousands pounds per square inch. Although the work is still at an experimental stage, tests carried out so far are said to indicate that considerable commercial possibilities exist for the new materials in aircraft and other industrial applications.

Novel Wood Preservative

The foresight of a Scottish firm of timber merchants (Celcure and Chemical Company Ltd.), who, in 1928, saw the need for scientific research, has led to the development of a range of fire-retardant wood preservatives which are now in use in many parts of the world. This side of the business became so important that a subsidiary company was formed. The latest product, which is pressure-impregnated by a special process, is claimed to give complete protection against fungous and insect attack as well as to be flame-retardant.

This is claimed to be an important development for the timber industry, especially at a time when new factory-building regulations are requiring thermal insulation. In addition to the flame-retar-

dant preservative, which is applied under pressure, the Company has developed a flame-proof coating for application by brush or spray.

Drying Plastics

X-Ion Products, of 48, Gillingham Street, London, is marketing a dryer for granular plastics material which consists basically of a cylindrical basket through which electrically heated air is blown. Drying of the materials, which is an essential prelude to the injection moulding or extrusion of many plastics materials, including nylon, is claimed to be effected more quickly and economically than with some conventional drying equipment. The dryer is thermostatically controlled, and use of a second basket enables operations, it is stated, to be made continuous. Its principle is in contrast to some conventional equipment in which granules of material are distributed on a number of shelves prior to drying.

Flexible Plastic

Plastic material that will bend without breaking at temperatures as low as 50 degrees Fahrenheit below zero is now possible by the use of new plasticisers. They are phosphorus-containing compounds called dialkylphosphonates and are made from inedible animal fats. About 35 per cent. by weight of the materials, when added to polyvinyl chloride, is said to keep it soft and flexible, even at between minus 35 and minus 50 degrees Fahrenheit. The plasticisers escape at a much lower rate than any other known low-temperature plasticisers, it is claimed. Uses for the improved plastic are said to include wire coatings, automobile seat covers, galoshes and other protective clothing and articles exposed to a wide range of temperatures. They may also have an important application as lubricants and hydraulic fluids.

Nylon Containers for Liquid Storage

Collapsible containers for the bulk conveyance and storage of liquids such as water, petrol, and diesel oil are now being produced by the Dunlop Rubber Company in Manchester. They can, it is stated, be made to a variety of dimensions to give capacities of as much as 50,000 gallons. The containers are made of nylon fabric, coated on the outside with neoprene, a weather-resistant synthetic rubber, and on the inside with one of several synthetic rubbers according to their contents. When full, the containers are stable in shape (resembling a large pillow) and, in transit, may be secured with roped tarpaulins or by a special nylon harness. They can be folded into compact, flat form when empty and cleaned and sterilised with boiling water without adverse effects.

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

ORISSA CEMENT LIMITED

(A NATIONAL ENTERPRISE UNDER THE PATRONAGE OF THE GOVERNMENT OF ORISSA)

(a) AUTHORISED CAPITAL	Rs. 5,00,00,000
Divided into	
(i) 1,00,000 shares of Rs. 100/- each termed as Preference shares. (ii) 40,00,000 shares of Rs. 10/- each termed as Ordinary shares.	
(b) PRESENT SUBSCRIBED AND PAID-UP CAPITAL	Rs. 1,90,00,000
Divided into	
40,000—4½% Cumulative Preference Shares of Rs. 100/- each	Rs. 40,00,000
15,00,000—Ordinary Shares of Rs. 10/- each	Rs. 1,50,00,000
(c) FURTHER ISSUE OF CAPITAL	Rs. 75,00,000
Divided into	
7,50,000 Ordinary shares of Rs. 10/- each offered at par as a renunciable Right only to the Registered Shareholders whose names appear in the books of the Company as on 30th September, 1959. Full value of the shares is payable on application. The new shares shall be entitled <i>pari passu</i> with existing paid-up capital to participate in dividend for the accounting year 1959 and thereafter.	

CAPITAL ISSUE CONSENT

The consent of the Central Government has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company at Raipur, Orissa. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE GOVERNMENT OF INDIA DO NOT TAKE

ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM.

DIRECTORS:

- (1) SRI JAYDAYAL DALMIA (Chairman).
- (2) SRI KAMALNAYAN BAJAJ.
- (3) SRI MOHANLAL GOENKA.
- (4) SRI B. VENKATARAMAN, I.A.S. (Nominee of the Government of Orissa).
- (5) SRI S. VENKATARAMAN (Nominee of Industrial Finance Corporation of India).
- (6) SRI NIHAR CHANDRA ROY (Technical Director).
- (7) SRI VISHNU HARI DALMIA.

REGISTERED OFFICE

P. O. RAJGANGPUR, SUNDARGARH DISTRICT, ORISSA STATE.

BANKERS:

NATIONAL & GRINDLAYS BANK LTD.
THE PUNJAB NATIONAL BANK LTD.

SOLICITORS:

Messrs. KHATTAN & CO.,
1B, Old Post Office Street, Calcutta.

AUDITORS:

Messrs. V. SANKAR AIYAR & CO.,
Chartered Accountants,
Seindia House, New Delhi.

MANAGING AGENTS:

DALMIA AGENCIES PRIVATE LTD.

The Registered Shareholders as on 30.9.1959 can also apply for additional shares on special application form the allotment of which will be at sole discretion of the Directors out of the unsubscribed shares by Right holders, if any. The last date for receiving application by the Company's Bankers or by the Registered Office against Right shares is 31st October, 1959. The application for additional shares can be made only to the Registered Office of the Company by 31st October, 1959. Fractional Share certificate application can be made only to the Company upto 10th November, 1959.

The Letters of Right and forms of additional share application along with circular of instruction will be posted to all shareholders in such time so as to reach them by 14th October, 1959, along with Dividend Warrant for the accounting year 1958. If any person does not receive these forms in time he should immediately send a complaint to the Company with a request to send him duplicate forms giving an undertaking that if originals are received one set will be returned to the Company unutilised.

WORKING RESULTS

The Company's working results for the last seven years are given below.

Year	Gross block including construction in progress at cost.	Cement production	Refractories production including mortar.	Gross profits before Depreciation, Development Rebate and Managing Agents' Commission.	Depreciation and Development rebate provided.	Dividend per ordinary share.
	Rs.	Tons	Tons	Rs.	Rs.	Rs. n.p.
1952	1,67,78,559	1,32,711	..	24,93,933	63,87,124	..
1953	1,73,17,499	1,31,273	..	30,43,423	27,39,259	..
1954	1,76,58,790	2,02,723	..	59,97,486	21,04,179	0.75
1955	1,91,57,333	1,90,083	..	60,00,191	9,77,659	1.25
1956	3,43,40,188	1,90,173	..	47,73,586	8,99,339	1.25
1957	4,41,98,016	2,86,971	..	64,99,479	19,48,649	1.50
1958	5,24,76,130	3,49,092	22,319	85,41,499	53,95,332	1.50

ORISSA CEMENT LIMITED

NINTH ANNUAL GENERAL MEETING

MR. J. DALMIA FEELS THAT THIRD PLAN TARGET FOR CEMENT IS TOO HIGH

ADDRESSING the Ninth Annual General Meeting of Orissa Cement Ltd., held at Rajgangpur, Orissa, on 30th September 1959, Mr. J. Dalmia, Chairman, expressed the view that, even with reasonable optimism about the increase in cement demand, it was not possible to justify the proposed target of 35 million tons of cement production for the third Five-year Plan. He, therefore, suggested that the industry should be consulted before the Plan is given final shape.

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

"GENTLEMEN,

"I welcome you to the ninth annual general meeting of your company. It is a matter of great pleasure that every year we meet once on this occasion to review the working and progress of the Company. The accounts for the year 1958 have been circulated. The Directors' report which accompanies the accounts, gives a brief review of the main features of the working of your Company during the year under report. I need not discuss them, and with your permission, the accounts and the report will be taken as read. I am sure you will regard with satisfaction the working results of your Company for 1958.

Demand Rising

"The production of cement in the country is gradually rising. The plant at Satna in Madhya Pradesh has gone into production. Some other plants are in advanced stage of construction. The expansion programmes of existing factories are also in progress. By 1961 the installed capacity is estimated to touch 9.95 million tons. The demand for cement, which had greatly slackened last year and had entailed curtailment of production, is showing signs of improvement. It is, however, difficult to say how far this improvement would be maintained and keep pace with increasing production. In the case of your works, some difficulties are being experienced presently in maintaining full despatches, but I am hopeful that these will soon be overcome.

"The experience gained during the second Plan period should serve to underline the importance of setting realistic targets of investments and production. Failure to do so leads to lopsided development and can endanger the Plan itself. In the case of cement industry, the production target was revised and placed at 16 million tons. Last year, with an installed capacity of about 7.00 million tons, the industry was faced with the problem of disposal of stocks and several cement kilns had to be slowed down or even closed. As I mentioned earlier, the installed capacity at the end of the second Plan period, it is now estimated, will be 9.95 million tons, as against the target of 16 million tons. The explanation sometime given is that the setback in cement consumption has resulted from shortage of steel and slowing down of various Government projects. This may be true. But in planning all these factors have to be anticipated to a reasonable extent.

Cement Target

"I am surprised, therefore, to learn that a target of 35 million tons cement production is being contemplated for the third Five-year Plan. This would mean a 250 per cent. increase over the capacity which will have been installed by the end of the second Plan period, and will require an additional investment of the order of about Rs. 250 crores. I do not think that, even with reasonable optimism about the increase in cement demand, it is possible to justify the proposed target. I suggest that the industry should be consulted before the plans in this respect are given a final shape. I would also urge that expansion in the capacity should be carefully planned to take place in areas where demand potentials exist or are anticipated.

"In spite of the enactment of the Central Sales Tax Act, the difficulties and uncertainties of sales tax levies have not been fully resolved. Sales Tax Officers of the States come forward with all kinds of ingenious interpretations and

spare no effort to tax even inter-State sales. Recently, the Government abolished sales tax on a few commodities substituting the same by additional excise duties. I would request the Government to extend this system to the cement industry also. Excise duty is already being recovered on cement. The duty can be suitably increased and the additional revenue distributed among the States on any agreed basis. This would stop evasion of sales tax payment as well as double imposition in certain cases. The process of recovery will also be simplified. This suggestion is a convincing example to show that people do not mind paying the taxes if legitimately assessed and recovered.

Illegal Strike

"This year, we have sent a brief note to you about the labour situation at Rajgangpur Works. The strike which was started in March this year lasted for over four months and was ultimately called off unconditionally. The strike was both illegal as also in violation of the Code of Discipline in industry. This Code was accepted by common agreement at the Sixteenth Indian Labour Conference and it is intended to ensure better discipline and peace in industry. Under the Code, certain obligations have been cast upon both management and trade unions. As the Code has no legal sanction and depends for its success on the extent to which it is observed and enforced by the parties, it was agreed by the central organisations of management and trade unions that they would without hesitation censure any violation of the Code on the part of their constituent members. The Central Labour Minister, Shri Gulzarilal Nanda, who sponsored the idea, is also very keen on the acceptance and adherence to the Code. In practice, however, it would appear that the trade unions show scant regard for the Code and their central organisations appear none too anxious to discipline their member unions. Even though the strike at Rajgangpur was prolonged and accompanied by several violent and disruptive activities, it is to be regretted that the central organisation, to which the trade union concerned is affiliated, did not care to condemn the strike.

Piece-rate Wages

"Apart from being illegal, the strike was directed against the payment of wages on piece-rate basis, a system which directly benefits the worker himself, provided, of course, he is willing to do a fair day's work. Incentives were afforded for better outputs. In other words, the workers were given the opportunity to work more and earn more. The importance of relating wages to production both as a means of increasing productivity as also improving standard of living of the working class is being increasingly recognised in our country. At the Fifteenth Session of the All-India Congress Committee, one of the important resolutions stated:

'Wages and salaries should be increasingly dependent on work done and on production and should be related to the conditions existing in India.'

"More recently, the Planning Sub-committee of the A-I.C.C. while dealing with the third Five-year Plan, has observed that 'wages must be linked to productivity. Norms of productivity should be laid down and incentives (such as piece-rates) should be offered to workers to increase their productivity.' The Central Wage Boards set up by the Government of India for some of the major industries in the country have also been specifically asked to bear in mind while recommending a wage structure, the desirability of extending the system of payment by results.

Outside Elements

"No sensible person having the good of workers at heart can possibly oppose the piece-rate system of wage payment which, as I have shown, is beneficial for the worker and accords with national planning and the drive to increase productivity. But, we have often seen, how outside elements forget the interests of the workers and in their selfishness and arrogance, create

discord between labour and managements. The earlier association of outside elements with trade unions is prohibited, the better it will be for the healthy growth of trade union movement in our country and cordial labour-management relations. At the Seventeenth Indian Labour Conference held at Madras in July 1959, this question came up for consideration, but I regret to find that the Conference, allowed status quo to continue, in spite of the recommendation in the second Five-year Plan that a decline in outsiders managing trade unions should be encouraged. A letter which we have received from a shareholder is typical of the reaction in the public mind to the activities of these outside elements in the trade union movement:

'You have done well to distribute with it the leaflet exposing the reprehensible activities of the Company's Mazdoor Sangh and its President. As stated in the leaflet, the latter appears to have incriminated himself more than once, and unless stern and deterrent action is taken at a suitable opportunity against the President, who, according to you, is at the bottom of all the mischief, the Sangh may prove a real menace to the working and prosperity of the Company.'

"As mentioned in the Directors' report, in spite of the long strike, production practically remained unaffected. There are instances, however, in the country of serious losses of production resulting from illegal strikes. In the interests both of discipline and greater and efficient production, illegal strikes should be put down with a strong hand. Those instigating or participating in such strikes should not only be prosecuted but should also be required to pay adequate compensation to the employers for the losses suffered by them as a result of such strikes. Unless this is done, there will be no curb on these undesirable and irresponsible activities which are undermining industrial peace. I am glad that the arbitrators in the recent case of Rohtas Industries Ltd. awarded Rs. 6.90 lakhs to that Company as compensation against the workers for the losses arising from an illegal strike. The arbitrators, who were former members of the Labour Appellate Tribunal, have given a bold decision recognising for the first time that employers, too, need to be protected against the misguided activities of trade unions.

Refractory Industry

"Since I addressed you last year, the refractory industry, under the impact of the increasing demand for high quality and special refractories, has come to realise the need to gear itself to meet the requirements of India's rapidly expanding steel industry. The necessity has been recognised not merely of expansion but of developing and maintaining a positive advance on the technological front. Your Company is fortunately placed in this regard, plant, a certain measure of flexibility which can permit of progressive steps being taken to improve its manufacture and to diversify its scope of production.

"Simultaneously there has been an appreciation of the importance of standardising, as far as possible, the different specifications adopted at the moment by various units in the steel industry for certain refractories so as to allow the refractory industry to cater more effectively to these requirements. It is to be hoped that close collaboration in this field between the steel industry and the refractory industry will lead to a solution of certain problems to their mutual advantage and to ultimate benefit of the country.

"I am glad to inform you that normal conditions now prevail at Rajgangpur Works and I hope this will continue bringing prosperity to all, including the workers.

"I must express, on your behalf and on my own, our thanks and appreciation to the executives, staff, and workers who have worked loyally through the year. It is due to their determined efforts that, despite serious and sometimes dangerous attempts to disrupt it, production was maintained.

N.B.—The above content of the speech does not purport to be the report of the proceedings of the ninth annual general meeting of the Company held on the 30th September 1959.

INDUSTRIAL FINANCE CORPORATION OF INDIA

CHAIRMAN, MR. K. R. K. MENON'S

REVIEW OF PROGRESS

SUBSTANTIAL FOREIGN CURRENCY LOAN WANTED

DESPITE the marked rise of nearly Rs. 29 lakhs to Rs. 115.75 lakhs in interest payments, the net profit of the Industrial Finance Corporation of India for the year ended 30th June 1959 was higher by Rs. 7.17 lakhs at Rs. 35.37 lakhs as compared with the previous year. Characterising this position as "very satisfactory," Mr. K. R. K. Menon, Chairman of the Corporation, declared, in his speech at the Corporation's Eleventh Annual General Meeting held at New Delhi on Saturday, 26th September 1959, that the resources position so far as internal finance was concerned might be said to be comfortable. But the real difficulty in the matter of going ahead with the Corporation's normal function of granting long-term industrial loans, Mr. Menon pointed out, had been lack of foreign currency funds. The solution to this difficulty, in his opinion, lay undoubtedly in the Corporation being enabled, through the good offices of the Government of India, to obtain a substantial foreign currency loan from such financial institutions as the World Bank or from Government-sponsored organisations such as the U.S. Development Loan Fund.

The following is the text of the Chairman's speech at the meeting:

"GENTLEMEN,

"I have pleasure in placing before you the annual accounts of the Corporation and the report of the Board of Directors for the year ending 30th June 1959. Printed copies of the accounts and of the report are before you. These have also been circulated to all the shareholders. I shall, if you agree, take them as read.

"You will observe that, in the year under report, our net profit, after making a provision of Rs. 37.71 lakhs for taxation, amounted to Rs. 35.37 lakhs, as against Rs. 28.20 lakhs of the previous year, even though the interest charges that we had to pay on our loan funds increased from Rs. 86.85 lakhs to Rs. 115.75 lakhs. This very satisfactory position has enabled us to enhance the amount of repayment to the Central Government on account of the subvention received from them in past years for payment of our guaranteed dividends, from Rs. 5.45 lakhs, as it was last year, to Rs. 10 lakhs this year, bringing down our net liability to Government on this account to Rs. 38 lakhs. We have also transferred a sum of Rs. 14.12 lakhs to our general reserve fund this year, as against Rs. 11.50 lakhs transferred last year, resulting in this fund now standing at a little over Rs. 31 lakhs.

Other Satisfactory Aspects

"Some other aspects of our working have also been equally satisfactory. First, our gross income exceeded Rs. 2 crores in the year under report, registering a substantial increase from the previous year's figure of Rs. 1.55 crore, and of Rs. 0.96 crore of the year prior to that. Secondly, the percentage of defaults in the payment of instalments of principal declined from 6.1 in the year 1957-58 to 5.4 in the year under report, and, even in the case of those very few concerns which did default, none of these defaults has been of a nature which has led us or our auditors to consider it necessary to make any fresh provision for bad and doubtful debts in our accounts for the year under report. Thirdly, the percentage which our administrative expenses bore to our gross income in the year 1955, namely, 15.65, has come down to 5.11 in the year under report. Fourthly, the pace of disbursement of loans has continued to remain at the high rate which has been a noticeable feature of the previous two years' working, and interim loans continued to be granted in appropriate cases to a liberal extent.

"Shareholders will no doubt have also noted with satisfaction the very warm response that came from investors to the issue of our bonds in the course of the year. Our resources position, so far as internal finance is concerned, may now be said to be comfortable, but, as and when money market conditions become easy enough to justify our going in for the issue of more bonds, we shall do so in order that we may be able to meet the demands likely to be made on us during the remaining portion of the second Plan and the third Plan period.

"Internal resources, by themselves, have, however, not proved to be a solution to our real difficulties in the matter of going ahead with our normal function of granting long-term industrial loans. Our main difficulty in this matter has been lack of foreign currency funds to meet the situation created by the stringent measures that have had to be introduced by Government during the last couple of years, curtailing the import of capital and other goods from abroad. During this period, we have found that only such industrial concerns as could at least hope to get the necessary import licences from Government, in spite of the severe restrictions imposed in regard thereto, applied to us for long-term loans and, in the result, there was a steep fall in the number of loan applications from 48 of the previous year to 26. The total amount of loans sanctioned in the year also registered an even steeper decline, going down to Rs. 3.79 crores from Rs. 7.79 crores of the previous year. Applications for loans to the tune of Rs. 6.15 crores had to be withdrawn by the applicants concerned in the course of the year, as they could not obtain the necessary import licences which they had hoped to get. In addition, we had on hand at the end of the year loan applications aggregating Rs. 6.30 crores which it had not been possible to take up for scrutiny for want of the requisite import licences which were still awaited by the respective applicants.

The Solution

"The solution to this difficulty lies undoubtedly in our being enabled, through the good offices of the Government of India, to obtain a substantial foreign currency loan from financial institutions like the World Bank or from Government-sponsored organisations like the Development Loan Fund of the U.S.A. We had applied for a loan from the World Bank, but, I regret to say, we have had no success so far. Another proposal that we have recently put to the Government of India is one which will, if it materialises, enable us to participate in the current scheme for the utilisation of the dollar credits placed at the disposal of the Government by the Export-Import Bank of the U.S.A. This scheme, which is now under active consideration by Government, has the advantage that, unlike in the case of deferred payment arrangements, it does not relieve the applicant industrial concern from the necessity of raising the rupee equivalent of the foreign currency portion of the finances required for its scheme. This is specially important, as internal credit institutions like ours have now the means at their disposal for assisting intending applicants with the necessary rupee finance to enable them to obtain foreign currency credits placed at Government's disposal by the Ex-Imp Bank, Development Loan Fund and other such bodies. The proposed scheme involves the acceptance by us of a somewhat smaller margin for our loans, but it is hoped that, in view of the considerable advantage which will accrue under this scheme, Government's approval to this proposal will soon be forthcoming.

"Though, as I have said, lack of foreign currency funds has proved to be a very serious handicap to us in the matter of sanctioning fresh loans, shareholders will, I hope, have noted with satisfaction, from the report before them, that we have commenced making fair progress in a comparatively new line of activity, namely, underwriting of issues in the share market. This augurs well for the future, inasmuch as our success in this new line should enable us eventually to play the fully effective role in industrial financing that institutions like ours fulfil in most other countries.

"Though the particular preference issue that we underwrote in the year under report was oversubscribed, we have not been unmindful of the fact that, in the event of our having been left with any shares, we could not have held them, under a provision which exists in the I.F.C. Act, for more than seven years without the prior permission of the Central Government. This provision, coupled with the fact that we are not authorised, under the I.F.C. Act, to invest directly in the equity or preference capital of any industrial concern has meant the closing to us of a profitable line of

investment for our surplus funds. This has particular significance now in the context of the current difficulties that I have mentioned we are experiencing in the matter of investing our funds in direct loans. A possible solution to this lies in our being enabled to participate in the equity and preference share capital of approved industrial concerns through direct subscription as well as through the exercise of conversion rights. This matter is being examined by me.

"Another comparatively new field of our activities has been the guaranteeing of deferred payments, on behalf of industrial concerns, to foreign manufacturers of capital goods. In the context of the increasing restrictions which have had to be imposed by the Government of India on the issue of cash import licences, this should ordinarily have proved a fruitful field for assistance by us. We have a fair number of applications on hand at present, but, judging from the number of fresh applications coming in, it looks as though we cannot look to this particular line of activity for any considerable expansion in the near future. This is due no doubt to the restrictions that are being imposed by Government on the issue of import licences based on deferred payment terms referred to by me earlier, in view of the cumulative strain that is likely to be caused thereby on our foreign exchange position a few years hence.

"I am glad to say that, taken by and large, most of the concerns which we have financed did extremely well in the quantum of production as well as sales during the year under report. Quite a number of them made very handsome profits too during the year, and were not only able to declare dividends, with our prior permission, in excess of the standard rate of 6 per cent. but also to make successful appeals to the investment market. Shareholders will no doubt have read with interest the review that we have given in an appendix to the annual report of the progress made in the course of the year by the various industries to which we have advanced loans. It is gratifying to note that, generally speaking, most of these industries have thrived, and that the particular units of these industries, whom we have assisted with loans, have contributed their share to making the picture of the industry as a whole as rosy and hopeful as it is.

Assistance to Co-operatives

"Loan assistance to co-operative societies has been a marked feature of our activities during the past four years, and, in the year under report, a sum of as much as Rs. 1.70 crore was accounted for under this head, out of a total amount of Rs. 3.79 crores sanctioned. Our sanctioned loans to co-operative societies alone upto the end of the year under report aggregated Rs. 14.94 crores, out of a total of Rs. 66.69 crores. This sum is distributed among 28 societies all of whom, except one, are engaged in sugar manufacture. Out of the loans we have sanctioned to 27 sugar co-operatives, 24 have already been, or will in due course be, guaranteed jointly by the Central Government and the State Governments concerned. Sixteen out of these 24 societies have actually started manufacturing. We have been conducting periodical inspection of these factories and of their accounts, and we have kept the guarantor Governments fully informed of any special features, in connection particularly with their management and finance that have come to our notice and which we have considered merited the attention of the Governments.

"Industry-wise, the most significant advances in the course of the year under report were made in the sugar and cement industries, these two together accounting for as much as 67 per cent. of the total amount of loans sanctioned in the year. In the case of sugar, the entire amount of loans sanctioned in the year under report was for co-operative societies.

"It is my very pleasant duty, before I conclude, to convey my hearty thanks to my colleagues on the Board of Directors for their very valuable co-operation and wise counsels. Our thanks are also due to the members of our Advisory Committees and also to the non-officials who have functioned on the Boards of our loanee concerns as our nominees for their unflinching assistance and advice. Finally, I have also great pleasure in conveying the thanks of the Board of Directors, as well as my own, to the General Manager and the entire staff of the Corporation for another year of loyal and devoted work on their part."

THE GENERAL ASSURANCE SOCIETY LIMITED

MR. B. L. JALAN ADVOCATES HEALTHY CO-OPERATION AMONG INSURERS MINIMUM INCREASE OF TEN PER CENT PER ANNUM IN BUSINESS URGED

ADDRESSING the Annual General Meeting of the General Assurance Society Limited, held at Calcutta, on Wednesday, 30th September 1959, Mr. B. L. Jalan, Chairman of the Company, reviewed the main trends in the economy of the country and pointed out that general insurance business did not expand at a rate commensurate with the rise in industrial production and national income. He suggested that the insurance trade should set for itself an increase of ten per cent. per annum in the volume of business as the minimum target. Mr. Jalan called for mutual co-operation and understanding in the industry and proposed the introduction of some kind of collective self-control to ensure healthy and smooth functioning of the trade.

The following are extracts from Mr. Jalan's address:

GENTLEMEN,
"On the economic front, better and more stable conditions have returned in the world markets and particularly in the United States. While the steel strike has been prolonged, the U.S. economy presents all the signs of good health and vigour. The aggressive and extra-economic market manoeuvres by the Chinese continue but have subsided a little. It may be recalled that the earlier claims of a very spectacular advance both in agricultural and industrial production have been recently discounted officially by the Chinese authorities. How the earlier estimates were arrived at remains a mystery behind the iron curtain. Nevertheless, the new pattern of tactics of the Communist countries to disturb and weaken free economies should be recognised.

"Consistently with the current situation in the world markets, the position of our cotton and jute textile industries has also improved. But the export position does not seem to have improved to the desired extent. Thus, while despatches for exports of jute goods from the mills have improved, they were still low at 91,397 tons in July 1959, as compared with 102,087 tons in July last year. The cotton textile exports improved from 278 million yards in the first half of 1958 to 309 million yards in the same period of this year. If the present improvement is maintained it is expected that exports of cotton textiles will reach a figure of 700 to 750 million yards, as against 587 million yards in 1958. It will still be low, however, as compared with 840 million yards of exports in 1957.

Export Promotion

"The per capita availability of cotton textiles in the country increased by about a yard during the last five years owing to increased production and fall in exports, offset to a small extent by the rise in population. The problem of economic disposal of increased domestic supplies became acute owing to rise in food prices and the consequent fall in the surplus purchasing power available for clothing, etc. While the efforts of the Government in aiding the jute and cotton textile industries to modernise the mills must be greatly appreciated, one would feel that more effective steps will have to be devised to increase the export potential. I would venture to suggest that conditions should be created so that every mill should be able to export at least 10 per cent. of its production, while others which are exporting more are further encouraged. We should achieve the minimum export target of 1,000 million yards a year. Increased exports will help to keep up internal prices by reducing domestic supplies and thus the industry will continue to function in an atmosphere which would ensure prosperity. Exports could be encouraged directly by granting extra quotas for imports of better varieties of cotton, essential stores of the industry or even other commodities against increased exports of individual mills. It is only through increased exports that we would be able to rehabilitate the industry fully and at the same time help cover the country's overall foreign exchange requirements.

"It is indeed, a disquieting feature of our economic operations that while, as a consequence of very substantial restrictive measures,

our imports have shown a downward trend, exports are also declining. While during the last three quarters of 1958-59, the payments position has slightly improved, thanks to the generous credits made available by the World Bank and certain friendly countries, the foreign assets of the Reserve Bank at Rs. 213 crores at the end of March, 1959, had decreased by Rs. 54 crores from Rs. 267 crores at the end of March, 1958. The improvement in recent months has been very negligible and unless the export position improves very substantially, we will have to secure external assistance on a much larger scale as otherwise serious shortages would be created within the country. This is not a happy position in view of our expanding economy. In the face of rising money incomes, shortages would lead to a rise in price levels. At the same time, these will act as a great damper on our industrialisation programmes.

Foreign Exchange Situation

While we are committed to the objective of a more ambitious industrial advance, we should frankly confess that many industrial projects had to be abandoned or postponed owing to non-availability of foreign exchange. A proposed industrial project today has to prove—and prove to the satisfaction of the administration—that it would not involve foreign exchange commitments for a given period and that during the subsequent period it would do so under given limitations. We are fully aware of the absence of producer goods industries in the country. A new industrial project has, of necessity, to depend invariably on foreign supplies of capital equipment and technical know-how. These supplies, it must be recognised, do involve foreign exchange payments, partly now, partly after some time. I am not suggesting or even indirectly implying that these controls are unnecessary or redundant. All that is intended to be expressed is that such conditions are not propitious for an expanding economy and in the context of bolder industrialisation programmes. Let us hope that with better food production, a more tactful handling of the food supply situation and commissioning of the new and expanded steel plants supported by subsidiary machine building and fabrication industries, the position will greatly improve and that conditions will be created so that any proposal acceptable within the framework of the Plan or Plans will not be turned down only because of foreign exchange shortage.

Bold Approach to Problems

"There cannot be two opinions about a bold approach to our problems of industrial and economic growth. The principal points at issue are as to how the requisite resources are to be raised, how they are to be channelled into desired directions and how optimum allocations are to be made between various sectors of the economy. I am afraid while a lot of attention has been paid to certain overall estimates of outlay, the more vital questions of methods of mobilisation of resources have been rather overlooked. There is also too much debate, less warranted than ever before, on the talk of comparative value of different sectors of the economy. This emphasis has generally led to unnecessary and avoidable controversies on vague ideas about the functioning of this or that sector. An attempt has also been made to see that targets fixed for one sector are fulfilled at any cost irrespective of its effects and impacts on other sections of the economy. Thus while the targets for additional revenues through taxation have been exceeded, there have been shortfalls in other sources. The increased doses of taxation have been imposed at a time when major industries of the country were facing crises. I wonder if at this stage it may be possible for us to learn from the economic experiment of Western Germany which achieved such spectacular revival in so short a time. In spite of its wholesale devastation during the war, Western Germany today is by far the strongest economy of West Europe and has emerged as a capital exporting country. This near-miracle has been achieved by Dr. Erhard's policies of restrained administrative expenditure, increased revenues

through lower rates of taxation on expanded production achieved with the aid of economic incentives and fuller and free play of competitive forces and supply of easy industrial finance. While I admit that conditions as prevailing in India today would not be propitious for adopting the German system in its entirety, there does not seem to be a plausible alternative to its basic approach if our desired objective is to achieve an accelerated rate of growth under stable conditions.

General Insurance

"Coming to our own general insurance industry, one has the uneasy feeling that much remains to be improved. A glance over the *Indian Insurance Year Book*, published by the Controller's Office only early this month, shows that the business has not been expanding at a rate which would be commensurate with the increase in industrial production and in national income in the country. Between 1951 and 1957, the gross business in India of all insurers, Indian and non-Indian, increased by less than Rs. 4 crores or by 16 per cent. only while industrial production and national income rose by 37 and 20 per cent. respectively. One would certainly expect that the rate of business in insurance should have far surpassed the rate of growth in the economy owing to adoption of more progressive and modern methods in business and industry and spread of education and social consciousness. I believe that an average annual rate of 10 per cent. increase in volume of business is the minimum target the industry must set for itself. With increasing cost in consequence of more liberal terms granted to employees, voluntarily, as a matter of collective bargaining or by way of liberal awards, it is essential for economic operations of the industry that such rate of increase in business should be secured.

Code of Conduct

"It is also necessary, one would feel, that a stage has come when an assessment should be made of the results achieved by the new Code of Conduct promulgated by the General Insurance Council. I understand that the insurers have generally followed the code. The question which, therefore, arises is, whether the code has achieved the results for which it was introduced. The consensus of opinion is that the same chaotically competitive conditions continue to prevail in the industry today as they did before the new code was enforced. This is a serious question as many marginal insurers are passing through a period of uneasy suspense. How things have deteriorated would be at once evident from a comparison between the rates of marine insurance in 1950 and in 1959. These are also reflected in the consequent deterioration in the claims experience in marine business of all companies, big or small.

"I wonder why this kind of wild competition should not give way to mutual co-operation and understanding in the industry. Such co-operation is not unknown to private business; even in our country, the industry has not hesitated to transfer control and direction of essential functions of individual units to collective guidance. Why can't we follow the example of the working time agreement in the Indian jute and hydraulic press industries and introduce some kind of collective self-control? To me, it appears, that is only such kind of self-government which can ensure healthy and smooth functioning of this industry."

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

EXEMPTIONS FROM STATE INSURANCE ACT

The Government of Bombay has exempted the factories situated in the areas in which provisions of chapters IV and V of the Employees' State Insurance Act, 1948, are in force and which are exclusively engaged in one or more of the following manufacturing processes, namely, re-drying unmanufactured leaf, tobacco, rice-milling, cold storage, salt manufacture and oil mills, or connected with any of these processes, or in any other manufacturing process carried on in a seasonal factory, from the operation of the Act, except Chapter V-A thereof, for the period of one year which commenced from 1st October 1959. Chapter IV of the Act, it may be noted, relates to contributions by employers and employees and Chapter V to benefits to employees, while Chapter V-A contains transitory provisions.

In the case of oil mills, however, the exemptions are subject to the condition that the process of oil milling should be subsidiary to any other manufacturing process which is seasonal and the number of employees engaged in oil milling should be less than 50.

NATIONAL DIRECTORY OF MANAGEMENT EXECUTIVES

—the first of its kind in India

SPONSORED BY

INDIAN COUNCIL OF MANAGEMENT EXECUTIVES

(Registered under Societies Act 1860)

Post Box 1914, BOMBAY-1.

Edited by:

K. S. GUPTA, DIRECTOR, BOMBAY LABOUR BUREAU.

BOARD OF CONTROL

Mr. S. M. Dahanukar, M.L.C.
Prof. A. R. Wadia, M.P.
Mr. G. D. Somani, M.P.
Sir B. P. Singh Roy
Mr. Ramnivas R. Ruit
Mr. K. T. Chandy
Mr. T. O. Caulkins
Mr. Mohan Singh
General Shanta Shamsher
Mr. Y. A. Fazlilohy
Mr. G. Wilhelm
Mr. M. G. Vohra

EDITORIAL BOARD

Dr. M. V. Moorthy
(Tata Institute of Social Sciences)
Prof. R. J. Taraporevala
(University of Bombay)
Prof. Q. K. Sanyal
(University of Calcutta)
Mr. C. L. Gheewala
(Indian Merchants' Chamber)
Mrs. Shera N. Vajifdar
(Progressive Group)

BOOK YOUR COPY IN ADVANCE

CONTENTS

(Copyright Reserved)

- Fifty Men Behind Private Sector.
- Who's Who of Top Executives in Private Sector.
- Who's Who of Top Executives in Public Sector.
- List of Managing Directors of Private Limited Companies
- List of Managing Directors of Public Limited Companies
- Survey of India's Major Industries.
- Indian Economic Indicators 1959-1960.
- List of British, American and Foreign Firms in India.

1,000 Pages, Rixine Cloth bound, on Art paper

Pre-Publication Price Rs. 40/-

Post-Publication Price Rs. 60/-

postage extra

For FREE write-up of Executives, please
mail this coupon today. Valid upto
31st October 1959

COM/10/10

Miss F. M. HANZAWALA,
Secretary, National Directory of Management Executives
Post Box 1914, Bombay-1.

Please register my name for FREE WRITE-UP in Who's Who of National Directory of Management Executives and book order for one copy of the Directory.

Name

Occupation

Company

Address

Date

Signature

Industrialist

General
Shanta
Shamsher
greets
National
Directory
of
Management Executives



Vaswani Mansion,
Dinsha Wacha Road, Bombay-1.

I congratulate Mr. K. S. Gupta, Director, Bombay Labour Bureau and his able colleagues for embarking upon a monumental venture—National Directory of Management Executives—ever published in the country. Written in simple, straight-shot, strong man-to-man style, it is a unique standard book of reference which nobody who is somebody in the domain of Industry and Trade could afford to miss. It deserves to be possessed by all company executives, business-houses, industrial undertakings, trade associations in India and abroad.

Shanta Shamsher

★
"a unique standard book of reference... a
monumental venture."

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAST; BY-PRODUCTS.



FUJI IRON & STEEL CO., LTD.

Head Office:
Cable Address:
New York Office:

Nihonbashi-Eboshishi, Chuo-ku, Tokyo, Japan
STEELFUJI TOKYO
T. Nakano, Room 305, 52 Broadway, New York 4,
N. Y., U. S. A.

President: Shigeo Nagano

Tel: Bowling Green 9-8675/6

THIS IS ONLY AN ANNOUNCEMENT REGARDING ISSUE OF PROSPECTUS AND NOT A PROSPECTUS.

No subscriptions are invited on the basis of this Announcement. Intending subscribers are requested to obtain from the Registered Office of the Company or any one of the Bankers or Brokers referred to hereunder, copies of the Prospectus to which are attached forms of application. A formal Prospectus has been filed with the Registrar of Companies, Bangalore. Some of the particulars contained in the Prospectus are set forth hereunder.

Consent of the Central Government has been obtained to this issue of Capital by an order of which a complete copy is open to Public Inspection at the Registered Office of the Company. It must distinctly be understood that in giving this consent the Government of India do not take any responsibility for the financial soundness or for the correctness of any of the statements made or opinions expressed with regard to it.

A Licence has been obtained from the Central Government for the establishment of this new Industrial undertaking of which a complete copy is open to Public inspection at the Registered Office of the Company. It must distinctly be understood that in granting this Licence the Government of India does not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

Applications have been made to the Madras Stock Exchange and to the Bombay and Delhi Stock Exchanges for permission to deal in the whole of the issued Preference and Equity Shares and in due course for an official quotation.

The list for Public Subscription will open at 10-30 a.m., on Monday the 12th day of October 1959, and will close on Saturday the 24th day of October 1959.

THE MANDYA NATIONAL PAPER MILLS LIMITED

BANGALORE

(INCORPORATED UNDER THE COMPANIES ACT 1956)

AUTHORISED CAPITAL	Rs.
Divided into :	4,50,00,000

1,80,000 7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each 1,80,00,000

and

27,00,000 Equity Shares of Rs. 10 each 2,70,00,000

Rs. 4,50,00,000

ISSUED CAPITAL	Rs.
Divided into :	2,00,00,000

60,000 7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each 60,00,000

and

14,00,000 Equity Shares of Rs. 10 each 1,40,00,000

Rs. 2,00,00,000

No shares will be issued for consideration other than cash.

Of the total Issued Capital, 10,02,073 Equity Shares of Rs. 10 each having a total nominal value of Rs. 1,00,20,730 have been subscribed by the promoters, their collaborators (Messrs. Parsons and Whittmore), Directors and their friends. They have been allotted in full and the total nominal value has been paid thereon, and some of the existing shareholders have applied for the following shares pursuant to the offer made to them, which have been allotted in full :—

980 Equity Shares of Rs. 10 each Rs. 9,800

13,7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each Rs. 1,300

The balance of the Issued Capital, viz. :—

3,96,941 Equity Shares of Rs. 10 each, viz. Rs. 39,69,410

and

59,987 7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each, viz. Rs. 59,98,700

is offered to the public for subscription in terms of the Prospectus filed with the Registrar of Companies payable as follows :—

(a) on application—Preference Shares Rs. 25; Equity Shares Rs. 2-50.

(b) on allotment—Preference Shares Rs. 25; Equity Shares Rs. 2-50.

BOARD OF DIRECTORS

KHAN BAHADUR C. B. TARAPORVALA, Financial Adviser to H.E.H. the Nizam of Hyderabad, King Kotli, Hyderabad-Deccan.

MR. M. A. CHIDAMBARAM, Industrialist and Merchant, Adayar House, Madras-25.

MR. H. L. NATHAN, Vice-President, Messrs. Parsons and Whittmore Lyddon Organisation, New York, London, Paris.

MR. P. M. D. THACKERSEY, Industrialist and Merchant, Sir Vithaldas Chambers, Apollo Street, Fort, Bombay-1.

SARDAR MALUK SINGH BEDI, Colliery Proprietor and Merchant, "Bedi Bungalow," P.O. Neturia, Dist. Purulia, West Bengal.

MR. B. M. ABU BAKER, I.A.S., Secretary to the Government of Mysore, Commerce and Industries Department, Bangalore-1. (Nominee of the Mysore Government.)

MR. B. M. KRISHNAN, I.A.S. (Retd.), Chairman, Mysore Sugar Company, Ltd., Sri Jayachamaraja Wadiyar Road, Bangalore-2. (Nominee of the Mysore Sugar Company, Ltd.)

DHARMAPRAKASHA SHRI M. V. VEERAPPA, Industrialist and Merchant, 190, Gandhinagar, VI Cross, Bangalore-9.

SHRI R. K. BATRA, Industrialist and Merchant, 16, Central Lane, New Delhi.

SARDAR ANUP SINGH BEDI, Colliery Proprietor and Merchant, 4/3, Kensington Road, Bangalore-1.

REGISTERED OFFICE

4/3, KENSINGTON ROAD, BANGALORE-1.

TECHNICAL COLLABORATORS

THE PARSONS AND WHITMORE LYDDON ORGANISATION (New York, London, Paris).

MANAGING AGENTS

MESSRS. BEDI & COMPANY MANAGEMENT PRIVATE LIMITED, 4/3, Kensington Road, Bangalore-1.

BANKERS

THE STATE BANK OF INDIA, Bangalore-1.

THE BANK OF MYSORE LTD., Bangalore-9.

THE STATE BANK OF HYDERABAD, Hyderabad-Deccan.

THE PUNJAB NATIONAL BANK LTD., Bangalore-2.

THE CENTRAL BANK OF INDIA LTD., Bangalore-2.

THE BANK OF BARODA LTD., Bangalore-9.

THE INDIAN BANK LTD., Bangalore-9.

THE UNION BANK OF INDIA LTD., Bangalore.

UNDERWRITERS

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD., Union Bank Building, Apollo Street, Bombay-1.

LIFE INSURANCE CORPORATION OF INDIA, Jeevan Kendra, Jamsheji Tata Road, Bombay-1.

THE UNION BANK OF INDIA LTD., Union Bank Building, Apollo Street, Bombay-1.

MANAGING BROKERS

MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, Post Box No. 300, New Delhi.

MESSRS. BATLIVALA AND KARANI, Union Bank Building, Dalal Street, Fort, Bombay-1.

BROKERS

Bangalore ... MESSRS. LOKKUR & CO.

Madras ... MESSRS. PATERSON & CO.

... MESSRS. CHITRA & CO.

Bombay ... MESSRS. LEWIS & JONES.

Calcutta ... MESSRS. PLACE SIDDONS

AND GOUGH.

AUDITORS

MESSRS. BRAHMAYYA & CO., Chartered Accountants, Bangalore-2.

MESSRS. B. K. RAMADHYANI & CO., Chartered Accountants, Basavangudi, Bangalore-4.

LEGAL ADVISER

SHRI B. VASUDEVAMURTHY, B.A., LL.B., Basavangudi, Bangalore-4.

OBJECTS—The Company was incorporated on 7th November 1957 to set up in Mysore State a Paper Mill having an initial production capacity of approximately thirty-five tons per day and to carry on the business of manufacture of high grade writing and printing paper. The main objects of the Company are contained in the Company's Memorandum of Association which is open to inspection at the Registered Office of the Company.

The balance of Rs. 50 in respect of Redeemable Preference Shares and Rs. 5 in respect of Equity Shares, is payable in such calls as may be determined by the Board of Directors, provided that no calls shall exceed one-fourth of the nominal amount of the Shares and there shall be an interval of at least three months between each call.

The Government of Mysore have given an undertaking to the Company that they would apply for and take up forthwith such portions of the unsubscribed balance of the Equity Share issue of the Company not exceeding Rs. 39,79,270.

The entire issue of 59,987 7 per cent. Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each is underwritten as hereinafter referred to.

RIGHTS OF REDEEMABLE CUMULATIVE PREFERENCE SHARES

The said Redeemable Cumulative Preference Shares shall confer on the holder thereof the right to receive, in priority to Equity Shares, in the Capital of the Company out of the profit of the Company from time to time, determined to be distributed a fixed Cumulative Dividend at the rate of seven per cent. free of Income-tax per annum, on the Capital paid thereon and also the right in a winding-up of the Company in priority to all Equity Shares, to repayment of Capital paid thereon together with the Preference Dividends down to the date of commencement of winding-up, whether accrued or declared or not, but shall NOT confer any further right to participate in the profit or assets. The Preference Shares are redeemable at par at the expiry of fifteen years from the date of allotment.

PROSPECTS—India's present per capita consumption of paper is less than 2 lbs. as against 384 lbs. in U.S.A., 165 lbs. in U.K., 150 lbs. in Sweden and 46 lbs. in Japan. The Planning Commission has estimated the annual demand for paper and paper-board by the end of the Second Plan 350,000 tons. Even with the record production of paper and boards of 250,000 tons in 1958, the need for additional production is obvious. The demand for paper is bound to increase still more during the Third and subsequent Plan periods.

SITE—The Paper Mill will be located near the Krishnarajasagar Dam (Mysore State). The site is adjoining Bangalore-Krishnarajasagar Road and Mysore-Belagula-Mercara main road as well as Mysore-Arsikere railway line.

RAW MATERIAL—High Grade printing and writing papers will be produced using sugarcane bagasse as the primary raw material. Ample quantities of bagasse will be made available at the proposed paper mill by the Mysore Sugar Company, Ltd., Mandya, which yields about one lakh tons of bagasse annually.

PLANT AND MACHINERY—Negotiations have been completed for purchase of first-class, modern equipment and technical services, from Messrs. Parsons and Whittmore, Lyddon Organisation, New York, London, Paris and their Associates and start-up of the Paper Mill and have guaranteed the performance of the plant. In addition Organisation has subscribed Rs. 62,41,500 to Equity Capital, and shares of the face value of Rs. 100 each have been allotted to them in full.

MANAGING AGENTS—With the consent of the Central Government, the Company appoints Messrs. Bedi & Co. Management Private Ltd., a Managing Agency Agreement effective from 2 October 1958.

NOMINATION OF DIRECTORS—The Government of Mysore, and the Mysore Sugar Company Ltd., are each entitled to nominate a Director to the Board of Directors by virtue of their holding in the Share Capital of the Company. The Industrial Finance Corporation of India is entitled to nominate a Director on the Board of Directors.

INTEREST OF DIRECTORS—Sardar Singh Bedi and Sardar Anup Singh Bedi

Mr. H. L. Nathan, Vice-President of Messrs. Parsons and Whittmore, are also Directors in the Managing Agency Company and as such are interested in the Managing Agency Agreement referred to above. Mr. H. L. Nathan is also interested as a Representative of Messrs. Parsons and Whittmore, who have agreed to supply the necessary plant, and machinery and Technical services to the Company.

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

CAPITAL REQUIREMENTS

	Rs.
Land and Buildings, etc.	24,90,000
Plant and Machinery (including freight, insurance, customs duty, erection, technical services, etc.)	2,90,62,000
Preliminary and Administrative Expenses upto start of production	14,70,000
Contingencies	14,78,000
Interest on Deferred Payments	37,00,000
Total Rs.	3,82,00,000

SOURCE OF FUNDS—The total requirements of Rs. 3,82,00,000 will be met as follows :—

	Rs.
(a) By the issue of Equity Shares	1,40,00,000
(b) By the issue of 7 per cent. Tax-free Redeemable Cumulative Preference Shares	60,00,000
(c) Through Deferred Payments arranged with Suppliers of Machinery	1,82,00,000
Total Rs.	3,82,00,000

ESTIMATE OF PROFITS—The Directors expect a substantial margin of profit after meeting establishment charges and Managing Agents' commission on the basis of the normal selling price of paper. The Company will enjoy the special benefits under the Income-tax Act as regards development rebate and depreciation and exemption from income-tax on profit up to 6 per cent. on the capital employed for the first five years of the Company's operation. The Company will not be liable to pay tax for the first three or four years of its operation, and that after providing for depreciation and preference dividends as well as deferred payments on machinery, etc., the Company expects to pay dividends after the first three years' operation of the plant. Copies of all the contracts, made with and by the Company, Memorandum and Articles of Association, Government consent for the issue of capital, Government permission for establishment of the Industrial Undertaking, etc., are all open to inspection at the Company's registered office.

UNDERWRITING—The entire Preference Share Issue has been underwritten, the names of the Underwriters and the number of Shares underwritten by them being as stated below :—

	Preference Shares of Rs. 100 each
The Industrial Credit and Investment Corporation of India Limited	30,000
Life Insurance Corporation of India	15,000
The Union Bank of India Limited	14,987
Total	59,987

The Directors are of the opinion that the resources of the Underwriters are sufficient to discharge their obligations.

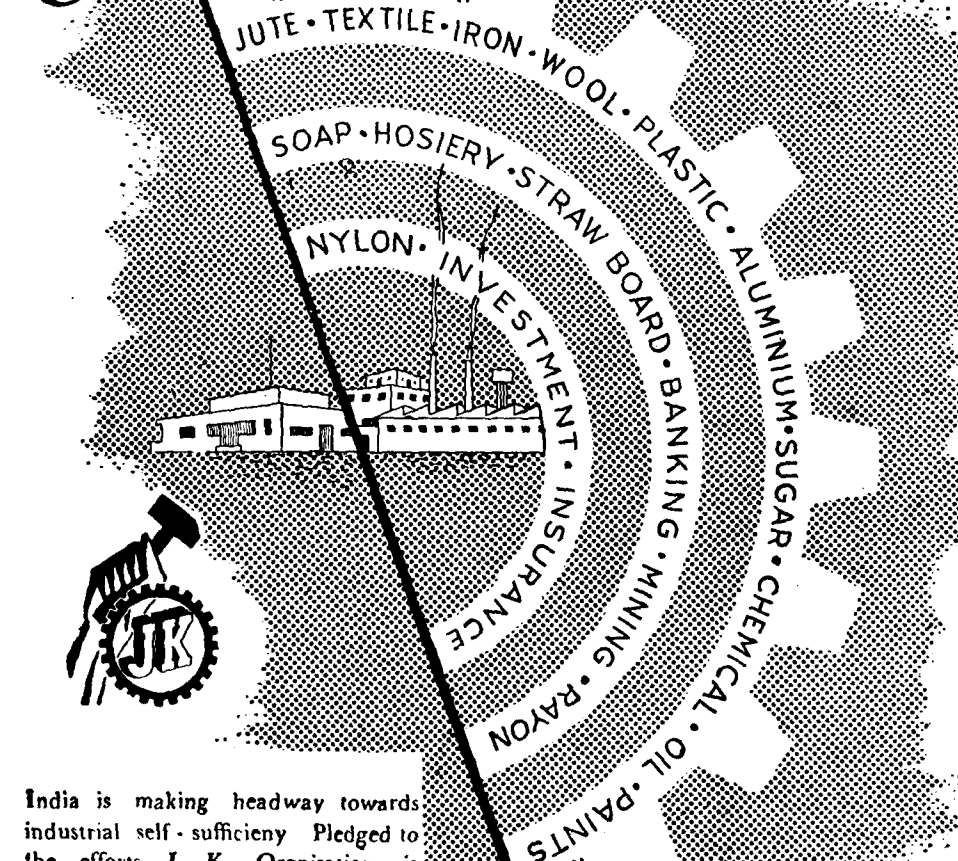
UNDERWRITING COMMISSION—Underwriting commission at the rate of 2½ per cent. of the nominal value of the shares underwritten is payable to the Underwriters, The Industrial Credit and Investment Corporation of India Ltd., the Life Insurance Corporation of India and the Union Bank of India Ltd., respectively, in accordance with the terms and agreement contained in letters dated 22nd September 1958, from the said Underwriters and the Company's acceptance of each of them of the same date.

BROKERAGE—A brokerage at the rate of 15 nP. per Equity Share and Rupee one per Preference Share will be paid on allotments in respect of applications bearing the stamp of a Bank or a member of a Recognised Stock Exchange. Brokerage on the same basis will be payable to the Underwriters, in addition to the underwriting commission, on allotments in respect of applications made or procured by them, provided that the relative forms of application bear their respective stamps.

Messrs. Harbans Singh Mehta & Co., New Delhi, and Messrs. Batlivala and Karani, Bombay, are the Managing Brokers of this Issue and will be in addition entitled to a brokerage of 50 nP. per Share, on 59,987 Preference Shares offered for Public subscription.

All applications for shares must be made on forms accompanying the Prospectus, copies of which may be obtained from the Registered Office of the Company or from the offices of the Company's Brokers, Bankers or Underwriters. The application form together with the remittance for the amount payable on application must be sent to the Registered Office of the Company at 4/3, Kensington Road, Bangalore 1, or any one of the Bankers of the Company at their Head Office or any of their principal branches.

Our Contribution



India is making headway towards industrial self-sufficiency. Pledged to the efforts J. K. Organisation is pioneering in all directions and keeping themselves in the vanguard of progress to usher in the era of Prosperity and Plenty.

J.K. ORGANISATION

KANPUR • BOMBAY • CALCUTTA

INDIA'S GREAT INDUSTRIAL AND COMMERCIAL COMBINE *



Our fleet of sixteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & THE CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST

INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1

Managing Agents :— LIONEL EDWARDS (PRIVATE) LTD.

Special No 1 A Nourishing Tonic For HAIR, BRAIN & BLOOD

RAMTIRTH

BRAHMI OIL.

(AYURVEDIC MEDICINE)

Useful for Eyes, Memory and Sound Sleep. Ramtirth Brahmi Oil is being prepared scientifically with various precious ingredients. Useful to everybody in all seasons.

Price: Big Bottle Rs. 4/- Small Rs. 2/-

YOGIC ASANA CHART is also available from here on payment of Rs. 2/50 nP including Postage to be sent by M. O. only.



SHRI RAMTIRTH YOGASHRAM, DADAR, BOMBAY 14

(Continued on page 627)

DALMIA CEMENT (BHARAT) LIMITED

SPEECH OF MR. V. H. DALMIA

S.T.C.'S SURPLUSES COULD BE USED FOR SUBSIDISING EXPORTS

THE suggestion to take advantage of the considerable demand for cement in the neighbouring countries and step up India's exports by bringing down the export price was made by Mr. V. H. Dalmia, Chairman, Dalmia Cement (Bharat) Ltd. in the course of his address at the Seventh Annual Meeting of the Company held at Dalmiapuram on 30th September 1959. He added that surpluses earned by the S.T.C. could be used for subsidising the export of cement.

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

"GENTLEMEN,

"I welcome you to the seventh annual general meeting of your Company. As evident from the audited accounts for the year 1958, the working results during the last year received a setback and the profit declined compared to the performance in 1957. The reasons for this decline have been explained in the report of the Directors which, along with the accounts, has already been circulated. During the current year, however, there is improved production and despatches in all departments. I am also glad to inform you that the installation of the third cement kiln is practically complete. Last year, I had indicated that the expansion will be completed in early 1960. The commissioning of the new kiln well ahead of the schedule is a matter of great satisfaction and the credit goes to the officers, staff and workers, whose sustained efforts has made this possible.

"For several years, we have been making efforts in collaboration with influential business friends in Japan to develop the export of very high grade iron ore from the rich and extensive deposits in your Company's mines in the Bellary-Hospet area. As you are, perhaps, aware, the exports of iron ore have since July 1956 been canalised entirely through the State Trading Corporation of India Limited and we have since then endeavoured to the best of our ability to assist the Corporation in such exports. As mentioned in your Directors' report, over one lakh tons of iron ore from our mines have been shipped since December 1958 to Japan and further orders are in process of execution. I would add that our efforts in this matter have been directed essentially towards a target for a long-term arrangement for the additional exports of high grade iron ore over a period of several years and thus towards the furtherance of foreign exchange earnings.

Manufacture of Dead Burnt Magnesite

"I made a mention last year regarding the plant which was then under installation at Salem for the manufacture of dead burnt magnesite. Your Company has entered this business by becoming a two-thirds partner in the firm Messrs. Dalmia Magnesite Corporation, which has undertaken this project. Orissa Cement Limited and Dalmia Cement Limited, two of the former partners of this firm, have retired from the partnership. I am glad to inform you that the plant went into production in January this year. Sales of dead burnt magnesite have commenced and supplies are being made principally to the steel and refractory industries. Some export has also taken place and efforts are being made to develop an export market with a view to possible expansion of the production by installation of a second kiln.

"The announcement about the revision in the ex-works price of our cement is overdue and is expected any time. The increase will not in any way affect the public selling price of S.T.C. When the new price is notified, we might be required to submit supplementary bills to the S.T.C. for the past period in case, as is likely, the increase is allowed by the Government with retrospective effect.

S.T.C.'s Profit

"In my speech last year, I had referred to the surpluses which are being earned by the S.T.C. over the sale of cement. The accounts for the year ended 30th June 1958 show a further surplus of Rs. 4.10 crores, which is reported to

have been remitted to the Government of India. These surpluses should be used for the benefit of the cement industry. We were told once that these amounts will be utilised on the development of national highways. Very little appears to have been done in this respect. These moneys should be available to subsidise the export of larger quantities of cement, which not only mitigate the problem of surplus production but also earn much needed foreign exchange. There is considerable demand for cement in the neighbouring countries, but we have to bring down our export prices if we are to compete in the world market and make headway. I hope every effort will be made to augment the exports of cement. You will be glad to know that your cement is being regularly exported to Ceylon and has established a distinct reputation for itself in that country.

Income-tax Assessment

"There is an important point connected with income-tax assessments, to which I would like to refer. Under the Law, as it is at present, the Income-tax Officer while computing the taxable income has wide powers to hold that a particular expenditure was not commercially expedient and to disallow it for the purposes of tax assessment. This power is being exercised in assessments of business incomes, in a very arbitrary manner causing hardships, as well as harassment to the taxpayer. Whether a particular expenditure is commercially expedient or not can be best judged by the person running the business and there should be no question of the Income-tax Department sitting in judgment over it. The main purpose of the taxing authorities is to check any evasion of taxes and in keeping with this objective, if any expenditure is found to be in the nature of tax evasion, the assessing authority may have the power to question such expenditure. Their authority should be limited to this extent. No expenditure should be disallowed unless the assessing authority clearly comes to the conclusion that the said expenditure is not a bona fide expenditure but a device to evade tax. An amendment of the law is necessary to protect the taxpayer from avoidable harassment and from taking recourse to appeals thus wasting time and money, which can be better utilised in other productive work.

"Numerous instances have occurred where assesses have been subjected to such harassments and in some cases even double taxation

has been resorted to on the same income, once by taxing the amount by disallowing the same in the hands of the payer and at the same time taxing the recipient also on the same amount. This is grossly unfair. Even expenses and arrangements which are accepted by specialised price fixing authorities like the Tariff Commission are disallowed and ignored and the relative amounts added to the income and taxed. Items not forming part of revenue are treated as revenue and taxed. The Finance Minister has recently spoken strongly against harassment of the taxpayer, whether intentional or unintentional. He has also said that where rules and regulations are such that they cause harassment to the taxpayer, such rules should be reconsidered and changed. People do not mind paying the taxes if legitimately assessed and recovered. I hope that the difficulties to which I have referred will be duly considered and the relevant rule suitably revised.

Labour Trouble

"I made a mention at the last annual general meeting about the serious labour troubles in 1957-58 at Dalmiapuram arising from inter-union rivalries. The result has been less production and loss of profits. It is your Company which has suffered most. In 1957, when we entered into a three-year agreement with the labour, we agreed to pay three months' basic wages as bonus for each of the three years 1957, 1958 and 1959 on the understanding given by the union that industrial peace will be maintained. The workers have been demanding that, even though they did not maintain peace, production suffered and the Company was put to heavy loss of profits due to their inter-union conflicts, they should be paid full bonus for 1958. The Company is resisting this demand, which on the face of it is most unfair, and the matter is now pending before the Madras High Court. During the current year, by and large, peaceful conditions have prevailed except for a brief strike in February.

"In the end, I wish to thank you for coming and hope that you will continue to take active interest in the affairs of your Company and give us the benefit of your views and suggestions. The accounts and Directors' report, having been circulated, will, with your permission, be taken as read and the meeting will now proceed to transact the business on the agenda."

N.B.—The above extract of the speech does not purport to be the report of the proceedings of the seventh annual general meeting of the Company held on the 30th September 1959.

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines)

— MADURAI —
SOUTH INDIA

Telegrams: 'Harvey'

MILLS AT MADURAI, TUTHICORIN AND AMBASAMUDRAM

5,00,000 Spindles

Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEALDS — CANVAS — TAPE

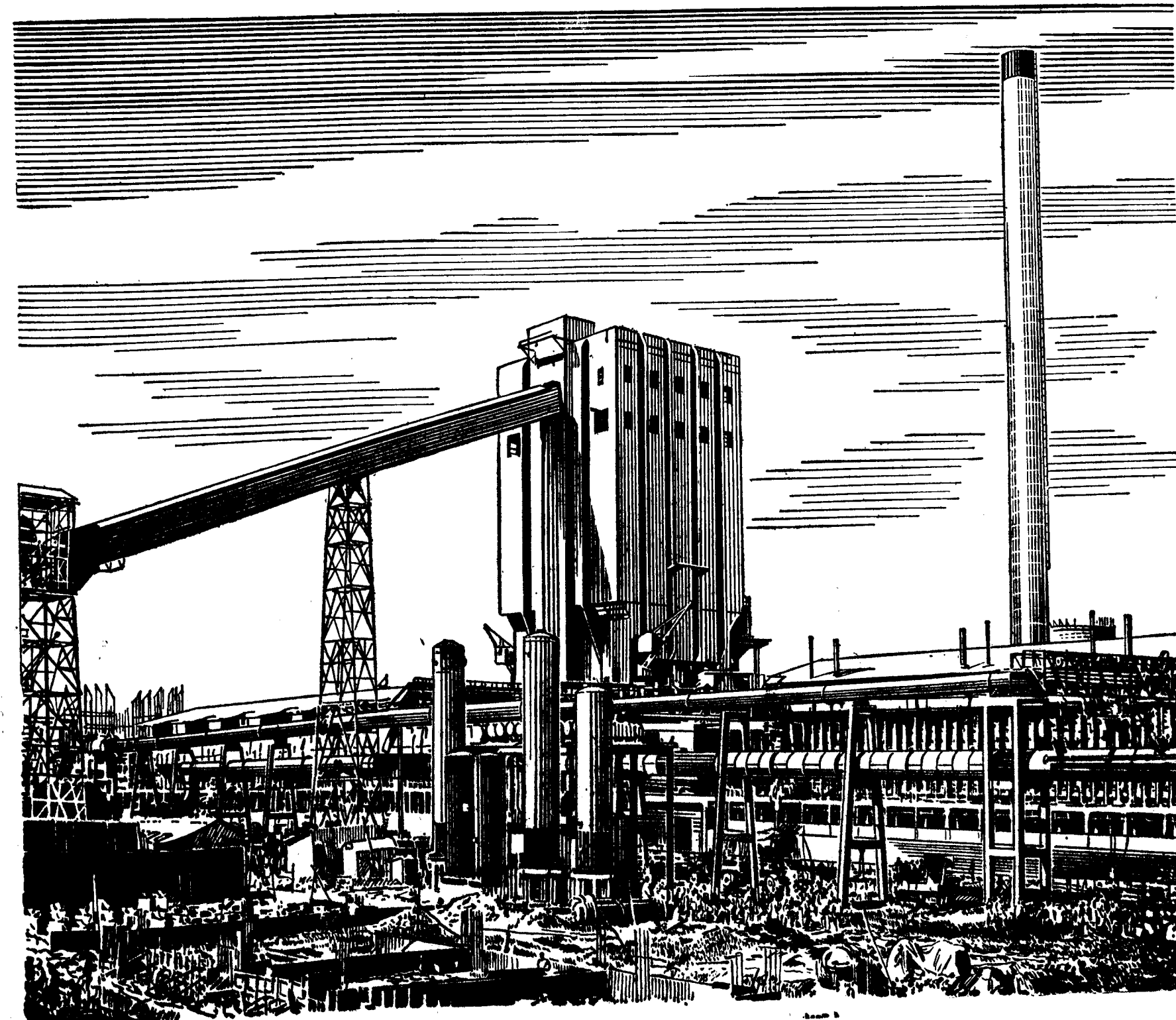
BELTING DUCK — TYRE CORD — SEWING THREAD

MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines)

Telegrams: 'HARVEY'



The lighting-up of the Coke Oven battery No.1 marks a new stage in the progress of the Durgapur steelworks

With the lighting-up of the Coke Oven battery No. 1 on 24th August, the Durgapur steelworks of Hindustan Steel Limited enters a new stage. ISCON is proud to announce that work on this battery has been completed nearly ten weeks ahead of schedule. When the process of gradually heating up the battery to operating temperature is completed, the Coke Ovens will be ready to supply coke for the first blast furnace to produce Durgapur's first pig iron.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Shree Carves Ltd. Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. The Wellman Smith Owen Eng. Corp. Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. The Cementation Company Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PSIC 9

At a time when productivity is a much-discussed topic of national importance, the publication (*Principles and Practice of Productivity* by Mr. R. G. Gokhale, Labour Officer of the Mill-owners' Association, Bombay. Pages 92. Price: Rs. 4.50) lucidly expounding the principles and practice of productivity, comes as a timely addition to the growing literature on the subject. Mr. Gokhale has taken pains to piece together information regarding the technical, economic and human aspects of productivity changes found scattered in various technical books and journals and presented an integrated account of productivity problems. The author has made special reference to the textile industry in Bombay and compared its productivity levels with those of Lancashire. He has also made some pertinent suggestions for improving the productivity of the textile mills in Bombay. Some useful appendices and a bibliography have also been included.

ENCOURAGING PERFORMANCE OF ROHTAS SHARP RISE IN EARNINGS—DIVIDEND RAISED SLIGHTLY

THE Rohtas Industries Limited (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) has done exceedingly well during the year ended 31st March 1959. Its turnover and earnings have both gone up substantially as compared with those for the previous seventeen months ended March 1958 (the Company's financial year-end was changed from October to March). Although there has been a setback in cement output, the overall production in the different manufacturing units shows an improvement. Sale proceeds of manufactured goods have increased from Rs. 14.87 crores to Rs. 15.06 crores. The gross profit shows a marked rise from Rs. 1.96 crores (for the seventeen months ended March 1958) to Rs. 2.90 crores for the year under review. It is more than twice that (Rs. 1.42 crores) earned in the twelve months ended October 1957.

In consonance with the rise in earnings, the remuneration for managing agency has also risen from Rs. 7.34 lakhs to Rs. 15.50 lakhs and the provision for taxation from Rs. 10 lakhs to Rs. 55 lakhs. The provision for depreciation has also been raised from Rs. 83.31 lakhs to Rs. 86.06 lakhs. After making these provisions, the net profit, at Rs. 1.33 crores, is Rs. 38 lakhs more than that for the previous period and Rs. 80 lakhs higher than that for 1956-57. The distribution to ordinary shareholders has been raised slightly from 14.1 per cent. per annum (Rs. 2 per share of Rs. 10 each for 17 months) to 15 per cent. per annum (Rs. 1.50 per share) and this is to be paid on a higher capital raised during the year under review by the capitalisation of Rs. 22.80 lakhs from the reserves. If, however, the Directors have not chosen to recommend a still higher dividend, it is presumably because of the need to conserve the resources to finance the Company's expansion programmes, as also on account of the allocation of a large sum for distribution as bonus to workers including that relating to previous years.

Whereas last year, the Directors had added a sum of Rs. 13.15 lakhs to the development rebate reserve and Rs. 83.12 lakhs to the general reserve No. 2 and paid the dividends on ordinary and preference shares (amounting to Rs. 53.27 lakhs) from general reserve No. 1, there is a slight variation in the appropriation this year. They have transferred Rs. 16.30 lakhs to the development reserve and Rs. 47.27 lakhs to the general reserve No. 1 before utilising Rs. 43.03 lakhs for distribution of dividends. The bonus to employees amounts to Rs. 28.50 lakhs (including Rs. 13.50 lakhs relating to previous years).

The progress in the Company's various manufacturing units is fully reflected in the following comparative table:

	12 months ended Oct. 1956	17 months ended Mar. 1958	12 months ended Mar. 1959	April to July 1959
Paper Tons	22,225	42,308	47,180	17,672
Cement	880,276	895,178	278,157	96,515
Clinker	319,958	419,709	270,416	96,414
Asbestos cement ..	7,626	14,558	10,449	8,349
Sugar* Mds.	322,704	602,458	888,254	31,900
Cautic soda Tons	1,774	2,575	4,092	1,618
Vanaspasi	8,758	11,407	8,876	4,661
Power generated— Million units	98.1	184.6	100.1	81.7

* The figures relate to the accounting year and, therefore, do not tally with those referred to below which relate to the sugar season.

The production of cement, according to the Directors, was affected by the inability of the State Trading Corporation to arrange despatching orders for keeping the plant in full production. There was also a general slackening of demand for cement. The Directors, however, add that the demand since the first quarter of 1959 has picked up and the Company's output also has been increasing. The other adverse factors which affected the cement section was the unremunerative price fixed by the Government and the higher cost of production brought about by the curtailment of output and a rise in railway freight and price of coal.

Thanks to the completion of modernisation and expansion schemes, the Company has been able to achieve production of paper and boards and of caustic soda to the rated capacity. The Company is now the largest producer of papers and boards in the country, accounting for a fifth of the total production of the industry. Efforts are being made by the Company to specialise in

the manufacture of high quality papers, but the Directors feel that the success of such efforts depends to a large extent on the price recommended by the Tariff Commission and to be announced by the Government of India. The Company is also considering the question of increasing further the capacity of the pulp and paper units.

The working of the Company's sugar factory shows an all-round improvement. The quantity of cane crushed, the recovery and sugar produced were all higher during the 1958-59 season at 4,126,602 maunds, 9.84 per cent. and 410,102 maunds, as against 3,740,358 maunds, 9.59 per cent. and 362,238 maunds, respectively, in the 1957-58 season. The crushing during the coming season is expected to be still higher. The interim recommendation of the Central Wage Board for sugar industry to raise the minimum wage from Rs. 55 to Rs. 58 and to increase the salaries and wages of employees does not affect the Company, as the wages and salaries paid by it are already higher than those recommended by the Wage Board.

The Company has spent Rs. 71.20 lakhs on additions to fixed assets during the year under review. This is on top of the huge sum of Rs. 3.44 crores expended in the previous seventeen months, thus bringing the gross value of the block account to Rs. 14.55 crores. The depreciation provided so far aggregates Rs. 5.53 crores, so that the net block as at the end of the year stands at Rs. 9.02 crores. The other assets amount to Rs. 7.16 crores. The Company has a large loan liability; it is of the order of Rs. 6.79 crores. Of this, debentures account for Rs. 2.22 crores, loans from banks for Rs. 3.94 crores and other loans for Rs. 62.65 lakhs. The other liabilities and provisions amount to Rs. 3.63 crores. These leave a net asset of Rs. 5.76 crores, represented by a paid-up capital of Rs. 3.56 crores and reserves and surplus amounting to Rs. 2.20 crores.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 25.94 cum-div. On an ex-div. basis, the shares provide a yield of 6.1 per cent. per annum, free of income-tax.

(Concluded from next column)

Rs. 3.33 crores, of which nearly 50 per cent. (Rs. 1.50 crores) represents investments in the wholly-owned subsidiary, Dalmia Cement Ltd.

The Rs. 10 paid-up shares of the Company are being currently quoted at Rs. 10.60 cum-div. On an ex-div. basis, they offer a yield of 10.4 per cent. per annum, free of tax.

NEW STANDARD ENGINEERING

The New Standard Engineering Company, Ltd., has earned a gross profit of Rs. 6.70 lakhs during the year ended 31st March 1959. This compares very favourably with that of Rs. 1.42 lakh earned in 1957-58. This substantially higher profit, together with the general reserve and surplus amounting to Rs. 3.73 lakhs taken over from the New Standard Engineering Company (Private) Ltd. under the scheme of amalgamation referred to below, has enabled the Company not only to wipe out the previous years' losses (Rs. 4.70 lakhs) brought forward but also declare a maiden dividend. After providing Rs. 1.15 lakh for depreciation, Rs. 1.76 lakh for taxation and Rs. 33.626 for development rebate, the Directors have declared a dividend of 9 per cent. for the year under review.

The Company (formerly known as Burjorji Pestonji and Sons Private Ltd.) was converted into a public limited concern on 20th May 1959. During the year under review, the Company took over the assets and liabilities of the New Standard Engineering Company (Private) Ltd. as from 1st October 1958 under a scheme of amalgamation.

The Company has three factories in Bombay and manufactures structural steels, machine tools, foundry plant, industrial plant, mild steel doors and windows, railway signalling and interlocking equipment and textile machinery. As the existing factories are working to capacity and offer no scope for expansion at their sites, an extensive site has been chosen at Goregaon (Bombay) to set up a heavy manufacturing and processing industry, capable of serving the requirements of the building industry and Indian railways. This will have an initial capacity of 8,400 tons per year. Eventually, this will be raised to 12,000 tons per annum. In order to finance this programme, the Company proposes to issue the unsubscribed portion of the equity capital to the existing shareholders. The authorised capital of the Company is Rs. 1 crore, of which Rs. 22.28 lakhs in equity shares of Rs. 100 each have so far been issued.

SETBACK IN DALMIA CEMENT'S RESULTS SHAREHOLDERS GET LESS

IN distinct contrast to the experience of Orissa Cement Ltd., the performance of the Dalmia Cement (Bharat) Ltd. (another concern in the Dalmia group), during the year ended 31st December 1958 has been disappointing. The earnings have suffered such a sharp setback—the gross profit has dropped from Rs. 57.90 lakhs earned in 1957 to Rs. 38.48 lakhs—that the Directors have been obliged to prune the dividend from 12 per cent. to 10 per cent. on ordinary and deferred shares. This is, however, on an increased capital raised by the issue of 217,788 ordinary shares recently. With the cut in ordinary dividend, the preference dividend has also been reduced from 7 per cent. to 6 per cent. (The Company's preference shares do not carry any fixed interest, but they are entitled to a minimum dividend of 6 per cent. and a maximum of 9 per cent., the variations between these limits depending upon the ordinary dividend.) Even to make this lower distribution, the Directors have had to draw a sum of Rs. 6.50 lakhs from the dividend equalisation reserve.

The decline in earnings has brought the gross profit of the Company to the lowest level since the assets of the Company in Pakistan were separated and a new concern under the present name was formed in 1952. The net profit has nearly halved itself from Rs. 21.13 lakhs to Rs. 11.45 lakhs, which too is the lowest level touched so far. The net profit is supplemented by Rs. 5.76 lakhs drawn from the rehabilitation reserve—this is on top of Rs. 12.74 lakhs withdrawn last year—and Rs. 6.50 lakhs from the dividend equalisation reserve. A sum of Rs. 5.21 lakhs has been transferred back to the rehabilitation reserve and of Rs. 3.30 lakhs utilised to create a development rebate reserve.

The three main reasons for the disappointing results given by the Directors are: (1) the price fixed by the Government of India for the Company's cement is uneconomic; (2) there has been a decline in cement production from 279,360 tons to 233,636 tons, resulting largely from labour strike; and (3) there has been a rise in cost of production due to wage increase and higher fuel and power costs. The Company, however, made a representation to the Government of India for a suitable increase in the price of its cement. The Tariff Commission, which examined the question in the light of the Company's expansion programme which will be completed soon, is said to have submitted its report.

The installation of a third cement kiln with a capacity of 500 tons per day is practically complete, well ahead of schedule. When the new plant goes into full production, the rated capacity for production of cement at the Dalmiapuram works will be 412,000 tons per annum. The Company has been successful in securing substantial orders for the supply and export of iron ore from its mines in the Bellary-Hospet area and, since December 1958, it has shipped over 100,000 tons to Japan, where, on account of the high quality, the Company's ore is said to be in good demand. The Company is making all efforts to develop and expand this business. The demand for the Company's ceramic production continues to be satisfactory. The Company has acquired a two-third partnership in Dalmia Magnesite Corporation at Salem. Production of dead burnt magnesite has commenced and the Directors anticipate a great demand for this product at home and in export markets. In fact, some quantity has already been exported. If the plans for expanding the export market succeed, the Company may install a second kiln.

The Company's paid-up capital as at the end of 1958 is Rs. 2.11 crores. This has since been raised to Rs. 2.33 crores by the issue of 217,788 ordinary shares of Rs. 10 each at par. The Directors propose to raise the capital further by the issue of 327,928 preference shares of Rs. 10 each. These may not, however, be offered to the holders of the existing equity shares, but are likely to be placed privately. The reserves and surplus stand at Rs. 80.09 lakhs. The total outstanding borrowings are of the order of Rs. 1.25 crores and other liabilities and provisions at Rs. 1.25 crores. The gross block of the value of Rs. 136.21 lakhs has been written down to Rs. 86.03 lakhs. Expenses on construction in progress and cost of machinery in transit aggregate Rs. 91.57 lakhs. The other assets amount to

(Continued in previous column)

EXCELLENT RESULTS OF ORISSA CEMENT DIVIDEND MAINTAINED ON HIGHER CAPITAL

THERE has been an all-round improvement in the working of the Orissa Cement Ltd. (Managing Agents: Dalmia Agencies Private Ltd., Rajgangpur, Orissa) during the year ended 31st December 1958. Production of cement has increased further from 286,971 tons to 349,092 tons, the highest level touched since the Company's plant went into production, though due to certain teething troubles, the output was not up to expectations. The demand for the Company's refractories since the fireclay and silica brick sections of the new plant were commissioned in April 1958 was encouraging and, according to the Directors, the pending orders at the end of the year were for over Rs. 1.73 crores. The gross profit shows a sharp rise from Rs. 65 lakhs (in 1957) to Rs. 84.42 lakhs, which again is a fresh record in the history of the Company. Barring a setback in 1956, the gross profit of the Company has maintained an upward trend since 1952.

Thanks to the substantial additions to the fixed assets during the year, the provision for depreciation has been stepped up from Rs. 19.49 lakhs to Rs. 33.10 lakhs. The provision for taxation has also been raised from a mere Rs. 6 lakhs to Rs. 19.87 lakhs, but this includes a sum of Rs. 4.87 lakhs provided against provisional assessment for 1954. The larger allocations have resulted in a drop in net profit from Rs. 33.45 lakhs to Rs. 25.67 lakhs. Out of this, a sum of Rs. 20.90 lakhs has been utilised to create a development rebate reserve. However, with the huge surplus of Rs. 37.56 lakhs brought in from the previous year, the Directors have been able to maintain the dividend on ordinary shares at Re. 1.50 per share or 15 per cent. (tax-free) on a higher capital of Rs. 1.50 crores raised by the issue of 500,000 ordinary shares of Rs. 10 each at par in August 1958. This absorbs Rs. 22.50 lakhs, that is Rs. 7.50 lakhs more than that paid last year, even after which there is a large surplus of Rs. 18.70 lakhs to be carried forward. The Directors' intention in carrying over such a large surplus without creating a general reserve—the Company has no general reserve at all—is not clear.

The progress of the Company in the last few years is fully reflected in the following comparative table:

	For the year ended 31st December			
	1954	1957	1958	1955
Sale proceeds (including interest)	2,81.50	2,82.28	1,38.58	1,34.57
7 consumption ..	25.50	21.50	21.50	21.50
Operating costs ..	1,28.14	94.78	68.30	64.50
Raw materials, stores and provisions ..	15.14	15.11	25.47	25.47
Consumed ..	64.43	65.00	47.78	60.97
Gross profit ..	5.78	6.08	3.75	5.58
Managing Agency commission ..	98.12	19.49	8.99	9.79
Depreciation ..	19.87	9.00	12.50	15.50
Taxation ..	25.67	33.45	19.49	30.54
Net profit ..	20.90	0.00	0.00	0.00
To reserves ..	0.33	0.33	0.30	0.30
Share provision written back ..	0.99	11.20	..	..
Dividend ..	1.80	1.80	1.80	1.80
14 per cent. preference ..	22.50	15.00	15.00	15.00
Ordinary ..	(15.75)	(15.75)	(15.75)	(15.75)
Carry forward ..	15.75	37.50	11.02	4.26

The Company is making efforts to overcome its teething troubles in the cement plant. The recent cement grinding capacity of the Company is just sufficient for normal clinker production and there is no reserve capacity to cope with any accumulation of clinker. The Directors are, therefore, considering the question of raising the cement grinding capacity.

On the refractories side, only the fireclay and silica brick sections were commissioned in April 1958. The basic refractories plant was to go into production by the end of 1958. The commissioning of the plant was, however, delayed further by the workers' strike from March to July this year. Notwithstanding the strike, the Directors say, the production of cement and refractories has been maintained more or less at the same level as before the strike.

There have been substantial additions to fixed assets to the tune of Rs. 1.49 crores during the year under review, bringing the gross block account at the end of 1958 to Rs. 4.73 crores. The depreciation written off so far is Rs. 1.50 crores, so that the net block is still as high as Rs. 3.23 crores. In addition, expenses on construction in progress amount to Rs. 61.75 lakhs. The other assets aggregate Rs. 1.92 crores. The paid-up capital stands at Rs. 1.50 crores, supplemented by reserves and surplus amounting to

COMPANY MEETINGS AND DIVIDENDS

JOST'S ENGINEERING CO., LTD. Annual General Meeting, Bombay, 19th October 1959. Dividend: 10 per cent. or Rs. 5.00 per share, free of income-tax, payable on and after 19th October 1959. Transfer books remain closed from 5th to 19th October 1959, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, Bihar, 20th October 1959. Dividend: Re. 1.50 per share, without deduction of income-tax. Transfer books remain closed from 6th to 20th October 1959, both days inclusive.

KEMP AND CO., LTD. Annual General Meeting, Bombay, 23rd October 1959. Dividend: Rs. 20.00 per share (includes bonus of Rs. 2.50 per share), on shares of Rs. 200 each, free of income-tax, payable on or after 23rd November 1959. Transfer books will remain closed from 14th to 23rd October 1959, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Chikbanavar P.O., Bangalore District, 23rd October 1959. Dividend: 20 per cent. or Rs. 2.00 per share, free of income-tax, payable on and after 26th October 1959. Transfer books remain closed from 10th to 23rd October 1959, both days inclusive.

MALANKARA RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Kottayam, Kerala State, 23rd October 1959. Dividend: 16 per cent. or Re. 1.60 per share, free of State and Central income-tax. Transfer books remain closed from 7th to 23rd October 1959, both days inclusive.

ALUMINIUM CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 27th October 1959. Dividend: Re. 1.00 per share, or 10 per cent. without deduction of tax, payable on or after 30th November 1959. Transfer books will remain closed from 22nd to 27th October 1959, both days inclusive.

SINGARENI COLLIERIES CO., LTD. Annual General Meeting, Kharatatabad, Hyderabad-Deccan, 27th October 1959. Dividend: 7½ per cent. or Re. 0.75 per share. Transfer books will remain closed from 14th to 27th October 1959, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 28th October 1959. Dividend: 10 per cent. or Re. 1.00 per share, payable from 21st to 28th October 1959, both days inclusive.

MORARJEE GOCULSAS SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 3rd November 1959. Dividend: Rs. 15.05 per share, payable from 9th November 1959. Transfer books remain closed from 8th October to 3rd November 1959, both days inclusive.

MYSORE TOBACCO CO., LTD. Annual General Meeting, Bangalore, 4th November 1959. Dividend: Re. 1.25 per share or 12½ per cent., payable on and after 12th November 1959. Transfer books will remain closed from 26th October to 4th November 1959, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 12th to 27th November 1959, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Interim dividend of Rs. 5.00 per ordinary share (subject to tax), for the year ending 30th November 1959. Transfer books will remain closed from 28th October to 6th November 1959, both days inclusive.

CHERVOT MILLS CO., LTD. Interim dividend of Rs. 4.50 per ordinary share (subject to tax), for the year ending 30th November 1959. Transfer books will remain closed from 19th to 28th October 1959, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Interim dividend of Rs. 5.00 per ordinary share (subject to tax), for the year ending 31st December 1959. Transfer books will remain closed from 23rd October to 2nd November 1959, both days inclusive.

DELTA JUTE MILLS CO., LTD. Interim dividend of Rs. 6.00 per ordinary share (subject to tax) for the year ending 30th November 1959. Transfer books will remain closed from 23rd October to 2nd November 1959, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Interim dividend of Rs. 4.50 per ordinary share (subject to tax), for the year ending 30th November 1959. Transfer books will remain closed from 19th to 28th October 1959, both days inclusive.

HATTEKHIRA TEA CO., LTD. Dividend of 5 per cent. for the year ended 31st December 1958, without any deduction for income-tax payable by the Company.

TRAVANCORE SUGARS AND CHEMICALS LTD. Dividend of 10 per cent. or Re. 1.00 per share (subject to tax), for the year ended 30th April 1959. Transfer books will remain closed from 21st October to 3rd November 1959, both days inclusive.

DEBRAGADHRA CHEMICAL WORKS LTD. Dividend of Rs. 4.00 per ordinary share, for the year ended 31st March 1959. Transfer books remain closed from 1st to 10th October 1959, both days inclusive.

JITAJERAO COTTON MILLS LTD. Dividend of Re. 0.07 per ordinary share, for the year ended 31st March 1959, payable on 6th December 1959. Transfer books will remain closed from 22nd October to 6th November 1959, both days inclusive.

DAVANGHAR COTTON MILLS LTD. Dividend of Rs. 0.00 per share for the year ended 31st March 1959, payable on 9th November 1959. Transfer books will remain closed from 27th October to 9th November 1959, both days inclusive.

COOPER'S ENGINEERING LTD. Dividend of Rs. 0.10 per share (includes bonus), for the year ended 30th June 1959, payable on 6th November 1959. Transfer books will remain closed from 23rd October to 2nd November 1959, both days inclusive.

Notices

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting (being the Sixty-ninth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, 2, Netaji Subhas Road, Calcutta, on 10th November, 1959, at 11-30 a.m., for the following purposes:—

- (1) To receive and consider the Audited Accounts for the year ended 31st March, 1959, the Balance-sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To confirm the Interim Dividend paid on 29th May, 1959.
- (3) To declare a final Dividend.
- (4) To appoint Directors in the place of those retiring.
- (5) To appoint Auditors for the current year and to fix their remuneration.

The Share Register of the Company will be closed from 26th October to 10th November, 1959, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 26th October, 1959.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Managing Agents.

2, NETAJI SUBHAS ROAD,
CALCUTTA, 6th October, 1959.

Note:—(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member.

(2) The dividend, if declared, will be paid on or after the 10th November, 1959, to those shareholders so entitled, whose names appear in the Company's Books on the 10th November, 1959, or to their mandatees.

THE INDIAN CABLE COMPANY LIMITED

THE DIRECTORS HAVE DECIDED TO recommend at the next Annual General Meeting of the Shareholders, Dividends for the year ended 31st March 1959, as follows:—

- (a) Dividend on Cumulative Participating Preference Shares at 12½ per cent. free of Income Tax.
- (b) Cash Bonus on Cumulative Participating Preference Shares at 2½ per cent. free of Income Tax.
- (c) Dividend on Ordinary Shares at 12½ per cent. free of Income Tax.
- (d) Cash Bonus on Ordinary Shares at 2½ per cent. free of Income Tax.

By Order of the Board,
R. J. WOODLEY,
Chairman.

Calcutta, 8th October 1959.

Notices

INDIA STEAMSHIP COMPANY LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Members of the abovenamed Company will be held at the Registered Office of the Company, "India Steamship House," 21, Old Court House Street, Calcutta, on Friday the 27th November, 1959, at 4.00 p.m., in order to transact the following business:—

- (1) To receive the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1959.
- (2) To sanction payment of dividend on Preference Shares as recommended by the Directors for the year ended 31st March 1959.
- (3) To sanction payment of dividend on Ordinary Shares as recommended by the Directors for the year ended 31st March 1959.
- (4) To appoint a Director in place of Sir B. P. Singh Roy, K.C.I.E., who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

The Share Transfer Register of the Company will be closed from Thursday the 12th November, 1959 to Friday the 27th November, 1959 both days inclusive.

By Order of the Board,

A. MUKERJI,
Assistant Secretary,
India Steamship Co., Ltd.

CALCUTTA, 30th September 1959.

The dividend, if sanctioned, will be made payable to those Shareholders whose names stand on the Register of the Company on the 12th November, 1959, and the Dividend Warrants will be posted from 15th December, 1959 onwards.

N.B.—Member entitled to attend and vote is entitled to appoint a Proxy and the Proxy so appointed need not be a member of the Company.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956.

1. In respect of Item No. 4 of the Notice of the Annual General Meeting, Sir B. P. Singh Roy, K.C.I.E., has attained the age of 65 years and hence this needs approval by a resolution of the shareholders in respect of which a Special Notice has been received from a Shareholder in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. Sir B. P. Singh Roy joined the Board of Directors of the Company in 1945. During the long period of his association with the Company he has rendered very valuable service to the Company and it is in the interests of the Company that the Board should avail itself of his valuable advice which is a great asset to the Company, by retaining him as a Director of the Company.

2. In respect of Item No. 5 of the Notice of the Annual General Meeting, a Special Notice has been received from a shareholder of the Company as required by Section 261, proposing that the appointment of Sir B. P. Singh Roy, K.C.I.E., as a Director, be made and/or be approved in accordance with the provisions of the Companies Act. The Managing Agents of the Company, Messrs. Lionel Edwards (Private) Limited, the Managing Agents of the Company and thereby an associate of the Managing Agents, be and is hereby re-appointed a Director of the Company.

- (6) To appoint a Director in place of The Rt. Hon'ble Lord Sinha of Raipur, who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass the following resolution of which a Special Notice as required by Section 281 of the Companies Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, The Rt. Hon'ble Lord Sinha of Raipur who has attained the age of 72 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him.

- (7) To appoint a Director in place of Dr. S. C. Law, M.A., Ph.D., who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass the following resolution of which a Special Notice as required by Section 281 of the Companies

Act, 1956, has been received by the Company and the relative Explanatory Statement concerning which is annexed hereto as required by Section 173 of the said Act.

RESOLVED that pursuant to the provisions of Section 281 of the Companies Act, 1956, Dr. S. C. Law, M.A., Ph.D., who has attained the age of 67 years and who retires by rotation be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for the Directors prescribed under Section 280 of the said Act shall not apply to him.

- (8) To elect Mr. L. T. Gholap, I.C.S., a Director of the Company, who retires by rotation and is eligible for re-election.
- (9) To appoint Auditors and fix their remuneration.

Notice from a Member, notifying his intention to move the resolution as set out in the said item. The Rt. Hon'ble Lord Sinha of Raipur joined the Board of Directors of the Company in 1947. During the long period of his association with the Company he has rendered valuable service to it and it is in the interests of the Company that it should continue to avail itself of his valuable services and advice by retaining him as a Director of the Company.

4. In respect of Item No. 7 of the Notice of the Annual General Meeting, Dr. S. C. Law, who retires by rotation and is eligible for re-appointment has attained the age of 67 years and hence this needs approval by a resolution of the Shareholders in respect of which a Special Notice has been given in accordance with the requirements of Sections 190 and 281 of the Companies Act, 1956. The Company has received such Special Notice from a Member, notifying his intention to move the resolution as set out in the said item. Dr. S. C. Law joined the Board of Directors of the Company in 1944. During the long period of his association with the Company he has rendered valuable service to it and it is in the interests of the Company that it should continue to avail itself of his valuable services and advice by retaining him as a Director of the Company.

THE SINGARENI COLLIERIES COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-eighth Annual General Meeting of the Shareholders of The Singareni Collieries Company Limited will be held on Tuesday the 27th October 1959, at 4.00 p.m. at the Registered Office of the Company, "Meher Manzil," Khairatabad, Hyderabad-Deccan (A.P.), to transact the following business:—

1. To confirm the minutes of the Thirty-seventh Annual General Meeting of the Company held on 24th November 1958.
2. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1958.
3. To sanction the declaration of a Dividend.
4. To note the Charities and Donations paid by your Directors.
5. (a) To appoint Directors in place of Shriyuts T. M. Jagtiani, C. Damodar Reddy and Syed Kazim, who retire in accordance with Section 256 (1) and (2) of the Companies Act 1956 and Article 93 of the Articles of Association of the Company and are eligible for re-election.
(b) To appoint Director in place of Shri P. M. Nayak who retires under Article 98 of the Articles of Association of the Company and is eligible for re-election.
6. To note that sanction of the Central Government, under Section 619 (2) of the Companies Act, 1956, has been requested for the appointment of M/s. S. B. Billimoria & Co., as Auditors of the Company for the current year on a remuneration of Rs. 7,000 plus travelling and out-of-pocket expenses.
7. To transact any other business that may be brought forward by the Chairman.

Notes: 1. The Transfer Books of the Company will remain closed for the purpose of Dividend from 14th to 27th October 1959 (both days inclusive).

2. Subject to the Directors' recommendation being accepted, Dividend Warrants will be posted on 27th November 1959.

3. Shareholders are requested to give immediate notice to the Company of any change of address.

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

By Order of the Board,
R. DWARKA PERSHAD,
Secretary,
The Singareni Collieries Co., Ltd.

"MEHER MANZIL",
KHAIRATABAD P. O.
HYDERABAD-DN. (A.P.), 28th September 1959.

MONEY STRINGENT

(From Our Own Correspondent)

BOMBAY, 7th October
The short-term money market has turned stringent again this week following the heavy subscriptions to the Industrial Finance Corporation's bond issue, which opened its list on Monday, the 5th inst. and closed on the same day on being oversubscribed. The total amount subscribed was Rs. 6.53 crores as against an invitation for Rs. 5 crores. The shortage of floating funds in the market has caused a sharp rise in the inter-bank call money rate from 1½ per cent. last week-end to 3½ per cent. among the exchange banks and big Indian banks. The corresponding rate among the smaller banks has hardened from 2 per cent. to 3½-4 per cent. There has been no change in the short-term deposit rates. House money at seven days' notice is being offered at 3 to 3½ per cent. and short-term deposits for one to six months at 3 to 3½ per cent.

The list for the 12-year 4 per cent. Industrial Finance Corporation bond issue for Rs. 5 crores was opened on Monday the 5th inst. and closed on the same day. As already stated, the response was encouraging, in that the subscriptions aggregated Rs. 6.53 crores. This amount is, however, considerably less than that (Rs. 8.39 crores) offered last year for the 4½ per cent. issue for Rs. 4 crores. Subscriptions up to and including Rs. 10,000 will receive full allotment, while other subscribers will receive allotment at about 84 per cent., subject to a minimum allotment of Rs. 10,000.

The 91-day Treasury Bill rate is, however, unchanged at 2.440 per cent. per annum, though the amount offered, at Rs. 2.25 crores, was Rs. 25 lakhs more than that in the previous week, against an invitation for Rs. 2 crores. Tenders have been invited for a further sum of Rs. 2 crores next week. There were no sales of Intermediate Treasury Bills during the period from 30th September to 1st October. These bills are, however, being offered this week at the same rate as last week.

The Reserve Bank of India statement for the week ended 2nd October 1959 discloses a small expansion of Rs. 7.24 crores in notes in circulation and a fall of Rs. 7.31 crores in notes held in the Banking Department. There is no change in rupee securities and foreign securities, but balances held abroad have recorded a further drop of Rs. 1.92 crores, bringing down the total foreign exchange reserves to Rs. 178.98 crores. There has been an increase of Rs. 5.54 crores in deposits of banks and a fall of Rs. 7.80 crores in deposits of other Governments. Loans and advances to Governments are higher by Rs. 2.26 crores and other loans and advances by Rs. 5.07 crores. Investments have shrunk by Rs. 3.39 crores.

A further fall of Rs. 5.18 crores in demand deposits of banks and a rise of Rs. 3.70 crores in their time deposits are disclosed by the Scheduled Banks' statement for the week ended 25th September 1959. Borrowings from the Reserve Bank are lower by Rs. 4.35 crores. Bank credit shows a contraction of Rs. 6.92 crores. There has been a substantial rise of Rs. 24.61 crores in the investment portfolio of banks, of which the State Bank of India alone accounts for Rs. 20 crores. While cash balances have shrunk by Rs. 10.57 crores, money at call and short notice is higher by Rs. 3.58 crores.

The gilt-edged market rules steady. Though there has been no marked rise in prices of securities, except the increase in official buying and selling prices of some issues, the demand from institutional investors for short and medium-dated loans continues. A notable development of the week is the increase in the Reserve Bank's selling rate for 3½ per cent. 1968 and 1969 by 5 nP to Rs. 99.60 and Rs. 99.40, respectively, and its subsequent cessation of the sale of 3½ per cent. 1967, 3½ per cent. 1968 and 3½ per cent. 1967 loans. This action is considered in market circles as a prelude to the issue of two more loans by the Central Government shortly.

3 per cent. Conversion Loan is unchanged at Rs. 74.90, while 3 per cent. 1970-75 has shot up by 35 nP to Rs. 93.10. 3 per cent. 1966-68 has gone up by 10 nP to Rs. 96.05. 2½ per cent. 1961 has hardened by 5 nP to Rs. 98.23. State loans continue to be in good demand, but there are no variations in prices.

There has been a two-sided movement of the rupee in terms of the U.S. dollar, in sympathy with a similar trend in sterling abroad. Banks' selling rate for T.T. on New York, after an initial drop from Rs. 477.75 to Rs. 477.25, has risen to Rs. 477.50. Their buying rate, which had declined from Rs. 474.25 to Rs. 473.75, has again moved up to Rs. 474.25. In New York, spot sterling rose early in the week from 280.25-280.28 cents to 280.46-280.49 cents, but soon fell back to 280.27-280.30 cents. Three months' forward gained from 280.56-280.59 cents to 280.87-280.90 cents before dropping to 280.66-280.69 cents.

TANNED HIDES STEADY

(From Our Own Correspondent)

MADRAS, 5th October
The tanned hides market ruled steady during the week. Importers were not keen buyers and weights were in good demand, as also top selections in other weights, while sellers were only interested in selling all grades together. Trading as a consequence, was slow. There was some demand for buff calf at high prices from the Continent. Tanners sharply increased prices in the raw centres. Buffalo hides ruled quiet, as the U.S. buying was negligible.

Tanned goat superior marks, especially lights and mediums, were in great demand and importers paid 3d. to 6d. advance on selected marks which upset the prices in all the raw centres. Tanned goat 11/12 lbs. up were slow to move.

BULLION STRONG

(From Our Own Correspondent)

BOMBAY, 7th October
A distinctly firm trend prevailed in the bullion market during the major part of the week under review. Both gold and silver met with good buying support induced by expectations of an improvement in offtake in the next few weeks. The continued hardening tendency of commodities also strengthened the tone. Occasionally, there was also some fresh buying in silver from Calcutta operators. Consequently, the two metals registered a rise in values, today's closing rates being higher than those on Wednesday last. The net gains over the week would have been more handsome but for a setback yesterday, following new offerings.

A section of bullion traders is inclined to feel that the prices of gold and silver would appreciate quite markedly in the next busy season. This view is based on four important grounds. First, many persons prefer to keep their savings in the form of precious metals as a hedge against inflation gathering further momentum following the Government's persistent policy of deficit financing. Secondly, arrivals of contraband gold from the Persian Gulf countries and of silver coins from Tibet have virtually ceased. Thirdly, the continued increase in prices of agricultural commodities will lead to enlarged demand for the metals from rural areas. And, fourthly, the volume of profits in black markets has been increasing, thanks to stringent import restrictions and controls on scarce commodities like sugar. A good part of these profits is expected to be invested in precious metals. As against these factors, however, there is one serious limitation, namely, the impoverishment of people caused by the destructive floods in several parts of the country. This development may not only affect the buying capacity in rural areas but also cause distress selling of gold and silver.

October settlement in gold opened the week firm at Rs. 122.3 as against Rs. 122.1, and spurted to touch a high of Rs. 124.3 on Monday, the 5th inst. After declining to Rs. 123.6 yesterday, it recovered to Rs. 123-12.6 today, before finishing at Rs. 123-7. The net gain over the week was Re. 1-6. November settlement, after advancing from Rs. 122-5-6 to Rs. 124-1, eased to Rs. 123-10 today. Towards the close, it was higher at Rs. 123-14-6. The carry-forward rate for October settlement was against bulls throughout the week, the rate actually widening from As. 6 last week to As. 7-6.

Ready gold evoked good demand and moved up from Rs. 121-10 to Rs. 123-14 on Monday. Thereafter, it declined to Rs. 123-1 yesterday. After improving again to Rs. 123-8-6 today, it finished lower at Rs. 123-3. The daily average arrivals of gold were 4,250 tolas, while the offtake was 3,300 tolas. The floating stocks of gold are estimated at 70,000 tolas.

Under the impetus of good buying orders, October settlement in silver strengthened from Rs. 204-8 to Rs. 206-4 on the 5th inst. At this level, some profit-taking set in and the settlement receded to Rs. 205-2 yesterday. After recovering to Rs. 205-8 today, it closed at Rs. 205-14. November settlement fluctuated between Rs. 205-14 and Rs. 207-3 before finishing at Rs. 205-13. The carry-forward rate against bulls in the October settlement widened in the course of the week from As. 13 to As. 15 today. Business in December settlement commenced at Rs. 206-15 yesterday. After improving to Rs. 207-3-6, the settlement finished easy at Rs. 206-7.

Ready silver was well supported, the quotation rising from Rs. 203-12 on Wednesday last week to Rs. 205-10 on the 5th inst. After declining to Rs. 204-9 yesterday, it recovered to Rs. 205 before closing at Rs. 204-6. The daily average arrivals of silver were 28 bars and 9 bars, respectively. The floating stocks are reported to be around 800 bars.

Ready and forward silver in the London bullion market registered notable gains, the former advancing from 79d. to 79½d. per ounce and the latter from 78½d. to 79½d. Silver in New York, however, was unchanged at 91.375 cents per ounce. Ready gold in London eased from 250s. 8½d. per ounce to 250s. 5d. on the 2nd inst., but recovered to 250s. 6½d. yesterday, owing to the easiness of the pound sterling vis-à-vis the dollar. The latest available world price for gold in London is \$35.11½-\$35.13½ per ounce, as against \$35.12-\$35.14 last week.

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

	7-10-59	Highest	Lowest	30-9-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready Gold (99.99 Min)	123 8	123 14	121 10	121 10
Forward " "	123 7	124 3	122 0	122 1
Sovereign " "	78 12	78 12	78 4	78 4
Ready Silver (99.99 Min)	204 6	205 10	203 6	203 12
Forward " "	204 14	206 4	204 2	204 8
London Silver Ready	79½d.	79½d.	79d.	79d.
London Forward	78½d.	79½d.	78½d.	78½d.
London Gold	250s. 6½d.	250s. 7½d.	250s. 5d.	249s. 8½d.
New York Silver	91.375c.	—	—	91.375c.

* 17th October settlement. † 10th October settlement.

Tanned sheep middle class was firm and others were unchanged.

Shipments during September were: To the U.K.: 2,918 bales tanned cow hides, 220 cow calf, 54 buff hides, 227 buff calf, 517 goat and 477 sheep; To Continent: 211 cow hides, 103 cow calf, 47 buff calf, 559 goat and 318 sheep; To the U.S.: 2 cow calf, 139 buff, 50 buff calf, 95 goat and 38 sheep; To Japan: 171 sheep.

COTTON FUTURES EASE AFTER EARLY FIRMNESS

(From Our Own Correspondent)

BOMBAY, 7th October
The easy trend noted in the cotton futures market towards the end of last week was arrested during the week under review. Under pressure of heavy buying, futures values firmed up in the first half of the week although, towards the close, they again tended to ease. The market seemed to have ignored the fresh import quota for 100,000 bales of cotton 1-3/16" and above staple announced on the 2nd inst. and the release of 80,000 bales out of the previous quota of 140,000 bales. Even the promise that another 200,000 bales of U.S. cotton would be released as soon as an agreement between India and U.S.A. under P.L.480 was finalised was overlooked. The imposition of heavy margins on oilseeds last week also failed to have any effect on the cotton market. After a temporary decline, following the quota announcement, the market rallied as the quota fell short of trade expectations. Operators were of the view that this would not make any substantial impression on spot prices which were ruling at, and in some cases above, the ceiling. The improved tone of the yarn and piecegoods market and the rising mill consumption of Indian cotton—consumption in August at 378,941 bales was higher than that in the previous month by 8,551 bales, making the total for the season (1958-59) 4.6 million bales, as compared with 4.3 million bales in the previous season—indicated the possibility of a further improvement in textile activity in the coming months and better demand for cotton. Investment buying and speculative support prompted by these considerations led to a rise in prices. The Jarilla March contract rallied from the week's opening level of Rs. 722 to Rs. 730.75 on Monday. There was a mild recession thereafter, thanks to profit-taking attracted by the high level. Values moved very narrowly in the subsequent two sessions and closed today on a subdued note.

I.C.C. Moglai Jarilla 1960 opened the week at Rs. 722 improved to Rs. 730.75 on Monday. After declining to Rs. 723 the next day, the contract again rose to Rs. 728.50 today. The finish was, however, lower at Rs. 724.25. The net gain over the week was Rs. 5.25.

Mr. Madanmohan R. Ruia, President of the East India Cotton Association, Bombay, has issued a stern warning against members of the Association indulging in kurb trading. In a strongly-worded circular letter, the President observes that if members wanted longer trading hours they are free to make representation accordingly but that on no account should they resort to unauthorised trading. Failure on the part of members to adhere to the business rules, the circular adds, would make them liable to strict disciplinary action.

In the spot section, demand slowed down slightly. But prices ruled firm. Mills were cautious in their dealings and were generally inclined to await a clearer picture of the crop before entering into firm commitments. Moreover, most of them had covered their immediate requirements and could afford to wait. New crop requirements continued to evoke keen interest although old crop was not as much in favour. Total purchases of new crop to date are estimated at 300,000 bales. Among the varieties which evoked special attention are Punjab 216 F., Wagad and Khamgaon.

Export demand was generally poor. Japan, however, showed some interest in selected varieties and some business was reported in Bengal Deshi. Routine business was also done in Zoda and Yellow Pickings. Satisfactory progress has been made in the utilisation of the recent export quota of 75,000 bales of Bengal Deshi. The quantity registered out of the shippers' share of 67,500 bales is placed at 27,159 bales till the end of September.

The long-awaited import quota announcement has at last been made. A Press note issued by the Textile Commissioner says: Government has decided to release for import immediately 100,000 bales of 1-3/16" staple cotton and above to actual-user mills and hope to release a further quantity of 200,000 bales of American cotton of 1-1/16" and above staple as soon as the agreement under P.L. 480 is finalised which, it is hoped, will be concluded very shortly. Government has also released for import 50,000 bales of 1-1/16" and above from the global area to non-actual-user mills for value on spindleage basis calculated at Rs. 5 per spindle. Government has also released 30,000 bales for import, half of which will be 1-3/16" and above and half 1-1/16" and above but below 1-3/16" in staple from the global area, as retention quota against export entitlement for July-September 1959 quarter under incentive scheme. The trade notices will be issued in due course outlining the procedure for application by mills.

The quota of 100,000 bales of 1-3/16" and above, which is intended to be issued to actual-user mills, is a new quota for the current season. The other 80,000 bales form a part of the quota of 140,000 bales announced a month ago. The announcement was, no doubt, welcomed by the trade although there was disappointment that the quota was smaller than expected.

As regards the varieties that are likely to be imported under the quota for 1-3/16" and above cotton, the impression among traders is that Egyptian cotton stands a good chance of being absorbed, since Egyptian new crop cotton is available for prompt shipment. Sudan may not figure prominently in the picture because the regular Gezira types are reported to have been all sold out and only the comparatively dearer private estate types are available. Some higher grade East African cotton may also be brought in. As regards the 1-1/16" and above cotton permitted, the chances are said to be in favour of selected East African

and Tanganyikan varieties. Some mills, it is said, may also go in for U.S. cotton.

The following are the latest available spot quotations (in rupees per candy of 784 lbs.):

Bengal Deshi 695; Berar Jarilla 795; Hubli Laxmi 990; Jayadhar 895.

The Karachi cotton futures market ruled easy during the week under review. Bearish weather reports and continued slackness of export demand exerted a downward pressure on prices. N.T.R.G. January contract declined further to Rs. 62 from the last week-end rate of Rs. 63-9. The March contract eased by Re. 1-9 to Rs. 62-6. Ready cotton in the spot market was also quoted lower. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Sind Deshi 75; Punjab Deshi 64; 4F Punjab Roller 69; S.G. 70-9; L.S.S. Punjab Roller 70-1; S.G. 71-1; N.T. Roller 74-9; S.G. 81-1; 289F Punjab Roller 71-9; S.G. 75-9.

Conditions in the Alexandria cotton futures market remained more or less unchanged. Export inquiries were few and far between. Domestic demand was small. Values showed only minor changes over the week. The following are the latest available quotations—in tallaris per lb.—from Alexandria:

Karnak: November 70.50; January 71.00. Ashmouni: October 60.50; December 60.09.

Dull conditions prevailed in the Liverpool cotton futures market during the week under review. Values moved in a narrow groove in thin trading. The undertone was, however, steady as mill fixation and local buying found offerings limited. Rise in price was, however, checked by hedge pressure at bulges. Sudan contracts were subjected to selling, thanks to easy Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: October-November 22.00; December-January 21.70; March-April 21.70; May 21.85.

American cotton mixed growth contract: October-November 22.10; December-January 22.05; March-April 22.20; May 22.10.

Sudan: November-December, January-February, May-June 29.45.

Cotton futures in the New York market drifted lower during the week on scattered hedging and liquidation which met with only limited trade support. The selling partly reflected the rapid harvesting of new crop and the reported increase in certified cotton stocks. The more distant positions, however, held steady on spot house support.

The U.S. Department of Agriculture has estimated that U.S. cotton exports this year will be at least 5.5 million bales. Since 1st August, the C.C.C. has sold about two million bales for export but the five million bales held by it on 11th September were said to be still almost two million bales larger than that a year ago.

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

	(In cents per lb.)	6-10-59	29-9-59	22-9-59
Spot	...	32.85	32.90	32.90
October	...	32.34	32.48	32.50
December	...	32.10	32.22	32.38
March	...	32.54	32.64	32.83

IMPORT QUOTA FOR ART SILK YARN RAISED

(From Our Own Correspondent)

BOMBAY, 7th October

Yarn traders have widely welcomed the Government of India's decision to raise the import quota for art silk yarns so far as established importers are concerned from 5 per cent. to 7½ per cent. in the import policy for the current half-year announced on 30th September. The traders have also welcomed the simplification of the procedures governing grant of import licences in certain cases. It is now not necessary for the established importers to submit their applications as before. All that they have to do is to submit their old licences together with the necessary challans. With regard to cotton yarns, the import quota licence remains the same, namely, 7½ per cent.

The enhancement of import quota of art silk yarns and the State Trading Corporation's announcement that it has arranged for the supply of art silk yarns from Yugoslavia on rupee payment, would appear to have had no effect on the market. Instead of staging a retreat, art silk yarns have actually registered a notable rise in prices. The rise is attributed to speculative transactions put through by some interested parties who seem to be having a tight hold on their stocks. In sympathy with art silk yarns, staple fibre yarns have also tended to move up. Cotton yarns ruled fully steady, thanks to firmness of raw cotton and support lent by export houses which are somewhat busy augmenting their stocks of medium counts in which export business with Burma, Singapore and Indonesia were put through recently. There are also reports of encouraging offtake by handlooms and powerlooms in certain areas with a view to meeting the rising festival demand for fabrics. Further, the visit of the three-man trade delegation from Burma has led to hopes of fresh business in cloth and yarn being put through with that country.

The State Trading Corporation, as already mentioned, has arranged for the supply of art silk yarn from Yugoslavia on rupee payment. It will be recalled that the Corporation has already made arrangements for import of yarn from East Germany, Hungary and Egypt. Messrs M. Rane and Sons, Bombay, have been authorised to book orders for art silk yarns as the agent of the Centro-

textil, Yugoslavia. Prospective importers may get in touch with the authorised agent and book orders for their requirements against 24 per cent. of their quota licences. The payment terms in contracts thus entered should specify that the payment for the art silk yarn, whether through letter of credit or payment against shipping documents or otherwise, will be in accordance with the provision made in the protocol in the trade agreement between India and Yugoslavia. The prices are required to be expressed in Indian rupees.

In the art silk yarn section, Cupressa Bamberg yarn (60x2) December contract climbed up from Rs. 1,661 to Rs. 1,675. October contract spurred by Rs. 10 to Rs. 645. Spot Cupressa recorded a rise of 13 nP to Rs. 7.44. Among imported yarns, 150 Japan advanced by 18 nP to Rs. 4.93. 150 Italy rallied from Rs. 4.71 to Rs. 4.81. 120 Japan gained 3 nP to Rs. 5. 120 Italy improved by a like amount to Rs. 4.87. Among indigenous yarns, National Rayons 120 bright cones first grade put on 3 nP to Rs. 4.50. 150 bright cones first grade were fully maintained at Rs. 4.19.

Staple fibre yarns (40x2) October contract met with good support, the quotation hardening from Rs. 700 to Rs. 712. December positions strengthened by Rs. 9 to Rs. 702. Spot Citys and Centurys spurred by 9 nP each to Rs. 3.78 and Rs. 3.81, respectively. Kohnhoors gained a naya paisa to Rs. 3.81. Among imported yarns (80x2), Fujis firmed up by 25 nP to Rs. 8.94. Paramounts rose by 22 nP to Rs. 8.22.

In the cotton yarn section, ten counts Podars were firm at Rs. 14.50. Twenty counts Moderns increased by 50 nP to Rs. 19. Forty counts Minaxis advanced by a rupee to Rs. 26.75. Moderns were unchanged at Rs. 26.50. Sixty counts Moderns and Raghuvamsis were fully steady, the former at Rs. 56 and the latter at Rs. 63. Eighty counts Mahendras rose by a rupee to Rs. 74. Moderns were firm at Rs. 79 and Finlays at Rs. 81.

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

	7-10-59	30-9-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	1,645	1,635
December	1,675	1,661
60/1 Cupressa Bamberg spot (per lb.)	7.44	7.31
120 Japan (per lb.)	4.93	4.78
150 Japan (per lb.)	4.96	4.78
120 Italy (per lb.)	4.81	4.74
150 Italy (per lb.)	4.81	4.71
Staple fibre yarn—		
40x2 October (per case of 200 lbs.)	712.00	700.00
40x2 December	702.00	693.00
40x2 Kohnhoor (per lb.)	3.81	3.80
40x2 City	3.78	3.69
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.50	14.50
20s Modern	19.00	18.50
40s Minaxi	26.75	25.75
60s Finlay	81.00	79.00
80s Mahendra	74.00	73.00

GROUNDNUT STEADY

(From Our Own Correspondent)

BOMBAY, 7th October

Traders in the oilseeds market are eagerly awaiting the findings of the Committee constituted by the Board of the Bombay Oilseeds and Oils Exchange last week-end to investigate the alleged inordinate delay in passing on to the market an order of the Forward Markets Commission served on the Exchange regarding the margin on groundnut oil December 1959 delivery, referred to in these columns last week. Though the F.M.C. issued the order on 26th September, it was not announced until detected at the Board meeting on Wednesday. The Secretary of the Exchange was suspended the same day. The Committee, set up by the Board, is reported to have now practically completed its investigations into the affair. A section of the traders feels that the order leaked out to some of the operators, who manipulated the market before others could be aware of the margin order. It is true that prices declined after 26th September, but there were, it is said, many other causes also which brought them down. The findings of the Committee are expected to throw light on these developments.

The oilseeds market ruled steady during the week under review. Despite the margin imposed last week-end, groundnuts continued to move upwards, thanks mainly to the extension of export promotion measure for groundnut oil. The Government of India has decided to extend the validity period of the current quotas for groundnut oil from the end of October to the end of December 1959. It has also decided to allow export of 3½ tons of groundnut oilcake (expeller variety) up to the end of January 1960 by established shippers of groundnut oil for every ton of the oil exported up to the end of December this year against contracts concluded during October-November 1959. This measure has imparted some strength to the market. The ready section, however, failed to hold the ground, in view of the reports of large arrivals of new crop at upcountry centres. The February 1960 contract which wound up last week at Rs. 174.50, rallied to close today at Rs. 177.25. Bold ready, however, lost 50 nP to Rs. 40.50. Oil ex-mill was unaltered at Rs. 21.37, although it hardened to Rs. 21.50 on Monday.

The castorseed section put on a distinctly cheerful appearance in the initial sessions of the week on hopes of revival of American buying activity for Indian oil. Subsequently, castor drifted to lower levels in the absence of any export business in castor oil. Castorseed September 1959 went off the board on 30th September. May 1960 contract, which closed last week at Rs. 163.50, rose to Rs. 164.35 on Monday. But, subsequently, it fell to Rs. 164.25. Ready Madras closed steady at Rs. 31.62. Oil B.S.S. improved from Rs. 17.44 to Rs. 17.75, after moving both ways in a narrow range.

The linseed section maintained firm tendency, particularly on account of the pronounced strength in the oilcake section. The Government of India has released a further quota of 30,000 tons of linseed oilcake and a quota of 15,000 tons of coconut oilcake for export to all permissible destinations during the period October 1959 to March 1960. Exports against these quotas would be licensed freely without any restriction on maximum shipment by an individual shipper up to the end of March next year. An export quota of 10,000 tons of linseed oilcake has also been released in addition to the quota of 15,000 tons released on 26th August, 1959. But it was explained that licences covering this 10,000-ton quota had already been issued. Linseed May 1960 improved from Rs. 34.25 to Rs. 34.44. Bold ready wound up from Rs. 33.50 to Rs. 34.12. Linseed oil gathered 13 nP to Rs. 16.69. In the cottonseed section, February contract rallied from Rs. 127.50 to Rs. 129.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	7-10-1959	30-9-1959	23-9-1959
Groundnut			
February 1960	177.25	174.50	174.62
Bold ready	40.50	41.00	40.25
Coromandel ready	40.75	41.00	40.25
Khandesh quality	40.75	41.00	40.25
Oil ex-mill ready	21.37	21.37	20.87
Railway receipt	21.25	21.12	20.61
Cottonseed			
September 1959	150.00	150.00	150.87
May 1960	164.25	163.50	163.12
Ready Madras	31.62	31.62	30.75
Ready Kanpur	30.75	30.62	29.50
Oil B.S.S.	17.75	17.44	16.94
Oil commercial	16.81	16.50	15.94
Linseed			
September 1959	34.44	33.87	—
Bold ready	34.12	34.25	33.81
Oil ready	16.69	16.56	16.00
Cotton seed			
February 1960	129.25	127.50	127.00
Niger seed	31.00	31.50	31.00
Kard seed	28.00	28.00	28.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 80 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

READY PEPPER LOOKS UP

(Messrs. Parekh & Co.)

BOMBAY, 7th October

Malabar black pepper ruled irregular during the earlier part of the fortnight, with under one steady to quiet for want of foreign inquiries for nearby shipments. It was, however, reported that New York continued to be steady buyer for November-December and December-January shipments at prices ranging from \$0.28½ to \$0.29½. Unгарbled at Cochin was done at Rs. 77.5, while October delivery moved down to Rs. 133 and December to Rs. 129½.

In the later part of the fortnight, however, the market ruled firm, following news that Russia and other East European countries were in the market for October shipment and about 600 tons were reported done. October delivery, which ruled quiet under pressure of liquidation by speculators, owing to the approaching due date, spurred up to Rs. 145, owing to short-covering and renewed buying by exporters. This resulted in the scarcity of October contracts. December delivery had a sympathetic rise and advanced to Rs. 138. Ready ungarbled at Cochin climbed up to Rs. 825, with sellers scarce.

Spot in New York advanced to \$0.32½, following the dock strike. It was, however, reported that President Eisenhower invoked the Taft-Hartley Act 80-day back-to-work court order. As a result, the strike, which had tied up shipping piers from Maine to Texas affecting the flow of food and other perishable products, is now likely to be set tied.

Singapore, after going down to Str.102 from the highest of Str.110, recovered to Str.1103, but without any notable activities.

Indonesia is reported to be firm at Rupias 1,800. There are reports of damage to crops of various produce in East Sumatra owing to heavy rain and floods, but nothing is known about pepper.

The future of the market depends upon the future buying policy of the U.S.A. and the size of the new Malabar crop. Bulls are estimating the crop at 23,000 tons, while the bears at 30,000 tons, according to their book positions. It is, however, too early to give any definite figure.

Ready in Bombay showed a small improvement, owing to demand from the Middle East, though inquiries were poor, owing to the dislocation of the railway traffic because of floods. Ready is likely to improve from the present price of Rs. 107 per Bengal maund when booking is reopened.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 6th October

Good demand was maintained during the internal tea auctions held last week. Good quality teas hardened further. Once again, during the week, shipments of tea were highly satisfactory. A feature was that shipments to the U.S.S.R. made good progress. Buyers on behalf of Port Said and Turkey showed fair interest.

The very steady conditions in the sales held in Mincing Lane and the gain in prices in Assam teas, broken leaf Doors, orange fannings and black leaf broken orange pekoes there were noted here as reflecting the British need to replenish stocks

Another feature in London sales was the good attention which African teas received.

The recent allegation by the Union Commerce Minister that the tea industry had not responded to the call of the nation and increased exports has found a fitting reply at the hands of the Tea Association of India, Calcutta. The industry has not only reached the second Plan's target but surpassed it. Tea produced in 1958 amounted to 711 million lbs. and exports to 566 million lbs., as against the targets of 700 and 500 million lbs., respectively. On the other hand, the relief accorded to the industry has been meagre, and it meets with stiff competition in foreign markets. The call for withdrawal of the export duty on tea has been falling on deaf ears, and cost of production continues to be high, in view of high labour charges and high taxation.

The Association has again urged for tax relief and withdrawal of the entry tax. The need for effective and vigorous propaganda in foreign countries has also been stressed as a measure to enable the industry to export more and earn more foreign exchange.

Trade circles wondered as to how the industry's efforts to reduce cost of production could be effective, when the Government was determined to increase wages paid to plantation workers. It was only announced during this week that the Government had decided to increase the wages for workers in Darjeeling gardens by 5 nP to 8 nP per day per worker on the basis of the report of a tripartite committee for that area. The increased burden on employers on this account would amount to Rs. 75,000 per month.

Industry and trade circles have been naturally worried over the suggestion for setting up a wage board for the plantation industry. This would be considered by the Industrial Committee on Plantations which is meeting on the 22nd and 23rd inst. If the formation of the Board is decided upon, that would lead to increase in the wage of workers, and indirectly to further increase in the cost of production.

In the internal auctions held last week, dusts on offer aggregated 21,863 chests. The feature was the dearer trend in leg-cut teas, albeit the irregularity. Orthodox teas, by the time the sale came to a close, gained in price, although, at the beginning, the price had eased by 2 to 4 nP. Darjeelings were quiet. C.T.C. teas gave way by 10 to 15 nP, while the stronger liquoring powdery teas were in good demand. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.50 to Rs. 2.70; medium Assam C.T.C. Rs. 2.00 to Rs. 2.10; medium Assam Re. 1.90 to Re. 1.94; and medium Doors Re. 1.94 to Rs. 2.00.

Leaf on offer amounting to 411 chests met with good demand.

In the sale held in Chittagong on 30th September, offerings amounting to 15,457 chests, met with good demand. Clean plain fannings gained As. 2 and well-made B.O.P.s an anna. The quotations were: P.F. Re. 1-9, O.F. Re. 1-15; and B.O.P. Re. 1-8.

RAW JUTE FIRM

(From Our Own Correspondent)

CALCUTTA, 6th October

Following the heavy rains in this part of the country during the week and reports of floods from jute areas, firmer conditions were in evidence in the raw jute market during the week under review, and prices for most varieties recorded a fractional gain. Floods slowed down arrivals in mills' stations, and buyers showed fair interest in anticipating a further rise in prices on account of possible damage to crop. Prices of jute goods were maintained firm, in sympathy with raw jute. Excepting for Egypt, which bought heavy goods for delivery in October and November, overseas interest was insignificant.

News of much importance during the week was the proposal to send delegation by the Indian Jute Mills' Association to the United States, Canada and Great Britain. The delegation, which is manned by the Chairman and Vice-Chairman of the Association, Mr. Kenneth E. Tosh and Mr. D. P. Goenka, is aimed at the maintenance of the close contact which earlier delegations had established with importers and consumers of Indian jute goods in those countries. Market circles have two opinions as to the timing of the delegation's visit. For, the poor interest shown by U.S. buyers in recent months in hessian had been causing concern here, and it was considered meet and proper that the I.J.M.A. reviewed its promotional work in the United States and examined the effect of the present trends in market. One of the chief tasks of the delegation while in the U.S. would be to suggest new uses for hessian including canal lining, for which hessian should be treated with asphalt. It was believed that this fabric could be used in furniture, and automobile industries. Other possibilities in new uses of burlap were in the manufacture of laminated boards and in packing materials since jute was cheaper than other types of containers but in no way inferior in durability. While in the United Kingdom, the delegation would discuss with the Jute Controller and the Board of Trade any possibility of reducing the mark-up value of Indian jute goods. At present the price of imported jute goods in the U.K. is fixed at 30 per cent. above the imported cost, and this serves as a protection to Dundee-made goods. Previously, the mark-up value was 40 per cent. above the imported cost which was reduced in 1957 as a result of Indo-British discussion. If only the mark-up value could be reduced, trade circles were confident that they could export more to the U.K.

On Tuesday last week, conditions in the gunny market were steady, but prices moved within narrow limits on account of activities in the futures market. Ready 40" 10 oz. was quoted at Rs. 40.25 and B. twills at Rs. 102. Prices on the

next day rose following keen buying in the futures market. However, profit-taking soon followed, but closing levels for hessian 40" 10 oz. at Rs. 40.30 and B. twills at Rs. 102.50 were higher on balance. At the higher levels, overseas interest was lacking for ready goods, but mills accepted orders for delivery extending from January to June. On Thursday, B. twills sagged to Rs. 101.40 and hessian 40" 10 oz. to Rs. 40.20. On Friday, the market was closed on account of Mahanav. Over the week-end, a feature of the trading was bear-covering in heavy goods in the futures market. Ready B. twills rose to Rs. 102.40 and in sympathy hessian 40" 10 oz. closed better at Rs. 40.40. At this stage, the U.S.S.R. lent its buying support and bought a fair quantity of heavy goods for immediate and near delivery positions, and yesterday ready B. twills rose to Rs. 103. In sympathy, hessian 40" 10 oz. hardened to Rs. 40.70. Active conditions were also reported in futures.

Raw jute prices rose by 25 nP per maund for most varieties. Mills showed more interest, as they were anxious to replenish stocks. The floods affected arrivals of the new crop, and river levels continued to rise. The latest quotations for the 1959-60 crop, October-November delivery are given below:

	Middles	Bottoms
White		
Selected Assam	Rs. 25-75	Rs. 23-25
Ordinary Assam	25-15	23-00
Northern	25-00	22-15
Desal	24-15	22-00
Cuttack	27-75	24-75
Murshidabad	24-00	21-15
Bihar, Jungli and U.P.	23-75	21-25

Tosa		
Ordinary Daissee	26-50	24-00
Murshidabad	25-25	22-75
Assam-Agartala	26-50	24-00

Mesta		
Daissee	24-75	22-25
Jungli	23-75	21-25
Bimbi f.a.q.	Rs. 21-15	

Pucca Bales		
1st mark	Rs. 165-00 ready per bale.	

LINSEED ADVANCES

(Messrs. A. Bradley & Co.)

CALCUTTA, 5th October

The linseed market remained very steady during the week and sharp advances were recorded in all sections. Supplies were inadequate for the improved demand from crushers and business was done at Rs. 24.75 for ready, with sellers indicating Rs. 25 for forward delivery.

Prices in the oilcake section rose sharply to Rs. 15.00 for local delivery, with fair trading reported. Overseas prices hardened by about 30s. to £37 5s., with sellers now indicating higher levels. September futures terminated at Rs. 24.25 and firm prices were held for May, although the volume of business was small. Oil prices gained about Re. 1.50 and sellers were very reserved, owing to shortage of supplies. Shippers were buyers at Rs. 53.50, with sellers indicating Rs. 54. The U.K. price reached £112.

The latest quotations per maund are: Ready October Rs. 24.75; October-November Rs. 25; and May futures Rs. 24.

NON-FERROUS METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 6th October

Steadier conditions were in evidence in the metal market during the week under review, following rising trend in foreign markets. Trade circles noted with considerable relief the increased quotas for non-ferrous metals, but, in view of the continuance of the actual-user system, hoped that the metal manufacturers would utilise normal trade channels in distributing their goods.

Tin was steady around Rs. 586. On the London Metal Exchange, tin rose from £79½ to £79¾. Lead was unchanged at Rs. 73.50 and, at £70 on the London Metal Exchange, the price recorded a fractional rise. In London, zinc advanced from £85½ to £87 and copper from £226 to £235½.

FOODGRAINS QUIETLY EASY

(From Our Own Correspondent)

HAPUR, 5th October

Quietly easy conditions prevailed in the foodgrains market during the week, thanks to rains over wide area, including east U.P., which was mainly dry for most part of the season. Late kharif crops were very much benefited and rabi sowings would be timely. In some of the east U.P. districts, the loss of the kharif crop was estimated at 50 to 75 per cent., following abnormally low rains. The U.P. State Government is worried over the coming lean winter months when cultivators would have exhausted the little coarse grains they are harvesting. But with about 150,000 tons of foodgrains in State Government warehouses and with a steady supply of 52,000 tons of wheat monthly from the Centre, the Government expects to meet any demand on its stocks. The Union Government is also concentrating on more imports and a fresh agreement to import 150,000 tons of rice from Burma has just been arrived at. This is in addition to the 350,000 tons of rice to be imported from that country under the Five-year agreement which is due to expire next year.

Wheat at Hapur eased fractionally during the week, thanks to better arrivals in the private market at an average of 50 to 100 maunds daily, and due to fall in consumer demand which was being switched on the new maize. There were as yet

no substantial purchases of wheat on State Government account under the wheat levy scheme, as prevailing wheat prices were Rs. 17.75 to Rs. 18.75 a maund, as against the fixed controlled price of Government purchases at Rs. 13 to Rs. 15 a maund.

Sales of wheat through fair-price shops are being continued, but the quality of flour supplied as substitute is reported to be poor. Fairly good rains have been received during the week-end, which will enable timely rabi sowings. But, in some areas, dearth of rains is still reported. Harvesting of paddy is being continued, but due to subnormal rains in most part of the State, the crop prospects are reported to be not very bright. The prevailing prices of rice here are: basmati sela Rs. 32.50 to Rs. 35; ramajayan Rs. 24.50; mainpuri Rs. 24; gadda Rs. 22 a maund.

After an early rise, gram eased fractionally towards the week-end. Owing to good outside demand, gram stock was gradually declining. Barley and bejhar ruled quiet, while new maize prices lost about 50 nP per maund, due to better arrivals. Jowar and guwar stayed steady. The week-end prices (in rupee per maund) were: gram 13; barley 12.75; bejhar 11.50 to 11.75; jowar 12 to 14; guwar 11.5

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India			
Statement of Affairs for the week ended 2nd Oct., 1959			
BANKING DEPARTMENT			
Capital paid-up	Rs.		5,00,00,000
Reserve Fund	Rs.		20,00,00,000
National Agricultural Credit (Long-term)	Rs.		30,00,00,000
National Agricultural Credit (Stabilisation) Fund	Rs.		4,00,00,000
Deposits:			
(a) Government	Rs.		60,00,45,000
(b) Other Governments	Rs.		9,86,57,000
(c) Banks	Rs.		81,64,53,000
(d) Others	Rs.		11,02,26,000
Bills Payable	Rs.		16,06,36,000
Other Liabilities	Rs.		15,92,05,000
Total	Rs.		422,77,22,000
Assets:			
Notes	Rs.		30,06,11,000
Reserve Coin	Rs.		8,13,000
Bills Purchased and Discounted:			
(a) Internal	Rs.		4,68,34,000
(b) Government Treasury Bills	Rs.		13,97,50,000
Balances held abroad*	Rs.		19,31,41,000
Loans and Advances to Governments	Rs.		13,10,98,000
Other Loans and Advances	Rs.		27,71,13,000
Investments	Rs.		9,71,86,000
Other Assets	Rs.		422,77,22,000
Total	Rs.		422,77,22,000
* Includes Cash and Short-term Securities.			
The item 'Other Loans and Advances' includes Rs.76,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.			
ISSUE DEPARTMENT			
Notes held in the Banking Department	Rs.		30,06,11,000
Notes in circulation	Rs.		169,30,71,000
Total Notes issued	Rs.		169,30,71,000
Total Liabilities	Rs.		169,30,71,000
ASSETS			
A. Gold Coin and Bullion:			
(a) Held in India	Rs.		117,76,08,000
(b) Held outside India	Rs.		163,00,80,000
Total of A	Rs.		280,76,92,000
B. Rupee Coin	Rs.		137,13,97,000
Government of India Rupee Securities	Rs.		126,39,82,000
Internal Bills of Exchange and other commercial paper	Rs.		169,30,71,000
Total Assets	Rs.		280,76,92,000

COMPARATIVE BANKING STATISTICS*					
(In crores of rupees)					
	1st Sept. 1959 (pre-war)	25th Sept. 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Notes in circulation	172.37	164.02	1057.31	1050.21	1015.98
Notes held in Banking Department	86.05	87.37	20.85	38.82	40.82
Foreign Securities	59.50	163.01	163.01	163.01	169.48
Reserve Bank Deposits	87.89	1261.88	1261.27	1271.19	1129.37
Banking Department					
Government of India	14.89	59.70	64.84	63.49	48.54
Other Governments	17.69	19.97	33.68	33.48	38.25
Balances held abroad	10.06	17.90	20.08	20.25	14.21
SCHEDULED BANKS					
Demand Liabilities	184.86	741.52	741.53	750.03	745.47
Time Liabilities	102.24	(29.15) (29.10)	(23.85) (23.37)	(23.32) (23.37)	(23.32) (23.37)
Borrowings from Reserve Bank	..	3.14 (0.01)	2.60 (1.90)	2.96 (1.01)	1.00 (1.01)
Borrowings from State Bank	..	8.18	8.84	4.02	3.88
Cash in India	6.70	41.70	43.18	43.43	38.82
Balances with Reserve Bank	25.17	69.82	79.21	79.72	100.55
Excess over state	15.62	..	19.88	20.45	44.87
Balances with other banks in current account in India	..	18.86	14.21	14.72	12.12
Money at call and short notice in India	..	41.02	87.43	33.35	63.03
Investments (at book value)	..	784.48	759.85	735.47	800.00
Advances and bills	105.0	921.63	925.58	938.08	841.00
STATE BANK					
Deposits	78.78	567.39	578.01	582.91	546.88
Investments	51.99	395.63	375.51	365.47	248.26
Advances	30.35	157.04	160.99	166.83	161.48
Cash	14.69	28.64	37.96	37.11	38.99

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	26th Sept. 1959	10th Sept. 1959	20th Sept. 1959	27th Sept. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.5	101.4	101.3	100.5
2. Government of India	101.3	101.3	101.1	100.4
3. State Government	102.7	102.4	102.6	101.3
4. Municipal, Port Trust, etc.	99.9	99.9	99.9	98.8
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.2	102.1	102.1	100.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	93.7	93.6	93.5	88.4

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	153.7	152.8	154.2	144.7
8. Agriculture and Allied Activities: Total	154.0	155.5	159.6	157.8
9. Tea Plantations	147.5	150.3	154.9	151.4
10. Coffee Plantations	104.6	105.4	106.8	102.1
11. Rubber Plantations	157.9	158.3	160.4	162.3
12. Mining and Quarrying: Total	144.2	144.2	147.1	148.4
13. Coal	112.7	112.9	115.3	112.6
14. Other Mining	165.7	164.4	168.9	174.6
15. Processing and Manufacturing: Total	159.7	158.3	159.3	143.5
16. Processing and Mfg. (Foodstuffs, Textiles, etc.): Total	159.7	158.3	159.3	143.5
17. Sugar	126.3	127.0	128.3	126.4
18. Cotton Textiles	126.9	124.4	124.9	118.9
19. Jute Textiles	126.9	124.4	124.9	118.9
20. Silk and Woolen	663.6	668.2	660.0	435.5
21. Processing and Mfg. (Metals, Chemicals, etc.): Total	176.8	176.4	178.3	161.3
22. Iron and Steel	160.0	161.9	164.2	155.5
23. Transport Equipment	283.6	281.0	286.6	206.9
24. Electrical Machinery	137.2	134.9	133.2	155.2
25. Machinery other than Transport and Electrical	190.5	189.1	192.7	173.2
26. Basic Industrial Chemicals	160.0	160.9	160.9	129.1
27. Processing and Mfg. (Others): Total	133.3	132.9	133.3	148.6
28. Cement	136.6	135.1	136.6	137.4
29. Paper	118.1	118.1	118.1	117.4
30. Other Industries: Total	116.6	115.3	113.7	114.4
31. Electricity Generation and Supply	90.7	91.3	92.0	93.6
32. Trading	105.3	104.3	103.4	91.3
33. Shipping and Other Transport	123.8	123.6	127.9	142.3
34. Construction	145.4	145.3	147.8	147.8
35. Financial: Total	176.8	176.8	177.8	187.1
36. Banks	186.0	186.7	187.2	213.2
37. Insurance	141.9	142.1	145.0	92.6
38. Investment Trusts	99.8	99.6	99.5	98.6

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL

39. Bombay	158.4	156.4	157.3	149.3
40. Calcutta	168.6	166.9	168.5	156.3
41. Madras	168.6	166.9	168.5	156.3
42. Delhi	181.6	181.9	184.8	169.8

IRON AND STEEL PRODUCTION (In Tons)

Total Iron and Steel Co., Ltd.	Pig Iron	Steel Ingots	Saleable Steel
Year ended 31st March, 1957	1,155,500	1,073,600	707,500
Do. 31st March, 1958	1,155,500	1,073,600	707,500
Do. 31st March, 1959	1,137,500	1,149,900	884,700
July 1958	84,900	85,700	68,000
August	102,200	106,100	68,000
September	99,500	106,000	70,800
October	80,600	95,500	65,500
November	118,700	114,800	88,000
December	125,000	121,100	96,500
January	128,700	125,600	97,100
February	124,300	117,100	95,100

INDUSTRIAL DISPUTES (All India)

Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957	1,524	6,452,319	7,707,685
1958	1,524	6,452,319	7,707,685
January 1958	152	99,550	449,803
February	176	70,887	49,707
March	176	55,124	89,289
April	182	100,468	90,287
May	164	162,555	120,111
June	182	120,111	279,340(1)
July	182	42,425(2)	384,741(2)
August	181	32,752(4)	324,317(4)
September	154	77,755(5)	728,728(5)

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita (Rs.)
India†	1957-58	327.94	10,280	275.6	31.3
Pakistan†	1957-58	82.50	2,079	44.7	25.0
Burma	1957-58	20.00	4,500	467	228
Ceylon	1957-58	9.1	9,252,000	907	557
Philippines	1957-58	22.60	8,799	2,095	927
New Zealand	1957-58	2.22	928	1,287	5,570
U.S.A.	1957-58	149.0	4,825	4,825	32,344
U.K.	1957-58	51.60	18,280	24,310	4,711
U.S.S.R.	1957-58	174.2	37,500	17,580	10,210
France	1957-58	44.00	17,640	20,050	5,485
Germany	1957-58	62.1	12,400	12,400	5,485
Sweden	1957-58	8.49	23,290	1,840	4,744
Norway	1957-58	3.2	25,590	4,850	6,154
Denmark	1957-58	1.10	27,020	1,870	4,154
Switzerland	1957-58	5.10	28,300	3,130	6,137

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

† Figures for 1957-58 are based on the preliminary estimates for 1957-58.

‡ Figures for 1957-58 are based on the preliminary estimates for 1957-58.

§ Figures for 1957-58 are based on the preliminary estimates for 1957-58.

|| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

¶ Figures for 1957-58 are based on the preliminary estimates for 1957-58.

||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

|||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

||||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

|||||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

||||||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

||||||| Figures for 1957-58 are based on the preliminary estimates for 1957-58.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

Group and Sub-Group	All-India (1949-100)	Bombay (1949-100)	Madras (1949-100)	Calcutta (1949-100)	Delhi (1949-100)	Almora (1949-100)	Jaipur (1949-100)	Varanasi (1949-100)	Patna (1949-100)	Banarasi (1949-100)
1952 Average	103	103	103	103	103	103	103	103	103	103
1953	103	103	103	103	103	103	103	103	103	103
1954	103	103	103	103	103	103	103	103	103	103
1955	103	103	103	103	103	103	103	103	103	103
1956	103	103	103	103	103	103	103	103	103	103
1957	103	103	103	103	103	103	103	103	103	103
1958	103	103	103	103	103	103	103	103	103	103
1959	103	103	103	103	103	103	103	103	103	103

SMALL SAVINGS

Year Month	5-Year A	7-Year B	12-Year C	15-Year D	10-Year E	5-Year F	3-Year G	1-Year H	Total
1954-55	4.70	4.99	124.84	134.94	100.88	7.38	36.35	37.15	177.85
1955-56	3.00	6.11	163.68	176.87	106.50	25.38	38.82	44.28	310.82
1956-57	2.22	4.73	143.45	174.48	106.50	25.38	38.82	44.28	310.82
1957-58	1.94	3.82	132.95	160.72	100.72	22.02	30.73	35.58	240.17
1958-59	1.80	3.93	122.83	150.07	135.00	21.27	27.02	32.10	212.71
1959-60	1.73	3.79	119.11	146.66	122.83	21.01	26.09	31.10	206.88
1960-61	1.70	3.72	117.55	145.98	117.55	20.88	25.74	30.88	204.04
1961-62	1.65	3.59	114.16	143.03	107.24	20.23	25.06	30.18	200.56
1962-63	1.60	3.55	112.42	141.73	105.31	20.53	24.58	29.68	198.06

Note.—Outstandings relate to end of period and do not include India Union's share of pre-emption liabilities; repayments, however, include those from the pre-emption holdings of India Union.

† Progressive net repayments at the end of period from August 15, 1947. ‡ No sale from June 1, 1957. § Issued from June 1, 1957. || Issued from June 1, 1957. ¶ Issued from June 1, 1957. ||| Issued from June 1, 1957. |||| Issued from June 1, 1957. ||||| Issued from June 1, 1957.

N.B.—Five-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of July 1959 is rupees twelve lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the end of July 1959 is rupees seven lakhs.

1959 and the outstandings at the

* Includes bonus. † Subject to taxation. ‡ On Increased Capital. x—For these companies reserves include balances of various funds and under gross block are given the total assets. X.R.—Ex. Right.
M.—Managed by the Board of Directors. † Less Income-tax. Z.—Dividend is for fifteen months ended 31st March 1957. T.—Company has got Debenture.
No. 100—A distribution of Rs. 0.75 per share for the year 1954 and Rs. 1.00 for 1955.

										Latest	Paid-up
--	--	--	--	--	--	--	--	--	--	--------	---------

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acquire under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share					Accounts Closed	Balance
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. nP	Rs.	1955	1956	1957	1958	Rs. nP		
ASSAM																
4,45,700	11,52,100	20,29,908	7,47,928	2,091	McLeod & Co. Ltd.	325	Amuckie	32.00N	10	10.00A	4.00	1.00	1.50	12	12	Y.P.
2,76,600	3,01,500	12,10,912	4,33,800	2,091	Gillanders Arbuthnot & Co. Ltd.	450	Ananda (Assam) Tea	19.50	10	1.00	2.00	0.50	1.00	12	12	Y.P.
3,50,000	9,91,482	14,72,002	4,22,939	45,005	McLeod & Co. Ltd.	461	Ananda Bag	25.75	10	1.00	1.25	0.50	1.00	12	12	Y.P.
5,50,000	12,77,941	24,15,916	8,97,116	21,708	Andrew Yule & Co. Ltd.	334	Basmatia	25.25	10	1.00	2.00	1.50	1.50	12	12	Y.P.
5,10,000	10,69,213	14,59,219	4,30,711	40,465	National Tea Corporation	579	Bateli	25.25	10	1.00	2.00	1.50	1.50	12	12	Y.P.
3,57,900	5,57,910	11,69,876	9,28,973	64,213	Gundar Arbuthnot & Co. Ltd.	450	Batuli	25.25	10	1.00	2.00	1.50	1.50	12	12	Y.P.
6,40,000	10,62,808	14,31,058	4,88,087	34,304	Williamson Major & Co. Ltd.	4,007	Bihunah	18.25	10	2.00	2.00	1.00	NH	12	12	Y.P.
33,00,000	5,20,000	82,28,500	31,10,000	5,30,225	Octavius Steel & Co. Ltd.	480	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
7,50,000	8,30,725	13,31,568	5,00,580	5,00,580	McLeod & Co. Ltd.	2,834	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
85,00,000	15,33,308	24,30,000	5,44,400	5,44,400	McLeod & Co. Ltd.	2,834	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
1,20,000	7,40,881	10,87,884	3,47,642	17,288	McLeod & Co. Ltd.	2,834	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
8,40,000	4,08,706	31,87,927	10,23,251	3,08,274	Jardine Henderson Ltd.	1,321	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
17,53,440	5,97,902	24,59,727	8,10,332	4,72,700	James Warren & Co. Ltd.	661	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
4,08,000	4,59,000	12,48,768	4,64,750	2,84,907	McLeod & Co. Ltd.	661	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
4,50,000	11,05,340	14,29,503	3,43,211	1,63,931	McLeod & Co. Ltd.	661	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
4,75,400	4,01,000	10,62,494	7,00,147	1,63,931	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
7,00,000	10,93,620	14,18,715	4,42,223	14,18,715	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
10,00,000	7,88,277	20,79,027	11,51,727	1,07,293	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
5,03,700	6,01,614	16,03,432	5,76,901	1,07,293	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
1,20,000	21,23,223	21,23,223	1,43,353	1,43,353	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
11,02,725	20,35,281	42,29,083	10,36,875	9,662	Octavius Steel & Co. Ltd.	1,370	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
5,00,000	6,79,000	10,58,000	3,79,000	3,79,000	Andrew Yule & Co. Ltd.	1,340	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
8,70,000	15,46,658	29,35,470	14,04,638	91,307	Hirra Brothers Private Ltd.	4,900	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
9,00,000	10,50,792	16,34,704	5,71,450	53,022	Gillanders Arbuthnot & Co. Ltd.	410	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
9,00,000	7,09,505	17,28,122	6,40,458	91,307	Duncan Bros. & Co. Ltd.	1,166	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
3,00,000	13,02,500	16,02,939	3,54,189	2,32,355	Duncan Bros. & Co. Ltd.	1,180	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
7,00,000	10,93,620	14,18,715	4,42,223	14,18,715	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
6,00,000	8,66,234	13,31,568	3,59,172	9,662	Octavius Steel & Co. Ltd.	1,370	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
10,00,000	11,30,000	21,23,223	1,43,353	1,43,353	Williamson Major & Co. Ltd.	632	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
4,80,000	10,09,327	10,09,327	2,42,536	1,217	Duncan Bros. & Co. Ltd.	873	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
1,50,000	10,31,425	10,31,425	10,31,425	10,31,425	Kettlewell Bullen & Co. Ltd.	49,974	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
0.175,000	7,81,455	12,43,977	6,21,441	39,563	Andrew Yule & Co. Ltd.	814	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	1,75,000	11,34,704	4,84,702	1,912	Duncan Bros. & Co. Ltd.	814	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
5,50,000	20,000	9,06,553	3,12,092	69,380	Andrew Yule & Co. Ltd.	381	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
9,00,000	2,52,008	31,71,532	12,11,920	22,975	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12	12	Y.P.
2,000,000	8,46,039	11,38,222	4,91,713	38,792	Williamson Major & Co. Ltd.	904	Bokkakh	14.50	10	2.00	1.50	NH	0.75	12		

[illegible]

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up Share	Dividend per Share				Accounts Closed	Reference	
									1956	1957	1958	1959			
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.				
PLANTING; PRODUCE AND RUBBER															
8,00,000	2,35,000	4,24,393	43,350	1,648	Planting Agencies (Private) Ltd.	Balmadies Plantations	3.00	2	0.21	0.45	0.25	0.15	5	Y.P.	
26,01,279	20,25,000	50,55,434	9,98,019	15,251	Peirce, Leslie & Co., Ltd.	Cochin Malabar	6.50	3	0.75	0.82	0.30	0.45	5	Y.P.	
22,50,000	20,00,000	45,95,649	8,51,056	1,258	Cons. Coffee Estates (Secretaries)	Coffee Lands and Industries	23.50	10	2.50	4.00	2.00	0.45	2	Y.P.	
17,65,000	57,99,923	1,42,39,721	75,345	2,735	R. C. Patterson, Esq.	Consolidated Coffee	22.40	10	2.00	2.00	2.00	2.00	6	Y.P.	
4,00,000	5,67,423	12,42,809	60,701	3,461	Associated Planters Private Ltd.	Cottanad Plantations	16.75cd	10	1.50	1.00	1.75	1.50	6	Y.P.	
18,00,000	9,34,043	30,13,231	6,39,076	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	13.75	10	2.00	0.75	1.50	1.50	1.50	6	Y.P.
8,00,000	6,92,849	19,46,964	3,05,549	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	12.50	10	2.00	2.00	1.00	1.00	12	Y.P.	
13,50,000	6,77,330	20,94,023	3,70,908	11,107	K. T. Thomas Katharman, Esq.	Malankara Rubber	19.00cd	10	3.25	2.25	1.00	1.00	4	Y.P.	
40,50,000	29,06,139	86,11,082	10,39,522	2,331	A. V. Thomas & Co., Ltd.	Midland Rubber	12.25cd	10	2.00	2.00	1.00	1.00	8	Y.P.	
8,55,000	4,06,000	15,45,851	2,36,131	22,019	A. V. George & Co., Ltd.	Nemmeny Rubber	15.26	10	1.50	0.75	1.00	1.00	8	Y.P.	
2,00,000	8,28,000	9,55,544	65,400	1,008	Associated Planters Private Ltd.	Nimbanur Rubber Co.	14.15cd	10	1.50	1.50	2.00	2.00	12	Y.P.	
19,45,880	23,14,923	46,93,527	16,75,040	4,912	Peirce, Leslie & Co., Ltd.	Ouchibetty Valley Estates	5.45	2	0.20	0.60	0.30	0.30	12	Y.P.	
13,50,000	8,36,102	46,47,920	4,23,064	40,604	A. V. Thomas & Co., Ltd.	Rajaziri Rubber	18.70	10	2.50	2.00	2.00	2.00	10	Y.P.	
5,50,170	2,44,000	1,07,426	1,07,426	680	Peirce, Leslie & Co., Ltd.	Savannah Estates	3.77	2	1.50	0.80	0.25	0.25	6	Y.P.	
12,00,000	13,50,000	18,24,855	98,427	15,748	Patro Agencies	Sancamashwar Coffee Estates Ltd.	2.78	2	0.30	0.60	0.60	0.18	11	Y.P.	
10,00,000	2,74,418	22,50,914	1,70,646	18,647	East India Agencies Private Ltd.	Tekker Rubber (India) Ltd.	7.50	10	3.00	3.00	3.00	3.00	8	Y.P.	
2,56,000	2,75,000	5,73,150	75,400	83,647	A. V. George & Co., Ltd.	Thamarapally Rubber	26.62	10	3.00	0.60	0.60	0.60	12	Y.P.	
0.15,390	4,00,000	22,40,057	1,37,435	23,927	Peirce, Leslie & Co., Ltd.	Thirunthi Rubber Co., Ltd.	1.85	1	0.124	0.60	0.60	0.60	12	Y.P.	
6,00,000	46,742	11,45,990	4,92,790	1,290	Esplan Thomas, Esq. (Mr. Director)	Travancore Rubber & Tea Co., Ltd.	6.90	10	2.00	1.50	1.00	1.00	12	Y.P.	
41,00,000	14,20,801	85,55,346	14,87,407	23,441	Aspinwall & Co. (Travancore) Ltd.	Tropical Plantations Co., Ltd.	20.00	25	3.00	1.00	1.50	1.50	12	Y.P.	
20,00,000	96,000	81,23,163	8,27,272	0,162	P. T. Thomas, Esq. (Mr. Director)	Vaikundam (Travancore) Rubber	28.25	10	0.75	0.80	1.25	1.25	12	Y.P.	
2,20,000	4,29,690	9,26,785	85,552	872	A. V. George & Co., Ltd.	Woodland Estates	8.00	10	1.25	1.00	0.50	0.50	12	Y.P.	
8,40,100	6,80,669	9,56,000	27,217	5,473	M. K. Thomas, Esq. (Mr. Director)								12	Y.P.	
6,95,000	1,94,567	14,17,507	60,561	6,478									8	Y.P.	

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
										1955	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	879	AGARTARA	13.44	10	0.25	0.25	0.25	3	Y.P.T.	
6,00,000	11,72,140	68,39,056	49,04,148	1,92,040	McLeod & Co. Ltd.	456	Alexandra	200.00	100	10.00	10.00	10.00	12	Y.P.T.	
20,00,000	5,25,000	1,25,19,910	97,80,851	2,46,190	McLeod & Co. Ltd.	1,264	Alibance	130.00	100	1.00	1.00	1.00	12	Y.P.T.	
49,20,700	22,31,000	8,09,82,908	2,15,04,087	2,58,742	Duncan Brothers & Co. Ltd.	2,561	Angland	242.00	100	5.50	7.00	10.00	10	Y.P.T.	
40,00,000	82,60,924	1,49,82,554	63,17,403	3,215	Hird & Co. Private Ltd.	910	Auckland	202.00	100	1.00	1.00	1.00	12	Y.P.T.	
20,00,000	28,93,885	1,07,52,143	71,05,808	4,265	Birra Brothers Private Ltd.	859	Bally	250.00	100	0.50	2.00	0.00	10	Y.P.T.	
62,75,000	6,81,031	61,640,324	1,86,47,407	1,087,407	Sir John H. Burder (Chairman)	1,868	Barnasara	177.00	100	0.50	0.50	0.50	12	Y.P.T.	
28,00,000	28,98,408	97,77,435	64,82,559	16,240	Andrew Yule & Co., Ltd.	820	Belvedere	91.00	100	0.50	0.50	7.50	12	Y.P.T.	
45,00,000	29,71,745	58,94,991	35,42,933	6,75,255	Boorajmull Nazarmull	1,373	Benzal	11.00	100	1.00	1.00	1.00	12	Y.P.T.	
21,25,000	2,61,392	61,640,324	1,86,47,407	1,087,407	Birra Brothers Private Ltd.	1,573	Bhira	24.81	10	1.00	1.00	1.00	1.00	12	Y.P.T.
36,00,000	19,35,550	1,17,96,452	70,59,451	33,113	Andrew Yule & Co., Ltd.	991	Bhuda-Budde	159.00	100	0.50	0.50	0.50	1.00	12	Y.P.T.
74,78,800	4,000	69,78,857	34,32,120	6,75,255	Dayaram & Sons	612	Calcutta Jute Mfg.	6.12	10	1.00	1.00	1.00	10	Y.P.T.	
15,00,000	26,46,124	64,40,054	46,52,048	35,729	Andrew Yule & Co., Ltd.	616	Calcuttan	189.00	100	0.50	0.50	15.00	10	Y.P.T.	
59,14,400	75,85,462	2,31,96,660	1,27,96,660	6,75,255	James Finlay & Co.	1,340	Chandpur	134.00	100	0.50	0.50	0.50	12	Y.P.T.	
18,95,000	21,34,670	43,51,824	56,61,109	18,020	Andrew Yule & Co. Ltd.	830	Cheviot	222.00	100	2.00	0.00	5.00	3	Y.P.T.	
30,15,000	86,50,000	99,14,415	74,50,361	72,580	McLeod & Co. Ltd.	900	Chitavash	15.25	10	0.62	1.10	1.25	10	Y.P.T.	
24,00,000	9,00,000	81,89,984	67,18,337	8,11,818	Shree Krishna Investment Co., Ltd.	116	Chitavash	12.50	100	0.50	0.50	0.50	12	Y.P.T.	
31,42,800	46,61,566	1,39,75,669	56,08,218	12,92,567	Hird & Co. Private Ltd.	765	Dalhousie	184.00	100	0.50	0.50	0.50	12	Y.P.T.	
28,00,000	38,58,170	1,03,38,008	50,83,805	6,792	Andrew Yule & Co. Ltd.	719	Delta	178.00	100	0.50	0.50	0.00	12	Y.P.T.	
19,00,000	36,95,850	1,01,87,786	65,99,232	26,123	McLeod & Co. Ltd.	900	Delta	17.50	100	0.50	0.50	0.50	12	Y.P.T.	
21,00,000	74,32,310	2,61,26,629	1,50,45,058	1,94,546	Kettwell Bullen & Co., Ltd.	1,584	Fort Gloster Industries Ltd.	350.00	100 Old	10.00	10.00	20.00	7	Y.P.T.	
21,00,000	10,22,948	1,27,75,074	68,81,071	1,66,440	Bangor Bros., Ltd.	1,014	Fort William	280.00	60 New	0.75K	1.00	1.00	3	Y.P.T.	
10,80,000	20,50,315	69,22,327	43,80,330	1,51,070	M. ...	80	J. ... Ind. Society Ltd.	32.33	10	50.00	60.00	2.00	12	Y.P.T.	
24,00,000	44,12,550	2,41,02,331	1,06,19,415	35,790	Macnelli & Barry Ltd.	1,394	Kanpur	419.00	100	1.00	1.00	1.00	12	Y.P.T.	
40,00,000	66,76,293	1,25,82,777	78,95,466	2,98,003	Bangor Bros., Ltd.	1,073	Kanpur	89.00	100	0.50	0.50	20.00	12	Y.P.T.	
16,50,000	18,61,999	66,47,731	47,79,916	6,95,253	Rajshahi Jute Co., Ltd.	720	Kanpur	13.00	10	0.50	0.50	0.50	12	Y.P.T.	
66,82,500	71,16,723	2,55,20,162	1,36,45,183	58,053	Jardine Henderson Ltd.	1,940	Kanpur	78.00	100	0.50	0.50	0.50	12	Y.P.T.	
82,50,000	20,58,104	2,09,42,118	92,45,868	62,038	Rajshahi Jute Co., Ltd.	2,272	Kanpur	23.11	100	0.50	0.50	0.50	12	Y.P.T.	
87,50,000	20,35,465	1,52,45,168	93,25,868	62,038	Jardine Henderson Ltd.	1,760	Kanpur	16.25	12.50	0.50	0.50	0.50	12	Y.P.T.	
72,50,000	21,11,227	1,97,71,840	1,24,69,441	2,520	Jardine Henderson Ltd.	1,797	Kanpur	210.00	100	0.50	0.50	0.50	12	Y.P.T.	
50,00,000	9,66,279	1,75,62,559	1,06,94,210	31,76,147	Jardine Henderson Ltd.	1,527	Kanpur	106.00	100	0.50	0.50	0.50	12	Y.P.T.	
51,00,000	56,00,000	1,41,36,235	98,87,823	1,18,589	McLeod & Co. Ltd.	703	Kanpur	128.00	100	0.50	0.50	0.50	12	Y.P.T.	
44,00,000	22,89,741	2,00,52,533	1,36,97,897	58,523	Anderson Wright Ltd.	1,830	Kanpur	115.00	100	0.50	0.50	0.50	12	Y.P.T.	
48,00,000	77,32,121	2,58,47,961	1,08,51,199	25,560	F. W. Helliers & Co. Private Ltd.	1,250	Kanpur	187.00	100	0.50	0.50	0.50	12	Y.P.T.	
24,48,000	27,78,883	1,38,07,077	80,83,805	1,25,000	Hird & Co. Private Ltd.	1,861	Kanpur	186.00	100	0.50	0.50	0.50	12	Y.P.T.	
28,00,000	20,48,690	1,48,06,777	80,83,805	1,25,000	Hird & Co. Private Ltd.	1,861	Kanpur	186.00	100	0.50	0.50	0.50	12	Y.P.T.	
51,65,200	28,13,291	2,54,62,530	1,45,50,024	2,85,207	M. ...	1,294	Kanpur	181.00	100	0.50	0.50	0.50	12	Y.P.T.	
29,00,000	24,82,194	1,48,06,777	80,83,805	1,25,000	Hird & Co. Private Ltd.	1,861	Kanpur	181.00	100	0.50	0.50	0.50	12	Y.P.T.	
29,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	16.00	8.00	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	80.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	0.50	12	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	0.50	12	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	0.50	12	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	0.50	12	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd.	1,294	Kanpur	14.31	10	0.50	0.50	0.50	12	Y.P.T.	
36,00,000	30,51,826	49,49,377	12,31,373	16,904	Andrew Yule & Co., Ltd.	852	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
25,00,000	24,78,000	34,54,386	22,18,020	20,740	McLeod & Co., Ltd.	1,265	Kanpur	13.16	10	0.50	0.50	0.50	12	Y.P.T.	
84,50,000	1,12,83,50	6,33,25,372	1,10,61,449	1,274	Sahu Jain Ltd.	1,274	Kanpur	24.31	100	0.50	0.50	0.50	12	Y.P.T.	
16,79,900	48,84,846	1,56,46,574	61,41,213	2,44,517	Hird & Co. Private Ltd.	567	Kanpur	22.00	100	0.50	0.50	0.50	12	Y.P.T.	
26,76,500	25,016	2,22,21,535	1,17,01,458	10,981	Macnelli & Barry Ltd.	1,092	Kanpur	53.25	60	0.50	0.50	0.50	12	Y.P.T.	
20,00,000	13,14,376	36,54,253	24,27,400	4,920	Howrah Trn. Co. Private Ltd										

WORLD BANK AS GARDENER

Clearly, Mr. Black is in a much better position to view dispassionately the process of economic development with which the World Bank is now becoming so intimately connected. It is a measure of the man that his stature, as an international economic statesman, keeps growing along with the expansion of the Bank's activities. Indeed, his observations on the current economic scene are imbued with the mellowed wisdom of a practical philosopher. They contain a great deal of what is valuable as much to the industrialised west as to the underdeveloped regions. He rightly insists that the underdeveloped world should make its own efforts for development before it seeks aid from abroad. Further, it must abandon the policies which destroy economic growth. He says: "It is, after all, not the shape of the financial instrument but the presence or absence of the right economic policies which primarily determines the success of an adventure in economic development." If an underdeveloped country thinks it can stimulate economic progress by drying up the springs of initiative, it is sadly mistaken.

No less significant is Mr. Black's plea for broadening the "international channels through which new and additional resources may flow into the development of the underdeveloped

No less significant is Mr. Black's plea for broadening the "international channels through which new and additional resources may flow into the development of the underdeveloped

Contents

LEADING ARTICLES—	PAGES
World Bank as Gardener	629
Wealth from Waste	629
Air Fares	630
MARKET GOSSIP	631
ROUND THE EXCHANGES	632
NEWS IN BRIEF	633
PERSONAL	633
THIS WEEK'S SURVEY	634-635
SPECIAL FEATURES—	
London Letter	636

American Letter	63
Manchester Letter	64
Development of Indian Railways	64
Climate for Foreign Private Investment	648-65
MONEY AND BANKING	638-63
TEXTILES	64
COTTON	64
SUGAR	64
PLANTING	64
ENGINEERING	65
INSURANCE	65
COMMERCE AND INDUSTRY	65
COMPANY MATTERS	658-55
COMPANY MEETINGS AND DIVIDENDS	65
COMPANY REPORTS	660-66
MARKET REPORTS	663-66
NEW PRODUCTS AND PROCESSES	66
MISCELLANEOUS STATISTICAL INFORMATION	666-66
WHEAT STOCK EXCHANGE TREND	66

countries." In particular, he rightly stressed that a creditor country should be prepared "to accept eventual repayment in goods and services if the structure of international indebtedness is to be sustained." He pointed out that many of the trade restrictions today, particularly on agricultural products and industrial raw materials, "already stood in obvious contradiction to the proposed aim of more advanced countries to aid the underdeveloped lands." This is a point of view which the industrialised countries, especially in Western Europe, have not always learnt to appreciate. Financial aid had no doubt a positive relevance to economic development in the economically backward regions. But it cannot be a total, nor a satisfactory, substitute for trade facilities. It may be recalled here how a similar view has been expressed by the U.N. Department of Economic and Social Affairs in its report, *World Economic Survey 1958*, when, after referring to the 7 to 8 per cent. fall in export earnings of the underdeveloped countries during the period mid-1957 to mid-1958, it said: "This drop, reinforced by a continuing, albeit slight, rise in the import prices of manufactured goods in the face of industrial recession represents a loss in import capacity equivalent to about six years' lending to the underdeveloped countries by the International Bank for Reconstruction and Development at 1956-57 rates." This analysis lends strength to Mr. Black's view that, as a stimulus to an underdeveloped region's efforts to meet its current needs, aid is no permanent substitute for trade. Surely, if industrial countries give generous loans to the underdeveloped world but, at the same time, adopt measures which curtail its exports, they will have taken away its capacity to repay the loans.

IT is most gratifying to hear that arrangements have been completed to establish one more industry which will bring wealth out of industrial by-products that are now not being put to the most profitable use. We refer here to the proposed joint enterprise of the House of Kilachands and Firestone Tyre and Rubber Company of the U.S. to manufacture synthetic rubber in Uttar Pradesh on a fully integrated basis. It is a well-known fact that, of the by-products of our sugar industry, molasses and bagasse are not being put to the best possible use, with the result that crores of rupees worth of raw materials are being thrown away. Bagasse is being consumed by sugar factories mostly as fuel to power their own plants, whereas research has proved that a more profitable outlet for it would be in the manufacture of first class writing paper as well as newsprint, both of which will be needed in increasing quantities in the coming years. Many large-scale producers of cane sugar in the world are already making paper and newsprint out of this sugarcane waste. A modest beginning in this direction has just been made in Mysore and the first company to make paper out of bagasse—the Mandya National Paper Mills Ltd.—has approached the market for capital.

Similarly, molasses are used for making industrial and power alcohols, but, as the outlets for these are very restricted, the scope for this conversion is limited and large quantities of molasses are literally destroyed. It is estimated that the molasses available in the country are sufficient to produce 40 to 44 million gallons of alcohol. Hardly half of this quantity is produced now. Last year, the production of alcohol was only a little over 18 million bulk gallons. There would be no necessity for wasting molasses if there were no prohibition; in other countries, molasses are being utilised on a big scale for making potable alcohol and cattle feed, highly profitable outlets, indeed. In this country only a small quantity is being used for making rum. Even the industrial and power alcohol are not being utilised in a **gainful manner**.

redeemed on 1st May 1964 onwards. The Company has option to redeem debentures at 10% per cent. on 1st July 1964, on six months' notice, from 1st May 1964 onwards. T = Taxable. T.F. = Tax free.

* Current Income. x.d.—Ex-dividend. x.r.—Ex-Rate

At one time in the not distant past, more power alcohol than industrial alcohol was being produced; this was so even at the beginning of the second Plan. But now the demand for the latter has gone up, thanks to the growth of plastics, D.D.T. and rayon industries. In 1958, of the total production of 18.18 million bulk gallons, the share of industrial alcohol was 9.67 million gallons, that is, more than 50 per cent. As against this, in 1955, of the production of 15.6 million gallons, industrial alcohol's share was only 5.2 million gallons, that is, just one-third. One should not be misled by the growth in production and consumption of industrial alcohol to assume that the situation has improved enough. While the trend is on right lines, it has to progress further before one can say that the country is having the optimum use of molasses.

As already stated, the present production of alcohol is less than half of what could be produced from the available supply of molasses. Again, nearly half of the alcohol produced is being used as fuel for motor vehicles by mixing it with petrol. Neither the owners of road vehicles nor the oil companies are in favour of this arrangement. They are being compelled by legislation to take to this mixture in U.P. and Bihar, as well as in a few other States, where power alcohol is being produced. This mixture had its utility during the war and early post-war years, when petrol was scarce. But there is no scarcity of petrol now; indeed, there is a large surplus of it. Further, it is conceded by competent technical persons that alcohol is better used as industrial raw material than fuel. The Planning Commission also said, in its report on *Programmes of Industrial Development*, that "the use of alcohol as motor fuel can by no means be regarded as the most useful or economic outlet for this product." It went on to add that "while its consumption as motor fuel has to be permitted and even encouraged in the immediate future as a means of fostering the development of alcohol industry, a steady and permanent demand for alcohol has to be found in the establishment of industries using alcohol as their raw material." The Expert Committee on Alcohol Industry (Chairman: Dr. A. Nagaraja Rao) was also of the view, as early as in December 1956, that the development of alcohol-based industries like synthetic rubber, acetate rayon/cellulose acetate, pharmaceutical products, D.D.T. and other organic chemicals and solvents should be encouraged on a priority basis. This opinion was accepted by the Government, without any qualification, in March 1958. The proposed establishment of synthetic rubber industry in U.P. has thus the backing of expert opinion and will offer an ideal, large-scale outlet for alcohol. The promoters of the proposed synthetic rubber project have estimated that approximately 14 million gallons of alcohol will be required initially, when they propose to produce 20,000 tons per year of G.R.S. rubbers, latices and other rubber products, and 20 million gallons later, when production is stepped up to the full capacity of the G.R.S. plant, namely, 30,000 tons per annum.

Synthetic rubber belongs to the family of petro-chemical industries, as does plastics. In the rest of the world, both plastics and synthetic rubber are based on mineral oil industry, but, in India, the position is different. In the first place, India does not have at present sufficient supply of petroleum. Secondly, the by-products of petroleum refineries can be profitably used for other purposes, as, for instance, the manufacture of fertilisers which are urgently required for increasing agricultural production. And, thirdly, as has been shown above, there is a large surplus of molasses and its derivative, industrial alcohol, which are either wasted or ungainfully utilised. The planners were, therefore, right in deciding to base synthetic rubber on industrial alcohol. In coming forward to establish this industry, both Kilachands and Firestones are rendering a signal service to the country.

From the point of view of demand also, the case for synthetic rubber is unassailable now. The demand for rubber is rapidly expanding. Current consumption is running at the rate of 40,000 tons and is expected to touch 60,000 tons in another 18 months, thanks to the sizable expansion that is taking place in the capacity for manufacturing tyres and other rubber goods for both industrial and domestic use. It is expected to exceed 75,000 tons by the end of the third Plan in 1966. Because of the belated and halting efforts for stepping up production of natural rubber—here it is the Government that is largely to be blamed—the supply of natural rubber will greatly lag behind the demand. Even now, the gap is about 15,000 to 16,000 tons which is now being met by

imports. In two years, it will easily be in the neighbourhood of 24,000 tons and the foreign exchange position is not favourable for importing such a large quantity of rubber. It has been found from experience that, in certain respects, synthetic is superior to natural rubber. In the U.S., nearly 75 per cent. of synthetic rubber goes into tyre manufacture. It is claimed that, when synthetic is mixed with natural rubber, the final product has certain advantages not found by using natural rubber alone. There is thus no doubt that synthetic rubber has come to hold a firm place in the manufacture of rubber goods. Further evidence of it can be had from an article on page 644 of this issue.

It is true that, even four years ago, the idea of establishing a synthetic rubber industry in India sounded fanciful. This journal itself felt that it was a far-fetched one and wondered whether it would be worthwhile making a large capital investment for this purpose when India was endowed with appropriate climate, land and man-power for growing natural rubber. But then the case for the synthetic was by no means as clear as it is now. It was then generally assumed that the synthetic would be based on either petrol or coal, as is the case elsewhere in the world. There were no proved petroleum reserves of any sizable nature. The conversion of coal for this purpose was no easy job. The position in these respects is still much the same. In any case, both oil and coal are exhaustible resources, whereas rubber trees can be replaced by fresh planting. The idea, therefore, did not sound attractive. The foreign exchange position was then thought to be so comfortable that the Government itself was very liberal in allowing imports of even luxury goods. Thus, the circumstances were such that imports of rubber seemed to offer a better solution for closing the gap, until such time as the natural rubber was able to take care of the country's needs.

But now things are different. The demand for rubber has risen faster than anticipated. The synthetic rubber is based on an inexhaustible source of raw material which is going waste. Sugarcane and sugar are produced every year in increasing quantities, so that there is going to be a regular, inevitable supply of molasses and, therefore, industrial alcohol. Even the other raw material, benzene, is, and will always be, available in plenty, as it is a by-product of steel industry which is being expanded on a large scale. No drain of foreign exchange is involved in regard to raw materials. On the contrary, when the industry is fully established, it is expected to result in a saving of at least Rs. 5 crores, if not more. No immediate loss of foreign exchange will occur through import of plant and machinery, as Mr. Tulsidas Kilachand has been successful in securing not only the technical and financial collaboration of the Firestone Tyre and Rubber Company (U.S.), but also the assistance of commercial banks in the U.S. and financial institutions in the U.K. for taking care of the foreign exchange needs of the project. Of the estimated capital cost of Rs. 13.50 crores, foreign exchange requirements are Rs. 7.5 crores, of which Rs. 3 crores will be given as credit by Firestones and the balance will come from the sources just mentioned. In addition to the credit of Rs. 3 crores, Firestones will also be investing in the proposed company to the tune of Rs. 11.25 lakhs, out of a total equity capital of Rs. 4.50 crores. With Kilachands ready to provide another Rs. 11.25 lakhs, the balance of Rs. 2.25 lakhs is not beyond the capacity of the domestic capital market today.

The promoters, it is noteworthy, have not sought any assurances, or guarantees or subsidy from either the Central or State Government, even though the project involves as large an investment as Rs. 13.50 crores, excluding working capital. This shows their confidence in the intrinsic merits of the project and in their ability to make it a success. It also shows their faith in the Government and the belief that, if due to any unforeseen circumstances their industry gets into difficulties, the authorities will afford it suitable protection. The promoters are also confident that, on the basis of today's cost of alcohol in Uttar Pradesh, they would be able to produce synthetic rubber at a cost cheaper than natural rubber and at almost the same price as the imported synthetic rubber. The assumption is somewhat nebulous, for the producers of molasses and alcohol alike have been demanding a higher price for their materials (which are now subject to strict official control), on the ground that their costs have gone up and that the profit margin is unremunerative. In any case, the hope entertained by some that the establishment of synthetic rubber industry will lead to a fall in the price of sugar is rather an extravagant one.

AIR FARES

WORLD airlines have long recognised that there is a virtually inexhaustible potential market to which they could cater. It is true that only a fringe of this vast market has now been exploited. Even so, it is significant that the volume of air traffic is rising year by year. But the airlines realise that a rapid expansion in air traffic could come only through successive reductions in fares. The problem is not by any means an easy one, for there are several factors which influence the level of fares, operating costs and density of traffic being the most important. Operating costs continue to rise faster than revenue. Last year, the airlines showed an overall operating deficit of \$160 million, as against \$41 million in 1957. The simple expedient of increasing the fares is not the right solution, because it may well lead to a fall in air travel and an increase in deficit.

Clearly, some way must be found to keep the fares down. But world airline representatives, who met this week at Tokyo where the International Air Transport Association held its annual session, could not reach any agreement over proposals for lower plane fares between Europe, Africa and Asia and across the Pacific. It is believed that a new fare-setting conference may be called, in order to pave the way for an acceptable solution of the problem of fares. Apart from the rise in operating costs brought about by the use of costlier planes and larger wage bills, there are two factors which prevent the movement towards a lower fare schedule. It is to these two factors that Sir William P. Hildred, the Director-General of the International Air Transport Association, referred in his annual report when he said that world airlines' power to keep fares down was being threatened by the "military blockade of the upper air space and the tendency of governments to increase airport charges." He said that by closing off large areas of upper space from civilian traffic, the military authorities were forcing jets to operate over longer tracks or at lower altitudes which increased their fuel consumption. It would, however, appear that the military had been more understanding and helpful in recent months in finding a solution to the problems over the North Atlantic and the European Continent, though the goodwill "has been of slow growth and is being outpaced by developments." Referring to the second factor, Sir William said that increased Government charges at air ports, often imposed at short notice, were causing the airlines "serious concern." He added: "Those lightning levies are unfair and unwise."

It is of the utmost importance to world progress that air traffic should grow and grow fast. The problem before the airlines, as Sir William pointed out, is to attain the highest possible economy of operation as the basis for the lowest possible price and then to squeeze the greatest amount of traffic out of whatever market that price level enables them to exploit. Sir William said: "Our markets are inexhaustible as long as we keep the fare down, down, down." Since an increase in air traffic is a matter of vital concern to all countries, it is to be hoped that their Governments will show the necessary imagination to keep the airport charges to a minimum. Any measure that is calculated to bring down the air fares is a contribution to world progress, worthy of the highest praise.

While the Governments should, of course, do all they can to keep the airport and other charges to the minimum, the airlines, on their part, should not relax their efforts designed to cut costs of operations. By employing high-cost aircraft, like jet planes, on routes which just do not have the traffic to permit the use of such aircraft as an economic proposition and which can very well be served with the less costly traditional aircraft, the airlines will be merely adding to their own and their patrons' burdens. India's delegate to the meeting, Mr. J. R. D. Tata, was quite pertinent when he urged that some "sober and realistic" thinking was called for in the matter of satisfying the "untapped demand for cheap travel." He referred to the fact that the air transport industry had been accused of "having made a ghastly mistake in going in for jets in such a big way, and the I.A.T.A. gets its share of the blame for the adverse effect the jets will have on fare levels." It would appear that, in certain cases, considerations of prestige rather than economics dictate the use of jets. Surely, jets, as Mr. Tata warned, might prove an expensive luxury if operated in excessive numbers or on routes for which they are not suited. It is, of course, for the airline to determine where these aircraft have the best chance of attaining economic operation.

MARKET GOSSIP

THE momentous development of the week is the resounding victory of the Conservative Party in Britain. It has come back to power, with a far greater majority than it enjoyed in the previous tenure. While the return of Conservatives to Government had been anticipated by many in this country, it was not expected that it would get such a large majority as 100. The Labour Party has suffered a crushing defeat, having polled fewer votes than in the last elections. The significance of this development is that, for the third time in succession, the vast majority of British people have rejected socialism, with all its paraphernalia of nationalisation of industries, State capitalism, undue State direction and controls, and that they are content to have a party in power which has promised minimum State controls and State-ownership. It must be remembered, in this connection, that, on the eve of the elections, the Socialists had promised liberal concessions in purchase tax, no increase in income taxation and a grandiose pension scheme. Yet, the people did not vote them to power. It must also be remembered that the Labour Party had done a lot of re-thinking and readjustment in their policies. They had incorporated in their policy statement Mr. Nehru's idea of controlling the economy from strategic heights, instead of outright ownership. But all this has not helped them to be in charge of Her Majesty's Government. What more evidence is required to show that, in Britain, socialism is out of date and that the British people immensely distrust it?

The success of the Conservative Party reflects the British people's hard common sense. They have found that this Party has delivered the goods, in the sense that it has brought about a considerable improvement in the standard of living of the people. They have wisely preferred to keep in harness the tried horse.

The Conservative Party, of course, deserves the success it has had. After the deplorable Suez episode, it worked hard to salvage its political reputation and to restore the British position to a sound position. Some idea of its achievements can be had from our London Letter elsewhere in this issue. Whatever the Socialists may say, there is no doubt that, under the rule of the Conservative Party, the lot of the common man has greatly improved and that Britain has moved a long way towards a classless society. This Party's victory means an endorsement by the British public of all its economic policies, including the 7 per cent. Bank rate and abolition of controls once the economic emergency was over.

In the past two years, the Conservatives have also had a lot of luck. The favourable balance of payments position of the U.K. is due, in a large measure, to (a) the heavy rise in the prices of primary raw materials, (b) the great fancy which Americans suddenly took for small cars, and (c) the lead which the British aircraft industry had obtained in making jets. These advantages cannot last for ever, though the first mentioned factor may continue longer than many people think.

Tasks Ahead

The fear of Labour victory in the polls had a sobering influence on British employers and Conservative Ministers. But there is a danger of their thumping success removing this restraining factor. If they allow heavy speculation in markets, they will be inviting economic trouble. Instances similar to the Jasper affair show the risk involved in giving unrestricted freedom to free enterprise. The re-elected Party and the Government have also to bear in mind the obligations of developed countries to underdeveloped countries. They have to see that the understanding reached at the Ottawa Commonwealth Conference, namely, that the underprivileged nations must be helped to grow even if this involves some sacrifice by the developed countries, is faithfully implemented. It is quite refreshing to find that this point has been effectively brought out by our London contemporary, the *Financial Times*. Writing on the tasks awaiting Mr. Macmillan's Government during its fresh tenure of five years, this paper says:

"In the international field, too, there is much to be done—more indeed than at home. Apart from the main problem of world tension, there are many specifically economic tasks. There is the question of Britain's economic relations with Western Europe and with the Commonwealth. There is the need to improve living standards in the underdeveloped countries, and especially in our own colonies. There is the growing Soviet economic challenge. In the next five years, there is a lot to do.

"While a settlement in Europe remains essential, it is equally important that the eventual bargain should not be concluded at the expense of the rest of the world. Wars, as a whole, no less than Britain, will in future have to accept greater responsibility than hitherto for the development of the poorer countries in Africa, the Middle East and South-East Asia. The time has come for a shifting of some of the burden from American on to European shoulders. This country will have to devote increasing resources to investment in the Commonwealth. One point which will have to be kept in mind here is that an attempt must be made to encourage private investment in these areas of the Commonwealth which have hitherto had to rely on Government assistance.

"Stability must be established where it does not exist at present. Aid must be given. At the same time, the developing countries must be given the chance to expand their trade. As their industrialisation is advanced, this will pose difficult and painful decisions. Other industries may share the fate of cotton and find themselves exposed to competition on a scale which they cannot easily meet. It will be

up to the Government to ease the transitional process as much as it can. The major challenge for all industrial countries, non-Communist and Communist, in the years ahead will arise to their relations with the underdeveloped nations. Until the gap between the rich and the poor countries in this world can be seen to be narrowing, the advance of the world as a whole towards peace and greater prosperity will remain in jeopardy. This is the background against which the international problems of the coming years have to be tackled."

Mr. Eisenhower's Remarks

These sentiments doubtless reflect the thoughts of leaders not only in this country but also in the U.S. At the annual meetings of the Fund and the Bank, the Americans missed no opportunity to stress the point that it was time Western Europe, which they had helped to recover and become strong against Communism, took active interest in, and made substantial contribution to, the economic advancement of the less developed free world. This point was reiterated by President Eisenhower in an inspiring speech in his native town in Kansas State on Wednesday the 14th inst. He said:

"Any responsible person will recognise that no one nation, even with the legendary strength of an Atlas, could long support the world on its shoulders. Each nation will progress only if its own people and leaders recognise that the major responsibility for improvement is theirs. Even if every other nation were as generous as the U.S. has been in recent years, this would still be so. But this does not imply that we or any other fortunate people may be indifferent to the welfare of others. We cannot today live—either in domestic or international life—with the long-obsolete picture of the factory-owner living on a hilltop in isolated riches and splendour, wholly indifferent to the aspirations and just demands of the oppressed multitudes in the plains below. . . . Every nation should contribute to the common enterprise in whatever way it can. No nation should be deemed incapable of contributing in some fashion to the common goal.

"The ingredients of this resistance must be technical service, private and public loans, dependable, mutually helpful trade relationships, grants in emergency situations, security help in transition years, and, above all, continuing efforts to build true understanding among nations and peoples, without which all else will fail. Foreign capital helped our own country make spectacular progress during the first three-quarters of the nineteenth century—capital which over a 40-year period we repaid with interest. So too can private and public capital under the right conditions, now assist the less-developed nations, make sound progress towards the achievement of their goods. The 'right conditions' must include both an honourable and responsible attitude within the nations needing the capital and intelligent trade relations among all free nations."

The aforesaid quotation from President Eisenhower, it must be conceded, aptly reminds both the developed and underdeveloped nations of their obligations towards each other.

Five per cent. for 58 Months

Interest rates in the U.S. have of late been showing sustained strength. The rise began in the summer of 1958 in the context of large-scale sale of intermediate and long-term Government securities. By mid-1959, average rates on long-term Government bonds had risen above 4 per cent., the highest yield since early 1930's and those on some short-term securities to nearly 4½ per cent. Medium-term rates had advanced almost to the peaks reached in 1957 prior to the recession. In keeping with this trend, commercial banks raised, in May last, the rate on prime loans to 4½ per cent. and, subsequently, still higher to 5 per cent., the present ruling rate. The Federal Reserve discount rate, which was 3 per cent. in March last, was raised to 3½ per cent. in May and to 4 per cent. last month.

Last week, the U.S. Treasury issued short-term bonds of the value of \$2,200 million, maturing in 58 months, at as high a rate as 5 per cent. per annum, the highest in thirty years. The issue was a resounding success, as the subscriptions were more than five times the amount invited. It may be interesting to note here that, in India, one can get only 3.78 per cent. per annum on a 15-year Central Government loan and 3.57 per cent. on a 10-year issue. The yield on a 5-year loan is no more than 3.44 per cent.

As the five per cent. interest offered by the U.S. Treasury was higher than the prevailing market rate, it turned out to be a tempting bait. Investors from the length and breadth of the country, some of whom have never hitherto applied for a negotiable Government security, turned up in a big way. Applications poured in overwhelming numbers for over \$11,000 million. The original amount of issue was, therefore, raised by 10 per cent., that is, by \$200 million to \$2,200 million. Even then, not more than five per cent. of the demand could be met. A system of allocation was devised according to which all subscriptions of \$25,000 or less were allotted in full and savings-type investors were allotted 45 per cent. of their application, commercial banks had to be satisfied with 8 per cent. and all other investors with 5 per cent.

The U.S. experience is contrary to the belief held by the authorities as well as advisers on Indian capital market. Here, the belief is that the Government should borrow from a position of strength, that it should lead the market rather than be led by it, and that, if possible, the issue should

carry a rate of interest slightly below the prevailing market rate. In view of this belief, if the Government of India were to issue a loan offering a higher rate of interest, it would be regarded as a sign of weakness, resulting in a slump in the Government market. In the U.S., however, things are different. The U.S. Treasury and the Federal Reserve system do not mind following the market. They prefer this policy to pumping money first into the market, so that new loans can be raised on more favourable terms.

The success of the latest issue confounded sceptics who had doubted whether it would be possible to strengthen the market by offering new issues at rates more favourable to the lender than the prevailing market rate. As the *Wall Street Journal* put it, the great rush for the new issue "reminded once again the power of price in the market place—the price of money as well as of anything else."

The issue of a new loan of less than five-year maturity at a high rate of interest is a sequel to the refusal of the U.S. Congress to lift the statutory ceiling of 4½ per cent. on Treasury bonds (that is, securities with a maturity period exceeding five years). It will be recalled that, in view of the rise in interest rates in the past one year, the President had proposed to the Congress, in June 1959, the elimination of the statutory ceiling. Without such an increase, it would not be possible for the Treasury to fund its short-term loans maturing in one to five years, which have grown to an enormous size, from \$39 billion to \$59 billion since June 1957. The Congress's refusal has forced the Treasury to concentrate entirely on the short-term market to meet its demand for funds. Consequently, the discount rate on three months' Treasury bills has risen from 3 per cent. at the beginning of August to 4.17 per cent. by mid-September, and the rate on six months' bills and on Treasury notes has gone above 4½ per cent.

The present issue of \$2.2 billion would appear to be aimed at easing the pressure on Treasury bill rate. It remains to be seen whether the upward trend will be halted. At the auctions held on the 9th inst., a day after the announcement of the issue, 13-week Treasury bills were sold at an average rate of 4.262 per cent. and 26-week bills at 4.666 per cent., as compared with 4.007 per cent. and 4.678 per cent., respectively, at the previous week's auctions. The rate of 4.262 per cent. for 13-week bills was a new peak as compared with the previous record of 4.259 per cent. in March 1953.

The consensus of opinion in New York at present is that, whatever the immediate prospects for Treasury bill rates, interest rates may resume their upward trend, once the steel strike over an economic activity restored, unless, of course, the Congress changes its mind when it meets again early next year.

Cotton Textile Situation

The shares of cotton mills seem to have caught the fancy of investors in recent months, as witness the handsome gains registered by most of them. An idea of the gains can be had from the following quotations for a few prominent scrips transacted on the Bombay Stock Exchange:

	15th October 1959	30th December 1958	Net rise since December 1958	15th October 1958
Bombay Dyeing	Rs. 69.20	Rs. 56.40	Rs. 12.80	Rs. 58.00
Century	601.00	416.60	184.40	436.75
Finlay	299.50	255.00	44.50	281.00
Khatana	271.25	155.00	116.25	178.75
Kohinoor	317.00	239.50	183.50	266.60
Standard	646.00	405.00	241.00	408.00
Total	47.25	35.50	11.75	57.25

The increased interest of investors in cotton mill shares must be attributed to hopes of enhanced return based on renewed reports of excellent off-take of both piecegoods and yarn for domestic consumption as well as exports. The hopes are so high that even the possibility of the improvement in mills' sales being offset largely by higher cost of production has failed to restrain their enthusiasm. It may be noted here that, as compared with last year, the average amount of dearness allowance paid to a mill worker in Bombay City for 26 working days has gone up from Rs. 81.58 (average for 1958) to Rs. 88.60 (August 1959) and the prices of cotton have risen by about 10-20 per cent.

Reflective of the excellent off-take of piecegoods is the sizable reduction in the accumulations of stocks lying with mills. The total of these stocks as at the end of last month was 559.5 million yards, a drop of 314.1 million yards as compared with the 873.6 million yards held at the close of 1958. Of this drop, unsold stocks account for 222.9 million yards—the actual quantity declining from 494.4 million yards to 271.5 million yards—and stocks sold but not taken delivery of for 91.2 million yards—the actual quantity falling from 379.2 million yards to 288.0 million yards. Similarly, the stocks of yarn lying unsold with mills as on 30th September were lower at 11.76 million lbs., as against 25.64 million lbs. at the end of December 1958. It must be noted that the decline in cloth and yarn stocks has taken place, despite the fact that production has not suffered a setback. The aggregate quantity of cloth actually produced in the first nine months of 1959 was more or less the same as that in the corresponding period of 1958, being 3,687 million yards. The output of yarn was actually higher at 1,279 million lbs., as against 1,247 million lbs.

The improvement in the off-take of cloth has been on account of both domestic consumption and exports. It is rather difficult to assess the quantity of mill cloth consumed within the country in the absence of details regarding the stocks held by the trade—wholesale and retail—as also by

(Continued on page 668)

EQUITIES RULE STEADY

SHARP RISE IN CENTURYS

(From Our Own Correspondents)

BOMBAY, 15th October

AFTER a sustained upward trend during the last few weeks, equities on the Bombay Stock Exchange displayed a somewhat hesitant tendency during the week under review. Movements were a little erratic, but the undertone remained very steady under the leadership of some leading textile scrips. Prominent in the textile group was Centurys which, under a spell of strong speculative support, crossed today Rs. 600 to touch Rs. 602.50. Rumours that the Company had received sanction to issue the proposed new capital at a premium of Rs. 20 infused fresh buying in this scrip. The general improvement in this group was, however, due to reports that the offtake of cloth had improved sizably during the last few months, thus enabling mills to reduce their stocks considerably. In the steel group, Indian Irons staged a good rise on rumours that the L.I.C. was interested in buying, but later reports indicated that the Corporation had turned down all offers. There was, therefore, a sharp drop from the week's peak level.

Steels

Tata Ordinaries jumped up early in the week from Rs. 164.25 to Rs. 166 before reacting to Rs. 163.25 on Monday. Subsequently, there was again a recovery to Rs. 165.50, but the closing was done a shade lower at Rs. 164.75. Tata Ordinary Rights came to be quoted today at Rs. 76 and their coupons at Rs. 16.50. Indian Irons advanced from Rs. 24.08 to Rs. 24.56 before reacting to Rs. 24.20.

Textiles

As stated already, the highlight of the textile group was provided by Centurys. The shares shot up early in the week from Rs. 583 to Rs. 600. After a subsequent setback to Rs. 587, the shares rallied to touch a high of Rs. 602.50 and closed at Rs. 601. Bombay Dyeings were also a feature, with a spurt from Rs. 68 to Rs. 69.20. Kohinoors fluctuated between Rs. 325 and Rs. 313 before finishing with a loss of Rs. 2.50 over the week at Rs. 317. Central Indias also lost Rs. 2.50 to Rs. 115. Finlays, however, gathered Rs. 4.50 to Rs. 299.50 and Gokaks Rs. 6.50 to Rs. 179.50. Indu Ordinaries gained 24 p to Rs. 11.40. Khataurs were done Rs. 6.25 lower at Rs. 271.25 and Morarjees Rs. 20 down at Rs. 270. Minervas hardened by Rs. 8 to Rs. 70. New Greats Halcyonias were fully steady at Rs. 16.37, as also Ouchterlony at Rs. 5.45 and Nelliampathys at Rs. 3.00. Among coffees, Coffeelands climbed up by 62 p to Rs. 24.12. Consolidated Coffees were marked up by 35 p to Rs. 22.50. Cowcoods improved by 5 p to Rs. 6.20. Wartybulls put on 3 p to Rs. 3.98 and Oosors 2 p to Rs. 3.95. But Balmadies dropped 5 p to Rs. 2.95. Among rubbers, Highlanders rose by 25 p to Rs. 14. Malabars gained 10 p to Rs. 6.60. Midlands, however, shed 30 p to Rs. 12.20. Thirumbadis and T.R. and Ts were unchanged, the former at Rs. 1.85 and the latter at Rs. 6.90. Vaikundams also were unaltered at Rs. 28.25 *interim cum-div.* The Directors of the Company have declared an interim dividend of 12½ per cent. for the year 1959, which is taxable, as against 12½ per cent. tax-free announced this time last year.

Banks and Insurance

Bank shares were featureless. Barodas were unchanged at Rs. 103.50. Centrals were a fraction lower at Rs. 48.50, while their 'A' shares were maintained at Rs. 51. Bank of India shed a rupee to Rs. 111. While Punjab Nationals disclosed no change at Rs. 21, United Commercial declined by Rs. 2 to Rs. 61. In the insurance group, New Indias were in the forefront, their old shares being marked up by Rs. 3.40 to Rs. 63.20 and their new shares by Rs. 2.70 to Rs. 63.50.

Electricity

Electricity shares were quiet with an all-round setback in prices. Ahmedabad Electrics shed 40 p to Rs. 95.80, Bombay Suburbans 75 p to Rs. 105 and Surat Electrics 50 p to Rs. 105. Tata Hydros were fractionally lower at Rs. 113. Andhra Valleys lost Rs. 1.75 to Rs. 1,090 and Tata Powers Rs. 30 to Rs. 1,120.

Sugars

A fall of Rs. 8 to Rs. 332 in Belapur was a feature of the trading in sugar shares. Phaltans were down by a rupee at Rs. 181, while Walchandnagars disclosed no change at Rs. 331.25. Some of the cash scrips, however, were firm, Maharashtra Sugars recording a gain of Rs. 22.50 to Rs. 269.50, New Svadeshis Rs. 5 to Rs. 270 and Kesar Sugars Rs. 3 to Rs. 70.

Cements

Trading in this group was dull with fractional variations in prices. Associated Cements moved between Rs. 154.25 and Rs. 151.50 before closing at Rs. 152.75. Digvijays were a fraction lower at Rs. 147.25, as also Orissa Cements at Rs. 154.00. Jaipur Udyogs were unchanged at Rs. 10.08.

Engineering and Minings

Barring a rise of Rs. 6.50 to Rs. 387 in Premier Constructions, engineering shares were dull. Tata Locomotives were, however, erratic, moving between Rs. 208.25 and Rs. 200, but closed at Rs. 200 with no change over the week. Alcock Ashdowns suffered a loss of Rs. 6 to Rs. 260. Larsen and Toubros were down by 36 p to Rs. 23.12. Cooper Engineering by Rs. 3 to Rs. 168. Mahindras by 44 p to Rs. 23 and Structural Engineering by Rs. 20.50 to Rs. 235. Shivrajpur, among minings, showed no change at Rs. 90, while Indian Coppers shed 8 p to Rs. 3.96.

Shipping shares presented a quiet trend. Scindias reacted from Rs. 17.84 to Rs. 17.08 before recovering partially to Rs. 17.32. Great Eastern Shippings declined by 82 p to Rs. 19.96 and Bharat Lines were a shade quiet at Rs. 10.48. Automobile shares were steady, Premier Automobiles

recording a rise of Re. 1.25 to Rs. 136.75 and Hindustan Motors 24 p to Rs. 13.80.

Bombay Burnahs (old) were erratic, fluctuating between Rs. 555.50 and Rs. 537.50. The closing was, however, done at Rs. 548, representing a fall of Rs. 5 over the week. National Rayons rallied from Rs. 375.50 to Rs. 388.25 before finishing at Rs. 384.50. Their new shares improved by Rs. 6.50 to Rs. 370, while Gwalior Rayons were marked down by Re. 1 to Rs. 25. Chemicals and Dyes continued to be in favour. Tata Chemicals gained 28 p to Rs. 17.32. Dhanganadras put on Re. 1.25 to Rs. 135.25 and Colour Chems Rs. 3 to Rs. 223. Dhanamsi Chemicals moved up by Rs. 9.50 to Rs. 150. Poly Chems staged a hectic rise from Rs. 144.50 to Rs. 163. Indian Dyestuffs advanced by Rs. 6.25 to Rs. 331.25 and Amar Dyes by Rs. 8 to Rs. 231. Tata Oils were unchanged at Rs. 65, while Voltas were a shade quiet at Rs. 182. Wimcos shed Rs. 2 to Rs. 226. W. H. Bradys were done at Rs. 360, as against Rs. 400 previously. West Coast Papers were marked down by Rs. 3.50 to Rs. 154.50 and Sarpurs by 64 p to Rs. 14.52, following the Directors' decision to skip over the final dividend for the year ended 30th June 1959.

Madras Stock Exchange

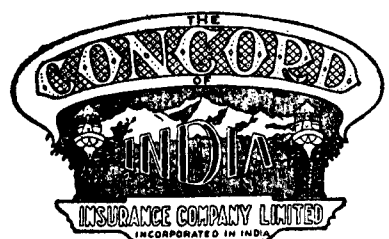
MADRAS, 14th October

The Madras Stock Exchange continued to rule firm during the week under review, with several scrips recording further gains. Buying support was well sustained, while floating stocks were scarce. Textiles evoked enquiries, thanks to persistently encouraging offtake of cloth and yarn, in addition to reports that satisfactory progress was being maintained in the implementation of modernisation and expansion programme in many mills. Tea shares were also well favoured, notwithstanding the news of a sizable fall in the production of tea in South India during the first nine months of the current year. Coffees elicited good support, induced by hopes of a marked rise in output. In sympathy, rubbers, too, moved up. Sugars were active on account of renewed firmness of sugar prices. Among the miscellaneous industrials, cements and chemicals were fancied greatly.

In the sugar section, Cauverys advanced by Rs. 3 to Rs. 128. United Breweries rose by Re. 1.50 to Rs. 463. E.L.Ds and K.C.Ps gathered 25 p each to Rs. 42.25 and Rs. 17, respectively. Deccans picked up 20 p to Rs. 12.80. Travancores, however, declined by 30 p to Rs. 12. Indias sagged by 5 p to Rs. 13.13.

Among teas, United Nilgiris strengthened by 30 p to Rs. 20.30. Neelamlals hardened by 12 p to Rs. 4.45. Chembras gathered 3 p to Rs. 3.95. Halcyonias were fully steady at Rs. 16.37, as also Ouchterlony at Rs. 5.45 and Nelliampathys at Rs. 3.00. Among coffees, Coffeelands climbed up by 62 p to Rs. 24.12. Consolidated Coffees were marked up by 35 p to Rs. 22.50. Cowcoods improved by 5 p to Rs. 6.20. Wartybulls put on 3 p to Rs. 3.98 and Oosors 2 p to Rs. 3.95. But Balmadies dropped 5 p to Rs. 2.95. Among rubbers, Highlanders rose by 25 p to Rs. 14. Malabars gained 10 p to Rs. 6.60. Midlands, however, shed 30 p to Rs. 12.20. Thirumbadis and T.R. and Ts were unchanged, the former at Rs. 1.85 and the latter at Rs. 6.90. Vaikundams also were unaltered at Rs. 28.25 *interim cum-div.* The Directors of the Company have declared an interim dividend of 12½ per cent. for the year 1959, which is taxable, as against 12½ per cent. tax-free announced this time last year.

Textiles, as already stated, registered a rise in prices. Buckingham's spurted by Rs. 5 to Rs. 195. Coimbatore Pioneers and Dhanalakshmis increased



For ALL Insurances

**FIRE • TRANSIT • ENGINEERING
ERECTION • BURGLARY • MOTOR
VEHICLE • FIDELITY GUARANTEE
WORKMEN'S COMPENSATION**

**THE
CONCORD OF INDIA
INSURANCE CO., LTD.**
(Incorporated in India)

Head Office :

8, Clive Row, CALCUTTA

Telephone :
22-4195

Telegrams :
"YULINSURE"

Bombay Branch :

HONGKONG BANK BUILDING

Veer Nariman Road,

Telephone :
255561

Telegrams :
"CONCORDIA"

NEWS IN BRIEF

REFRIGERATED vans for the transport of fish, fruit and other perishable articles are expected to be built for the first time in India shortly through the efforts of the Railway Board.

The Government of Bombay has sanctioned Rs. 15 lakhs for the exploration of lignite in the Saurashtra area. It is estimated that Umarsar area of Kutch has a deposit of about 10 million tons of lignite.

The Model Mills, Nagpur, which has remained closed since April last, will resume functioning from the 29th inst. The Government of India has taken over the management under the Industries (Development and Regulations) Act 1956. Mr. Hanuman Prasad Nevatia has been appointed the authorised Controller and entrusted with the work of restarting the Mills.

India imported 1.17 million tons of steel during 1958, as against 1.67 million tons in 1957. The quantities imported on Government account and distributed by the Steel Controller amounted to 753,805 tons in 1958, as compared with 1,037,063 tons in 1957. The total supply during the period was 2.47 million tons, including 1.30 million tons from indigenous sources.

An official delegation, led by Mr. V. V. Chari, a member of the Central Board of Revenue, has left for Tokyo for initiating talks with Japan on the conclusion of an agreement for the avoidance of double taxation. India has already entered into similar agreements with a number of European and Asian countries. An agreement has also been reached between India and the U.S. This is now awaiting ratification.

Production of ilmenite in India during the first half of 1959 was 143,000 tons. Ilmenite is recovered from the beach sands of Chavara in the Qulion district of Kerala State and the Manavalakurichi area in the Kanyakumari district of Madras State, the former contributing nearly 93 per cent. of the total production. Ilmenite is produced at present mainly for export. The U.S.A. and the U.K. are the principal markets.

Traces of rocks containing several minerals of economic importance in the Kaladgi system in Western India have been found by the Geological Survey of India. Located in the south of Bombay State, the Kaladgi formation corresponds to the Delhi system in Rajputana and the Cuddapah System in Madras covers a wide area in Bijapur and Belgaum. Minerals in rocks traced in the area are abrasives, construction materials, such as building stones, slates, road metal, ballast, calcite, clays, glass-sand, limestone, dolomite, and lithographic stone.

A symposium on "Industrial Productivity—Research, applications and implications," organised by the sections of Economics and Social Sciences and Industrial Engineering and Administration in connection with the golden jubilee year celebrations of the Indian Institute of Science, Bangalore, will be held on 14th and 15th November 1959. The symposium will cover major aspects of research relating to industrial productivity. Delegates from academic institutions and industrial organisations from various parts of India are expected to participate and present papers at the symposium.

The final round of negotiations on the question of sharing the Indus Basin waters between India and Pakistan will begin at Washington on the 20th inst., under the auspices of the World Bank. The talks are expected to continue for a few months, as a good deal of technical data will have to be examined. An agreement has also to be reached on the quantity of water to be supplied by India to Pakistan in the next ten years, that is, till the construction of its link canals. The Indian delegation will be led by Mr. N. D. Gulati, Additional Secretary, Union Ministry of Irrigation and Power.

The Hindustan Machine Tools, Bangalore, has entered into a seven-year technical collaboration agreement with the Italian firm, Messrs. Officina Meccanica Olivetti, for manufacturing, under licence, 16 types of cylindrical grinding machines, in addition to the existing range of 74 types. The H.M.T. will have full rights to market these machines in India, Burma, Ceylon, Pakistan, Afghanistan, Nepal, Thailand and Laos. Besides making available the services of two experts to assist the production of the new types of tools, the Italian firm has agreed to give training to five employees of the H.M.T. in its workshops in Italy.

A new trade agreement between India and Italy was signed at Rome on the 6th inst. The agreement lays stress on greater economic and commercial co-operation for mutual benefit. To this end, a commission has been set up to facilitate consultations between the two Governments and to adopt practical measures for promoting and extending co-operation between enterprises, commercial organisations and banks on both sides. The agreement will remain valid until 30th June 1960. It will be renewed automatically for another year, unless either party gives three months' notice of its intention to terminate it.

As part of the programme for eliminating waste and improving storage conditions on the farm, in the grain markets and in Government godowns, the Grain Storage and Research Training Centre at Hapur has provided practical training in scientific methods of grain preservation and inspection to 236 persons so far. The next session of the short-term training course will begin on the 19th inst. Free accommodation is provided to the trainees by the Central Government and no tuition fee is charged. The syllabus includes training in modern techniques to improve the indigenous methods of storage, importance of fumigation, elimination of factors causing damage to foodgrains in

PERSONAL

MAHARAJ Surender Singh, a former ruler of Alirajpur, has been appointed India's Charge d'Affaires in Lebanon.

Mr. J. J. Derksen, Vice-Consul of the Netherlands in India, has left for Peking to take over his new assignment there.

Mr. P. A. Menon, until recently India's High Commissioner in Australia, has been appointed India's Ambassador to Argentina.

Mr. F. A. Murphy, an employee of Messrs. Aspinwall & Co., Ltd., is being co-opted as a Director of the Pullangode Rubber and Produce Company, Ltd., in the vacancy created by the resignation of Mr. R. M. Saywell.

Mr. Robert W. Cavanaugh, at present Chief of the Finance Division of the Treasury Department, World Bank, and also Assistant Treasurer of the International Finance Corporation, has been appointed Treasurer of the World Bank. He succeeds Mr. Henry W. Riley, who passed away last month.

Mr. C. H. Case (Project Engineer), Mr. S. M. Banks (Resident Engineer and Manager), Mr. G. M. Humphrey (Construction Superintendent) and Mr. H. J. Zimmermann (Chief Designs Engineer) of the Kaiser Aluminium and Chemical Corporation, the U.S., have arrived in India in connection with the preliminary work on the aluminium project of the Hindustan Aluminium Corporation of Birlas.

Prof. D. G. Karve, a well-known economist and an authority on Co-operation, and a Government-nominated Director of the Bombay State Co-operative Bank Ltd., has been elected as the Chairman of the Bank by its Board of Directors, following the retirement of Mr. R. G. Saraiya, who has been a Director of the Bank since 1932 and Chairman since 1938.

Mr. S. Lal, I.C.S. (Retired), a former Secretary, Department of Labour, Government of India, and Assistant Secretary-General in the United Nations, has been appointed part-time Chairman of the Damodar Valley Corporation for a period of three years. He succeeds Mr. T. Sivashankar, who has been holding this post, in addition to his duties as Secretary to the Union Ministry of Irrigation and Power since April 1959, when the Government of India reconstituted the D.V.C. Board.

product. Of overall industrial production in Sweden, the share of this industry is about 35 per cent. It employs over 30 per cent. of all workers and 50 per cent. of all salaried employees in industry. About one quarter of the engineering industry's output is exported, its share in overall exports being 30 per cent.

An increase of 108,000 to 23,162,000 in the number of persons in civil employment in the U.K. took place during the month of August last. The increase was shared by all manufacturing industries, and in most seasonal industries, such as building and contracting, distribution and agriculture. There is normally an increase in employment in August, but, this year, it was bigger than usual, reflecting the upward trend in industrial production. The fact that the increases occurred in all manufacturing industries makes it clear that the present phase of industrial expansion is broadly based. The number of operatives working overtime in the manufacturing industries in August was 45,000 more than three months ago and over 300,000 more than a year ago.

Recovery in world industrial production from the 1957-58 recession has not been reflected in any marked revival in international agricultural products trade up to mid-1959, according to the latest report of the F.A.O., *The State of Food and Agriculture* 1959. The foreign exchange position of many countries relying on agricultural exports, it is said, continues to be difficult. It adds that recession had an uneven impact on agricultural products last year. Earnings declined in the case of wool, cotton, rubber and forest products. Foodstuffs and beverage crops in general fared better. Average export earnings of dairy products, however, fell by 10 per cent. There were smaller declines for cereals, edible oils and oilseeds. The report says that the shrinkage due to the recession in international trade in agricultural products, particularly raw materials, forced Pakistan, the Philippines, India, Indonesia and some other countries to cut their imports and their development programmes. Foreign aid has not been sufficient to offset the fall in earnings.

The 15th session of the contracting parties to the General Agreement on Tariffs and Trade (G.A.T.T.) will be held at Tokyo from 26th October to 21st November 1959. During the first week of the session, there will be a meeting of the Trade Ministers representing the 37 member-countries. India will be represented by Mr. Nityanand Kanungo, Union Minister for Commerce. The Ministerial meeting will review the current trends in international trade and assess the progress made in the implementation of the programme for trade expansion. The meeting will also examine programmes for economic integration through trade liberalisation on a regional basis and harmonisation of these programmes with the world-wide objectives of the G.A.T.T. After the Ministerial meeting, the regular session of the G.A.T.T. will be continued. The Indian team for the session will be led by Mr. L. K. Jha, Additional Secretary, Union Ministry of Commerce and Industry. Among the subjects to be considered at the session is the report of a committee now investigating the trade problems of underdeveloped countries and import restrictions imposed by West Germany.

From Abroad

The Pakistan Petroleum Limited, one of the eight oil exploring companies in Pakistan, has discovered oil at a depth of 11,664 feet in the Karsal area near Rawalpindi.

Rubber exports from Malaya reached an all-time record of 898,136 tons during the nine months ended September 1959. This quantity represents an increase of 4 per cent., as compared with the same month last year.

The U.S. Export-Import Bank has decided to collaborate with eight U.S. Commercial banks to lend South Africa \$16 million for financing the purchase of three Boeing 707 jet airliners by the South African Airways. The jets will run between South Africa and Europe.

The view that there may not be any diamonds left to produce within the next 20 to 25 years and that the trade in diamonds will grow very small, unless big new discoveries are made, has been expressed by Mr. Harry Oppenheimer, Chairman of the De Beers Consolidated Mines, in London last week.

A new economic substitute for tin plate is likely to be developed in the U.S. in the foreseeable future, according to Sir Douglas Waring, a leading Malayan tin industrialist. Sir Douglas opposed the move to reserve tin deposits in Malaya for the future. He has warned that, if this were done, and production allowed to decline, there would be an enforced changeover by consuming industries to other materials.

Communist China is reported to be making a determined bid to achieve the current year's revised production targets ahead of schedule. Some of the targets fixed are 12 million tons for steel (original target being 18 million tons), 335 million tons for coal (380 million tons), 271 million tons for grain (525 million tons) and over 2.3 million tons for cotton (5 million tons).

The Japanese Government has agreed to limit the export of rayon and other man-made fibre piecegoods to Australia to 8 million yards a year. The exports have risen rapidly from about 1.5 million yards in 1956-57 to 8.5 million yards in 1958-59. The Australian industry has been asking the Government to impose a freeze on Japanese rayon imports, pending a full-scale enquiry by the Tariff Board.

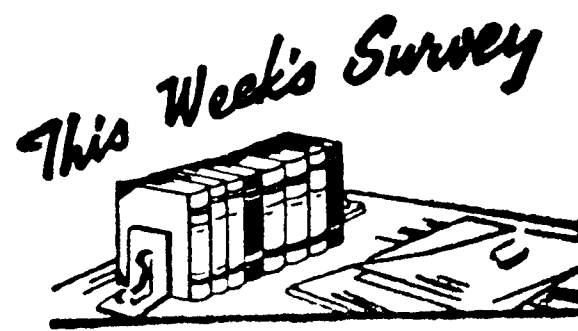
The U.S. Firestone Tyre and Rubber Company has decided to establish a multi-million dollar tyre plant in France. The plant is expected to manufacture a full line of tyres and tubes for passenger cars, buses, farm equipments, motor cycles and scooters. The Company has also plans to set up another plant on the same site for the manufacture of special synthetic latices and copolymers of butadiene and styrene.

A British consortium of steel works plant and equipments, the Metallurgical Equipment Export Company (M.E.E.Co.) has offered to the U.S. Phenix Steel Corporation a \$44-million credit for the erection of a steel plant in New Jersey. The U.K. Export Credit Guarantee Department is expected to grant normal export insurance cover, besides giving a bank guarantee to the British banks to the extent of 90 per cent. of the finance involved.

Five West German Bourses have commenced official dealings in Montecatini shares, the first Italian stocks to be admitted in West Germany. Transactions are conducted in bearer certificates rather than shares, so as to comply with the Italian Company Law. The advent of the Italian stock follows closely on the admission of shares of Banque de Paris and Royal Dutch. The other foreign shares officially quoted in West Germany are those of the Dutch Philips and the Uniliver concerns.

For the first time in the history of East Pakistan, agricultural credit has been linked to warehousing. An ordinance issued by the East Pakistan Government provides for the licensing and control of warehouses, as well as the licensing and supervision of warehouse staff. Under the scheme, based on the principle first enunciated by the Reserve Bank of India in 1944 and implemented in the pre-partition Punjab and North West Frontier Provinces, any producer, who stores his produce in a licensed warehouse, will be able to obtain credit from banks and financial institutions on the strength of the receipt furnished by the warehouse.

The value of engineering goods produced in Sweden is now running at an annual rate of Kr. 12,000 million (£227.6 million). The engineering industry is Sweden's largest industry and accounts for over 20 per cent. of the gross national



DEVELOPMENT LOAN FUND

ESTABLISHED in June 1957, the U.S. Development Loan Fund has already made its influence felt in many underdeveloped regions. The beneficiaries of the Fund include countries in all continents, where both private and public enterprises have received its assistance. India has special reason to feel thankful, for the Fund has aided a wide range of its enterprises. Thus, the railways, cement, power and jute industries have made a call on the Fund to which the latter has generously responded. Imports of steel and capital goods have been facilitated through the Fund's assistance. Against this background, it is encouraging to note that the Fund's new Director, Mr. V. Brand, made, in the course of his address at a meeting of the Far East-American Council, New York, last week, an optimistic appraisal of the role of the Fund as a factor in stimulating the economic development of backward regions.

There are two features of the Fund's services to which Mr. Brand rightly drew pointed attention. In the first place, the Fund's loans, besides being available on a long-term basis at low rates of interest, could be repaid in local or other currencies. Since the major difficulty for many underdeveloped regions is to find the foreign exchange for returning the loans from foreign countries, they must welcome the Fund's liberal attitude towards borrowers. This facility, Mr. Brand said, was established as part of the U.S. policy "of assisting free friendly nations." Secondly, the Fund plays a positive and constructive role in strengthening the very basis of all economic development—enterprise and initiative. Mr. Brand said: "First and foremost, I want the Development Loan Fund to be an effective instrument for helping create and cement closer business ties between the U.S. and the underdeveloped or developing countries in which it operates. In other words, I want the considerable powers and resources of the Development Loan Fund to be used to the utmost to help bring the vitality, intelligence and experience of American private enterprise into those countries to participate in their own development efforts and those of other nations." Here is a broad hint that the U.S. Government wants the borrowers from the Development Loan Fund to use the facility to buy American goods and services. This desire is understandable in view of the balance of payments difficulties confronting the U.S.

Mr. Brand was legitimately proud of the achievements of American private enterprise. As he pointed out, American industry has "unexcelled resourcefulness, initiative and creativity." Surely, if the underdeveloped countries could imbibe something of the spirit of that enterprise, it will make a great deal of difference to the pace of their progress. Emphasising the role of private enterprise, Mr. Brand said that the peculiar problems of development require the talents of men who "have proven themselves as producers and enterprisers." He added: "The Development Loan Fund is not interested in promoting statism, primarily because we believe that statism is a blind alley for any developing nation that aims at sound progress." Although the area of free enterprise is shrinking in certain vital fields in many underdeveloped countries which have chosen the socialist path, institutions like the D.L.F. can help arrest the trend by aiding development and enabling the people to see what private enterprise can achieve for them. From this point of view, it is heartening to be told that Mr. Brand visualises the close co-operation of the D.L.F. and American industry which will help extend the "creative ferment of the American industrial revolution" in areas where it is needed.

A point in Mr. Brand's speech, to which attention deserves to be drawn, is his appeal to other industrially advanced countries to emulate the American example in international aid. Mr. Brand expressed the hope that other industrialised nations, in addition to supporting international lending institutions, would also expand their own "development financing" efforts as the U.S. had done. He said he would like to see

some of these nations become "alternative sources of financing to an increasing extent." It is true that not all these nations are capable of making the same effort as the U.S. in the sphere of international aid. But their combined efforts could be of considerable help to the underdeveloped world. Further, as Mr. Brand himself pointed out, the "dollar position of the leading friendly developed countries has changed very much for the better during the past decade" so that they are now in a much better position to lend a helping hand to the underdeveloped countries.

AID FROM RUSSIA

Next to the U.S. and the World Bank, Soviet Russia ranks as the largest provider of assistance for the economic development of India. Since February 1955, this country has made aid authorisations aggregating over Rs. 321 crores (2,700 million roubles). Almost the entire authorisations are in the form of loans; only Rs. 76 lakhs (6.38 million roubles) represent the value of agricultural machinery and equipment offered as gifts at the time of the Russian Prime Minister's visit to India towards the end of 1955. If the Rs. 180-crore loan promised a few weeks ago for financing a part of the third Five-year Plan is excluded, the assistance given by Russia to India during the first and second Plan periods amounts to Rs. 141 crores.

The first loan granted by Russia was in connection with the Bhilai steel project during 1954-55. In February 1955, the Indian and Russian Governments signed an agreement which provided for the supply on credit of Russian equipment and structural steelwork worth Rs. 63.07 crores (630 million roubles); the total estimated cost of the whole project is Rs. 131 crores (revised). The utilisation of credit and supplies from Russia are said to have been according to schedule so far; by the end of March 1959, Rs. 45.23 crores had actually been utilised, leaving a balance of Rs. 17.84 crores. The manufacture of pig iron in the Bhilai steel plant commenced on 4th February last, when the first blast furnace went into production. This has since been followed by the inauguration, on Monday the 12th inst., of the first open-hearth furnace which marks the formal beginning of steel production.

A further credit of Rs. 60 crores (500 million roubles), to be availed of from 1959 onwards, was offered by the Soviet Government in November 1957 for financing five selected projects:

1. Heavy machine building plant to produce equipment for coking and chemical factories, steel smelting, blast furnace and forge press shops, and rolling mills. The total estimated annual capacity of the plant is 80,000 tons. It is said that, when this project is completed, India will be able to produce, for the first time in its history, sufficient capital equipment for the iron and steel industry to ensure an output of one million tons of steel per annum.
2. Mining machinery plant to manufacture coal-mining combines, crushing machines, conveyors and electric locomotives for mines.
3. Development of Korba coalfields in the central part of India; the project covers a dressing plant, a coal open cast plant and a workshop for the repair of mining and other equipment. The additional annual output of coal is put at over 2.0 million tons.
4. A 250,000-kilowatt thermal power station to be built at Neyveli to provide electricity for South India.
5. A factory to manufacture optical glass.

The third loan offered in May 1959 by Russia, namely, Rs. 9.6 crores (80.64 million roubles), is for the establishment of four State enterprises to produce 1,500 tons of drugs and medicines annually and surgical instruments.

Another credit of Rs. 15 crores (100 million roubles) was offered recently for the erection of an oil refinery at Barauni in Bihar. An agreement covering this credit was signed at New Delhi a fortnight ago. Under the agreement, Russia will supply equipment according to standard specifications for the refinery which will process about two million tons of crude oil (transported from Assam through pipelines) and produce petrol, furnace oils, lubricating oils, diesel and kerosene oils. The refinery is expected to go into production partially in April 1962 and reach its full rated capacity by the end of that year.

In addition to these credits, Russia has, as already mentioned, given a gift of agricultural machinery, spare parts, etc., for the setting up of a 30,000-acre State-mechanised farm at Suratgarh. The machinery and equipment are valued at Rs. 76 lakhs and include 60 tractors, 36 transport vehicles, trolleys, etc., workshop equipment, tools and a number of tillage implements. About 40 per cent. of the machinery

was brought into use with the cultivation of 3,000 acres in *rabi* 1956, 1,865 acres in *kharif* 1957 and 2,500 acres in *rabi* 1957. The entire machinery will be brought into use when perennial supply of irrigation water is received from the Bhakra project on its completion during 1959-60.

While the aforesaid credits are for projects covered under the first and second Five-year Plans, the Soviet Union has agreed to grant a credit of Rs. 180 crores (1,500 million roubles) for meeting a part of the third Plan outlay; the agreement was signed at Moscow on 12th September. The credit is expected to be used, among other things, for doubling the capacity of the iron and steel plant at Bhilai, for constructing plants to produce oil equipment and heavy electrical machinery, and for establishing several major thermal power stations and oil industry in areas where oil reserves have already been proved. Soviet specialists have recently prospected oil deposits in Bombay State and gas in the Punjab.

There are three notable features of Russian credits. One, the rate of interest charged is low, being 2.5 per cent. per annum in all cases. Two, the repayments are spread over a period of twelve years, generally after the deliveries of machinery and equipment supplied against the credits are completed. Three, the repayments are mostly made in the traditional export goods from India, and not in foreign currencies or gold. What is more, the credits have been offered without any political strings. Surely, the projects receiving such assistance are, as Mr. I. A. Benediktov, Soviet Ambassador to India, described at Bhilai the other day, examples of "successful and effective co-operation between States with different social systems." There are, however, three points that must be noted in this connection. First, the Russian credits are used for buying Russian goods only. So it is only fair that repayment should be in Indian goods and not in convertible foreign currency. Secondly, the Russian credits are against clearly defined specific projects in the public sector and nothing is available to the private sector. And, thirdly, so far they have been only for heavy industries in which Russia has greatly specialised.

ONE MORE COMMON MARKET

If everything goes well as is planned, one more common market will come into existence some time in February next. This is the Latin-American Common Market comprising seven nations—Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. The delegates from these countries, who held prolonged discussions at Montevideo (Uruguay), have agreed on a final draft treaty for integrating their economies into a common market. The Governments concerned have been requested to suggest amendments, if any, to the treaty before 15th January 1960. A final conference of the seven countries' Foreign Ministers is proposed to be held in the first fortnight of February, when the scheme will be formally put into operation. The Montevideo conference would have actually concluded with a signed agreement but for the request for postponement put forward by the Brazilian delegation, in view of the recent changes in the political situation in its country.

The exact contents of the draft treaty now agreed upon are not known; the only information available is that the treaty provides for the dismantling of trade barriers among the seven countries over a period of ten years. It is, therefore, too early to assess the impact of the Latin-American Common Market on India's foreign trade. In this connection, the following table showing the values of exports to, and imports from, the countries in the region during 1958 will be found interesting:

(In lakhs of rupees)				
	Exports to (excluding re-exports)	Imports from	Balance of trade	
Argentina	659.19	2.06	+ 657.13	
Bolivia	2.17	9.82	- 7.65	
Brazil	4.30	19.64	- 15.34	
Chile	96.87	17.61	+ 79.26	
Paraguay	16.21	0.06	+ 16.15	
Peru	86.06	8.58	+ 77.48	
Uruguay	61.78	..	+ 61.78	
Total	11,98.06	48.16	+ 11,49.90	

The table shows that the Latin-American countries taken as a whole purchased from India last year goods and commodities worth Rs. 11.92 crores, while their exports to India aggregated just Rs. 48.16 lakhs. India enjoyed a favourable balance of trade with all countries

with the exception of Bolivia and Brazil. The largest market for Indian goods in Latin America is provided by Argentina and jute manufactures are the main commodity exported to that country. Since none of the Latin American countries produces jute goods, the Latin American Common Market, if and when formed, will have no significant effect on this staple export item. It may, however, mean more effective competition from this region in the other markets of the world for some of India's agricultural exports, particularly oilseeds, coffee and edible nuts. The lesson that India has to learn from such regional economic integrations is the urgent necessity to improve its economic efficiency all round.

Assuming that the move will materialise, the Latin American Common Market, it may be noted, will be the third of its kind to be functioning next year. The other two are: the European Common Market (West Germany, France, Italy, Belgium, Luxembourg and the Netherlands) which came into being on 1st January 1959 and the proposed "Outer Seven" Free Trade Area (Austria, Britain, Denmark, Norway, Portugal, Sweden and Switzerland). The officials of the "Outer Seven" countries are busy at Stockholm drafting the actual treaty text on the basis of the draft scheme approved by Ministers in July last. The drafting work is expected to be completed by the end of this month. Utmost significance is being attached to the treaty. This is not surprising, considering that, within three months from now, the six-member European Common Market countries are scheduled to enhance import quotas for one another for the second time and, in less than a year's time, they will undertake the second tariff cut.

Meanwhile, fresh efforts are being made to bridge the gap between the "Six" and the "Seven." The initiative in this direction has been taken by Prof. Walter Hallstein, President of the European Economic Commission. Addressing the Parliament of the six-nation European Community held at Strasbourg on 25th September last, Prof. Hallstein put forward a series of proposals "as an effort to get things moving again between the 'Six' and the other O.E.E.C. countries."

The proposals fall into five main groups. First, all quotas on imports of industrial goods from all non-member countries should be abolished gradually on a reciprocal basis. Secondly, the "Six" must (a) declare their readiness to extend to all countries the coming second round of internal tariff cuts (10 per cent.), (b) hold talks with the other European countries on the question of giving the next round of G.A.T.T. negotiations the maximum effect, (c) propose a further round of substantial tariff cuts after the 1960-61 G.A.T.T. conference, and (d) ease any difficulties which other European countries might experience through the negotiation of tariff quotas for them in so far as they are compatible with the G.A.T.T. Thirdly, the "Six" should co-operate with other countries or agencies, such as the U.S. and the Commonwealth, for extending aid to the underdeveloped countries. Fourthly, a European liaison committee, representing the "Six" on the one hand, and the other European countries or group of countries, on the other, must be set up to smoothen the relationship between the two. Finally, the "Six" should expedite the process of establishing the Common Market by reducing the transition period and take steps to bring about a closer co-ordination of their economic and monetary policies.

These proposals have once again raised hopes about the establishment of the enlarged free trade area comprising all the seventeen nations of Western Europe. How far and to what extent the hopes will be realised will, of course, depend to a considerable extent on the success of endeavours to reconcile some of the basic conflicting view-points between the United Kingdom and France.

PAPER SITUATION

Consumers of paper continue to be confronted with conditions of scarcity, though production of paper and paperboard has steadily expanded in the last few years. They are often turned back by the traders because the types of paper asked for are not available with them in required quantity, or at the appropriate time. Who is to be blamed for this state of affairs? The distributive trade, of course, has come in for a good deal of criticism at the hands of consumers for allegedly creating artificial scarcity. The manufacturers, in turn, are blamed by the traders for raising prices of their products

arbitrarily. They argue, however, that higher prices are essential to meet the rapid increase in cost, particularly of raw materials and labour. The Government is not free from similar accusations either for its defective purchase policy or for raising excise duty on paper. While all these groups—the trade, mills and Government—blame one another for the present difficulties, pretty little has yet been done to diagnose the basic causes for the malady. It was a matter for some satisfaction that the Government at last referred the question of fixing fair prices for paper to the Tariff Commission. Although it is now a year since the Commission was entrusted with the work, it is not yet known at what stage the matter stands.

The Commission's probe is expected to provide a clearer picture of the causes underlying the problems of industry and trade. Meanwhile, consumers, quite naturally, let loose their ire on traders in particular for the scarcity of paper and their higher prices. A close examination of the problems of the traders, however, gives one the impression that they are more sinned against than sinning. In his presidential speech at the recent annual meeting of the Calcutta Paper Traders' Association, Mr. C. C. Mukharji sought to explain how there could be scarcity of paper in the midst of apparent plenty. He observed that the demand for common varieties of paper for writing and printing was rapidly going up, thanks to increase in population, in industrial activities and also in literacy and higher education. The production of the common varieties of paper had, however, lagged behind demand. In 1956, out of the total production of 193,104 tons of paper, the common varieties accounted for 123,000 tons, or about 63.7 per cent. Total production rose to 253,000 tons in 1958, but the share of common varieties at 154,000 tons declined to 60 per cent. Imports, too, were restricted. He characterised the present situation in common variety of papers as one of near-famine condition. Mr. Mukharji, therefore, urged the industry to expand the production of common varieties of paper.

Mr. Mukharji also complained that the mills, while producing a limited quantity of common variety of papers, manufactured papers of heavier type. This meant consumers got heavier but fewer number of papers. Besides, consumers, according to him, had to substitute the dearer speciality papers, which the mills were producing in fairly good quantities, for the common varieties. He added that the scarcity was mill-made, in that, in distributing their products also, most of the mills were not using the normal trade channels but were adopting means which were socially harmful, even if legally permissible. On top of this, he pointed out, the requirements of the Government, the largest single consumer of paper, were increasing. What was more, the timing of the Government's orders coincided with the seasonal demands from the civil market. This accentuated the problem of scarcity.

There has been a perceptible increase in prices of paper during the last few years. The Government has tried to hold the prices in check by appealing to the industry and trade. It is true that, since 1957, the price of common white printing paper has gone up by 13 per cent. to 83.5 nP per lb. Mr. Mukharji deplored the progressive enhancement of excise duty by the Government, which, he said, was one of the reasons for the upward trend in prices.

FRENCH ECONOMIC MIRACLE

France's recent economic experiences offer many lessons for countries having the same or similar problems. French politics has been proverbially as fickle as the English weather, but in economics, too, it has fared no better, especially in the post-war period. Its history since June 1958, however, tells a different story, a story of how economic wisdom, coupled with political courage, can work miracles in situations which are generally considered hopeless. And France did work a miracle which, though less spectacular than that of West Germany, is, indeed, remarkable. The programme of financial rehabilitation and stabilisation instituted by President Charles de Gaulle at the end of 1958 has helped France, the sick man of Europe, to find its financial feet in a surprisingly short time.

Some of the notable achievements of French economy in recent months have been summed up by the *Monthly Bank Letter* (October issue) of the First National City Bank of New York. They are:

1. The inflationary spiral has been broken and a foundation of faith has been built for the French franc.

2. Despite the slashing of subsidies and the rise in import prices consequent upon devaluation of the franc last December, the cost of living has showed only a small rise.

3. Industrial production has more than recovered the ground lost during last year's recession. Steel production during the first three quarters of 1959 exceeded 11 million tons, as compared with 10.9 million tons in the corresponding period of 1958. Private capital outlays this year are expected to be about 7 per cent. above last year's level.

4. The balance of trade, which had already improved during the second half of 1958, has recently shown a surplus.

5. Although the trade surplus is small, there has been a sizable overall surplus in France's international payments. As a result, its gold and convertible exchange reserves have increased at an average rate of \$100 million a month, from \$1,050 million in December 1958 to \$1,875 million in August 1959. At the same time, France has repaid some \$300 million of its foreign debt and the French Exchange Stabilisation Fund returned foreign currency working balances worth \$300 million to French commercial banks from which it had borrowed them in December 1958. The gradual strengthening of reserves has been followed by further relaxation of exchange controls. The inflow of foreign exchange has also been felt in the money market and, to a lesser extent, in the capital market. Buying interest in French Treasury Bills has increased markedly. The inflationary expansion in money supply has been arrested. The severe credit restrictions have been relaxed and the discount rate reduced, in stages, from 5 per cent. on October 1958 to 4 per cent. in April 1959, a rate which still prevails.

The significance of these achievements can be fully gauged only if viewed against the background of the economic chaos which prevailed prior to them. The ills that had been sapping France's economic strength during much of the post-war period, especially internal inflation and external insolvency, became so chronic by the middle of June 1958 that it became clear that they could no longer be cured by palliatives or patchwork methods. It is true that production had been going up year by year, but it was followed by seemingly intractable inflationary pressures. Political instability and the frequent changes in economic and financial policies complicated the problem. Fear of further inflation undermined the faith of the French people in the franc and this led to a widespread flight into foreign currencies, gold and other "real assets." Efforts made to arrest inflation proved abortive.

In June 1958, when General de Gaulle formed his Government, France was willing, and even eager, to accept drastic economic reforms. And President de Gaulle acted quickly. In order to prepare a reform programme, his Finance Minister, M. Antoine Pinay, appointed a commission of experts, headed by a distinguished economist, M. Jacques Rueff. In a report submitted to Pinay in June 1958, M. Rueff challenged as "simply absurd" the idea that "France, alone in the world, should be characterised by a kind of congenital inability to earn her daily bread by her own labour." "It is sufficient to state the problem," he observed, "to realise that the crisis in the balance of payments arises neither from the nature of things nor from the behaviour of the people, but from a particular feature of the conduct of French finances, namely, inflation. . . . To restore the equilibrium in the French balance of payments, only one effective measure exists: to suppress the inflation."

The Commission's recommendations, which the Government accepted almost entirely, were "bold" and "tough." The general line of attack was to carry out the task of rehabilitation of the franc within the framework of a free and open economy. This decision led to a series of inter-related steps. Briefly stated, they are:

First, in order to remove the gap between French prices and world prices, the franc was devalued from 420 to 493.7 francs to the dollar; this, in turn, made it possible to suppress export subsidies and to free imports. To emphasise the irrevocable character of the new exchange rate, the Commission proposed, and the Government agreed, to create a new monetary unit expressed by legislation in terms of gold. The new unit, "the heavy franc," is equal to 100 old francs and worth about 20 cents.

Second, the franc was made convertible for non-residents, for commercial as well as financial transactions, and the Government indicated its determination to restore full convertibility as quickly as possible. At the same time, France freed its imports to an even larger degree than it was bound to do under international agreements. In fact, trade liberalisation, completely suspended in 1957, was brought up, at one stroke, to 90 per cent. *vis-a-vis* other Western European countries and 50 per cent. (Continued on page 668)

LONDON LETTER

NATIONAL INCOME UP
BY 4 PER CENT.

FALL IN DEFENCE EXPENDITURE

(From Our Own Correspondent)

LONDON, 9th October

THE Annual Blue Book just published reveals that, last year, the United Kingdom's National Income rose another 4 per cent. to a new peak of £20,130 million. Of this total, nearly £19,000 million represents personal incomes, a rise of nearly £1,000 million on the year. The increases in some of the main components were as follows:

	(In million £s)
Wages	120
Salaries	230
Self-employed incomes	50
Unearned incomes	236

Pro-rata unearned incomes rose most (about 20 per cent.) and wages least (about 1½ per cent.). Consumer spending jumped up by over £700 million (that is, by 5 per cent.) and the main items on which the money went are as follows:

Food took just under one-third (a rise of £150 million). Housing took less than 10 per cent. (but a rise of £160 million) and clothing took as much (no rise) while the purchase of durable goods took only 7 per cent. (but a rise of £140 million). The nation spent more on alcoholic drink and tobacco than it spent on durable goods, while expenditure on entertainment and travel only accounts for 5 per cent. of the whole and shows no rise over the year. Clearly, the British are not a frivolous nation!

Social Services Benefit

Turning now to expenditure by public authorities, we find a decline over the past five years, in terms of 1954 prices, made up as follows:

	(In million £s)	
	1958	1954
Military Defence	1,226	1,554
Health Services	574	521
Education	462	386
Other public services (particularly by local authorities) ...	691	678
Total ...	2,953	3,139

Thus, the social services have benefited as military expenditure has been reduced, but it is a sobering thought that the country still spends more on defence than it does on health and education combined!

The Blue Book is also revealing on the way in which business enterprises in the United Kingdom use their profits. In 1958, the gross trading profits of U.K. companies was £3,119 million (as compared with £2,671 million in 1954) to which was added non-trading income plus overseas profits £463 million (£434 million), giving a total income to allocate to £3,582 million which went as follows:

	(In million £s)	
	1958	1954
Taxation (and remittances abroad)	916	1,028
Dividends and Interest	998	732
Savings (including depreciation provision)	1,668	1,345
Total ...	3,582	3,105

Use of Savings

Over the past five years in which taxation has fallen, dividends and interest have done best *pro rata* and savings increased rather less. How then were the savings used?

First, they were added to by the following: a reduction of stocks and work in progress as a result of the credit squeeze of £27 million as well as certain capital transfers of £13 million. Thus, £1,708 million was available. Of this, £139 million was reserved for tax; £210 million was invested overseas, and £1,359 million was the gross figure of capital invested at home—a figure more than half as much again as that invested five years ago.

The overseas figure is of interest—it does not represent the total of British overseas investment, but the total of such investment made by British business firms, whether by acquiring shares in overseas concerns or by the building up of associated firms. The following table

compares the capital investment of British business firms at home and abroad over recent years:

	Business Investment	At Home	Overseas
	(In million £s)		
1954	...	803	464
1955	...	982	111
1956	...	1,168	202
1957	...	1,310	66
1958	...	1,359	210

Annual average Total ... 1,124 211
The British firms appear to be investing £1 abroad for every £5 invested at home—a very reasonable proportion.—All Rights Reserved.

BRITISH ECONOMY RIPE FOR EXPANSION

The fact that conditions are favourable for a further expansion of Britain's economy is perhaps the main inference to be drawn from the course of events in September, writes Mr. Trevor Hughes. Sterling has remained strong and prices stable, and most sectors of demand have continued buoyant at a period when there is still some reserve capacity in industry. A comparison with the position a year ago shows that exports in recent months have been running about 6 per cent. higher. While fixed investment by private industry and business has not shown much change, consumer demand has continued strong. The seasonally adjusted index of industrial production (1954 taken as 100) rose from 108 in the first quarter of this year to 111 in the second; and the most up-to-date information suggests that production is now at a level about 8 per cent. above a year ago.

General confidence about business prospects has also been reflected on the Stock Exchange, where a part of the rise in share values has been caused by expectations of increased earnings as a result of resumed economic expansion both at home and abroad.

The external financial situation was marked in September by the continued firmness of the sterling rate, and it seems clear that the main factors behind this were the confidence arising from the balanced condition of Britain's economy, the recovery in the earnings of the overseas sterling area, and the continued strength of the gold and convertible currency reserves. In September, contrary to the nominal seasonal trend, the reserves gained another £13,000,000, bringing the net rise so far this year to £77,000,000.

The strength of sterling abroad has been matched in September by the stability of prices at home. The index of retail prices (17th January 1956, taken as 100) has now stood at 109 (the nearest whole number) for four months. In August, it stood at 108.3, as against 109 in July and 108.3 in August 1958.

The wages front has also shown remarkable stability. The index of weekly wage rates (31st January 1956, taken as 100) has been at 117 (the nearest whole number) for seven months. In August it was 117.1, just over 2½ per cent. higher than a year ago.

The first nine months of this year have, therefore, been marked by steady economic expansion at home and by satisfactory growth of overseas trade and of the gold and foreign currency reserves.

SYNTHETIC RUBBER LATEX PLANT

Work has started on a new plant to produce general-purpose synthetic-rubber latex near Southampton, England. The new plant has been designed to produce 2,500,000 gallons of rubber latex a year for use in foam-rubber articles, in carpet backing, adhesive paper, upholstery, and other industries. The International Synthetic Rubber Company's plant, costing £6,000,000, was opened less than a year ago, and was Britain's first venture in the bulk manufacture of general-purpose synthetic rubber. The plant has a capacity of 70,000 tons a year, and makes the United Kingdom independent of overseas sources of this material. The Company's plant has, in the last 11 months, exported synthetic rubber to many overseas markets, including Australia, South Africa, Norway, and Sweden.

RECORD SURPLUS FOR U.K. ELECTRICITY INDUSTRY

The electricity industry in England and Wales showed a consolidated surplus of over £27,300,000 in the year ended last March—the highest in any year since it was nationalised in 1949. All 12 Area Electricity Boards earned a surplus on the year's working. The annual report of the Electricity Council, just issued in London, states that the Central Electricity Generating Board had a surplus of £10,763,488 and the 12 Area Boards a total surplus of £16,571,206.

The report adds that, "in the absence of unforeseen circumstances," the Generating Board hopes to hold the bulk supply tariff at the 1959-60 level until at least 1961-62.

The total volume of cargo passing through U.K. ports during the second quarter of the current year was 21.9 million net tons, a rise of 7 per cent., as compared with the corresponding period of 1958. The rate of increase is said to be much higher than that for some years past. The volume of Commonwealth cargo rose by 6 per cent. though the proportion of Commonwealth shipping to the total fell from 56 to 55 per cent. The tonnage of all the other foreign vessels went up by 9 per cent., Norwegian tonnage expanded by 11 per cent. and U.S. tonnage by 19 per cent.

4¼ PER CENT

KERALA STATE ELECTRICITY BONDS, 1969
FOR Rs. 200 LAKHS(Payment of interest and repayment of Principal,
Guaranteed by the Government of Kerala)

The bonds will be trustee securities under the Indian Trusts Act and also approved securities for the purposes of the Insurance Act and the Banking Companies Act. The bonds will also be eligible for the purpose of advances under Section 17 (4) (a) of the Reserve Bank of India Act 1934.

ISSUE PRICE Rs. 99.50 PER CENT

REDEEMABLE AT PAR ON THE 26th OCTOBER, 1969.

Subscriptions will be received in cash or cheques from the 26th October, 1959. But the lists will be closed without notice as soon as the total subscriptions amount to approximately Rs. 200 lakhs and in any case not later than the close of business on the 5th November, 1959.

Applications will be received at the offices of the State Bank of India at Bombay, Calcutta, Madras, New Delhi, Trivandrum, Madurai, Bangalore, Bangalore City, Coimbatore, Nagercoil, Thiruchirappalli, Thirunelveli and at the local branches in Madras City and in Kerala State.

Copies of the Bond Prospectus announcing the terms of issue and application forms are available at all the receiving offices mentioned above, at all treasuries and sub-treasuries in the State of Kerala and at all Division Offices of the Kerala State Electricity Board.

G. MADHAVAN,

Chairman,

Kerala State Electricity Board.

TRIVANDRUM, 12th October 1959.

AMERICAN LETTER

U.S. ECONOMY BEGINNING TO
THIRST FOR STEEL

LABOUR UNIONS RESENT GROWING MECHANISATION

From Our Special Correspondent

NEW YORK, 8th October

THE steel strike and its repercussions still dominate the domestic news in the United States. The walkout has now lasted roughly three months.

President Eisenhower has not really interfered, except to suggest that contract negotiations be resumed whenever they had been broken off for a few days after a hopeless deadlock. At this writing, neither management nor labour is nearer a solution than they were 12 weeks ago.*

The reasons for this lack of progress are manifold. Previous contracts gave the unions voice in how labour loads in certain fields were to be allocated among their members. Management claims that grave abuses of "feather-bedding" have resulted which should be eliminated.

The trade unions want to carry over these provisions into new contracts, in order to maintain the total work force on the payroll. Indeed, it is a strange phenomenon that trade union leaders resist every efficiency measure taken by management, even though it has been the history of mass production that efficiency and mechanisation produce jobs in the long run, but not necessarily in the same field.

What they are fighting perhaps is not progress *per se*, but the lag which always occurs when a worker's job is eliminated by mechanisation until he finds another job elsewhere. This also means fewer dues' paying members. The other side of the coin is that mechanisation and efficiency usually mean higher profits and higher wages. But this is usually not recognised.

The only farsighted labour leader I ever met is John L. Lewis, who virtually forced the mine-owners into mechanisation on the theory that, as he told me, he would rather have 300,000 well-paid miners in his union than 600,000 on starvation wages. He reached that goal in his lifetime at the risk of many strikes which lost coal many important markets in favour of oil. But, perhaps, the oil industry would have captured these markets in any case.

Inflation Becomes Meaningful

Another previously mentioned facet in the steel strike is inflation. Managements are still determined not to sign a contract which would force them to increase steel prices, in order to stay in business. Inflation has become a very meaningful word in America in the last few months and weeks. It has been the subject of

* Since this despatch was posted, President Eisenhower has invoked the emergency provisions of the Taft-Hartley Act to bring about an end to the 89-day steel strike, as both the parties to the dispute have informed him that "negotiations between them have broken down and that they see no hope for an early voluntary settlement." He has appointed (on the 9th inst.) a fact-finding board of three men, consisting of Mr. George W. Taylor (Chairman), University of Pennsylvania and a former Chairman of the War Labour Board, Mr. John Perkins, President of the University of Delaware, and Mr. Paul N. Lehoczy of the University of Ohio. Although all of them are University people, they have, we are told, extensive experience in arbitration matters. The Board will try to obtain a negotiated settlement. Mr. Taylor said shortly after his appointment:

"The Board will do all it can to get steel union and industry leaders to reach a voluntary agreement. I think it is our responsibility to do anything within the authority we have to settle this dispute in the only way it really can be settled—by agreement of the parties."

In taking the action under an executive order, President Eisenhower observed: "I want to emphasise that the action I have taken in no way relieves the parties of their grave obligations to the American people to resume negotiations and reach a just and responsible settlement at the earliest possible time."

The appointment of the Board is the first step the U.S. President can take under the Taft-Hartley Act. He took similar action earlier for tackling the dock workers' strike referred to by our special correspondent in his despatch. This does not mean that the strike has ended; it is still on. The procedures to be followed under the emergency provisions of the Taft-Hartley Act are briefly explained on page 587 of our last issue.—Ed.

Inevitably, this means sizable additional layoffs of workers. Up to this point, about 500,000 steel workers are idle and about 160,000 in related industries. From now on, layoffs are going to snowball. The net effect on the economy remains to be seen. In passing, it may be noted that the present steel strike is the longest on record in the U.S.

In addition, 70,000 members of the International Longshoremen's Association are on strike from Maine to Texas. They load and unload the boats on Atlantic and Gulf shore ports. Two hundred cargo ships lie idle in the harbours, 81 of them in New York. At issue, besides wages, is automation. The longshoremen think they are losing jobs by the relatively new wrinkle of bundling cargo into trailer-load lots and removing the huge bundles by crane. About 170 steamship lines are involved.

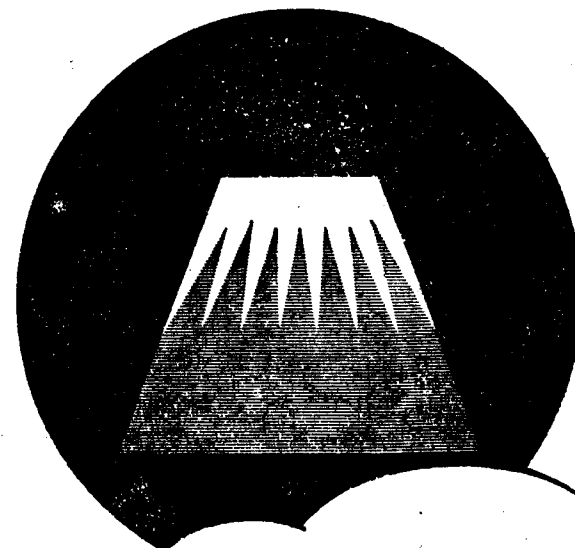
The annual meetings of the International Bank of Reconstruction and Development and of the International Monetary Fund, which were held in India last year, convened in Washington last week. There was nothing spectacular about either one, except remarks by Mr. Per Jacobson, Managing Director of the Fund.

Confidence in Dollar

The deterioration of the U.S. balance of payments, with its resulting outflow of gold, he said, was in considerable part due to the financial measures taken to fight last year's recession, a large Budget deficit and a huge expansion of credit. There is more foreign confidence in the U.S. dollar now than was the case six months ago, he added, due to the financial policy of Washington aiming for a balanced Budget and the credit restraint of the Federal Reserve system.

The U.S. Federal Budget will show a slight surplus this current fiscal year which ends 30th June, 1960. Revised estimates show receipts of \$79,000 million and expenditures of \$78,900 million. The resulting surplus is projected at this time at only \$95 million. Despite all talks to the contrary, there seems to be little hope that taxes can be cut next year.

The seasonally adjusted U.S. balance of payment deficit amounted to just under \$1,000 million for the second quarter of this year. This kept the annual rate at about \$4,000 million where it has been since the third quarter of last year.—All Rights Reserved.



Trade Promotion is our Specialty



The FUJI BANK, LTD.

Head Office: Chiyoda-ku, Tokyo

— 184 Branches throughout Japan —

London Branch:

Salisbury House, Finsbury Circus, London, E.C.2

New York Agency: 42 Broadway, New York, N.Y.

Calcutta Representative Office:

Mookerjee House, 17 Brabourne Road, Calcutta-1

I.F.C. EXPANDS ITS OPERATIONS

MR. GARNER'S EFFECTIVE REPLY TO CRITICS OF PRIVATE ENTERPRISE

THE year ended 30th June 1959, the third year of working of the International Finance Corporation, an affiliate of the World Bank, has proved to be the most active period in its short history, in that it entered into 13 investment commitments in projects located in ten countries for an aggregate sum of U.S. \$10.4 million, as against 9 commitments for \$9.4 million in the first two years of its operations. It will thus be seen that at the end of June 1959, the number and amount of investment commitments stand more than doubled to 22 and \$19.8 million, respectively, from those at the close of the previous year. Since the close of the year under review, the I.F.C. has made six additional commitments aggregating \$5 million, the number of new countries in which it has invested being two. In the first two years of its working, the I.F.C.'s commitments were confined only to five countries (Australia, Brazil, Chile, Mexico and Pakistan), but since then, they have been spread to eight additional countries, namely, Colombia, El Salvador, Guatemala, India, Iran, Peru, Thailand and Venezuela. Clearly, the I.F.C. has gained momentum.

Of the total net commitments (excluding cancellations) of \$19.83 million by June 1959, the effective operational investments were of the order of \$10.24 million. Of the latter, \$9.88 million had been disbursed, leaving only a small sum of \$360,000 undisbursed. The disbursements during the year, under review alone aggregated \$6.56 million, that is, twice the sum disbursed (\$3.31 million) up to the end of 1957-58. The bulk of the disbursements is in U.S. currency, being of the order of \$9.32 million. The balance of \$560,000 is in Mexican pesos.

Investment in India

The I.F.C. investments in India aggregate \$2.35 million, made up of \$850,000 in Kirloskar Oil Engines Ltd. and \$1.50 million in Republic Forge Company Ltd. No disbursements had, however, been made up to the end of the year under review.

The Corporation continues to invest in diverse types and sizes of enterprises. Thus, of the 27 projects in which it is participating, 13 are owned and managed by residents of the country, eight are joint enterprises of local and foreign ownership and management, and six are subsidiaries of foreign firms. In size, the enterprises range from the equivalent of about \$400,000 to \$20 million and the I.F.C.'s investments therein from \$140,000 to over \$3 million. "This variety," as Mr. Rober L. Garner, President of the Corporation, pointed out in his address at the recent annual meeting at Washington, "points to the fact that industrial growth in the developing areas offers opportunities for the smaller, the medium and the larger units, and for both local and foreign experience and capital."

Despite the large disbursements, the earnings of the Corporation for the year under review suffered a setback. The gross income dropped from \$3.51 million to \$3.15 million and the net income from \$2.36 million to \$1.74 million. There was a rise in administrative expenses from \$1.15 million to \$1.41 million. All accumulated net income up to the end of June 1959, amounting to \$5.74 million, has been transferred to a reserve against losses. No losses on investments have so far been incurred or are foreseen at present.

Large Private Capital Available

One of the chief functions of the I.F.C. has been, from the beginning, to stimulate the flow of investment capital, that is, funds of private investors—individual or institutions—into developing areas. According to Mr. Garner, the potential amount of such capital in the developed countries is very large, greater indeed than is likely to be available from Government sources. This is evident from the growing interest shown, in the past few years, by such investment capital in opportunities for attractive returns in the developing areas. In fact, several of the large commercial banks in the U.S. have organised corporations which give them increased latitude in making foreign investment. A few specialised investment funds have been organised and some of the long-established investment trusts are showing interest in the foreign field. Also, a number of investment banking houses, both in North America and Europe, have set up special organisations to invest overseas. In a number of projects, the

Corporation is justified in assuming. Referring to this problem, Mr. Garner observed in his speech:

"As I pointed out in my address last year, the Corporation's ability to meet the needs of its customers would be considerably increased, if we had local currencies available for use in our operations. We have followed closely the various discussions during the year concerning plans for use of these currencies, which exist in large amounts as a result of transactions between the United States and some of the European Governments with the developing countries. In conversations with officials dealing with these matters, we have received sympathetic understanding of the I.F.C.'s needs. However, no definite proposals for making such currencies available have yet come forward. We shall continue to pursue this matter to the best of our ability, and I again ask for the support of all our member-countries which may be able to assist in this matter."

Scrutiny of Projects

One of the practical problems which a private foreign investor is faced with is the difficulty of examining projects overseas. The I.F.C. is in a position to assist such potential investors by undertaking the work of investigation and preliminary negotiation in order to put projects in definite form. It is prepared to do the work and incur expense, so that well-prepared proposals may be presented to investors, thus enabling them to consider participation without undue expense to themselves. During the year under review, the Corporation's staff have visited 31 countries for the purpose of general contacts and investigation of specific projects. In fact, the Corporation has appointed a representative in South-East Asia for exploring the possibilities of projects in that area. The investigation and planning of projects need the services of engineers, accountants and other experts in the field of marketing, organisation and management. Mr. Garner, however, noted with concern the proposals in some countries to restrict the activities of foreign professional firms, particularly in the accounting field. "Such restrictions," he warned, "would not only hinder our (I.F.C.'s) operations but also be a disservice to business, in general, in these countries."

In view of the vast potentialities which underdeveloped countries offer for private in-

vestment, Mr. Garner alluded in his speech to the problems facing the investors and these are relevant to India as well. The first of these is the prejudice against private enterprise. His observations on this subject bear reproduction. He said:

Based on close contacts with the problems of the newly developing countries over some twelve years, I am convinced that there has been a growing realisation that private business and private capital can help in their progress toward stronger economies and a better life for their people. Nevertheless, among them there are more than a few sincere and responsible people who still retain doubt as to the effectiveness and suitability of private enterprise for their countries, despite the realisation that private enterprise is largely responsible in North America and Western Europe for the highest standards of living ever achieved.

Work of Private Enterprise

"These sceptics contrast the conditions of poverty and backwardness in their own countries with the greater wealth and progress in the industrialised countries, and conclude that what works in one will not necessarily work effectively in the other. However, this view overlooks the fact that the highly developed countries were at one time equally undeveloped, until individuals with reasonable freedom to venture, to develop new machines, methods and products, to risk, to win and to lose, were able to increase production of goods and services, so that, for the first time, large numbers of people had enough to eat, to clothe themselves and to have decent shelters in which to live. These individuals were, of course, exceptional, but their efforts made possible the productivity which has gradually spread to the benefit of whole populations. I am confident that there exist in the presently less developed countries individuals with similar capacity who, if given the chance to operate in reasonable freedom, can produce similar results. Today such individuals have at their command all the technology and experience developed within the most advanced countries. Capital is now much more freely available for their enterprises. Therefore, results can be achieved today in the developing areas infinitely faster than was possible for the pioneers of the past."

Private Enterprise to be Unfettered

"There is also a fairly widely held view that, though private enterprise can be useful, it needs to be rather strictly directed and controlled by Government. Certainly, no serious person today would dispute that Governments have a responsibility to lay down broad rules of the game for private business, as well as for all other organisations and individuals, to protect society against abuses which conflict with the conscience of modern civilised people. But, if an economy is to benefit from the vigour of individual effort and from the imagination and courage of the able man, Government must not put him in shackles of bureaucratic regulation nor attempt to substitute the judgment of officials for his business judgment. I fear, and I think experience proves that an economic system may get the worst of both worlds, if it accepts private enterprise only under conditions which tie its hands and interfere with its ability to produce and grow."

"One also frequently detects a distrust of private business in the minds of some well-meaning people, because it enables certain individuals to make large profits. They see in this a social injustice. However, looked at from a practical standpoint, profits which arise from producing useful goods and services are a very big plus in an economy. Profits are the food without which economic life cannot sustain itself, much less expand. It is useful to bear in mind that the capital which has been created out of profits and applied to growth has largely made possible the progress of the presently advanced economies. Furthermore, it is the prevailing custom for the State to draw its revenues largely from the transactions and profits of private enterprise. Therefore, I wish to pay tribute to profits, which not only spur individuals to their best efforts, but are the sustenance on which economic life lives and grows, and from which are provided the public services essential to modern living."

Fear of Foreign Domination

Another basis for the opposition to the growth of private enterprise in some of the developing areas is the fear that it will lead to an excessive role being played by foreigners. Assuring these sceptics that such fears were baseless, Mr. Garner said:

"We may assume that most of those who hold this view wish to see economic growth and progress in their countries, and they generally realise that, if such growth is to be at an acceptable rate, it needs to draw on the machines, skills and capital of the more advanced countries. But it is difficult to obtain these necessities without offering to those who provide them a welcome and an opportunity to share in the rewards arising from their contributions."

"I am confident that this can be accomplished without danger of foreign domination, for whatever may have been true in the past, one can say with assurance that present-day business men want least of all to play a dominant role in a foreign country. To the contrary, those whom I know (and I know many) are quite conscious of the sensibilities of the people of the host countries in which they do business. This is evidenced by the increasing number of joint ventures between business men and investors; by the measures taken to use local personnel to the maximum; and by the care in selecting those sent to the host country, with regard to their fitting agreeably into the local community."

Usefulness of Competitive Enterprise

"As you must well understand, I believe strongly that modern competitive private enterprise is useful and suitable for all free societies. The evidence seems clear that it has, more than any other sys-

FINANCE FOR SMALL-SCALE INDUSTRIES

At the fourteenth meeting of the All-India Small-scale Industries Board held at Puri, Orissa, the Union Minister for Industry, Mr. Manubhai Shah, announced various measures to promote the growth of small-scale industries. These include a re-definition of the term "Small-scale industry," and introduction of credit guarantee scheme. Under the new definition, the only limiting factor for a unit to be considered small-scale industry is the capital investment, which should not exceed Rs. 5 lakhs, including the cost of land, machinery, building and other materials. There will, however, be no limit on the number of persons employed in such a unit, which has hitherto been restricted to 50. The small units, as now defined, will get all facilities, including accommodation in industrial estates, irrespective of the number of persons employed.

The Small-scale Industries Board has approved of the blueprint of the credit guarantee scheme to be operated by the Reserve Bank from the beginning of next year. Under this scheme, the Government of India proposes to guarantee credit upto Rs. 25 crores, which will be extended to different small units in 42 selected districts. This measure is designed to increase the flow of funds from the banking system to small-scale industries. The system seeks to provide the banks a measure of insurance against possible default in respect of loans granted to small units through the guarantee organisation sharing the risk of lending with banks. The banks, however, will continue to bear a sizeable part of the risk. Under the scheme, a progressively diminishing part of a loan would be guaranteed against loss, the small loans being guaranteed a higher proportion. The benefit of the guarantee should, therefore, accrue in a special measure to the small borrower. The scheme will be operated through selected banks and apex co-operative banks. The benefit of guarantee will be available to small banks also, provided no less than 25 per cent. of the loan was either guaranteed or shared by a selected commercial bank or apex co-operative bank. The scheme will be administered during the experimental phase of two years by the Industrial Finance Department of the Reserve Bank and the guarantee will be extended on behalf of the Central Government. The details of the scheme are yet to be worked out.

The Government of India has also decided to introduce a slab system of interest rates on credits to *entrepreneurs*, instead of a flat rate of 5 per cent. as at present. In the case of credits of less than Rs. 2,500, the rate of interest will be three per cent. for credits between Rs. 25,000 and Rs. 2 lakhs, the rate of interest will be four per cent. and in case of credits above this level, the rate of interest will be five per cent. The Government is also making arrangements to minimise procedural formalities and provision of credit in bulk amounts.

An important adjunct to growth of private industries is the development of capital markets. The I.F.C. is, no doubt, concerned with inducing private investment capital in developed countries to go into newly developing areas. But equally essential to the growth of private industry in these areas is the ability to attract local investment capital. The development of capital markets in these countries has, however, lagged behind the growth of industry itself. There are many factors which influence the development of capital markets. They are: (1) the degree of political, social and economic stability, (2) the prevailing attitude towards private enterprise, (3) continuous inflation and (4) the restricted pattern of ownership of enterprises. The development of organisations to underwrite issues and to provide means of selling them, establishment of organised exchanges and the improvement of those existing now, with adequate requirements for the listing of securities are all important to the growth of broader capital markets. Mr. Garner believed that there are attractive opportunities in many of the developing countries for both local and foreign financial interests in building up these investment banking activities.

Confidence in Future

Notwithstanding these handicaps, Mr. Garner was convinced that the substantial growth of private industry currently taking place in the developing areas, with the aid of experience and capital from the more developed countries, would continue at an increasing pace and would play a major role in bringing a better life to the people. At the same time, it would, he added, benefit the more developed countries also, in that it would sustain the growth of trade between them and the less developed countries.

For that efficient, impressive look use Khira Steel Office Furniture



Khira Revolving and Tilting Chair is stove enamel finish, with nylon seat and back



Khira Tubular Writing Table and Chair is stove enamel finish. Chair with nylon seat and back

Khira's steel office furniture is designed to meet the needs of the modern office...it combines elegance with utility, gives your office that all-important look of efficiency and distinction! See the complete range at our showrooms soon!

Your Company is known by the office you keep!

Khira Steel Works Private Limited
Ghodbunder Road, Santa Cruz, Bombay 22

Showrooms: HINDUSTAN FABRICS & STORES PRIVATE LTD., Pichard Niwas, Chowpatty Sea Face, Bombay 7

CV 748

Saku Cement

in nation building...

Improvement in the standard of life is a vital need to-day. The building industry is producing tangible evidence of the increasing industrial and commercial life of the nation. In all these nation-building activities CEMENT plays a major role.

ROHTAS INDUSTRIES LTD.
Dalmianagar, Bihar

JAIPUR UDYOG LTD.
Sawai Madhopur, Rajasthan

ASHOKA CEMENT LTD.
Dalmianagar, Bihar

ASHOKA MARKETING LTD.
10, Market Street, Calcutta 7

Saku Cement Service
Saku Cement Service

EXPORT TRADE IN RAYON TEXTILES PERFORMANCE ENCOURAGING—CORPORATION FOR HANDLING YARN TO BE SET UP

RAYON textiles have emerged as an important earner of foreign exchange since the last two years. The actual value of rayon fabrics exported during 1958 was nearly Rs. 8 crores, as against just Rs. 50 lakhs in 1957. In the first six months of this year, the value of exports was Rs. 2.57 crores (or an annual rate of Rs. 5.14 crores), as against Rs. 85.13 lakhs and Rs. 27.44 lakhs in the corresponding periods of 1958 and 1957, respectively. In terms of quantity, the shipments aggregated 2.81 million yards in 1957, 26.39 million yards in 1958 and 9.20 million yards in January-June 1959 (3.75 million yards in January-June 1958 and 1.46 million yards in January-June 1957).

While the export performance redounds to the credit of rayon textile interests, it still remains to be seen whether the Silk and Rayon Textiles Export Promotion Council has really laid the foundations of a growing trade in rayons, as Mr. D. N. Shroff, Chairman of the Council, claimed in the course of a welcome address to Mr. Satish Chandra, Union Deputy Minister for Commerce and Industry, in Bombay on Wednesday, the 7th inst. This point has to be made, because it was reported last year that several dubious methods were adopted by a section of the trade to inflate exports of rayon fabrics, with a view to taking advantage of the incentives granted under the export promotion scheme. Indeed, such methods were so widespread at one time that the Government of India suspended the whole scheme and strictly warned the rayon textile interests against any unscrupulous tendency to push up exports. Accordingly, it is doubtful whether the performance in 1958 and early 1959 can be regarded as normal.

Export Council's Activities

Be that as it may, besides the large quantities of rayon fabrics exported, a notable feature of export trade is the introduction of the products of ancillary industries, namely, art silk garments and hosiery, in foreign markets. Another notable feature is wider diversification, both item-wise and direction-wise. The success in all these fields must be attributed partly to the efforts of the Export Promotion Council and partly to the scheme of incentives. The steps taken by the Council to promote exports, as explained in some detail by Mr. Shroff, cover (1) study of the various existing and potential markets to find out the nature of indigenous production, imports, current items with prices, consumer preference, scope for Indian manufactures, publicity media; (2) establishment of overseas representatives in select markets; (3) maintenance of close touch with Indian Government trade representatives; (4) sponsoring of a delegation in 1956 to some of the Middle East countries; (5) market study tours of different countries by Council's officers; (6) planned propaganda campaign through the media of Press publicity, cinema slides, exhibitions, show-room displays and direct contacts; (7) establishment of a service centre housing a library of foreign samples and designs and Indian samples and providing a meeting place for the overseas buyer and the Indian exporter; and (8) move to eliminate undesirable elements in trade through a plan of registration of manufacturers and exporters.

The special export promotion scheme was first recommended by the Council to the Central Government as far back as 1956 and, after being approved by the latter, was initiated in January 1957. Under the scheme, the exporters of rayon fabrics were given import licences for 100 per cent. of f.o.b. value of goods exported except in respect of saris, where the percentage was lower at 66½. Last year, there were complaints of certain malpractices such as over-invoicing and export of non-rayon goods. The malpractices persisted early this year also and the Government of India suspended, on 6th March 1959, the operation of the scheme. The revised scheme was announced in the third week of June and this came into effect on 1st July. The details of the scheme are as follows:

Grant of licences for import of art silk yarn upto 100 per cent. of the value of such fabrics and saris exported as assessed by the Office of the Textile Commissioner.

Compulsory pre-shipment examination of the goods meant for export by the Textile Commissioner's Office.

Grant of import licences to exporters, including manufacturer-exporters of art silk fabrics and

saris, as well as processors of art silk yarn, to import permissible types of coal-tar dyes and textile chemicals to the extent of 2 per cent. of the value of exports assessed.

The revised export promotion scheme for rayon goods will no doubt bring about an improvement in exports, but it will not, by itself, put the export trade on a permanently sound and secure footing. Mr. Satish Chandra certainly struck a note of realism when he told the members of the Council: "No industry will progress by artificial support such as incentives. Incentives can only help the industry tide over certain difficulties. I do not consider it is a genuine export effort, if exports rise only when there are more incentives. There is a need for building up markets abroad on a permanent basis, even though it means a small sacrifice in profit on the part of traders." Reassuring was his statement that the Government would sympathetically deal with the genuine difficulties of the industry and the trade. At the same time, Mr. Satish Chandra forcefully urged the importance of ensuring that the consignments sent abroad conformed to the specifications furnished by importers.

Rayon Development Corporation

In his speech, Mr. D. N. Shroff alluded, in particular, to the export promotion scheme for rayon fabrics. He admitted that the scheme had helped to maintain the continuity of exports to some extent but pointed out that it had not proved as successful as desired. Elucidating this view, he said:

"The scheme does not give full scope to the exporter who has a major function to perform in any export activity, while the incentives granted under it have been found to be inadequate. The export trade, which has now become a major source of supply of yarn to the industry, has not looked up as anticipated. As such, I would add that the setting up of the Corporation, which has been accepted in principle by the Government, may be expedited. This would enable both the manufacturers and the traders to participate effectively in the development of export trade to the desired volume."

The Corporation referred to by Mr. Shroff is called the Rayon Development Corporation. Its primary objectives are regulation of export trade in rayon fabrics and distribution of export incentive benefits to the interests concerned. The establishment of this Corporation is envisaged in the draft outline prepared by the Development Council for Art Silk Industry. The Corporation, we are told, will have 18 directors (six each from yarn manufacturing mills and weaving factories, three from exporters, one from rayon yarn traders, and two Government nominees). Its initial capital will be just Rs. 1.6 lakh, to be subscribed by the interests represented by the 16 non-Government directors in proportion to the number of directors from each category. The functions of the Corporation are expected to be as follows:

The Corporation will not itself engage in the export trade. This will be left to established exporters of rayon fabrics who will have to get themselves registered with the Corporation if they are to avail of the export incentive scheme.

It will take over from the Silk and Rayon Textiles Export Promotion Council a part of its functions and devise a formula whereby the exporters can get the price differential between the domestic price of rayon fabrics and the price realised from exports. The loss suffered by exporters whose names are registered with the Corporation is proposed to be made good by the proceeds of a levy on imported and domestic rayon yarns provided to actual users.

The Corporation will handle the entire imports of rayon yarn and distribute the same among actual users, subject to the entitlement earned by them against exports of fabrics. The weaving

mills will be permitted to supplement such entitlement with supplies of domestic yarn. The system of allotting import quotas on the basis of looms worked is to be abolished.

It is thus evident that the proposed Rayon Development Corporation will enjoy the exclusive monopoly of handling trade in art silk yarns, imported and produced within the country. Is the vesting of such monopoly in a single organisation desirable? This is a pertinent question which the Government will do well to consider carefully before giving its approval. The experience of monopolistic trade bodies have not been quite happy. In many cases, such bodies have not succeeded either in conducting transactions strictly according to business ethics or in ensuring adequate supplies of goods to the consuming interests at reasonable prices. It remains to be seen to what extent the Rayon Corporation will be free from these defects in its actual working.

WOOLLEN HOSIERY IN INDIA

According to a recent survey conducted by the Government of Punjab, there are 800 hosiery units in Ludhiana. The total number of knitting machines of all kinds engaged in the manufacture of hosiery articles is about 10,000, including 1,500 flat machines, 2,000 hand-driven circular machines, 500 power-driven circular machines, 5,000 hand sock machines and 80 raschal machines. The capital investment in all the hosiery units is estimated at Rs. 3 crores, of which the Ludhiana units alone account for a little over Rs. 2.5 crores. The majority of the machines employed in the industry are manually operated and locally fabricated.

The Ludhiana industry, if worked on two shifts all the year round, has a productive capacity of goods worth about Rs. 12 crores, but, in actual practice, it works only for six months (July to December) and employs about 20,000 workers directly in the establishments and an equal number, mainly women, outside. The present production of woollen hosiery in Ludhiana is valued at Rs. 3.5-4.0 crores. The quantity of yarn consumed by the hosiery industry is estimated at about 5 million lbs., of which about 4 million lbs. of hosiery and knitting yarn are consumed by the Ludhiana hosiery units.

The quality of indigenous woollen hosiery goods is claimed to be satisfactory and the industry has captured practically the whole of the domestic market for the cheaper grades of woollen hosiery which forms the bulk of the consumption in the country. In 1958, hosiery goods valued at Rs. 21.47 lakhs were exported, as against Rs. 11.76 lakhs in 1957.

NO-IRON WOOL PROCESS

The name Sironized will be used to identify correctly treated washable non-iron woollen fabrics made in Australia by the Commonwealth Scientific and Industrial Research Organisation's new process. The Australian manufacturers whose treated fabric conforms with the standard laid down by C.S.I.R.O. will be allowed to use the certification trade mark Sironized on their cloth. The C.S.I.R.O. will give all possible assistance to these prospective Australian users of the process, and each Australian treatment plant will be visited by a C.S.I.R.O. textile officer before the fabric treated in that plant is permitted to carry the mark Sironized.

Dr. M. Lipson, Chief of the C.S.I.R.O. Division of Textile Industry, has said that great interest has been shown in the process throughout the Australian textile industry, and plans are already being made to produce woollen garments that will use the wash no-iron properties to best effect. So far, no manufacturers have been authorised to use the mark Sironized. Arrangements for the commercial development of the process in countries other than Australia are still under discussion.

Garments made up in two new fabric treatments were shown to the trade and the Press in London last week. The first is the Immacula process recently announced by Proban. It is durable crease and permanent pleat chemical process applied to wool before the garment is made up. It does not in any way affect the behaviour and handle of the wool fabric. The second is a new lingerie nylon—Kayserlon—introduced for the first time by Kayser Bondor. The familiar nylon jersey yarn now used for underwear undergoes a mechanical process, the details of which are still secret—called the Schreiner process. This gives the handle, rather like pure silk. It is more opaque than other lingerie nylon but drapes well and has the same quick dry qualities.

WIN Rs. 5,000

Secretary, Indian Central Jute Committee, 4, Hastings Street, Calcutta-1, announces a prize of Rs. 5,000 to be awarded to a firm or individual submitting the best model for a suitable bullock-driven seek drill, capable of sowing 4 to 5 lines at a time and all kinds of seeds with slight adjustments. The drill should be multi-time and cheap and have a simple mechanism so that in case of breakdown it can be easily repaired under village conditions. Working model should be sent to Secretary by March 31, 1960. The decision of the Board of Judges regarding the result of the competition will be final and it is open to the Board not to recommend the prize in the event of none of the drills submitted proving suitable.

DA-1034(1).

SHIFT WORKING OF AUTOMATIC LOOMS ON THE INCREASE CEILING PACT WITH INDIA AND PAKISTAN

From Our Special Correspondent

MANCHESTER, 6th October

ONLY a very limited response to the redundancy schemes in Lancashire took place in September, as had been generally forecast after the big rush at the end of August to submit plans before the bonus expired. This was confirmed when the final details of the scheme were issued by the Cotton Board, showing that about 13 million spinning and doubling spindles and 105,000 looms were to be eliminated during the next six months.

Now that the industry is in possession of the final redundancy totals, a more accurate assessment of their effect on production can be made. The process has been considerably assisted by the release of further information by the Cotton Board's special Committee, indicating the volume of plant likely to be left in the trade after the scrapping schemes have been completed at the end of the first quarter next year.

Some former estimates now require revision, partly because they were based on the only figures then available, which gave the quantity of machinery in place in running mills. Latest statistics include the machinery which was standing idle in buildings where operations had already ceased. Some slight reservations must be made about the details, but the general picture now shows up more clearly.

Final Redundancy Totals

As a result, the following synopsis of the situation can be drawn up:—

In spinning: Before the scheme, there were 26 million mule equivalent spindles in place in all mills. In April, approximately 16½ million spindles were in use and, under the redundancy plan, nearly 12½ million spindles are to be scrapped. The remaining 13½ million spindles represent a reduction of 18.2 per cent. in the amount of running machinery.

In weaving: Approximately 258,000 looms were standing prior to the introduction of the scheme, of which 183,000 were running. Nearly 105,000 machines have been submitted for scrapping and the remaining 153,000 accounts for a 16.4 per cent. reduction in the quantity of running looms.

In doubling: Figures in this branch are not strictly comparable, as the Cotton Board's original total of nearly 2 million spindles in place in running mills included those working on continuous filament yarns and also doubling spindles on sewing thread. Excluding machinery on such processes, the number in use in April was 1,015,000 spindles and the number likely to be left after the scrapping scheme will be 1,046,000 spindles. The final number submitted for disposal was 570,431 spindles.

All the sections exceeded their minimum targets, but, in the case of doubling, the machinery to be scrapped represents a smaller proportion than in the other departments. The figure of remaining plant is, in fact, higher than the machinery in use in April. This situation has arisen partly because of the revival in the doubling trade which has enabled the mills concerned to increase their output and bring additional spindles into operation in the past three or four months.

Automatics on Shifts

Other interesting figures were quoted by the special Committee to substantiate its claim that no supply shortage need arise. About 45,500 automatic looms are included in the 153,000 remaining after the scheme has been completed. Some 7,000 of these were working three shifts in June this year and another 20,000 were operating double shifts.

"The reduction in productive capacity of 30,000 looms could readily be replaced by additional shift-working of automatic looms already installed," was the comment of the Committee. On the face of it, there can be no argument with this view, but the switch to shifts will not be accomplished overnight. At the same time, as the Committee points out, the scrapping scheme is being spread over several months, which should give the firms remaining in the industry time to make adjustments to their production programme. Against this, many of the companies now engaged in working out their final contracts have sufficient orders to keep them busy until early 1960. The transfer of operatives from mills which are closing to those contemplating shift-work will require tactful handling and continual liaison between the firms and districts involved.

Under the arrangements for compensation, which vary according to the type of machinery offered and whether or not it was running at the time of the announcement of the scheme, millowners will be eligible for a total payment of about £15,000,000. The Government will contribute £10,000,000 of this sum and the remainder will be obtained by levies imposed on the firms remaining in the industry. Compensation for displaced workers will also be paid from a fund to which the employers will contribute.

Agreement at Last

Coinciding with the completed returns for mill scrapping came the news that, at long last, arrangements had been made with India and Pakistan to establish a ceiling on exports of cotton cloth and garments to the United Kingdom. So ended a long series of negotiations, conducted mainly at long range, which began with the complicated discussions aimed at establishing such a principle with Hong Kong.

As soon as the arrangement with Hong Kong was completed, it became clear that the

representatives of the other two countries interested in the import situation would demand further concessions. The ceiling on arrivals of Hong Kong cloth was sufficiently elastic as compared with the actual figures covering recent orders that India and Pakistan, too, would want some similar gap between achievements and prospects.

The final settlement, giving India a 175-million yard annual target for each of the next three years, is almost identical with the annual rate of arrivals from that country during the first half of this year. In 1958, however, total imports of Indian grey cloth, finished goods and made-up garments were equivalent to only 134 million square yards, although, in 1957, they reached a peak of 193 million square yards.

As a potential rival, Pakistan gets perhaps the best of the deal, although its progress as a supplier will be limited during the three years of the agreement. The figure of 38 million yards annually is well in excess of the current level of shipments to this country, which are running at approximately half that total.

While millowners welcomed the agreement as a means of gauging the likely level of imports, union circles hit out at it. The ceiling figures, they said, were too high for Lancashire to compete effectively. The Cotton Board said that the agreement—in line with the one with Hong Kong, which limits cloth shipments from the Colony to 164 million yards a year—will come into force on 1st January 1960. It will continue for three years and is subject to the Hong Kong pact continuing. The new pacts mean that 377 million yards of cheap cloth a year will be allowed into Britain from three Far Eastern countries—almost equal to Lancashire's total exports last year.—All Rights Reserved.

WORLD WOOL CLIP

The free world output of raw wool would touch a new post-war record of 4,420 million lbs. (grease basis) in the current season (1959-60), as against 4,325 million lbs. in 1958-59, representing a rise of 2 per cent. if the estimates of the Commonwealth Economic Committee were to prove correct. It will be the second successive increase since the setback suffered in 1957-58.

The rise in the free world wool production is almost entirely due to the anticipated increase of nearly 100 million lbs. in the Australian clip. Smaller increases are expected in South Africa, New Zealand, the U.K., the U.S. and a number of other countries. A sharp fall in the clip, however, is feared in South American production largely as a result of floods which have inflicted heavy sheep mortality in certain areas. The Argentine clip is estimated to be about 5 per cent. below that of 1958-59. In Uruguay, the position is said to be much more serious; recent reports from this area speak of the possibility of a 25 to 30 per cent. reduction in the clip, and Uruguayan production is tentatively estimated at 25 million lbs. less than last season.

On a clean basis, free world wool production in 1959-60 is estimated at 2,450 million lbs., 2 per cent. above the 1958-59 figure and a new post-war record. Merino wool is expected to rise by about 3½ per cent. and crossbred by about 2 per cent., while carpet wool may show a small fall.

For the group of countries comprising the Soviet Union, China and Eastern Europe, an overall increase of 6 per cent. is provisionally expected, though this figure is based entirely on the rise in sheep numbers last year. No official figures are yet available of wool production this season.

The estimated total world production on a greasy basis is accordingly put at some 5,460 million lbs. or 3 per cent. more than in 1958-59.

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone : 24-3201 (2 lines)

small packs

Distribute, market or export your products, liquids/solids, in lithographed or plain tin plate containers, in convenient, easy to handle sizes. All containers fully tested.

Manufactured to standard specifications on up to date automatic machinery, we can supply large quantities at competitive rates. Early Deliveries.

Call
POYSHA INDUSTRIAL CO.
PRIVATE LTD.
Mosses Road, Sewri, Bombay 15 - Phone 7263 Grams 'Sancat'

SUPPLY POSITION OF COTTON TIGHT MEDIUM-STAPLES TO BE IMPORTED?

INDICATIONS at present are that the supply position of cotton will get tighter in the current season than in the past. Preliminary figures relating to consumption of cotton by mills during the 1958-59 season, which ended on 31st August 1959, confirm the earlier impression that consumption of Indian cotton will exceed 4.6 million bales of 400 lbs. each, the actual figure being 4.61 million bales, as compared with 4.43 million bales in the previous season. Consumption of Indian cotton has thus risen again to reach a level very near the record of 4,665,000 bales witnessed in 1956-57. Total consumption of both Indian and foreign cotton amounted to 5.06 million bales, as against 4.99 million bales in the previous season. The following table gives the monthly consumption of Indian and foreign cotton during the 1957-58 and 1958-59 seasons.

(In bales of 400 lbs. each)

	Indian		Foreign	
	1958-59	1957-58	1958-59	1957-58
September 1958	382,499	399,125	42,554	49,310
October	394,558	372,781	41,303	48,415
November	363,650	390,784	35,444	51,031
December	419,814	391,499	39,301	51,858
January 1959	413,181	392,007	34,370	48,804
February	376,105	350,474	31,850	43,868
March	380,193	354,288	34,294	47,943
April	382,238	348,743	36,225	42,934
May	379,338	360,868	38,058	46,379
June	349,648	324,757	38,710	42,762
July	391,768	377,532	42,586	48,317
August	378,941	370,890	37,898	44,829
Total	4,611,933	4,433,239	452,528	565,650

The higher consumption of Indian cotton, no doubt, due mainly to the recovery in textile activity and, to some extent, to the substitution of foreign cotton by indigenous growths, while the fall in foreign cotton consumption is accounted for largely by the difficulty of getting adequate supplies due to the restrictive import policy.

Prices Up

The rise in consumption coupled with a lower crop of about 4.8 million bales and larger exports, has resulted in a sharp reduction in the carry-over stocks. The prospect of a still smaller crop in the current season, thanks to the adverse weather—latest estimates of the crop range from 4.5 to 4.7 million bales—and the likelihood of the *status quo* being more or less maintained in regard to imports owing to the persistence of the foreign exchange difficulty, indicate that the tight supply position will continue during the current season also. This is reflected in the firm trend of prices in both the forward and ready sections of the cotton market.

In fact, mills have of late been concerned over the high price of cotton. They also fear acute shortage of cotton in the coming month if supplies are not augmented. Recently, the Indian Cotton Mills' Federation stated, in a communication addressed to the Government of India, that, unless the allocation of the quota already announced was expedited and an immediate quota of 300,000 bales was announced, it apprehended partial or full closure of some of the mills and further deterioration in the cotton supply position.

Import Quota

Perhaps in response to this representation, the Government had announced two weeks ago, a fresh quota of 100,000 bales and promised that a further quota of 200,000 bales of U.S. cotton would be permitted to be imported as soon as the agreement between India and the U.S. under P.L.480 was finalised. Considering the need to step up exports of cloth, it looks as though imports of cotton would be permitted on a more liberal scale during the current than in the previous season. This will, no doubt, relieve the tight supply position to some extent. Millowners are understood to have represented to the Government that, unless action was taken to bring down cotton prices, export prospects for the industry would be considerably affected. It would appear that the Government has taken note of these developments and is contemplating the necessary remedial measures. The shortage is said to be not only in long-staple cotton but also in other varieties, following damage to the crop caused by floods and unseasonal rains.

At present imports are permitted of cotton of staple length 1.1/16" and above only.

The report in a section of the Press that the Government of India may allow imports of medium and long-medium staple cotton from the United States, Pakistan and East Africa, if the damage to the crop proves to be heavy has, therefore, aroused considerable interest in trade circles. However, it is felt that no action could be taken till a more or less correct estimate of the crop is available. As a clear picture of the extent of damage and the size of the crop will be available only next month, the decision in this respect, it is said, will necessarily have to wait till that time. The Cotton Advisory Board, which is scheduled to meet next month, is expected to consider all aspects of the problem and make suitable recommendations.

EGYPTIAN COTTON

Many changes are reported to have been made recently in the U.A.R. Government's policy in regard to internal and export sales of cotton. These changes are said to be aimed at normalising the export trade and making available Egyptian cotton, the bulk of which has been absorbed in recent years by countries of the Communist bloc which are alleged to have resold them in European markets at lower prices, to traditional customers. Some of the main changes made are the following:

In order to protect the needs of the domestic textile industry, export of Ashmouni grades 'good' and below has been forbidden. Export duty for the 1959-60 season has been abolished for all Egyptian varieties, except Ashmouni. Export price discounts allowed on foreign currencies will continue to be subject to revision every Monday, with a view to reducing the rate gradually whenever conditions are favourable. Very strict and severe measures have been taken to prevent other countries from re-exporting Egyptian cotton.

The Egyptian c.i.f. contract has been revised uniformly for all countries. Any claims on shipments will have to be forcibly arbitrated in Alexandria and the Government will have one representative on the arbitration Board, consisting of three

members, and three representatives on the appeal board consisting of five members. Amicable settlements have, however, been permitted on condition that the Government may check the allowance granted through one of its sworn classifiers.

In order to facilitate the marketing of the new crop, the Government has suspended offering of its stock with effect from the 1st inst., until further notice.

The rules and regulations of the Alexandria Cotton Exporters' Association have also been revised. The Government has also nominated a commissioner on the Committee of the Association. In addition, the Government will have three permanent representatives, namely, the managers of the National Bank of Egypt and the Exchange Control and one member of the State Council.

The regulation in respect of domestic price support have been modified as follows:

Government will buy all contracts offered on the futures market at 69 tallaris for long-staple contract and 55 tallaris for medium-staple. Government will also buy all quantities offered on the spot market at Alexandria at the following basic prices (in tallaris):

Karnak G/FG 66.00; Menoufi G/FG 69.00; Giza 30 Good 59.00; Dendera Good 57.00; Ashmouni Good 55.00.

The Ministry of Economy will fix the differentials for all grades very soon. While the support basic spot prices for all varieties are the same as last season, the price of Good and Fully Good Menoufi has been raised from 64 to 69 tallaris. A pool of exporters is being formed, with fixed quotas to be adjusted each year. The object is to avoid undue and unfair competition amongst exporters and thereby help to stabilise prices at home.

U.S. COTTON CROP

The Crop Reporting Board of the U.S. Department of Agriculture, in its October forecast, has estimated the 1959-60 cotton crop at 14.69 million bales (of 500 lbs. each). This compares with the last month's estimate of 14.68 million bales and the 1958-59 harvested crop of 11.51 million bales and the ten-year (1947-56) average of 14.136 million bales.

The yield per acre was placed at 470 lbs., the same as in the previous estimate. The yield per acre was 466 lbs. in 1958-59, 388 lbs. in 1957-58 and 317 lbs. (average) during the ten-year period 1947-56.

The Bureau of Census of the Department of Commerce estimated ginnings prior to 1st October at 4,448,000 bales, as compared with 2,627,000 bales at this time last season.

SUGAR PROSPECTS FOR NEXT SEASON NO NOTABLE RISE IN OUTPUT LIKELY

EXACTLY a fortnight from now—with effect from 1st November next—the official sugar season 1959-60 will begin. What are the prospects of sugar supply in the coming season? This question is very much in the minds not so much of sugar millowners or traders or the authorities as of consumers who it is that have been feeling the pinch of scarcity of supplies and high prices for some months now. It is no doubt very difficult to say with any degree of accuracy as to what will be the actual sugar production during the ensuing season. But, on the basis of the available indications, a rough idea can be had of the probable general trend of output.

By and large, it would appear that the next sugar season may not witness any notable rise in production. Some even anticipate that the output will be lower than the 1,900,500 tons produced in the current (1958-59) season, not to speak of 1,957,800 tons in the 1957-58 season and 2,026,200 tons in the 1956-57 season. It is true that seven new sugar mills, with a total annual production capacity of 72,000 tons, will commence operation in the coming season and that eight more existing units with an additional annual output of 60,000 tons will complete their expansion programmes; in other words, the aggregate production capacity of sugar industry in 1959-60 will be higher by 132,000 tons as compared with 1958-59, when the capacity stood at 2.20 million tons on the basis of 120 working days and 10 per cent. recovery. It will be recalled that the additional capacity which went into production in 1958-59 was 176,000 tons; of this, ten new mills accounted for over 70,000 tons and expansion of 23 existing units for 104,000 tons. But a mere increase in the capacity of the sugar industry will not result in an improvement in production, unless it is accompanied by a corresponding rise in the supply of cane available. This aspect must be specially stressed, for, despite the marked expansion of capacity in the current season, the level of sugar output was lower than in the previous season, because the sugar industry found considerable difficulty in securing adequate supplies of cane. The same difficulty may be expected to persist in the coming season also, as will be shown presently.

"Khandasari" Prices Spurt

The diversion of cane supplies from sugar mills to *khandasari* and *gur* manufacture will continue to be on a large scale, especially in the State of Uttar Pradesh, owing to the relatively high prices commanded by these commodities. The Government of India has removed, with effect from the 1st inst., restrictions on the export of *khandasari* sugar from Uttar Pradesh to any State. Immediately after the announcement was made on 30th September, the price of *khandasari* at Hapur (U.P.) spurted by Rs. 6.62 per maund. The following are the latest available quotations for *khandasari* as compared with those prevailing a week ago and on 22nd June 1959:

(Rs. per maund)				
	Latest available	4 week ago	22nd June 1959	
Inferior	40-46	34-40	39-39	
Superior	52-56	46-50	58-61	

The rise in *khandasari* prices would have been even more appreciable but for the continued uncertainty over the issue of orders by the U.P. Government on the licensing of *khandasari* crushers in mill areas, which are being kept pending as the question of cane supplies to sugar factories is under the active consideration of the Government. The price per maund of Rs. 52-Rs. 56 for *khandasari* (superior quality), it may be noted here, is much higher than the free market price of sugar, namely, Rs. 47-Rs. 48. The premium commanded by *khandasari* over white sugar thus comes to as much as Rs. 5-Rs. 8. In view of the premium and considering that *khandasari* enjoys a sizable tax advantage to the tune of Rs. 8.52 per maund *vis-a-vis* white sugar, the producers of this commodity will continue to compete more effectively with the white sugar producing mills for supplies of cane. Moreover, the prices of *gur*, too, are at a high level—about Rs. 21.75 per maund for dry-wet quality, as against Rs. 20 at this time last year—so that the cane growers in U.P. and elsewhere will find it more profitable to utilise the cane for making *gur* themselves, instead of supplying it to the sugar mills.

The size of sugarcane crop that will be harvested in the 1959-60 season is expected to be

to speak of finding the sugar required for building up a buffer stock of 250,000 tons, as is contemplated by the Union Food Minister, Mr. S. K. Patil.

Four Solutions

There are four ways of meeting the situation. The first is to let the sugar mills pay more for sugarcane in competition with *gur* and *khandasari* producers. This will mean a higher price for white sugar, as the mills will not be able to absorb the increase in the cost of cane. Sugar millowners, traders, the U.P. and Bihar State Governments, and the leaders of all the political parties in these two States favour this solution. If adopted, it will mean giving further impetus to inflation and letting *gur* and *khandasari* to dictate the price of white sugar.

The second solution is to take drastic steps to curtail the production of both types of brown sugar, either through heavy taxation on them or through stringent controls on the utilisation of sugarcane for their production. If successfully applied, this remedy will divert a larger quantity of cane to white sugar production. Since a large number of small producers are involved here, this solution, however, requires the willing co-operation of State Governments and local politicians. They must be prepared to implement a course of action which will be politically unpopular.

The third solution is for the Central and State Governments to forgo a part of their taxes on white sugar on the distinct understanding that sugar mills will utilise the relief for paying a higher price to sugarcane growers. The adoption of this course will mean a fall in the revenue of Governments, surely a lesser evil than inflating the consumer price of white sugar. To some extent, this fall in revenue may be offset by imposing a stiff tax on *gur* and raising the present excise duty on *khandasari*.

The fourth solution is to import sugar from abroad. The import can be in the form of either raw sugar or refined sugar. As the latter will cost more foreign exchange than the former, it will be preferable to import raw sugar and get it refined in the sugar mills in this country, as was done some years ago, during Mr. Kidwai's regime. But should the country at all import sugar, when its foreign exchange position is not favourable for doing so? An alternative is to go on a begging mission to Cuba, which has an enormous amount of surplus sugar and does not know what to do with it. We can ask Cuba to supply us 500,000 tons of sugar and take the payment for it partly in some goods in which we have a not readily exportable surplus (tea, coffee, textiles and jute goods) and partly in loans at low rates of interest repayable after 15 or 20 years.

These are the choices before the Government for overcoming the present scarcity of sugar. As all of them involve some hard work and inconvenient decisions, it will not be surprising if the Government just allows the situation to take care of itself. Consumers of sugar are, therefore, in for another year of hardship. The only effective solution to shortage of sugar, if it is not to become a chronic one, lies in getting more sugar out of every acre of land devoted to sugarcane than is the case at present. This is essentially a question of effective organisation by the public sector, for it involves the supply of basic agricultural needs.

SUGAR INDUSTRY IN U.P.

The decision of the U.P. Government to set up a sub-committee of the State Planning Board to consider a proposal for nationalisation of sugar mills in the State during the third Plan period was editorially commented upon in this journal four weeks ago (vide page 453 of our issue dated 19th September 1959). The Government has since come out with a statement discounting the fear of nationalisation. In the course of a Press communiqué, the Government says:

"Considerable concern has been expressed in certain quarters over a reported decision of the U.P. Government to nationalise the sugar industry. As a matter of fact, no such decision has been taken by the Government. At a meeting of the State Planning Board on 14th September which was attended by a number of leading industrialists, a resolution was moved by Mr. G. Singh, Praja Socialist M.L.A., recommending the nationalisation of the sugar industry. The resolution came up for discussion at the end of the meeting. The Chief Minister, who was presiding, pointed out that such an important subject could not be disposed of within the very short time at the disposal of the meeting and he suggested the appointment of a committee to examine the proposal from all points of view. This was unanimously approved. It will thus be seen that what the Government is committed to is the appointment of a committee to examine the Praja Socialist leader's resolution from all relevant angles. Any misapprehension is, therefore, totally unwarranted."

help the nation
and help yourselves
to be able to export
do you need

INDIGENOUS RAW MATERIALS

Steel,
Pig Iron,
Tin Plate etc.

IMPORTED STUFF

Raw-materials,
Consumable Stores,
Components, Parts
and Accessories
and balancing
plants.

FOREIGN EXCHANGE

For business tours
abroad, publicity,
opening of new
offices in foreign
countries etc.

if so,
please come to

ENGINEERING EXPORT PROMOTION COUNCIL

India Exchange, 7th Floor, Calcutta-1

OUTLOOK FOR NATURAL RUBBER GROWTH OF RESEARCH HOLDS PROMISE OF WIDESPREAD USE

THE announcement of the U.S. Government's decision to sell rubber from its stockpile has had a softening effect on prices of natural rubber in world markets. In London, for instance, spot rubber has come down from 33½d. per lb. on the eve of the announcement, to 33d.; at one time it had gone down to 32½d. The General Services Administration of the U.S. Government said that sales of rotation rubber would begin on the 16th inst. No disclosure of the quantity of rubber that would be offered was made, but it is believed that sales have been planned on the basis of disposing of no more than 12,000 tons each quarter of the fiscal year ending 30th June 1960. According to this programme, the quantity that is expected to be sold in the sale commencing from the 16th inst. is 24,000 tons for the first two quarters of the year.

If prices have not reacted more sharply, it is perhaps due to two reasons. First, there had been rumours for some weeks past about the prospect of such sales. So the development had been anticipated. Secondly, it was assured by the G.S.A. that the sales were being planned for rotation of stocks and as such would not disrupt the market. Despite this assurance, dealers in Singapore and Malayan producers are sceptic about the American intention.

Boom Year Forecast

Meanwhile, the Natural Rubber Bureau of America has forecast a boom year for natural rubber. According to its estimates, supplies of natural rubber will again be short of demand by about 40,000 long tons; in 1958, the deficit was 30,000 tons. The Bureau holds out the possibility of the shortage persisting through 1960, if the output of natural rubber does not exceed 1.95 million to 2 million tons and if the present rate of consumption is held or exceeded. It goes on to add: "There is a sellers' market that could continue into 1960, with one major reservation—stockpile sales. Depending on the degree of balance between production and consumption, this stockpile tonnage will either lower 1960's estimated world stock deficit substantially or could even swing supply in excess of demand." It warns that sales of rubber from the U.S. and British stockpiles in 1960 can add another 60,000 to 70,000 tons to the supply.

The Rubber Trade Association estimates the free world's consumption of rubber in 1959 at 3.55 million long tons (in 1958, it was 3.21 million tons), of which natural rubber will account for 2.05 million tons and synthetic for 1.50 million tons. The U.S. is expected to use 540,000 tons of natural rubber, representing a substantial increase over 484,492 tons consumed in 1958, and 1,060,000 tons of synthetic. The rest of the world (other than the Communist countries), in the estimate of the Association, will use 1.51 million tons of natural and 440,000 tons of synthetic.

Shortage Will Continue

As against the above estimated increase in consumption, the Association has predicted a world production of 3.55 million tons in the current year. This will be made up of 1.99 million tons of natural and 1.56 million tons of synthetic. Malaya and Indonesia are each expected to produce 700,000 tons of natural rubber. The U.S. output of synthetic rubber is estimated at 1.32 million tons. The rest of the world will produce 590,000 tons of natural and 250,000 tons of synthetic. It will thus be observed that, in the estimate of the Rubber Trade Association, the shortage of natural rubber in 1959 will be of the order of 60,000 tons, as against 40,000 tons predicted by the Natural Rubber Bureau, and the consumption of synthetic rubber will fall short of production by 60,000 tons.

There are unmistakable signs of a growing demand for rubber and statisticians estimate the world consumption to rise to over 4 million tons by 1965. At the same time, production of natural rubber is sure to go up substantially when the 3.5 million-acre replanting programme in Malaya is gone through. Up to the end of 1958, about 1.4 million acres of this area were replanted with high-yielding rubber. In the current year, another 235,000 acres will be replanted with high-yielding stocks. The yield per acre is expected to rise from 490 lbs. to 1,000 to 1,500 lbs. under the replanting scheme. On the basis of the replanting done up to the end of 1958, Malaya will be producing about 850,000 to

900,000 tons per annum by 1965, a rise of nearly 200,000 tons or 30 per cent. in seven years. What is more, this additional quantity will have been produced at considerably less cost than now.

The above additional output is expected out of the high-yielding replanting and new planting only. It does not take into account the 1 million acres of virgin jungle in Malaya which the natural rubber industry is urging to be converted into rubber plantations. It does not also take into account the latest agronomical development, namely, tree stimulation. According to one scientist, twelve years of research has indicated that a few milligrams of the right chemicals applied to each tree twice a year could bring about 25 to 40 per cent. increase in yield at a relatively insignificant expense. It is claimed that, by this process, the yield could be raised to 1,800 lbs. per acre and, with a modest stimulation, it could be further raised to 2,350 lbs. per acre.

Wide Variety of Uses

To sum up, increased acreage, replanting of high-yielders and application of tree stimulation can all bring down the price of natural rubber sizably from the present levels and stimulate demand for it. Besides, fundamental and applied research in natural rubber research centres all over the world have provided many use advantages that add to natural rubber's desirability. The annual report for 1958 of the U.K. Natural Rubber Development Board provides a vivid account of the wide variety of uses to which natural rubber has been put and holds promise of a bright future for natural rubber, provided that vigilance and energy continue to be applied to its development. The report records the encouraging progress made in the commercial development of rubberised road in the U.S. (where hundreds of miles of such roads are now in service), the U.K., Australia, New Zealand, the Far East and elsewhere. Other successful uses to which rubberised bitumen is being put are: the lining of reservoirs, roof sealing, sealing joints in sea walls, children's playgrounds, tennis courts and running tracks. With work on rubberised bitumen well advanced, attention is being turned to extending the scope of rubber in road work still further by developing rubberised tar and latex-bitumen. One advantage of this is the saving in cost, as tar is cheaper than bitumen. The use of rubber in building and engineering is also growing. It is

being used in anti-vibration mountings in buildings, joint-sealing, the making, decorating and fixing of concrete units, earth-moving techniques, latex-cement compositions and so on. The utility of rubber rail pads, inserted between rail and sleeper to reduce vibration and wear, is being increasingly realised; more and more countries are using them.

Latex Foam

Commenting on the use of rubber, particularly latex foam, in the furniture industry, the report says:

"The use of rubber in one form or another in furniture represents an outlet for natural rubber second, in potential importance only to the pneumatic tyre. In 1958, total world consumption of natural rubber latex is estimated at around 165,000 tons, just over 70,000 tons going to the U.S.A. and 26,000 tons to the U.K. Although it finds application in various industries for such purposes as dipped goods, elastic thread, adhesives, impregnation of tyre cords, and latex-cement floorings, by far the greatest proportion is utilised in foam for upholstery purposes. The market for latex foam is steadily expanding, in spite of the recent introduction of plastic foams for some of which extravagant claims are being made."

The Natural Rubber Development Board forecasts a steadily expanding outlet for rubber in footwear. The proportion of British footwear fitted with non-leather soles is said to have grown from 20 per cent. in 1955 to 60 per cent. now and the majority of these contain natural rubber. "The introduction of rubber resins in footwear compounds," the Board's report says, "is widening the field of use, particularly in leather-like materials, where the outstanding properties of rubber in regard to resilience, wear and protection against damp are finding increasing favour."

Research

Along with finding increasing use for rubber, attention is being paid to improving the processing and manufacturing methods of certain natural rubber products. Giving an account of this, the annual report for 1958 of the Rubber Technical Developments Ltd., one of the natural rubber research organisations, says that, with graft polymer rubbers, in which natural rubber is combined with synthetic materials to make hard moulding compositions, etc., work has been directed to producing material which can be "handled in the mixing plant without pre-conditioning". The trials carried out indicate that this can be best achieved with rubber modified from fresh latex on the plantation.

Further research work was undertaken with the British Rubber Producers' Research Association in connection with anti-crystallising rubbers designed to prevent natural rubber from becoming brittle and unusable at low temperatures.

Splitting or delamination is a characteristic of all non-woven fabrics, but one result of the year's work was to give latex bonded fabrics, developed by Rubber Technical Developments Ltd., a definite advantage in this respect. The report adds: "Lightweight fabrics which do not delaminate have been prepared from a great many different fibres or fibre blends, and considerable improvement have also been achieved with heavier weight fabrics using certain fibre blends." Impregnation methods have been improved and non-woven fabrics as low in weight as 1 oz. per square yard have been produced. Successful work has also been carried out to improve resistance to heat, dry cleaning, and detergents.

The programme for the year also included a successful study of methods of reducing the processing time for rubber bonded fibres of the type used in upholstery and packaging. Tests on schoolboys' shoes produced some striking evidence of the wearing qualities of plantation crepe rubber, the only 100 per cent. natural rubber footwear soiling material.

TEA MARKETING CORPORATION FOR CEYLON

The Ceylon Government has decided to establish a national tea marketing corporation. The organisation is intended to buy, store, blend, and package tea to suit consumer markets in Communist countries, as well as buyers in western Asia and central Europe with whom Ceylon will enter into trade agreements in the near future.

The Government proposes to offer 25 per cent. of the share capital in the Corporation to the private sector to ensure public participation. This share will be increased later to 49 per cent.

The above proposal is in pursuance of the Government's intention, announced early this year, to place packets of exclusively Ceylon tea on the market. The setting up of the Corporation will not, however, affect the normal trade, as it has been assured that the Corporation's activities will be confined to selling tea to Communist countries, Central Europe and Western Asia and the tea packets will not be offered in the London market.

ALLAHABAD BANK

LIMITED

Established 1865

Affiliated to the Chartered Bank

HEAD OFFICE: CALCUTTA

14, India Exchange Place

Bombay Offices:

39, APOLLO STREET
and
232/34, KALBADEVI ROAD

Ahmedabad Office:

MASKATI MARKET

FIXED AND SHORT
TERM DEPOSITS
RECEIVED ON
FAVOURABLE TERMS

M. J. MacLaren
General Manager

AB-4

QUALITY TESTING INSTRUMENTS

For

Textile
Metal
Paper
Rubber
Leather
and
Plastic
Industries

HARDNESS TESTER

EX: M/S. KARL FRANK G.m.b.H., GERMANY

Sole Agents

TOSHNIWAL BROTHERS PVT. LTD.
198, Jamshedji Tata Road, Bombay-1

BRANCHES:

AJMER CALCUTTA NEW DELHI MADRAS

STEARIC ACID

(Double Distilled)

Manufactured by:

THE MODI VANASPATHI MFG. CO.

Bombay State Distributors:

RAMJILAL LAKHMICHAND

Head Office: 223, Kalbadevi Road, Bombay-2

Phone: 39361

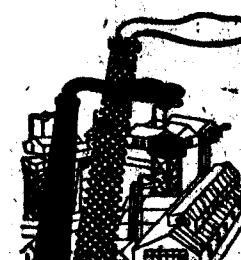
Branch: 695, Ridd Road, Ahmedabad

Phone: 2665

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS

'BEHAR' the dependable name
in FIRECLAY & SILICA
Refractories



For over 25 years 'BEHAR' REFRACTORIES
are known world wide for their iron and steel
works, cement and glass factories, tea
industries, sugar and cotton mills and other
industries in the country.

Phone: 22-5962

22-5101

Ors "BANCO"

BEHAR FIREBRICKS & POTTERIES LTD.

22, STRAND ROAD, CALCUTTA-1



Water, water everywhere— all the family in despair

Certainly there is no need for them to be so. In fact, why live or work under damp, miserable conditions—why allow your property to deteriorate around

you? Have it protected from dampness of ceiling, walls and floors, from acid and alkali action, by Shalimar Tar *Stop* bituminous based protective materials.



Manufactured in India, applied and guaranteed by



SHALIMAR TAR PRODUCTS (1935) LIMITED

CALCUTTA • DELHI • BOMBAY • LUCKNOW • CHANDIGARH

Agents: The Bombay Co. Private Ltd., Madras-1 • R. C. Abrol & Co. (Private) Ltd., New Delhi-1



Established 1919

Years of Experience
in the Far East!

FOR COMPREHENSIVE BANKING
& FOREIGN EXCHANGE FACILITIES



THE MITSUBISHI BANK, LTD

CABLE ADDRESS: CHYODABANK

HEAD OFFICE: Marunouchi, Tokyo, BRANCH: 155 throughout Japan

NEW YORK BRANCH: 120 Broadway, New York 5, N.Y.

LONDON BRANCH: 7, Birch Lane, London, E.C. 3

DEVELOPMENT OF INDIAN RAILWAYS ACCENT SHOULD BE ON OPERATIONAL EFFICIENCY

By K. K. Saxena

ASSISTANT PROFESSOR OF COMMERCE, UNIVERSITY OF LUCKNOW

INDIAN railways are now in the throes of dynamic expansion. Titanic programmes of expansion and development have been germinated to cope with increasing traffic which the nation-wide economic activity is bringing about. Obviously, at this juncture of our economy, efficient operation of railways is of transcendental importance. A railway is usually said to manufacture and sell "transportation," and, like any other manufacturer, it requires to know the cost of what it sells, in order to measure its efficiency and prepare its rates. It has been said that the measure of efficiency is the amount of return produced on the capital employed, but, in some cases, this criterion could be fallacious, as, for example, in the case of a concern that is overcapitalised, requiring much larger net earnings on a given amount of business.

Despite the fact that heavy capital investment has taken place on Indian railways, it is gratifying to note that the figures of net earnings in relation to capital at charge give a rosy picture of the financial position of the railways during the past few years. From 4.26 in 1938-39, the percentage of net earnings on capital-at-charge increased to 6.13 in 1957-58. The simplest test of the genuine conditions of finance is the "operating ratio" which is the correct index of the residue available for payment of interest charges and appropriation to the distributable surplus. The ratio operating expenses of Indian railways increased to 81.21 in 1957-58 from 66.48 in 1938-39. In fact, a higher operating expenditure ratio is proof of uneconomical and inefficient working of a railway. In the case of Indian railways, the operating ratio no doubt is high today, as compared with the pre-war period, but allowance must be made for abnormal expenditure on repairs, maintenance and inflated wage bills.

It may be pointed out that dividend alone, however desirable, is not the only measure of economical working. It will not be fair to impugn the management of a railway merely on the fact of its inability to produce a dividend, without taking into consideration the conditions affecting its operations; nor is it sufficient to accept the ratio of the working expenditure to gross receipts, as an indication of efficiency or otherwise, since the expenditure may be burdened with charges which do not arise out of the actual cost of working but include such items as interest on loans, transfers to reserve funds, contribution to general revenues; or the administration may be bound down by inadequate maximum rates which limit receipts to a figure that cannot fully remunerate the work performed and the obligations contracted.

Evidently, therefore, the efficiency of railways is to be judged in a broader perspective. It should be remembered that, when speaking of efficiency on railways, there is no single index which can afford an overall appreciation of the improvement. It is necessary to watch a number of indices on various aspects of railway activities such as serviceability of equipment, its utilisation, speed of transport, etc., both in regard to goods and passenger traffic.

Passenger Traffic Operation

There has been a phenomenal growth of passenger traffic on Indian railways since the commencement of Second World War. The total number of passengers originating was 499 million in 1938-39, whereas it was 1,410 million during 1957-58. But there has not been a corresponding increase in the resources of railways to cope with this heavy increase in the traffic. On 31st March 1939, the railways had 18,763 passenger coaches. Nineteen years later, on 31st March 1958, the number of passenger carriages on broad- and metre-gauge on line was 15,775 only. Obviously, this has resulted in overcrowding. But a relieving feature has been the increased passenger miles operated from 17,988 million during 1938-39 to 43,043 million in 1957-58, an increase of over 130 per cent.

An average man normally judges the performance of railways from the point of punctuality with which trains run, the speed at which they run, the comfort which they provide and the amount that he has to pay for the travel. During 1957-58, 77.63 per cent. of the trains on

the B.G. and 80 per cent. on the M.G. arrived in time. In fact, these statistics are based on the trains reaching their destination at the scheduled time. What is more important to be aimed at is punctuality of a train right from its leaving a station upto its destination, including intermediary stoppages. It may be noted that a punctuality of 99 per cent. for long-distance trains and 100 per cent. in case of suburban areas is claimed by Soviet railways. As regards the speed of the trains on Indian railways, it may be said that overall average speed fluctuates between 15 and 27 m.p.h. An increase to the maximum permissible speed over main line routes would necessitate considerably strengthening the track by way of heavier rails, heavier ballast, increased density of sleepers, better signalling, etc. All this would involve heavy expenditure and hence, under the present state of affairs, it may not be possible. The only way, therefore, at the moment to improve efficiency is to aim at an increase in the overall speeds by reducing the number of stoppages en route for long-distance trains and also by curtailing the halts where possible. It may be pointed out that, in 1957, British Summer Services included 84 trains making start-to-stop runs at average speeds of 60 m.p.h. or more on most days of the week. We in India have, therefore, to do a lot in this direction.

Goods Traffic Operation

During the first Plan period, the volume of traffic on Indian railways increased from 91.4 million tons to 114.1 million tons. There is no parallel to what the new era of planned development is likely to unfold during the second Plan period. By 1960-61, the railways are expected to carry 168 million tons of freight traffic. These estimates take no account of "repeat" movement of goods from producers to wholesalers and from producers to retailers nor do they take into account "leads" of traffic which may go up to a very great extent under the impact of planned development. In an underdeveloped country like India, the demands for transport facilities are likely to multiply very fast. Consequently, the second Plan, which is a plan for rapid industrialisation, is likely to be more exacting in its demand on the railways than the first. Substantial increase in the movement of goods traffic during recent years has been made possible because of intensive utilisation of rolling stock, of planning in advance the movement of traffic over different routes and junctions, and, above all, of increased wagon loadings.

During 1957-58, wagon loadings increased by 4.87 per cent. on the B.G. and 7.61 per cent. on the M.G., bringing down the outstanding registrations at the end of the year by 15.0 per cent. on the B.G. and 63.2 per cent. on the M.G., as compared with 1956-57. This increase in wagon loadings is obviously reflected in the growth in the net ton mileage. Tons originating on Indian railways and ton-miles increased from 84.4 and 21,878 million in 1938-39 to 132.1 and 44,861 million, respectively, in 1957-58, that is, an increase of 57 per cent. in tons originating and 104 per cent. in ton-miles. In order to avoid loadings falling into arrears, it is necessary that outstanding registrations should be scrutinised from time to time and special arrangements should be made to clear as much traffic as possible by means of "block specials" or *ad-hoc* quotas.

Speed—A Vital Factor

To enable the railways to cope with the increased traffic adequate steps have got to be taken to increase and improve the available rolling stock equipment and facilities, but this may be a costly and slow process. Hence, it is inevitable for the railways to make the maximum utilisation of available stock by putting it to intensive use. Any loss that occurs due to inefficient operation can never be made good and hence it should not be permitted. It may be worthwhile to point out, in this connection, that improvement in operational efficiency, especially on the broad-gauge which accounts for 80 per cent. of total goods traffic, is more important.

During recent years, the speed of goods train has declined both on the M.G. and B.G. A decline in the speed of goods train adversely

affects the availability of rolling stock and thereby reduces wagon mobility and usage. It is true that wagon mobility is influenced relatively less by fluctuations in speed than by other factors such as yard detentions, terminal delays, etc., which hold up the wagons more effectively. But deterioration in speed means less turnround of engines and, consequently, less availability of engines and crew for moving the traffic. It also affects the sectional capacity, as it means increased hours of engine on lines. It affects the capacity and clearances from the yard, too. Obviously, the operational and financial advantages which follow even from a small increase in speed would be substantial and worth aiming at.

Deterioration in speed has been due to sections working at saturation level, falling in general standards of working and supervision, lack of adequate co-ordination between central offices or between the railways, low standards of rolling stock maintenance, engineering work necessitating imposition of speed restrictions, and heavy shunting at roadside stations. A close co-ordination of various departments, a strict watch on trains having a late start, regular study of paths, checking up "hold-ups," avoidance of unnecessary detentions to trains due to yard congestion, reduction in the time for meeting loco requirements, satisfactory loco watering arrangements, etc.—all these can go a long way towards easing the situation.

Multiple Aspects of Wagon Usage

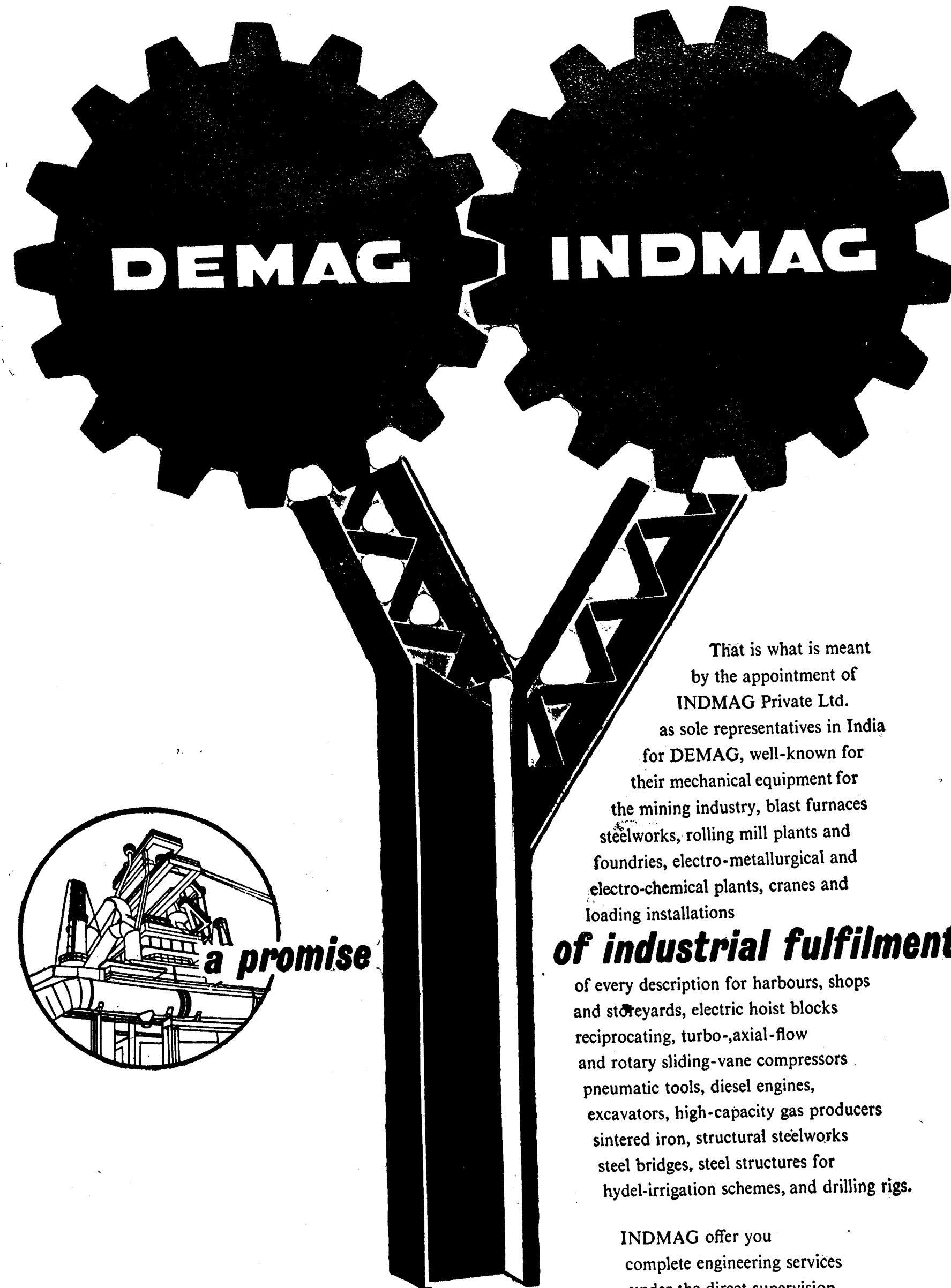
It is heartening to note that a substantial increase in goods traffic has been achieved without a commensurate increase in the resources of rolling stock. During the period of eleven years from 1947-48 to 1957-58, when there was an 81 per cent. increase in the tonnage of traffic carried, the number of goods wagons on the B.G. and M.G. increased by 29 per cent. and locomotives on lines rose by 27 per cent. only. This proves the greater work which is being taken by each unit and goes to show the scope for further improvement in reducing the wastage that now occurs in marshalling yards, terminals, repair shops, shunting miles, etc. The efficiency of wagon usage, it may be noted, has multiple aspects. It is reflected by various factors such as wagon miles per wagon day, net ton-miles per wagon day, wagons under repair, wagon turnround, empty haulage and wagon loads. Wagon miles per wagon day increased from 38.7 in 1950-51 to 47.3 in 1957-58 on the B.G. During the same period, net ton-miles per wagon day increased from 402 to 588 on the B.G. and from 180 to 225 on the M.G., while the percentage of unserviceable wagons to total number on line decreased from 7.28 to 3.52 on the B.G. and from 8.64 to 3.96 on the M.G.

Wagon Turnround

As regards wagon turnround, there has been very little or no improvement, for it depends on a number of factors, as, for instance, detention time in yards, average speeds of trains, average time per loading and unloading, delays at originating depots and at destination for placement, and delays due to released empties awaiting despatch. Apart from these, it is also affected by local conditions such as length of railway, its gauge, strength of track and bridges, types of locomotives, normal loads of train, standard of signalling, line capacity nature and pattern of traffic. It is hoped that with the setting up of Wagon Chasing Organisation and Area Controls, the position would gradually improve. The railways have already taken several welcome steps with a view to securing quick and intensive utilisation of rolling stock. These are: augmentation of express goods trains, provision of linked and fixed path for goods trains, reduction in free time for loading and unloading, introduction of night shift at sheds and transshipment points and, above all, planning of additional line capacity works, including remodelling of yards, extension of loop and provision of crossing stations. Further empty haulage is being reduced and wagons are being put to maximum use. As each wagon represents a potential source of revenue to the railways, its maximum use is of utmost importance.

Locomotive Utilisation

As regards locomotive utilisation, it may be said that a tremendous improvement has been made in the amount of pay load moved on an average by each engine in an hour. Net ton-miles per engine-hour increased from 1,846 on the B.G. and 693 on the M.G. during 1948-49 to 2,231 on the B.G. and 994 on the M.G. during 1957-58. There has been an improvement in tractive effort per engine and also greater availability of engines in use (Continued on page 668)



That is what is meant
by the appointment of
INDMAC Private Ltd.

as sole representatives in India
for DEMAG, well-known for
their mechanical equipment for
the mining industry, blast furnaces
steelworks, rolling mill plants and
foundries, electro-metallurgical and
electro-chemical plants, cranes and
loading installations

of industrial fulfilment

of every description for harbours, shops
and storeyards, electric hoist blocks
reciprocating, turbo-, axial-flow
and rotary sliding-vane compressors
pneumatic tools, diesel engines,
excavators, high-capacity gas producers
sintered iron, structural steelworks
steel bridges, steel structures for
hydel-irrigation schemes, and drilling rigs.

INDMAC offer you
complete engineering services
under the direct supervision
of engineers trained by DEMAG.

INDMAC

PRIVATE LIMITED

Bombay — "Esplanade House" Waudby Road, Fort, Bombay. Delhi — United Commercial Bank Building, Parliament Street, New Delhi.
Calcutta — 33, Chittaranjan Avenue, Calcutta-12. Madras — Sukumar & Company, "Vanguard House" 11/12, Second Line Beach, Madras-1.

CLIMATE FOR FOREIGN PRIVATE INVESTMENT

MR. G. L. MEHTA'S EXPOSITION OF INDIA'S POLICY TO U.S. AUDIENCE

[During his recent visit to the U.S., Mr. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India, addressed the Far East-American Council of Commerce and Industry, Inc., New York, on the climate and scope for foreign private investments in India. His address was a brilliant exposition of the Government of India's socialist policies. In making a frank appraisal of the position, he sought to allay the fears of U.S. investors. Although the speech is a long one, containing as it does about 7,500 words, we are publishing it in full on these pages for four reasons. First, it deserves to be brought to the notice of numerous foreign investors, who are already in this country as well as to those who are contemplating to invest here. Secondly, the misgivings he tried to dispel exist among many Indian business men themselves; they would naturally like to know Mr. Mehta's elucidation of the "socialist pattern of society." Thirdly, the members of the Congress Party, including the Ministers, and the Government officials will profit by reading this address, as it will help them to know the defects in their policies and procedures. Fourthly, the address, being in a racy style, is easily readable. When we read it, we did not find it dull at any point.—Ed.]

ALMOST exactly seven years ago, on 24th October 1952, I first addressed the Far East-American Council of Commerce and Industry. Since then, much water has passed under the bridge, or, to use a metaphor better suited to India, our population has grown by around 40 million. Then, we were near the start of our first Five-year Plan and were at the start of an economic boom. Today, we are more than half-way through our second Five-year Plan and the boom has slowed down. We have made impressive progress, as any careful examination of our economic statistics will show; but the journey has not been smooth, for we have had to meet one crisis after another. We have lost some illusions during the years and, perhaps, have found some others. We have decided to move in the direction of a "socialistic pattern of society" and have discovered that, in this as in everything, success depends on hard work rather than on faith.

I have changed, too. I trust I can in a small way still represent India. But seven years ago I spoke, as Ambassador, as the personal representative of the President of India. Today I stand before you, not as an official, but as a member of the "business" community—both private and public "business." Like India's economy, I am "mixed"; and again like India's economy, I am managing to survive nonetheless.

Seven years ago, I spoke on "Private Enterprise in India's Planned Economy." My subject today is not very different—the prospects for private enterprise and particularly for private foreign investment in India.

I wish it were possible for me to say that the prospects for both are excellent and to tell you that private investment in India is safer and more profitable than anywhere else in the world. I cannot do this. Nor, on the other hand, can I take a pessimistic, often panic-stricken, view. Their cries must seem unusually shrill to Americans—especially to those who have forgotten the days, not long ago, when "That Man" in the White House personified Evil because he introduced programmes now taken for granted by everyone. The change, which many of you have seen in your lifetime—exemplified in the transformation from Robber Barons and Nabobs to their grandchildren today, who are public servants—have hardly begun in India. And as for foreign businessmen, they are not always sufficiently familiar with, nor always appreciative of, the problems of a country which is endeavouring to overcome in decades the accumulated economic and social backwardness of centuries. The United States—even in its colonial period—never experienced India's present circumstances; most of Europe, not since the early Middle Ages. And India is no longer the exotic India of Rudyard Kipling and the Bengal Lancers—if it ever was!

Too Complex

The situation in India with respect to private investment and its prospects is too complex to be portrayed in the simple blacks and whites which mislead rather than clarify. Private enterprise there does not have the relatively free hand it has in the U.S.; its path is not strewn with roses, although you must remember that there are no roses without thorns. On the other hand, private enterprise and foreign investment are neither dead nor dying despite difficult circumstances at times and some uneasiness induced by vague talks of socialisation and state controls. The private sector will, I believe, continue to exist for a long time to come and will play a role far larger in absolute terms than in the past, if less important in relation to the public sector. At the start of the second Plan, about 80 per cent. of all investment in industry was private; at the end, perhaps only 60 per cent. will be. The industrial output of the public sector will, however, be about seven per cent. of total industrial production.

I should like to call your attention to some basic facts about India, which you must keep in mind in considering the subject before us today.

The first is that one cannot conceive of India without thinking of problems—of population pressing hard on resources; of starvation, ill-health, and woefully poor standards of living; of an overwhelmingly agricultural population whose productivity is desperately low; of lack of resources compared to urgent minimum needs; of foreign exchange shortages, etc. These problems are not peculiar to India. But the sheer weight of numbers lifts them to a new plane, makes them different not only in magnitude but also in kind from those ever faced by Western countries or, indeed, by any country, except China.

The fundamental and inescapable problem which faces us is that India, with almost 400 million people, is growing at the rate of about 8 million each year. Eighty-five per cent. of our families live, miserably, on the land. A fifth of

the population is unemployed much, most or all of the time. Agricultural production is going up—but at only about 2 per cent. to 3 per cent. per year, just a little more than our population increase. Compare this with Europe. In the O.E.E.C. area, agricultural production increased from 1949, when the pre-war level was reached, to 1958 by more than 30 per cent.; during the same period agricultural employment declined by 20 per cent. Thus agricultural labour productivity in Europe has gone up by about 60 per cent.—in a period when ours was virtually standing still; and Europe's manufacturing and service industries can absorb the labour displaced from the land, while ours cannot cope with even the natural increase of our cities. The crux of our problem lies in these startling and tragic facts. It is ironic that we face this problem in part, because it is far easier and cheaper to adopt the medical developments which the West has made available to us, than to adopt the new technologies of production and modern ways of thinking.

Secondly, India is determined, both people and Government, to deal with these problems as rapidly and effectively as is humanly possible. Although there is inevitable disagreement on means, there is no disagreement at all on the objective, which is to convert our traditional society into one that is capable of steadily increasing productivity and rising standards of living. This task is of heroic proportions. To accomplish it, we have had to give up, as most of you did long ago, our faith in the "Unseen Hand" as the prime mover in economic growth—with all that this implies with respect to planning and priorities, governmental guidance, expansion of the public sector, husbanding of resources. Unfortunately, there is a conflict, which only political decisions can resolve, between the requirements of economic growth and the need to allow the population at once to consume a larger share of its output. It is inevitable that, faced with a task of such magnitude and with the conflicting demands on our inadequate resources, much of what we do is experimental and our approach empirical. And for this reason, we well know, we are fallible human beings, what we do is likely to yield errors as well as successes.

Quite Flexible

The third point to be remembered is that we are determined to achieve this objective by democratic means and thus, while we hope we have the long-term strength of democracy, we are also subject to its short-term weaknesses—even more than you are; for we have introduced democracy among a largely illiterate population unused to modern forms of representative government. Our political system is not unlike yours. Our governing party is similar to your two major parties in this respect: that its policies are broad (or vague) enough to cover under its umbrella a great variety of opinion—from the ascetic humanitarianism of Gandhi to State socialism and including many exotic shades of opinion between. Once, when India's purpose was political independence, these many segments of opinion spoke with one voice; today, with that revolution accomplished, the differences among us have naturally become more apparent. All these segments of the Party are articulate and it is easy to interpret a vigorous statement from one important politician, even a Minister, as the considered policy of the Party. Nothing could be further from the truth—for the Party's policy at any given moment is a compromise of many different views reached in the light of prevailing circumstances. In other words, we are and our Government is somewhat less coherent and more pragmatic and flexible than one might imagine.

Let me take a specific example. In India we hear much, and I believe you have heard much, too, about the "socialistic pattern of society" to which the Indian Government is committed. If the phrase induces euphoria in many people and politicians, it also induces in others visions of tumbrils rolling through the streets to bloody guillotines. In fact, it is a phrase which expresses a general ethical aspiration, but which does not have much precise content—yet. Our Prime Minister said a few months ago that the "content of a socialistic society is an important thing to discuss. Yet my mind does not function that way. Broadly, of course, we know we want a society in which everybody has equal opportunity, everybody can go ahead, everybody has a rising standard of living, where power is not concentrated and so on and so forth. But the moment you go much further than that—in theory you may—you are trying to imprison our system in the future." Thus the phrase "socialistic pattern of society" like the word "capitalism," should invoke neither euphoria nor panic; on the contrary, it should stimulate thinking citizens to bring every constitutional pressure to bear to give the expression the content they wish it to have. In

a democratic society, it is the amalgam of such pressures that will determine policy, not the statements of ideologues and damogogues.

Fourthly, some Indians still suffer from the complexes common to citizens of newly independent countries. One such complex is a distrust of foreign investors and of profits—an attitude which has its origin in the nineteenth century imperialism. But I would claim that Government and responsible public opinion have been rational and farsighted in regard to foreign capital. There has been no economic chauvinism, no irresponsible talk of discrimination or expropriation. Undoubtedly, neither India nor the world is the same today. As one of your economists—Kenneth Galbraith—put it, "It is unlikely that India, having escaped the British raj, will succumb to the control of its creditors. Among the ominous figures in Indian history, Eugene Black is unlikely to rank with Robert Clive, Warren Hastings or even the late Lord Curzon." Unfortunately, facts have a way of outstripping thinking; it is only with pain that nations the prospects for private enterprise?

Mr. Nehru Quoted

Against this background, what can be said of the prospects for private enterprise?

It is customary, in this connection, to speak of something called "climate." I wish I knew precisely what "climate" means; it appears to cover a host of intangibles and imponderables having to do with official attitudes towards private investment of Government and the politically directed statements of our political leaders, the "climate" in India would appear to be uncertain, like that of New York in spring—rainy one moment and sunny the next. I should like to stress that, for almost every derogatory statement about "captains of industry" and "private exploitation," one can find statements of encouragement to the private sector. For instance, there is Prime Minister Nehru's statement in Parliament on 25th May 1956:

"I have no shadow of doubt that, if we say 'let off the private sector' we cannot replace it adequately. We have not got the resources to replace it, and the result would be that our productive apparatus will suffer. And why should we do it? I don't understand. We have our industries, there is a vast sector, and we have to work it. Let the State go on building up its plants and industries as far as its resources permit. Why should we fritter away our energy in pushing out somebody who is doing it in the private sector?"

"There is no reason except that the private sector might build up monopoly, might be building economic power to come in the way of our growth. I can understand 'Prevent that, control that, plan for that,' but, when there is such a vast field to cover, it is foolish to take charge of the whole field when you are totally incapable of using that huge area yourself. Therefore, you must not only permit the private sector, but I say, encourage it in its own field."

So far as I know, this view still expresses official outlook. The fact that Government blows both hot and cold is but another aspect of the flexibility that I referred to earlier. No doubt, businessmen might prefer a settled climate, even if it were not an ideal one, to the monsoon-like weather, with sudden gusts and squalls, in which they now live.

I believe, however, that what is said is less important than the specific things that are being done and the trend of circumstances. Are there real opportunities for private investment? What are the concrete measures taken to facilitate or to impede private investment? How real are the conveniences to which it is subjected? What are the profit expectations?

Opportunities Increasing

With respect to opportunities, I believe they not only exist, but are increasing every day. The Indian Government has, no doubt, eliminated private enterprise from certain fields of industry, but the list of such spheres is a short one. A far larger would be expected to invest, is free for all—if I mean enterprises in fields specified in the pattern and programme of development laid down by the Government. True, in such fields there is the possibility of Government establishing competing enterprises. I suggest, however, that the prospect of significantly deter private investment. For, the are likely to be few and competition is not likely to be a serious obstacle if Government enterprises believe that there is no substantial limitation on size of the Indian market, the variety of its needs and desires, and the very small degree to which that market is being satisfied today.

I have referred to the size of the market. Four hundred million people are a large mass but they do not necessarily constitute a large market. The important question is how much they can afford to buy. It is in the conversion of a mass into a market that the Government's policies and measures are most likely to stimulate private industry. For, market being created by India's five-year plans. To the extent that these plans are successful, living standards will rise—and along with that, the power, the requirements, desires and purchasing range and depth.

May I, in this connection, call your attention to programmes under the Government's investment refer particularly to the two Five-year Plans? I port, communications, power, irrigation, community is highly unlikely that private capital would be invested in quantity, both because of the magnitude of resources required and because the financial return is low. (Of course, the heavy Government

investment in power and metallurgy may not fall in this category.) I cite this, not to point out that the bulk of Government investment is in fields which do not compete with the private sector. I do so rather to stress the fact that these investments in the general economic and social overheads of the country are essential to the expansion of private enterprise. These investments will play the same role in India's growth, and in the growth of the private sector, that in the United States, the expenditures of federal and State Governments played in creating first a network of canals, then railways, and now of highways.

There is, of course, the other side of this coin. Government investments must be financed. Government is but one of several claimants for the financial resources which can be mobilised from India's population, whether individual or corporate. Competition for financial resources is the only real competition so far between the public and private sectors. Every rupee withdrawn by Government is a rupee less for all other claimants. It can be argued that the level of Government outlays, including investments, exercises a depressing influence on private investment as well as on private consumption. This is, no doubt, true and the big question will long remain whether Government will, through taxation to finance its own investments, deprive private enterprise of the incentive and resources to finance private investment. Unfortunately, no formula has yet been found for determining the right proportion of a nation's resources that should be taken by Government, even taking into account that a large proportion of those resources, when spent, create opportunities for private investment and markets for goods and services produced privately.

Government policy contributes to the encouragement of private industry in other ways. A broad variety of institutions exists for the purpose

of providing surveys, research, training and technical advice and information essential to the stimulation of private efforts. Of much greater immediate importance are the direct financial aids provided by Government. For instance, Government is prepared to subscribe directly to the shares of or give loans to private industrial enterprises. You may find it strange that many Indian entrepreneurs seek and welcome such participation. In India, it gives the enterprise a cachet and, rightly or wrongly, it is considered by many to be a sort of security against the vagaries of governmental policy. Aside from direct participation, the Government has established or helped to establish an elaborate network of specialised institutions to provide finance for the creation or expansion of private industrial enterprises. Most of these institutions are still too young to have had a significant impact on the Indian economy. But their creation, and the financial resources the Government has endowed them with, are, I believe, evidence of a desire to strengthen the private sector.

Incentives

As important as the funds made directly available to stimulate private enterprise, are the tax concessions and incentives provided to private enterprise—about which much less is heard than about the discouraging effect of the high level of taxation. Yet these concessions and incentives are substantial. For instance, newly established undertakings are exempted for the first five years of operation from taxes on profits up to 6 per cent. of the capital employed. And, during that period, a shareholder is exempted from income-taxes on the dividends he receives out of the exempted profits of that company. Rapid and liberal depreciation is permitted on new investment, and losses may be carried forward to offset later profits. A development rebate of 25 per cent. of the cost of new plant and machinery is allowed in the first

year in which that outlay is made; companies may thus recover 125 per cent. of capital outlay. The list of these allowances and exemptions is a long one and, as I shall later point out, makes India one of the most liberal countries in the world in the treatment of new industrial enterprises.

Finally, much of Indian industry lives under an umbrella of protection. In part, this protection is the result of unfortunate circumstances—continuing foreign exchange shortages which have imposed severe limitations on imports, with the result that Indian producers are much less subject to the stimulating effects of foreign competition than, for instance, yours. But quite apart from the effect of such circumstances, Indian tariff policy is deliberately designed to encourage domestic manufacturers. Under this umbrella, many new industries have a lengthy breather during which to get over initial difficulties and to bring production costs into line with those prevailing elsewhere.

Nothing I have said so far about the opportunities and aids given to private enterprise in India is limited to Indian enterprise. It is equally available to foreign entrepreneurs and to foreign capital. The problem with respect to foreign capital is, not discrimination once it is in the country, but whether it is welcomed at all. I believe that the attitude towards foreign enterprise has shifted favourably during the past two years, with the increasing realisation of the benefits to be derived from it and with increasing foreign exchange difficulties. For instance, Government no longer insists on Indian majority and control. Quite apart from this, however, are certain positive factors which must motivate foreign enterprise—factors of self-protection and expansion. Many commodities now imported are being progressively manufactured in India. This process will continue, because where raw materials are available and skills can be readily developed, it is to India's interest to manufacture at home.

Progress

is the sum of KNOW-HOW plus RESOURCES

Regarded with little favour—even for household uses—by the ordinary man-in-the-bazaar less than 20 years ago, aluminium has today become the engineers' favourite light metal. It is now fast replacing other metals and wood in the construction of railway coaches, bus bodies, aircraft and ships.

The wide acceptance that aluminium has come to enjoy as a structural material is largely due to the ceaseless efforts of Indian Aluminium Company, which today accounts for over 90% of the country's total production. Pioneer and leader of the aluminium industry in India, Indian Aluminium Company has continuously sought to promote new applications of this versatile metal and has frequently expanded its production facilities to meet the increased demand thus stimulated.

To do this two-fold job of promotion and expansion Indian Aluminium has been uniquely well-placed. It has drawn fully upon the technical and research facilities of its Canadian associates, Aluminium Limited—the world's largest group of aluminium companies. And now, Indian Aluminium stands ready to contribute all its know-how and resources towards achieving India's self-sufficiency in aluminium.



Indian Aluminium Company Limited

A CANADIAN-INDIAN ENTERPRISE

Thus many companies, whose names and products are well known in India, run the danger of losing their market in India, unless they are prepared to change over from exporting to manufacturing. In the process of doing so, they may obtain an advantage they did not have before. India's location offers a good opportunity for serving competitive markets of the rest of Asia and of East Africa. On a base in India, with one of the world's largest potential markets, there is the possibility of serving an even larger market.

The Fears

Against these incentives and opportunities must be set the fears and inconveniences of the private sector. What are the fears? The first, of course, is nationalisation. Is there a real danger of nationalisation? This is a matter that every entrepreneur must judge for himself. But what are the facts? The enterprises that have been nationalised in the 12 years since independence can be counted easily and quickly—civil aviation, a gold mine, the Imperial Bank, life insurance. The Fourth Amendment to the Indian Constitution, which provided that compensation allowed in the event of taking over private property cannot be reviewed by the courts, has not been used—as so many people feared it would be—against private business. The prospects of nationalisation are not so today as they appeared to be a decade ago; the record of compensation is generally considered good, and while I cannot, of course, give any guarantee, my own opinion is that the risks of nationalisation of existing enterprises can be discounted.

A second fear is of competition from the public sector. I have already indicated that this competition is primarily competition for financial resources. However, I have also said that the Indian Government, like that of other democratic countries, consists of different people susceptible to varied pressures. There is a possibility that Government may decide to go into any industry; but because of limitations of finance, personnel and management, and for other reasons as well, competition will be restricted for many years to come. I believe, therefore, that for all but a few basic industries, Government competition is not likely to be very important.

A third fear concerns supplies of raw materials (and sometimes of spare parts) from abroad. The shortage of foreign exchange which has resulted in cut-backs in imports in the recent past is, I am afraid, a general problem concerning the economy as a whole. A fourth fear concerns confiscatory taxation. This I shall refer to a little later when I discuss profits.

Finally, foreign enterprises are faced by a special fear—will they be able to repatriate their profits and, in due course, to repatriate their capital? In many respects, this fear is the least important of all, since India has an excellent record of permitting remittances when it has agreed to do so. Its reputation for meeting commitments is unblemished, defaults are repugnant to our national tradition and the consequences of default are well known. I must, however, stress one important point. India wants foreign capital—but capital which will remain invested for a long time, not for a few years. A potential investor may expect Government to drive a hard bargain in this respect, that is, to insist on no repatriation at all for some years and then only gradual repatriation. But once a commitment has been made, a foreign investor may rest assured that it would be honoured.

If I seem to discount the fears which private enterprise appears to entertain, I do not at all discount the inconveniences and frustration to which it is subjected—the complex procedures for obtaining permissions, consents and licences to start or to expand an enterprise and the red-tape of regulations and controls, including labour legislation which sometimes appears to give greater weight to illusory welfare than to productivity. No doubt, all Governments are blame-worthy in this respect, and it is possible that in India the network of controls is extensive. I confess I have only sympathy for those business men, foreign and Indian, who go to New Delhi with the hope and intention of investing—and who are discouraged by weeks and months of walking through Government corridors.

Investment Centre

With growing experience, however, there will come an improvement in this situation. Moreover, for foreign investors, a new institution may soon be set up which should be of special assistance. I refer to the plans for an All-India Investment Centre to be established with funds provided by the Indian and United States Governments, but under the auspices and direction of the Industrial Credit and Investment Corporation of India. This Centre will have three principal objectives:

- It will bring together (and I hope will from time to time publish) basic economic, financial and legal data of the kind a foreign investor is interested in, and will prepare market surveys and prospectuses concerning investment opportunities in India.
- The Centre will also act as an intermediary between Indian and foreign entrepreneurs, trying to make contracts for the former with the latter and vice versa.
- The Centre will also try to guide potential foreign investors through the bureaucratic jungles of New Delhi.

This Centre, of course, is still some way off, and its promise will not be realised overnight. But I have real hopes for it; and I am encouraged by the fact that the Government itself is favourable to setting up the Centre and wants the Industrial Credit and Investment Corporation of India, a private institution, to undertake this work.

There exists, then, a broad range of opportunities for foreign and domestic private investment; the entrepreneurial fears which inhibit such investment are largely illusory; inconveniences and red-tape do exist. What of the profits? Here the picture is mixed. Price controls exist with respect to many commodities and Government has powers to

invoke controls over others. This is a threat hanging over enterprise which could easily become reality—at a cost, of course. In addition, the level of taxation, corporate as well as individual, is no doubt high, but recent indications suggest a lowering of corporate taxation. The fact remains, nevertheless, that profits are substantial—sufficiently substantial to sustain continuing interest in new industrial investment.

Rapid Expansion

If we were in Bombay, rather than New York, I would invite you to drive with me the 23 miles from my office to the town of Thana. It would not be a pleasant drive, but an informative one. A few years ago, this was a country road. Today, it is almost impassable thanks to the mass of trucks and buses serving solid ranks of industrial factories, large and small, built or under construction, on both sides of the road. The same rapid expansion is evident in the suburbs of every major city in India. This surely is not evidence of confiscatory taxation or of lack of incentive for industrial expansion.

As for the effect of taxation on foreign investment, I should like to call attention to a careful study of this subject by the National Council of Applied Economic Research. The Indian Government was not overly happy about this study. This study made some important recommendations regarding the structure and level of taxation in order to make foreign investment in India more attractive. Levels of taxes in different countries are, of course, difficult to compare; but the Council reached the following conclusion:

"Among areas which do not provide an outright exemption from all taxes (for new foreign investment, as Puerto Rico does), there is no country whose combination of tax allowances and exemptions is more liberal than India's for new industrial investment during the first five years, especially if the investment in question is in one of the twenty industries for which exemption from super-tax on inter-corporate dividends is provided."

Long-term Considerations

The Council also noted that, after the first five years, and for old investment, the full incidence of company taxes applies and India's tax levels are higher than in many countries, but by no means in all. The taxation of profits of a foreign branch appeared higher than in any country studied, but the tax on a subsidiary company was less than, for instance, in the U.S., France, Canada, Burma, Australia and Pakistan. Because of the difference between the short- and the long-term incidence of taxation, the picture is not so good for a long-term investor, unless operations are expanded from time to time so that advantage may be taken of the short-term allowances and exemptions. Said the Council: "It must surely be in the interest of India to maintain an investment climate, including taxation features, which appeals to the foreign investor with long-term interests, as well as to those with only short-term interests. It is our feeling that these long-term considerations have not been given adequate weight in the design of the Indian company taxation system." Since that report first came out two years ago, some measures have been taken by Government to relieve the hardship, but much still remains to be done.

That profits are nevertheless not unattractive for both domestic and foreign businessmen is evident in the decisions they are taking and in the buoyancy of the market for industrial securities. There are, of course, ups and downs in the level of private investment activity. Nevertheless, new company registrations, requests for new capital issues, and actual investment remain substantial. And I am sure that, in the past two years, when all these indices fell, they would have been much higher but for the Government's deliberate effort to keep private investment in check, for, faced with serious shortages of resources and with the prospect of a short-fall in its own part of the second Five-year Plan, the Government made every effort to divert resources available to the private sector, to its own use. The excellent response to new issues of Government securities is evidence, among other things, of substantial savings, which have few alternatives for profitable investment. This is also one of the factors responsible for the high levels reached in the stock market.

That the prospects are not unattractive is also illustrated in the continued flow of foreign capital into India. It is sometimes forgotten that this flow was not interrupted by independence, and that today non-banking foreign business investment (excluding World Bank loans) is somewhere in the vicinity of \$1.2 billion, well over twice the level of June 1948. The net inflow of capital, which averaged about \$50 million a year in the first five years after independence, fell in 1954 and 1955 to about \$34 million annually. In 1956, the net inflow returned to the earlier level, I regret to say that, in the next two years, it fell again, but the inflow of fresh capital (as compared to reinvested earnings) went on increasing. These trends probably continued in 1958 (except for petroleum). Of course, a substantial part of this new investment (sometimes most of it) has been financed from retained earnings rather than by new inflows of cash or equipment, but this is itself evidence of the sustained earnings of foreign investment in India.

Twenty New Issues

The composition of new foreign investment in India is worth reciting. There has been a relative (though not an absolute) decline of investment in trading and in plantations—the major traditional fields. Investment in petroleum and in manufacturing has grown very rapidly. Engineering, chemicals, and pharmaceuticals, electrical goods, rubber products—these are the new and beckoning fields of investment. A list of some of the foreign companies which have come to India in recent years would testify both to their diversity and to the new pattern of investment. Last year, for instance, the Controller of Capital Issues approved 20 new issues for enterprises involving foreign participation. The foreign companies involved include Parsons

and Whittemore, and Merck Sharpe and Dohme of the United States, Ceat of Italy, Hoffman La Roche of Switzerland, Westinghouse Brake and Signals, Armstrong Cork and Horlicks of the United Kingdom and Furukawa of Japan, among others. The list of foreign companies entering into technical collaboration with Indian firms—involving use of patents, technical services, exchange of personnel, etc.—is several times greater and even more diverse.

I should like to call your attention also to the fact that United States investment in India is increasing, although it is still a poor second to the U.K. U.S. business investment in India is only about \$150 million; the bulk of it in petroleum; but increasing amounts are going into chemicals, pharmaceuticals, rubber, abrasives and many other fields of industry. In 1957, for the first time the U.S. replaced the U.K. as the principal source of private capital; and last year, more new participation from the United States was sanctioned than from any other country. Evidently not all foreign business men are frightened off by the risks, difficulties and inconveniences. Many obviously are drawing favourable conclusions from a careful examination of the situation.

These foreign investments are profitable; or they would not be taking place. How much higher a return an American investor wants abroad, compared to what he can get at home, is difficult to assess. Just a year ago, the Stanford Research Institute, in a study of "Private United States Venture Capital for Investment in Newly Developing Countries," concluded that, taking current income and capital gains together, foreign ventures must hold out the prospect of returns of at least 20 per cent. per annum, after foreign taxes, in one form or another, averaged over a period of years. A recent study by the Reserve Bank of India suggests that U.S. companies in India earned 13.5 per cent. in 1953 and 12.6 per cent. in 1955, as compared with about 10-12 per cent. earned by large corporations in the United States. The U.K. investors in India also earned about 2 per cent. more than at home. These figures refer only to current earnings, not capital gains. A mission of American business men, which spent the first months of this year in India, concluded that "it is quite evident that the field for private sector investment is increasing. The record of American firms operating in India has been favourable. Reasonable profits comparing favourably with U.S. rates can be earned and transferred in dollars."

Conclusion

What does this add up to? I think the general prospect can be briefly described as follows.

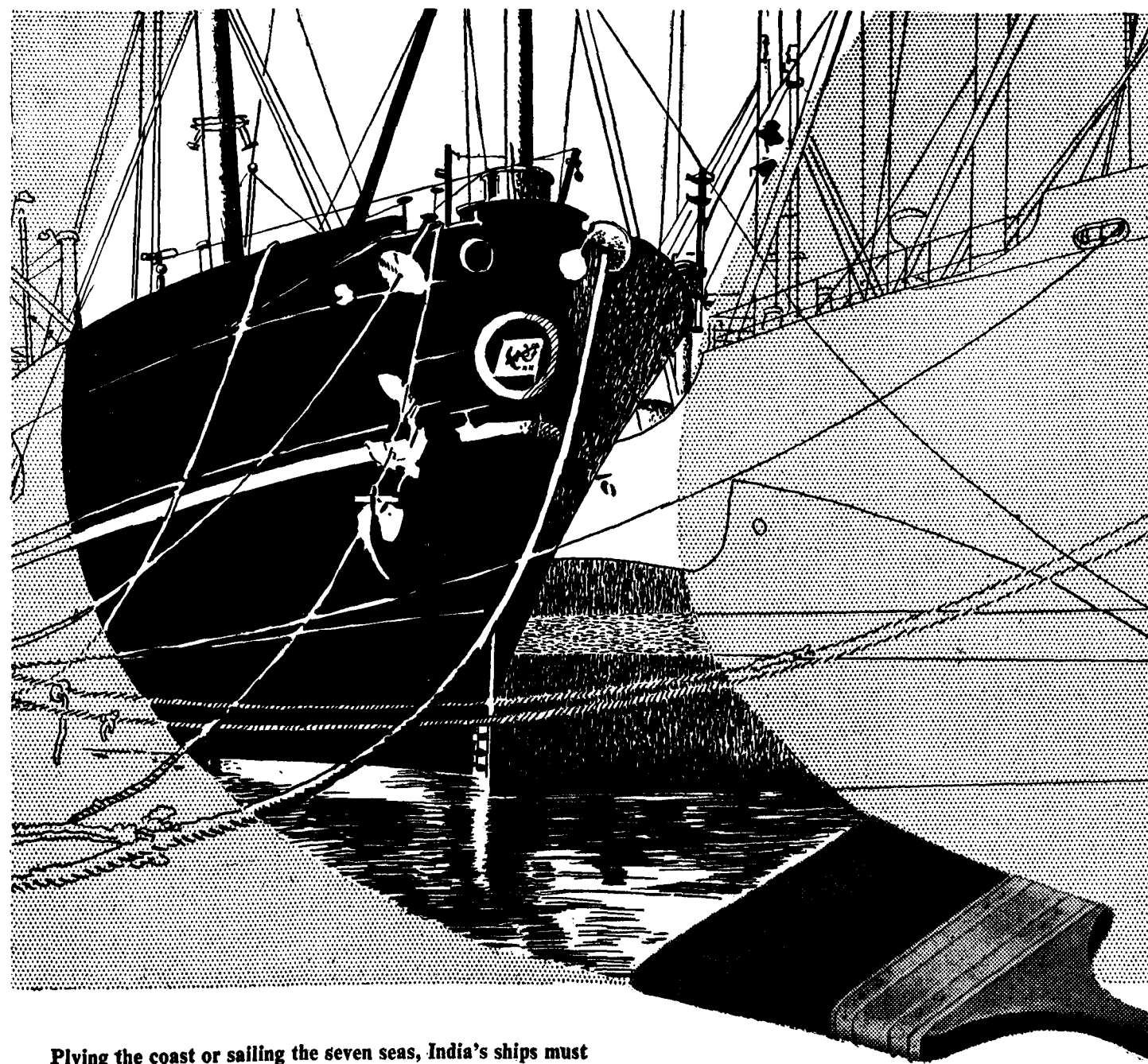
In the short run, good, but subject to continued regulation of investment, prices, imports, foreign exchange, allocations of raw materials (mostly intended to conserve scarce resources); and one must be prepared to put up with the dilatoriness and irritations of Government machinery, much of which is unavoidable in any country. In the longer run, too, the prospect is good, but there is a possibility of successive incursions of the public sector and of expanded controls. This danger will be held in check, not by debate but by private enterprise showing its capacity, of which I have no doubt, to do a better job. For foreign investment, the prospects are as good as or better than in the rest of Asia, thanks to better administration, financial and political stability of Government, an unblemished record of fulfilment of commitments and the large size of the market.

It would be tempting to conclude by saying, bluntly, that economic self-interest should lead you to invest in India; that you should be driven in the same direction by the humanitarian considerations which are so splendidly reflected in America's open-hearted generosity to the world since the war; that investment in India would make an important contribution towards strengthening those regions where freedom is weakest and the threats to it are greatest. I think, however, that you are better able than I to calculate the risks and of returns from alternative investments; that it would not be appropriate for an outsider—even the friendliest one—to lecture you on your duties as citizens and men; and that one should clearly distinguish business from purely ethical and political considerations.

What is the Alternative?

I must, however, ask you carefully to weigh, not simply the risks of investment in India, but also the risks of the alternative of not investing. A decision not to invest involves risks no less great, and perhaps greater, than a decision to invest—and may be even more costly in the long run. In many fields of industry, a decision not to invest may mean the loss of the Indian market for many products in the not too distant future. A decision to abandon a place in that market carries with it heavy responsibility; not simply the loss of prospective profit, but a denial of the contribution business can make towards building the more prosperous and harmonious world which is the keystone of American policy.

From our point of view, from India's, it is only fair to say that I see little prospect that foreign private investment can make a large quantitative contribution to India's economic growth. The effort we must make is substantial, and it must be primarily our own. This is not to say, however, that foreign investment is not important to us. On the contrary. Even small quantities can make appreciable contributions. In particular sectors, foreign investment is of immense importance. In most fields, the contribution it makes in the form of technical and managerial experience is at least as important as its financial contribution. Finally, I firmly believe that the responsible business man, much more than the diplomat, is the medium for developing that understanding among nations which is the foundation of my own country's policy and the only basis on which India can develop.



Plying the coast or sailing the seven seas, India's ships must always be in prime condition... Goodlass Nerolac supply special marine paints to protect and strengthen these ships, ensure that they stay seaworthy for years.

Goodlass Nerolac have twenty-five years' manufacturing experience in India, backed by a century of technical and scientific development of methods and products. They manufacture special paints for the shipping industry, special paints for every industrial need.

Ships, bridges, dams, refineries, power plants, factories—all need a different type of protective paint, and Goodlass Nerolac maintain a free technical advisory service to study all requirements... supply special paints, specially-formulated, to meet these requirements.

Consult: GOODGLASS NEROLAC PAINTS Private Limited

Forbes Building, Home Street, Bombay 1
Also at: Poona—Ahmedabad—New Delhi—Kanpur

India's leading manufacturers of industrial paints and finishes

THE RIGHT START FOR A FINE FINISH

GN. 9594

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,

are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

in all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

in all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

DEVELOPMENT OF ROAD TRANSPORT STATE COMMISSIONERS' CONFERENCE MAKES SPECIFIC SUGGESTIONS

THE importance of "suitable and adequate" administrative set-up for road transport was emphasised by the Union Minister of State for Transport and Communication, Mr. Raj Bahadur, in his address to the conference of State Transport Commissioners/Controllers, which concluded its two-day deliberations at New Delhi last week. The success of India's Five-year Plans, the Minister said, depended largely on the availability of adequate transport facilities. Urging the States to implement the report of the Road Transport Reorganisation Committee (Chairman: Mr. M. R. Masani), which was submitted to the Government in March last, the Union Minister said that, unless road construction and transport operation were closely linked both at the planning and the execution stages, the policies of State Governments could not yield maximum benefits. The conference, on its part, recommended to the Government several important measures for reorganisation of road transport which were generally based on the suggestions made by the Masani Committee.

In the course of his speech, the Union Minister deplored the malpractices in the road transport industry which served to give a bad name to operators and officials. These malpractices included premiums on the sale of vehicles and route permits, over-loading and smuggling of contraband goods and evasion of rules and regulations and defiance of the provisions of the law. As the Minister himself pointed out, the sooner these evils are done away with, the better for the industry. An important step in the direction of eradication of these evils is to devise a sound criterion for the issue of permits and, having devised such a scheme, to enforce it without fear or favour. The evil of overloading is traceable to inadequacy of vehicles to cope with the growing passenger and goods traffic. It can be easily ended by removing this basic cause. The remedy lies in licensing more operators, in increasing the availability of vehicles and in reducing the burden of taxation on both vehicles and road operations. These measures will put an end to trafficking in permits and ensure that only the right type of people get into the industry. It will not be out of place to draw the attention of Mr. Raj Bahadur, in this connection, that many of the malpractices found in road transport, especially overloading of passengers, exist in the public-sector owned railways. He should take a few rides incognito during two or three working days in the suburban trains of Bombay City to see for himself the reckless overloading of passengers indulged in by the railways. He should particularly travel by the so-called first class compartments to see how the passengers are being daily defrauded by the Government. While the railways have taken full fare, they are not even providing the public with seats. Most of the coaches are either bereft of seats or have seats unfit for use. The coaches are fit more for carrying animals than human beings. If any road operator in the private sector were to run his vehicles in the manner in which the railways are doing now, he would have been heavily fined and his licence cancelled. The callousness of the authorities in charge of the suburban trains in Bombay has gone on for months and yet none has bothered about it. Even the public seems to have got inured to it.

Co-ordination

Several important measures for reorganisation of road transport were approved by the conference which, as stated at the outset, was largely guided by the report of the Masani Committee. Thus, the conference endorsed the Committee's emphasis on the need for close co-ordination between road transport and road construction. The conference felt that the best method of achieving such co-ordination would be to have one Minister to deal exclusively with roads and road transport. The Masani Committee's recommendations on the constitution of State transport authorities was accepted by the conference. It may be recalled that the Committee suggested that, in each State, the State transport authority should consist of an official chairman with judicial experience, two official and two non-official members. The conference, however, felt that the number of members may be increased to seven where absolutely necessary. It endorsed the recommendation of the Masani Committee that a single-member

regional State transport authority, consisting of an experienced official, was best suited to the scheme of administration the Committee had recommended. The functions of the regional transport authority, as envisaged by the Committee, are strictly limited. Since all major decisions will be taken at the State level, the only function of the regional authority will be that of granting permits and enforcing the conditions prescribed for the grant of permits.

As regards appeals, the present practice is that they are generally heard by an appellate committee or appeal board of the State transport authority. The Masani Committee found that the present procedure was unsatisfactory, because "the hearing of appeals and revision applications inevitably diverts the attention of the State transport authorities from their normal work of planning, regulating and developing road transport." Accordingly, the Committee recommended that all appeals and revisions should be heard by a separate body. A State transport appellate tribunal should be set up, consisting of a full-time judicial officer not below the rank of a district and sessions judge. The conference on its part, agreed that it would be ideal to set up a single-member transport appellate tribunal in every State, constituted by an official with judicial experience, but wherever there were serious practical difficulties in having a single-member tribunal, a State may appoint a tribunal with a maximum of three members.

Private Carriers

The conference agreed with the recommendation of the Masani Committee that private carrier permits for bona fide use should be issued without any restrictions and the permits may be valid in a State or as many States as desired by the applicant. As regards intra-State public carrier permits, the Masani Committee had recommended that, within the estimated overall capacity of the State, permits should be free and unrestricted subject to the allocation of certain number of permits to each region in order to ensure all-sided development, and that intra-State permits for goods vehicles should be valid for the whole of the State, unless an operator wanted to confine himself to a region. On this point, the conference recommended that the best way of achieving the objective would be that permits granted for a region should be freely countersigned for other regions in the State. The conference also agreed that a more liberal policy should be followed in the grant of carriage permits until travel facilities caught up with the demand. On the Committee's recommendation that, in the matter of inter-State motor traffic, while the States may be left free to initiate and negotiate

proposals, the Inter-State Transport Commission should be vested with power to issue permits in case of need, the conference felt that the Motor Vehicles Act already provided for the grant of powers to the Commission to issue such permits and the power could be invoked if the Commission did not succeed in a particular case in bringing about reciprocal arrangement by persuasion.

Taxation

On the question of taxation, it is noteworthy that, although the conference did not specifically indicate any particular reduction in taxation, it agreed that the policy of consolidation of taxes, fixation of ceiling, elimination of indirect taxes and abolition of double taxation should be given effect to. It agreed with the Masani Committee that, until the principle of single-point taxation was accepted, it was desirable for all States to specify that all tourist coaches and other vehicles with permits under section 63(6) of the Motor Vehicles Act, which have paid taxes in their home States, should be exempted from further taxation. It further agreed with the Committee that tax concessions and preference for Government contracts should be given to encourage the extensive use of multiple unit vehicles and that the vehicle tax on the trailer part of a truck-trailer should not exceed half the tax on the truck itself. Finally, the conference rightly stressed that the sales tax on trucks and buses should not be at luxury rates but at rates applicable to essential goods.

COMET 4

Heralding the anniversary (on 4th October) of the World's first pure jet commercial flight across the Atlantic by B.O.A.C.'s Comet 4, Mr. Basil Smallpiece, Managing Director, announced on his arrival at London from New York that the De Havilland Comet 4 was largely responsible for a 40 per cent. increase in the Corporation's passenger traffic on all services across the Atlantic this summer. Earnings of U.S. dollars for passenger freight and mail traffic were 32 per cent. greater than last year and for the 12-month period ended 3rd October amounted to \$33 million or nearly £12 million. On its Eastern routes also, the Comet 4 had enabled B.O.A.C. to increase its passenger business so far this year by 22 per cent. compared with the corresponding period last year. On the Southern routes to Africa, traffic was only two per cent. higher than in the year before. In total, all over the world, the Corporation's passenger traffic paid to the performance of the Comet 4 by Mr. Smallpiece, who said that during the first year of five North Atlantic routes, it had shown itself to be a remarkably punctual airliner. Despite inevitable effects of varying winds 73 per cent. of all flights from London to New York and Montreal during the last 12 months had arrived at the terminal buildings within a quarter of an hour of the advertised arrival time and 89 per cent. had arrived within one hour. This was a remarkable performance and was substantially better than that achieved by any other type of aircraft that the Corporation had ever had in service of these routes.

BETTER-QUALITY STEEL

Research aimed at showing how better-quality steel can be produced for the manufacture of tubes is being carried out in Britain at a new laboratory at Hington Hall, near Cambridge. The work, which is being undertaken by Tube Investments, is carried out with the assistance of an X-ray scanning micro-analyser, which provides a picture of the surface of a metal specimen by electrons reflected from the surface, and also an X-ray present in a specimen can be made. It is said to enable examination of the distribution of elements on a fine scale never before attainable. The machine is to be developed to enable it to analyse lighter elements such as nitrogen and carbon. The prototype instrument was developed at the Cavendish Laboratory, Cambridge, and the Tube Investments machine has been in operation for about eight months. Other development work on steel tubes will be done at the Company's technological centre at Walsall, Staffordshire, where new plant, likely to go into operation next year, is to be installed. This plant is expected to be one of the most versatile in the world for producing tubes by cross-rolling and rotary piercing.

MOTOR COMPONENTS

Quinton Hazell Ltd., of Colwyn Bay, North Wales—the well-known manufacturers of Q.H.L. steering components—have concluded an agreement under which Q.H.L. steering and suspension joints will be manufactured under licence in India for supply to motor vehicle manufacturers and repairers in India. The agreement was signed by Mr. Quinton Hazell and Mr. L. L. Narayan, a prominent Indian business man, in Colwyn Bay. The new company will have its headquarters in Madras, already begun on the specialised tooling and Hazell Ltd. It is anticipated that partial production will commence in the Indian factory in January 1960, and that the Managing Director, Mr. Quinton Hazell, and the Works Director, Mr. Geoffrey Schofield, will visit Madras to inaugurate the new production unit early in the new year.

People just cannot help
buying things wrapped in
TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

TRAYONS

"TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little."

"TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes."

THE TRAVANCORE RAYONS LIMITED
Factory Rayonpuram, P. O. Kerala State
Sales Office: 216, Second Line Beach, Madras-1.

Distributor:

R. Sutramdas (India) Private Limited
United India Building, 5th Floor, Sir Pheroze Shah
Mehta Road, Bombay 1

**GUARDIAN
ASSURANCE
COMPANY LIMITED**

(Incorporated in England)
(The Liability of the members of the Company is Limited)

**ALL CLASSES OF GENERAL
INSURANCE BUSINESS
TRANSACTION**

8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

**THE
BANK OF JAIPUR
LIMITED**

Treasurers to the Rajasthan Government

Chairman
Shri G. D. SOMANI, M.P.

Authorised Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 80,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.

Just Out

INVESTORS' ENCYCLOPAEDIA

1959 EDITION

(TWO PARTS)

CONTAINS:

1. Details about a large number of Joint Stock Companies in India with full particulars about their working for the past few years.
2. Details about various Central and State Government Securities and Loans and Debentures, issued by various Quasi-Government institutions like Port Trust, Improvement Trust, Municipal Corporations, Land Mortgage Banks and other public institutions.
3. Details about Income and Supertax, Capital Gains Tax, Wealth Tax, Death Duty, etc.
4. Details of companies functioning in public sector—Names and Addresses of foreign Diplomats in India and our Diplomats abroad and much other useful information.
5. A survey of almost all industries in India with coloured maps showing the location of various industries.

A political map of India (36" x 32") showing the latest political divisions, railways and important towns.

Provided with Thumb Index for easy reference purpose.

About 3,000 companies.

About 3,000 pages.

**A BOOK MOST INDISPENSABLE FOR ALL CONNECTED WITH
TRADE, COMMERCE AND INDUSTRY**

Price Rs. 30/- (Postage Rs. 7/- Extra)

For copies apply to:

KOTHARI & SONS

Brokers, Merchants & Agents

P. B. No. 267, "Oriental Buildings"

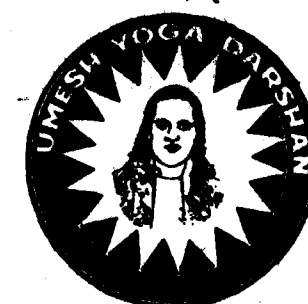
Armenian Street, MADRAS-1

"UMESH YOGA DARSHAN"

(FIRST PART)

In Four Languages: English, Hindi, Gujarati and Marathi.

(Author: SHRI YOGIRAJ UMESHCHANDRAJI)



An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE: Rs. 15/- Plus Postage Rs. 2/- extra. No V.P.P. sent.

RAMTIRTH BRAHMI OIL



Special No. 1 Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices: Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price: Rs. 2.50 including Postage, to be sent by M.O. only.

YOGIC CLASSES are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

SHREE RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone: 62899

STEADY EXPANSION OF PLASTICS RAPID GROWTH POSSIBLE ONLY IF RAW MATERIALS ARE MADE IN INDIA

THE plastics family of chemical products, though it is of comparatively recent origin, is now considered one of the basic industries essential for a modern economy. This chemical product has found a prominent place in industry, construction, agriculture and the home. Plastics were not developed until about the 'thirties, though celluloid was known since about a century ago. But, during the Second World War and after, plastics made great strides. Intensive research has led to the discovery of a great range of applications and to the development of new types of plastics. Today, they are one of the world's major industrial raw materials, ranking with copper and aluminium in tonnage used and, because of their lighter weight, far exceeding either of these metals in terms of physical bulk also. Plastics are synthetic resins, usually of organic origin, which at some stage of their manufacture pass through a plastic condition when it can be shaped into any desired form by the application of heat and pressure. Plastics can be transparent or opaque, flexible like rubber, soft like silk or strong like steel. Their characteristics are diverse in that they include lightness, toughness, transparency, rigidity, flexibility and inertness. They are capable of resisting corrosion and moisture. They can be produced in a wide colour range and used as electrical insulators. They can be moulded to suit specific purposes. They lend themselves to mass production, and are cheaper than traditional goods. Small wonder then that plastics are fast replacing such traditional materials as wood, glass, paper, metals, leather and rubber. Plastics are put to use in a wide range of industries, such as engineering, building, chemicals, telephone, radio, railways, automobile, shipbuilding, aircraft, textiles, pharmaceuticals, cinema, photography and electricals. In the domestic sphere, innumerable consumer goods, such as toilet requisites, kitchen wares, toys, upholstery, handbags and travel requisites are made from plastics.

Basic Chemicals

Most types of plastics, except cellulose which are chemically modified natural polymers, are produced by synthesis from basic chemicals, such as benzene, ethylene and acetylene, which, in turn, are ultimately derived from coal, petroleum, limestone, alcohol, air and water. The process is essentially the same as that adopted for manufacturing new synthetic textiles, which are produced from polymers identical with or similar to those used in plastics. The growth of plastics industry, therefore, depends upon the growth of basic chemicals industry. This explains the phenomenal expansion of plastics in such advanced countries as the U.S., the U.K., West Germany, Japan and Canada. The production of plastics in the U.S., for instance, has gone up from 130 million lbs. in 1938 to 4,500 million lbs. in 1958. According to the Union Carbide Plastics Company, by 1965, the U.S. will manufacture 2,150 million lbs. of polyethylene, 1,400 million lbs. of vinyls, 860 million lbs. of polystyrene and 600 million lbs. of phenolics. Total world production of plastics has risen twenty times during the last twenty years.

As compared with the Western countries, India's progress in this industry has only been modest. This country entered the field of plastics only after the War. It has been making finished consumer goods, mainly of domestic utility out of imported raw materials, machinery and moulds. It has still a long way to go, but it has become quite conscious of the importance of this modern industry. Of late, production of some of the important raw materials has also been commenced in this country. These include, phenol formaldehyde moulding powder, urea formaldehyde moulding powder, polystyrene, polyethylene, P.V.C. sheeting, nylon nonfilament and laminated sheets. But this is only a beginning and much more remains to be done. There are, however, plans to undertake in the near future the manufacture of other raw materials such as P.V.C. resin, P.V. acetate, plasticisers and pigments.

There are at present 150 units of varying size in the organised sector of plastics industry in the country, besides innumerable small-scale and cottage units. The capital invested in the industry is about Rs. 16 crores and is expected to reach Rs. 20 crores within the next two or three years. The industry employs about 20,000 workers. Thus, the plastics industry in India, as recognised by Mr. Satish Chandra, Union

Deputy Minister of Commerce and Industry, while inaugurating the twelfth annual conference of the All-India Plastics Manufacturers' Association in Bombay on the 6th inst., is a growing industry, destined to play an important part in India's industrial progress. Mr. Satish Chandra, however, stressed that the future prosperity of this industry would depend on establishing production of the full range of essential raw materials and on acquiring self-sufficiency in equipment and tools. Mr. B. M. Thakkar, in his welcome speech at the conference, gave a brief account of the problems of, and prospects for, the industry. In his presidential address, Mr. J. R. Galloway was optimistic that the industry could reach the self-sustaining or the "take off point" during the third Plan, provided production was planned on sound and progressive lines and adequate investment was forthcoming. The data given in this article are taken from the speeches of these gentlemen at this conference.

Production

There has been a steady expansion in the production of plastics goods, though the industry has been considerably handicapped by the restriction on imports of raw materials and equipments. The total value of their production aggregated over Rs. 14 crores in 1958, as against Rs. 12 crores in 1957. The following table shows the growth in production during the last three years:

Product	Unit	1958	1957	1956
P. F. moulding powder	Tons	1,341.49	1,174.80	984.40
Plastic moulding	'000 gross	4,500.0	3,848.4	3,809.6
Plastic laminated sheets	Tons	370.0	334.5	232.4
Tooth brushes	Mill. pieces	10.3	13.5	9.6
Fountain pens	"	10.3	7.3	9.2
Spectacle frames	"	2.0	1.84	1.84
Buttons	"	2.0	2.88	3.0
Leather cloth	Mill. yds.	4.0	3.86	2.04
P.V.C. sheets	Tons	584	148.0	2,68,571*
Polyethylene film and lay	Mill. lbs.	1.85	1.57	1.22
Rat tubings	"			

* In sq. yards.

Satisfactory as has been the trend of production, it has fallen short of the targets laid down in the second Plan. A tenfold increase in plastics production during the period 1956-61 is envisaged, the target to be achieved for the manufacture of moulding powders by 1961 being about 13,000 tons. At present, about 5 million lbs. of thermo-setting powders (phenol formaldehyde and urea), which cannot be re-shaped once they have been set, are compression-moulded, 10 million lbs. of thermoplastic materials (cellulose acetate, polystyrene, polyethylene and polyvinyl chloride) which can be repeatedly softened by the application of heat, are injection-moulded, 10 million lbs. are extruded and blow-moulded and 3 million lbs. are used in textile coating and calendering.

The current consumption of plastic materials is estimated at about 25 to 30 million lbs. per annum. According to official estimates, the consumption is expected to increase four- or five-fold during the third Plan. Exports are small. About Rs. 26 lakhs worth of plastics goods were exported in 1958. The estimates for 1959 are Rs. 50 lakhs.

Raw Materials

As already pointed out, the industry continues to depend on imports for a considerable part of its requirements of raw materials. The situation is likely to improve when the basic chemicals industry is developed. At present, polyethylene is perhaps the only chemical made in the country from wholly indigenous raw materials. The value of imports of synthetic plastics raw materials amounted to Rs. 3.42

African Traders (Import, Export) Corporation Ltd.

31, Ojo-Giwa Street, Lagos, Nigeria

Requires offers and quotations urgently from
Exporters and Manufacturers. Manufacturers
or Exporters who desire to be represented in
Nigeria are welcome.

crores in 1958, as against Rs. 5.09 crores in the previous year. The value of imports of different raw materials imported during the last two years is given in the following table:

Raw materials	1957	1958
Phenol formaldehyde moulding powder...	Rs. 8,05,361	Rs. 8,88,015
Urea formaldehyde moulding powder ..	4,42,577	10,86,090
Cellulose acetate moulding powder ..	32,67,987	19,29,522
Cellulose acetate butyrate moulding powder ..	13,04,680	12,66,308
Polyethylene moulding powder ..	76,84,817	61,30,339
Polystyrene ..	62,28,979	4,67,622
Vinyl resins ..	23,61,973	33,57,975
Semi-fabricated plastics raw materials in film, sheet and rod form ..	1,50,13,777	87,95,656

The following table shows the current annual demand in respect of various raw materials:

Raw materials	Current annual demand (in tons)
Phenol formaldehyde moulding powder ..	2,000
Urea formaldehyde moulding powder ..	600
Polystyrene moulding powder ..	3,000
Polyethylene ..	2,800
Cellulose acetate and butyrate ..	1,500
Polyvinyl chloride resin and composition ..	2,500

The rated capacity and production in respect of raw materials produced in the country are shown in the following table:

Raw material	Capacity	Production in 1958
Phenol formaldehyde moulding powder...	Tons 2,250 (single shift)	Tons 1,341.49
Urea formaldehyde moulding powder ..	840	170
Polystyrene moulding powder ..	5,400	1,906
Polyethylene ..	6,500	Production started in May 1959. Expected in 1961. 584
Polyvinyl chloride ..	2,880	
P.V.C. sheetings and film (unsupported) ..	1,200 (single shift)	
Nylon monofilaments ..	To meet requirement	Production started early this year.

The production of another raw material, foam plastics, based on polystyrene, has also been started in India. Foam plastics are extensively used for heat insulation purposes in various industrial applications. The production of this item amounted to 225 tons in 1958-59, as against 150 tons in the previous year. The manufacturers expect to produce 1,200 tons during 1959-60.

Investments made in this industry will give one an idea of its growth in recent years. About Rs. 7 crores were the investments in plastics industry at the commencement of the second Plan. By the end of this current plan, it is expected that investment in this industry will have trebled to a level of about Rs. 20 to 22 crores. Apart from the progressive investment by plastics converters and fabricators in plant and equipment, investment in two polyethylene plants aggregating about seven to eight crores of rupees, a polyvinyl chloride plant, a urea formaldehyde plant and possibly a styrene monomer plant will contribute materially to this investment total.

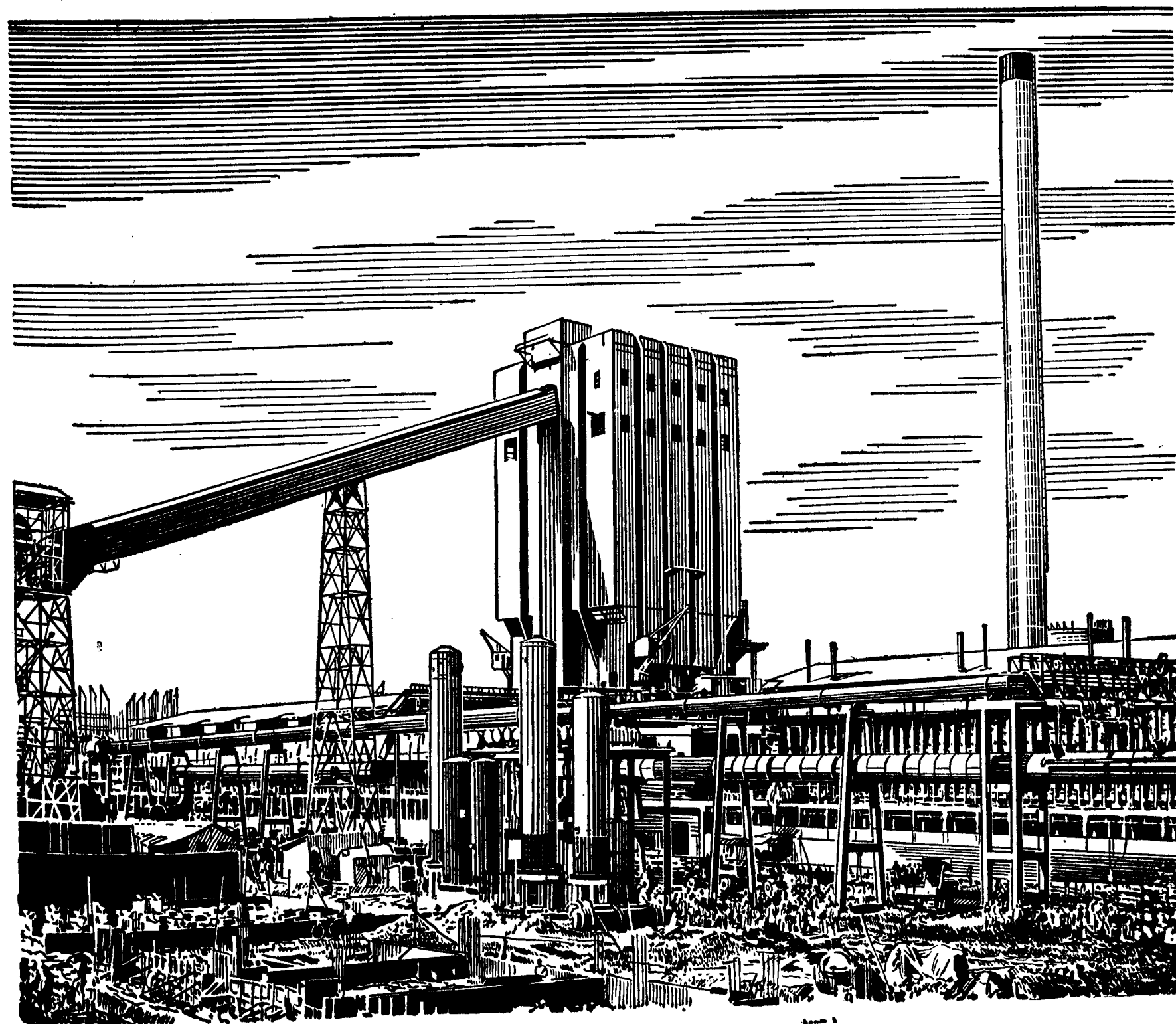
The progress of plastics industry in the country depends mainly on the speed with which raw materials, machines and moulds are produced indigenously. India has or will soon have sufficient supply of basic raw materials, such as industrial alcohol, benzene and chlorine. These materials should be readily made available to manufacturers of plastics under conditions which are favourable from the standpoint of prices, taxation and freight. As regards machines and moulds, the Government of India is currently considering proposals based on offers of collaboration by foreign firms for the manufacture of plant and equipment in India. Another proposal to set up a modern tool room in the public sector at the Praga Machine Tool Factory at Hyderabad, is also being examined by the Central Government. At the end of the third Plan, the annual demand for moulds is expected to be substantial, requiring at least five or six tool rooms. It is, therefore, essential that the leading plastics manufacturers should undertake to arrange for the production of these moulds in suitable engineering units in the country.

Investment

If India is to have a fully equipped plastics industry necessary for modern economy, it will have to invest much heavier sums than it has done so far. Some idea of this investment was given by Mr. Galloway in his speech. To quote him:

"Additional investment in the manufacture of plastics moulding powders and compositions alone will have to be in the range of Rs. 30 to 40 crores. Investment by plastics converters and fabricators in better and more equipment, improved tooling, etc., will bring the total additional investment during the third Plan to some 50 crores or more of

(Continued on page 662)



The lighting-up of the Coke Oven battery No.1 marks a new stage in the progress of the Durgapur steelworks

With the lighting-up of the Coke Oven battery No. 1 on 24th August, the Durgapur steelworks of Hindustan Steel Limited enters a new stage. ISCON is proud

to announce that work on this battery has been completed nearly ten weeks ahead of schedule.

When the process of gradually heating up the battery to operating temperature is completed, the Coke

Ovens will be ready to supply coke for the first blast furnace to produce Durgapur's first pig iron.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Simon-Carves Ltd. Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. The Wellman Smith Owen Eng. Corp. Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. The Cementation Company Ltd. Iscon Cable Group (Siemens-Balmain Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PSIC 17

MORARJEE GOCULDAS EARNS SLIGHTLY HIGHER PROFIT

DIVIDEND RAISED FRACTIONALLY

THE fractional increase in dividend recommended by the Directors of the Morarjee Goculdas Spinning and Weaving Company, Ltd. (Managing Agents: Messrs. Piramal Sons Private Ltd., Bombay), for the year ended 30th June 1959 is in consonance with the trend of earnings. It is proposed that a taxable dividend of 21.5 per cent. on ordinary shares be paid for the year under review, which is equivalent to a tax-free distribution of 15.05 per cent., as against 15 per cent. tax-free paid for the previous year. The gross profit for the year under review has recorded a rise of only Rs. 1.37 lakhs to Rs. 35.48 lakhs, as against an improvement of as much as Rs. 12.20 lakhs to Rs. 34.11 lakhs in 1957-58. Following the impressive rise in profit for 1957-58, the dividend also had been stepped up from 14 per cent. to 15 per cent. tax-free, but, for the year under review, the Directors have not been able to recommend a dividend which will give a perceptibly higher tax-free return. This is understandable in view of the small rise in profit.

The provision for depreciation has been drastically reduced from Rs. 17.25 lakhs to Rs. 5.25 lakhs. Last year's provision, however, had included special depreciation amounting to Rs. 6.33 lakhs, but, as the same is not permissible under the Finance Act 1959, the Directors have made a corresponding reduction in this year's provision. The provision for taxation has been raised from Rs. 3 lakhs to Rs. 10.35 lakhs, leaving a net profit of Rs. 17.17 lakhs, as against Rs. 11.21 lakhs for 1957-58. Whereas last year the Directors had to supplement the distributable profit by drawing a sum of Rs. 3.20 lakhs from the general reserve, no such necessity has risen now. On the contrary, the general reserve has been replenished with Rs. 1.50 lakhs, after transferring Rs. 1.50 lakhs to the development rebate reserve.

An idea of the Company's progress during the last three years can be had from the following comparative table:

	For the year ended 30th June			
	1959	1958	1957	1956
Sale proceeds	3,74.57	3,86.06	3,23.53	3,52.59
Closing stocks	1,07.85	1,21.98	1,06.32	73.90
Cotton consumed	1,38.74	1,59.10	1,58.95	1,46.44
Stores, chemicals, power and fuel consumed	55.14	53.15	46.86	39.93
Wages and other expenses	1,32.99	1,36.01	1,28.88	1,17.40
Gross profit	35.48	34.11	21.91	39.72
Managing Agents' remuneration	2.71	2.65	1.48	3.57
Provision for—				
Depreciation	5.25	17.25	6.97	18.46
Taxation	10.35	3.00	1.00	8.00
Net profit	17.17	11.21	12.46	9.69
Transfer from reserves and other funds	0.23	3.20	8.02	..
To reserves	3.00	5.88	13.64	..
Dividends—				
4½ per cent. preference	1.11	0.78	0.78	0.78
Ordinary	11.13	7.76	7.24	7.76
(21½%)	(15%)	(14%)	(15%)	(15%)
Carry forward	2.35	0.22	0.23	1.41

Note.—Dividends for 1958-59 on ordinary and preference shares are taxable, whereas those for the previous years are tax-free.

Sales for the year under review show an increase of only Rs. 8.51 lakhs, whereas closing stocks of finished goods and stocks in process are lower by Rs. 14.14 lakhs. There has been a fall of Rs. 20.36 lakhs in the cost of cotton consumed and of Rs. 3.02 lakhs in wages and other expenses. The decline in these two items has been offset to some extent by the rise of about Rs. 2 lakhs in stores, chemicals, power and fuel consumed.

The Company's financial position is quite satisfactory. The paid-up capital as on 30th June 1959 stands at Rs. 69 lakhs, of which ordinary capital accounts for Rs. 51.75 lakhs and preference capital for Rs. 17.25 lakhs. Two-thirds of the ordinary capital, namely, Rs. 34.50 lakhs, represent capitalisation of reserves in the past. Even after such large capitalisation, the reserves and surplus now aggregate Rs. 46.38 lakhs. There has been a substantial reduction in the Company's secured borrowings from banks from Rs. 99.97 lakhs to Rs. 77.94 lakhs. Unsecured loans amount to Rs. 5.04 lakhs and other liabilities and provisions Rs. 59.65 lakhs. In pursuance of the policy of rehabilitation and modernisation, the Company has been making sizable capital expenditure every year. During the year under review, the additions to the block account aggregated Rs. 9.67 lakhs, bringing the total expenditure during the last five years to Rs. 94.60 lakhs. This brings the gross value of

the block account to Rs. 284.53 lakhs, on which the depreciation provided so far amounts to Rs. 205.23 lakhs, leaving the net value of the block account at Rs. 79.30 lakhs. This compares favourably with the written down value, according to income-tax returns, of Rs. 85.35 lakhs. Thus, the Company's fixed assets have been well written down. The other assets aggregate Rs. 179.89 lakhs, of which stock-in-trade alone accounts for Rs. 152.53 lakhs. The surplus of current assets over current liabilities works out to Rs. 37.26 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 290 cum-div. On an ex-div. basis, the shares provide a yield of 8 per cent. per annum, subject to tax. On a tax-free basis, the yield works out to 5.5 per cent. per annum.

ENFIELD INDIA LTD.

A fifty per cent. increase in production, a rise of nearly Rs. 27 lakhs to Rs. 68 lakhs in sales and a more than threefold appreciation in gross profit from Rs. 1.51 lakhs to Rs. 4.92 lakhs are the main features of the results of working of Enfield India Ltd. (Managing Director: Mr. S. Sankaran, Madras) during the year ended 31st December 1958, as compared with those for the previous year. After providing Rs. 2.68 lakhs for depreciation (the corresponding sum for 1957 was Rs. 82,496), the Directors have created a development rebate reserve with an initial allocation of Rs. 2 lakhs and have paid the preference dividend, the rate of which was increased with effect from 25th June 1958 from 6 per cent. to 7 per cent. (tax-free). The Company has yet to declare a maiden dividend on ordinary shares, but the year under review is only the third year of its working.

The expansion in production achieved by the Company during 1958 has been mainly due to the allotment of foreign exchange, under quite difficult circumstances, by the Government of India for import of components and parts. Even so, the Company has not been able to work up to full capacity on account of shortage of raw materials. The increased outlay on the manufacture of components and parts and the difficulty in stepping up production to full capacity have naturally led to heavier working expenses, but the management has taken care to see that the consumer got his motor cycle at a "reasonable" price. It is said that the Company's prices compare quite favourably with those charged for similar vehicles imported from the U.K.

The Company has undertaken a phased programme of raising the indigenous content in its products and hopes to keep up its schedule for obtaining all the components from indigenous sources in 1960. In view, however, of the inadequate number of ancillary industries to supply the

necessary components, the Company proposes to install additional plant and machinery. For this purpose, it has made an application to the Industrial Finance Corporation of India for an additional loan of Rs. 9 lakhs. At the same time, steps are being taken to promote a number of small-scale ancillary industries.

In order to accelerate the phased programme of manufacture, the Company is making substantial additions to plant and machinery, the capital expenditure during the year under review alone being of the order of Rs. 20.60 lakhs and further large expenditure is envisaged during the current year and the next one.

Production during 1959 is expected to increase well over the 1958 level. As a result of the larger foreign exchange granted recently to the Company, still further increase in production is anticipated in 1960, though it will still be below the Company's production capacity. It is stated that its capacity, if fully utilised, is capable of meeting not only the country's present needs of motor cycles but also the likely rise in demand in the next few years. The Company has also undertaken general engineering works to make use of its unutilised plant capacity. Substantial orders have already been secured and a steady increase in such orders is expected. This will not only result in additional revenues but assist in spreading the overheads over a large arena of production. This, together with the increase in the output of motor cycles, will enable the Company to reduce the price of its vehicles and thereby widen the market.

During the year under review the Company raised its issued capital from Rs. 10 lakhs to Rs. 25 lakhs. Its paid-up capital, as at the end of the year, however, stands at Rs. 22.13 lakhs. The total capital expenditure up to the end of the year aggregated Rs. 39.40 lakhs and depreciation written off comes to Rs. 3.59 lakhs. The Company has fully availed of the loan of Rs. 11 lakhs sanctioned so far by the I.F.C. of India. It has sought an additional loan of Rs. 9 lakhs, as stated earlier. Borrowings from banks stand at Rs. 13.86 lakhs.

AHMEDABAD ELECTRICITY FARES WELL

The Ahmedabad Electricity Company, Ltd. (Managing Agents: Killick Industries Ltd., Bombay) has made impressive progress during the year ended 31st March 1959. The transmission and distribution system has been extended sizably, the generating capacity of the Sabarmati power station has been increased by 15,000 kw., sales of energy have risen by 9.4 per cent., that is, from 630.64 million kwh. to 689.80 kw.h., and the gross profit has gone up from Rs. 117.03 lakhs to Rs. 128.64 lakhs, probably a record in the history of the Company.

The provision for depreciation has been raised from Rs. 44.28 lakhs to Rs. 45.34 lakhs and to Rs. 5.06 lakhs. The Managing Agents also have had their share of the rise in profit, with an increase in their commission from Rs. 4.16 lakhs capital and debenture issue expenses, as well as other expenses, a sum of Rs. 9.13 lakhs (as against Rs. 1.30 lakhs) to the development rebate fund. This is made up of Rs. 3.70 lakhs against Rs. 4.78 lakhs a year ago) has been ploughed back. This is made up of Rs. 3.70 lakhs equalisation reserve. The addition to the dividend reserve replenishes partly the sum of Rs. 2.07

lakhs drawn from that reserve last year. The distribution to shareholders is also proposed to be raised from 6½ per cent. to 6½ per cent. by stepping up the final dividend from 4 per cent. to 4½ per cent. The total dividend for the year absorbs Rs. 2.19 lakhs more at Rs. 59.05 lakhs.

The Company has added the fourth 15 M.W. set in 'C' station at Sabarmati. This was commissioned in October 1958, thus completing the first half of the 'C' station. The total generating capacity of the station now is 157,500 kw. The Government of India has released the requisite foreign exchange for the first 30 M.W. plant in the second half of the 'C' station and has authorised the Company to confirm the provisional orders on Messrs. British Thomson-Houston Export Ltd., Messrs. Babcock and Wilcox and Messrs. Strachan and Henshaw Ltd.

The Company has made a capital expenditure of Rs. 95.31 lakhs during the year under review. This is nearly three times that (Rs. 34.10 lakhs) spent in the previous year and brings the total capital expenditure up to the end of June 1959 to Rs. 14.80 crores. The depreciation provided so far amounts to Rs. 3.57 crores. The following synopsis of the latest balance-sheet gives an idea of the Company's financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital (paid-up)	8,74,78,895	Gross block	14,80,85,370
Reserves and surplus	92,59,117	Less—Depreciation	8,57,58,380
Borrowings	2,11,64,522	Net block	11,22,76,990
Other liabilities	1,50,36,748	Work in progress	2,33,704
		Stores, spares, etc.	64,53,230
		Book debts	1,00,89,514
		Investments	26,29,747
		Cash	7,23,780
		Miscellaneous expenditure	5,81,817
	Rs. 18,29,88,782		Rs. 18,29,88,782

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 98.20 cum-div. (final: Rs. 4.25). On an ex-div. basis, the yield works out to 7.3 per cent. per annum, free of income-tax, assuming that the net dividend for the current year will be the same as that for 1958-59.

SREE MEENAKSHI MILLS

A setback in turnover and earnings is disclosed by the accounts of the Sree Meenakshi Mills Ltd. (Managing Agents: Messrs. Thiagaraja Chetty & Co., Madurai) for the year ended 31st March 1959. Thus, sales of cloth, yarn and waste have declined over the year from Rs. 355.40 lakhs to Rs. 342.49 lakhs and gross profit from Rs. 40.23 lakhs to Rs. 34.21 lakhs. The net profit is, however, substantially higher at Rs. 10.02 lakhs, as compared with Rs. 3.77 lakhs earned in 1957-58, as a result of the sharp cut in the provision for depreciation (normal asset shift) and development rebate from Rs. 29 lakhs to Rs. 14.33 lakhs. The provision for taxation has, on the contrary, been raised from Rs. 5.70 lakhs to Rs. 7.64 lakhs. The Managing Agents' remuneration is lower at Rs. 2.22 lakhs, as against Rs. 2.76 lakhs for the previous year.

The rise in net profit has not meant any higher return to shareholders, for the dividend on ordinary shares has only been maintained at 10 per cent. per annum, tax-free. This is the third year in succession for which the dividend is being paid at this rate, after having been cut from 12½ per cent. to 10 per cent. in 1955-56. The reserves have, however, been strengthened by the addition of Rs. 5.86 lakhs, of which the transfer to the machinery renewal and replacement reserve accounts for Rs. 5 lakhs.

The setback in earnings is in consonance with the general trend of results of coarse and medium count mills, which have been hit hard by the mounting costs of labour and the relatively high price of Indian cotton, unlike mills producing fine count yarns from low-priced imported cotton.

The Company is 38 years old, having been established in 1921. It has three units, one at Madurai, the second at Paravai and the third at Manaparai. The total installed capacity of all the three units is 107,584 spindles and 144 powerlooms. They manufacture single yarns in counts 16 to 60s, double yarns 2/20s and 2/40s and cone yarns for weaving and hosiery factories. The power looms are established at the Madurai unit.

The Company's financial position is quite satisfactory, as will be borne out by the following summary of its balance-sheet as on 31st March 1959:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	40,05,030	Gross block	9,37,73,878
Reserves	79,79,897	Less—Depreciation	1,13,23,008
Borrowings	1,69,70,991	Net block	1,25,50,870
Other liabilities	..	Stock-in-trade	1,46,81,118
	Rs. 89,80,818	Stores	18,05,484
		Book debts	18,84,202
		Investments	..
		Cash	..
			Rs. 8,60,74,980

The additions to the gross block during the year amount to Rs. 5.86 lakhs. Nearly half of the gross block has been written down and the current assets exceed the current liabilities and provisions by over Rs. 3 lakhs.

The Company proposes to rehabilitate and modernise its unit in Madurai, with a view to cutting down cost of production and improving efficiency. For this purpose, the Company has been sanctioned a loan of Rs. 57.86 lakhs by the National Industrial Development Corporation.

COCHIN STATE POWER AND LIGHT CORPORATION

The improvement in the working of the Cochin State Power and Light Corporation Ltd.

(Managing Agents: Messrs. Chandrie & Co. Private Ltd., Madras) noted during the past few years has been well maintained in the year ended 31st March 1959, also. Sales of energy and gross revenue continue to maintain the upward trend, with a rise in the former from 7.30 million kw.h. (in 1957-58) to 8.60 million kw.h. and in the latter from Rs. 10.04 lakhs to Rs. 11.52 lakhs. The gross profit, too, has recorded an increase from Rs. 3.61 lakhs to Rs. 4.11 lakhs.

After providing Rs. 28,371 (as against Rs. 24,111 in respect of 1957-58) for managing agency commission, and raising the provision for depreciation from Rs. 86,911 to Rs. 1,00,382 and that for taxation from Rs. 90,000 to Rs. 1,30 lakhs, the Directors have added to the various reserves an aggregate sum of Rs. 60,116, as against Rs. 52,779 last year. They have, however, transferred back Rs. 3,358 from the tariff and dividend control reserve. The distribution to the shareholders has been maintained at 90 p per share or 9 per cent. per annum, free of income-tax.

The higher profit has been earned, despite an increase of 33½ per cent. to 6 paise in electricity duty imposed by the Kerala Government with effect from 1st September 1958 on energy sold at rates higher than Rs. 2 per unit. On account of this increase the total amount of duty paid by the Company to the Government has risen from Rs. 1.03 lakhs to Rs. 1.38 lakhs. There has been no change in the tariff rates on energy supplied by the Company during the year under review. Since the close of the year, the Kerala State Electricity Board has increased its tariff rates to its consumers and is contemplating introducing a revised higher tariff to licensees, in which case the Company will have to increase its own tariff rates to its consumers.

Several improvements were effected during the year in the Company's transmission and distribution systems and the capacity of the substations was increased. A sum of Rs. 2.34 lakhs was spent on additions to the fixed assets. The Kerala State Electricity Board had served a two-year notice of purchase of the undertaking. This was considered by the Directors as "defective" and addressed a letter to the Board. The future development and expansion programme will, therefore, depend on the reply to the Company's representation.

The shares (Rs. 10 paid-up) of the Company are listed on the Madras Stock Exchange and are being currently quoted at Rs. 10.50 cum-div. On an ex-div. basis and at the current rate of dividend, the yield on the shares is 9.4 per cent. per annum, free of income-tax.

design your next wiring job in covered aluminium conductors!

ALIND ALL-WEATHER
Weatherproof wire: Polyethylene-insulated, braided steel reinforcement, complete aluminium sheathing for outdoor weather-proof applications.

ALIND KER-AL-LITE
Building wire: Polyethylene-insulated and polyvinyl chloride (PVC) sheathed aluminium conductors for indoor and light outdoor use (in place of conventional CTS and TW wire).

ALIND AL-VINYL
All-purpose wire: Polyethylene-insulated (PVC) insulated aluminium conductors for indoor and light outdoor use (an ideal alternative to conventional wire for conduit or casing and capping wiring).

Now these include:
• Electrical conductors
• Grade aluminium rods
• ACSR and AL-Alum.
• Conductor accessories

THE ALUMINIUM INDUSTRIES LIMITED
Head Office: Kundara (Kerala)
Plant No. 1: Kundara (Kerala)
Plant No. 2: Hikalud (Orissa)

Authorized Dealers for Covered Conductors:

Bombay City:
VIVIN & COMPANY,
Bank of Baroda Building, (IV floor),
Apollo Street, Fort, Bombay-1.

Rajasthan, Delhi & Madhya Pradesh:
THE ALLIED ENGINEERING CORPN.,
Post Box No. 290, New Delhi.
Phone: 51641 Grams: 'Alliedale'

Bangal & Assam:
N. S. KRISHNAMURTHI,
35, Chelsharanjan Avenue, Calcutta-12.
Phone: 23-1244 Grams: 'Adeptable'

Bihar State:
OCTAVIUS STEEL & CO.,
14, Old Court House Street, Calcutta-1.
Phone: 23-1146 Grams: 'Laplando'

COMPANY MEETINGS AND DIVIDENDS

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, Bihar, 20th October 1959. Dividend: Re. 1.50 per share, without deduction of income-tax. Transfer books remain closed from 6th to 20th October 1959, both days inclusive.

KEMP AND CO. LTD. Annual General Meeting, Bombay, 23rd October 1959. Dividend: Rs. 20.00 per share (includes bonus of Rs. 2.50 per share), on shares of Rs. 200 each, free of income-tax, payable on or after 2nd November 1959. Transfer books remain closed from 14th to 23rd October 1959, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Chikbanavar P.O., Bangalore District, 23rd October 1959. Dividend: 20 per cent. or Rs. 2.00 per share, free of income-tax, payable on or after 26th October 1959. Transfer books remain closed from 10th to 23rd October 1959, both days inclusive.

MALANKARA RUBBER AND PRODUCE CO. LTD. Annual General Meeting, Kottayam, Kerala State, 23rd October 1959. Dividend: 16 per cent. or Re. 1.60 per share, free of State and Central income-tax. Transfer books remain closed from 7th to 23rd October 1959, both days inclusive.

ALUMINIUM CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 27th October 1959. Dividend: Re. 1.00 per share, or 10 per cent., without deduction of tax, payable on or after 30th November 1959. Transfer books will remain closed from 22nd to 27th October 1959, both days inclusive.

SINGARENI COLLIERIES CO. LTD. Annual General Meeting, Khairatabad, Hyderabad-Deccan, 27th October 1959. Dividend: 7½ per cent. or Re. 0.75 per share. Transfer books remain closed from 14th to 27th October 1959, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 28th October 1959. Dividend: 10 per cent. or Re. 1.00 per share, payable from 21st to 28th October 1959, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO. LTD. Annual General Meeting, Calcutta, 30th October 1959. Dividend: Transfer books will remain closed from 24th to 30th October 1959, both days inclusive.

SAUGOR ELECTRICITY SUPPLY CO. LTD. Annual General Meeting, Calcutta, 30th October 1959. Transfer books will remain closed from 24th to 30th October 1959, both days inclusive.

OCTAVIUS STEEL AND CO. LTD. Annual General Meeting, Calcutta, 30th October 1959. Transfer books will remain closed from 22nd to 30th October 1959, both days inclusive.

MORARJEE GOCULDAS SPINNING AND WEAVING CO. LTD. Annual General Meeting, Bombay, 3rd November 1959. Dividend: Rs. 15.05 per share, payable from 9th November 1959. Transfer books remain closed from 9th October to 3rd November 1959, both days inclusive.

MYSORE TOBACCO CO. LTD. Annual General Meeting, Bangalore, 4th November 1959. Dividend: 12½ per cent. or Re. 1.25 per share, payable on and after 12th November 1959. Transfer books will remain closed from 26th October to 4th November 1959, both days inclusive.

ANGLO-INDIA JUTE MILLS CO. LTD. Annual General Meeting, Calcutta, 5th November 1959. Dividend: Rs. 12.50 per share. Transfer books will remain closed from 20th October to 5th November 1959, both days inclusive.

CHAMPANY JUTE MILLS CO. LTD. Annual General Meeting, Calcutta, 10th November 1959. Dividend: Rs. 4.00 per share (final), for the year ended 31st March 1959. Transfer books will remain closed from 26th October to 10th November 1959, both days inclusive.

DILARAM TEA CO. LTD. Annual General Meeting, Calcutta, 21st November 1959. Transfer books will remain closed from 16th to 21st November 1959, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 14th to 27th November 1959, both days inclusive.

NATIONAL ROLLING AND STEEL ROPES LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 14th to 27th November 1959, both days inclusive.

INDIA STEAMSHIP CO. LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 12th to 27th November 1959, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Final dividend of 2½ per cent. net (tax applicable at 7s. 9d. in the £), for the year ended 31st March 1959, payable on 16th November 1959.

DAVANGERE COTTON MILLS LTD. Dividend of Rs. 9.00 per share for the year ended 31st March 1959, payable on 8th November 1959. Transfer books will remain closed from 27th October to 9th November 1959, both days inclusive.

COOPER ENGINEERING LTD. Dividend of Rs. 8.50 per share (includes bonus), for the year ended 30th June 1959, payable on 6th November 1959. Transfer books will remain closed from 23rd October to 2nd November 1959, both days inclusive.

MACNEILL AND BARRY LTD. Dividend of 7 per cent. on the ordinary shares, for the year ended 31st March 1959, payable on 30th October 1959. Transfer books will remain closed from 24th to 30th October 1959, both days inclusive.

INDIAN CABLE CO. LTD. Dividend: 15 per cent. or Re. 1.50 per share (includes a bonus of 2½ per cent. or Re. 0.25 per share), free of income-tax, for the year ended 31st March 1959.

by BOAC COMET 4

FLY WEST TO
KARACHI, TEHRAN, COLOMBO,
BAHRAIN, BEIRUT, ROME, RANGOON,
ZURICH, FRANKFURT, BANGKOK,
LONDON, MONTREAL, SINGAPORE,
NEW YORK and HONG KONG and
on to SAN FRANCISCO TOKYO

then across the Pacific by long-range jet-prop
Britannia

See your local BOAC Appointed Travel Agent or BOAC
at Bombay, Delhi, Calcutta and Madras

BRITISH OVERSEAS AIRWAYS CORPORATION IN ASSOCIATION
WITH QANTAS, EAL, MEA AND TEAL

SYNOPSIS OF COMPANY REPORTS

Mysore Tobacco Co., Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. M. Mallaraj Urs, Bangalore) present the audited accounts of the Company for the twenty-second year ended 31st March 1959.

The results of working for the year have resulted in a net profit of Rs. 81,112 (Rs. 85,534) after providing Rs. 66,547 (Rs. 52,662) towards depreciation. Rs. 11,884 (nil) towards development rebate and Rs. 1,13,147 (Rs. 51,500) towards taxation. With the balance brought forward of Rs. 4,088 (Rs. 43,554) of last year and by drawing Rs. 40,000 (nil) from the dividend equalisation fund, the directors recommend the following appropriations to be made:

To declare a dividend of 12½ (12½) per cent. or at Re. 1.25 (Re. 1.25) per share absorbing Rs. 1,25,000 (Rs. 1,25,000) and to carry forward the balance of Rs. 200 (Rs. 4,088).

A sum of Rs. 92,545 is added under fixed assets in the sub-head barns and buildings. Out of this, a sum of Rs. 85,100 represents the value of the building at 17, Richmond Road, Bangalore, purchased for locating the registered office of the Company. The long-felt want of owning a building of its own in Bangalore for the Company, having full opportunities for additional construction in a spacious site, has now been realised. Added to it, the Redrying Plant at Whitefield has been so altered to enable the feeding of tobacco in the form of 'hands' as a result of which the redrying output per day is increased by 50 per cent.

The Company acquired, during the year under report, green leaf from the cultivators who had planted on 3,364 acres as against 2,935 acres planted in the previous year. It is gratifying to report that the Company is able to produce 15,96,104 lb. of cured leaf from its barns as against 14,51,712 lb. produced in the previous year; and furthermore it was able to obtain increased out-turn in some of the grades fetching better prices than in the previous year. But there was a noticeable short-fall in the quantity acquired from the private curers as many of the barn owners did not plant during the year and there was competition even for the little output produced from other buyers. However, the quantity of cured leaf acquired during the year was 8,05,421 lb. as against 12,32,324 lb. in the previous year.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	10,00,000	Gross block	17,87,071
Reserves ...	3,41,884	Less—Depreciation ...	9,84,534
Provision for taxation ...	1,15,596	Net block ...	8,02,537
Liabilities ...	6,36,248	Stock-in-trade	2,45,632
Profit and loss account (surplus) ...	200	Stores etc. ...	3,74,215
		Debits, deposits and advances ...	3,93,063
		Investments ...	1,95,543
		Cash ...	76,933
	Rs. 20,93,928		Rs. 20,93,928

Dejoo Valley Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The season's working resulted in a profit, after providing for depreciation, of Rs. 2,27,184 (Rs. 1,14,388) to which must be added adjustment account amounting to Rs. 1,734 (nil) and balance of profit brought forward from 1957 of Rs. 27,461 (Rs. 33,446) making a total of Rs. 2,56,379 (Rs. 1,47,834). From this amount must be deducted provision for taxation Rs. 94,000 (Rs. 45,000), provision for wealth tax Rs. 2,000 (nil) and amount written off stores for obsolescence, etc. Rs. 91 (nil) leaving a balance of Rs. 1,60,288 (Rs. 76,461) after writing of Rs. 1,627 for adjustment account and providing Rs. 24,746 for depreciation in respect of previous year. From this the directors have set aside to general reserve Rs. 1,00,000 (Rs. 25,000) and to development rebate reserve Rs. 7,000 (nil) leaving an available balance of Rs. 53,288 (Rs. 51,461). This amount the directors recommend, should be dealt with as follows:—

In payment of a dividend of Rs. 3.00 (Rs. 2.00) per ordinary share, free of tax, for the year ended 31st December 1958, on 12,000 ordinary shares, absorbing Rs. 36,000 (Rs. 24,000) leaving to be carried forward Rs. 17,288 (Rs. 27,461).

The saleable crop weighed out at 5,179 (4,045) maunds against the revised estimate of 5,000 maunds and was disposed of at an average price of Rs. 2.49 (2.42) per lb.

The estimate for season 1959 provides for a saleable crop of 5,000 maunds at a total revenue expenditure of Rs. 6,80,810.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,20,000	Gross block	10,87,864
Reserves ...	7,07,581	Less—Depreciation ...	3,47,642
Provision for taxation ...	2,45,493	Net block ...	7,40,222
Liabilities ...	2,90,029	Stock of tea	3,40,224
Profit and loss account (surplus) ...	17,288	Stores, etc. ...	1,60,418
		Debits, deposits and advances ...	1,09,011
		Investments ...	1,000
		Cash ...	29,496
	Rs. 13,80,391		Rs. 13,80,391

Telojian Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The season's working resulted in a profit, after providing for depreciation, of Rs. 3,55,851 (Rs. 4,03,144) to which must be added adjustment account Rs. 621 (nil) and the balance of profit brought forward from 1957 of Rs. 78,434 (Rs. 64,681) making a total of Rs. 4,34,906 (Rs. 4,67,825). From this must be deducted provision for taxation of Rs. 1,77,000 (Rs. 1,45,000) and provision for wealth tax of Rs. 8,000 (Rs. 8,000) leaving a balance of Rs. 2,49,906 (Rs. 3,07,834) after providing Rs. 6,991 for adjustment account. The Interim dividend for the year ended 31st December, 1958, at Re. 1.00 (nil) per ordinary share, free of tax, declared by the directors on 20th February 1959, absorbed Rs. 59,800 (nil). The directors have set aside to buildings and machinery reserve Rs. 50,000 (Rs. 50,000) to development rebate reserve Rs. 3,800 (nil) leaving an available balance of Rs. 1,36,306 (Rs. 2,57,834). This amount the directors recommend, should be dealt with as follows:—

In payment of a final dividend of Re. 1.50 (Rs. 3.00) per ordinary share, free of tax, for the year ended 31st December, 1958, on 59,800 ordinary shares, absorbing Rs. 89,700 (Rs. 1,79,400) leaving to be carried forward Rs. 46,606 (Rs. 78,434).

The saleable crop weighed out at 9,945 (10,300) maunds against the revised estimate of 9,800 maunds and was disposed of at an average price of Rs. 2.35 (Rs. 2.25) per lb.

The estimate for season 1959 provides for a saleable crop of 10,000 maunds at a total revenue expenditure of Rs. 13,85,379.

Accounts in brief were as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	5,98,000	Gross block	16,86,992
Reserves ...	13,03,274	Less—Depreciation ...	5,55,335
Provision for taxation ...	5,56,631	Net block ...	11,31,657
Liabilities ...	5,78,292	Work-in-progress ...	2,27,567
Profit and loss account (surplus) ...	46,606	Stock of tea	5,06,600
		Stores, etc. ...	2,98,417
		Debits, deposits and advances ...	4,04,964
		Investments ...	56,160
		Cash ...	4,57,438
	Rs. 30,82,803		Rs. 30,82,803

Jutibari Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) presented the audited accounts of the Company for the year ended 31st December 1958.

The total crop harvested in 1958 was 12,815 mds. compared with the 1957 crop of 11,377 mds. Given favourable weather conditions the increase in crop would have been larger.

In spite of there being a surplus of tea in the world prices realised in auction throughout 1958 were fairly satisfactory, particularly for quality teas such as are produced by this Company. There is, however, scope for improvement, and this can be brought about by the equating of demand with supply. Vigorous propaganda in India where the market potential is enormous, together with adequate propaganda overseas, particularly in North America, the United Kingdom and countries of Western Europe, would undoubtedly result in increased consumption, a much better way of reducing the gap between supply and demand than any scheme for the regulation of crop.

The teas produced by this Company realised satisfactory prices. A part of the crop was sold in Calcutta and a part shipped to London. The combined average sale price obtained per pound of tea was Rs. 2.42 (Rs. 2.50). The net sale proceeds, realised and estimated amounted to Rs. 22,37,332 compared with Rs. 19,80,884 in 1957; an increase of Rs. 2,56,448.

The working of season 1958 resulted in a gross profit of Rs. 3,62,236 compared with Rs. 3,12,444 in 1957, and after taking into account interest received, leave and passage reserve, depreciation, income-tax and wealth tax, development rebate reserve and adding the balance brought forward from 1957 after adjustment, there remains a balance of Rs. 1,93,022 (Rs. 2,59,471) at the credit of the profit and loss account. The directors recommend that the available balance be distributed as follows:—

To pay a dividend of 10 (17½) per cent. on the issued share capital of the Company without deduction for income-tax payable by the Company absorbing Rs. 90,000 (Rs. 1,57,500), to transfer to general reserve Rs. 50,000 (Rs. 50,000) and to carry forward Rs. 53,022 (Rs. 51,971).

Accounts in brief were as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,00,000	Gross block	17,28,122
Reserves ...	7,99,505	Less—Depreciation ...	5,17,450
Provision for taxation ...	4,81,388	Net block ...	12,10,672
Liabilities ...	12,23,190	Stock of tea	9,95,277
Profit and loss account (surplus) ...	53,022	Stores, etc. ...	2,76,654
		Debits, deposits and advances ...	2,06,326
		Investments ...	1,336
		Cash ...	7,74,374
	Rs. 34,64,339		Rs. 34,64,339

Hoolungoree Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The accounts show a profit, after charging all expenses of Rs. 3,47,160 (Rs. 1,00,485) of which taxation provision requires Rs. 1,56,000 (Rs. 42,000) leaving a balance of Rs. 1,91,160 (Rs. 58,485) to which is added the balance brought forward from last year of Rs. 75,281 (Rs. 95,546) making a total amount available for appropriation of Rs. 2,66,441 (Rs. 1,84,031) including Rs. 30,000 being excess provision for taxation written back. The directors have transferred to general reserve Rs. 50,000 (nil) and to development rebate reserve Rs. 729 (nil) the directors now recommend that a dividend of Rs. 17.50 (Rs. 12.50) per share be paid absorbing Rs. 1,52,250 (Rs. 1,08,750). The directors have forfeited unclaimed dividends in accordance with Article 158 amounting to Rs. 27,142 (nil). Thus there is a balance to be carried forward of Rs. 90,604 (Rs. 75,281). Wealth tax in respect of the year ended 31st December 1958, is estimated to amount to Rs. 9,000 and this has been provided for by transfer from investment realisation surplus.

A record crop of 15,259 maunds was secured and sold at an average price of Rs. 2.32 per lb. This compares with a crop of 13,519 maunds in season 1957, sold at an average price of Rs. 2.29 per lb. Estimates for the current season have been framed for a crop of 15,500 maunds to cost Rs. 25,29,334 but weather conditions at the commencement of the season were unfavourable and the final crop is likely to be a little less than the estimated quantity.

Accounts in brief were as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	8,70,000	Gross block	29,35,470
Reserves ...	13,44,638	Less—Depreciation ...	14,04,633
Provision for taxation ...	2,12,779	Net block ...	15,30,832
Liabilities ...	10,12,325	Stock of tea	9,77,206
Profit and loss account (surplus) ...	90,604	Stores and tools, etc. ...	2,43,801
		Debits, deposits and advances ...	4,65,176
		Investments ...	9,553
		Cash ...	3,13,106
	Rs. 35,39,674		Rs. 35,39,674

Anglo-India Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The accounts disclose a net revenue profit of Rs. 38,19,295 (Rs. 26,45,574) which is increased by sundry credits to Rs. 41,68,219 (Rs. 27,55,497). After providing for depreciation Rs. 12,00,000 (Rs. 12,00,000), wealth tax Rs. 72,000 (Rs. 64,525), income-tax Rs. 18,81,900 (Rs. 78,791) and transferring Rs. 2,00,000 (nil) from contingencies reserve which is no longer required, there stands the sum of Rs. 14,51,061 (Rs. 15,29,812) on profit and loss account. Placing Rs. 3,00,000 (nil) to investment reserve and Rs. 40,000 (Rs. 21,000) to development rebate reserve there remains the sum of Rs. 11,11,061 (Rs. 15,08,812) which the directors recommend should be dealt with as follows:—

In payment of dividend on preference share capital at the rate of 7 per cent. per annum [Rs. 7 (Rs. 7) per share] without any deduction for income-tax paid by the Company absorbing Rs. 2,80,000 (Rs. 2,80,000), in payment of dividend on ordinary share capital at the rate of 12½ (10) per cent. per annum [Rs. 12.50 (Rs. 10.00) per share] without any deduction for income-tax paid by the Company absorbing Rs. 6,15,087 (Rs. 4,92,070) leaving a balance to be carried forward of Rs. 2,15,974 (Rs. 2,36,742) after placing Rs. 5,00,000 to machinery replacement reserve).

Negotiations with the National Industrial Development Corporation continue and the modernisation of the preparing and spinning machinery of Middle Mill is proceeding and should be completed within the current financial year. Both the Company's working mills will thus be fully equipped with silver spinning machinery leading to economies in operation.

The sale of the Upper Mill property will be completed shortly and although final sanctions are awaited a licence under the Industries (Development and Regulation) Act 1951 has been granted by the Government for the establishment of a wool-combing unit in Jagatdal Mill and other negotiations with Government are continuing.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	89,20,700	Gross block	3,09,77,421
Reserves ...	72,61,000	Less—Depreciation ...	2,26,93,087
Provision for taxation ...	16,50,972	Net block ...	82,84,334
Liabilities ...	1,26,01,588	Stock-in-trade	1,34,12,540
Profit and loss account (surplus) ...	2,15,974	Stores and spare parts	7,23,365
		Debits, deposits and advances ...	37,91,675
		Investments ...	41,35,316
		Cash ...	2,94,024
	Rs. 3,06,50,234		Rs. 3,06,50,234

Mysore Chemical Manufacturers Ltd.

The directors of the above Company (Managing Director and Chairman: Mr. S. Ramanathan, Bangalore) submit the audited accounts of the Company for the year ended 31st March 1959.

The working of the Company during the year resulted in a net profit of Rs. 1,98,206 (Rs. 1,08,910) after providing Rs. 74,208 (Rs. 57,790) for depreciation, Rs. 3,20,000 (Rs. 1,20,000) for income-tax, super-tax, and wealth-tax, and Rs. 32,698 (Rs. 6,054) for development rebate. Together with the last year's carry over of Rs. 24,933 (Rs. 1,98,023), the total sum available for distribution is Rs. 2,23,137 (Rs. 3,06,933). The directors recommend the following appropriations of the amount:—

To payment of dividend of 6 per cent. for the year under report on 20,000 6 per cent. cumulative preference shares, free of income-tax absorbing Rs. 12,000 (Rs. 12,000), to payment of a dividend of 20 (20) per cent. for the year under report on 60,000 ordinary shares, free of income-tax absorbing Rs. 1,20,000 (Rs. 1,20,000) and to transfer to dividend equalisation reserve Rs. 50,500 (Rs. 1,50,000) leaving to be carried forward to next year's account Rs. 41,137 (Rs. 24,933).

During the year a total quantity of 3,085 tons Chemicals were produced as against 2,215 tons in the previous year. The total sales amounted to Rs. 30,98,434 including fertilisers, while the sales for the period ending 31st March 1958 were only Rs. 23,35,158.

The output of Chemicals during the year has increased considerably. However, the Company could not maintain full production for want of sufficient supplies of sulphuric acid and copper scrap. The Company has a scheme of installing its own sulphuric acid plant for which application has been submitted to Government for grant of licence.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	8,00,000	Gross block	10,12,759
Reserves ...	6,34,447	Less—Depreciation ...	5,77,192
Provision for taxation ...	4,68,500	Net block ...	4,35,567
Liabilities ...	5,96,990	Stock-in-trade	7,29,417
Profit and loss account (surplus) ...	41,137	Stores and spare parts	1,92,210
		etc. ...	551
		Other assets ...	11,09,899
		Debits, deposits and advances ...	35,115
		Investments ...	38,315
		Cash ...	25,41,074
	Rs. 25,41,074		Rs. 25,41,074

Kemp and Co., Ltd.

The directors of above Company (Chairman: Mr. Jai H. Mehta, Bombay) submit the audited accounts of the Company for the year ended 31st March 1959.

The net profit for the year ended 31st March 1959, after providing Rs. 62,003 (Rs. 67,562) for depreciation, Rs. 3,900 (nil) for development rebate and Rs. 1,85,000 (Rs. 90,000) for taxation amounts to Rs. 1,25,227 (Rs. 91,122). To this is added the amount brought forward from the last year of Rs. 26,435 (Rs. 15,313) making a total of Rs. 1,51,662 (Rs. 1,06,435) including Rs. 10,000 being excess provision for taxation written back. From this amount the directors recommend payment of a dividend at Rs. 17.50 (Rs. 15.00) and bonus at Rs. 2.50 (nil) per share [Rs. 200 paid up] free of income-tax absorbing Rs. 1,20,000 (Rs. 90,000) leaving a balance to be carried forward of Rs. 31,662 (Rs. 26,435). The directors consider the provision for taxation as sufficient to meet this liability, and the depreciation on fixed assets as adequate.

Accounts in brief are as under:—			
LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	12,00,000	Gross block	26,02,611
Reserves ...	6,27,883	Less—Depreciation ...	13,54,420
Provision for taxation ...	2,83,462	Net block ...	12,48,231
Liabilities ...	10,20,420	Stock-in-trade	10,54,677
Profit and loss account (surplus) ...	31,662	Stores and spare parts	7,85,432
		Debits, deposits and advances ...	12,698
		Investments ...	62,389
		Cash ...	31,63,427
	Rs. 31,63,427		Rs. 31,63,427

Aluminium Corporation of India Ltd.

The directors of the above Company (Managing Agents: Messrs. J. K. Industries Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

The gross profit for the year after making provisions for bonus for employees, interest on debentures, managing agents' commission, directors' remuneration but before making provisions for taxation and deduction for depreciation amounts to Rs. 35,89,864 (Rs. 27,20,461) to which is added the amount brought forward from the last year of Rs. 92,284 (Rs. 2,33,758) making a total of Rs. 36,82,148 (Rs. 29,54,219). The directors have appropriated from the above sum: For provision for taxation Rs. 16,50,000 (Rs. 3,00,000), for depreciation including provision towards arrears of undepreciated Rs. 10,00,000 (Rs. 14,00,000), absorbed depreciation Rs. 1,00,000 (Rs. 1,00,000) for transfer to general reserve Rs. 4,00,000 (Rs. 4,00,000) and for transfer to development rebate reserve Rs. 14,986 (Rs. 24,435) leaving a balance of Rs. 9,17,162 (Rs. 8,29,784). Out of this

amount the directors recommend payment of dividends for the year ended 31st March 1959, as under without deduction of tax: On 20,000 6 per cent. cumulative preference shares at 7 (6) per cent. absorbing Rs. 1,40,000 (Rs. 1,20,000), on 20,000 5 per cent. cumulative preference shares absorbing Rs. 1,00,000 (Rs. 1,00,000) and on 6,25,000 (5,75,000) ordinary shares at 10 (9) per cent. per annum absorbing Rs. 6,25,000 (Rs. 5,17,500) leaving a balance of Rs. 52,162 (Rs. 92,284) to be carried forward to next year.

The profit for the year has been the best so far achieved by the Corporation, but due to high impact of taxes, the appropriation towards reserves has been reduced.

Share Capital and Dividend:—The Controller of Capital Issues gave his consent on 28th May 1959 to the scheme of conversion of deferred shares into ordinary shares as approved at the general meetings held on 8th August 1958, and as sanctioned by the Calcutta High Court and the scheme has been given effect to. The directors are recommending a dividend at 10 (9) per cent. on all the ordinary shares including those issued in lieu of the deferred shares and an additional dividend of 1 per cent. on six per cent. cumulative preference shares in terms of the Articles of Association of the Corporation, after obtaining the approval of the Industrial Finance Corporation of India.

Repayment of Debentures:—The directors have pleasure to state that further instalments of debenture loan of Industrial Finance Corporation of India were voluntarily repaid in advance during the year and the next instalment is due only on 15th July 1962.

Operations:—The working and production of all departments—bauxite and coal mining, power generation, alumina, carbon electrode plant, metal production and rolling have been satisfactory. More diversified products including different alloys have been manufactured to meet the growing industrial requirements of the metal in the country.

Cost of Operations:—Against the general background of increasing wages and increasing cost of stores, raw materials and maintenance and additional burden in the form of cesses, the directors are glad to report that they have been able to maintain reasonable limit of cost of production.

Sales:—The sales of the Corporation's products have shown a new record. The industrial uses of aluminium in the country are increasing along with the development of Engineering Industry and the total consumption of metal is going up. Still the market conditions throughout the year remained competitive. The State Trading Corporation of India have entered into the field of import and distribution of aluminium metal.

Expansion:—The programme for trebling the metal production capacity of the existing plant of the Corporation, including new facilities for fabrication etc., is well advanced. The Corporation have entered into an agreement with Messrs. Aluminium-Industrie-Aktien-Gesellschaft, Switzerland, for technical collaboration.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,00,00,000	Gross block	3,89,98,591

COTTON FUTURES FIRM

(From Our Own Correspondent)

The following are the latest available quotations—in tallaris per lb.—from Alexandria, the

figures in brackets being last week's closing quotations:

Karnak: November 70.75 (70.50); January 71.65 (71.00). Ashmouni: October 62.40 (60.50); December 61.60 (60.09).

Cotton futures values in Liverpool suffered a setback during the week. Both American and American type contracts drifted lower, thanks to Commission House selling and liquidation which found buyers reserved. Scattered inter-month switching was a feature of trading. Sudan cotton contracts in Liverpool too eased on light hedge pressure. The latest available quotations—in pence per lb.—are as follows:

American cotton one inch staple contract: October-November 21.70; December-January 21.50; March-April 21.50; May 21.72.

American cotton mixed growth contract: October-November 22.00; December-January 21.90; March-April 22.00; May 22.00.

Sudan: November-December 29.00; January-February 29.00; May-June 28.75.

Price movement in the New York cotton futures market during the week was narrow and negligible. The fourth crop report of the Department of Agriculture, published on the 8th inst., had little effect on the market as the estimate was close to trade expectations. The Department estimated the crop at 14,692,000 bales, as against 14,678,000 bales estimated last month and the 1958-59 crop of 11,512,000 bales. The yield per acre remained at 470 lbs., unchanged from the September estimate.

A noteworthy feature of this season's crop report is that the estimates are surprisingly steady and the month-to-month variations have been very small so far. This is in sharp contrast to past seasons when there were wide variations in the estimate from month-to-month.

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

	(In cents per lb.)	13-10-59	6-10-59	29-9-59
Spot	...	32.80	32.85	32.90
October	...	32.55	32.34	32.48
December	...	32.15	32.10	32.22
March	...	32.59	32.54	32.64

ART SILK YARN IMPORT POLICY MODIFIED

(From Our Own Correspondent)

BOMBAY, 14th October

The Government of India has modified the import policy in respect of art silk yarn. As against the increase in the quota licence from 5 to 7½ per cent in the whole year 1959-60, announced in the Red Book, the Government has now announced a cut in the percentage of quota licence from 5 to 2½. In other words, this means that the quota licence for the six months ending March 1960 will be just 1½ per cent, as against 2½ per cent. Traders are greatly intrigued at the drastic cut in the import quota licence. They do not find any justification for such a cut. They no doubt admit that there has been an increase in the production of indigenous art silk yarn, but they are surprised at the fact that allocations of yarn from indigenous manufacturers have not been made available to them even to the extent to which they were originally fixed. It is, therefore, feared that there will be a heavy shortage of supplies in the local market. This fear has imparted considerable strength to art silk yarns which have registered a marked rise in prices. Staple fibre yarns, however, rule easy, thanks to selling pressure. Even reports of declining stocks in consuming centres would appear to have had no effect on the market. Prices would have suffered a steeper decline but for reports that some spinning mills are not inclined to sell staple fibre yarns. Cotton yarns are dull. Transactions put through are limited with values moving narrowly. It is said that some of the contracts entered into by countries like China and Pakistan have not been fulfilled and that the buyers in foreign countries are covering their requirements against sellers. These reports, it is felt, have improved the chances of India exporting more cotton yarns, but the reports have still not influenced the trend of cotton yarn prices in any way.

Imports of art silk yarn into Bombay port during the month of September 1959 were negligible, being 1,154,788 lbs., as against 2.48 million lbs. in August and 2.12 million lbs. in July. During the same month, 149,907 lbs. of synthetic yarn, 600 lbs. of staple fibre yarn and 43,278 lbs. of cotton yarn were imported. Exports of cotton yarn in September 1959 amounted to 1,184,992 lbs., as against 931,630 lbs. in the previous month.

During the week, Cupressa Bamberg yarn (60×2) December contract forged ahead from Rs. 1,675 to Rs. 1,702. October contract climbed up by Rs. 20 to Rs. 1,702. Spot Cupressa gained 3 nP to Rs. 7.47. Among imported yarns, 150 Japan spurted by 16 nP to Rs. 5.12. 120 Japan advanced by 15 nP to Rs. 5.15. 120 Italy recorded a rise of 13 nP, today's closing rate being Rs. 4.90. 150 Italy improved by 6 nP to Rs. 4.87. Among indigenous yarns, National Rayons 120 bright cones first grade firmed up by 16 nP to Rs. 4.66. 150 bright cones first grade put on 3 nP to Rs. 4.22.

Staple fibre yarns (40×2) October contract came in for selling and dropped Rs. 10 to Rs. 702. December contract receded from Rs. 702 to Rs. 691. Spot Citys declined by 6 nP to Rs. 3.72. Kohnmoors eased by 4 nP to Rs. 3.77 and Centurys by 3 nP to Rs. 3.78. Imported yarns (80×2) moved up, Fujis rising by 12 nP to Rs. 9.06 and Paramounts by 3 nP to Rs. 8.25.

In the cotton yarn section, ten counts Podars shed 13 nP to Rs. 14.37. Twenty counts Moderns advanced by 75 nP to Rs. 19.75. Forty counts Minaxis fell by 50 nP to Rs. 26.25, while Moderns

gained 25 nP to Rs. 26.75. Among sixty counts, Moderns rose by 50 nP to Rs. 56.50. Raghuvamshis were quiet at Rs. 63. Among eighty counts, Moderns improved by a rupee to Rs. 82. Mahendras were steady at Rs. 66. Finlays, however, lost 25 nP to Rs. 73.75.

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

	14-10-59	7-10-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	1,665	1,645
December	1,702	1,675
60/1 Cupressa Bamberg spot (per lb.)	7.47	7.44
120 Japan (per lb.)	5.15	5.00
150 Japan (per lb.)	5.12	4.96
120 Italy (per lb.)	4.90	4.87
150 Italy (per lb.)	4.87	4.81
Staple fibre yarn—		
40×2 October (per case of 200 lbs.)	702.00	712.00
40×2 December	691.00	702.00
40×2 Kohnmoor (per lb.)	3.77	3.81
40×2 City	3.72	3.78
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.37	14.50
20s Modern	19.75	19.00
40s Minaxi	26.25	26.75
60s Finlay	63.00	63.00
80s Mahendra	73.75	74.00

SUGAR SUPPLIES SCARCE

(From Our Own Correspondent)

HAPUR, 12th October

Sugar continues to rule steady to firm, due to tight supply position. In order to check the rising trend in prices, the Central Government is contemplating to build up a reserve of 250,000 tons and the possibility of imports for that purpose is not ruled out. Rationing arrangements are not complete, as ration cards have not yet been issued to all consumers. Since the supplies at 14 seer per unit per month are insufficient, the consumers have to supplement these from the open market where it is being quoted at Rs. 1.25 per seer, as against the controlled price of 97 nP. The wholesale price is Rs. 130 per bag.

Sugar prices are also steady to firm in the Muzaffarnagar market where supplies in the open market are sparse. The latest prevailing prices are Rs. 130 to Rs. 132 per bag, as against the controlled price of Rs. 104. The non-issue of permits to all consumers is responsible for not lifting of all sugar from Government nominees. The open market prices are Rs. 1.25 to Rs. 1.31 per seer, as against the controlled price of 96 nP.

Crystal sugar continues to attract good demand in the Kanpur market where prices have established a new peak at Rs. 138 a bag. Business passing, however, is negligible, due to absence of supplies.

Khandasari, after recording a sharp rise of about Rs. 10 per maund in the last two weeks, eased slightly by about Rs. 2 per maund towards the week-end, owing to buyers' resistance at higher levels. The U.P. Government has now extended the scope of the U.P. Khandasari Manufacturers Licensing Order to the whole of the State, as against the assigned or reserved areas of sugar factories and only those units will be given permission which are established before February 1959. The prevailing prices here are: Rs. 44 to Rs. 52 according to quality, *boora* Rs. 50 to Rs. 52 a maund.

New *gur* arrivals have mounted to an average of 200 maunds daily and prices are steady, due to good demand from consumers. Now with the clearing up of weather, more of *crushers* and *kolhus* will start functioning and *gur* arrivals will further mount. Prevailing prices are: new *gur* Rs. 25 to Rs. 27; old Rs. 21 to Rs. 23.

Gur eased slightly in the Muzaffarnagar market where new arrivals was daily mounting. Prevailing prices are: *gur chaku* new *pansera* Rs. 22.50 to Rs. 23.50; remanufactured Rs. 25; *Shakker dara* Rs. 22.50 to Rs. 23.50; *dana minja* Rs. 25 to Rs. 31; *khandasari* Rs. 44 to Rs. 56 a maund.

Gur fagun moved both ways during the week in bouts of selling and buying. Opening at Rs. 15.84 on Monday and touching the highest at Rs. 15.85 and the lowest at Rs. 15.65, it was quoted today at Rs. 15.79.

In order to increase the production of sugar during the coming month, the Government of India has decided to allow the factories which start crushing on or before 4th November 1959 in Western Uttar Pradesh a concession of 31 nP per maund of cane crushed by them from the date of start up to 15th November. This concession will also be allowed to all such factories in Eastern Uttar Pradesh and North Bihar which start crushing on or before 10th November on hill cane crushed by them from the date of start up to 21st November.

SEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 14th October

In a bid to promote exports of oils, oilseeds and oilcakes, the State Trading Corporation has proposed the establishment of a central organisation for canalising exports. Traders, however, have not been enthusiastic about such a move, though it envisages their association with the S.T.C. in matters concerning trade. Instead, they have decided to suggest the setting up of an Export Promotion Council. The Advisory Committee for Oils, Oilseeds and Oilcakes is currently discussing with exporters and others concerned the desirability of the latter proposal. In the meantime, the Committee which was appointed by the Board of Directors of the local Exchange, to investigate into the alleged delay in communicating to the trade the F.M.C. order to impose margin on groundnut oil December delivery, has submitted its report.

The Board is meeting tomorrow to discuss the subject.

During the week under review, firm conditions were witnessed in the oilseeds market, thanks to disquieting weather reports from the producing areas and fairly active conditions on the export front. Groundnuts were in the limelight. Unfavourable weather conditions in Gujarat and Saurashtra led to pronounced bull support and heavy short covering. Reports of sizable business in groundnut oil and oilcakes, particularly with the U.K. and countries of the Continent, induced further strength. In view of the growing strength of coconut oil, traders expect to realise higher prices for groundnut oil. Groundnuts touched a new peak of the season. February 1960 contract, which had wound up last week at Rs. 177.25, rallied to Rs. 181.37 on Monday. It, however, declined subsequently to close today at Rs. 179.75. Bold ready lost 50 nP over the week to touch Rs. 40 as a result of steady arrivals. Oil ex-mill, however, improved by 13 nP to Rs. 21.50, after fluctuating in a narrow groove over the week.

The linseed section, too, put on cheerful conditions. Linseed advanced, despite the margin, mainly on account of good business in oilcakes and also in oils. Reports of rising trend in world prices for linseed oil also led to some bull support. At the same time, offerings were limited. May 1960 contract rose by Re. 1.12 to Rs. 35.56, after fluctuating between Rs. 34.37 and Rs. 35.19 over the week. Bold ready closed firm at Rs. 35.12, as against Rs. 34.12 last week-end. Linseed oil made a smart rally by a rupee to Rs. 17.69.

The castorseed section moved up in sympathy with other seeds and oils. The undertone remained distinctly strong, particularly at the close of the week. Bright export prospects for castor oil led to good buying support. Some reports indicated that the U.S. will enter the Indian market for castor oil. Brazil, it is said, is not offering much competition in the U.S. market. Castorseed May 1960 contract closed distinctly firm at Rs. 166.62 today, after moving between Rs. 164.12 and Rs. 166.37 over the week. Ready Madras hardened by 38 nP to Rs. 32. Oil Commercial gathered 19 nP to Rs. 17.

The cottonseed section maintained a firm tendency on account of buoyant conditions in the cotton market. At the close, however, values drifted to slightly lower levels. Cottonseed February 1960 rose from Rs. 129.35 to Rs. 131 on Saturday. Although it continued to rule firm thereafter, it developed a sagging tendency today to close at Rs. 129.25.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	14-10-1959	7-10-1959	30-9-1959
Groundnut			
February 1960	179.75	177.25	174.50
Bold ready	40.00	40.00	41.00
Coromandel ready	40.00	40.75	41.00
Khandesh quality	40.00	40.75	41.00
Oil ex-mill ready	21.50	21.50	21.37
Railway receipts	21.15	21.25	21.12
Castorseed			
May 1960	166.62	164.25	163.50
Ready Madras	32.00	30.82	31.62
Ready Kanpur	30.50	30.25	30.40
Oil B.S.S.†	17.68	17.75	17.44
Oil commercial‡	17.00	16.81	16.50
Linseed			
May 1960	35.56	34.44	34.25
Bold ready	35.12	34.12	33.50
Oil ready†	17.69	16.69	16.56
Cotton seed			
February 1960	129.25	129.25	127.50
Niger seed	81.75	81.60	81.50
Kardhi seed	23.25	23.00	23.00

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
‡ All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 750 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 12th October

Quiet conditions were noted in the foodgrains market during the week. While wheat and rice were mostly stationary, coarse grains recorded a downward tendency. The pressure of good maize crop had been the main influencing factor. Rains received last week, though belated, were said to have done immense good to late *khari* crops and timely sowings of rabi crops would now be possible. The preparation of land for rabi sowings is in full swing and, in some areas, sowings of gram and peas have already begun.

Wheat at Hapur continued to rule quietly steady to be quoted on Monday at Rs. 17.62 for average quality and Rs. 18.75 for farm produce, while some superior quality was quoted up to Rs. 19.25 a maund. Daily arrivals in the open market were sparse, as, under the wheat levy scheme of the State Government, half of the arrivals has to be delivered to the Government at the controlled price of Rs. 13 to Rs. 15 a maund. Arrivals in the open market were reported to be about 100 maunds daily. Demand for wheat has gone down, as seasonal demand has been shifted to maize. Harvesting of paddy has nearly finished, but *munji* crop is still in the fields.

Rice continued to be steady. The rates were: *sela basmati* Rs. 32 to Rs. 35; *mainpuri* Rs. 24; *raimunia* Rs. 25; *ramajugyan* Rs. 24.50; *gadda* Rs. 22.

After an early fall, gram staged a recovery towards the week-end, due to revival of demand for seed purposes. Local stock was comfortable at about 50,000 maunds. Barley and *bejhar* ruled

(Continued on next page)

NEW PRODUCTS AND PROCESSES

Instant Food Powders

A NEW process, called "foam-mat" drying, for converting foods into high-quality instant food powders has been developed in the U.S. It involves whipping liquid food concentrates into a foam with the assistance of food additives, spreading the foam on a belt or tray, drying it in a stream of warm air, and, finally, compressing and crushing it into powder form. The process has been used to make powders of good colour and flavour from fruit juices, whole and non-fat milk, coffee, beef and chicken broth, and lemonade.

The fine structure of the foam created in the process is said to remain stable even when the dried form is compressed into pellets, so that the powders can be reconstituted readily with water. The foam-dried powders also are said to have the advantage of holding less moisture at a given relative humidity than spray-dried foods (such as ordinary powdered coffee) and, therefore, are less apt to cake than powders dried by other processes.

The amount of food additive needed to develop a satisfactory foam is reported to be equal to about 1 per cent. of the dry solids in the concentrate being whipped, and close control of foam density can be provided by careful adjustment of the quantity of additive and the amount of whipping.

Bottling Unit

Nearly 200,000 bottles of beer a day, equal to 330 thirty-six gallon barrels, can be filled on the new high-speed bottling unit at the Reading Brewery of H. & G. Simonds Ltd. of the United Kingdom. Automation is the keynote of the installation. As soon as used bottles arrive back at the brewery, they are automatically removed from their cases, washed, filled, crowned, labelled and repacked into cases which, in the meantime, have been washed in another section of the unit, without being touched by the machine operators. The new 60-head bottle filler can fill 400 bottles a minute.

Aluminum Trimming Bucket

The first three aluminum trimming buckets for ocean-going ships were recently delivered. They are applied in the loading of fine-coal. These modern aluminum trimming buckets—manufactured by DEMAG-Greiffabrik in Duisburg-Hamborn of West Germany—revolutionize the bucket construction. The main attraction is their extremely light weight: 30 per cent. lighter than the conventional type. This greatly simplifies trimming and searching during unloading operation. An aluminum trimming bucket with 4.5 c.b.m. loading capacity recently demonstrated the advantages in Hamburg harbour. It unloaded 3,270 tons of fine-coal in 26 hours. That means it worked with an average of 126 tons per hour.

Stiff Mesh For Designers

The Expanded Metal Company, Ltd., of Britain, have extended the range of mesh materials available to engineers and designers by introducing a high density polyethylene mesh. Produced in roll or sheet form, similar to metal mesh, it is made from Rigidex polyethylene supplied by British Resin Products and offers many distinct advantages. It has a very low specific gravity (0.96) and is thus only one-third the weight of a corresponding aluminium mesh, and less than one-eighth the weight of mild steel. In all thicknesses the mesh is flexible enough to be handled very easily, and in thicknesses above ½ in. it is sufficiently stiff to be self-supporting. The mesh has a comparatively high strength/weight ratio and is virtually indestructible. It is resistant to water, practically all chemicals, and to most oils, greases and solvents. The inertness of the polyethylene from which it is made means that very few substances will adhere to it even temporarily, and the mesh is thus very easy to clean. It has outstanding electrical properties.

The mesh can be used at temperatures of up to 100°C without significant distortion and can thus be sterilised in boiling water if required.

Electrodes for Resistance Welding

A Netherlands firm manufactures electrodes for resistance welding, both for spot, seam, projection, resistance butt and flash-butt welding. The chief functions of the electrodes during these operations are the supply of electric current and the transmission of pressure to the workpiece to be welded. Their principal properties should, therefore, be electric conductivity, heat resistance and hardness at elevated temperatures. The electrodes should have a long useful life and the purchase price should be economic. Dependent on the method of resistance welding to be used and the nature, shape and composition of the workpiece and the metal it is made of, both straight and bent electrodes of various copper alloys are made from round, square, hexagonal and flat bar material, forged blocks, discs and rings as well as castings. The field of application of these resistance electrodes is said to be very wide and covers cars, refrigerators, stoves, aircraft, metal frames, heating radiators, railway carriages, drums, enamelware, wire pams, tubes, etc. The firm manufactures and supplies on request both standardised electrodes according to British Standard (B.S. 907) or U.S. standard R.W.M.A. (Resistance Welding Manual) and electrodes according to users' own drawings.

Hot Spot Detector

A new device which can find, it is claimed, the hot spots in machinery, or in non-moving plant such as a high voltage cable, or materials carrying pipe line with exceptional sensitivity, has been developed in the U.K.

The device can detect hot localities in equipment which it is impossible to approach, or touch. It can be used in the case of electrical equipment, such as a cable, while the current is still turned on. This is achieved, as in the case of moving mechanical equipment, by focusing the joint, or part to be examined, on the window of the "bolo-meter" device. The equipment can also be used in situations where a high level of radioactive radiation is present.

Its operation depends on the detection of the changes in electrical resistance which are produced in a minute gold leaf strip when it is exposed to infra-red rays.

Heavy-duty Nylon Conveyor Belt

A new heavy-duty nylon-wetted conveyor belting developed by George Angus & Co., Ltd., a British Company, is claimed to be tougher and more damage-resisting than standard cotton belting. Ruptured and torn belt carcasses can be common occurrences for operators of stone and ore conveyors, with consequent loss of time, labour, and costs. The new nylon-wetted belting—the latest addition to a wide range of conveyor belting already being produced—has an exceptional resilience resulting from the strength of the nylon wet yarn. Twice the force that a cotton belt can sustain is needed to tear the new belting material. This means fewer stoppages for emergency repairs, less wastage of running time, with correspondingly high output.

MARKET REPORTS

(Concluded from previous page)

quiet in the absence of ready demand. Although maize arrivals in the market were not heavy—the average was 150 maunds daily—prices eased fractionally in the absence of demand which is being met in villages where large quantity has been retained by producers. Harvesting of *bajra* has also begun. Other grains were quiet to be quoted on Monday at: (in rupees per maund) gram 12.75 to 13; barley 12.75; *bejhar* 11.62; maize 11.12 to 11.75; *jowar* 12 to 14; *guar* 11 to 13; *bajra* 13.12.

Pulses ruled quiet during the week in the absence of new urges. Peas was not attracting good outside demand and local stock ran down by only three *khatties* during the week to 44 *khatties*. *Arhar* prices and local stocks were almost stationary. Crop prospects of *urd* and *moong* have improved following last week's rains. The final report of all-India production—in thousand tons—of *rabi* pulses is as follows:

Gram 6,826; *tur* 1,662; *urd* 172; *moong* 38; *massoor* 245; *peas* 711; *kuli* 73; *kismi* 226; and others 713—total 10,666, as against 8,117 last year.

Prevailing prices (in rupees) here were: *peas* *dara* 11.75; *farm* 12.50; *peas* *dal* 13.25; *arhar* 17; *moong* 16 to 18; *urd* 17 to 19; *massoor* 14.25 to 16; *arhar* *dal* 21.75 to 23.

BRITAIN'S LEADING JOURNAL FOR ASIA AND AUSTRALASIA

For Public Affairs Industry Business

FAR EAST TRADE

Forward-looking Indian concerns are now considering

'What can Far East Trade do for me?'

Every month FAR EAST TRADE brings news of developments in Asia and Australasia to influential readers in Government, in business, and in industry, throughout this vast area, as well as in Western Europe.

Besides being a unique advertising medium, it maintains an exceptionally wide coverage of events everywhere in the economic, technological, and industrial fields.

Confident that we are contributing to better understanding, we warmly welcome new readers.

Write for specimen copy to: Mr. S. L. Dhingra, Room No. 6, Indian and Eastern News Service Building, Old Mill Road, New Delhi.

LAURENCE FRENCH PUBLICATIONS, LIMITED, 3, Belsize Crescent, London N.W. 3.

Cable address: Frenpub London

MISCELLANEOUS STATISTICAL INFORMATION

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

Reserve Bank of India
Statement of Affairs for the week ended 9th Oct., 1959

BANKING DEPARTMENT	
LIABILITIES	Ra.
Capital paid-up	5,00,00,000
Reserve Fund	80,00,00,000
National Agricultural Credit (Long term Operations) Fund	30,00,00,000
National Agricultural Credit (Stabilisation) Fund	4,00,00,000
Deposits—	
(a) Government—	
(1) Central Government	56,11,10,000
(2) Other Governments	14,29,00,000
(b) Banks	67,16,14,000
(c) Others	118,49,87,000
Bills Payable	18,47,21,000
Other Liabilities	15,46,81,000
Total	400,98,75,000
ASSETS	Ra.
Notes	10,49,33,000
Rupee Coin	1,52,000
Subsidiary Coin	8,66,000
Bills Purchased and Discounted—	
(a) Internal	37,45,77,000
(b) External	14,29,00,000
(c) Government Treasury Bills	24,81,51,000
Loans and Advances to Governments	58,99,27,000
Other Loans and Advances	9,81,33,000
Investments	9,81,33,000
Other Assets	400,98,75,000
Total	400,98,75,000

* Includes Cash and Short-term Securities.
† Includes Temporary Overdrafts to State Governments.
‡ Includes "Other Loans and Advances" includes Rs. 2,08,00,000 advanced to scheduled banks against usance bills under section 17(4) (c) of the Reserve Bank of India Act.

ISSUE DEPARTMENT	
LIABILITIES	Ra.
Notes held in the Banking Department	10,49,33,000
Notes in circulation	18,66,35,000
Total Notes Issued	19,97,01,38,000
ASSETS	Ra.
A. Gold Coin and Bullion—	
(a) Held in India	117,76,03,000
(b) Held outside India	163,00,89,000
Total A	280,76,92,000
B. Rupee Coin	134,84,64,000
Government of India Rupee Securities	128,13,82,000
Internal Bills of Exchange and other commercial paper	169,01,38,000
Total Assets	169,01,38,000

COMPARATIVE BANKING STATISTICS*	
(In crores of rupees)	
	1st Sept. 1959
	2nd Oct. 1959
	1st Sept. 1958
	1st Sept. 1957
	1st Sept. 1956
	1st Sept. 1955
	1st Sept. 1954
	1st Sept. 1953
	1st Sept. 1952
	1st Sept. 1951
	1st Sept. 1950
	1st Sept. 1949
	1st Sept. 1948
	1st Sept. 1947
	1st Sept. 1946
	1st Sept. 1945
	1st Sept. 1944
	1st Sept. 1943
	1st Sept. 1942
	1st Sept. 1941
	1st Sept. 1940
	1st Sept. 1939
	1st Sept. 1938
	1st Sept. 1937
	1st Sept. 1936
	1st Sept. 1935
	1st Sept. 1934
	1st Sept. 1933
	1st Sept. 1932
	1st Sept. 1931
	1st Sept. 1930
	1st Sept. 1929
	1st Sept. 1928
	1st Sept. 1927
	1st Sept. 1926
	1st Sept. 1925
	1st Sept. 1924
	1st Sept. 1923
	1st Sept. 1922
	1st Sept. 1921
	1st Sept. 1920
	1st Sept. 1919
	1st Sept. 1918
	1st Sept. 1917
	1st Sept. 1916
	1st Sept. 1915
	1st Sept. 1914
	1st Sept. 1913
	1st Sept. 1912
	1st Sept. 1911
	1st Sept. 1910
	1st Sept. 1909
	1st Sept. 1908
	1st Sept. 1907
	1st Sept. 1906
	1st Sept. 1905
	1st Sept. 1904
	1st Sept. 1903
	1st Sept. 1902
	1st Sept. 1901
	1st Sept. 1900
	1st Sept. 1899
	1st Sept. 1898
	1st Sept. 1897
	1st Sept. 1896
	1st Sept. 1895
	1st Sept. 1894
	1st Sept. 1893
	1st Sept. 1892
	1st Sept. 1891
	1st Sept. 1890
	1st Sept. 1889
	1st Sept. 1888
	1st Sept. 1887
	1st Sept. 1886
	1st Sept. 1885
	1st Sept. 1884
	1st Sept. 1883
	1st Sept. 1882
	1st Sept. 1881
	1st Sept. 1880
	1st Sept. 1879
	1st Sept. 1878
	1st Sept. 1877
	1st Sept. 1876
	1st Sept. 1875
	1st Sept. 1874
	1st Sept. 1873
	1st Sept. 1872
	1st Sept. 1871
	1st Sept. 1870
	1st Sept. 1869
	1st Sept. 1868
	1st Sept. 1867
	1st Sept. 1866
	1st Sept. 1865
	1st Sept. 1864
	1st Sept. 1863
	1st Sept. 1862
	1st Sept. 1861
	1st Sept. 1860
	1st Sept. 1859
	1st Sept. 1858
	1st Sept. 1857
	1st Sept. 1856
	1st Sept. 1855
	1st Sept. 1854
	1st Sept. 1853
	1st Sept. 1852
	1st Sept. 1851
	1st Sept. 1850
	1st Sept. 1849
	1st Sept. 1848
	1st Sept. 1847
	1st Sept. 1846
	1st Sept. 1845
	1st Sept. 1844
	1st Sept. 1843
	1st Sept. 1842
	1st Sept. 1841
	1st Sept. 1840
	1st Sept. 1839
	1st Sept. 1838
	1st Sept. 1837
	1st Sept. 1836
	1st Sept. 1835
	1st Sept. 1834
	1st Sept. 1833
	1st Sept. 1832
	1st Sept. 1831
	1st Sept. 1830
	1st Sept. 1829
	1st Sept. 1828
	1st Sept. 1827
	1st Sept. 1826
	1st Sept. 1825
	1st Sept. 1824
	1st Sept. 1823
	1st Sept. 1822
	1st Sept. 1821
	1st Sept. 1820
	1st Sept. 1819
	1st Sept. 1818
	1st Sept. 1817
	1st Sept. 1816
	1st Sept. 1815
	1st Sept. 1814
	1st Sept. 1813
	1st Sept. 1812
	1st Sept. 1811
	1st Sept. 1810
	1st Sept. 1809
	1st Sept. 1808
	1st Sept. 1807
	1st Sept. 1806
	1st Sept. 1805
	1st Sept. 1804
	1st Sept. 1803
	1st Sept. 1802
	1st Sept. 1801
	1st Sept. 1800
	1st Sept. 1799
	1st Sept. 1798
	1st Sept. 1797
	1st Sept. 1796
	1st Sept. 1795
	1st Sept. 1794
	1st Sept. 1793
	1st Sept. 1792
	1st Sept. 1791
	1st Sept. 1790
	1st Sept. 1789
	1st Sept. 1788
	1st Sept. 1787
	1st Sept. 1786
	1st Sept. 1785
	1st Sept. 1784
	1st Sept. 1783
	1st Sept. 1782
	1st Sept. 1781
	1st Sept. 1780
	1st Sept. 1779
	1st Sept. 1778
	1st Sept. 1777
	1st Sept. 1776
	1st Sept. 1775
	1st Sept. 1774
	1st Sept. 1773
	1st Sept. 1772
	1st Sept. 1771
	1st Sept. 1770
	1st Sept. 1769
	1st Sept. 1768
	1st Sept. 1767
	1st Sept. 1766
	1st Sept. 1765
	1st Sept. 1764
	1st Sept. 1763
	1st Sept. 1762
	1st Sept. 1761
	1st Sept. 1760
	1st Sept. 1759
	1st Sept. 1758
	1st Sept. 1757
	1st Sept. 1756
	1st Sept. 1755
	1st Sept. 1754
	1st Sept. 1753
	1st Sept. 1752
	1st Sept. 1751
	1st Sept. 1750
	1st Sept. 1749
	1st Sept. 1748
	1st Sept. 1747
	1st Sept. 1746
	1st Sept. 1745
	1st Sept. 1744
	1st Sept. 1743
	1st Sept. 1742
	1st Sept. 1741
	1st Sept. 1740
	1st Sept. 1739
	1st Sept. 1738
	1st Sept. 1737
	1st Sept. 1736
	1st Sept. 1735
	1st Sept. 1734
	1st Sept. 1733
	1st Sept. 1732
	1st Sept. 1731
	1st Sept. 1730
	1st Sept. 1729
	1st Sept. 1728
	1st Sept. 1727
	1st Sept. 1726
	1st Sept. 1725
	1st Sept. 1724
	1st Sept. 1723
	1st Sept. 1722
	1st Sept. 1721
	1st Sept. 1720
	1st Sept. 1719
	1st Sept. 1718
	1st Sept. 1717
	1st Sept. 1716
	1st Sept. 1715
	1st Sept. 1714
	1st Sept. 1713
	1st Sept. 1712
	1st Sept. 1711
	1st Sept. 1710
	1st Sept. 1709
	1st Sept. 1708
	1st Sept. 1707
	1st Sept. 1706
	1st Sept. 1705
	1st Sept. 1704
	1st Sept. 1703
	1st Sept. 1702
	1st Sept. 1701
	1st Sept. 1700
	1st Sept. 1699
	1st Sept. 1698
	1st Sept. 1697
	1st Sept. 1696
	1st Sept. 1695
	1st Sept. 1694
	1st Sept. 1693
	1st Sept. 1692
	1st Sept. 1691
	1st Sept. 1690
	1st Sept. 1689
	1st Sept. 1688
	1st Sept. 1687
	1st Sept. 1686
	1st Sept. 1685
	1st Sept. 1684
	1st Sept. 1683
	1st Sept. 1682
	1st Sept. 1681
	1st Sept. 1680
	1st Sept. 1679
	1st Sept. 1678
	1st Sept. 1677
	1st Sept. 1676
	1st Sept. 1675
	1st Sept. 1674
	1st Sept. 1673
	1st Sept. 1672
	1st Sept. 1671
	1st Sept. 1670
	1st Sept. 1669
	1st Sept. 1668
	1st Sept. 1667
	1st Sept. 1666
	1st Sept. 1665
	1st Sept. 1664
	1st Sept. 1663
	1st Sept. 1662
	1st Sept. 1661
	1st Sept. 1660
	1st Sept. 1659
	1st Sept. 1658
	1st Sept. 1657
	1st Sept. 1656
	1st Sept. 1655
	1st Sept. 1654
	1st Sept. 1653
	1st Sept. 1652
	1st Sept. 1651
	1st Sept. 1650
	1st Sept. 1649
	1st Sept. 1648
	1st Sept. 1647
	1st Sept. 1646
	1st Sept. 1645
	1st Sept. 1644
	1st Sept. 1643
	1st Sept. 1642
	1st Sept. 1641
	1st Sept. 1640
	1st Sept. 1639
	1st Sept. 1638
	1st Sept. 1637
	1st Sept. 1636
	1st Sept. 1635
	1st Sept. 1634
	1st Sept. 1633
	1st Sept. 1632
	1st Sept. 1631
	1st Sept. 1630
	1st Sept. 1629
	1st Sept. 1628
	1st Sept. 1627
	1st Sept. 1626
	1st Sept. 1625
	1st Sept. 1624
	1st Sept. 1623
	1st Sept. 1622
	1st Sept. 1621
	1st Sept. 1620
	1st Sept. 1619
	1st Sept. 1618
	1st Sept. 1617
	1st Sept. 1616
	1st Sept. 1615
	1st Sept. 1614
	1st Sept. 1613
	1st Sept. 1612
	1st Sept. 1611
	1st Sept. 1610
	1st Sept. 1609
	1st Sept. 1608
	1st Sept. 1607
	1st Sept. 1606
	1st Sept. 1605
	1st Sept. 1604
	1st Sept. 1603
	1st Sept. 1602
	1st Sept. 1601
	1st Sept. 1600
	1st Sept. 1599
	1st Sept. 1598
	1st Sept. 1597
	1st Sept. 1596
	1st Sept. 1595
	1st Sept. 1594
	1st Sept. 1593
	1st Sept. 1592
	1st Sept. 1591
	1st Sept. 1590
	1st Sept. 1589
	1st Sept. 1588
	1st Sept. 1587
	1st Sept. 1586
	1st Sept. 1585
	1st Sept. 1584
	1st Sept. 1583
	1st Sept. 1582
	1st Sept. 1581
	1st Sept. 1580
	1st Sept. 1579
	1st Sept. 1578
	1st Sept. 1577
	1st Sept. 1576
	1st Sept. 1575
	1st Sept. 1574
	1st Sept. 1573
	1st Sept. 1572
	1st Sept. 1571
	1st Sept. 1570
	1st Sept. 1569
	1st Sept. 1568
	1st Sept. 1567
	1st Sept. 1566
	1st Sept. 1565
	1st Sept. 1564
	1st Sept. 1563
	1st Sept. 1562
	1st Sept. 1561
	1st Sept. 1560
	1st Sept. 1559
	1st Sept. 1558
	1st Sept. 1557
	1st Sept. 1556
	1st Sept. 1555
	1st Sept. 1554
	1st Sept. 1553
	1st Sept. 1552
	1st Sept. 1551
	1st Sept. 1550
	1st Sept. 1549
	1st Sept. 1548
	1st Sept. 1547
	1st Sept. 1546
	1st Sept. 1545
	1st Sept. 1544
	1st Sept. 1543
	1st Sept. 1542
	1st Sept. 1541
	1st Sept. 1540
	1st Sept. 1539
	1st Sept. 1538
	1st Sept. 1537
	1st Sept. 1536
	1st Sept. 1535
	1st Sept. 1534
	1st Sept. 1533
	1st Sept. 1532
	1st Sept. 1531
	1st Sept. 1530
	1st Sept. 1529
	1st Sept. 1528
	1st Sept. 1527
	1st Sept. 1526
	1st Sept. 1525
	1st Sept. 1524
	1st Sept. 1523
	1st Sept. 1522
	1st Sept. 1521
	1st Sept. 1520

MARKET GOSSIP

(Concluded from page 631)

individuals. A broad estimate of the position is given below:

	1959	1958
Opening stocks	873.6	990.0
Production (January-September)	3,677.0	3,689.0
Total supply	4,550.6	4,679.0
Exports (January-September)	509.0	455.0
Closing stocks (at the end of September)	3,992.1	3,334.8

The shipments of mill cloth are currently said to be running at an annual rate of 800 million yards. The actual exports from Bombay Port during the eight months ended August 1959 were over 394 million yards, as against 366.5 million yards in the corresponding period of 1958. This Port accounts for more than 90 per cent. of the cloth exported from India. The estimate of total exports of cloth from India for the whole of 1959 is placed at 709 million yards, which compares favourably with the 587 million yards shipped in 1958 but is much lower than the export of 840 million yards effected in 1957.

The slight revival of upward trend in cloth exports is in keeping with the general improvement in the world cotton textile trade. The latest report of the U.K. Cotton Board, released on the 6th inst., contains an encouraging review of the textile activity in several parts of the world. "The cotton industry throughout the world," it says, "is now well out of the recession. Reports from many countries mention better levels of activity, lengthening order books and, in some but not all cases, improved profit margins." According to the Board, the revival of business in cotton goods is underlined by a higher rate of output in Britain, Japan and the U.S. Commenting on the rise in exports from Britain recorded during the months of July and August, it observes that "there is some reason to hope there will be a further modest increase in shipments during the remainder of the year." The Board points to a similar improvement in other textile producing countries also.

Trend of Tea

Tea prices are now generally dearer than last year. In London, plain broken pekoe was quoted last week at 3s. 4d. per lb., as against 2s. 7-3-11d. in the corresponding week of 1958. Doars teas are said to be selling well and good plain teas are in demand. While good quality teas are much in demand, there is a shortage of such teas, because of the general decline in the quality of best Assam C.T.C. At the same time, the prices of the latter teas have fallen and the difference in prices between the top and bottom quality teas has narrowed down, as will be seen from the following table of prices fetched at the Calcutta auctions:

	30-9-1959	1-10-1959
Export sale.		
Clean B.P.	1.98 to 2.02	1.95 to 2.00
Plain B.P.	1.88 to 1.92	1.70
Plain Fanning	2.08 to 2.16	1.80 to 1.86
Medium B.P.	1.92 to 2.04	1.75 to 1.85
Medium Fanning	2.12 to 2.24	1.90 to 1.95
Best Assam C.T.C. B.P.	2.30 to 2.75	2.70 to 2.90
Best Assam C.T.C. Fanning	2.70 to 3.15	2.90 to 3.20

	29-9-1959	30-9-1959
Internal sale (Dust).		
Medium Dust	1.94 to 2.00	1.78 to 1.80
Medium Assam	1.90 to 1.94	1.82 to 1.84
Medium Assam C.T.C.	2.00 to 2.10	2.15 to 2.25
Best Assam C.T.C.	2.50 to 2.70	2.50 to 3.00

The fall in the quality of good teas and the lower prices fetched for them has pulled down the average price fetched for North Indian tea at Calcutta this season (so far) from Rs. 2.64 to Rs. 2.45 per lb. at export sales and from Rs. 2.03 to Rs. 1.99 per lb. at sales for internal consumption.

South India teas have fared well and prices, except of top quality, are ruling higher over the year, as will be noted from the following table:

	29-9-1959	30-9-1959
Export sale.		
Low medium	1.80 to 1.90	1.52 to 1.65
Medium	1.95 to 2.20	1.70 to 1.90
Good medium	2.15 to 2.50	2.00 to 2.20
Quality	2.65 to 4.15	2.75 to 4.25

The crop figures of main tea producing countries so far available indicate that the overall supplies this year may not show any big variation, though, as was pointed earlier, there is a distinct shortage of good quality teas of the kind which blenders need. North Indian tea output (from April to September 1959) is higher by 14.6 million lbs. at 398.9 million lbs. Production in Pakistan (during April to September) is 2 million lbs. more at 39.3 million lbs. British East Africa has also raised its output from 25.7 million lbs. to 28.8 million lbs. (during April to September) and Nyasaland from 16 million lbs. to 18.5 million lbs. The rise in production in all these countries has been more than offset, albeit by a slight margin, by the setback in South Indian output (during January-August) from 108.9 million lbs. to 92 million lbs. and in Ceylon tea from 285.9 million lbs. to 276.6 million lbs. in the same period. Production in Indonesia (during January-June) has also dropped from 49.8 million lbs. to 47 million lbs.

SURVEY

(Concluded from page 635)

vis-a-vis dollar countries; last July, the percentages were raised to 93 and 60, respectively.

And, third, France fully assumed its many obligations under the European Common Market Treaty.

The reforms were no doubt painful to put through. Reduction in the budget deficit to a level that could be financed safely out of savings normally offered on the market was found to be unavoidable. The deficit, estimated at about 1,200 million francs in drafts of the 1959 budget, had to be almost halved, because, in the Commission's estimate, the Government could raise at the most only 600 billion francs without recourse to inflationary financing. In view of the economic recession, the Commission could not recommend any reduction in capital expenditure, and military outlays proved irreducible. Cost of servicing of past loans and civilian expenditures could not be cut. The Commission had, therefore, no other choice than to recommend a drastic slash of economic and social subsidies which it called "the most onerous feature of French finances." And the axe fell heavily on subsidies. Simultaneously, measures were taken to increase Government revenue. Prices of coal, gas and electricity and rail travel were put up. Contributions to social security system were raised. In order to suppress inflation, all arrangements tying income to prices were outlawed, with the sole exception of the basic national minimum wage for the lowest paid workers.

The Commission, in submitting its programme of reconstruction, warned that it would be difficult to carry out and that, though some of its features could be modified, it would not lend itself to partial adoption. "One does not add-rebuild an edifice that is crumbling," it added. The Government summoned enough courage to implement it and it did so quickly.

The Letter draws the conclusion that France's successful economic stabilisation is yet another proof that confidence in a nation's currency can be restored with quick and conclusive results if a Government impresses upon its people that impending dangers are critical and that there is no way out except by exerting great efforts and accepting temporary sacrifices. The French experiment also proves that, to be fully effective, financial reforms should be accompanied by economic reforms.

DEVELOPMENT OF INDIAN RAILWAYS

(Concluded from page 646)

Operation efficiency of railways is also affected by the performance at break-of-gauge points, marshalling yards, terminal goods station yards, operating and engineering restrictions. Efforts have been made during recent years to increase capacities in these respects for quick utilisation of rolling stock and for avoiding transport bottlenecks and line congestion.

It will thus be seen that a number of factors affect operational efficiency and that even a minor factor may vitiate the operating results substantially. Goods traffic being the cornerstone of the nation's economic and industrial life, every effort should be made to foster its development. With a view to obtaining better utilisation, "Smalls" should be discouraged. Extension of nominated loadings will enable the railways to load full wagons, with resultant acceleration in transit and economy in wagon usage. Intensification of supervision and co-ordination of work will secure greater operating efficiency.

The achievements in recent years have doubtless been impressive and encouraging. But this success should not make the railway administration complacent. It should only be considered as the precursor of a new era of greater expansion and efficiency which the growing economy of the country must have for its success. There is still vast room for improving the functional efficiency and making economies. The administration has to work with more vigilance and efficiency to retain the confidence of the taxpayer and to safeguard the ever-increasing heavy capital investment on railways. In view of the vast gap between the demand for, and the availability of, resources, the emphasis on human efficiency and better management cannot be overdone. But then we must not forget one thing. The present capacity of the railways and the present types of equipment of the railways have already reached the point where the law of diminishing returns has begun to operate in certain spheres. Hereafter, much advance in operational efficiency would not be possible, except with a radical change in the methods adopted, such as large-scale electrification, doubling of track, modern systems of signalling, introduction of teleprinters, electronic devices, push-button cabins, centralised traffic control, and so on.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 15th October, 1959.

	Closing quotations 8-10-1959	High	Low	Closing quotations 15-10-1959
TEXTILES				
Ahm. Adv. (100)	168.50	170.00	166.25	166.25
Apollo (2)	1.36	1.38	1.34	1.34
Bombay Dyeing (25)	65.00	69.00	67.80	69.20
Bradbury (50)	137.50	137.50	133.75	133.75
Central India (100)	117.50	119.50	113.00	113.00
Century Mills (100)	253.00	262.50	247.00	247.00
Edward Textile (200)	220.00	220.00	215.00	215.00
Ripplstone (50)	37.00	37.00	36.00	36.00
Finlay (100)	225.00	232.00	224.00	229.50
Gokul (100)	171.00	182.00	175.50	179.50
Ind. Unit. Deld. (1)	1.24	1.28	1.22	1.24
Ind. Unit. Ord. (10)	11.16	11.48	10.96	11.40
Indore Mills (100)	90.00	100.00	97.00	97.00
Khatana (100)	276.25	276.25	270.00	271.25
Kohinoor (100)	319.50	325.00	313.00	317.00
Lakshmi (50)	470.00	470.00	470.00	470.00
Minerva Mills (100)	62.00	70.00	62.00	70.00
Model Knitwear (250)	60.00	60.00	60.00	60.00
Morari (100)	290.00	290.00	288.75	290.00
Mysore (50)	75.00	76.00	74.50	74.50
National Rayons (100)	375.50	388.25	372.75	384.50
New City (100)	125.50	125.50	122.50	125.00
New Great (100)	170.00	170.00	168.00	168.00
Phoenix (100)	145.00	148.50	143.50	148.00
Polar Mills (100)	145.00	151.00	146.00	148.00
Sassoon Silk (10)	10.00	10.00	10.00	10.00
Sassoon Spg. (10)	70.00	70.00	39.75	40.50
Shiraz (100)	125.00	125.00	122.00	122.00
Simplex (50)	152.00	152.00	150.00	150.00
Standard (100)	637.00	649.00	635.00	635.00
Stratford (100)	282.00	284.00	283.00	280.00
Swan (100)	420.00	420.00	420.00	422.50
Tata Mill (25)	49.00	49.00	47.25	47.25
Yashwanth (100)	112.00	113.00	112.50	113.00
Western India (1,000)	4,476.00	4,476.00	4,476.00	4,476.00

BANKS				
Bank of India (50)	112.00	112.25	110.50	111.00
Do. (New) (50)	114.50	114.50	113.50	114.50
Bank of Baroda (50)	103.00	103.00	101.00	101.00
Central (25)	49.00	49.00	48.00	48.00
Central A. (25)	51.00	51.00	50.50	51.00
Dena Bank (50)	63.50	63.50	63.00	63.00
Punjab National (10)	21.00	21.50	21.00	21.00
Union Bank (5)	7.00	7.12	7.00	7.08
United Com. (50)	65.00	65.00	61.00	61.00

ELECTRIC COS.				
Ahmedabad (100)	96.20	96.20	95.70	95.80
Amalgamated (10)	11.10	11.10	11.12	11.16
Andhra Valley (1,000)	1,107.50	1,107.50	1,090.00	1,090.00
Bom. Elec. Co. (100)	105.75	105.50	105.00	105.00
Burat (100)	105.50	105.50	104.50	105.00
Tata Hydro (100)	113.50	113.50	112.50	113.00
Tata Power (1,000)	1,155.00	1,157.50	1,122.50	1,125.00

INSURANCE COS.				
British India (10)	14.24	14.24	14.24	14.24
Empire of India (100)	200.00	200.00	200.00	200.00
Ind. Merc. India (20)	48.00	48.00	45.75	46.00
Jupiter (15)	6.00	6.00	6.00	6.12
New India (15)	59.80	59.80	60.00	60.00
Volcan (10)	21.52	21.52	21.52	21.52

STEEL COS.				
Ind. Iron (10)	24.08	24.66	24.12	24.20
Midland Iron (10)	21.58	21.80	21.48	21.72
Tata Steel (70)	164.25	166.00	163.25	164.75

SUGAR COS.				
Bolapur (50)	840.00	840.50	830.00	832.00
Burari (100)	25.25	25.25	25.25	25.25
Changdeo (12.50)	37.00	39.50	37.00	39.00
Phalari (50)	182.00	182.00	178.00	181.00
Walchand Ind. (100)	851.25	881.25	827.50	831.25

CEMENT COS.				
Associated Cts. (100)	153.50	154.25	151.50	152.75
Digvijay (100)	147.75	148.00	146.75	147.25

MISCELLANEOUS				
Alcock Ashdown (100)	266.00	266.00	266.00	266.00
Bom. Burmah (125)	553.00	553.00	553.00	553.00
Do. (New) (50)	190.50	190.50	185.00	190.00
Br. Patrol (4 sh.)	1.40	1.40	1.40	1.40
Br. I. Corp. (5)	5.08	5.08	5.08	5.08
Hindustan Lever (10)	31.00	31.50	30.90	31.00
Hindustan Motor (16)	13.50	14.08	13.40	13.80
Indian Copper (2 sh.)	4.04	4.04	4.04	4.04
Ind. Inv. Tr. (100)	80.00	80.00	79.50	80.00
Larsen & Toubro (10)	131.00	131.00	129.50	129.50
Mahindra & Mahindra (100)	22.44	22.44	22.44	22.44
Polson (100)	142.00	142.00	142.00	142.00
Pr. Automobiles (100)	135.00	140.00	135.00	135.00
Freemier Con. (80)	87.50	90.50	87.50	87.50
Seladia (50)	37.50	39.50	37.50	39.50
G. R. Shipping (10)	20.75	21.92	17.08	17.32
Shirpur Paper (10)	90.00	94.00	89.50	90.00
Tata Chemicals (10)	17.04	17.40	16.00	16.32
Tata Composites (100)	206.00	206.25	206.00	206.00
Tata Oil (25)	65.00	65.00	65.00	65.00
Volcan (100)	182.75	185.00	178.00	182.00
W. I. Match (100)	228.00	230.50	228.00	228.00

		8-10-59	Gross Yield		15-10-1959
GOVERNMENT SECURITIES		Rs.	Earlier Redemption	Later Redemption	Rs.
2 1/2%	1961	98.20	-	3.50	98.25
2 1/2%	1960	98.75	-	3.20	97.95
2 1/2%	1962	97.75	-	3.51	97.75
2 1/2%	1963	98.25	-	4.13	98.25
2 1/2%	1964	98.00	-	4.41	98.00
2 1/2%	1965-66	98.00	-	3.85	98.00
2 1/2%	1970-75 1st Dev.	96.00	3.60	3.51	93.15
2 1/2%	1980-85 1st Dev.	74.90	3.78	3.57	74.95
2 1/2%	1990-95 1st Dev.	100.00	-	4.85	100.00
2 1/2%	2000-05 1st Dev.	100.00	-	4.38	100.00
2 1/2%	2010-15 1st Dev.	100.00	-	4.48	100.00
2 1/2%	2020-25 1st Dev.	99.65	-	4.33	99.65
2 1/2%	2030-35 1st Dev.	99.65	-	4.78	99.65
2 1/2%	2040-45 1st Dev.	99.65	-	5.00	99.65
2 1/2%	2050-55 1st Dev.	99.65	-	5.62	99.65
2 1/2%	2060-65 1st Dev.	99.65	-	5.55	99.65
2 1/2%	2070-75 1st Dev.	100.00	-	5.45	100.00
2 1/2%	2080-85 1st Dev.	100.00	-	5.27	100.00
2 1/2%	2090-95 1st Dev.	100.00	3.21	5.22	100.00
2 1/2%	2100-05 1st Dev.	101.65	-	5.84	101.65
2 1/2%	2110-15 1st Dev.	101.65	-	5.85	101.65
2 1/2%	2120-25 1st Dev.	100.10	-	5.81	100.10

other country has given loans repayable in local currency and on terms as favourable as those of the D.L.F.

The argument that, in terms of plant and machinery, know-how, etc., the dollar buys more outside the U.S. than inside can be easily overdone. The fact that India has not been able to use the Export-Import Bank loan to the same extent as the D.L.F. loan is there. At the same time, there are also the facts that the Government of India has not done its best to facilitate the use of this loan and that a similar situation exists in the case of credits given by other countries also, Japan and W. Germany providing striking examples. This country must try to use more of American goods, if it expects large assistance from the U.S. It is possible that the large-scale industrialisation envisaged in the third Plan will provide more opportunities to do so than the schemes under the second Plan. The chances will be better, if the private sector is given a more prominent place than is now contemplated by our policy-makers. There is sufficient evidence to support this view in the recently announced industrial projects as, for instance, the Hindustan Aluminium of Birlas, the Kilachand-Firestone synthetic rubber project, and the Mercks-Voltas pharmaceutical enterprise; quite a few more projects are in the offing. The public sector also can expand in combination with American capital, instead of confining the greater part of its attention and affection to the Communist bloc.

Spokesmen of the U.S. Government in India and Washington have sought to mollify the disappointment caused by the change in the lending policy of the D.L.F. by pointing out that it would help this country to get more aid from Western Europe. This explanation is somewhat far-fetched. As already stated, the U.S.'s desire to lessen its burden of foreign aid and to persuade Western Europe to take a leading part in world economic development is both understandable and justified. But the assumption that a mere tightening up of the conditions of its own aid to underdeveloped countries would induce Western Europe to render liberal aid to these countries is not convincing. It would be more true to say that the non-availability of D.L.F. dollars to be spent in Western Europe would make it difficult for that advanced region to sell plant and machinery and know-how to underdeveloped areas. It does not necessarily mean that the West European nations will try to overcome this difficulty by giving credit on liberal terms. They have not done so up to now. Although, for well over a year, European statesmen have been saying that underdeveloped nations should be helped, they have not matched their words with deeds. On the contrary, the European representatives who attended the Fund-Bank meetings were very lukewarm in their support to the establishment of the International Development Association and wanted the terms of its loans to be less liberal than those contemplated by its promoters. It is obvious that the Western countries need a lot more effective persuasion to be convinced that it is in their own interest to do for the underdeveloped countries what the U.S. did for them for repairing their war-shattered economies.

TARGET FOR STEEL

NOT only in India, but even in the West, the targets for steel industry and estimates of probable expansion in demand for steel do cause some controversy. Frequently, the best framed estimates go wrong, actual demand for steel either exceeding or falling below anticipated requirements. In India, the steel pendulum, after having swung from one extreme to another, is trying to readjust itself. At one time, the Government spokesmen bitterly complained, not justifiably, of course, that the demand for steel had been underestimated by the trade and industry. This was roughly at the time of the commencement of the second Plan. The country was shocked into a sense of new urgency about steel expansion, the second Plan envisaging an increase in steel output to six million tons (ingot). In fixing this target, the authorities seem to have felt that it was the minimum that should be aimed at and that the third Plan would see a more strident increase in demand. A target of 15 million tons under the third Plan was the vision conjured up by some spokesmen. But even steel could prove to be too much of a good thing. Second thoughts have pointed to a less ambitious target. The Government is now willing to set the target lower at 10 million tons.

The whole issue about the steel target for the third Plan and all the allied problems relating to its achievement were succinctly discussed by Mr. Jehangir J. Ghandy, the Director-in-charge of the Tata Iron and Steel Company,

Ltd., in the course of his address to the Rotary Club, New Delhi, last week. Elsewhere in this issue appears an article based on the address. Speaking with a knowledge and an authority which he derives from a devoted service to the cause of the industry, extending over a period of more than four decades, Mr. Ghandy stresses the need for some caution in the fixation of steel targets, for encouragement to self-financing by steel enterprises and for the creation of facilities for the rapid growth of steel-consuming industries in India. It is, of course, undeniable that the case for a larger increase in steel production rests on very solid economic grounds. After all, steel is the basis of industrial expansion. The per capita consumption of steel in India is only about 11 lbs., as compared with 1,237 lbs. in the U.S., 628 lbs. in the U.K. and 540 lbs. in Australia. Even a doubling of India's steel output will not make any appreciable difference to its status among steel-consuming countries. Further, in the last few years, India has had to spend large amounts of foreign exchange on imports of steel which would have been sufficient to establish more than one steel factory; in the past five years, it has spent over Rs. 300 crores on imports of steel. It has been computed that every additional million tons of steel produced in India to meet its growing domestic demand will help save about Rs. 62 crores of foreign exchange. These considerations will serve to indicate the significance of steel production to Indian economy.

It would, however, be wrong to over-emphasise the importance of steel to the exclusion of other equally vital sectors of economy. For it must be remembered that steel is among the most capital-intensive of industries. It has been computed that a steel enterprise will require about Rs. 80,000 of capital investment per worker, as against Rs. 15,000 for a large-scale consumer or producer goods industry and Rs. 3,000 for a reasonably productive small-scale industry. It will require Rs. 200 crores to set up a new steel unit with a million-ton capacity and about Rs. 100 crores to increase the output of an existing unit by one million tons. Obviously, a great deal of care must be exercised before the authorities commit the country to a too ambitious steel target which implies a liberal use of the admittedly limited capital resources. The balance of advantage lies in giving priority to expansion of existing enterprises over the establishment of new units. Since existing units, whether in the public or private sector, can expand only if they are allowed to make and plough back profits—Mr. Ghandy pointed out how 80 per cent. of the steel expansion in the U.S. steel units has been financed by retained profits—there is a case for according liberal treatment to them in the matter of fixing retention prices. Again, in fixing the target for steel, some estimate of the growth of demand for steel has necessarily to be made. It would appear that there is a difference in the estimates made by the National Council of Applied Economic Research and the Government; the former places the demand in 1963-66 at six million tons of finished steel and the latter places it at 7.3 million tons. No one could claim absolute infallibility for any of these estimates. But, if a choice has to be made, it is certainly better to go by a lower estimate, leaving the door open for the acceptance of the higher one at a later date. Mr. Ghandy was inclined to favour a lower target of nine million tons for the third Plan, as against the Government's 10 million-ton target. But, as he emphasised, whichever target is accepted, it will be safer and economically more advantageous not to adhere to it too rigidly but to "maintain an elasticity of approach."

What is, of course, more relevant to steel industry is that facilities must be created for the rapid expansion in steel-consuming industries. Mr. Ghandy doubted whether the engineering industry would be able to use the larger quantities of steel that might be produced, unless "it prepares itself to do so from now." This is, indeed, the crux of the steel problem in the near future. It is true that, if there is a surplus, India could export the surplus steel to foreign countries. But world production of steel is expanding, though there was a slight fall last year when output aggregated 260 million tons, as against 287 million tons in 1957; this fall was mainly due to the stagnation in the U.S. where production fell from 101 million tons to 76 million tons. Surely, India cannot compete with other steel-producing countries which have well-established steel industries and which are also in a position to offer attractive credit terms. Apart from this consideration, there is a real advantage in exporting steel manufactures rather than finished steel, in that the former earns three to four times more foreign exchange. It is, therefore, essential that steel-using engineering industries should be enabled to expand,

in order to meet domestic demand for their products as well as participate more effectively in India's export trade. It may be mentioned here that, in recent years, these industries have given evidence of considerable sense of export awareness. They will receive a powerful fillip if the basic raw material, namely, steel, is freely made available to them at attractively low prices. At present, the selling prices of some semi-manufactured steel products like bars and rods, are much higher than those in the U.S., the U.K. or Japan. A reduction in selling prices for steel would strengthen the economy of engineering industries.

A closely allied issue in determining the pace of expansion of steel production is the availability of technical personnel. It has been computed that a one-million-ton steel plant will require some 650 to 670 supervisory trained staff and about 6,300 operatives and skilled workers. At present, the steel plants in the public sector have undertaken schemes of technical training for their staff; arrangements have been made for their training in the U.S., the U.K., the U.S.S.R. and elsewhere. But it takes nearly ten years to make a tolerably efficient steel man. This consideration calls for two adjustments. In the first place, before new steel plants are planned, a careful assessment about the availability of trained men must be made. Secondly, some means must be found to retain the technological connection which the existing plants have established with their foreign principals until such time as Indians have been properly trained for the positions now occupied by foreign personnel. In the absence of such an arrangement, it may well become extremely difficult to run the enterprises efficiently once the foreign element in the staff is withdrawn after the expiry of the period of agreement which now governs the relationship between India and the foreign steel interests. This calls for early and prompt action.

LATE GENERAL MARSHALL

THE death of General George C. Marshall, in Washington last week, removes from the world scene an outstanding personality of our time. Born 78 years ago, General Marshall, who was the Chief of Staff of the world's greatest army in the world's greatest war, proved to be one of the most farsighted of the statesmen that were destined to leave an enduring mark in world history. Justly regarded as a soldier-statesman, General Marshall had a truly international humanitarian outlook, in keeping with the best traditions in American political philosophy. At the close of the World War II, General Marshall was among those Americans who realised that the war-shattered world economy should be promptly nursed back to normalcy and set on the road to recovery if peace was to have any real significance for the common man. Speaking at Harvard in June 1947, General Marshall said: "Our policy is not directed against any country or doctrine, but against hunger, poverty, desperation and chaos." He stressed that "the goal of American policy should be the creation of conditions in which free institutions can exist." It was in this spirit that he conceived the European Recovery programme, which came to be so appropriately associated with his name as to be known as the Marshall Plan. It may be recalled, not with any sense of fault-finding but out of a sense of loyalty to historical truth, that only the West European countries responded to General Marshall's initiative; the U.S.S.R. and under its influence, the entire Eastern Europe, refused to discuss a co-operative recovery programme.

The Marshall Plan has been the most significant turning point in world economic history. It enabled Western Europe to survive the ravages of World War II which, more than any other war in world history, had thrown world economy into a state of utter disrepair. Begun on 3rd April 1948, the Marshall Plan in four years of its life pumped into Europe over \$12,500 million worth of aid. Europe recovered fast under the economic blood transfusion on which the Plan meant for its economy. Between 1947 and 1957, the output of the countries of the Organisation of European Economic Co-operation increased from \$138 billion to \$234 billion. It is to the fillip given by the Marshall Plan that Europe owes its recovery which, in its turn, has been an important stabilising factor in the economic history of the post-war world.

The tributes paid to General Marshall's memory by the world's Press and leading statesmen are an index of the high regard in which he was held in all countries. Of him, it could be truly said that he was a man who was "first in war, first in peace." Although his war records may be forgotten, successive generations will gratefully acknowledge that the Plan he initiated was a distinctive contribution to the cause of the peace and prosperity of the world.

MARKET GOSSIP

THE upward trend in commodity markets has slackened, due to profit-taking by bulls. Movement of both cotton and groundnut crops has begun, resulting in a rise in supplies in some of the terminal markets. There is a feeling that the earlier estimates of damage to crops on account of floods and excessive rains at the tail-end of the monsoon were rather exaggerated. That may be so, but even the revised estimates of crops are not sufficiently encouraging. They are well below the country's requirements for both domestic consumption and export, so that, as the 1959-60 crop year progresses, the supply of cotton, oilseeds, sugar and foodgrains will fall short of the demand. It will not be wise, therefore, to assume that the coming months will witness an appreciable fall in commodity prices.

Although inflation in many parts of the world is under control, world commodity prices have been gradually moving up in recent months, because of the steady upward curve in industrial production. The West European countries, which, as a group, absorb more than one half of the raw materials and foodstuffs exported by the underdeveloped countries, are free from monetary problems and their recovery from the 1958 recession is being well maintained. The *Financial Times* index number of world commodity prices (base: 1st July 1952=100) stood at 82.33 on the 16th inst., as against 79.43 a year before. Thus, the world position also does not point to any setback in prices of primary produce.

Bullion prices in Bombay have established fresh all-time record high levels this week. Usually, on the eve of *Diwali*, the trend of bullion will be blighty upward, to be followed by a drop after the festival. The busy season for it really begins after the second week of January and ends in May or June, when the prices touch the peak level for the year. While the price curve may follow this pattern in the coming months also, the point to be noted is that prices have already touched very high levels, which are well above the previous highest peaks. This is the result of buying by some operators, who anticipate that, in the busy season ahead, the available supplies of gold and silver alike will not be adequate to meet the demand and that there may, therefore, be a further handsome rise in prices. It would not be surprising, if their surmise turned out to be correct, because all available indicators (vide page 615 of *Commerce* dated 10th October 1959) point in that direction.

There have been no new developments in the share markets. The high levels to which equities have climbed up are being well maintained, despite good profit-taking by bulls in a market believed to be bereft of short-sales. Over the week, the list is dominated by plus signs, even though the closing rates are lower than the highest levels witnessed earlier in the week.

British Bank Rate

The substantial rise in interest rates in the U.S., referred to in these columns last week, have so far had no effect on interest rates in Western Europe. The only effect it has had is to arrest some of the contemplated borrowings by continental countries in the U.S. Sales of foreign bonds in the U.S. amounted to \$1,000 million last year, but in the current year they have been running at less than half of that amount. With the pound sterling ruling firm and with Britain's balance of payments position comfortable, there are no signs that the rise in money rates in the U.S. is causing any strain on the U.K. There has been no outflow of hot money even during Election uncertainties. Now that the Conservative Party has been returned to power by an overwhelming majority, the confidence in the £ has been strengthened further. There is also no reason to believe, according to observers in London, that economic re-expansion in Britain will outpace the available resources. Reduction and reshaping of defence programmes is actually expected to yield surplus capacity in capital goods industries. The boom on the London Stock Exchange has caused no alarm among the authorities and is simply regarded as an index of investors' supreme satisfaction with the Tory victory in the hustings. If at any time consumer expenditure tended to rise to unhealthy levels, such could, it is pointed out, be checked through suitable controls on hire-purchase finance. In view of all this, there is no possibility of an increase in the British Bank rate in the foreseeable future. Even the "defensive increase" in the Bank rate which had been expected some time back, when North American money rates began to move up to levels well beyond those prevailing in London, is now considered as unnecessary.

du Pont-G. M. Alliance

An important decision relating to the ending of monopoly of one company in another by virtue of its shareholding in the latter without selling any of its holdings was given in Chicago recently by the Federal judge. The two companies involved were General Motors Corporation, the biggest manufacturer of automobiles in the U.S., and the E. I. du Pont de Nemours & Co., one of the largest chemical manufacturers. The du Pont Company holds 35 million shares of General Motors, an interest single holding representing a 23 per cent. interest worth \$3.5 billion. It is also the main supplier of paints and upholstery fabrics to the G.M.C. The two main issues before the Court were: (1) whether the du Pont's large holding in G.M.C. violates the Clayton Anti-Trust Act and

(2) whether the monopoly could be ended without asking du Pont to sell its holdings in G.M.C.

The U.S. Government's bid to end this "unholy alliance" between du Pont and G.M.C., both giants in their own fields, dates back to 1949. Its case was that du Pont's ownership of 23 per cent. of G.M.C.'s shares gave it a privileged position in respect of supplying paints and fabrics to General Motors and was, therefore, illegal under the Clayton Act, inasmuch as it tended to create a monopoly. It, therefore, suggested that du Pont should sell 43 million shares out of its holdings to the du Pont shareholders and that the balance should be sold to the public over a ten-year period. The Company (du Pont), however, contended that such large-scale release of shares would disrupt the market and hit many innocent investors in two ways. First, there would be a heavy depreciation in the value of both du Pont and G.M. shares. Secondly, the distribution of shares would be treated by the authorities as ordinary income for tax purposes.

The case was first dismissed by a Federal judge of Chicago in 1954. The Supreme Court, however, overruled the Federal judge's decision in 1957. By a four-to-two majority decision, the Supreme Court held that du Pont's acquisition was illegal under the Clayton Act. It added that, through its ownership of stock in the G.M.C., du Pont obtained an advantage in the market for automotive fabrics and finishes—90 per cent. of the Company's sales to the automobile industry are made to the G.M.C.—and that this tended to create a monopoly. The Court was of the opinion that du Pont did not acquire the position as the main supplier of these products through competition and that the original purchase of stock in G.M.C. was not intended to be a mere investment. The case was, therefore, sent back to the Chicago Federal District Court to order an equitable remedy.

The Supreme Court's decision came as a shock to business men in the U.S., in that it enabled the Government to take power to bring anti-trust suits against acquisition of large holdings of companies many years after it had taken place, if subsequent changes in trading conditions brought about a violation of the Anti-trust Act. In the case of du Pont, it may be noted, the Clayton Act was sought to be applied long after the Company had acquired the shares of G.M.C.

The Federal judge in Chicago, the same individual who had dismissed the Government's suit against du Pont in 1954, has now given the ruling that the du Pont can end its association with the G.M.C., without disposing of its holdings in the latter. The judge accepted the Company's contention that any large-scale sale of G.M. stocks would cause harm to the U.S. economy. He, however, ordered that du Pont should not exercise any voting rights on its holdings and that no du Pont family-holding companies could acquire additional stock interest in the G.M. The voting rights could, however, be transferred to du Pont's shareholders outside the du Pont family. He went further and added that "all preferential trade arrangements or understandings between du Pont and General Motors will be cancelled and they will be prohibited from entering into any such arrangements or embarking on joint commercial ventures so long as du Pont owns General Motors stock." It is stated on behalf of du Pont, that no preferential trade agreement exists between the two companies.

The aforesaid ruling of the Chicago Federal judge may be novel to the U.S., but not so to India, the Government of which also is strongly opposed to the creation of monopolies, albeit in the private sector only. As readers are aware, under the Indian Banking Companies Act, the voting rights of any one shareholder are limited to five per cent. of the total voting rights of all shareholders, even though he may hold more than five per cent. of the total number of shares. A similar restriction existed in the case of the Reserve Bank of India before it was nationalised. In the case of the State Bank of India, the voting right which a person, other than the Reserve Bank of India, can exercise is restricted to one per cent. of the issued capital.

Be that as it may, it would appear that the U.S. Department of Justice is not satisfied with the decision of the Chicago judge, for it is reported that it would go on appeal to the Supreme Court, again, against the ruling of the Chicago Federal Court.

Tokyo Session of G.A.T.T.

Much interest attaches to the fifteenth session of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.) which is scheduled to meet in Tokyo next week. Since the session is being held in Tokyo, Japan, which has reasons to feel aggrieved over the treatment accorded to it in recent years in respect of international trade negotiations, may be expected to make an attempt at convincing its visitors how wrong they have been in their estimate of its economy. Thus, it would certainly like to show that its industrial economy is no longer based upon low-paid labour. Again, the U.S. and Canada will certainly advocate the ending of discrimination against dollar goods, for which the rest of the developed countries are perhaps much better prepared now than they ever were in the post-war period.

Further, the circumstance which makes the Tokyo session an important one is that it is meeting against the background of significant developments in world economy, such as the emergence of the European Common Market, the proposed Little Free Trade Area, and the continuing expansion in world economy. There is no doubt that the re-

gional arrangements, like the Common Market, are a source of concern for all underdeveloped countries. The creation of a preferential market for the producers of raw materials who are associated with the Common Market countries is bound to affect the export earnings of the underdeveloped independent nations. The pace of economic expansion in these countries which has not been as rapid as in the industrially advanced countries, may conceivably be retarded by the impact of regional trading blocks. In this connection, it will be interesting to note what the Managing Director of the International Monetary Fund, Mr. Per Jacobsson, had to say on the problem of export earnings of underdeveloped countries. In the course of his statement to the annual meeting of the Board of Governors of the Fund, Mr. Jacobsson said:

"Over the last ten years, industrial production in the Western world has been expanding at a rate of almost 5 per cent. per annum, and the volume of imports of the industrialised countries by 6 per cent. On the other hand, the exports of the primary producing countries have risen in volume by only a little over 3 per cent. per annum, and the real value of these exports—in terms of their power to purchase imports—by just over 2 per cent. In a large measure, these developments have generally been the result of certain technical aspects of recent economic growth. Thus in the highly industrialised countries expansion of output has been heavily concentrated on more complicated manufactured goods, such as machinery, electrical goods, aircraft, etc., with a relatively low raw material content, which has limited the demand for raw materials. The more effective use of materials, perhaps most strikingly illustrated by the tin-saving process of electrolytic plating, has had a similar effect. In addition, the substitution of synthetics for raw materials, which has been rapidly spreading in many of the major branches of manufacturing, has been of great importance—the use of plastics, detergents, synthetic fibres, and synthetic rubber, to mention just a few. The immediate impact of these changes is no doubt unfavourable to raw material exporters, at least during a transitional period, but they are part of the technological progress of our times."

Mr. Jacobsson, of course, did not give way to any defeatist mood over the unsatisfactory trend in export earnings of primary producers. He insisted that these producers should solve the problem by introducing more effective methods of production, so as to retain their share in world markets. At the same time, he felt that the more highly industrialised countries had a contribution to make to the solution of the problem. They could sustain the demand for raw materials by maintaining their own economic programmes. Further, their tariff policy also had a relevance to the economic development of the underdeveloped countries. Referring to the tariff and protectionist policies in the industrialised countries, Mr. Jacobsson remarked:

"Their food production, often highly protected, has risen despite a decline in the agricultural population. Here is a field in which these countries could make an effort to dismantle a number of protectionist measures that are clearly harmful to the interests of the primary producing countries. . . . After all, Europe has benefited so much from the relatively low prices of primary products in the last three years that it might well extend some counter-benefits to the producers of these products."

Clearly, an expansion in the trade of underdeveloped countries will provide the necessary fillip to their development. To the extent the industrialised countries facilitate such expansion, whether through easing tariff restrictions or by other means, they will, therefore, be aiding the economic progress of the world as a whole.

Export Risks

The Export Risks Insurance Corporation, which was established on 4th October 1957 as a Government-owned company, has just completed two years. Export risks insurance, though well established in the countries of the West, is still a novelty in India. Exporters in this country have yet to develop sufficient export risks insurance mindedness to go in for coverage of risks. It is, therefore, too much to hope a pioneering institution like the Corporation to show striking and spectacular results in a short period. Apart from the teething troubles, which any organisation has invariably to face in the initial periods, there are also, in this case, the difficulties arising from the lack of understanding of the Corporation's role or from wrong impressions of its working. The Corporation cannot go out of its way to popularise the service it offers, because it is bound to work strictly on business principles. Moreover, it has to avoid scrupulously competition with general insurers and steer clear of the fields in which private insurers traditionally operate. The nature of the Corporation's business is also such that it cannot, so we are told, seek guidance from established credit insurers in countries like the U.K. or West Germany or draw upon their experience. Credit insurers throughout the world keep their underwriting principles and practices a strictly guarded secret. The Corporation has, therefore, to fall back upon its own ingenuity and keep its policies and methods under revision in the light of experience it gains in the course of its operation.

These factors should be borne in mind as one glances at the performance of the Corporation during the two years of its existence. It is heartening to note that, despite its many limitations, the progress of the Corporation has been very encouraging. In the second year of its working, what is, in the twelve-month period ended 30th September 1959, the Corporation issued 222 policies,

(Continued on page 716)

EQUITIES ERRATIC SELLING PRESSURE AT HIGHER LEVELS

(From Our Own Correspondents)

BOMBAY, 22nd October

A TWO-SIDED movement in prices was the main feature of trading on the Stock Exchange during the week under review. Early in the week, equities made further headway on strong bull support and heavy short-covering. End-of-account considerations did not have any dampening effect on the bullish enthusiasm. The cheerful tone was extended to the new account also which opened on Monday this week. Encouraging advices from Calcutta, where the market reopened on Monday after the *Puja* holidays, also aided sentiment and equity prices flared up to fresh heights. At higher levels, however, there was heavy unloading induced by apprehensions that the rules regarding margins on shares might be amended, with a view to checking excessive speculation. There was, therefore, a sharp setback in prices, which wiped out a good part of the earlier gains. Trading also thinned down during the last three days.

The highlight of the week's trading was again provided by Centurys which were very erratic. They shot up to a new high of Rs. 617 before coming down to Rs. 604 today. The earlier rise was a sequel to reports that the Company had plans not only to expand its existing lines of production but also to enter new fields, such as manufacture of tyre yarn, nylon yarn, caustic soda and cellophane paper. The details of the expansion schemes are given on page 680 of this issue. There were also renewed rumours that the Company had obtained sanction for its rights issue. The position was, however, cleared by the Company in the course of a communication to the Stock Exchange. It was stated that the Company had earlier applied for permission to issue new ordinary shares at par in the ratio of one share for every five existing shares. In reply to its application, the Government wrote to the Company to the effect that considering the high market value of the shares and the large financial requirements for its expansion programme, the Company should issue the shares at a premium. Accordingly, the Company revised its application and has sought the Government's approval for issue of rights shares of Rs. 100 each at a premium of Rs. 20 per share on the basis of two shares for every three existing shares.

In the steel section, Tata Ordinaries advanced from Rs. 164.75 *cum-div.* to Rs. 163 *ex-div.* (equivalent to Rs. 169.80 *cum-div.*) before reacting to Rs. 159.25 *ex-div.* today. The closing was done at Rs. 160. The Rights were done at Rs. 75.50. Indian Irons, picked up from Rs. 24.20 to Rs. 24.68, but heavy profit-taking pushed them back to Rs. 24.24 before they closed at Rs. 24.40.

Textile shares presented a mixed pattern. Bombay Dyeings finished with a loss of 30 nP at Rs. 68.90, after scaling up to Rs. 69.80. As stated earlier, Centurys shot up to Rs. 601 to Rs. 617 before drifting lower to Rs. 604. At the close, however, there was a mild recovery to Rs. 608. Kohinoors finished a fraction higher at Rs. 317.50 after fluctuating between Rs. 329 and Rs. 315. Central Indias lost Rs. 2 to Rs. 113, while Finlays held ground at Rs. 306. Indu Ordinaries dipped from Rs. 11.40 to Rs. 10.72 and Khatus from Rs. 271.25 to Rs. 267.59. Morarjees were unchanged at Rs. 270. After a rise from Rs. 176 to Rs. 180, New Greats closed lower at Rs. 178.50. Shree Niwas Cottons were marked up by Rs. 10 to Rs. 238 and Simplex by Rs. 150 to Rs. 160.50.

In the sugar section, Belapurs were erratic moving between Rs. 339 and Rs. 330. The closing was, however, done at Rs. 335, a rise of Rs. 3 over the week. Phaltans gained Rs. 2 to Rs. 183, while Walchandnagars, reacted from Rs. 331.25 to Rs. 326.25 and Maharashtra Sugars from Rs. 269.50 to Rs. 252.50.

Among cement shares, Associated Cements staged a good recovery from Rs. 152.75 to Rs. 158.50, but a part of the gain was shed when the shares closed at Rs. 154.50. Digvijays were lower by Rs. 2.75 at Rs. 144.50. Orissa Cements were placed at Rs. 13.52 *ex-div.*, as against Rs. 16.40 *cum-div.* (dividend Rs. 1.50). Dalmia Cements gained a fraction to Rs. 10.12 *ex-div.*, as also Jaipur Udyogs to Rs. 10.20.

Wide fluctuations marked the trading in Tata Locomotives in the engineering and mining group. After a sharp rise from Rs. 206 to Rs. 211.50, the shares quickly reacted to Rs. 209 at the close. Alcock Ashdowns were marked down by Rs. 2 to Rs. 258. Premier Constructions suffered a fall of Rs. 12 to Rs. 375 on rumours that the capital reconstruction scheme of the Company might be postponed. Larsen and Toubros recorded a rise of 10 nP to Rs. 22.92 and Mahindras looked up by 12 nP to Rs. 22.32 on reports that the Company had received sanction from the Government for its scheme to manufacture British tractors in collaboration with David Brown. Structural Engineering shot up by Rs. 6.25 to Rs. 241.25. Cooper Engineering advanced by Rs. 2 to Rs. 170. Shivajis were steady at Rs. 90 and Indian Coppers at Rs. 394.

Scindias rallied early in the week from Rs. 17.32 to Rs. 17.68, but soon reacted in consonance with the general trend of the market to Rs. 17.36. Great Easterns were quiet at Rs. 19.80, while Bharat Lines gained a fraction to Rs. 30.60. Among automobiles, Hindustan Motors was a shade better at Rs. 13.98 while Premier Automobiles lost Rs. 3.75 to Rs. 122.

In the miscellaneous group, Bombay Burmahs (old) shot up from Rs. 548 to Rs. 565 before reacting to Rs. 551.50 today. At the close, however, there was a mild recovery to Rs. 558. The Partly-paid gained over the week Rs. 4 to Rs. 194. National Rayons fluctuated widely between Rs. 393.50 and Rs. 382 and closed at Rs. 385. Gwalior Rayons gained 30 nP to Rs. 25.30. Chemicals and Dyes continued to be hot favourites. Tata Chemicals were well supported on encouraging reports about the current year's working and shot up by Rs. 1.04 to Rs. 18.36. Alembics added Rs. 2 to Rs. 193. Following the commissioning of the new electrolytic caustic soda factory near Tuticorin, South India, Dhrangadhra Chemicals were keenly sought for. As a result, they soared from Rs. 135.25 to Rs. 178. Polychems scored a smart gain of Rs. 11 to Rs. 174. Dharamsi Chemicals recorded a rise of Rs. 25 to Rs. 175. Amar Dyes rallied from Rs. 231 to Rs. 255 and Colour Chems from Rs. 223 to Rs. 240. Tata Oils were quiet at Rs. 64 and Ceat Tyres at Rs. 180. Khandelwal Ferro Alloys were well favoured and rose by Rs. 4 to Rs. 70. West Coast Papers were done Rs. 8 higher at Rs. 162.50.

Madras Stock Exchange

MADRAS, 21st October

For the third week in succession, the Madras Stock Exchange witnessed distinctly cheerful conditions. The turnover, however, was small, as floating stocks continued to be scarce. Operators were inclined to take an optimistic view of the prospects for industrial expansion. Textiles were in the limelight, with values of selected scrips recording considerable gains. This was mainly the result of encouraging reports from the piecegoods and yarn markets. Tea shares were also well supported on reports of fairly intense activity for teas at Cochin auctions. Coffee shares moved up, particularly in view of the prospects for industrial expansion, the face of higher prices ruling in the market. Sentiment in the rubber section was buoyant. Among miscellaneous industrials, cements, chemicals and paper were quite active. Sugars elicited good support on reports that the Government of India proposed to introduce some incentive schemes for expanding production. Towards the close, however, there was some profit-taking, especially in sugar scrips, and the closing rates were well below the best levels seen during the week.

In the sugar section, Cauverys evoked good enquiries, the net rise over the week being Rs. 5.00 to Rs. 133. E.I.D.s rose by a rupee to Rs. 43.25. At one time it was as high as Rs. 43.50. United Breweries were higher by 50 nP at Rs. 463.50. Travancore hardens by 25 nP to Rs. 12.25. Deccans gathered 10 nP to Rs. 12.95. K.C.P.s were fully steady at Rs. 17, as also Indias at Rs. 13.13.

Among teas, Coonoors made headway by 50 nP to Rs. 23.75. Parkside were marked up by 45 nP to Rs. 25.25 *cum-div.* The Directors of the Company have declared a final dividend of 20 per cent. taxable, making a total of 27½ per cent. for the year ended June 1959, as against 25 per cent. tax-free in the previous year. Oucherionys improved by 10 nP to Rs. 5.55 and Nelliampathys by 9 nP to Rs. 3.09. Blue Mountains picked up 6 nP to Rs. 3.43. Periakaramalais and Chembrus were higher by 2 nP, the former at Rs. 3.97 and the latter at Rs. 3.74. But Nonsuch Teas lost 6 nP to Rs. 28.75. Peermades were unchanged at Rs. 17.50 *cum-div.* The Company has announced an interim dividend of 7½ per cent. taxable for the current year. Among coffees, Coffealands spurred by Rs. 2.00 to Rs. 26.12. Consolidated Coffees scored a gain of a rupee to Rs. 23.50. Anaparas improved by 20 nP to Rs. 9.35. Cowoodys were higher by 15 nP at Rs. 6.35. Ossors, Wartybullys and Balmadies were fancied at Rs. 4.00, Rs. 4.03 and Rs. 3.00, respectively. In the rubber section, Cochin Malabars advanced by 20 nP to Rs. 6.80. Highlands rose by 15 nP to Rs. 14.15. Rajagiris put on 10 nP to Rs. 18.80.

Metalls were the brightest spot in the textile section; they jumped up by Rs. 13 to Rs. 400. Coimbatore Pioneers were Rs. 10 higher at Rs. 340. Buckinghams advanced by Rs. 8.50 to Rs. 205. Vasantas advanced by Rs. 7.00 to Rs. 240. Loyals improved by Rs. 2.00 to Rs. 32. Kotharis were higher by 53 nP at Rs. 11.65. Rajalakshmis by Rs. 1.50 at Rs. 71.50 and Cambodias by 5 nP at Rs. 11.30. Cannanores were unchanged at Rs. 165 *cum-div.*, an interim dividend of 8½ per cent. for the year ending March 1960 has been announced by the Directors of the Company. Maduras gradually improved by 35 nP to Rs. 29.75.

In the miscellaneous section, Western India Plywoods attracted enquiries and rose by Rs. 3.00 to Rs. 240. Mysore Papers improved by 47 nP to Rs. 22.62. Aluminium Industries were marked up by 42 nP to Rs. 22.60. Travancore Cements were higher by 15 nP at Rs. 10.45. F.A.C.T. and Mysore Chemical Fertilisers hardened by 10 nP each to Rs. 9.35 and Rs. 10.80, respectively. Textools, however, sagged by 75 nP to Rs. 198.75. Spencers dropped 5 nP to Rs. 19.85. Ashok Leylands closed steady at Rs. 7.83 and so also Indias Cements at Rs. 6.63.

NEWS IN BRIEF

A BAN on forward trading in camphor has been imposed by the Government of India with effect from the 20th inst.

Exports of copper sheets, circles, strips and plates to all permissible destinations will be licensed freely without any quantitative restrictions till the end of September 1962.

The Government of India has decided to launch a prize bond scheme on the pattern of British Premium Bonds for the purpose of stimulating small savings. The scheme is expected to be introduced with effect from 1st January 1960.

The Government of India has approved of the terms of Rolls-Royce for the establishment of a plant to manufacture Dart aero engines in this country. The Dart engines are expected to power the Avro 748, proposed to be manufactured in India shortly.

A standard agreement has been signed between the representatives of the Government of India and the U.N. Special Fund, embodying the conditions under which the Fund will extend financial assistance for development projects in this country.

The National Newsprint and Paper Mill, Nepalnagar, Madhya Pradesh, is expected to achieve its production target of 100 tons of newsprint per day within the next few months, according to its Managing Director, Mr. S. K. Visvanadhan. Its production in 1958-59 was 22,000 tons of newsprint, as against 14,000 tons in the previous year.

The Union Home Minister, Mr. Govind Ballabh Pant, has asked Government offices not to make recruitment for any additional or new work during the current Plan period. The only exception is to be made in the case of experts and specialists. Otherwise, no further expansion in administrative and ministerial posts should be made.

In order to extend further relief to small-scale producers in the match industry, the Government of India has enhanced the rebate on general excise duty admissible to B, C and D categories of manufacturers by 3 nP, 6 nP and 9 nP per gross, respectively, for the 80s size of match boxes, and by 2 nP, 4 nP and 6 nP per gross, respectively, for 40s size of match boxes.

The joint Indo-American team (Chairman: Dr. M. S. Randhawa) set up by the Government of India to evaluate the progress of work in agricultural education, research and extension, and to submit supplementary recommendations on these for inclusion in the third Plan, held its inaugural meeting in New Delhi on Monday the 19th inst. The team is expected to submit its report by December next.

The Kerala Administration has asked the Registrar of Co-operative Societies in the State to enquire into the complaints of misappropriation of funds of Labour Contract Societies, set up by the Communist Ministry. There are 42 Contract Societies at present almost all of which are said to be Communist-controlled. It is alleged that many of the contracts given to these societies were not executed at all.

According to the export policy announced by the Government for the export of raw wool for the six-month period ending March 1960, licences will be issued to all categories of shippers on shipping bills on a first-come-first-served basis on production of contract and certificate of "Amark" grading. No shipper will be permitted to export more than 100 bales from all ports. Shipping bills will be made valid for 15 days from the date of issue; no extension will be granted for them.

A wool processing centre is expected to be commissioned from early next year at Vinnamangalam, North Arcot district, Madras State. The centre, a joint venture of the State Governments of Madras and Mysore, will cost Rs. 13 lakhs. The plant will have an initial capacity for processing 2,400,000 lbs. of wool per year; the capacity will later be expanded to 3,600,000 lbs. It will supply standard quality wool for the manufacture of druggs, mainly for export.

The Oil and Natural Gas Commission has become a statutory organization, in accordance with the Oil and Natural Gas Commission Act 1959, passed in the last session of Parliament. Mr. K. D. Malaviya, Union Minister for Mines and Oil, has been appointed part-time Chairman with Mr. P. C. Bhattacharya and Mr. A. M. N. Ghosh as members. The Commission, it may be recalled, was set up initially as a Directorate under the then Ministry of Natural Resources and Scientific Research in August 1956.

With a view to promoting exports of art silk fabrics, the Central Government has decided to issue advance licences for the import of yarn for the manufacture of cloth for exports. The licences will be issued up to a maximum value of Rs. 1,000 per registered export loom to be adjusted in four equal quarterly instalments against export entitlements earned by the licences. In case of failure to earn the required entitlements by way of exports of cloth, the yarn imported against these advance licences will be adjusted from the licensee's quota for import of art silk yarn as actual users or from allocations of indigenous yarn.

An official team, led by Mr. D. Sandilya, Managing Director, State Trading Corporation, has left New Delhi for Tokyo. The team will negotiate the price of the current year's supply of iron ore from Japan. Under the contract signed two years

ago, India is to export seven million tons of iron ore over a five-year period and the price is to be negotiated annually. The team will also explore the prospects for augmenting India's exports of manganese ore and coal to Japan. The possibilities of importing fertilisers from Japan in exchange for Indian goods will also be examined by the team.

The entire quantity of 27 million cubic yards of earthburden over the lignite reserves at Neyveli, Madras State, is expected to be removed by the end of March 1961. The earthmoving operations were inaugurated by the Prime Minister in May 1957. The integrated Neyveli Lignite Project envisages the mining of 3.5 million tons of lignite per annum and processing and utilisation for the generation of 250,000 kw. of electricity, the production of nitrogenous fertilisers in the shape of urea with a fixed nitrogen content of 70,000 tons per annum and the briquetting and carbonisation of the remaining output to produce 380,000 tons of carbonised lignite briquettes per annum for domestic and other purposes. The mining part of the integrated project is estimated to cost Rs. 16.90 crores.

A scheme proposed by the Tea Board for the grant of subsidies to the tea gardens in Cachar and Tripura for meeting a part of the cost of transport and fertilisers has been sanctioned by the Central Government. This is expected to reduce the cost of production of common teas and improve their competitive ability. The amount of subsidy will be Rs. 1.58 per maund for transport of teas by rail from Cachar, while for transport by river, the amount will be 61 nP per maund. Tea gardens in Tripura will be given a subsidy of Rs. 3.68 per maund for transport of tea by air. The subsidy sanctioned towards meeting the cost of fertilisers will be Rs. 122 per ton of sulphate of ammonia. The subsidy will be available for tea gardens of 300 acres and below in Cachar and Tripura. The scheme will be initially for a period of one year.

An official Bill, which seeks to fix a ceiling of 30 acres on irrigated land and 90 acres on hilly land for a family of five persons, has been circulated among the members of the Bihar State Assembly. When the number of dependents of the landholder exceeds four persons, an additional one-fifth of the ceiling area will be allotted to each additional member, subject to a maximum of three times the size of the ceiling area. The ceiling will apply to all lands held by a person either as an owner or usufructuary mortgagee or a tenant or in such capacities. The surplus land will vest in Government free of all encumbrances. Compensation will be payable in cash or transferable bonds or partly in cash or partly in bonds, they will carry interest at 2½ per cent. and be repayable after a period of twenty years. Where the surplus land is tenanted, 75 per cent. of the compensation will be paid to the owners, the balance being given to the tenant.

From Abroad

World consumption of natural rubber is expected to exceed production by 60,000 tons to 2,080,000 tons in 1959, according to the U.S. Natural Rubber Bureau.

A team of seven cotton goods importers and manufacturers of West Germany visited Hong Kong last week and signed separate contracts for substantial quantities of garments made there.

The U.K. was the leading exporter of automobiles into the U.S. during the first eight months of the current year, accounting for 148,366 vehicles valued at \$183.5 million.

The English Electric has developed a new automatic transcribed data-processing system, known as KDP 10, which will be ready for delivery by the middle of 1961.

An expert committee appointed by the Government of New Zealand has recommended the adoption of decimal coinage, with an upper unit equivalent to 10s. in that country.

The U.K. International Plastics has completed the delivery of the £14-million Russian contract for two automatic plants, one of the first big Anglo-Soviet trade deals. The plants will manufacture "particled wood"—a man-made wood product converted automatically from timber residue.

The Pakistan Government has appointed a Company Law Commission to examine the existing Act and suggest modifications to safeguard the interests of investors. The move follows the Government's offer of attractive terms to prospective investors in Pakistan.

Steel production in the U.K. rose in September 1959 to a weekly average of 426,400 tons from a weekly average of 337,100 tons in August and 368,800 tons in September 1958. Steel production has now risen to within about three per cent. of the figure for September 1957, which was the highest September figure on record.

The Research Division of the U.S. Atomic Energy Commission has awarded a contract to the Lockheed to conduct basic studies on the properties of atomic nuclei. This is the first nuclear research contract the Commission has granted to an industrial laboratory. It has previously restricted this type of research contract to universities and non-profit concerns.

A contract for an "address reader," an automatic device that can sort more than 10,000 letters an hour, has been awarded by the Postmaster General, Detroit, in the U.S. The device will be

PERSONAL

MR. G. L. Mehta, Chairman of the Industrial Credit and Investment Corporation of India, has returned to Bombay after his visit to the U.S. and West Europe.

Mr. Framroze Jehangir Guzdar has been elected Vice-President of the Bombay Stock Exchange in the place of Mr. Bhaidas Maganlal who passed away recently.

Mr. S. K. Patil, the Union Minister for Food and Agriculture, is scheduled to leave for Rome on the 27th inst. to attend the F.A.O. conference there beginning in the first week of November.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., returned to Bombay on Tuesday this week, after attending the annual meeting of the International Air Transport Association held at Tokyo.

Mr. A. K. Chanda, Comptroller and Auditor-General of India, returned to New Delhi on the 17th inst. after an inspection tour of Indian Embassies in the U.S.S.R., the U.K., the U.S. and Japan.

Mr. A. S. Rao, Member of the Forward Markets Commission, has been appointed Chairman of the Commission, vice Mr. W. R. Natu whose services have been loaned by the Government of India to the U.N. Food and Agricultural Organisation.

able to recognise, through its character-sensing apparatus, typewritten, printed or imprinted addresses almost anywhere on the facing of envelopes of any size. It sorts the envelopes into separate lots for a minimum of 40 destinations.

The British Board of Trade has announced its plan for disposing of 100,000 tons of rubber from the U.K. stockpile. The maximum tonnage of rubber to be disposed of in any month will follow a scale based on the price realised for the rubber. The minimum price under this scale is 25½d per lb. Meanwhile, the U.S. General Services Administration has also started selling rubber from its stockpile. It is reported that it has plans to sell 12,000 tons of rubber.

The Government of Thailand is reported to have entered into an agreement with the Fuji Company of Japan for the construction of an oil refinery in Thailand, with a daily capacity of 5,000 barrels of refined products. The cost of the refinery is estimated at \$20 million. French banks have granted loans to the Japanese Company, which will import French machinery and equipment for the purpose. On completion, the refinery will be operated by the Thai Ministry for Defence and its cost will be repaid to the Fuji Company at the rate of \$4 million annually.

An important project for research in the economic history of South-East and East Asia has been launched by the London School of Oriental and African Studies. Its object is to expand the knowledge of economic trends in the region over the past 150 years, and also to train a number of Western scholars in this important branch of Asian studies. Dr. D. C. Cowan is directing the project. In 1961, the School hopes to hold a study conference of Western and Asian specialists in this field. The Ford Foundation has made available a grant to cover the first three years' work.

The U.K. Government has decided to abolish the restrictions on the amount of foreign currency British travellers can take abroad, with effect from the 31st inst. Since 1957, British travellers have been allowed to take only £100 in foreign currency when travelling overseas. Under the modified system, everybody will automatically be permitted to take up to £250 in foreign currency abroad. If any additional amount is required, it will be authorised by the Bank of England if an application is made through banks. This check is intended mainly as a protection against unauthorised export of capital. Children, who have been entitled to only 10 per cent. of the basic adult allowance hitherto, will now get treatment as adults for this purpose.

New B.O.A.C. jet services to Australia will start from 1st November. The service will operate five times a week each way—one more service than provided by the Britannias which the Comets succeed. The outward-bound flight to Sydney from London will take 33 hours 15 minutes, a saving of over 15 hours, and to Melbourne 35 hours 40 minutes, a saving of nearly 10½ hours. Among the points served by the services during the week will be Darwin, Djakarta, Singapore, Kuala Lumpur, Bangkok, Rangoon, Calcutta, Colombo, Bombay, Karachi, Bahrain, Teheran, Beirut, Istanbul, Rome, Frankfurt and Zurich. The services are being provided in partnership with Qantas the Australian airlines, which will operate three services with the Boeing 707, making a total of eight jet services a week.

The West German Government proposes to modify the existing company law to prevent concentration of industries. The system of turnover tax is also expected to be changed. A draft Bill on the subject stipulates, among others, that shareholders should be given better information on their company's links with other companies and that detailed reports on the business of the concerns as a whole, and not merely of individual companies, should be published. According to Prof. Erhard, W. German Economic Minister, (i) half the country's coal capacity is at present controlled by the steel industry, (ii) three important oil and carbon chemistry concerns are controlled by coal companies and (iii) the electric power companies control 90 per cent. of W. Germany's lignite capacity.

From the Statesman and The Friend of India
Saturday, October 26, 1878

THEATRE ROYAL
CHOWRINGHEE

Lessee	... Dave Carson
Stage Managers	... Dave Carson
Acting Managers	... Dave Carson
Secretary	... Dave Carson
Scenic Artists	... Dave Carson
Musical Director	... Dave Carson
Mechanics	... Dave Carson
Property Master	... Dave Carson
Ballet Master	... Dave Carson

DAVE CARSON'S MINSTREL
VAUDEVILLE AND COMEDY COMPANY.
For a few nights only
Previous to their departure
for Calcutta.

SPECIAL PATRONS
THE EARL OF MEACONSFIELD, K.G.
and WILLIAM JENNINGS
(That is, they would be, if
they were in Calcutta.)

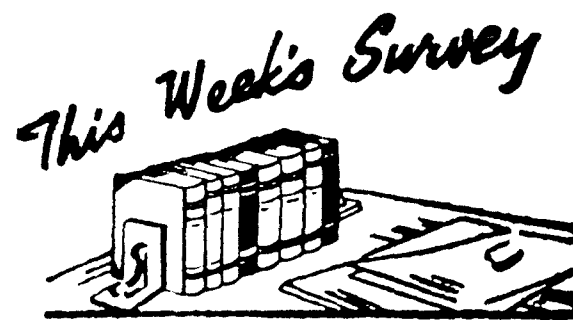
GRAND OPENING NIGHT
Saturday, 9th Nov. 1878

In the same year when Mr. Dave Carson was touring the country with his amazing company, the famous The "Three Castles" cigarettes were first introduced.

In 1958, they came out in the flip-top 20's packet, changing their looks with the times. The "Three Castles" are as modern today as they were 80 years ago—and as satisfying.

WILLS' "The Three Castles"
famous for over 80 years.

Issued by The Imperial Tobacco Company of India Limited.



ELECTRIC POWER IN E.C.A.F.E

THE pace of economic development in Asia will depend, as in all underdeveloped regions, on the availability of electric power at low rates. In recent years, there has been a commendable emphasis on power development in the region. Last year, about 1,665 megawatts of power capacity were added to the region's electric power supply, bringing the total at the end of the year to 22,029 megawatts. Many new schemes of power generation have been taken in hand. And, when they are completed, power supply will be considerably augmented. It has been estimated that, by 1963, the installed capacity in the region will rise to 35,767 megawatts, at which level it will represent a cent per cent increase over the position in 1955. Since what the region needs is not merely increased power supply but the supply of power at attractively low rates which will stimulate its consumption, the sub-committee on electric power of the U.N. Economic Commission for Asia and Far East (E.C.A.F.E.) has done well to recommend measures which will keep the costs of generation and distribution of power to a minimum. The sub-committee, which concluded its seven-day deliberations in Tokyo last week, discussed such issues as power development in the region, rural electrification, standardisation, voltages and cost of power generation.

Appropriately enough, rural electrification figured prominently in the sub-committee's discussions. After all, the E.C.A.F.E. region consists essentially of villages, where the major portion of the population lives. It is of the utmost importance that they should be encouraged to use power for domestic purposes as well as for irrigation and for setting up small or large industries with agricultural base. The pace of use of electric power in the rural sector is now hampered by the cost of power. The large financial outlay required for rural electrification and the comparatively poor return in the shape of direct revenues have been the chief obstacles in this field. Perhaps, the grant of some subsidy is an inescapable element in any scheme of rural electrification in the initial stages of its development. Only efforts could and should be made to keep down the "subsidy" element. But the fact remains that not all countries are in a position to grant subsidies, though they realise the immense significance of electrification of rural areas to their agricultural economy and living standards. The present uses of electricity in Asian villages are largely confined to the lifting of water from open wells, tube-wells, tanks and rivers for irrigation and to the processing of agricultural produce. It is recognised that, in order to ensure the success of electrification schemes, the rates which can be considered economically acceptable for rural areas will have to be very low, at least in the initial stages.

The problem of reducing the cost of power distribution should be tackled through the use of cheaper materials in the place of heavier and costlier equipment. In this connection, Mr. V. Nyun, Executive Secretary of E.C.A.F.E., did well to point out how the increased use of wood poles for distributing power in place of steel poles will be a great economy and also help conserve the much needed foreign exchange for other essential purposes. The region, as is well known, is rich in timber resources. It should, therefore, be possible to cut down transmission costs through the use of wood poles. The sub-committee generally endorsed the report of the Working Party on rational utilisation of wood poles for power and communication lines and recommended that the Commission should arrange to collect from time to time additional information on the methods of design and construction of transmission lines and other technical data relating to wood poles and make this information available to other countries of the region.

Two other issues which were discussed by the sub-committee were standardisation of voltages and technical personnel. It was recognised that, while standardisation was necessary in all branches of engineering and industry, it was of particular significance to electrical technology. The standards recommended by

the International Electrotechnical Commission, it was stated, could serve as a useful guide in formulating national standards in Asia. In particular, the sub-committee recommended that Asian countries should prefer 220-240 V. single-phase range to 110-120 V. single-phase. As regards technical personnel for the generation and distribution of power, the sub-committee suggested that the E.C.A.F.E. countries should seek the assistance of the U.N. Special Fund for making available expert services. Although the assistance given by the Fund will go a long way towards solving the problem of personnel in some of the more economically backward countries of the region, efforts should be made in the direction of improving and extending the technical education facilities in these countries if a permanent solution is to be found.

THREE SUPREME COURT DECISIONS

The Supreme Court delivered last week three judgments which are of considerable interest to management and labour. One of them related to the question of payment of gratuity and retrenchment compensation to workmen, another to retirement age, revision of gratuity scale and the power of a tribunal to alter a uniform practice obtaining in an all-India concern to suit local conditions, and the third to illegal strikes. In brief, the Court held that workmen were entitled to the double benefit of gratuity and retrenchment compensation, as they were based on two different concepts, that a tribunal was justified in changing a uniform practice obtaining in an all-India concern to suit local conditions, and that illegal strikes, howsoever good and valid the reasons behind them, could never be justified.

The first question, namely, whether a worker was entitled to both gratuity and retrenchment compensation, came up for decision in an appeal preferred by the Indian Hume Pipe Company, Ltd., Bombay, against the decision of the Industrial Tribunal, Bombay. The dispute originated from a notice of the workmen to the Company terminating an earlier agreement of 1951 and demanding gratuity at a higher rate. The Company held that no gratuity was payable to the workmen who would be entitled to receive retrenchment compensation under Section 25f. of the Industrial Disputes Act. This contention was rejected by the Tribunal which held that the workmen were entitled to claim both gratuity and retrenchment compensation.

The Tribunal's award was upheld by the Labour Appellate Tribunal. The Company thereupon went in appeal to the Supreme Court. The principal point for decision by the Court was whether a scheme of gratuity could be framed by Industrial Tribunals for workmen

who were entitled to the benefit of retrenchment compensation. The Court held that the concept on which the grant of retrenchment compensation was based was essentially different from the concept on which gratuity was founded and, therefore, the workmen were entitled to the double benefit of a gratuity scheme as well as the statutory retrenchment compensation.

In the second case relating to retirement age and revision of gratuity, the appellant company, namely, the Dunlop Rubber Company (India) Ltd., contended that it had fixed the age of retirement at 55 and had introduced a gratuity scheme according to an agreement with the clerical staff and other workmen at the Calcutta unit of the Company who formed a large majority of its total staff. It was argued that a scheme enforced under an agreement with a majority of workmen should not be changed at the instance of a small minority of workmen in Bombay who had raised the dispute in the case on appeal. It was also argued that, in an all-India concern, the conditions of service in all its units should be uniform and should not be disturbed in one unit by a tribunal.

In his judgment, Mr. Justice Wanchoo, rejecting the Company's contention, observed:

"Industrial adjudication in India is based on the industry-cum-region principle. However desirable uniformity may be in the case of all-India concerns, the Tribunal cannot abstain from seeing that fair conditions of service prevail in the industry with which it is concerned. If, therefore, any scheme, which may be uniformly in force throughout India in the case of an all-India concern, appears to be unfair and not in accord with the prevailing conditions in such matters, it would be the duty of the Tribunal to make changes in the scheme to make it fair and bring it in line with the prevailing conditions in such matters, particularly in the region in which the Tribunal is functioning, irrespective of the fact that the demand is made only by a small minority of the workmen employed in one place, out of the many where the all-India concern carries on business."

In the present case, the Court examined the judgment of the Industrial Tribunal and found that it had made the alterations in the scheme only after a careful consideration of the practice prevailing in the region. It, accordingly, held that there was no reason to interfere with the finding of the Tribunal.

In the third case, which arose from a dispute between the Indian General Navigation and Railway Company, Calcutta, and its workmen, the Supreme Court negatived the view which commonly prevailed in industrial adjudication that a strike, though illegal, could nevertheless be justified, if there were good and sufficient reasons for the workmen to strike. Under the provisions of the Industrial Disputes Act, a strike is illegal if commenced in a public utility service without giving 14 days' notice to the employer or if it is commenced or continued in any industry during the pendency of proceedings under the Act. Industrial Tribunals and the Labour Appellate Tribunal had, however held, in several cases, that, though a strike would be illegal if undertaken in contravention of the provisions of the Industrial Disputes Act it could be justified if there were good and sufficient reasons.

The appellant Company is engaged in inland water transport. In July 1955, two workers' unions forwarded their demands and also gave notice of strike if the demands were not conceded. In the meantime, the Assam Government started proceedings but, as these failed the workers went on strike from 10th August 1955. The Company treated the strike as illegal and decided to dismiss about 260 workmen and eight others in connection with an incident before the strike. The Government referred the dispute regarding the dismissal of the workmen to an Industrial Tribunal which held that the strike by the workmen, though illegal, was nevertheless justified. It directed the reinstatement of all the workmen except those convicted for criminal offences connected with the dispute. It also directed the workmen to be paid full wages from the day they had abandoned the strike. The management went to the Supreme Court in appeal against the award.

In his judgment, the Chief Justice, Mr. B. P. Sinha, observed:

"It is not permissible to characterise an illegal strike as justifiable. The only question of practical importance which may arise in the case of an illegal strike would be the kind or quantum of punishment and that, of course, has to be modulated in accordance with the facts and circumstances of each case. Therefore, the tendency to condone what has been declared to be illegal by statute must be deprecated and it must be clearly understood by those who take part in an illegal strike that they thereby make themselves liable to be dealt with by their employers. It is not in the interest of the industry that there should be a wholesale dismissal of all workmen who merely participated in such a strike... the punishment of

carefully studied by the authorities. If the Law requires to be amended to stop the mischief of this verdict, they should not hesitate to do so. The third decision of the Supreme Court is highly commendable, as it is conducive to engendering respect for the Law which is very much lacking in our people these days.

INDUSTRIAL RESEARCH

There is a growing awareness in this country of the vital importance of scientific research for industrial progress. This is reflected in the growth and development of a network of national laboratories and other institutions of applied research. Much more, however, remains to be done to enable the tempo of industrial research to catch up with the ambitious programme of industrialisation launched in this country and the immense strides scientific research has made in the West. It is gratifying to note that the Council of Scientific and Industrial Research continues to make efforts in this direction. At the meeting of the Governing Body of the Council last week at New Delhi under the chairmanship of the Prime Minister, it was decided to set up two new research establishments—a central research organisation concerned with scientific instruments and a petroleum research institute at Dehra Dun.

The central scientific instruments organisation is proposed to be constituted under the control of the C.S.I.R. A sum of Rs. 11.72 lakhs for setting up such an organisation has already been provided for in the second Plan. The present decision has been taken in pursuance of the recommendations made by the Scientific Instruments Committee, appointed by the Planning Commission. The Committee, it may be recalled, laid down a ninefold function for the central organisation. These functions of the organisation include survey and assessment of present and future needs, preparation of a phased programme for the development of the industry during the next 10 years, creation of new design and development units and centres of instrument production and the encouragement of the manufacture of scientific instruments on an industrial scale. The organisation will have an overall responsibility in the field of development of scientific instruments in India. The organisation will be managed by an executive council, consisting of representatives of various

Union Ministries, the C.S.I.R., the Indian Standards Institution, the University Grants Commission and instrument manufacturers.

The C.S.I.R. is expected to appoint shortly a director who will draw up a detailed plan for the organisation. It has also been decided to invite foreign collaboration for its projects from the U.N. Technical Assistance Board, the Colombo Plan, the U.S. Technical Co-operation Mission and also from Japan and the U.S.S.R. The organisation will certainly help promote the development of instruments manufacture in this country and enable India to eliminate imports of equipment.

The establishment of a separate institute for specialising in petroleum, proposed by the Central Government, has also been approved by the C.S.I.R. The proposed institute is expected to carry on and extend the work now being done at the Fuel Research Institute. It will be chiefly concerned with research and development of petroleum, both oil and gas, from its crude state. The functions of the Institute will also include oil and gas analysis, refining and utilisation processes, use of oil for industrial purposes and its transportation. Admittedly, the Institute has a vital role to play in view of the unprecedented emphasis now laid on the development of domestic sources of petroleum.

AIR FARES

The way has been paved for "open competition" in air fares, thanks to the failure of the members of the International Air Transport Association (I.A.T.A.) to reach any agreement on fares and rates. The Executive Committee of the I.A.T.A. announced in Tokyo last week, where the annual meeting of the Association was held, that there could be no further conference on fares and rates among the airlines before October 1960, unless there were "unmistakable indications" that a solution on new rates could be reached. The airlines are free to fix their own rates on the expiry of the present agreement on 31st March 1960. Nothing, of course, prevents individual airlines from coming together for reaching mutually acceptable agreements. But this cannot be an effective substitute for an agreement which will regulate fares and rates on a global basis. It is now believed that

(Continued on page 715)

BRITAIN'S LEADING JOURNAL FOR ASIA AND AUSTRALASIA

For Public Affairs Industry Business

FAR EAST TRADE

Forward-looking Indian concerns are now considering

'What can Far East Trade do for me?'

Every month FAR EAST TRADE brings news of developments in Asia and Australasia to influential readers in Government, in business, and in industry, throughout this vast area, as well as in Western Europe.

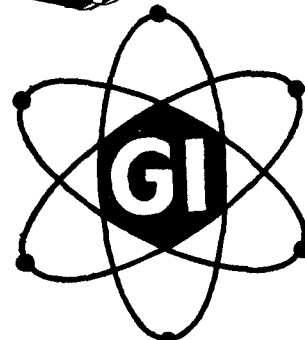
Besides being a unique advertising medium, it maintains an exceptionally wide coverage of events everywhere in the economic, technological, and industrial fields.

Confident that we are contributing to better understanding, we warmly welcome new readers.

Write for specimen copy to: Mr. S. L. Dhingra, Room No. 6, Indian and Eastern News Service Building, Old Mill Road, New Delhi.

LAURENCE FRENCH PUBLICATIONS, LIMITED, 3, Belsize Crescent, London N.W. 3.

Cable address: Frnpub London



Lights the nation's offices

- Manufactured to international standards
- Modern in design
- "Ferracoated" against rust

Trade enquiries solicited

HINDCO LIGHTING

Industries Private Ltd.

29 New Queen's Road, Bombay-4

NOTES FROM WEST GERMANY

G.A.T.T. AND SOVIET BLOC COUNTRIES FEDERATION OF INDUSTRIES—ADVERTISING OUTLAY

From A Special Correspondent

COLOGNE, 16th October

EUROPEAN integration should be seen as a continuous process, aiming at still further integration, not only of the six nations belonging to the "Common Market," but of all European nations outside the Iron Curtain. Now is the time to find such solutions uniting all nations of Europe in a concerted programme co-ordinating their policies, mainly in the fields of economics, finance, and currencies. The principle of free enterprise and of free competition should be established soon. There should be no more room for governmental interventions, such as subsidies, tax and other fiscal discriminations, and currency manipulations. Any such manipulations and deviations from economic integration and any remnants of economic nationalism that somehow sneak into the network of integration will weaken the possibility of success.

Economic policies of all nations concerned should, therefore, be geared to the requirements of the future. For integration has to become as perfect as possible in order to take a successful stand vis-a-vis the political and economic integration of the communist world. Survival in freedom really hinges upon the efforts and the integrity in achieving integration.

Such an attitude is especially needed in view of the forthcoming competition of Government-directed exports from Soviet Bloc countries. The economic offensive of the Eastern Bloc countries has been going on for some time, with economic dumping attempts directed against all markets. Traders and business men of the West are facing men who think only in terms of politics and of expanding world communism. They hope to do their share in undermining the free enterprise system—and freedom itself—by shaking and disturbing Western markets. To gain a better foothold, they are pressing now for membership within G.A.T.T.

They should in no way be admitted to G.A.T.T., however, unless very strict—and clear—statutes, regulating trade with Government-run economies, are enacted. Such statutes should provide adequate protection against dumping and other political prices manipulated by State trading countries. Precaution against Eastern Bloc dumping should also be taken within the framework of the European Common Market. The dangers of State-directed and Government-subsidised competition on world markets should not be minimised, particularly if the Communist nations were able to step up their economic offensive and, simultaneously, to ask for the most-favoured-nation treatment accorded to all G.A.T.T. members.

The future competition of Soviet Bloc countries on world markets will largely have political goals. To meet such competition is beyond the resources of private enterprise. It has, therefore, to be coped with by clear precautionary measures of the Governments and of G.A.T.T. Such measures should not be delayed any longer.

Objectives of Industries' Federation

In the first years after World War II, the Western Allies had only reluctantly and slowly permitted the establishment of trade associations on a strictly local or—at the utmost—regional basis. (The Soviets did not permit them at all.) But, in 1949 and 1950, along with the birth of the Federal Republic, restrictions of the entrepreneurs' and employers' freedom of association—which had long since been granted to their counterpart, the workers—were gradually removed. This is why quite a number of important and top-level industrial and employers' associations celebrate their tenth anniversary this year. One of the first to do so were the Confederation of German Employers Associations and now it is the turn of the Federation of German Industries.

Industry's associations have sometimes been looked upon with some apprehensions and misgivings. Weren't they, after all, all too powerful bodies trying to unduly influence legislation and administration? But long since German industry has proven that it wants to live up to its self-proclaimed role of a loyal and responsible part of the nation. When the Federation of German Industries was established in 1949, it made

it very clear, from the outset, that "any action to protect industry's interests must keep within the framework of the State and the community of the nation" and that the large industrial associations "must, in pursuing their aims, comply with the common good."

This, in fact, has been the guiding principle governing the work of the Federation which has also seen to it that it never became the spokesman of "big business" only. The Federation has put forth many suggestions to secure small and medium business its proper place within the national economic framework. The Federation has always striven for international co-operation, in general, and for European integration, in particular. It can rightly claim, as it does in its just released Annual Report for 1958-59, that it is "free from protectionism." Indeed, it has constantly been urging economic integration on as large a basis as possible and it now thinks "it is a vital task of European policy to have the European Economic Community of the Six followed by an economic association comprising the other eleven members of O.E.E.C."

There have never been any differences of opinion about basic W. German economic policy between the Federal Government and the Federation of German Industries. Both believe in enlightened free enterprise, though, of course, there have been, and there always will be, differences of opinion on details. On the whole, the past ten years have seen the Federation emerge as a fully respected body which has loyally lent its services to the nation, constantly urging its members not to forget that apart from trying to be successful industrial entrepreneurs, they should always be responsible and active citizens.

The Marketing Era

The idea of marketing and of demand creation is spreading fast in Europe. The art of marketing is being discovered, including merchandising, sales promotion and motivations research. Market research institutions, advertising agencies embracing all fields of marketing, and books about the art of selling, promotion, and display are gaining ground everywhere.

Two important marketing and sales promotion conferences were in W. Germany last month, both on an international scale. The "Congress of Advertising, 1959" was held in Munich from 9th to 12th September. This Congress was sponsored by the "Central Committee for Advertising," founded ten years ago by leading German trade associations, such as the Federation of German Industries, and associations of wholesale and retail trade, of publishers, printers, and advertising agencies. Advertising outlays in the Federal Republic have almost trebled in the last five years. In 1958, they had reached a total of 1,670 million DM. for newspaper, periodical, radio, TV, and poster advertising, and the 937.8 million DM. figure for the first half of 1959 indicates that the upward trend continues strongly.

The second event, the Fourth International Congress of Sales and Marketing in Berlin from 23rd to 26th September, was attended by representatives of Sales Executives Clubs of many countries, including the United States.

The two events symbolise an important trend of business policy in Europe, and particularly in Germany. Shortages and unemployment were the headaches of the twenties and the thirties. Production and supplies were in the forefront of the first post-war decade. Now, however, the "production" of markets and creation of demand are becoming more important. This trend may become even more intense during the sixties, and it is interesting to see how far the emergence of the Common Market in Europe coincides with the growth of attention paid to new channels of distribution, pricing, market research and other ways to reach the consumer.

At the same time, the future of exports is more and more seen in the context of marketing. This holds true of less developed countries, too, which not only need machinery and production know-how, but also modern channels of distribution and ways and means to harmonise the growth of production and the growth of consumption, so that dangerous disproportions may

LONDON LETTER

THE CITY BOOMS REACTION TO TORY VICTORY

(From Our Own Correspondent)

LONDON, 17th October

BEFORE the Election, jobbers on the Stock Exchange were offering very long odds on a Tory victory and investors who put their faith in this judgment sold out and took their profits the following morning. But their selling was immediately swamped by a gigantic wave of more cautious buying which had waited to see the actual results—a wave that threw up an all-time level of Stock Exchange activity for one day. This wave continued during the first two days of the week, then came a setback of only about 1 per cent. and the account finished with prices only one point short of the record on Tuesday. Over the whole fortnight, which covered the Election, prices rose on average 15 per cent., but the most astonishing feature was that the greater part of this rise was made in one day, the Friday following the Election.

Experienced Stock Exchange operators say that they have never known anything like it, for, from the moment the Exchange opened, brokers rushed to do business regardless of the price. They were acting on open instructions to buy on the day following the Election, provided the Government was returned, anything the broker could get and steel shares for preference.

Steel Shares

The result of this extraordinary activity has been that some steel shares (the steel industry had, of course, been marked down for re-nationalisation in the event of a Labour victory) have actually jumped 50 per cent. over the past fortnight and the average run of steel shares has risen over a third. Moreover, after the first speculative rush and the inevitable profit-taking which followed in the middle of this week, the long-term investor has come in, including in this the institutional buyers, so that the rise is no mere flash in the pan. From a price index for industrial shares of around 232 a fortnight ago, the index finished the week at 290. The number of transactions has reached an all-time high; for last week, the figure was 108,000 and for this week 145,000, but these figures are only the bargains marked by brokers, and, on Friday last week, brokers simply did not have time to mark their deals. On that day, 25,000 transactions were recorded but that was no more than the recordings on Thursday, the Election day itself, before any results were known. Thus, the actual number of deals must be very much in excess of even the record figures noted.

But there is another side to this matter of steel share prices. Since the Election results, one motor car firm has revealed that it is having to cut back production because of a shortage of sheet steel. And, of course, this shortage is not confined to one firm alone. The implication drawn by the would-be nationalists of steel is that the industry is back to its old game of trying to keep production just below the level of demand, so that none of the producers will ever be short of orders.

Socialism

But it would be a mistake to assume that the would-be nationalists now represent the Labour Party. That Party is doing some "agonising reappraisal" as to why it lost 50 odds seats, and the leaders of the Party appear to have reached two opposite conclusions. One side, the left wing, led by Mr. Bevan, is convinced that the Party lost because it was ashamed of its own politics and of nationalisation. It not only still wants to re-nationalise steel, but it would like to go ahead on a programme of nationalising other things besides. The right wing of the Party has reached the opposite conclusion. They have rapidly decided that the working class no longer exists and they should drop all talk of nationalisation, including the idea of re-nationalising steel. Since the Party has little to lose at present by arguing out its differences in public, the chances are that the split will get wider.—All Rights Reserved.

be avoided which, in turn, could jeopardise world trade rather than promote it. Most certainly, modern marketing is not only a symptom of highly industrialised nations. It implies as much efficiency and expert knowledge as the art of production itself. It is not surprising, therefore, that numerous representatives of various nations in Asia, Africa, and Latin America decided to attend the two important advertising and marketing congresses in W. Germany.



**From mining to metal—
out of integration
comes strength**

Indian Aluminium Company—pioneer and leader of the aluminium industry in India—has a completely integrated unit with its own bauxite mines, alumina plant, aluminium smelters, rolling mills and extrusion plant.

During the 20 years of its existence in India, Indian Aluminium Company has ceaselessly sought to harness India's magnificent natural resources in the course of expanding its production facilities. And so today Indian Aluminium has plants spread all over the country—each of them playing a vital role in producing aluminium economically and efficiently.

India's vast bauxite and water power resources can support an aluminium industry many times its present size. Indian Aluminium Company has the know-how and the resources—strengthened by close collaboration with its Canadian associates, Aluminium Limited, the world's largest group of aluminium companies—to help translate into reality India's dream of self-sufficiency in aluminium.

Indian Aluminium Company Limited
A CANADIAN-INDIAN ENTERPRISE



**Proved
best in
service**

Exide

CHLORIDE & EXIDE BATTERIES
(EASTERN) PRIVATE LTD.

THE TRAVANCORE BANK LIMITED

HEAD OFFICE:
TRIVANDRUM.

**INVEST IN OUR THREE YEARS
AND FIVE YEARS CASH
CERTIFICATES**

and
Earn Compound Interest
At 4% p. a. and 4½% p. a.
RESPECTIVELY.

EVERY Rs. 88.75 INVESTED WILL
FETCH Rs. 100.00 AFTER THREE YEARS
and
EVERY Rs. 81.00 INVESTED WILL
FETCH Rs. 100.00 AFTER FIVE YEARS.

For particulars, please apply to the nearest Branch

D. R. VEDAMUTHU
General Manager.

I.M.F. TO CONCENTRATE ON NEW TASKS

MR. JACOBSSON FORESEES A LONG PERIOD OF ECONOMIC STABILITY

SPEAKING at the annual meeting of the Board of Governors of the International Monetary Fund held at Washington last month, Mr. Per Jacobsson, Managing Director of the Fund, gave an indication of the possible shift in emphasis of the I.M.F.'s policy hitherto followed, namely, that of bringing monetary stability in member-countries, to the general objective of sustaining economic growth in terms of Article I of the Fund Agreement. This Article lays down that the Fund, while promoting exchange stability, also has, among other things, to facilitate the expansion and balanced growth of international trade and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

During the past few years, the I.M.F. has been following the strict policy of insisting that member-countries seeking the aid of the Fund, following the liberalisation of its lending procedures, should take such steps as the Fund thinks expedient for the achievement of monetary stability. Though, in adhering to this policy, the I.M.F. has even been accused of being partly responsible for the slowing down of economic activity over the world as a whole, it should be said to the credit of the Fund that, in so far as monetary stability is concerned, it has achieved its objective to a large extent. Many of the member-countries, as Mr. Jacobsson testified, have attained monetary stability, leading to the introduction of external convertibility of their currencies. In fact, he expected that the recent strengthening of monetary stability might even reduce demands on the Fund in the period immediately ahead.

General Objectives

Now that the immediate objective of the Fund has almost been achieved, Mr. Jacobsson felt it necessary to remind member-countries of the need for giving greater attention to the general objectives of the Fund. Thus, he said:

"When stabilisation has been achieved by a considerable number of countries, the problems that arise—some old, some new—are likely to be intricate, as regards both economic diagnosis and the finding of proper remedies. How to mitigate booms and depressions; how best to combine economic expansion with reasonable stability; how to ensure proper debt management; how to alleviate, through timely foreign financing, the strain in the balance of payments of countries engaged in development; how to deal with the difficulties which arise when the prices of a country's main exports are declining—these are all matters which require great economic insight, and awareness of political factors. These are problems which fall under Article I of the Fund Agreement, which affirms that the Fund while promoting exchange stability also has, among other things, to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income, and to the development of the productive resources of all members as primary objectives of economic policy." These should not be empty words. Now that the transitional period after the war draws to its close, more attention should be paid to these general objectives of the Fund. Since the decisive measures are generally those taken by the authorities in the individual countries, such influence as the Fund can exert will largely depend on the confidence it is able to inspire as an expert body always ready to consider on their merits the problems that arise, and to find solutions which are in the true interests of the member-countries."

First Stage Over

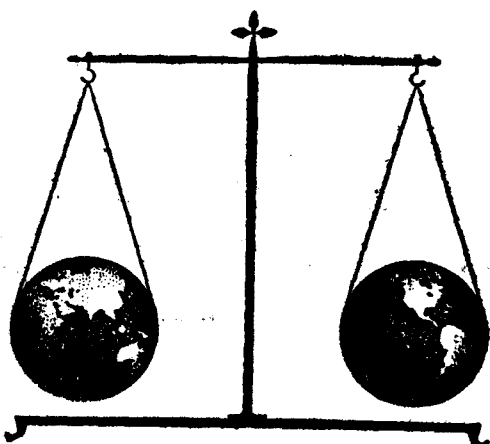
The introduction of external convertibility towards the close of 1958 is regarded by Mr. Jacobsson as the consummation of the first stage of a process, extending over many years, for strengthening the economic and financial position of countries all over the world. The monetary disturbances brought about by the Second World War could not easily be corrected. Thanks, however, to the increase in national incomes and the effective application of flexible fiscal and credit policies, the excessive liquidity, which had weighed on the economies of many countries, has now been gradually worked off and the monetary authorities of these countries have secured a firm grip on the monetary position. The step to convertibility of currencies has now been fully justified by the quite remarkable rise in the monetary reserves of most of the countries concerned. In Western Europe, monetary confidence has been increasing conspicuously, not only in respect of the external

value of the currencies, as reflected in the firmness of the exchange quotations, but also in regard to the internal value. In most of these countries, neither the wholesale prices nor the living costs have risen appreciably during the last one or two years. The restoration of convertibility has also resulted in a greater freedom from exchange regulations. The restoration of monetary confidence will ultimately mean a reduction in costs and this, in turn, will contribute to the expansion of world trade and facilitate foreign investments. It may be noted, in this connection, that the virtual stagnation of world trade in the 1930's was aggravated by the monetary uncertainty. It is thus clear that the I.M.F.'s policy of restoring monetary stability in its member-countries has had a good effect.

Discriminatory Restrictions

Another welcome result of the convertibility of currencies is the virtual disappearance of the distinction between the "hard" and "soft" currency countries in the sphere of international trade. There are, however, still some discriminatory restrictions and these are considered by Mr. Jacobsson as more in the nature of protectionist devices. He, however, told the member-countries that the time had clearly come when, for many reasons, the practice of discrimination should be abandoned with the least possible delay. For it was his personal conviction that "for the vast majority of countries, there are no longer any balance of payments reason for the maintenance of discrimination."

As a result of the improvement in the balance of payments position, many countries have been raised from the status of Article XIV to Article VIII of the I.M.F. Article XIV provides for "transitional arrangements" under which member-countries are given time to overcome their balance of payments difficulties before they are required to eliminate their existing exchange restrictions. Under this Article, many member-countries have been free from the obligation of obtaining the I.M.F.'s approval for the maintenance and adaptation of their existing restrictions on payments and transfers for current international transactions. During the last few years, however, much progress has been made



In both hemispheres . . .

. . . there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

**THE
HONGKONG AND SHANGHAI
BANKING CORPORATION**

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

in the removal of restrictions, thus reducing gradually the scope for adapting restrictions under Article XIV in the case of a number of countries. As a result, these countries have reached a position where legally the reintroduction of restrictions (as distinct from the adaptation of existing restrictions) would require the Fund's approval under Article VIII, even though the countries themselves remained formally under Article XIV. The formal assumption of the full obligations of Article VIII would mean that such a country was willing to accept the requirements that it would seek the approval of the Fund for any remaining exchange restrictions and the prior approval of the Fund for the adaptation of any such restrictions or for the introduction of new restrictions, if this should ever become necessary.

Several Issues Involved

With the adoption of external convertibility, many countries have come under the mischief of Article VIII. There are, however, some difficulties in imposing the obligations under this Article on these countries and these are being examined by the I.M.F. Mr. Jacobsson conceded that the application of Article VIII would raise several issues which required clarification. Thus, he said:

"In any examination of this question it will be necessary to consider which members are in a position to assume the full obligations of Article VIII; what should be the procedure and rules for change restrictions, and on any request for the introduction of new exchange restrictions; how regular contact can best be maintained with countries which are under Article VIII, and which, therefore, are not required to participate in the annual Article XIV Consultations. In addition, the change in status of a number of Fund member-countries would bring into force the revised G.A.T.T. provisions dealing with discrimination. These questions require careful examination in all their aspects, and will be taken up by the Executive Directors in the very near future."

On this issue, the U.K. representative, Sir Roger Makins, made some important points. As some of them are of particular interest to this country, it is better to quote him. Here is what he stated:

"In the first place, Article VIII provides for the approval by the Fund of restrictions and indeed of discrimination. In our view, these provisions should be strictly interpreted. H.M. Government would not expect the Fund to approve any such restrictions under this Article, unless there were good reasons to say that they could not have been avoided and that their duration was expected to be temporary. In our view, it follows from this that a country moving to Article VIII should have gone far to eliminate discrimination in its restrictions and reduce the remaining non-discriminatory restrictions, until they affected only a small sector of their trade by the time the move was made. Therefore, in this respect also, the timing of the move becomes a matter of great importance."

Co-operative Effort Needed

"Secondly, I have referred to the way in which the moves to convertibility at the end of 1958 were the outcome of a concerted and co-operative effort. We feel that a similar co-operative effort is most desirable if a move to Article VIII is to promote the expansion of world trade which is our objective."

"Finally, there is the position of the less developed countries. Some of them may be obliged, for some time to come, to retain certain restrictions on current transactions in the interests of their development programmes. Since we should not expect the Fund to approve such restrictions under Article VIII, it seems that many of these countries will wish to remain under Article XIV."

"It is not, of course, the purpose of the Fund to tie up its resources in long-term loans for capital development. But short-term assistance under suitable conditions and on suitable terms can be very useful in helping a developing country to smooth out any awkward corners created by the uneven progress of its development programme."

Mr. Jacobsson finally added that, if member-countries could accept full obligations under Article VIII, there was bound to be a shift in the main occupations of the Fund and in its daily work. This, however, would not mean that the Fund's work would be made easier. He expected that the Fund would be increasingly called upon to help the underdeveloped countries in their task for economic development.

Note of Warning

Mr. Jacobsson affirmed that monetary stability had become a guiding principle for the vast majority of countries. He, however, struck a note of warning against any complacent attitude towards the present expanding trend of economy. Thus, he said:

"In all likelihood, world inflation is over. Now that the excessive liquidity inherited from the war has been worked off, credit policies have become more effective. Output has risen, competition is fiercer, and the resistance to cost and price increases has grown in strength. If we look

(Continued on page 715)

**For
thousands
of young men
a new life**



begins at Durgapur Training completed, this

young apprentice in Durgapur is on his first practical survey job in the field. When he becomes an experienced hand, efficient at his work, he will command a good salary and will have a future ahead, bright with promise.

In Durgapur today, ISCON, who are entrusted with the construction of the giant one million ton steel plant, have already helped to train up a large group of young Indians in the technical field. This is part and parcel of the ISCON scheme of collaboration—to work side by side with Indian technicians and workers, to instruct them on the spot and in steel factories in England so that in the future India will have, not only her steel plants but also technicians to run them.

ISCON
INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Ltd. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PROSPECTS FOR RAYON INDUSTRY CENTURY'S EXPANSION PLANS

RAYON and other synthetic fibres continue to make successful inroads into the field in which natural fibres had until recently held unchallenged positions. These artificial fibres lend themselves to use either separately or mixed with natural fibres, thus facilitating the manufacture of good fabrics which appeal to the taste of a wide variety of consumers. In almost every textile manufacturing country in the world, rayon and synthetic fibres are playing more and more important roles. India, too, is no exception to this world trend. Man-made fibres made their appearance in the world only half a century ago but, in India, their debut occurred much later. But, the progress they have made during the past decade is remarkable and the future holds considerable promise. Manufacture of rayon yarn started in this country only about a decade ago.

Among the man-made fibres, rayon occupies the pride of place in India. In the more advanced countries, however, rayon is rapidly giving way to the more modern synthetic fibres such as nylon, orlon, dacron and terylene, collectively called polyfibres. All these polyfibres are superior in strength and durability to rayon and acetate. As in the past, India is lagging behind the rest of the world and is still going in heavily for rayon, though, from time to time, there have been reports of someone or other's decision to manufacture nylon yarn out of imported raw material. Whether India should continue to invest large sums on a man-made fibre which is losing its hold over consumers in the rest of the world is a matter for expert opinion. There are some who believe that, India being a poor country, the market for polyfibres will not be big enough to warrant the heavy capital investment necessary for establishing a modern synthetic fibre unit. For the same reason, they hold the view that, for several years to come, rayon yarn and fabrics will have an assured market in India as well as in the neighbouring countries. A decade ago, a similar argument used to be advocated against establishment of rayon industry, but subsequent events have falsified it. Perhaps, the Planning Commission will be well advised to consult competent technical persons before sanctioning any further projects for manufacturing viscose rayon, staple fibre and acetate. It may be a good idea to encourage those who come forward to establish facilities for manufacturing polyfibres.

Varied Uses

Be that as it may, rayon filament yarn is put to many uses. It is used for the manufacture of many types of fabrics and is also used in manufacturing hosiery and knitted goods, gas mantles, embroideries, automobile tyres. The internal demand for rayon yarn far exceeds the indigenous production capacity, the gap being filled by imports. In 1958, total consumption of rayon yarn was estimated at 67.28 million lbs. out of which 33.59 million lbs. were produced indigenously and 33.68 million lbs. imported at an estimated cost of about Rs. 11 crores. In 1956, when textile consumption was running at a high level, total consumption and imports were still higher at 79.72 million lbs. and 59.87 million lbs. respectively. But owing to the severe restriction placed on imports since 1957, total supplies have been considerably less. The following table indicates the gap between consumption and production and how it was bridged during the five years ended 1958:

(Quantity in thousand lbs.)				
	Total consumption	Indigenous production	Imports	
	Quantity	Quantity	Quantity	Value (Rs. in crores)
1954	54,134	11,915	42,219	12.85
1955	62,005	15,166	46,839	14.29
1956	79,717	19,548	59,869	17.40
1957	71,546	24,996	46,550	13.00
1958	67,278	33,598	33,680	10.91
1959 (Jan.-June)	—	16,377	28,748*	7.05*

* Approximate.

The consumption of viscose rayon yarn (that is yarn produced by the viscose process) is estimated to reach 80 million lbs. by 1960-61. The production target under the second Plan has been fixed at 60 million lbs. Thus there is a gap of 20 million lbs. to be covered by imports.

Production Half of Consumption

Indigenous production last year, as noted above, was less than 50 per cent. of consumption. The recent drastic cut in rayon yarn imports has further widened the scope for indigenous units. Considering the good scope for expansion, a few new units have been licensed. In addition, all

units producing rayon yarn have expansion plans. Even if the new licensed units and expansion programmes were commissioned by 1960-61, there would still be, it is said, considerable gap between consumption and production of rayon yarn in India.

Vigorous efforts are now being made to raise indigenous production. Outstanding among the units making rapid strides in the manufacture of rayon yarn and plans to expand production capacity further is the Rs. 5-crore rayon factory of the Century Spinning and Manufacturing Company, Ltd., under the management of Birla Bros. This factory, which is situated at Kalyan, produces 13 tons of rayon yarn a day. It was put up in record time of just twenty months and the plant went into production on 15th September 1956. At first, the factory was planned to produce only five tons of rayon yarn per day. Even before the completion of the first stage, it was decided to expand the installed capacity to about 13 tons of rayon yarn per day. The expansion programme was completed by March 1958 and the expanded factory reached its rated capacity of 13 tons of rayon yarn per day in December last.

Viscose Process

The raw materials used in the manufacture of rayon yarn are wood-pulp, caustic soda, sulphuric acid and carbon disulphide. Wood-pulp is being imported at present, but efforts are being made to procure them from within the country by tapping the rich forest wealth of the country. Sulphuric acid and carbon disulphide are manufactured in the factory itself from sulphur and charcoal. The process employed is the world-famous viscose process. Briefly stated, the manufacturing process is as follows:

The wood-pulp is steeped in about 18 per cent. caustic soda solution. This converts it to alkali-cellulose. The excess alkali is pressed off. The alkali-cellulose is directly fed to shredders where it is shredded to floccy, white crumbs. During shredding, it undergoes ageing which breaks up the cellulose molecules to a desired degree.

Century Rayons' is, perhaps, the only plant, where this process of shredding also carries out the ageing along with it. What thus takes normally days together for ageing is effected in this plant in a matter of a few hours.

The alkali-cellulose so shredded and aged is conveyed to a churn where it is made to react with carbon disulphide. After complete reaction, the white alkali-cellulose is transformed into an orange-coloured compound called the cellulose xanthate—a compound which is easily soluble in weak caustic soda. The orange-coloured xanthate is fed into a dissolver where it is dissolved in weak caustic soda solution to form a honey-coloured thick liquid called the viscose.

The viscose is 'matured' and filtered. The maturing is carried out in conditioned rooms till the viscose is just right for good spinning. The viscose properly matured and free of air and other suspended impurities is sent for spinning.

In spinning, the viscose is accurately metered through spinnerettes, made of gold and platinum, at a constant pressure under a spin-bath composed of sulphuric acid and other salts. A reaction between the viscose and the spinbath thus takes place and the cellulose is then regenerated. As soon as it is regenerated, it gets stretched and twisted and forms a thread. This thread is collected in fast revolving pots and, after some six hours, the thread is doffed in the form of cakes. In this cake form, the thread contains considerable amount of acid and other impurities. These are washed off and the thread bleached by carrying out 14 washings with water and other solutions. After removing the extra water by centrifuging, the thread is thoroughly dried by passing it through dryers. On reconditioning it in air-conditioned rooms for some 48 hours, it is ready for winding into cones. After winding and reeling it in the form of cones and hanks, it is inspected for its quality, packed and sent to the market.

The factory manufactures thread of varying thickness, ranging from 75 denier to 450 denier. Within a period of three years from its commencement, the factory has produced 20.5 million lbs. of yarn which has resulted in considerable saving in foreign exchange.

Nylon Yarn

The Company has no intention to rest on the oars of its achievements so far. It has several schemes for expansion. Rayon yarn capacity is planned to be increased to 19 tons per day from the present level of 13 tons. The requisite machinery is expected to be obtained from Japan under the yen credit facilities offered by that country. Government's sanction has also been obtained for the manufacture of tyre yarn and nylon yarn. A five-ton tyre yarn plant and a two-ton nylon yarn plant are proposed to be installed and they are expected to be commissioned in about two years' time provided the negotiations, now under progress, succeed. The capital expenditure on the expansion of rayon plant capacity, the tyre-yarn plant and the nylon-yarn plant is expected to be of the order of about Rs. 8 to 9 crores. There are also plans to manufacture caustic soda and cellophane paper, subject to the Government's approval.

BONUS FOR MILL WORKERS

The Industrial Tribunal, Madras, has directed the management of 50 textile mills in Coimbatore district to pay their workmen bonus and Deepavali allowances aggregating Rs. 32 lakhs. The award was given on a reference to the Tribunal of the question of bonus payable to textile workers for 1957 and 1958, following the failure of high-level Government, management and trade unions to bring about a settlement. Twenty-five mills, employing the order of one to seven months' basic wages as five mills, employing 27,000 workers, have been asked to pay one month's basic wage as Deepavali allowance recoverable in six instalments commencing from March 1960. The disbursements are to be made on or before 24th October 1959.

SELLING WOOL BY AUCTIONS

The Australian Woolgrowers' Council has decided in favour of retaining the present free auction system for marketing the Australian wool clip. The Council strongly opposed any move to interfere with the fundamental principles of the free auction system and said "it would use every blish a reserve price system for wool." The Council also rejected moves aimed at modifying its policy.

PLANS FOR COTTON INDUSTRY WILL BE CARRIED FORWARD

COTTON MILL ACQUIRES HIRE-PURCHASE FINANCE COMPANY

From Our Special Correspondent

MANCHESTER, 13th October

THE return to office of the Conservative Government in the United Kingdom means continuity in the plans for cotton which had already been carried a long way into operation even before the date of the Elections had been settled. A change of Government would have brought a fresh wave of uncertainty to the situation and the future of the redundancy schemes would have been in doubt.

MANCHESTER LETTER

Labour politicians had given a pledge that the position would be investigated to see whether some of the proposed mill stoppages could be at least delayed, if not abandoned.

Prior to the Election results being published, there was widespread speculation on how the voting would go in those Lancashire constituencies which contained a substantial proportion of operatives and others engaged in cotton textile affairs. Popular opinion held that certain aspects of the Government scheme would react unfavourably on the outlook for the Conservatives. In actual fact, it appears to have made little impression on the electorate in the mill towns.

One of the few Labour gains was certainly achieved at Oldham East, where such a change had been anticipated, but, in other divisions, any swing to the Left was insufficient to bring a change of representation and there were also surprises after the count. In Accrington and Nelson and Colne, for example, the Labour majority was reduced, while the Conservatives held the two Preston constituencies with increased majorities.

The overall picture showed no pronounced condemnation in the mill towns of the scheme to eliminate surplus machinery and re-equip the industry on more modern lines. Oddly enough, the chief movement in sympathy with Labour came in Manchester and Salford, whose allegiance is more to the merchandising of cotton goods than to their manufacture.

Unanswered Criticism

In the midst of the political battle of words which precedes any election, statements are made—sometimes out of context—which on subsequent reflection do not justify repetition. For example, the comment made by Mr. Lewis Wright, one of Lancashire's most reputable trade union leaders, to the effect that the Government scheme had been introduced without taking into consideration the people involved, was allowed to pass unchallenged.

One reply surely is that many of the firms now contemplating closure would have, through force of economic circumstances, left the trade

in due course. Their operatives would have received no compensation, any more than those who were displaced in the 350 mills which shut their doors in the period from the beginning of 1955 to March last year.

As a result of last week's developments at the polls, the scrapping scheme will go forward as planned. Machinery will be dismantled by the end of March and already there are reports of suitable mill buildings being sold to outside sources which find them attractive for their requirements.

World Cotton Gains

Encouraging reports of activity in cotton textiles in many parts of the world are featured in the latest summary of conditions published by the Cotton Board. From its Manchester headquarters, the Board declared: "The cotton industry throughout the world is now well out of the recession. Reports from many countries mention better levels of activity, lengthening order books and in some but not in all cases improved profit margins."

The revival in business in cotton goods in Lancashire was underlined by a higher rate of output in all sections. Yarn production per working day, the Board reported, had been consistently greater than a year ago ever since May and, despite a slight falling off in subsequent months, it still showed an increase in August of about 9 per cent. as compared with the January figure. The rate of cloth output was 13 per cent. higher in July than in January.

"It is of some interest that this considerable expansion in the rate of production should occur, despite a decline of some 8,000 in the number of workers on mills' books since the beginning of the year," the Board commented.

Improvement in offtake began in April, according to the report, caused by the low level of pipeline stocks and an upward movement in raw cotton prices. "The excellent summer weather has, of course, helped, but, in order to keep things in perspective, it is worth noting that consumers' expenditure on clothing in the second quarter, corrected for price changes, showed an increase of no more than 6 per cent. as compared with the second quarter last year and retail sales in July seem to have been no more than about 4 per cent. greater than in July 1958," the review added.

The recent situation has been affected by the attitude of buyers who have tried to secure supplies in the face of the prospective withdrawal from the industry of many producers, as a result of the Government's reorganisation schemes. The Board endeavours to quieten fears that insufficient machinery will be left after the redundancy programmes to maintain the requisite level of production. Even after about

13 million spinning and doubling spindles and 105,000 looms have been scrapped, it points out: "In view of the large amount of machinery that has been idle recently, it is clear that relatively modest extension of shift working would be sufficient to maintain production at its present level."

Commenting on the maintenance of the level of exports recorded in the second quarter during July and August, the Board says that there is some reason to hope that there will be a further modest increase in shipments during the remainder of the year.

Cotton Hire-Purchase Deal

Further plans for diversification of one of the big British textile groups were announced last week. The Amalgamated Cotton Mills Trust has acquired all the share capital of Anchor Investment Company, Ltd., the Manchester firm of hire-purchase bankers.

According to the statement, the policy of the investment company will remain unchanged and Mr. N. Jackson will continue as Managing Director. Mr. William Pickles, Chairman of Amalgamated Cotton Mills Trust, has been appointed Chairman of Anchor Investment Company, and Mr. W. H. L. Casson has also joined the Board. Mr. G. Butterworth has been appointed Secretary.

More Scrapping Plans

Full advantage of the Government's financial help in the reorganisation scheme for cotton industry is being taken by Messrs. Barlow and Jones Ltd., the Manchester group with mills in the Bolton area. Sir Thomas D. Barlow, the Chairman, in a circular to shareholders points out that complete scrapping would have thrown away all the assets of expertise and skill in the manufacture of high-quality merchandise and the reputation and goodwill on which the firm's prosperity in the past had been built up. Such a course would have disrupted the employment of nearly 2,000 workpeople. All obsolete or obsolescent machinery has been offered for scrapping, which will temporarily reduce production, but this plant will be replaced with a much smaller quantity of the latest equipment, to be run on a multi-shift basis. A neighbouring mill, much later built and more spacious than any of the firm's existing mills, has been bought in which the new machinery will be laid out to the best advantage.

Challenge of Productivity

In slightly more than a decade at least one aspect of the Cotton Board's work for the industry has received unqualified approval. Even those firms which are inclined to scoff at the idea that their activities could be substantially improved by the intervention of consultants and specialists in such matters as time-and-motion study are prepared to admit that the Productivity Centre has offered the mills at large the opportunity to gain from their services and become more efficient in the process.

From time to time mention has been made in this Service of the courses which the Centre has launched; from the views expressed by individuals who have attended them it is clear that benefit has accrued to the firms involved. The officials of the Productivity Centre themselves, however, are rarely, if ever, satisfied with their

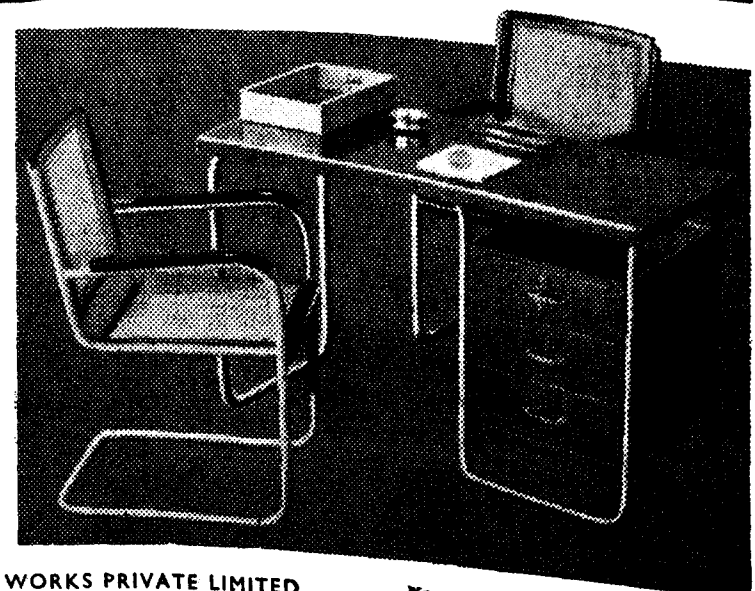
(Continued on page 705)

Office planning starts with

Khira STEEL FURNITURE

'KHIRA' steel office furniture combines elegance with utility... gives your office that all-important look of efficiency and distinction. See the complete range at our showrooms soon!

Your company is known by the office you keep!



Khira STEEL WORKS PRIVATE LIMITED
Ghodabunder Road, Santa Cruz, Bombay 23

Khira's Tubular Writing Table and Chair in stoving enamel. Chair with nylon seat and back.

KSW.9269

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
CAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

small packs

Distribute, market or export your products, liquids/solids, in lithographed or plain tin plate containers, in convenient, easy to handle sizes. All containers fully tested.

Manufactured to standard specifications on up to date automatic machinery, we can supply large quantities at competitive rates. Early Deliveries.

Call

POYSHA INDUSTRIAL CO. PRIVATE LTD.
Mansarovar Road, Sewri, Bombay 15 - Phone 72843 Grams 'Sancsar'

INDUSTRIAL RELATIONS IN JAPAN SOME POST-WAR TRENDS

LIKE its industrial system which represents a unique synthesis of Western and Eastern systems, the pattern of industrial relations existing in Japan is a blend of modern practices borrowed from Western cultures and traditional national features. The most striking aspect of industrial relations in Japan is the fact that most trade unions are constituted, and most of the collective bargaining carried on, at the level of the undertaking. This cannot be explained in terms of existing labour legislation. It is due rather to a partial survival of the paternalistic spirit of the past, side by side with Western production methods in Japanese undertakings. Writing in the August 1959 issue of the *International Labour Review*, Mr. Isao Kikuchi, Professor of Law at Kyushu University, points out that, unlike in the past, negotiations between employers' associations and higher level trade union organisations for fixing wages and other conditions of employment as well as for preventing or settling disputes have become an increasingly common practice now.

Industrial relations in Japan since World War II, according to Mr. Kikuchi, have been placed on an entirely new footing, as compared with that existing prior to it. The Allied powers, under whose control Japan was placed after its defeat in 1945, undertook to revive industrial democracy by encouraging trade union movement. The new constitution promulgated after the war guaranteed the fundamental rights of labour as human social rights. Several labour laws were enacted to regulate industrial relations or bring labour standards into closer conformity with international standards.

Growth of Trade Unions

The growth of trade unions in the post-war period was very rapid, thanks to the Occupation authorities' policy of encouraging the trade union movement and the enactment of the Trade Union Act in 1945. By the middle of 1948, the number of unions and their membership reached a peak. After slackening for some time thereafter, union membership rose again and from 1955 onwards it never dropped below six million. The year 1957 marked a new post-war peak both in economic prosperity, in the number of unions (which was 36,084) and their membership (which reached 8.6 million). Despite the recession which followed, unionisation of workers in medium and small-scale enterprises advanced and, in June 1958, the total number of unions was 37,823, with a total membership of nearly seven million.

A notable feature of trade union movement in Japan is that unions are mostly organised at the level of the undertaking. This tendency, which was already manifest before the war, has become more and more predominant in the post-war period. In a big undertaking, extending over many areas of the country, a union is organised at each plant and these unions form a federation at the company level to carry on collective bargaining with the management. This type of federation is again organised into a national federation by industry. The Japan Coal Miners' Union, the Japanese Federation of Iron and Steel Workers' Union, the Japan General Federation of Private Railway Workers' Union and the National Federation of Textile Workers' Union are the largest national federations set up on an industry-wise basis. These national federations, in turn, are affiliated with the still larger national organisations such as the Japan Congress of Industrial Unions (Sambatsu), Japanese Trade Union Congress (Zenro), National Federation of Industrial Organisations (Shinsanbetsu), and General Council of Trade Unions of Japan (Sohyo).

Employers' Organisations

To cope with the rapid growth of the trade union movement, attempts were made in 1946 to organise employers. But the headquarters of the Supreme Commander of Allied Powers opposed the establishment of a centralised employers' organisation at the national level for fear that it would lead to revival of monopolistic enterprises and the centralisation capital. A start was, therefore, made with employers' organisations at the local and industry levels and these united into the Federation of Employers' Organisations in 1947. However, as the S.C.A.P. gradually changed its policy and began to support the employers, the Japan Federation of Employers' Organisations was formed. It

consists of eight regional employers' associations, made up of local associations in 44 prefectures and other major industrial areas and 24 employers' associations at the industry level. In some cases, industry-wide collective bargaining is conducted between such industrial employers' organisations and a corresponding federation of industrial unions and results in the conclusion of collective bargaining agreements covering the whole industry. In an industry in which the degree of prosperity of undertakings varies widely employers avoid industry-wide collective bargaining and negotiate collective agreements at the level of the undertaking.

Collective Agreements

In the period immediately following the war, that is, from the end of 1945 to August 1946, Japanese trade unions had not yet formed national federations. Collective agreements were, therefore, concluded by unions set up at the level of the undertaking, despite their insufficient knowledge of the problems involved. The employer, for his part, inexperienced in collective bargaining and still suffering from the inertia that had set in after the war, signed the collective agreements as proposed by the unions without much deliberation. As a result, collective agreements concluded during this period were confined to laying down general principles. Later, however, workers' and employers' organisation defined their position towards collective agreements and the Government issued guiding principles for collective agreements. In order to stabilise labour-management relations, the Japanese Labour Ministry issued in 1951 instructions to expedite the conclusion of collective agreements and to provide guidance and assistance for employers' and workers' organisations. The number of collective agreements has increased since 1951. The majority of agreements contain provisions covering such subjects as management prerogatives, rights of labour union security, scope of union activities, joint works councils, grievance machinery, collective bargaining procedures, personnel administration, wages and other conditions of employment, retirement allowance, safety and health, welfare plans, accident compensation, disputes, peace clauses, and period of validity of the agreement.

Some collective agreements in the early post-war period provided for the establishment of a joint works council. The union's intention in establishing these councils was to have a voice in managerial matters or to participate in management. However, as the unions had neither the practical knowledge nor the ability to handle managerial matters, the councils, in some cases, became mere advisory organs or functioned as plant committees for the purpose of labour-management co-operation. In other instances, the joint works council is urged as an instrument for collective bargaining which, in the case of unions organised at that level of the undertaking, is always carried on at that level.

Wages and Welfare

In the devastated, chaotic state of the Japanese economy during the immediate post-war years, the system of wage calculation favoured by the unions was mainly intended to guarantee a living wage and to combat the rising tide of inflation. By 1948, social and economic conditions had become more normal and the pace of inflation had slackened. The Occupation authorities were also tending to support employers and, in particular, to protect them against the unions' demands for wages in excess of the undertakings' capacity to pay. With the outbreak of the Korean war in 1950 and the resulting boom, incentive wage systems began to replace systems based on the living wage. At the end of the Korean war in 1954, the Japanese economy took a deflationary turn and the need to expand foreign trade and to introduce technological innovations sharpened interest in higher productivity and the wage systems best calculated to achieve it.

Throughout the whole of this period, the proportion to total wages of basic wage rose from an average of 62.7 per cent. for manual and clerical workers of all industries in 1949 to 78.4 per cent. in 1956. The proportion represented by cost-of-living allowances, on the other hand, dropped from 15.5 per cent. in 1949 to 8.1

per cent. in 1956. This illustrates how allowances came to be merged with the basic wage. At the same time, the system of wage calculation was simplified by the introduction of a job classification system and of periodical wage increments.

In pre-war Japan, welfare services for workers were provided mostly by paternalistic employers who hoped, by supplementing low wages in this way, to prevent excessive cost of labour. Some companies operated welfare facilities and services directly, while others made financial contributions to workers' mutual assistance associations. As most trade unions in almost every branch of industry were organised at the level of the undertaking, the union members tended to depend upon welfare facilities and services operated by the management. This dependence had, in some instances, gone too far and enabled the management to exert undue influence over the union and its activities. Immediately after the war, however, many collective agreements provided for welfare facilities and services to be operated by the union or jointly by the union and management. The type of welfare services at present operated by trade unions on their own initiative include, among others, mutual assistance in case of accident or sickness, cash payment at the time of retirement of union members, relief to discharged or laid off union members, etc.

Industrial Disputes

As trade union organisations rapidly spread with the revival of the labour movement after the war, labour disputes increased greatly both in number and frequency. And the Government imposed, by legislation, restriction on direct action in case of disputes. Since 1947, the total number of disputes has exceeded 1,000 annually. In 1957, the total rose to 1,674. Of these, disputes involving direct action represented nearly one half. Between 1953 and 1957, one half of the disputes were settled by direct negotiation between the parties while more than 30 per cent. were referred to and solved with the assistance of the labour relations committees. The following table gives the number of disputes classified by methods of settlement:

Year	Total No. of disputes	Methods of settlement			Others
		Negotiation	By labour relations committees		
1953	1,131	861	449	172	
1954	1,181	861	409	161	
1955	1,297	857	406	145	
1956	1,297	740	444	113	
1957	1,608	951	608	140	

Labour relations committees are of a tripartite structure, that is, composed of employer, worker and Government representatives in equal numbers. They have gradually come to play an important role in settling disputes on the basis of a thorough study of the relations between the parties involved. The educational role played by the Central Labour Relations Committee and the local committees was very great immediately after the war, when both labour and management were still inexperienced at collective bargaining and other aspects of industrial relations. As both labour and management became more experienced and gained confidence in their bargaining strength and ability, they tended increasingly to avoid recourse to conciliation or mediation by labour relations committees and to bargain without outside intervention. This, however, has often given rise to protracted labour disputes involving direct action.

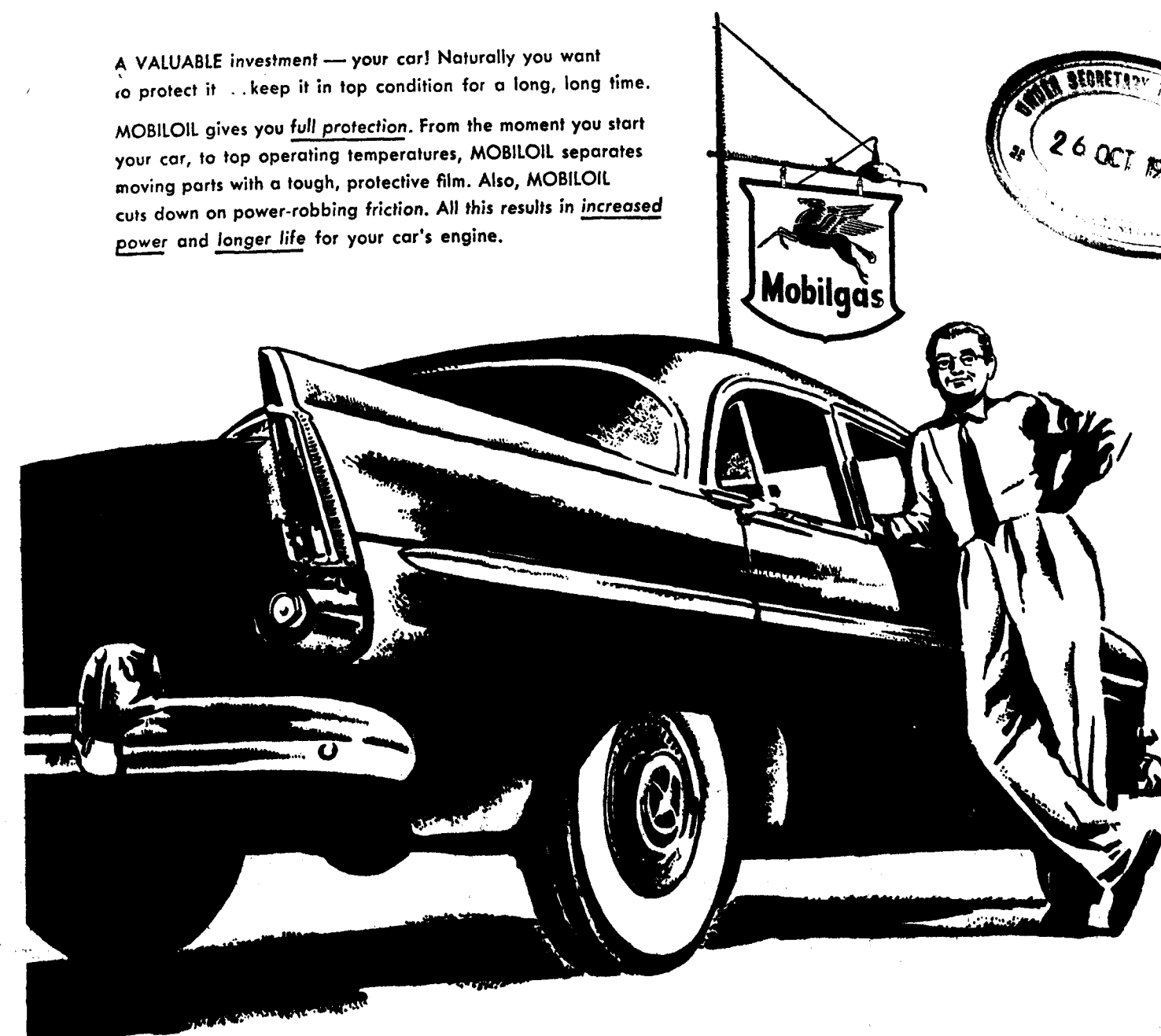
The labour relations committees are empowered to function as arbitration bodies through their Government members. However, this device has rarely been used so far, as the practice of referring disputes to arbitration is not yet well established in Japan. Even collective agreements containing peace clauses do not envisage recourse to arbitration. To Japanese employers and workers, acceptance of arbitration awards as binding on both parties is still an unfamiliar concept. This is due at least partly to the lack of a system for selecting arbitrators enjoying the confidence of both labour and management. On the other hand, the quasi-judicial function of labour relations committees, which consists in giving rulings on unfair labour practices, contributes greatly to guarantee freedom of association.

Because you value your car

you should use Mobiloil

A VALUABLE investment — your car! Naturally you want to protect it . . . keep it in top condition for a long, long time.

MOBILOIL gives you full protection. From the moment you start your car, to top operating temperatures, MOBIL OIL separates moving parts with a tough, protective film. Also, MOBIL OIL cuts down on power-robbing friction. All this results in increased power and longer life for your car's engine.



Mobiloil

FIRST IN PROTECTION — FIRST IN WORLD SALES

STANDARD-VACUUM OIL COMPANY (Incorporated in the U.S.A. with limited liability)

COMPANY LAW SUPPLEMENT

(Monthly Journal)

Main object, to keep the readers informed on all aspects of company law, contains among other matters Queries on problems relating to company law and their answers, amendments of company law, notifications, articles of general importance, digest of cases, etc.

Edited by Messrs. JOHN & ROW, Advocates, Madras,

authors of Ready Reference on the Indian Companies Act, 1956, and other publications on company law.

Annual subscription: Rs. 24.



EXPRESS PUBLISHERS (PRIVATE) LTD.
33, BROADWAY, MADRAS, 1.

FORWARD MARKETS BULLETIN

(Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspects of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market reviews
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
- About 200 pages in print in crown 4 size

Attractive get-up
Annual subscription Single copy
In India .. Rs. 12.00 In India .. Rs. 2.00
Abroad .. Rs. 30.00 Abroad .. Rs. 3.00

The Secretary, Forward Markets Commission
"Eyre" 100, Marine Drive, Bombay-2

NEW PUBLICATIONS

International Bibliography of Economics. Vol VI. Published by the U.N.E.S.C.O., Paris. Pages: 544. Price: \$9.50.

To the harried business man, bibliography sounds like a dull, dry occupation which, by its very definition, has little to do with the practical aspects of daily life and is, probably, carried on by patient plodders working at dust-covered desks. If he happens to hear of the publication of Volume VI of U.N.E.S.C.O.'s *International Bibliography of Economics*, he will probably consider it an event which does not concern him in the least. But he may be making a mistake. A glance at the classification scheme of the *International Bibliography of Economics* shows that most of the fields it covers coincide perfectly with the problems encountered daily by the men who are the driving force in the world's economic life—business managers, bankers, trade union leaders, etc. In fact, this book offers an impressive sum of references concerning economic events and their interpretation during the period it covers. They refer to facts, theories and ideas. Of course, there are bibliographical listings in the field of abstract analysis, but the book also mentions a large number of highly practical subjects such as oil reserves or credit policy.

The present-day "production" of economists (whether in theoretical or practical work) is enormous. To grasp its main aspects in all countries, a crew of trained specialists would be required. The persons responsible for the compilation of this bibliography used methods which enabled them to make a very severe selection of 7,700 titles and to present them as clearly and as compactly as possible to the reader.

An extremely detailed subject index is another feature of this bibliography. Depending upon the country, the index offers dozens of references (as in the case of Argentina) or hundreds of references (as in the case of India) touching upon all aspects of economic and social life. But the index also shows that all questions of any importance are covered by special headings: taxation, the Common Market, labour productivity, operational research, etc.

This bibliography is of immense practical value to business men. Business management is growing more and more complex. The manager finds that he has to surround himself with more and more technicians and experts capable of giving him advice on the basis of clear and rational knowledge of the problems facing his concern. To help these specialists prepare their reports, companies often set up libraries or documentation centres receiving books, journals and newspapers. But, quite often, the benefits derived from these costly services are low because their users do not have the key they need to be able to refer to them quickly and accurately. This bibliography has been produced to provide exactly such a key—it enables full use to be made of all available material.

O.E.E.C.—A Decade of Co-operation—1948-1958. Published by the Organisation for European Economic Co-operation, Paris. Pages: 187. Price: Rs. 12.

The story of the working of the O.E.E.C. during the last decade is the saga of the post-war economic recovery of the war-shattered nations of W. Europe. The Marshall Plan gave the impetus for this economic revival. The O.E.E.C. has succeeded in securing for its member-countries a perceptible expansion of trade and economic well-being. The role of the O.E.E.C. as also that of the European Payment Union, in this economic reconstruction has been succinctly described in the book under review. Apart from these tangible results, the successful working of the O.E.E.C. has led to the discovery and practice of new ways of enabling sovereign States to co-operate closely and to harmonise their policies, within an agreed programme and in search of agreed objectives. The authors of the book recognise that no one would pretend that the achievements of economic co-operation in Western Europe over the last ten years could not, or should not, have been greater; many problems—some of capital importance—are still unresolved. One of these relates to the need for bringing about a rapprochement between the six countries of the Common Market and the other members of the O.E.E.C. Nevertheless, as they rightly point out, co-operation since the war contrasts strikingly with the often mutually contradictory and self-defeating national policies prevailing before the war, and it is probably no exaggeration to claim that the results achieved have not been rivalled in any other similar period.

Surveys of Indian Industries : Volume 2. By Baditha Srinivasa Rao, Assistant Editor, "The Statesman." Published by Oxford University Press, Madras. Pages: 320. Price: Rs. 20.

The book under review comprises surveys of a dozen major industries of India. A large part of the book is devoted to the study of six staple industries, with a predominantly agricultural base, such as cotton textiles, jute, tea, sugar, paper, fruit and vegetable preservation. This is followed by some of the other important industries, namely, cement, ceramics, glass, ship-building, shipping and films. It may be recalled that the first volume of Mr. Rao's book, which had a fairly good reception, consisted of a wide range of industries, including iron and steel, non-ferrous metals, engineering industries, fuel, power and chemicals. Mr. Rao has dealt with each industry separately. With commendable insight, the author has discussed in detail the problems of, and prospects for, each of these industries, in their proper historical perspective.

Mr. Rao's style is simple and exposition lucid. It bears the impress of a distinguished professional journalist. What is more, much thorough and painstaking study of most of the available reference materials on the subject has gone into the preparation of this book. Appropriate statistical data are also given wherever necessary. It is no exaggeration to say that the author has succeeded in giving a coherent and comprehensive picture of each of these industries.

Principles and Practice Relating to Punishments and Disciplinary Actions in Private Industries. By V. P. Arya. Published by Bhushan Prakashan, Post Box No. 9100, Calcutta. Pages: 45. Price: Rs. 12.00.

Although the modern concept of industrial relations envisages the creation of conditions in which the need for taking disciplinary action in a factory is reduced to the minimum, there is no doubt that occasions do arise in the management of a factory which involve punishments and disciplinary measures. The book under review is an excellent treatise on the subject it deals with. As the author, V. P. Arya, points out, there is little or no specific provision in any statute relating to industrial law in this country prescribing the correct procedure on this subject. However, in recent years, there has been a gradual emergence of a body of principles, as a result of decisions of the labour and

industrial tribunals, indicating the formalities to be observed and the correct procedure to be followed by the management in such cases. These principles are fairly well established. The author has presented them in a simple and non-technical language, and further, to clarify their application, by citing illustrative examples. The book ought to appeal to all industrial establishments.

The Madras Directory and Who's Who 1958. Published by the Madras Directory and Who's Who, 1/3 Lake View Road, Madras 17. Pages: 981. Price: Rs. 15.

The book under review furnishes a wealth of information on a variety of economic and trade matters relating to the four South Indian States, namely, Madras, Andhra, Mysore and Kerala. One section, under the caption "The Republic of India," is devoted to general information on the Indian economy as a whole. A new section on automobile industry and trade in South India is added to the present edition, which is ninth in the series since 1946. The customary sections deal with economic conditions of the States concerned and a classified list of trades and professions in each of them. Some useful notes on the principal business houses in South India form the subject matter of a separate section. A fairly elaborate account of estates and plantations in South India is also given. The section, "Who's Who," gives illustrated short life sketches of important industrialists, business executives, administrators, statesmen, and journalists in South Indian States.

Agricultural Atlas of Madhya Pradesh. Published by the Directorate of Land Records, M.P., Gwalior. Pages: 25. Price: Rs. 5.00.

The Atlas under review is the first of its kind produced by the Directorate of Land Records of the Government of Madhya Pradesh. It covers a wide range of subjects, including general agricultural information, physical features, rainfall, soil conditions, forest types, sowing, harvesting and marketing seasons of the crops, area, average yield and production of crops, index numbers of agricultural production and farm prices, size and distribution of land holdings and land utilisation upto 1956-57. There are also bar charts graphs and pie-charts on production and prices of commodities.

CHEMICALS THAT HELP INDUSTRY TO BRING A BETTER FUTURE CLOSER

Monsanto works constantly both to develop new, better chemicals—and to improve those chemicals already used in every major industry.

PHARMACEUTICALS—acetylsalicylic acid, phenacetin, benzocaine, phenol, phenolphthalein, germicides are but a few of the many Monsanto products in this field.

RUBBER—Monsanto's accelerators help speed vulcanization, add quality. Anti-oxidants improve resistance, prevent early cracking, give increased flexibility.

TEXTILES—Monsanto Syton is widely used in spinning cottons and woolsens, increases yarn strength, allows for reduction in twist.

PRESERVATIVES—Monsanto's pentachlorophenol chemicals help to preserve a wide range of products. Monsanto sodium benzoate helps prevent corrosion.

PAINT—Monsanto's chemicals are used extensively in the manufacture of high-quality paints, varnishes and lacquers.

CHEMICALS FOR EVERY INDUSTRY



MONSANTO CHEMICALS OF INDIA PRIVATE LTD.
Wakefield House, Sprout Road, Ballard Estate, Bombay 1
Also at: Calcutta, Delhi and Madras.

Monsanto Chemicals Limited, London • Monsanto Chemical Company, St. Louis, U.S.A.
Dependable service from Monsanto companies in London, Melbourne, Montreal, Paris,
Bombay, Tokyo, Mexico, D.F., Buenos Aires and from sales representatives in all principal
cities of the world.

Union Bank of India Limited.

(ESTD: 1919)

Head Office :
Union Bank Building
Apollo Street
BOMBAY-1

★

WITH WORLD-WIDE CONNECTIONS
WE ARE FULLY EQUIPPED TO
HANDLE EVERY KIND OF FOREIGN
EXCHANGE BUSINESS

CALL AND FIXED DEPOSITS
ARE ACCEPTED AT ATTRAC-
TIVE RATES

F. K. F. Nariman, General Manager.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office :

Jehangir Building
133, Mahatma Gandhi Road
Fort, BOMBAY

RONUK

- For
- Polishing & buffing compositions
 - Prepared plating salts for all metals, Metal bronzes, Alkali metal cleaners, Anodes.
 - Fibre & wire wheels, Calico mops.
 - Design fabrication & erection of complete plants for

ELECTROPLATING
& ANODISING
RONUK INDUSTRIES LTD.,
11A, world sea face, Bombay 18.



TODAY'S DECISION to become a Depositor BRINGS TOMORROW'S INTEREST

5%

SECURITY — The Bank's Capital and Reserves

SAVING — NO Charges, Brokerage, Commission, Fees or Stamp Duties

SAFETY — NO Capital Depreciation—Your funds remain at your disposal

YIELD — The 5 per cent per annum interest is paid half-yearly without deduction of United Kingdom income tax

ASSETS EXCEED £50,000,000

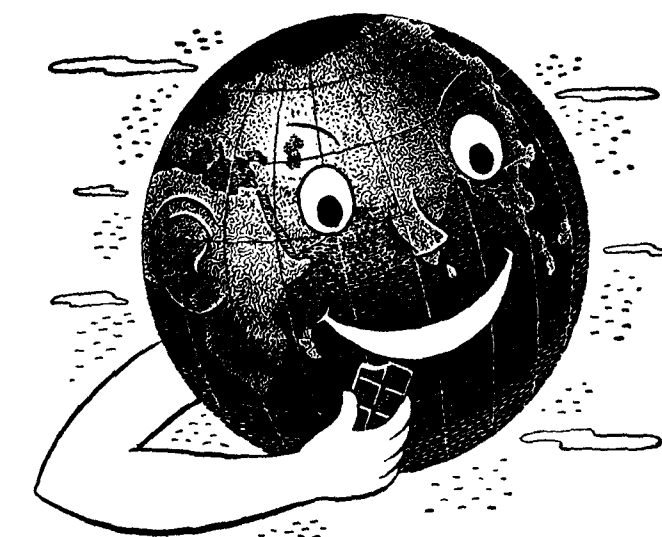
Write today to General Manager for your copy of 'Bank Deposit Account' booklet No. A091.

LOMBARD BANKING LIMITED BANKERS

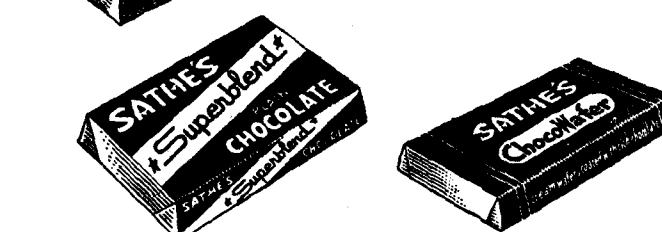
Head Office: LOMBARD HOUSE, CURZON STREET
PARK LANE, LONDON, W.1 GRO 4111 (30 lines)
East Africa: MERCANTILE HOUSE, SADLER STREET
P.O. BOX 5669, NAIROBI Tel: NAIROBI 25547 (5 lines)

A World-Wide Banking and Finance Organisation

All the world loves
delicious CHOCOLATES...



SATHE'S
make them!



SATHE BISCUIT & CHOCOLATE CO. LTD., POONA-2.
Heros' 108.

STEEL IN THE THIRD PLAN ENLARGING CONSUMPTION POTENTIAL NEEDS URGENT ATTENTION

By Jehangir J. Ghandy

DIRECTOR-IN-CHARGE, TATA IRON AND STEEL CO., LTD.

[What should be the size of steel industry in the third Plan now on the anvil? How is it to be achieved? These two questions figure prominently in this article which is an adaptation of the author's address to the Rotary Club of Delhi last week. The author urges the adoption of a realistic target, as also immediate attention to the question of expanding engineering industries in order to enlarge the potential for consumption of steel. He convincingly shows why a high priority should be given to steel-using industries in the third Plan. He also calls for a revision of the basis for fixing steel prices payable to producers and a reduction in prices charged to consumers.—Ed.]

ALL sections of the private sector are in agreement with the basic goal of the Government's policy to create increasingly better opportunities of life for the Indian people through a rapid rate of economic growth. The task of raising India's standard of living, lower than that even of relatively underdeveloped countries like Libya or Ceylon, poses a tremendous challenge requiring the pooling of resources and efforts on a truly national scale. Everyone, I should imagine, fully accepts that only the most massive effort will enable the country to break through the poverty barrier, and reach the stage of self-sustaining growth.

In conditions such as these, the need for planning and control is self-evident—a fact fully recognised by the private sector. There is also no dispute over the magnitude of investment needed for the next plan. It is generally accepted that, if the momentum of development is to be sustained, an investment of the order of Rs. 10,000 crores will be necessary. There is difference of opinion, however, on the share of the private sector in the total plan outlay. In our view, the division of responsibilities between the two sectors should be based on economic, rather than on doctrinaire considerations.

Expansion of Steel Capacity

In the steel industry, there is complete unanimity on the basic premise that, having completed a fourfold expansion during the second Plan, we cannot afford to rest on our oars. We must, indeed, go forward. Our fortunate position in respect of raw materials, and the paramount need to industrialise, make the need and scope for expansion self-evident. There are differences, however, on the exact quantum of expansion, arising from varying estimates of future steel consumption. The National Council of Applied Economic Research, which undertook an appraisal of steel demand, has issued an interim report in which it assesses demand at the end of 1965-66 at six million tons of finished steel, while preliminary studies made by Government put the figure at 7.3 million tons. In either case, the figure is arrived at by making long-range assumptions involving a considerable element of uncertainty. To a degree this is inevitable, because a mere projection of demand trends will not serve in a period of intensive development, and estimates must, therefore, necessarily be based on the rate of growth assumed for the economy as a whole and for the major steel-using industries, in particular. Since these assumptions must necessarily be very tentative at this stage in the evolution of the third Plan, there is no reliable method of assessing the country's current demand for steel as supplies are severely rationed. The Iron and Steel Ministry estimates this at 4.2 million tons against an estimated consumption of 3.5 million tons in 1957. The figure of actual consumption includes, I understand, the steel content of imported equipment, although I am not sure to what extent this should be taken into account in estimating consumption of steel within the country in the immediate future when facilities for fabrication and manufacture will be very limited.

Lower Selling Prices

I should not worry too much over the disparity in the two estimates of steel consumption. In either case, it would mean a very sharp increase over present levels of consumption. For the last 20 years, steel supplies have been far short of the demand in India. Government had, therefore, to devise a distribution mechanism to restrict the use of steel, as far as possible, to priority needs. Taking advantage of the fact that India produces steel more cheaply than any other country in the world, Government fixed uniform selling prices for imported and Indian steel at levels lower than the prices of imported steel landed in India. The difference between the price paid for imported steel and the uniform selling price was

financed by creating a price equalisation fund, built up from a surcharge levied on the Indian producers. The Indian producers receive, therefore, what is known as the retention price, representing the official selling price minus the surcharge credited to the Government price equalisation fund. At the present time, this surcharge works out to an average of Rs. 115 per ton. As Indian steel production increases and the volume of imported steel is reduced, the need for continuing the price equalisation fund will correspondingly diminish and eventually cease altogether. It should then become possible and desirable to abolish the price equalisation fund by removing the surcharge levied on the producers, and doing away with the present distinction between selling and retention prices. Steel prices could also be brought down further by reducing the excise duty on steel, which was increased two years ago from Rs. 4 to Rs. 40 per ton of steel ingots, or Rs. 5 to Rs. 53 per ton in terms of finished steel. A reduction in selling prices will not only stimulate the consumption of steel within the country, but has also become necessary in consequence of the fact that the selling price, for instance, of bars and rods in India is Rs. 645 per ton, or Rs. 39 more than in the U.S.A., Rs. 76 more than in Japan, and as much as Rs. 119 more than in the U.K. As a matter of fact, the purpose of Government's price equalisation fund is not being fulfilled in the case of these products, because bars could be imported from Belgium or Japan at a landed duty paid cost of Rs. 28 and Rs. 42 respectively lower than the official selling price in India. The position is similar in the case of joists, plates and a few other products.

Secondary Industries

Steel producers like ourselves would, therefore, urge immediate action to enlarge the consumption potential in preparation for the expansion of steel industry in the third Plan. Primarily this calls for the development of steel-using industries to their full stature. This in turn pre-supposes some effort to lower the price of steel, because high raw material costs are definitely inhibiting the growth of demand for the products of these industries. The main emphasis in the second Plan was rightly on the creation of basic steel-making capacity; we should now like to see sufficient resources allocated for the development of secondary industries, which have suffered from want of attention and encouragement. The development of such industries is important, particularly from the employment angle, because they are less capital-intensive. To quote a Planning Commission estimate, the comparative figures are Rs. 80,000 of capital investment per worker in basic industries like steel, fertilisers or heavy electricals, but only Rs. 15,000 for large-scale industry manufacturing consumer or producer goods, and only Rs. 3,000 for reasonably productive small-scale industry. A given quantum of investment will obviously generate far greater employment in these less capital-intensive fields, which is an important consideration when we remember that there will be a minimum of 14 million new job-seekers in the third Plan period, besides which we shall have a carry-over of seven million unemployed from the second Plan period.

There are also certain psychological advantages in developing secondary industries, because their radiational effects will make the impact of industrialisation and economic advance felt in the remotest corners of the country, and thereby help to check the growing feeling of frustration so much in evidence. I would urge, therefore, that concrete steps should now be taken to bring about this development.

In the case of the engineering industry, the difficulties posed by the shortage of steel will have largely disappeared when the planned increase in output materialises. I doubt, how-

ever, if the industry will be able to use these larger quantities of steel, unless it prepares itself to do so from now. There has been a persistent demand from the industry for more generous treatment in respect of allocation of foreign exchange to enable it to import capital equipment that it so badly needs, not only for expanding production but also to make itself competitive in foreign markets. The allocations were understandably meagre at the hump of the second Plan when imports of capital goods went up to Rs. 575 crores, but conditions now seem easier. I should like to suggest that the planning for steel production should logically be extended to cover the engineering industry which will transform the steel into usable products, so that its place in the scale of priorities was assured. The growth of engineering capacity will have the further advantage of cutting down imports of capital goods and machinery, and thus help eventually to reduce the expenditure of foreign exchange. We should also take into account the fact that these industries have an important export potential, particularly in our traditional markets of South Asia and Africa.

Scale of Priorities

Whether consumption of finished steel would rise by 70 per cent. to 7.3 million tons as estimated by the Ministry or by 40 per cent. to six million tons as estimated by National Council for Applied Economic Research, is a point that need not detain us just now. In laying down a target, we need not necessarily be guided by immediate consumption possibilities but can reasonably take a larger view to anticipate future demand. In any case, the actual production in initial years is likely to be nowhere near target capacity, since it takes three to four years to reach the rated output, as is confirmed by experience of steel plants all over the world. I have no serious objection, therefore, to a target of 10 million ingot tons of steel by the end of the third Plan, provided we do not adhere to this too rigidly but maintain an elasticity of approach. The real danger to my mind is that a high target will divert to steel such a large proportion of the total resources that essential development in other fields will be starved of funds. If we remember that each million tons of additional steel capacity will mean earmarking as much as Rs. 100 crores to expand an existing plant or Rs. 200 crores to build one from scratch, the need for a rational scale of priorities between steel and other sectors becomes immediately evident. I would, therefore, urge a more realistic target of nine million ingot tons equal to just under seven million tons of finished steel. This will be ample for demand as we anticipate it and yet leave room for a degree of upward adjustment.

Costly Overemphasis

It was Mr. J. R. D. Tata who first sounded a note of warning against an overemphasis on steel in future planning. He felt that this would be a costly mistake and urged that the rate of steel expansion and the priority accorded to it should be determined not on considerations of prestige but keeping in mind the continued shortages of financial, technical and managerial resources, which will exist for the next 10 or 15 years. Subsequent to Mr. Tata's warning, several responsible economists have also pleaded for slowing down steel expansion on one count or another. This has at least had one tangible effect. Whereas Mr. T. T. Krishnamachari had talked in terms of a target of 15 million tons, and this figure also appeared in a memorandum on the 1958-59 budget, official thinking is now in terms of 10 million tons. A well-known economist, who takes, I believe, a position somewhat left of centre, said, in a recent article, that he would prefer the expansion of industries like steel to be slowed down until the country was in a position to produce fairly large proportions of the machinery required so as to avoid the crisis in foreign exchange resources on which the second Plan was almost foundering.

Export Potential

Nothing would give me, as a steel man of 42 years' standing, greater pleasure than to see this country take its rightful place among the leading steel producers of the world. I look forward, therefore, to the day when the steel works in this country would be selling their products not only at home but also in the neighbouring countries. I think it necessary, however, to warn against any facile assumptions about export possibilities. There is a growing world surplus in steel, and it will not be easy for us to enter world markets in competition with established producers like Japan, Britain and Western Europe and match the attractive

(Continued on page 702)

NEW PRODUCTS AND PROCESSES

Fruit Fertiliser

A NEW concentrated granular fertiliser containing 5 per cent. of magnesium is now available which, it is claimed, will meet the requirements of most apple, pear and plum orchards in the U.K. One application of the new fertiliser a year is recommended, preferably in February. Application rates vary from 5 to 6 cwt. per acre for dessert apples under clean cultivation to 8 to 9 cwt. per acre for culinary apples in grassed-down orchards. The nitrogen content is 12 per cent.; the potash content is 10 per cent. and the phosphate content 3.8 per cent. The relatively high level of magnesium will offset existing levels of deficiency and, it is hoped, will make trees less susceptible to mildew attack and spray damage.

Electric Motors

The first range of electric motors, from fractional to 40 horsepower, which incorporate a disc-type electro-magnetic brake as an integral design feature, has been manufactured in the U.K.

Advantages claimed for the new motors are savings in cost and space, and more efficient powerful braking. A 3 horsepower, 1,460 revolutions per minute motor with a maximum braking torque of 15 pounds-feet is only 34 inches longer than an equivalent ordinary motor. A new design of electromagnet is used and a range of torques is available for each horsepower frame size of motor. Two typical applications might be the stopping, by means of a low torque, of a machine spindle where the braking time is not critical and the precise positioning, by means of a high torque, of a machine-tool slide where the braking time is critical.

Cotton Resembling Wool

A new method of manufacturing cotton fabrics resembling woollen ones by means of improving cellulose cotton by special substances containing nitrogen has been suggested by Mr. Hamdam Usmanov, Director of the Tashkent Polymer Chemistry Institute of the U.S.S.R. Surface treatment of fibre gives it many qualities of wool: durability, easy dyeing, resistance to decay and loss of heat. The new fabrics can be used for garments, for very durable fishing nets and for cord fabrics which greatly improve the durability of tyres. Equipment designed by engineers from the Uzbek Academy of Sciences, will manufacture 300 metres of such fabrics made of cotton fibre an hour. The equipment consists of a three-chamber machine which is three metres high. The cotton material will pass through this continuously operating machine in order to be improved.

Rubber-based Paint

A new type of natural rubber based paint should prove a boon to night drivers and night landing pilots. The paint mixed with thousands of tiny beads known as "ballotini" gives a strong reflection to headlights in the dark. The advantages claimed for this type of paint include suitability for brush and spray application, speedy laying, fast drying—which keeps painters a minimum of time on the roads and adhesion strength. This type of paint is by no means restricted to the white line in the centre of the road, kerbs and bollards. Other uses include airports and airfield runways, aprons, etc., loading and parking bays, docksides, tennis courts, school playgrounds, interior traffic lanes in factories, storage spacing, car parks, street and covered markets, exhibition halls, sports stadiums, gymnasiums and the coping of railway platforms.

Electric-powered Cars

Three U.S. manufacturers are now developing advanced types of electric propulsion for automobiles. One uses a powerful light-weight battery borrowed from rockets and jet airplanes. Another firm has plans for perfecting a new type of storage battery, the oxygen-hydrogen fuel cell. The first of the new electric autos called the "Charles Town-About," has already appeared in California. It resembles a small European sports car—a capacious two-seater, with additional room in the back for two small children. The power source of the Charles is a 528-pound unit of selenium batteries that develop 48 volts of electricity, which moves the Charles into a smooth acceleration with no need for shifting gears. The car's top speed is 58 miles an hour. The car's batteries must be recharged after 75 to 100 miles of operation. Each recharge—accomplished by plugging a line into an ordinary wall socket—can be done overnight in seven hours. The cost is about the price of half a gallon of gasoline.

Plastic as Strong as Steel

A tough, resilient new plastic that can be used to replace many metals has been developed by E.I. du Pont de Nemours and Company in the United States. It is called Delrin.

Delrin now promises to be usable for automobile door handles, dashboards of cars, fuel pump and carburettor parts, and showerheads. More than 75 per cent. of its potential uses, which number more than 500, involve replacement of steel, brass, aluminium and zinc.

Delrin is formed from formaldehyde, a relatively simple molecule. The formaldehyde is polymerised, or joined together in long, tightly-packed chains of molecules. These chains form into very dense crystals, giving the plastic its strength and unique ability for long wear.

The manufacturer points out that Delrin cannot replace metals completely, since it cannot be easily cemented and is discoloured by ultraviolet rays. Du Pont scientists note that the costs of developing Delrin exceeded those spent by the company to produce nylon.



Reduce the risk of
loss of plant and production
by installing

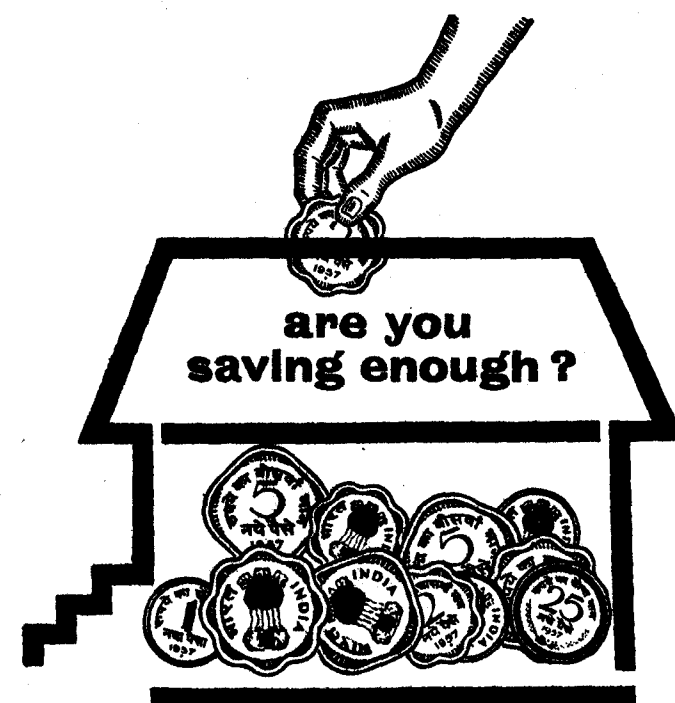
**AUTOMATIC SPRINKLER PLANT,
HYDRANT PLANT and
FIREPROOF DOORS.**

Supplied & Erected by

W. H. BRADY & CO., LTD.

VEER NARIMAN ROAD, FORT, BOMBAY I

Branches at: CALCUTTA • MADRAS • KANPUR • AHMEDABAD • COIMBATORE • DELHI



Or are you saving at all? It is in your interest to save for the future. When you open a Savings Bank account with us, you know that your money is safe—until you need it—and it gathers interest year by year—at present 2½ per annum. Withdrawals may be made by cheque. Why not contact us for further details? We shall be pleased to help you.



National and Grindlays Bank Ltd.

Incorporated in the United Kingdom
The liability of Members is limited

BOMBAY BRANCHES: 90 MAHATMA GANDHI ROAD

MINT ROAD, (CORNER OF MINT ROAD AND SIR P. M. ROAD)

Notices

THE LANSDOWNE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LANSDOWNE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11 a.m. on Friday, the 20th day of November, 1959, for the following purposes:—

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

1. Resolved that the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.
2. Resolved that with effect from the first day of March, 1958, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

3. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959 and to receive the Directors' and Auditors' Reports thereon.
4. To declare Dividend recommended by the Directors.
5. To appoint Directors in the place of retiring Directors.
6. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 24th September, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 27th November, 1959 to those shareholders so entitled whose names appear in the Company's books on the 20th November, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 and 2:

The Company may require temporary financial accommodation from time to time and as the Managing Agents of the Company are prepared to lend money to it at a rate of interest lower

than the prevailing bank rate, if and when they have surplus funds so to lend, it is proposed to take advantage thereof. Section 370 of the Companies Act, 1956 as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958 such arrangement should be approved by the shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

With regard to resolution No. 2, which is self-explanatory, the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mill Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such company based on a percentage of the net profits of each company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to time between the Directors of each Company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Accounts at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

UNION JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of UNION JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10-20 a.m., on Friday, the 20th day of November, 1959, for the following purposes:

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

1. Resolved that the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.
2. Resolved that with effect from the first day of March, 1958, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates Messrs. F. W.

Heilgers & Co. (Private) Ltd. for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

3. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959, and to receive the Directors' and Auditors' Reports thereon.
4. To declare Dividends recommended by the Directors.
5. To appoint Directors in the place of retiring Directors.
6. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 24th September, 1959.

Note:—(a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 27th November, 1959, to those shareholders so entitled whose names appear in the Company's books on the 20th November, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 and 2:

The Company may require temporary financial accommodation from time to time and as the Managing Agents of the Company are prepared to lend money to it at a rate of interest lower than the prevailing bank rate, if and when they have surplus funds so to lend, it is proposed to take advantage thereof. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958, such arrangement should be approved by the shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

With regard to resolution No. 2 which is self-explanatory the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mill Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such Company based on a percentage of the net profits of each Company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to time between the Directors of each Company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Accounts at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is

paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

THE STANDARD JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE STANDARD JUTE COMPANY LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11.20 a.m. on Friday the 20th day of November, 1959, for the following purposes:—

As Special Business

To consider and if thought fit to pass with or without modification the following resolution which will be proposed as a Special Resolution, namely:—

1. Resolved that the Company may lend money from time to time to its holding company, The Kinnison Jute Mills Co., Ltd., as and when required by the borrower company and provided the Company has surplus money available so to lend, bearing interest at the rate of four per cent. per annum but so that the money lent shall not at any time exceed Rs. 20,00,000 in the aggregate which may be repaid by the borrower company without notice and shall be repaid within three days of demand by the lending company.

As Ordinary Business

2. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1959 and to receive the Directors' and Auditors' Reports thereon.
3. To declare Dividend recommended by the Directors.
4. To appoint a Director in the place of a retiring Director.
5. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed, from 5th November, 1959 to 20th November, 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 24th September, 1959.

Note: (a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 27th November, 1959 to those shareholders so entitled whose names appear in the Company's books on the 20th November 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolution No. 1:

The Standard Jute Company Ltd., has substantial surplus funds which are at present held on short deposit with its Bankers fetching interest at a rate varying from 3 to 3½ per cent. per annum. It is essential that the money be kept liquid and it is not considered desirable therefore to immobilise the amount by long-term investment. Your Directors therefore consider it desirable that the Company should be authorised to lend such money, up to a maximum of Rs. 20,00,000 in the aggregate at any time, to its holding company, The Kinnison Jute Mills Company Ltd., bearing interest at the rate of 4 per cent. per annum which shall be repayable by the borrower company within three days of demand.

Under Section 370 of the Companies Act, 1956, sanction by Special Resolution is necessary

in view of the fact that the Board of Directors of the Company also form the majority of the Directors of The Kinnison Jute Mills Company Ltd. and although this section specifically mentions that loans by a holding company to its subsidiary do not come within the purview of this section, a Special Resolution would be necessary where the lender company is the subsidiary. Resolution No. 1 is therefore placed before the shareholders for their consideration.

THE KINNISON JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE KINNISON JUTE MILLS COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.35 a.m. on Friday the 20th day of November 1959, for the following purposes:—

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

1. Resolved that with effect from the first day of March, 1958, the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.
2. Resolved that with effect from the first day of March, 1958, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates, Messrs. Bird & Co. (Private) Ltd. for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

3. To consider and approve the Audited Accounts of the Company for the year ended 31st March 1959 and to receive the Directors' and Auditors' Reports thereon.
4. To declare Dividends recommended by the Directors.
5. To appoint Directors in the place of retiring Directors.
6. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November 1959 to 20th November 1959, both days inclusive.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 24th September, 1959.

Note: (a) A Member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 27th November, 1959 to those shareholders so entitled whose names appear in the Company's books on the 20th November 1959, or

to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 and 2:

As explained in the Directors' Report your Company has the benefit of financial accommodation afforded to it by its Managing Agents who lend money to the Company from time to time as required by it at a rate of interest which is more favourable than the Company could have obtained from its Bankers. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958 such arrangement should be approved by the shareholders by Special Resolution pursuant to the above Section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Similarly, with regard to resolution No. 2, which is self-explanatory, the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mill Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such company based on a percentage of the net profits of each company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to time between the Directors of each company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Account at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. F. W. Heilgers & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

THE LAWRENCE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE LAWRENCE JUTE COMPANY, LTD., will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 11-10 a.m. on Friday, the 20th day of November, 1959, for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959, and to receive the Directors' and Auditors' Reports thereon.
2. To declare Dividends recommended by the Directors.
3. To appoint Directors in the place of retiring Directors.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

By Order of the Board,

BIRD & CO. (PRIVATE) LIMITED,
Managing Agents.

CALCUTTA, 24th September, 1959.

Note:—(a) A member entitled to attend

and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 27th November, 1959, to those shareholders so entitled whose names appear in the Company's books on the 20th November, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

THE NORTHBROOK JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE NORTHBROOK JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.50 a.m., on Friday, the 20th day of November, 1959, for the following purposes:

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

- Resolved that with effect from the first day of March, 1958, the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.
- Resolved that with effect from the first day of March, 1958, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

- To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959, and to receive the Directors' and Auditors' Reports thereon.
- To declare Dividends recommended by the Directors.
- To appoint Directors in the place of retiring Directors.
- To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

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

CALCUTTA, 24th September, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 27th November, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 20th November,

1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 and 2:

As explained in the Directors' Report your Company has the benefit of financial accommodation afforded to it by its Managing Agents who lend money to the Company from time to time as required by it at a rate of interest which is more favourable than the Company could have obtained from its Bankers. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958, such arrangement should be approved by the shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Similarly, with regard to Resolution No. 2, which is self-explanatory, the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mill Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such company based on a percentage of the net profits of each company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to time between the Directors of each company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Account at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

THE AUCKLAND JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE AUCKLAND JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.00 a.m., on Friday, the 20th day of November, 1959, for the following purposes:—

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

- Resolved that with effect from the first day of March, 1958, the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.
- Resolved that with effect from the first day of March, 1958, the Company agrees

to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

- To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959, and to receive the Directors' and Auditors' Reports thereon.
- To declare Dividends recommended by the Directors.
- To appoint Directors in the place of retiring Directors.
- To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

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

CALCUTTA, 24th September, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 27th November, 1959, to those Shareholders so entitled whose names appear in the Company's books on the 20th November, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolutions Nos. 1 and 2:

As explained in the Directors' Report your Company has the benefit of financial accommodation afforded to it by its Managing Agents who lend money to the Company from time to time as required by it at a rate of interest which is more favourable than the Company could have obtained from its Bankers. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958, such arrangement should be approved by the shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Similarly, with regard to Resolution No. 2, which is self-explanatory, the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mill Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such company based on a percentage of the net profits of each company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to

time between the Directors of each company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Account at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

THE DALHOUSIE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Annual General Meeting of THE DALHOUSIE JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 10.10 a.m. on Friday, the 20th day of November, 1959, for the following purposes:—

As Special Business

To consider and, if thought fit, to pass with or without modification the following Resolutions which will be proposed as Special Resolutions, namely:—

- Resolved that with effect from the first day of March, 1958, the Company may borrow money from time to time from its Managing Agents provided the Managing Agents are agreeable so to lend, bearing interest at a rate lower than the prevailing Bank rate as may be agreed upon between the Managing Agents and the Directors of the Company but so that the money lent shall not at any time exceed Rs. 15,00,000 in the aggregate, which may be repaid by the Company without notice and shall be repaid within three days of demand by the Managing Agents.

- Resolved that with effect from the first day of March, 1958, the Company agrees to pay the remuneration of such administrative staff that may be placed at its disposal by the Managing Agents in accordance with the terms of employment with such staff and the Managing Agents and in particular to make contribution to a Pool Commission Account maintained by the Jute Mills within the organisation of the Managing Agents and their associates, Messrs. F. W. Heilgers & Co. (Private) Ltd., for disbursement amongst such staff in terms of their agreement based on a percentage of the net profits of each company or a minimum contribution in the absence of or insufficiency of profit as may be agreed upon from time to time between the Directors of the Company and the Managing Agents.

It is further resolved that if at the end of each financial year there is any balance left in the Pool Commission Account after disbursement to the staff, such balances are to be refunded to the Company in proportion to the contribution made by the Company as heretofore.

As Ordinary Business

- To consider and approve the Audited Accounts of the Company for the year ended 31st March, 1959 and to receive the Directors' and Auditors' Reports thereon.
- To declare Dividend recommended by the Directors.
- To appoint Directors in place of those retiring, including Khan Bahadur D. E. Avari, M.B.E., who having attained the age of 65 years is not eligible for re-election unless his appointment is approved by a resolution of the Company in General Meeting specifically declaring that the age limit shall not apply to him.

And in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required by Section 281(2) of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is appended below:

To be proposed as an Ordinary Resolution—

"That the restriction as to age limit prescribed by Section 280 of the Companies Act, 1956, shall not apply to Khan Bahadur D. E. Avari, M.B.E., and that he be and is hereby re-elected as a Director of the Company, whose period of office as such Director would be liable to determination by retirement of Directors by rotation."

- To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from 5th November, 1959 to 20th November, 1959, both days inclusive.

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

CALCUTTA, 24th September, 1959.

Note:—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote instead of himself.

A proxy need not be a member of the Company.

(b) The Dividend, if declared, will be paid on or after 27th November, 1959 to those shareholders so entitled whose names appear in the Company's books on the 20th November, 1959, or to their mandatees. No application for Dividend Warrants will be necessary.

EXPLANATORY STATEMENT

Resolution Nos. 1, 2 and 5:

As explained in the Directors' Report your Company has the benefit of financial accommodation afforded to it by its Managing Agents who lend money to the Company from time to time as required by it at a rate of interest which is more favourable than the Company could have obtained from its Bankers. Section 370 of the Companies Act, 1956, as well as relative clauses in the Articles of Association of your Company empower your Company to take loans from the Managing Agents at a rate of interest to be agreed upon between them and the Board. The Auditors of your Company are of the opinion that granting of loans by the Managing Agents constitute a service by them in terms of Section 360 of the Act, and as from the first of March, 1958 such arrangement should be approved by the shareholders by Special Resolution pursuant to the above section. Counsel's opinion on the question is to the contrary but in order to remove any doubt in the matter it is proposed to pass a Special Resolution confirming the arrangement.

Similarly, with regard to resolution No. 2, which is self-explanatory, the Managing Agents of your Company provide the Company with the whole or part-time services of their administrative staff and the Company pays the remuneration of such staff in accordance with their terms of employment. There is also an arrangement over a number of years between your Company and other Jute Mills Companies within the organisation of the Managing Agents to maintain a Pool Commission Account to which contribution is made by each such company based on a percentage of the net profits of each company and in the event of absence of or inadequacy of profit to make a minimum contribution as may be agreed upon from time to time between the Directors of each company and the Managing Agents. Commission is distributed to the staff from this Pool Commission Account at the discretion of the Managing Agents and in the event of any balance being left over it is refunded to the Company in proportion to the contribution made by it. The Managing Agents retain no benefit out of this arrangement. The Auditors of your Company consider that inasmuch as such commission is paid through the Managing Agents out of monies contributed by the managed companies, it constitutes a service by the Managing Agents attracting the provision of Section 360 of the Act and should therefore receive sanction of the shareholders by Special Resolution. Special Resolution No. 2 is therefore placed before the members for consideration and adoption.

Sir Walter Michelmores, a Director and member of your Company, is also a Managing Director of Messrs. Bird & Co. (Private) Ltd., the Managing Agents of the Company.

To the extent indicated above the Managing Agents of the Company may be deemed to be interested in the business referred to in the resolutions.

In the special notice given to the Company of the resolution under item No. 5 of the above notice it has been stated that the services of Khan Bahadur D. E. Avari have proved most useful to the Company and as he has considerable administrative experience, he should continue to remain on the Board of Directors of the Company and that the age limit imposed by Section 280 of the Companies Act, 1956, should not apply to him.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING of Members of the Company will be held at its Registered Office, 63 Netaji Subhas Road, Calcutta, on Friday the TWENTIETH day of November, 1959, at 11.00 a.m. to consider and, if thought fit, to pass, with or without modification, the following as a Special Resolution:—

THAT the Authorised Capital of the Company be increased, by the creation of 11,00,000 new Ordinary Shares of Rs. 10 each, to Rs. 4,10,00,000, divided as follows:

	Rs.
1,00,000 Cumulative Preference Shares of Rs. 100 each ...	1,00,00,000
31,00,000 Ordinary Shares of Rs. 10 each ...	3,10,00,000
	Rs. 4,10,00,000

EXPLANATORY STATEMENT

1. Equity capital of the Company is Rs. 2 crores, divided into 20,00,000 shares of Rs. 10 each, out of which 10,20,000 shares have been issued. As it is intended to make a further issue of 10,20,000 shares, it has become necessary to increase the authorised capital.

2. The number of authorised shares of Rs. 100 each is 1,00,000, out of which 20,000 shares have been issued as Cumulative Preference Shares. The shareholders' approval is requested to define the unissued 80,000 shares of Rs. 100 each as Cumulative Preference shares.

Dated the Fifteenth day of October, 1959.

By Order of the Board of Management,
D. D. MARKAN,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA.

Note:—A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself. A Proxy need not be a member of the Company.

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

Indian Railways' Requirements of Double Acting Hydraulic and Friction Type Shock Absorbers for Vertical Application for First Class Coaches.

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established or prospective and reliable manufacturers supply of Double Acting Hydraulic and Friction Type Shock Absorbers for Vertical Application for First Class Coaches.

2. The relevant tender documents are obtainable from the Research Design and Standardisation Organization, Baroda House Annex, New Delhi, on payment of Rs. 2 per copy.

3. Quotations should reach the undersigned not later than 11 a.m. on 18th November, 1959.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

RECENT TAXATION DECISIONS OF BOMBAY HIGH COURT

SEVERAL IMPORTANT ISSUES SETTLED

By K. H. Kaji, Advocate (O.S.)

THE recent taxation decisions of the Bombay High Court delivered in June-July 1959 by a Division Bench consisting of Shah and S. T. Desai JJ. seek to resolve some uncertainties and anomalies in the working of taxation laws, and deal with some questions of great public importance. The Income-tax Amendment Act 1959 successfully stood the challenge to its validity. Familiar topics such as Section 23A, Section 15C, and penal interest also came up before the Court, and the decisions throw considerable light on several complicated questions in income-tax law.

Income-tax Amendment Act

The constitutional validity of Section 3 of the Income-tax Amendment Act 1959 by which Section 49EE was incorporated in the Act was upheld by the High Court in the case of *Radheshyam Makhanlal vs. Union of India and Others*. (Mis. Application No. 263 of 1957, decided on 10th August 1959). The petitioner had paid large amounts and deposited certain securities in pursuance of settlement arrived at under Section 8A of the Investigation Commission Act. After several decisions of the Supreme Court which held settlements under Section 8A void, the petitioner claimed a refund of moneys paid and return of securities on the ground that the settlement was void. As the Department did not comply with the requisitions of the petitioner, he filed an application under Article 226 for a writ of certiorari for quashing the settlement and recovery notices and also for a writ of mandamus for refund of amounts paid and return of securities, and for restraining the Union of India and the Income-tax Commissioner and Income-tax Officer concerned from taking recovery proceedings against the petitioner. Two questions arose for decision before the High Court:

(1) Whether the High Court was competent to issue a writ under Article 226 compelling the Union of India to refund the amount of money or return the securities received pursuant to the settlement recorded under Section 8A of the Investigation Commission Act which section since then had been held *ultra vires* the Union Parliament?

(2) Whether the Union Parliament was competent to enact Section 3 of the Amendment Act by which Section 49EE was incorporated in the Income-tax Act prohibiting entertainment of claims for refund of money paid or for return of securities given pursuant to settlement relating to assessment or reassessment and conferring powers on the Department to set off in certain cases moneys in possession of Union against tax found due in proceedings for reassessment under Section 34?

The Union of India raised a preliminary objection that the High Court had no jurisdiction to issue a writ of mandamus against the Union of India for refund of the amount or the return of securities as the Union was not within the jurisdiction of the High Court. Their Lordships referred to the Supreme Court decision in the case of *Election Commission, India vs. Saka Venkata Subbarao*, (1953), in which it was held that there were two limitations on exercise of powers under Article 226: (1) writs cannot run beyond the territories subject to its jurisdiction; (2) a person or authority must be within those territories, i.e., must be amenable to its jurisdiction either by residence or location within those territories; merely because the authority or tribunal, located and normally carrying on its activities elsewhere, exercised jurisdiction within the High Court's territorial limits so as to affect the rights of parties therein, such tribunal or authority could not be regarded as functioning within the territorial limits of the High Court and amenable to Article 226. Applying these tests, the High Court held that even if a writ of mandamus was issued against the Union of India directing refund and the return of documents it could not be enforced within the territorial jurisdiction of the High Court. To be of an effective use the writ would have to run beyond its limits which under Article 226 the High Court was not empowered to do.

Their Lordships, therefore, held that the petition was not maintainable against the Union of India. Regarding the petition against other respondents, their Lordships observed that the claim of the petitioner for refund of the amount and the return of security involved various questions of fact. According to their Lordships, the

petitioner could not get the reliefs asked for without determination of those facts which was not possible in a writ application. Therefore, according to their Lordships, the petition failed on that ground, so far as claim for refund was concerned. It then dealt with the main contention of the petitioner that Section 49EE incorporated by the Amendment Act 1959 was void as violating Articles 14, 19(1) (f) and 31(2) of the Constitution. The main ground for attacking the section was that there was arbitrary discrimination between the tax-evaders whose cases were not referred to the Income-tax Commission or who had not entered into settlements or made payments pursuant thereto and those tax-evaders whose cases were referred to, settled, and payments made. According to their Lordships, the section itself indicated the persons to whom the provisions were intended to apply and the basis of classification was that those persons after accepting their liability and agreeing to pay tax and after making payments or giving securities were seeking to go back upon the agreement on the ground that the settlements were bad. The Court held that the selection of this group was based upon intelligible *differentia* which bore reasonable relation to the object sought to be achieved, viz., facilitating collection of taxes lawfully due by the taxpayers.

According to their Lordships, the object of this legislation was to render principle of set off applicable to the cases of all tax-evaders who had entered into a settlement and discharged their liability in respect of escaped income and after doing so wanted refund on the ground that the settlement was invalid. The object was not to put burden upon one group from which it exempted another group. The object was to bring within the operation of the system employed all tax-evaders in the same relation towards the subject matter of set off. It was a chance incidence of this system that those who had not paid escaped the operation of the system of set off. But the resulting inequality was incidental to the system and arose out of the exigencies of the situation. In this case, there was a nexus between the basis of classification and object of the enactment. Their Lordships also negated the challenge to the section as violating Articles 19(1) (f) and 31(2). Their Lordships, however, granted a writ restraining the officers from taking further steps for enforcing the settlement by adopting recovery proceedings as the settlement was void as a result of the Supreme Court decisions.

Section 23A

A question of considerable practical importance arose in the case of *New Mahalaxmi Mills Ltd. vs. C.I.T.* (I.T. Reference No. 44 of 1958 decided on 17th June 1959) as to the basis on which commercial profits should be ascertained to determine "smallness of profits." In the accounting year 1949-50, the balance-sheet of the assessee showed a profit of Rs. 3,367. The assessee distributed Rs. 12,800 as dividends. The I.T.O. assessed the assessable income at Rs. 1,37,693 by disallowing certain items. As 60 per cent. of the assessable income was not distributed, the I.T.O. passed an order under Section 23A. The Tribunal in appeal held that in considering whether an order under Section 23A should be passed, what should be considered is not the assessable income, but commercial profits. The Tribunal computed commercial profits at Rs. 56,800 and purported to deduct from it a sum of Rs. 19,325 as the liability for income-tax on those commercial profits. Thus Rs. 37,475 were computed as net commercial profits by the Tribunal. The Tribunal held that as 60 per cent. of the net commercial profits were not distributed, an order under Section 23A was justified. The assessee in the course of the reference before the High Court contended that calculation of tax liability by the Tribunal only on the commercial profits was erroneous as the assessee's liability to pay tax had no relation to commercial profits but to the assessable income. The petitioner, therefore, contended that for the purpose of determining net commercial profits, the I.T.O. was bound to ascertain, having regard to the commercial profits, the anticipated amount of tax liability on the assessable income which would have to be

deducted from the commercial profits to find out the net commercial profits and thereafter to determine whether the dividend declared was reasonable or not.

The petitioner submitted that the Tribunal was clearly in error in deducting only Rs. 19,325 as tax liabilities on commercial profits found by it because the actual liability of the assessee for tax was far in excess of Rs. 19,325. Their Lordships accepting the contention of the petitioner held that the expression "smallness of profits" meant "smallness of commercial profits" and that the I.T.O. had to determine what amount of such commercial profits would be actually available for distribution. While ascertaining net commercial profits, the tax deductible was not tax on commercial profits but tax on assessable income. The assessee could not contend that in assessing net commercial profits the whole of the amount set apart for meeting contingent liability should be deducted whereas in assessing tax, which he must have reasonably expected as payable by him, the total amount of tax actually assessed by the Department should be deducted. Their Lordships, therefore, held that the amount of tax which should be deducted from commercial profits for arriving at net commercial profits should be that amount of tax which might have been reasonably anticipated by the assessee as likely to be payable by him on the date on which dividend was declared, i.e., the date of the annual general meeting.

Section 16(3)(a)(iii)

In the case of *C.I.T. vs. Phiroze Shaw Pallonji Mistry* (I.T. Reference 65 of 1958, decided on 1st July 1959), a question arose whether the dividend income deemed to have been distributed to the wife of the assessee, as a shareholder of a company consequent on an order under Section 23A (before its amendment in 1955) against the Company could be included in the income of the husband under Section 16(3) as the shares were purchased by the wife from assets transferred by the husband. The facts were that in the assessment years 1949-50 and 1950-51, the wives of the two assessees, P. S. Mistry and S. P. Mistry, held shares in Shapurji Pallonji Co., Ltd. which were purchased out of the assets transferred by the assessees. An order under Section 23A was passed against the Company and the dividend income deemed to have been notionally distributed to the wives was sought to be included in the income of the assessees under Section 16(3). The assessees contended that the deemed income could not be included under Section 16(3). In a reference to the High Court, their Lordships examined the scheme of Section 23A in co-relation to Section 16 and observed that the liability under Section 23A was the consequence of a fictional distribution of income which in reality had not reached the hands of the shareholders. Section 16(3) introduced another fiction, namely, that income of the wife of the assessee was included in the income of the assessee. But according to their Lordships, under Section 16(3) such inclusion took place only if such income arose "directly or indirectly" from assets transferred to his wife by the assessee. According to their Lordships, such inclusion was permissible only where the income actually arose directly or indirectly. According to their Lordships, the word "indirectly" did not include income deemed to have been distributed under Section 23A.

Section 10(2)(vi) and (vib)

In the case of *Maneklal Vallabhdas Parekh vs. C.I.T.* (I.T. Reference No. 52 of 1958, decided on 23rd June 1959), the question raised was whether a part of the machinery was entitled to initial depreciation under Section 10(2) (vi), para 2. The facts were that the assessee purchased diesel engines to replace petrol engines in lorries belonging to the assessee. The assessee claimed an initial depreciation under the second para of clause (vi), normal depreciation having already been granted. On a reference, their Lordships observed that diesel engines were not "plants" because though plants would include vehicles it would not include a sort of vehicles. Their Lordships further observed that diesel engines could not be called "machinery" as machinery meant a self-contained unit capable of being put to use in business for the benefit of which it was installed. Their Lordships held, therefore, that the assessee was not entitled to initial depreciation.

In the case of *C.I.T. vs. Saraspur Mills Ltd.*, (I.T. Reference No. 39 of 1958 decided on 16th June 1959), a question arose whether an assessee was entitled to development rebate on motor cars and bicycles under Section 10(2) (vib). The assessee purchased motor cars and bicycles for the purpose of his business after 31st March

1954. The Department contended that the word "plant" did not include vehicles as the expressions "installed" and "installation" postulated that plant must be in a fixed position when it is being worked. Their Lordships considered the definition of "plant" in Section 10(5) which included vehicles and therefore held that motor vehicles were plants for the purpose of development rebate, the word "installed" being used in the sense of "inducted" or "introduced" into the assessee's business. Thus, the assessee was held entitled to development rebate on vehicles. In the case of *C.I.T. vs. Lever Bros.* (I.T. Reference No. 43 of 1958, decided on 17th June 1959), a similar question arose before their Lordships as to whether office appliances were included in the word "machinery" for the purpose of development rebate. Their Lordships held that office appliances were included in the word "machinery" and the assessee was entitled to claim development rebate on the same.

Section 15C

A very interesting question as to the conflicting claims of Section 15C and Section 24(2) came up for decision in the case of *C.I.T. vs. National Electric Industries Ltd.* (I.T. Reference No. 63/58, decided on 30th June 1959). The assessee (a newly established undertaking under Section 15(C) had brought forward unabsorbed depreciation and loss from previous years. It was, therefore, entitled to the benefit of Section 15C under which profits upto 6 per cent. of the capital are exempt from payment of tax. In the year of account, the assessee made a profit of Rs. 3,65,000. However, after deducting depreciation and loss brought forward from previous years there was no taxable income left and hence no demand was made. The I.T.O., therefore, did not give the benefit of Section 15C to the assessee. The assessee contended that the I.T.O. was bound to apply Section 15C first, as the assessee would then have been able to carry forward the unabsorbed depreciation and loss to subsequent years. Since the I.T.O. did not apply Section 15C first, the assessee was deprived of its benefit, as the unavailability of exemption under Section 15C could not be carried forward. The question which arose before the High Court on reference was whether the I.T.O. was bound to apply Section 15C first before deducting depreciation and losses brought forward from previous years. Their Lordships examining the scheme of the Act observed that the I.T.O. had to compute the assessable income from all heads of income subject to permissible deductions. Thereafter, loss under Section 24(2) and unabsorbed depreciation had to be deducted and it would only be after the net total income was ascertained and tax payable computed that the benefit of exemption under Section 15C was to be given to the assessee by not requiring the assessee to pay tax on such profits as did not exceed 6 per cent. of the capital employed.

Their Lordships further observed that while proviso to Section 10(2)(vi) provided that effect was first to be given to Section 24(2) before granting depreciation (for carrying forward of which there was no time limit), no similar provision was made for allowing relief under Section 15C first before deducting depreciation or losses. Their Lordships held that exemptions from tax and exemption from total income were not exemptions of the same category but they were available at different stages and there was no competition between them. Therefore, in the absence of any provision in Section 15C similar to the proviso to Section 10(2)(vi) there was nothing to compel their Lordships to put exemption of tax before computation of income. Their Lordships, therefore, held that unabsorbed depreciation and loss must first be deducted before benefit of Section 15C can be availed of by the assessee.

Section 18A

An important question as to the obligation of the assessee to estimate his income for the purpose of Section 18A and to pay advance tax arose in the case of *C.I.T. vs. Purshottamas Thakurdas* (I.T. Reference No. 45 of 1958 decided on 3rd July 1959). In pursuance of a notice under Section 18A(1), the assessee was called upon to make an advance payment of tax on so much of his income in respect of which tax was not deducted at source as was included in his total income of his latest previous year in respect of which he had been assessed. The assessee submitted a statement of his income for S.Y. 2002 and estimated his total income at Rs. 4,64,000. He claimed that, out of that amount, Section 18 applied to Rs. 3,64,000, being income by way of dividends and that Section 18A applied to the balance of Rs. 1 lakh. He then estimated that Rs. 32,940 was payable as income-tax on the income of Rs. 1,00,000 to which Section 18A applied, and Rs. 244,812 payable as super-tax on

the total income of Rs. 4,64,000. After claiming double taxation relief for Rs. 10,000, he estimated Rs. 2,67,752 as payable by him as tax. The assessee did not include super-tax on his dividend income in the advance payment of tax on the ground that Section 18 applied to such income. The question which arose before the High Court was whether the dividend income fell within Section 18 for the purpose of estimating the income under Section 18A, and payment of advance tax.

In dealing with the question, their Lordships, Shah and S. T. Desai JJ. delivered separate but concurring judgments arriving at the same conclusion. Shah J. observed that there was nothing in Section 18(5) to show that dividend income received by the shareholder was income in respect of which provision was made for deduction of income-tax at the time of payment. There was in truth no deduction of income-tax at the time of payment in the case of dividend income, but by a fiction, the Legislature treated the income-tax paid by the Company as paid on behalf of the assessee. According to his Lordship, Section 18(5) did not provide for deduction of income-tax in case of dividends. Therefore, when estimating the income and the advance tax payable under Section 18A(2) the assessee was bound to include all dividend income. S. T. Desai J. observed that under Section 18(5) income-tax paid by the Company in respect of dividend was deemed to have been paid by the shareholder, but this fiction was not extended to super-tax which the shareholder was bound to pay. Examining the scheme of Section 18A, his Lordship observed that, under clause (1), advance payment embraced all income save that expressly dealt with in Section 18 for the purpose of deduction at source. Further, advance payment is to be made both for income-tax and super-tax. According to his Lordship, the substance of the argument for the assessee was that Section 18(5) applied to dividend income and therefore Section 18A (6) did not apply to the assessee as regards dividend income and that he was exempt from making any advance payment even of super-tax on his dividend income.

According to the assessee, what was relevant was only this: Section 18(5) provided for giving credit to the assessee in respect of tax on dividend income. It was immaterial to examine the nature of the provisions of Section 18(5) or the object and effect of it. Examining the scheme of the Act, his Lordship observed that the words "income to which Section 18 does not apply" could only mean that while determining the amount of penal interest and applying 80 per cent. rule to the amount of tax paid in advance and the amount of tax determined at the regular assessment, the I.T.O. must exclude from the tax the amount of tax for which provision was made by Section 18, i.e., tax deducted under Sections 18(2) to 18(3)(d) and the amount of tax which is to be treated as paid by the assessee under Section 18(5). According to his Lordship, the exclusion under Section 18A(6) was not of one category of income on which regular assessment was made but of an amount of tax from the total amount of tax ultimately determined on the basis of regular assessment.

Construing Section 18A(6) thus, it was not the entire amount of tax (income-tax and super-tax) on the dividend income to which the exclusion could relate but only the amount of income-tax for which credit was to be given by Section 19(5). According to his Lordship, the assessee was, therefore, not justified in his contention that the entire category of dividend income was to be excluded from the computation in determining the percentage of 80 per cent. The amount of super-tax on dividend income must, therefore, be included and taken into consideration for the computation necessary for fixing quantum of tax to which the ratio of 80 per cent. was to be applied. Their Lordships, therefore, held that the assessee was liable to pay penal interest under Section 18A(6).

Receipt—Capital or Revenue

In the case of *P. H. Divecha and K. A. Irani vs. C.I.T.* (I.T. Reference No. 51/58, decided on 23rd June 1959), a question was raised whether amount received by the assessee was by way of compensation for loss of a business asset or was by way of a revenue receipt which was taxable. The assessees were partners of Precious Electric Company which had an agreement with Philips India Ltd. Under this agreement the firm was given monopoly rights to purchase electric bulbs manufactured by Philips in the Bombay State which they were to sell to other dealers in their jurisdiction. This agreement was terminable on three months' notice. In 1953, Philips India Ltd. served a notice of termination of the agreement

as they wanted to open a branch in Bombay to sell their products. It was agreed at the time of termination that "as a gesture of goodwill," Philips were prepared to pay Rs. 40,000 per annum to each of the three partners for three years. Further, Precious was allowed to continue as lamp dealers and that profit was in addition to the three years' remuneration referred to already.

On an interpretation of the original agreement and the events leading to the termination of the same and the provision for payment of Rs. 40,000 mentioned above, their Lordships observed that the original agreement brought into existence a monopoly purchase. The relationship between Philips and Precious Electric Company was that of principal and principal and not principal and agent. The firm had carried on, even before this agreement and after this agreement, their business in lamps and electric goods. But under this agreement they obtained their stock-in-trade on favourable terms. After termination of the agreement, the firm continued to deal in Philips bulbs, but they lost their monopoly rights and became regular dealers. Further, Philips offered to compensate for this loss by paying Rs. 40,000 per year to each of the three partners for three years, expressing it as three years' remuneration. Their Lordships observed that the proper test to determine whether a particular receipt was revenue or capital would be whether the receipt was compensation for destruction or sterilisation of the profit-making apparatus. On the facts of the case their Lordships held that the profit-making apparatus was not destroyed or sterilised. The same business (e.g., selling Philips lamps) continued. By the agreement, a specially favourable method of acquiring the stock-in-trade was devised, and the withdrawal of that concession and its substitution by an ordinary arrangement could not be called the loss of a capital asset. Their Lordships further held that the agreement under which the firm had become monopoly purchasers did not constitute a trading asset of the firm but was an agreement entered into in the ordinary course of business. Their Lordships, therefore, held that the receipt by the assessee was a revenue receipt and therefore taxable.

Rectification of Section 35

A question as to the period of limitation for exercise of powers (Section 35) arose in *C.I.T. vs. Seksaria Mills Ltd.* (I.T. Reference No. 47/58, decided on 19th June 1959). The question was whether an action can be taken under Section 35 for levying penal interest under Section 18A(8), if the I.T.O. had not levied it through oversight; if yes, then within what period? On a construction of the section, their Lordships held that the I.T.O. was competent to levy penal interest by exercising powers under Section 35 but that such action must be taken within four years from the date of the assessment order. If, however, after the assessment order action had been taken against the assessee under Section 34 and there was reassessment, then their Lordships held that *qua* the amount reassessed under the section, the period of four years should be calculated from the date of reassessment order under the section and not the date of the original assessment order. However, in the case of other assessed income, the period would be computed from the date of the original assessment order, under Section 23(3).

Director-controlled Company

An interesting question as to what is a director-controlled company arose under the above Act in the case of *C.I.T. vs. Filmistan, Bombay* (I.T. Reference No. 40/58, decided on 3rd July 1959). Under the Business Profit Tax Act, Rule 4(2) first schedule, remuneration paid to directors is liable to be added back to the company if the company is a director-controlled company. The Act did not define "director-controlled" but the "control of a company" was defined by Section 2(6) of the Act as meaning "control, direct or indirect, of more than one half of the voting power attached to the total issued paid-up capital of the company, or control vested by its memorandum and articles otherwise than by reference to such voting power." The I.T.O. passed an order under this rule holding that, though one-half of the voting power was not controlled, there were certain other factors which established the directors' control over the company. Those factors were: (1) ten years' tenure of directors under the agreement, (2) control regarding allotment, forfeiture of shares, etc., (3) exclusive borrowing powers to the directors, (4) absence of powers to shareholders to inspect books of account of the company as of right and (5) the quorum of the general meeting limited to two members both of whom could be directors. In appeal, the Tribunal held that all these factors did not lead to the

(Continued on page 715)

CONTROL ON FOREIGN TRADE ANNUAL REPORT OF ADMINISTRATION

A DETAILED account of the nature and extent of controls exercised by the Import and Export Trade Control Organisation, Government of India, is provided in its Administration Report for the year ended 31st March 1959. The major determinants of import policy are (1) the balance of payments situation and (2) the availability of foreign exchange resources. Admittedly, India continues to face serious problems in both respects. It is only natural then that the import policy should continue to be restrictive. Subject to this limitation, import policy continued to be directed towards the twin objectives of maximising indigenous industrial production and conserving foreign exchange for essential imports. Export controls, however, were relaxed considerably in view of the pressing need for earning foreign exchange and the growing competition in foreign markets.

During the first half of the year under review, namely, April-September 1958, import quotas were increased mainly for items required for such industries as textiles and chemicals. New quotas were given to two machinery items, namely, printing machinery and agricultural tractors. Quotas for about 126 items were either abolished or reduced for which the indigenous industry was expected to make good the shortage or usable substitutes for which could be obtained from indigenous sources. These include coal-tar dyes, a few types of motor vehicles parts, P.V.C. compounds and steel files.

A new feature of the import policy for the first half of 1958-59 was the allocation of higher foreign exchange ceilings for raw materials for certain essential industries. An attempt was thus made to sustain higher levels of production at least in these industries and licences for larger values were, therefore, granted on a selective basis. It was also decided to consider applications for the grant of advance licences for the following half-year, in order to ensure uninterrupted supply of certain essential raw materials. In respect of capital goods, a rigid and austere policy was continued. Licences were granted only in those cases where the import of machinery was (a) export earning or (b) import saving or (c) required for balancing industrial undertakings or (d) was financed by foreign aid, loans or long-term overseas investment.

Export Incentive

There were no material changes in the import policy for the second half-year, namely, October 1958 to March 1959. Such changes as there were, were mainly in favour of more imports. Thus, a larger allocation of foreign exchange to raw materials and industrial spares was provided. This was made possible by the expected relief as a result of loans from the U.S. Export-Import Bank, the Development Loan Fund, and imports on rupee payment basis from some of the countries which agreed to bilateral balancing. Another feature of the import policy was the priority given to industries catering to exports. To give an instance, a licensing scheme to help exporting textile mills and handloom co-operatives to import their requirements of dyes, chemicals and machinery was drawn up. Under the scheme, special licences were issued to the exporting mills upto a certain percentage of their export earnings for the import of dyes and chemicals. A substantial amount was also made available to mills for modernising their machinery, provided they were able to obtain the required machinery on deferred payments terms and were prepared to pay for it out of their increased export earnings. It was thus expected that the import policy would help to maintain the economy of the country and at the same time step up the level of exports by providing greater facilities to exporters who have a very important role to play in the future economy of the country. Quotas were reduced in respect of certain items where indigenous production had increased, as in the case of ball bearings, electric motor starters, certain chemicals, engineering items like twist drills, metal working saws, etc. The total number of such items where quotas were either reduced or banned were 95, covering the entire range of the I.T.C. schedule. Aggregate imports fell from Rs. 1,021.92 crores in 1957 to Rs. 859.95 crores in 1958.

Apart from regulating imports, the Government took steps to ensure equitable distribution of imported essential commodities at reasonable prices. In pursuance of the Essential Commodities Act 1955, stock returns were called for from all persons engaged in the supply or distribution, consumption, storage or trade and commerce of the notified commodities. Among other important steps taken by this Organisation towards the control on prices and distribution of goods, mention may be made of (i) channelisation of imports through an agency approved by Government and (ii) fixation of profit margins. Thus, licences were issued in some cases subject to price conditions endorsed on the licences themselves, (iii) limitations on the sale of certain imported goods—in respect of a number of items, quota licences were granted to established importers on condition that sales of imported goods would be made on directions of the particular Government authorities specified from time to time, and (iv) imports through the State Trading Corporation—in the case of certain items which are primarily required for industrial use and whose prices were on the increase due to limited supply or for any other reason. Steps were taken to arrange imports through the S.T.C., with a view to taking advantage of bulk imports at competitive prices and ensure proper distribution of the items at reasonable prices. In the field of imports, the S.T.C. had arranged imports of items such as silk raw, newsprint (both for maintaining buffer stocks and to meet the requirements of small newspapers and periodicals), X-ray films, photographic goods, etc. Under the Linking Arrangements, that is, linking imports of essential items to exports of Indian goods and operating through special Trade Development or Special Rupee Account, a few important commodities such as fertilisers and cinematographic raw films were imported without involving expenditure of foreign exchange.

The licensing procedure was subjected to further streamlining during the year, with a view to simplifying the system of licensing. The licensing policy, as distinct from import policy, continued without any perceptible change. In the case of actual users and export promotion items, the procedure was tightened up to prevent abuses. For small-scale producers, the procedure for submission of applications was revised to avoid delays.

Export Promotion

While imports were subjected to strict control, every effort was made to boost exports. Organised measures for export promotion were undertaken, keeping in view the necessity for encouraging exports of indigenous manufactures, wherever there were surplus over internal demand. The Export Trade Control Schedule was comprehensively reviewed. As a result, over 200 items were freed from control during the year under review. Besides, 30 additional items were placed on the free licensing list. The list of items subject to quota regulation was shortened. The banned list contained only a few items, largely of strategic value. Fresh controls, however, were imposed, but only on three items. These were: certain types of wild life, lac (other than brood lac and any lac containing living insects) and "chanks."

Despite numerous incentives to push up the level of export earnings, the performance was not very encouraging—exports at Rs. 568 crores during 1958 registering a decrease of Rs. 51 crores over the 1957 level of Rs. 619 crores. The above figures, however, exclude Rs. 11 crores and Rs. 38 crores of silver bullion bars and demonetised Government of India silver coins exported to the U.S. under lease-lend obligations during 1958 and 1957, respectively. Above 50 per cent. of India's export earnings are accounted for by the traditional items, such as tea, cotton piecegoods and jute manufactures. During 1958, the value of such commodities as pepper, lac, manganese ore, iron ore, castor oil, cotton piecegoods and jute manufactures, recorded appreciable decline. The exports of cotton piecegoods declined from Rs. 64 crores in 1957 to Rs. 45 crores in 1958, while the exports of jute manufactures declined from Rs. 115 crores to Rs. 104 crores. Manganese ore is yet another item in which a decline of Rs. 16 crores was recorded during 1958, as compared

with 1957. Among the commodities which registered an appreciable increase in value were tea, tobacco, cotton raw, linseed oil, etc. The exports of tea increased from Rs. 123 crores during 1957 to Rs. 137 crores in 1958, while those of tobacco, raw cotton and linseed oil showed an increase of Rs. 3 crores, Rs. 2 crores and Rs. 1 crore, respectively, in 1958, as compared with 1957.

Extent of Licensing

The Administration Report includes a brief account of the work done by the licensing authorities all over the country, under the Import and Export Trade Control Organisation. The number of import licence applications received during the year amounted to 315,000. In the licensing period October 1958 to March 1959 alone, the Organisation dealt with 173,834 applications for import licence, the highest figure on record with the exception of the period July-December 1956. We are told that disposals kept pace with the inflow, and the carryover at the close of the year was just 792 applications or 0.5 per cent. of receipts. In the case of applications for export licences, almost all the applications received during the year were disposed of before the end of the licensing period. The total expenditure of the Organisation, it may be noted, went up from about Rs. 68.50 lakhs in 1957-58 to Rs. 69.70 lakhs in the year under review. Fees for import licences credited to the Government also went up during the year under review, while those for export licences naturally declined, as shown in the following table:

	Import Licences Fee	Export Licences Fee
July 1957 to September 1957	Rs.	Rs.
October 1957 to March 1958	8,58,820	8,85,840
April 1958 to September 1958	28,85,930	10,00,515
October 1958 to March 1959	17,78,575	8,96,945
	30,77,875	8,17,285

The expenditure on foreign trade controls is bound to go up, since rules and regulations concerning licensing procedure have, of late, increased and become more complicated, in view of licensing under foreign aid programmes, deferred payment, export promotion and incentive schemes. The work of the Organisation has thus expanded.

IMPORT POLICY FOR BOOKS

During the current half-year, October 1958 to March 1959, licences will be granted to established importers of books on a quota of 100 per cent. General and 100 per cent. Soft on a repeat basis. Licences will be issued subject to the condition that not more than 40 per cent. of their face value could be utilised for import of fiction and permission in the remaining journals and magazines. With licences, it will be permissible to import, inter alia, not be allowed. The obvious purpose of this move is to ensure that import of essential technical books and children's books receive priority in the allocation of our limited foreign exchange resources.

In a Press note issued by the Government on this subject, the established importers are informed that it will not be necessary for them to make quota licences for the current half-year. It will be enough if the basic quota licences issued for import of books in respect of the half-year, April-September 1959 are sent along with a forwarding Treasury challan. Applications for supplementary licences will also be considered by the Government authorities concerned that the basic quota licences utilised at least upto 60 per cent. of their face value. The supplementary licences, we are told, will be granted fairly liberally but these will be valid only for import of standard technical books or references books on law, medicine, scientific research and industrial processes. The last date for receipt of applications for supplementary licences will be 15th February 1960.

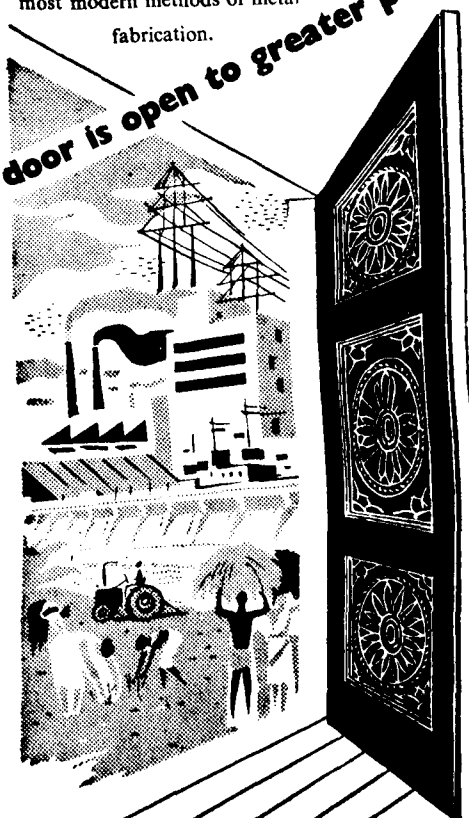
Applications from actual users, such as libraries, technical and educational institutions will continue to be licensed on an ad hoc basis.

The first ferro-manganese plant in the Bombay State was inaugurated at Tumkur, in the manganese belt of Nagpur Division, on the 15th inst. by Mr. S. K. Wankhede, the State Minister for Planning and Development. The plant has been set up by the Cambata Ferro-manganese Private Ltd. The annual production of the plant is estimated at 40,000 tons. The plant, when in full production, is expected to earn foreign exchange to the tune of Rs. 4 crores. It may be noted that work in connection with the establishment of a second plant of the same type is in progress at Kankan, about 15 miles from Nagpur.

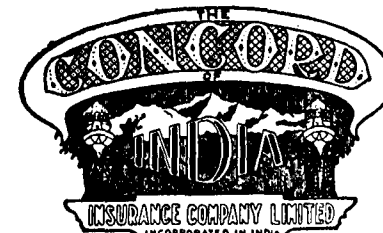
INDIAN OXYGEN is playing
vital role in building a more powerful and self-sufficient
India in the Second Five-Year Plan.

From transport to electric power, from the steel works to
the oil refinery—every day our technical service
is keeping the nation up-to-date with the
most modern methods of metal
fabrication.

The door is open to greater prosperity



INDIAN OXYGEN LTD



For ALL Insurances

FIRE • TRANSIT • ENGINEERING
ERECTION • BURGLARY • MOTOR
VEHICLE • FIDELITY GUARANTEE
WORKMEN'S COMPENSATION

THE
CONCORD OF INDIA
INSURANCE CO., LTD.

(Incorporated in India)

Head Office:

8, Clive Row, CALCUTTA

Telephone:
22-4315

Telegrams:
"YULINSURE"

Bombay Branch:

HONGKONG BANK BUILDING
Veer Nariman Road

Telephone:
255561

Telegrams:
"CONCORDIA"

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorized Capital Rs. 50,00,000
Subscribed Capital 30,40,750
Paid-up Capital 15,30,375
Reserve Fund 29,00,000

Head Office:

1, Prince Yashwant Road, Indore City
Bombay Offices: 44, Hamam Street, Fort and
Jai Hind Estate, Bhuleswar.

Branch Offices: Cloth Market, Siyaganj and
Sanyogitaganj (Indore City).

Branches: Anjad, Bhopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujapur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)

Safe Deposit Lockers are available at
Head Office, Siyaganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujapur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favour-
able terms.

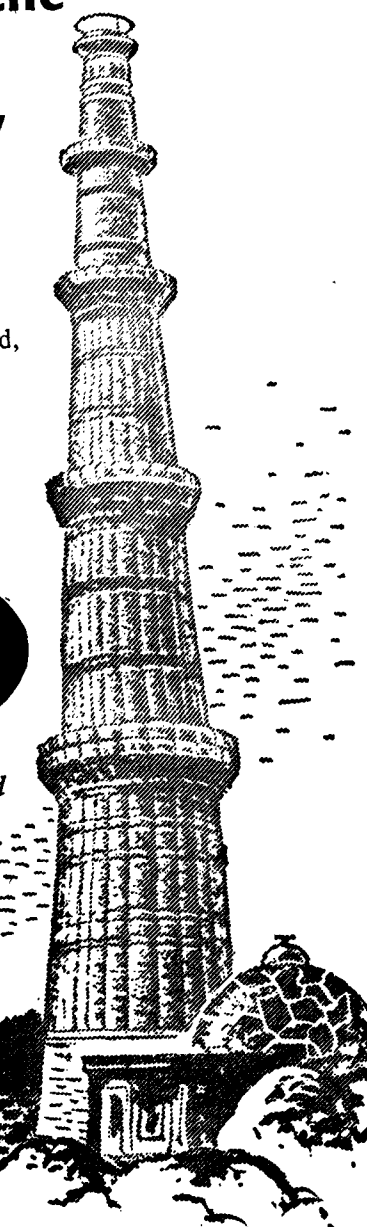
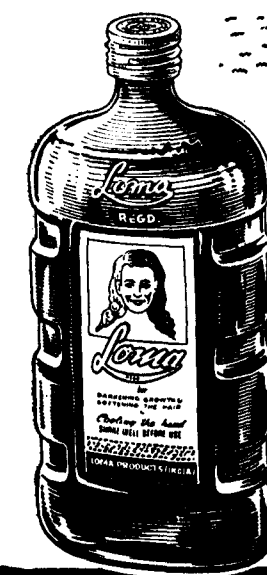
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

Commands the HIGHEST sales to-day

LOMA is not only a
perfect hair darkener, but
an excellent hair dresser
too! That's why more and
more people, young and old,
men and women, all alike,
go for Loma than any
other hair darkener in the
length and breadth of
India and abroad.



The universally acclaimed
hair darkener.



Sole Agents:
M. M. KHAMBATWALA
Ahmedabad-1
Agents:
C. NAROTAM & CO.
Bombay-2

Nov. 23

TWA FASTEST JET

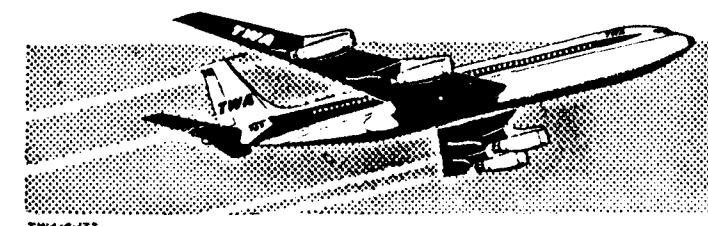
Non-Stop, Europe - U. S. A.

TWA

Intercontinental

BOEING 707

You can book now!



COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.

BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY

Telephone No. 253505

SETBACK IN RESULTS OF AIR-INDIA MARKED RISE IN OPERATING EXPENSES

THE year 1958 was an important landmark in the history of the Air-India International Corporation, in that it marked the tenth anniversary of the Corporation's entry into the field of long-range international air transport operation launched by its predecessor, the Tata-managed Air-India International Ltd., on 8th June 1948, with an inaugural flight from Bombay to London. Starting with a single weekly frequency between Bombay and London via Cairo and Geneva, the Company has grown rapidly during the past one decade. In the first five years up to 1st August 1953, the date of nationalisation of air services in India, the Company's operations were extended to five services a week between India and the U.K., providing direct connections with Delhi and Calcutta, and one service between Bombay and Nairobi via Karachi and Aden. The available ton-miles operated by the Company rose from 669,000 in 1948 to 14,358,000 in 1952, the last full year of its operation before nationalisation. Since then, the Corporation has grown even more rapidly. It now owns a fleet of ten Super Constellation aircraft and, besides providing connections to many new stations on its Bombay-London route, it has opened many new routes. It now occupies the enviable position of one of the leading international airlines of the world, and has established a high reputation for safety, regularity and quality of its service over a route system covering 24,710 route miles and serving 26 cities in four continents.

The progress of the Corporation's operations since 1948 is indicated in the following comparative table:

	1958-59	1952-53	1948
Passengers carried ..	(No.) 83,888	22,185	2,805
Mails carried ..	(lbs.) 1,795,000	480,000	81,170
Cargo carried ..	(lbs.) 4,153,000	1,281,000	83,515
Aircraft owned ..	(No.) 10	4	3
Routes ..	(No.) 26	12	5
Stations ..	(No.) 26	12	5

The good progress made by the Corporation during these ten years has not, however, been crowned with any encouraging results on the financial side during the year ended 31st March 1959. On the contrary, the operating profit has suffered a sharp setback from Rs. 71.67 lakhs in 1957-58 to as low as Rs. 15.85 lakhs in the year under review. This is the second year in succession for which the operating profit has declined; it was Rs. 87.90 lakhs for 1956-57. The operating revenues for the year under review, in fact, show a slight increase of 6.8 per cent., that is, from Rs. 10.82 crores to Rs. 11.56 crores. As the capacity offered over the same period rose by 11 per cent., the average load factor declined by 2.3 per cent. and the operating profit by 77.9 per cent.

The main factors which were responsible for the setback in results during the year under review are:

1. Air travel throughout the world was affected by the economic recession which prevailed for most part of the year in the U.S. and to a lesser extent in Europe.

2. There was increased competition resulting from the entry of additional airlines on some of the Corporation's main routes.

3. Severe restrictions were continued to be imposed throughout the year by the Government of India on the use of foreign exchange for travel purposes.

4. There was a further rise in costs, arising partly from the normal incidence of annual increments to staff and partly from larger payments to staff, as also for goods and services, on account of rising cost of living in India and abroad.

In the circumstances, the members of the Board express a sense of satisfaction that the Corporation has been able to meet its expenses, provide for depreciation and obsolescence on spares on its enlarged fleet and to produce a modest profit.

The non-operating profit for the year under review has also suffered a sharp fall from Rs. 111.68 lakhs to Rs. 2.42 lakhs. This is, however, due to the profit of Rs. 116.03 lakhs earned on assets sold or scrapped in 1957-58, while there was no such earning in 1958-59. The total profit (after providing for depreciation) thus amounts to Rs. 18.27 lakhs, almost the whole of which has been taken to the equipment renewals

reserve, as will be seen from the following comparative table:

	For the year ended 31st March			
	1959	1958	1957	1956
Operating revenue—				
Traffic ..	11,10.12	10,47.59	9,35.66	8,60.18
Other sources ..	45.65	34.11	29.21	16.35
Non-operating revenue ..	6.27	1,20.60	1.19	9.08
Operating expenses ..	11,00.52	8,31.49	7,57.59	5,79.49
Depreciation and obsolescence ..	1,39.40	1,28.54	1,19.39	90.50
Non-operating expenses ..	3.85	8.92	9.25	9.53
Operating profit ..	15.85	71.67	87.90	6.64
Non-operating surplus (+) or deficit (—) ..	+2.42	+111.68	—3.06	+0.15
Total profit ..	18.27	183.35	84.84	6.69
Provision for deferred taxation ..	—	57.25	41.42	2.91
To reserves and funds ..	18.25	51.16	37.56	3.66
Development expenditure written off ..	—	6.00	—	—
Additional depreciation ..	—	69.23	—	—
Carry forward ..	0.95	0.92	1.21	0.35

* Other than depreciation and obsolescence.

Commenting on the aforesaid appropriation to the renewal reserve, the members of the Board in their latest annual report observe as follows:

"In view of the fall in the market value of second-hand piston-engined aircraft, to which a reference was made in the previous report, the Board decided during the year under review to write down the book value of the Corporation's fleet as at 1st April 1958, together with the cost of the two new Super Constellations received during the year, to 20 per cent. of the original cost by 31st March, 1964. Since then, the trend of second-hand values of long-range piston-engined aircraft have further deteriorated in the world market. It would now seem that even the revised policy of the Corporation in respect of depreciation will be inadequate to meet the rapidly changing situation and still higher provision for depreciation or equipment renewals reserve will have to be made in the accounts of the subsequent years. As a step in this direction, the Board has resolved to appropriate almost the whole of the disposable profit for the year to equipment renewals reserve. It may be noted that the general reserves and equipment renewals reserve combined, aggregating to a total of Rs. 114.25 lakhs, provides a useful cushion against possible capital losses arising from the disposal of the Super Constellation fleet in the coming years."

During the year under review, the Corporation received a sum of Rs. 297.30 lakhs from the Government of India on capital account, for financing various projects, including payments due for meeting the sterling content of the Boeing project. This raises the total amount so far received to Rs. 13.67 crores. Half of this sum has been converted into equity capital and the other half into loan capital bearing interest at 4½ per cent. per annum. The Government had given a moratorium in regard to interest on capital provided by it for the first five years to the end of July 1958. This has since then been extended to 1st October 1966.

Out of the capital receipt of Rs. 297.30 lakhs from the Government, the Corporation redeemed the ¾ per cent. bonds (1953-58) of the face value of Rs. 254.02 lakhs. Out of the World Bank loan of \$16.8 million (Rs. 8 crores) to meet the dollar content of the Boeing project, the total amount drawn upto the end of the year under review was \$4.27 million (Rs. 203.44 lakhs). The interest and commitment fees accrued and paid during the year amounted to Rs. 14.04 lakhs. The expenditure so far (up to the end of March 1959) incurred on the Boeing 707 project is Rs. 2.74 crores. The other fixed assets of the value of Rs. 14.21 crores stand written down to Rs. 9.72 crores. The reserves and surplus aggregate Rs. 2.58 crores.

The outlook for the current year is more hopeful. With renewed economic activity in the U.S. and Europe, the Corporation hopes that the accounts for the current year will reflect an improvement in load factors, revenues and profit. The Corporation is, however, somewhat pessimistic about the long-term prospects, as will be seen from the following observations of the Board of Members on the future plans of the Corporation:

"Looking further ahead, however, it is necessary to keep in mind that the whole of the world's aircraft industry is in a state of rapid and costly transition from piston-engined to turbine-powered aircraft. In ordering Boeing 707 aircraft, the Corporation has taken the first essential step to ensure the maintenance of its competitive position on its blue ribbon route to the Continent and the U.K. As, however, pure jet and turbo-prop aircraft are introduced by competing airlines on other routes, the Corporation must expect increasing competition and a progressive loss of revenue from next year onwards, unless it also places modern aircraft in operation on all its routes."

"The Corporation has been giving the most anxious consideration to this problem for many months. With the world air transport industry in a state of flux and transition, the Corporation is

faced with the need to exercise its judgments in the choice of new equipment at a time when an uncomfortably large proportion of the commercial and financial elements involved in such a choice are still uncertain. At the same time, because it takes about two years to obtain delivery of any aircraft ordered, it is not possible to wait for another year or two, as a total delay of three or four years would probably result in a catastrophic loss of competitive power and contraction of revenues. A decision must, therefore, be made during the current year and specific recommendations are expected to be submitted to Government shortly."

The Corporation, it may be noted here, has been consistently following the policy of offering the best service with the most modern planes obtainable at any given time. It is convinced that this policy is both sound and essential for the continued success and, in fact, to the economic survival of the Corporation. The continuation of this policy, however, depends on the extent of support which the Government of India extends to the Corporation.

SINGARENI HALVES DIVIDEND

The Directors of the Singareni Collieries Company, Ltd. [Secretaries and Treasurers: Industries (I.F.) Department, Government of Andhra Pradesh, Hyderabad], have recommended a dividend of 7½ per cent. per annum for the year ended 31st December 1958. This is half of that (15 per cent.) paid for the previous year, thus restoring it back to the rate paid for 1955. This sharp cut comes in distinct contrast to the successive increases made in previous years from 7 per cent. for 1954 to 15 per cent. in 1957. The reduction in the distribution to shareholders has been recommended, despite the good progress made by the Company. For the output and despatches have improved substantially and earnings have also shown a marked rise. The gross profit, which had recorded an almost unbroken upward trend since 1953, rising from Rs. 14.67 lakhs in that year to Rs. 64.67 lakhs in 1957, has forged ahead to Rs. 73.91 lakhs in the year under review.

The net profit, after making provision for depreciation and taxation, has also gone up from Rs. 15.50 lakhs in 1957 to Rs. 19.47 lakhs. The provision for depreciation has been cut from Rs. 38.18 lakhs to Rs. 31.31 lakhs, as "it is no longer permissible to contribute additional depreciation, in addition to normal depreciation as per income-tax rules." The provision for taxation has, on the other contrary, been raised from Rs. 8 lakhs to Rs. 20 lakhs. In accordance with the Finance Act, 1958, the Directors have created a development rebate reserve with an initial allocation from the year's profit of Rs. 8.02 lakhs. They have also created a loan redemption reserve with a transfer of Rs. 5 lakhs.

The Company's progress in recent years is well brought out in the following comparative table:

	For the year ended 31st December			
	1958	1957	1956	1955
Sale proceeds of coal ..	6,35.90	6,55.42	8,61.84	8,15.40
Closing stocks ..	9.15	8.71	8.54	1.19
Consumption of stores, power and fuel ..	1,19.28	1,07.87	96.05	84.88
Other expenses ..	8,71.33	2,94.90	2,46.00	1,95.47
Gross profit ..	75.93	64.67	53.64	38.40
Secretarial remuneration ..	3.18	—	—	—
Depreciation ..	21.31	26.18	35.94	32.12
Taxation ..	20.15	8.00	7.75	12.18
Net profit ..	19.47	8.50	8.95	13.78
Transfer to reserves ..	11.02	8.50	8.95	13.78
Other provisions ..	3.62	0.02	0.75	1.75
Bonus ..	2.80	1.08	1.00	1.00
Dividend ..	7.74	0.48	1.75	1.75
Carry forward ..	(75.93)	(15.85)	(10.95)	(73.91)
Production of coal .. (Tons)	2,115,566	1,919,484	1,981,577	1,820,870
Despatches .. (Tons)	2,028,262	1,815,601	1,896,880	1,802,112

The raisings of coal have gone up by nearly 200,000 tons, thus maintaining the upward trend since 1953, when the output amounted to only 1.27 million tons. Thus, in the course of five years, the Company's production has risen by nearly 70 per cent. With the increase in output during the year under review, the Company has almost reached its target of 2.16 million tons set for the year. Despite the progress made in the previous year, thanks to the satisfactory supply position in respect of wagons.

The Company's balance-sheet as on 31st December 1958 shows that its financial position is somewhat strained by the heavy borrowings. The paid-up capital of Rs. 63.21 lakhs is supplemented by reserves and surplus amounting to Rs. 106.81 lakhs. The total borrowings stand at Rs. 231.71 lakhs and current liabilities and provisions at Rs. 184.10 lakhs. The gross block of the value of Rs. 610.3 lakhs (including additions to the tune of Rs. 56.27 lakhs during the year under review) has been written down to Rs. 319.37 lakhs. The fall short of the current liabilities and provisions (including secured and unsecured loans) by Rs. 149.34 lakhs.

The borrowings of the Company include a loan of Rs. 10 lakhs granted by the Government of India in 1956. Since then, the Company had sought further loan assistance from the Centre, to finance its development programme. The provision of additional assistance had long been a subject of dispute between the Centre and the State Government, as the Centre's condition for such equity capital of the Company, was not acceptable to the State. This was, however, settled in March 1959, when the Centre, however, settled in March 1959, when the Centre agreed to give financial assistance to the tune of Rs. 4.15 crores (excluding the existing loan of Rs. 10 lakhs) up to the end of the current Plan period. Of this, 40 per cent. would be in the form of equity capital and the balance would be given as loan.

MYSORE SPINNING TURNS THE CORNER DIVIDEND UNCHANGED

NOTWITHSTANDING the difficult trading conditions which mills, particularly the up-country ones, working on coarse and medium counts had to face during 1958, the results of the Mysore Spinning and Manufacturing Company, Ltd. (Managing Agents: Messrs. N. Sirur & Co. Private Ltd., Bombay), for the year ended 28th February 1959 show an improvement over those for the previous year which was the leanest one for many years. Thus, the gross profit has gone up from a mere Rs. 7,890 earned in 1957-58 to Rs. 5.50 lakhs. After making provisions for managing agency remuneration, depreciation and taxation, the net profit works out to Rs. 4.68 lakhs. This is in refreshing contrast to the net loss of Rs. 4.57 lakhs suffered in 1957-58.

In the previous year, a sum of Rs. 8.82 lakhs was withdrawn from the general reserve to cover the loss and to pay a dividend of 10 per cent.—a sharp cut from 18 per cent. paid for the preceding two years. In view of the improvement in results for the year under review, it has not been found necessary to have recourse to past earnings. No worthwhile addition has, however, been made to the reserves, as the disposable surplus available, after making the usual provision for gratuity and setting aside Rs. 64,055 for development rebate reserve, is just sufficient to pay the preference dividend and to maintain the ordinary dividend at 10 per cent.

The results of the Company's working during the last four years are compared in the following table:

	For the year ended 28th February			
	1959	1958	1957	1956
Sale proceeds ..	1,97.64	1,80.30	1,67.89	1,62.89
Closing stocks ..	34.93	29.32	26.47	40.22
Cotton consumed ..	96.62	1,04.79	1,16.34	95.65
Stores, spares and fuel consumed ..	14.85	14.19	14.44	13.70
Other expenses ..	10.00	58.88	49.05	46.96
Gross profit ..	5.50	0.08	11.56	10.92
Gross profit ..	0.48	0.42	1.58	1.32
Managing Agents' remuneration ..	0.08	—	8.68	8.48
Depreciation ..	0.30	0.50	—	—
Taxation ..	+4.68	—4.57	+6.35	+6.16
Net profit (+) or loss (—) ..	0.06	8.82	0.14	0.19
Transfer from reserves and provisions ..	1.22	1.23	1.18	1.21
To reserves ..	0.33	0.33	0.33	0.33
Dividends ..	2.08	2.48	4.47	4.47
4½ per cent. preference ..	(D. 10%)	(D. 10%)	(D. 12%)	(D. 12%)
Ordinary ..	—	—	—	—
Carry forward ..	0.34	0.28	0.36	0.19

The small provision of Rs. 5,000 for depreciation made out of the profit for the year under review is on assets other than buildings and machinery, on which no depreciation has been set aside. For, on a review of the provisions made in earlier years, it is found that they are sufficient to cover the normal depreciation upto the end of the year under review. The provision for taxation represents wealth tax. No provision for income-tax is considered necessary on account of the losses and unabsorbed depreciation allowances of previous years.

Notwithstanding the depletion of reserves referred to above, the Company's financial position is still satisfactory. The paid-up capital stands at Rs. 32.28 lakhs, made up of 49,070 ordinary shares of Rs. 50 each and 14,901, 4½ per cent. cumulative preference shares of Rs. 50 each. Of these, 23,835 ordinary shares and the entire preference shares represent bonus issues. Even after such large capitalisation amounting to Rs. 19.37 lakhs in the past, the reserves and surplus aggregate Rs. 40.96 lakhs, of which Rs. 1.44 lakhs represent premium on shares. The borrowings stand reduced from Rs. 87.77 lakhs at the end of 1957-58 to Rs. 48.47 lakhs, while the other current liabilities and provisions are unchanged at Rs. 26.50 lakhs. The gross block of the value of Rs. 117.67 lakhs (including an addition of Rs. 4.73 lakhs during the year under review) has been written down to Rs. 45.81 lakhs. The current assets aggregate Rs. 102.42 lakhs, which exceeds the current liabilities and provisions by Rs. 27.45 lakhs.

Since the close of the year under review, the Company's working, according to the Directors, has further improved and this improvement, they hope, will be maintained, barring any unforeseen circumstances.

The Rs. 50 fully paid-up shares of the Company are being currently quoted at Rs. 74.50 per share. On an ex-dito basis, the shares premium-div. On an ex-dito basis, the shares provide a yield of 7.2 per cent. per annum. This is, however, taxable in the hands of the shareholders, as the Company is not liable to income-tax and super-tax for the year under review.

RUBY GENERAL INSURANCE COMPANY ECONOMIC RATE STRUCTURE FOR MARINE BUSINESS URGED

IN his address to the Twenty-third Annual General Meeting of the Ruby General Insurance Company, Ltd., held at Calcutta on 28th September, Mr. B. M. Birla, Chairman of the Company, reviewed the progress of the Company and drew the attention of the Government and insurance associations to the damage to property caused by fire, to the deplorable state of motor traffic and the heavy incidence of pilferage and theft at ports, all of which adversely affected fire, motor and marine insurance business. He suggested that, in view of the unsatisfactory results of marine business, serious attention should be given to framing an economic rate structure.

The following is the text of Mr. Birla's speech, which, in his absence, was read out by Mr. M. R. Sonthalia, one of the Directors of the Company.

"GENTLEMEN,

"It gives me great pleasure to welcome you to the twenty-third annual general meeting of the Company.

"The report of the Directors and the audited accounts for the year 1958 have been with you for some time and with your permission I take them as read.

"The following net premium figures reveal the progress of the Company:

	1956	1957	1958
Rs.	Rs.	Rs.	Rs.
Fire ..	47,14,000	52,01,000	56,40,000
Miscellaneous ..	—	—	—
accident ..	50,89,000	63,22,000	59,73,000
Marine ..	17,07,000	17,58,000	15,72,000
	Rs. 1,15,10,000	1,32,81,000	1,31,85,000

Fire Department

"More attention has been given to develop the fire business as this department has been comparatively better. The net premium income has increased from Rs. 52,01,000 to Rs. 56,40,000 during the year under review. The reserves have been increased from Rs. 22,10,476 to Rs. 25,09,758. Damage to property by fire is a national loss and it is high time that the Insurance Association took necessary steps in co-operation with the Government to educate the public in fire preventive methods.

Motor and Miscellaneous Departments

"Due to continued adverse claims experience in this department, particularly in the automobile section, which is a world-wide feature, a very cautious underwriting policy is being followed. Attention should be given to check the incidence of claims. The Government should strictly enforce the traffic regulations, particularly for goods carriers on national highways. With a view to improving the working of this department efforts are being made to develop other types of miscellaneous business such as machinery erection and personal accident insurance.

Marine Department

"As mentioned in previous years, a conservative underwriting policy is being pursued in this department. A large amount of national wastage can be avoided by improving the handling of cargo and checking of pilferage and thefts at the ports and during transit by the carriers. The Tariff Commission of the Insurance Association should give their serious attention to fixing an economic rate structure for marine business.

"The overseas business of your Company is being reorganised on the basis of the experience gained in the past and in view of the political changes in some countries in recent years.

"The Code of Conduct in general insurance business has been in operation for some years and it is in the interest of the industry that necessary modifications are made in the Code on the basis of the valuable experience gained so far.

The Year's Progress

"The Company has continued its progress which will be evident from the comparative premium figures of last several years. The net premiums and capital and funds in 1958 stands at Rs. 1,31,84,824 and Rs. 1,19,01,476, as against Rs. 71,80,001 and Rs. 77,86,222 in 1953.

"Before I conclude, I hope, you will join me in expressing our sincere thanks to the execu-

COMPANY MEETINGS AND DIVIDENDS

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Annual General Meeting, Madras, 28th October 1959. Dividend: 10 per cent. or Re. 1.00 per share, free of income-tax. Transfer books remain closed from 21st to 28th October 1959, both days inclusive.

NORTH WEST COAL CO., LTD. Annual General Meeting, Calcutta, 28th October 1959. Dividend: Re. 1.50 per share on shares of Rs. 10 each and Re. 1.12 per share on shares of Rs. 7.50 each. Transfer books remain closed from 19th to 29th October 1959, both days inclusive.

DHUNSERI TEA CO., LTD. Annual General Meeting, Calcutta, 30th October 1959. Dividend: Rs. 2.00 per share. Transfer books will remain closed from 26th to 30th October 1959, both days inclusive.

PATRAKOLA TEA CO., LTD. Annual General Meeting, Calcutta, 30th October 1959. Dividend: 20 per cent. or Rs. 20.00 per share. (This dividend is payable when funds are available from Pakistan.) Transfer books remain closed from 19th to 30th October 1959, both days inclusive.

RAGHUVANSHI MILLS LTD. Annual General Meeting, Bombay, 7th November 1959. Transfer books will remain closed from 2nd to 18th November 1959, both days inclusive.

CHAMPDARY JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 10th November 1959. Dividend: Rs. 4.00 per share (final), for the year ended 31st March 1959. Transfer books will remain closed from 26th October to 10th November 1959, both days inclusive.

DELHI CLOTH AND GENERAL MILLS CO., LTD. Annual General Meeting, Bara Hindu Rao, Delhi, 12th November 1959.

MYSORE GLASS AND ENAMEL WORKS LTD. Annual General Meeting, Bangalore, 16th November 1959. Dividend: Nil. Transfer books will remain closed from 4th to 18th November 1959, both days inclusive.

INDIA UNITED MILLS LTD. Annual General Meeting, Bombay, 20th November 1959. Dividend: Nil. Transfer books will remain closed from 6th to 20th November 1959, both days inclusive.

DILARAM TEA CO., LTD. Annual General Meeting, Calcutta, 21st November 1959. Transfer books will remain closed from 16th to 21st November 1959, both days inclusive.

NATIONAL INSULATED CABLE CO. OF INDIA LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 14th to 27th November 1959, both days inclusive.

NATIONAL ROLLING AND STEEL ROPES LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 14th to 27th November 1959, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books will remain closed from 12th to 27th November 1959, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Final dividend of £3½ per cent. net (tax applicable at 7s. 9d. in the £), for the year ended 31st March 1959, payable on 16th November 1959.

DAVANGERE COTTON MILLS LTD. Dividend of Rs. 9.00 per share for the year ended 31st March 1959, payable on 9th November 1959. Transfer books will remain closed from 27th October to 9th November 1959, both days inclusive.

COOPER ENGINEERING LTD. Dividend of Rs. 9.10 per share (includes bonus), for the year ended 30th June 1959, payable on 6th November 1959. Transfer books remain closed from 23rd October to 2nd November 1959, both days inclusive.

MACNEILL AND BARRY LTD. Dividend of 7 per cent. on the ordinary shares, for the year ended 31st March 1959, payable on 30th October 195

**Army & Navy Building,
Bombay I.**
Branches:
**New Delhi, Calcutta,
Madras, Jamshedpur**

STEEL IN THE THIRD PLAN

(Concluded from page 688)

credit and deferred payment terms they can offer. In fact, it would be better for us to aim at exporting manufactured products, which would earn us three to four times more than steel as a raw material, quite apart from important benefits like generating more employment in the country. Here is another reason why the secondary and finishing industries using steel need far greater attention than we have given them in the second Plan period. As Mr. Tata said, our aim should be to sell abroad Indian-made trucks, machine tools, fans and sewing machines, because the same capital investment would create much more wealth, earn and save more in foreign exchange, provide more employment and gradually build up a more balanced and productive economy.

Self-sustaining Growth

Ideally, the growth of steel industry should become, as quickly as possible, self-sustaining and not impose fresh demands on national resources. As Prof. Galbraith, the noted Harvard economist, has pointed out in a recent note to the Planning Commission, resources for investment are, in a very large measure, created by the earnings of industrial enterprise in both the capitalist and communist countries. Industry thus assumes the responsibility for its own growth, contributing funds at the same time to the general revenues to finance development in other fields. As Prof. Galbraith says, it is an inefficient and self-limiting procedure to give people income and then remove it by taxation, inflation or appeals to thrift. I urge, therefore, that the idea of profit-making should no longer be regarded as suspect. In fact, everything should be done to facilitate the ploughing back of profits to make growth a self-sustaining process. From this it follows that retention prices for steel, whether produced in the private or the State sector, should be so fixed as to permit ploughing back at a reasonably adequate level. Last time, when retention prices were fixed for the 1955-60 period, this was recognised by including a special element in the price to finance expansion. The yield from this element in our case is expected to be Rs. 14 crores as against the capital expenditure of Rs. 130 crores over the same period on expansion, renewals and replacements, and ancillary schemes.

The price policy in previous years was not conducive to the accumulation of reserves. As a result, our expansion and modernisation has, in a large part, had to be financed through borrowings and issue a fresh capital which will leave the company bearing an enormous burden of debts totalling Rs. 80 crores. I feel, therefore, that there is a strong case for continuing to maintain an element in future retention prices to permit the liquidation of liabilities and also to finance future expansion. The political temptation to cut retention prices to such levels that expansion has to be financed mainly through borrowings must be resisted, because it violates the fundamental principle of self-generating development. In this context, I may point out that the American steel industry has financed its expansion to the extent of 80 per cent. from retained reserves. It is in this perspective that we must judge the economic validity of taxation policies in relation to corporate assets, and the disincentive these constitute in present conditions.

Economy of Expansion

In planning for future expansion of the steel industry, I need hardly emphasise the advantage of expanding the existing plants, because this can be done at a far lower capital cost than starting from scratch at a new site. To quote from our own experience, we have added a million tons of capacity at a capital cost of Rs. 95 crores, whereas the capital cost of the new steel plants is now in the neighbourhood of Rs. 200 crores each, including the cost of townships and ancillary facilities. The social overheads necessary at a new site will certainly be much larger than the expansion of an existing township to take care of the housing and other facilities needed for the net addition to the labour force. The State steel plants were all laid out for an ultimate production capacity of 2 to 2.5 million tons each. It is only common-sense to expand them to their design capacity to get the most economic rate of production. But, since we must also look ahead, beyond the third Plan, it is logical that we should seek to develop new sites such as Bokaro. Considerations of finance may well make it necessary to phase the Bokaro plant over a longer period

than the ones now being built but this could be turned to advantage if preparatory work was commenced for the provision of a transportation network, the building of dams to impound sufficient water, advance planning to meet power requirements and the location and prospecting of raw material sources. These steps are necessary not only for the Bokaro plant itself, but also for the general industrial development of the area. As such, action on these can be initiated even before the final go ahead on the Bokaro plant is given.

Transport Requirements

We would do well to remember that the creation of a further four million tons of capacity would require the movement of 24 million tons of freight traffic, taking both raw materials and finished products together. During the second Plan, we had faced a shortage of wagons and line capacity which is likely to be perpetuated, unless the development of railways is accelerated. I am, therefore, disheartened to hear that no increase in the tempo of railway development is envisaged in the third Plan period. Was it not time that we planned a way out of the uncertainty and shortage of transportation? I do not urge transportation difficulties as an argument against the expansion of the steel industry but would like to see more funds being provided for railway development so that the industry's needs can be adequately met. The planning for power, likewise, must be done sufficiently in advance to avoid the shortage that we now experience in the Bihar-West Bengal area. I would respectfully urge that the decision in respect of additional capacity for power, transport and other essentials should be taken simultaneously with the broad decision on steel targets. And, what is more, the implementation of both sets of decisions should be followed up with equal zeal.

Alloy and Tool Steel

While we are discussing the expansion of the basic steel industry, I feel we should take note of requirements in two allied spheres—alloy steels and ferro-alloys. Alloy steels are needed not only for the cutting and shaping metals by metal-using industries but also in the manufacture of a wide range of products. Although we need relatively small quantities, alloy steels are so high-priced—an average of Rs. 4,000 per ton—that their manufacture in India would result in large foreign exchange savings. In recognition of this, Government have called for a project report for an alloy steel plant of 40,000 tons ingot capacity, with provision for future expansion up to 80,000 tons. This is a step in the right direction, but official planning in this instance, is, in our view, not bold enough. A study of trends abroad indicates an alloy steel consumption of approximately 5 per cent. to 8 per cent. of ordinary finished steel, on which basis our requirements would be in the neighbourhood of 300,000 to 500,000 ingot tons, basing ourselves on the lower figure of six million tons of consumption suggested by the National Council of Applied Economic Research. If we approach the problem in another way by computing the alloy steel content of various industrial targets of the third Plan, we arrive at an estimate corresponding fairly closely to the earlier figure. It would seem necessary, therefore, to plan for a much larger capacity in alloy steel than at present envisaged. Basing upon this view, of future requirements, Tata Steel has communicated to the Government its readiness to put up a 100,000-ton alloy and tool steel plant, in addition to the one projected in the State sector.

In the field of ferro-alloys, used mainly as alloying ingredients in steelmaking, we have got off to a fine start. From no separate plants for ferro-manganese at all, we have now nine completed or under construction which will have a capacity of nearly 200,000 tons per annum. I think we should now follow this up by taking up the manufacture of other ferro-alloys like ferro-chrome, as Tata Steel is planning to do at Joda where its ferro-manganese plant has been in operation since early 1958. We should also think in terms of expanding the production range to make alloys like ferro-tungsten which will be needed for the alloy and tool steel industry.

It is not as yet very clear how the targetted production of 10 million tons is to be achieved. It appears that, in recognition of the advantages of expansion of the existing works, the three new steel works at Rourkela, Bhilai and Durgapur are to be developed to their full design capacity. Another idea under consideration is to set up medium-scale plants, utilising non-metallurgical coal in such areas as Andhra

Pradesh, Madras and Rajasthan, provided a suitable technology can be worked out. These, together with electric furnaces, existing or projected, will, it is hoped, contribute 600,000 tons of steel and 250,000 of pig iron.

Expansion in the Private Sector

Official intentions in respect of the existing steel works in the private sector have not yet been clearly defined. Both ourselves and the Indian Iron and Steel Company at Burnpur, have declared a readiness to expand. In the case of Tata Steel, we have just completed an expansion programme designed to raise our capacity to two million tons. This was undoubtedly a major undertaking, calling as it did for one-fifth of the total outlay on organised industries in the private sector during the second Plan. We are at the moment experiencing teething troubles inevitable in bringing into operation new plant and equipment, and the adoption of new technological processes. I think the worst is now over and things are slowly getting better. If there are no unexpected setbacks, we hope to reach our optimum production rate by the end of the second Plan. But, as I have just mentioned, we shall be carrying an enormous burden of debts, including loans from the World Bank and a group of U.S. and Canadian banks totalling Rs. 51 crores, which have to be repaid between 1959 and 1971. In spite of the serious financial difficulties, Tata Steel is willing to play its part by undertaking a further expansion of the capacity of its works. Since most of the ancillary facilities already exist, we believe we can carry out this expansion at a very economic cost per ton. For example, we have, in our expanded plant, a fairly comfortable surplus of rolling capacity. We propose, therefore, to add on the rolling side only a skelp mill to produce the raw material from which tubes and pipes are manufactured. It is generally recognised that the demand for tubes and pipes will rapidly increase in the coming years because of the growing use made of these lighter materials in structural and mechanical engineering. Needless to say, the expansion programme I have just outlined cannot be possibly brought to fruition without the active sympathy and help of the Government, and I have no doubt that these will be forthcoming.

What I have said now is an attempt to look into the future and to present my views on what needs to be done. I have not attempted to put forward any specific conclusions, because these can only emerge from further consultations and discussions between all sections of the industry.

Notices

THE PEERMADE TEA COMPANY LIMITED
(Incorporated in India)

THE BOARD OF DIRECTORS HAVE SANCTIONED payment of an interim dividend on the Ordinary Shares at 7½ per cent. in respect of 1959 working, from which will be deducted Income-tax in accordance with the provisions of the Indian Finance Act, 1959. This dividend will be paid to those shareholders whose names appear in the register of the Company as on 23rd November 1959, on their mandates, and the dividend warrants will be posted from the said date onwards.

The Transfer Books of the Company will remain closed from the 19th November 1959 to the 23rd November 1959 inclusive.

ASPINWALL & CO. (TRAVANCORE) LTD.,
Secretaries.
ALLEPPEY, 19th October, 1959.

TATA LOCOMOTIVE AND ENGINEERING COMPANY LIMITED

WINGET VIBRATED, MARSHALL'S VIBRO-concrete and V-4 Block-making Machines operated by Motor for Solid or Hollow Concrete Blocks with pallets and Moulds and Structural Bins are available for sale. Copies of tenders with full particulars can be had on application from the Office of the Stores Controller, Tata Locomotive and Engineering Co., Ltd., Jamshedpur-4. Closing date of tender—12th November 1959 at 2.30 p.m.

DEMAND FOR MONEY POOR

(From Our Own Correspondent)

BOMBAY, 21st October

Comfortable conditions continue to prevail in the short-term money market. Though the traditional slack season is drawing to a close, there is yet no sign of revival of demand for bank credit. Banks are, therefore, having a surfeit of funds and this has had a depressing effect on the inter-bank call money rate among the large banks, pushing it down from 2 per cent. to 1½ per cent. In the small banks section, however, funds are in short supply and the rate is, therefore, unchanged at the previous week's level of 2½ per cent. House money at seven days' notice is maintained at 3 to 3½ per cent. and short-term deposits at 3 to 3½ per cent. for one to six months.

The aforesaid conditions are duly reflected in the results of the 91-day Treasury Bill sales this week. The amount offered was Rs. 3.85 crores, that is, Rs. 1.85 crores more than that invited. The discount rate has also come down from 2.40 per cent. to 2.435 per cent. per annum. Notwithstanding the good response, the tenders for next week have not been raised. Presumably, the authorities do not want to take a risk, in view of the fact that the seasonal pressure on funds may come at any moment. In any case, the banks are given the opportunity to divert their surplus funds to Intermediate Bills which continue to be on top. In fact, sales of these bills last week (from 14th to 17th October) aggregated as much as Rs. 4.25 crores. They are being offered this week also at the same rate of 99.406 per cent., which works out to a discount rate of 2.376 per cent. per annum.

There has been a further, albeit small, contraction of Rs. 5.47 crores in notes in circulation during the week ended 16th October 1959. Disclosing this, the Reserve Bank of India statement for that week, shows a rise of Rs. 6.12 crores in total notes issued. There is no change in foreign total notes issued. A sharp rise of Rs. 23.65 crores is noted in deposits of other Governments and of Rs. 13.84 crores in Scheduled banks' deposits. Loans and advances to Governments are lower by Rs. 6.56 crores and other loans and advances by Rs. 5.12 crores. Of the latter, advances to Scheduled banks against usance bills account for Rs. 2.07 crores. There has been a net increase of Rs. 28.59 crores in investments, reflecting the purchase of the second series of Central loans created two weeks ago.

A sharp fall of Rs. 13.77 crores in demand deposits and of Rs. 2 crores in time deposits is disclosed by the Scheduled banks' statement for the week ended 9th October 1959. Of the cumulative decline of Rs. 15.77 crores in total net deposits, the State Bank of India alone accounts for Rs. 7.57 crores. Inter-bank borrowings also are lower by Rs. 3.89 crores, while borrowings from the Reserve Bank have gone up by Rs. 2.32 crores and those from the State Bank by Rs. 1.58 crores. Advances have declined by Rs. 4.39 crores (State Bank's advances are higher by Rs. 1.62 crores), while bills purchased and discounted have risen by Rs. 3.05 crores. There has been a drop of Rs. 8.33 crores in investments, of which the share of the State Bank is Rs. 5.24 crores. Cash balances have shrunk by Rs. 4.95 crores, mainly due to the contraction of Rs. 13.25 crores of State Bank account. Money at call and short notice is also lower by Rs. 5.83 crores.

Barring a demand for a few short-dated issues, there is not much of an activity in the gilt-edged market, which continues to rule dull. Some of the medium and long-dated loans are, in fact, on offer. State loans too are featureless, and the rate of business is small. 3 per cent. 1986 Conversion Loan is being quoted 5 nP lower at Rs. 74.85. Among the short-dateds, 2½ per cent. 1981 has picked up 5 nP to Rs. 98.30. 2½ per cent. 1982 has staged a similar rise to Rs. 97.80. 3 per cent. 1983-85 and 3 per cent. 1984 have gained 5 nP each to Rs. 98.15. 3½ per cent. 1984 is placed at Rs. 100.15 ex-voucher, as against Rs. 100.30 cum-voucher. Other loans disclose no change.

The rupee displayed signs of slight weakness early in the week, after last week's sharp gain, but soon recovered the lost ground. Thus, banks' selling rate for U.S. T.T. rose from Rs. 478.50 to Rs. 476.75 per \$100 before coming down to Rs. 476.50 per \$100. Likewise, there buying rate closed unchanged at Rs. 473.25 per \$100, after an early rise to Rs. 473.50. These fluctuations are in consonance with the trend of sterling abroad. In New York, spot sterling weakened from 280.85-280.88 cents to 280.70-280.73 cents before picking up to 280.80-280.83 cents. Three months' forward were almost unchanged at 281.24-281.29 cents.

RICE PRICES UNCHANGED

(From Our Own Correspondent)

HAPUR, 19th October

Quiet to steady conditions were witnessed in foodgrain prices during the past week. Fresh demand for rabi grains was reported for seed purposes. Rabi sowings have begun in right earnest and most of the land recently vacated from kharif crops would be available for rabi sowings in areas which have had rains early in October.

Wheat prices at Hapur ruled quietly steady to be quoted on Monday at Rs. 17.50 per maund for average quality and at Rs. 18.75 for far superior quality. It was gathered that the Government godowns for seed purposes were being sold in the market, with the result that wheat arrivals have improved to an average of 100 maunds daily. The State Government's wheat levy scheme is being continued, but the supplies reaching the Government were less than the open market prices were much higher than the controlled purchase price at Rs. 13

BOOM IN BULLION

(From Our Own Correspondent)

BOMBAY, 21st October

Boom conditions prevailed in the bullion market during the week under review. Prices of both silver and gold forged further ahead to new high levels—ready silver touching today an all-time peak of Rs. 210.6, which was Rs. 2-10 more than the previous record of Rs. 207-12 touched in June 1951 and forward silver (November settlement) a high of Rs. 211-2. Ready and forward gold knocked at Rs. 125-10, a level not seen in the history of the bullion trade.

The sustained strength of silver is attributed to aggressive buying by a group of bull operators in Bombay and Calcutta, accompanied by hectic short-covering by sellers who had to pay heavy margins as the bull charges in the October settlement, which expired a few days ago, were over Rs. 1 in their favour. The scarcity of floating stocks, absence of arrivals of Tibetan coins and reports of entry of some Chinese troops into Kalimpong were all factors which helped bullish sentiment.

The upward trend in gold was inspired by reports that some leading bull operators had taken delivery of about 65,000 tolas in the last settlement, resulting in a depletion of floating stocks. The absence of any perceptible inflow of contraband metal and the good offtake in the ready section provided additional stimulants.

Forward silver (October settlement) rallied from Rs. 208-11 to Rs. 209-2 on Monday this week, before the settlement ran out at that rate. The November settlement forged ahead from Rs. 207-12 to Rs. 209-15 on Friday last. After a short-lived setback to Rs. 209-6, the forward rate for this settlement soared to touch a high of Rs. 211-2 today. The closing was done at Rs. 211-1.

Ready silver picked up Rs. 3-12 to Rs. 210-5 over the week. The floating stocks of silver are estimated at 600 to 700 tons. The daily average arrivals were 20 bars, while the offtake was no more than 10 bars.

Gold for forward delivery (October settlement) hardened from Rs. 123-12 to Rs. 124-3 before the settlement ran out at Rs. 123-15 on the 17th inst. The November settlement staged a sustained rise from Rs. 124-5 to Rs. 125-10 on Monday at which level there was good profit-taking bringing the rate down to Rs. 124-13 yesterday. Today, however, a fresh bout of buying pushed up the price to Rs. 125-8. The closing was, however, done at Rs. 125-7.

Ready gold advanced over the week by Re. 1-4 to Rs. 125-7. The floating stocks of gold are reported to be 60,000 tolas. The daily average arrivals and offtake are of the order of 2,500 tolas.

In London, spot and forward silver were unchanged at 80½d. and 79½d. respectively. New York silver was also maintained at 91.37 cents. Gold in London, however, slipped from 249s. 11½d. to 249s. 10½d. per fine ounce.

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

	21-10-59	Highest	Lowest	14-10-59
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint)	125 7	125 10	123 9	124 8
Forward	125 7	125 10	123 11	124 8
SILVER				
Ready (999 fine Mint)	210 5	210 6	207 0	206 11
Forward	211 2	211 2	208 2	207 1
1950-59				
London Silver Ready	80½d.	—	—	80½d.
London Forward ..	80½d.	—	—	80½d.
New York Silver ..	91.37½c.	250s. 11½d.	249s. 10½d.	91.37½c.

* 17th November settlement. † 16th November settlement.

to Rs. 15 a maund. Lean period for wheat requirements is yet to follow and it is feared that prices may further improve. The Union Government is seriously thinking of forming larger food zones as a means of removing price disparity between the deficit and surplus States.

Paddy arrivals during the week were heavy, but prices of rice stayed steady on reports of heavy damage to rice crop in West Bengal due to floods and in east U.P. following drought conditions earlier. Week-end prices were: Rice sela Rs. 32 to Rs. 35, mainpuri Rs. 24, ramajwayan Rs. 24.50, gadda Rs. 22, all rates per maund. Gram prices registered gains of about 25 nP per maund due to increased demand for seed purposes. Sowings of gram and peas are in full swing. Gram stock position is comfortable here at about 50,000 maunds. Although new maize arrivals in the market were small, the prices remained depressed, as there had been a bumper crop. But most of the maize is being retained in villages and is meeting rural population demand. Barley and bejhar prices ruled quietly steady. Jowar and guar prices were almost stationary and stocks were meagre. Week-end prices (in rupees per maund) were: Gram 12.87 to 13.25, barley 12.75, bejhar 11.50, maize 11.25 to 11.50, desi 12, jowar 12 to 14, guar 11 to 13, bajra 13; stocks: gram 50,000, barley 4,000, rice 5,000 maunds.

Pulses lacked support. Arrivals of peas were about 100 maunds daily and local stock was unchanged at about 40 khattees. Prices too remained stationary at Rs. 11.50 to Rs. 11.75 per maund for dara quality, while farm quality was being quoted up to Rs. 12.75 a maund, and peas dal at Rs. 13.12 a maund. Demand of arhar is dormant and with arrivals almost nil, local stock is unchanged at 30 khattees. Prices of other pulses were quiet to be quoted on Monday (in rupees per maund): at: Arhar 17, arhar dal 21 to 22, urd 19 to 19, moong 16 to 18, masoor 14.50 to 17.

COTTON FUTURES DECLINE

(From Our Own Correspondent)

BOMBAY, 21st October

The steady upward trend of the cotton market witnessed of late was halted during the week under review and the market took a definite turn for the worse. Report of adverse weather and damage to the crop, which was mainly responsible for the firmness of the market, gave place to news of the return of fair and sunny weather. Earlier fears of damage to the crop turned out to be exaggerated. These factors prompted heavy bull liquidation and extensive speculatory selling. Futures prices consequently suffered a sharp setback. The possibility of the Government permitting imports of cotton during the season on a more liberal scale, and reports that stocks with mills on 1st September was higher than on the corresponding date of the previous season, made bulls nervous. The fall in prices would have been more marked but for the emergence of support by certain leading mills against forward sales of cloth. Short-covering and fresh buying attracted by the low level of prices led to a partial recovery today.

I.C.C. Moglai Jarilla opened the week at Rs. 729.50, as against the previous day's close of Rs. 729.25 and declined steadily to touch the level of Rs. 710.50 yesterday. Opening at Rs. 713 today, the contract gathered Rs. 2.50 before finishing fractionally lower at Rs. 715. The net loss over the week was Rs. 14.25.

The weakness of futures affected the spot section also. Turnover was limited and values receded by ten to fifteen rupees. The drop was more pronounced in the case of cotton spinning coarse and medium counts. Staple styles like Vijay and Digvijay continued to be scarce and prices were well maintained.

Marketing of new crop in the Punjab, Rajasthan and Uttar Pradesh has been gathering momentum. More than 25,000 bales are reported to have been marketed from these areas.

Export demand was poor. Bengal Deshi prices drifted lower, thanks to good crop prospects and slackness of export demand. Bengal Deshi crop this season is estimated at 350,000 bales, whereas in other varieties was subdued. Fresh business done was small.

Demand for foreign cotton was well maintained. Mills continued to show interest in Sudan, Egyptian and East African cotton. Mills were regular buyers of Egyptian Menoufi although Karnak was neglected. Medium and higher Sudan Geziras evoked attention of mills. A. R. Uganda new crop also found buyers, although the tendency was to await the result of the first auctions held yesterday.

The conclusion of the agreement between U.S.A. and India under P.L. 480 has been delayed and the Finance Minister, Mr. Morarji Desai, is expected to have discussed the question with the U.S. authorities. A decision regarding the import of U.S. cotton is expected to be announced soon after the return of Mr. Desai. Meanwhile, the Indian Cotton Mills' Federation, at a meeting held last week, decided to recommend to the Government the release of an additional 400,000 bales over and above the annual quota of 600,000 bales. The Federation felt that the additional imports would greatly relieve the shortage of cotton supplies experienced at present. The Federation is also understood to have recommended the extension of the incentive scheme for textile exports for a further period of six months. The following are the latest available spot quotations in rupees per candy of 784 lbs:

Bengal Deshi 665; Berar Jarilla 785; Hubli Laxmi 990; Vijay 950; Berar 13/16" 825.

The Karachi cotton futures market ruled firm during the week under review. Futures advanced on short-covering and renewed export demand. Domestic mills too supported the market against sales of yarn and cloth. N.T.R.G. January rose from Rs. 62-10 to Rs. 64. The March contract firmed up by Re. 1-3 to Rs. 64-4. The following are the latest available quotations—in rupees per maund of 82 lbs.—for a few popular varieties of Pakistan cotton prevailing at Karachi:

Punjab Deshi 64; 4F Punjab Roller 70-4; S.G. 71-12; L.S.S. Punjab Roller 71-4; S.G. 72-4; N.T. Roller 74-12; S.G. 81-4; 289F Punjab Roller 72-12; S.G. 76-12.

Cotton futures values in Alexandria scored small gains during the week. Renewed export demand from overseas countries, especially India, and good local trade buying led to a hardening of values. Reports of satisfactory crop progress and increasing momentum of new crop movement failed to have any adverse effect on price level. The latest available quotations—in tallars per lb.—are as under:

Karnak: November 71.00; January 71.70; Ashmouni: October 63.10; December 60.97.

Dull conditions prevailed in the Liverpool cotton futures market during the week. Activity was limited as the current level of prices was unattractive. The fear that the U.S. dock strike, which was temporarily suspended for negotiations for settlement, would delay shipment of cotton and better news from the yarn and piecegoods market prompted a limited volume of mill fixation and trade buying. But prices failed to rise perceptibly, thanks to hedge-selling and scattered commission house liquidation. Sudan contracts were quiet. Over the week, prices showed minor gains. The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October-November 21.75; December-January 21.60; March-April 21.75; May 22.05.

American cotton mixed growth contract: October-November 21.95; December-January 22.00; March-April 22.20; May 22.25.

Sudan: November-December, January-February 29.00; May-June 28.75.

Cotton futures values in New York hardened on trade support and commission house buying influenced by the continued strength of the cloth market. Further rise in price was, however, prevented by hedge-selling and profit-taking. The apprehension that support prices for the next season would be lower than that in this season and Memphis report of an easing of the spot supply position also acted as dampers.

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

	(In cents per lb.)	20-10-59	13-10-59	6-10-59
Spot	...	32.75	32.80	32.85
October	...	...	32.55	32.34
December	...	32.33	32.15	32.10
March	...	32.86	32.59	32.54
May	...	33.15	—	—

ART SILK YARN HARDENS

(From Our Own Correspondent)

BOMBAY, 21st October
A divergent trend was witnessed in the yarn market during the week under review. While futures prices declined on speculative selling, spot values advanced, thanks to scarcity of supplies and the approach of the busy Diwali season. Spot prices of art silk and cotton yarns hardened on good support. The rise was more marked in art silk yarns, thanks to the sustained buying. The cut in import quota licence by one half gave rise to fears of acute shortage of supplies after Diwali. The Government's decision to grant advance licence for yarn to actual users for manufacturing cloth for export, though welcome, gave no solace as it was no remedy for shortage of supplies. Nor could mills obtain more licences against shipment of fabrics as exports were meeting with considerable resistance in foreign markets. Staple fibre yarn was in moderate demand. Prices were more or less maintained. Fluctuations were narrow. Cotton yarns were steady with demand centred round medium and lower counts.

The procedure for the issue of advance licence for art silk yarn for the manufacture of cloth for export has been notified. The licences will be issued upto a maximum value of Rs. 1,000 per registered export loom to be adjusted in four equal quarterly instalments against export entitlements earned by the licensees. In case of failure to earn the required entitlements by way of exports of cloth, the yarn imported against these advance licences will be adjusted from the licensees' quotas for import of art silk yarn, as actual users or from allocations of indigenous yarn. The licences will be issued only to excisable powerloom units provided the looms in the undertaking are registered under the Textiles (Production by Powerloom) Control Order 1956. The last date for receipt of applications is 15th November 1959.

Cupressa Bamberg yarn (60×2) October contract declined during the week, from Rs. 1,665 last week-end to Rs. 1,631. The December contract too came under selling pressure, dropping from Rs. 1,702 to Rs. 1,671. Imported spot material met with sustained buying. 120 Japan rose from Rs. 5.15 to Rs. 5.40. 150 Japan hardened by 8 nP to Rs. 5.20. 150 Italy improved by 25 nP to Rs. 5.12.

Staple fibre yarns (40×2) October contract met with selling and declined by Rs. 20 to Rs. 682. December contract shed Rs. 7 to Rs. 684. Spot Rohinoors were a shade easy at Rs. 3.72 while spot City hardened to Rs. 4.50.

In the cotton yarn section, ten counts Podars gained 13 nP to Rs. 14.50. Twenty counts Moderns put on 25 nP to Rs. 20. Sixty count Finlays hardened by one rupee to Rs. 64, while eighty count Mahendras softened by 25 nP to Rs. 73.50.

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

	21-10-59	14-10-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	1,631	1,665
December	1,671	1,702
60/1 Cupressa Bamberg spot (per lb.)	7.31	7.47
120 Japan (per lb.)	5.40	5.15
150 Japan (per lb.)	5.20	5.12
120 Italy (per lb.)	4.90	4.80
150 Italy (per lb.)	5.12	4.87
Staple fibre yarn—		
40×2 October (per case of 200 lbs.)	682	702.00
40×2 December	684	691.00
40×2 Rohinoor (per lb.)	3.72	3.77
40×2 City	4.50	3.72
Cotton yarn (per bundle of 10 lbs.)—		
10s Poflar	14.50	14.87
20s Modern	20.00	19.75
40s Minaxi	64.00	63.50
60s Finlay	68.00	68.00
80s Mahendra	73.50	73.75

BROWN SUGARS EASY

(From Our Own Correspondent)

HAPUR, 19th October
Sugar prices stayed steady, due to paucity of supplies in the market. With a view to increasing the sugar output, the Government of India has announced a concession on cane crushed early. Most of the sugar factories are preparing to start crushing operations forthwith and some are expected to begin before the end of the month.

The soaring prices of khandasari and gur were the main deterrents hitherto in the way of early start of season. On the whole, sugar prospects for the next season does not indicate any increase in total production, despite the increase in cane acreage according to the first all-India estimate at 4,920,000 acres as against the corresponding adjusted estimate at 4,804,000 acres for 1958-59. At present, sugar is quoted here at Rs. 131 per bag and at Re. 1.25 per seer in retail, as against the controlled price of Rs. 104 per bag and at 97 nP per seer in retail.

After having touched the highest earlier during the week at Rs. 138 per bag, sugar prices in the Muzaffarnagar market eased slightly in the week-end to Rs. 134 per bag due to fresh arrivals coupled with lack of demand. It was reported that about 2,500 bags of sugar received against the quotas of August and September were lying with the Government nominees due to non-issue of permits for the full quantity by local authorities. Here, too, sugar in the open market was being quoted at Re. 1.25 per seer, as against the controlled price of 96 nP per seer. At Kanpur, sugar prices spurted to touch new heights, due to brisk festival demand in the face of poor stocks, and was quoted up to Rs. 140 per bag.

Khandasari prices eased slightly by Rs. 2 per maund in the week-end, due to a fall in demand at the highest level after several weeks' bullish activity since 1st October. The new production has not yet started, since crushers find it more profitable to crush cane for gur than khandasari. Prevailing prices are: inferior Rs. 40 to Rs. 44, medium Rs. 45 to Rs. 48, superior Rs. 52 all per maund.

The new gur arrivals mounted to an average of 2,000 maunds daily all of which are being lifted to the consuming areas. Prices eased by about Re. 1.62 per maund during the week under pressure of arrivals. Demand is brisk from Saurashtra and Punjab. Old stock is reported to have been exhausted and prevailing prices are: gur pansera best Rs. 25.75, dara Rs. 24, inferior Rs. 22, all per maund.

Gur arrivals in the Muzaffarnagar market, also have increased to an average of 500 maunds daily. Consequently, prices registered some fall during the week to be quoted now at: pansera Rs. 23.50 to Rs. 25, chaku Rs. 25 to Rs. 26, shakker Rs. 18 to Rs. 20, dana minja Rs. 25 to Rs. 28, all per maund.

In the futures section, gur prices eased during the week on active bear pressure. After opening at Rs. 15.80 last Monday, gur fagan quoted today at Rs. 15.29, the lowest level for the week.

SEEDS DRIFT LOWER

(From Our Own Correspondent)

BOMBAY, 21st October
The oilseeds market, which had ruled firm during the last week, gave way during the week under review. The values of all oils and oilseeds drifted to lower levels. At higher levels buyers became cautious; fresh buying support was absent. The performance on the export front, although it was not disappointing, gave no evidence of any sizable fresh business. On top of this, arrivals were large. Besides, there was a distinct improvement in the weather, which ruled out the possibility of any marked fall in production, as was believed earlier.

The groundnut section was particularly hard hit, thanks to there were indications of sizable export demand for groundnut oil during last week, no encouraging reports of exports were heard in the market during the week under review. At the same time, there were heavy arrivals which dampened the market. Lower poucunity advices and hesitancy on the part of the vanaspati manufacturers and crushers further pushed down the values. Groundnut February 1960, which had wound up at Rs. 179.75 last week-end, lost ground subsequently and sagged to Rs. 176.12 today. Bold ready lost Re. 1.50 to Rs. 38.50. Oil ex-mill eased by a rupee to Rs. 20.50.

The continuing uncertainty in the prospects for exports of castor oil led to a perceptible fall in values in the castorseed section. At the close, however, castorseed showed signs of some recovery on reports of export business with some countries of the Communist bloc. The U.S. has

not yet made any specific commitments regarding the purchase of Indian castor oil. Castorseed May 1960 contract closed today on an easy note at Rs. 164, as against Rs. 166.02 last week-end. Ready Madras declined by 50 nP to Rs. 31.50. Oil B.S.S. fell from Rs. 17.69 to Rs. 17.37.

The linseed section was easy, in sympathy with other seeds and oils. There was heavy selling in 'insead by North Indian operators in the face of weak commodity advices. There were hardly any fresh export enquiries for oil. Traders, however, hope to secure Australian tenders. Linseed May 1960 fell from Rs. 35.56 to Rs. 35.06 today, after moving both ways between Rs. 35.62 and Rs. 35.12 over the week. Bold ready was unchanged at Rs. 35.12. Linseed oil dropped 44 nP to Rs. 17.25.

In sympathy with major seeds, cottonseeds too developed a sagging tendency. Although cottonseed February 1960 contract improved from Rs. 129.25 last Wednesday to Rs. 129.75 on the following day, it declined subsequently to close today at Rs. 127.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	21-10-1959	14-10-1959	7-10-1959
Groundnut			
February 1960	176.12	179.75	177.25
Bold ready	38.50	40.00	40.50
Command ready	38.50	40.00	40.75
Command quality	38.00	40.00	40.75
Oil ex-mill ready*	20.50	21.50	21.37
Railway receipts*	20.12	21.15	21.25
Castorseed			
May 1960	164.00	166.02	164.25
Ready Madras	31.50	32.00	31.62
Ready Kanpur	30.50	30.50	30.25
Oil B.S.S.	17.37	17.69	17.75
Oil commercial	16.50	17.00	16.81
Linseed			
May 1960	35.06	35.56	34.44
Bold ready	35.12	35.12	35.12
Oil ready	17.25	17.69	16.69
Cotton seed			
February 1960	127.50	129.25	129.25
Niger seed	31.75	31.75	31.60
Kandi seed	28.00	28.25	28.00

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

DECLINE IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 21st October
Malabar black pepper, during the earlier part of the fortnight, showed greater activity with wide fluctuations in the wake of alternate speculative buying and selling in ready and in forward sections. Encouraged by the news of the Russian buying of Malabar black to the extent of about 1,000 tons for October shipment, the bulls tried to effect a squeeze. They continued to buy at advancing prices both ready and October delivery. The highest prices paid for ready, October and December deliveries were Rs. 850, Rs. 149 and Rs. 139 respectively.

In the latter part of the week, however, at the time of maturity of October contract, bulls were not able to hold on. They came out to liquidate. Short-covering having been almost finished by that time, prices came down to Rs. 138 for October and to Rs. 129 for December delivery. Exporters having covered their requirements against their sales to Russia and other East European countries and there being no fresh inquiries from U.S.A., the ready moved from Rs. 850 to Rs. 775 at Cochin and from Rs. 875 to Rs. 840 at Calcutt. Sizable purchases by exporters in ready were done at prices ranging from Rs. 800 to Rs. 850 at Cochin and from Rs. 850 to Rs. 875 at Calcutt.

Singapore hardened in sympathy with Malabar black and advanced from Str.\$102 to Str.\$105 for black and from Str.\$166 to Str.\$168 for white owing to broadening of inquiries from Europe.

New York after remaining steady at \$0.32 for spot for some time ruled easy at \$0.31 under pres-advance in India in spite of fair sized repurchases for October from \$0.30 to \$0.30 1/2. Grinders covered their requirements before the dock strike. They are reported to be waiting for new development. The strike is now deferred for at least 80 days. Spot in New York at the time of writing is quoted at \$0.31.

Crop reports are so far good. Good sunshine is being experienced after the recent wet spell in the pepper-growing belt. If fair weather continues areas is likely to come in the market during the first week of November.

The future of the market depends upon U.S. buying. Russia is likely to remain out of the market for some time as it purchased a sizable quantity during this month for shipment by the end of October or early November.

Ready pepper in the local market is quoted at Rs. 105 per Bengal maund.

LESS DEMAND FOR TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]
COCHIN, 16th October
1,350,000 lbs. were offered in sale No. 39 held on 13th October 1959. The quality of high grown teas in quality was well maintained, but a slight decline mediums. There was less general demand and good prices were irregularly easier for everything. Although low mediums met with fair enquiry prices

were about 5 nP lower than last. Mediums and good medium brokers eased by 10 to 15 nP, while similar fannings were upto 25 nP easier. There was a useful enquiry for better liquoring highgrown brokers which were fully firm. However, corresponding fannings met with less support at lower rates. Whole leaf grades are quoted firm. The following are the quotations:—

	1959	1958
Low medium	1.70 to 1.80	1.55 to 1.65
Medium	1.85 to 2.10	1.70 to 1.85
Good medium	2.10 to 2.35	2.05 to 2.30
Quality	2.65 to 4.20	2.90 to 4.45

Dust Sale 'CC':—A quantity of 450,000 lbs. were offered in dust sale 'CC' held on 15th October 1959. There was a good general demand, but prices were irregularly 5 nP easier for all descriptions, with the exception of milled dusts which are quoted fully firm and occasionally dearer. C.T.C. dusts met with fair enquiry at slightly lower rates.

London Market: Sale of 12th October 1959:—Some irregularity. Assams Doors and plain sorts tending dearer.

Sale of 13th October 1959:—No change.

Sale of 14th October 1959:—Rather less demand than on Monday, but prices generally unchanged.

Colombo Market: Sale of 13th October 1959:—Less demand. Uvas considerably lower following decline in quality. Dimbula Dikoya brokers opened 20 to 40 c. lower following quality. Progressively lower lowgrowns strong, demand firm. Price tea dearer.

Sale of 14th October 1959:—Good demand. Best liquoring fannings and dusts steady. Other kinds generally lower.

Calcutta Market:—No sale.

Export Quota:—Our last business has been done at 2 nP. At present there are sellers at 2 nP with probable buyers at this price.

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

"Sale 40:—1,250,000 lbs. Good but irregular demand. Low medium and mediums 5 to 10 nP dearer, but all black leaf fannings sometimes 25 nP dearer. Best liquoring limited demand and prices lower. Good liquoring whole leaf dearer but others easier."

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 20th October
Fairly steady conditions were in evidence in the jute markets during the week under review. Following the announcement of a satisfactory reduction in the stock of goods with mills as at the end of September, prices recorded attractive additions, but as the week came to a close bearish activity in futures led to closing levels being below the best for the week. Raw jute prices also tended to move higher following lower arrivals caused by the difficult transport situation due to floods.

The market greeted the news of a rise in burlap consumption in the United States in the month of September. The figure was as high as 79.9 million yards, as against 64.5 million yards in the previous month. The news was particularly pleasing, since the market was apprehending a fall in U.S. consumption on account of the nationwide steel workers' strike. Higher consumption, however, did not affect burlap stock which amounted to 24 million yards. During the week, American interest was niggardly, but in view of the good consumption report, market men anticipated revival of purchases on behalf of the United States on a bigger scale. Meanwhile, good results were also anticipated following the I.J.M.A. Goodwill Mission to the U.S.A., Canada and the United Kingdom. Another good news was the decline in the stock of goods with mills. The market was, in fact, apprehending a rise in view of the delay caused to shipments to China. The stock with mills at the end of September amounted to 78,600 tons which represented a fall of 2,600 tons. Construction, heavy goods declined by 3,100 tons and miscellaneous items by 200 tons. The full effect of this reduction could not be had on overall stock, as hessian increased by 700 tons to 25,500 tons. Considering the poor business done with the U.S. in the month, it had been anticipated that hessian stock would rise appreciably. Hence the rise of only 700 tons was ignored; on the other hand, the outlook was considered fair, since hessian stock represented only about three weeks' production and was insignificant considered against the background of the imminent resumption of work by the steel workers in the U.S.A.

It was noted in market circles that September was the first full working month following the unsealing of 2 1/2 per cent. of the looms in August. It was indeed gratifying that the policy of mills to increase production had not led to a decline in demand. Shipments in September were higher. Sacking shipped totalled 54,400 tons, or a rise of 17,400 tons compared to August. Hessian, at 39,700 tons, had increased by 2,800 tons. These figures included coastal shipments, and the market had cause to infer that the internal consumption had shown a rising trend. There are prospects of increased shipments of heavy goods to China. Hence the pessimism caused following lower crop reports in Australia and grain there proved a for lesser bags to pack. Later, the U.S.S.R. has temporary phase only. Late, the U.S.S.R. has appeared in the market as a purchaser of hessian. In the last week, purchases on behalf of Russia related to a fair quantity of hessian for ready and near shipments.

Reports of damage to jute crop consequent on floods were circulated by interested quarters, and these were meant to cause a rise in prices. In fact, damage to crop was little, as before the recent heavy rains had started, most of the crop had

been harvested, and that which remained to be harvested was mostly out of danger. Hence floods meant only delay in further harvesting and lower arrivals in market centres, following the dislocation to road and riverine transport. Ideas of a good crop naturally still held good, and there were reports from Dundee that manufacturers there were anticipating a fall in raw jute prices. An acute shortage for mesta quality was felt. For, following the loss incurred by farmers during last year in this quality, this year's sowing had been considerably restricted. As a result, the price of mesta is about Re. 1 lower than the good quality. During last year, the mesta variety was lower by Rs. 2.

After the Durga Pooja holidays, the market reopened on Monday last on a steady undertone. Ready hessian 40" 10 oz. jumped to Rs. 41.05 from Rs. 40.75 on the eve of holidays, i.e., on 7th October. The rise followed reports of expectations of an early end of the U.S. steel strike, which might mean greater U.S. interest in hessian. B. twills firmed up to Rs. 103.80 from Rs. 103.40. Bear-covering soon followed in the futures market, and on Tuesday, B. twills scored to as high as Rs. 104.25, and hessian 40" 10 oz. continuing the advance reached the highest level of the week at Rs. 41.25. On the following day, B. twills sagged to Rs. 103 and hessian 40" 10 oz. to Rs. 40.85 following profit-taking. On Thursday hessian 40" 10 oz. was unchanged and firm at Rs. 40.85 on the report of satisfactory burlap consumption in the U.S. in September. B. twills, however, sagged to Rs. 102.15 following the bearish trend in the futures market. Trade circles compared the output figures for the month of September with stock and derived considerable satisfaction in the thought that demand had exceeded even the increased production for the month. August-end stock being 92,600 tons, the total availability in the month was 173,800 tons. If the figure of September-end stocks, that is, 78,600 tons was deducted, the demand was in the order of 95,200 tons which surpassed production by 2,600 tons. Output of hessian at 37,500 tons was 100 tons lower than August, and miscellaneous goods were 6,300 tons against 7,400 tons. Sacking increased by 6,900 tons to 48,800 tons, which showed that the process of transfer of hessian looms to sacking manufacture continued. The market remained closed on Friday and Saturday on account of Lakshmi Pooja.

Mills showed more interest in raw jute, and prices rose. Mills were unnerved by the rumours that the jute crop had been damaged badly by the recent floods. All the mills, they desired to make purchases for replacement. This together with the upturn in the goods market resulted in the hardening trend. Northern bottoms rose to Rs. 23 from Rs. 22.50 and Assam bottoms to Rs. 23.50 from Rs. 23.25, while daisies bottoms remained unchanged but fully firm at Rs. 24.50.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 19th October

Arrivals of kips were on the usual scale and clearances were slow. The undertone of the market was, therefore, weak. U.K. buying was small and tanners have been trying to hold firm to their



SleepAir to Europe?

Sure... as good as a bed.
Tourist class too!

Radar-equipped planes?

Of course. Gaily decorated Super Constellations!

How about connections?

Time-saving. To all major cities in Europe from Amsterdam!

Service good?

Beyond question... it's Golden Circle Service!

Any special attractions?

Many—including tax-free cars etc. at Amsterdam Airport!

Sounds good!

It is—fly KLM!

Fly KLM from Karachi. Choice of 8 weekly services which together serve Rome, Zurich, Geneva, Munich, Frankfurt, Düsseldorf and Amsterdam. Easy connections from Bombay to Karachi by IAC or PIA.



last prices, but with business in hand were likely to take slightly lower prices. Comparatively, top marks were steadier than others. Buff calf skins touched 98d. to 100d. per lb. for certain marks and tanners seem nervous about stabilising these prices for large orders. Market for inferior fifties cow hides was dull.

In tanned skins section, prices of 5 1/2/6 and 8/9 lbs. goat skins good marks ruled firm and others were steady in sympathy. Semi-prime sheep skins were firm; also middle classes.

The October London tanned skins auctions commence today and 50,000 skins will be available for sale.

MANCHESTER LETTER

(Concluded from page 681)

progress. Such work demands constant attention if its sponsors are to keep up to date with developments and maintain their precedence to enable the industry itself to keep in advance of its competitors.

It is, therefore, encouraging to note that, in the midst of this transitional phase in Lancashire, when so many firms are going out of business, the Centre is considering its own future and taking stock of the situation. Coinciding with the introduction of a number of new courses during the coming months, each section is investigating its activities and deciding where improvements can be achieved.

Mr. James Bolton, its Director, is, however, confident about the future value of the organisation to the industry. At a recent Press conference he was adamant that its services would be of as much value to a trade diminished in size as it has been to the firms which it has assisted in the past ten years.

It is perhaps significant that a series of directors' meetings is to be held during the coming winter, under the auspices of the Productivity Centre, on the vexed question of marketing. Amid the continual comment on the reduction in machinery now being tackled by the producing sections it has not escaped notice that the distributing side remains unaffected on the surface.

Suggestions are being made that by the adoption of shift-working the output of the smaller number of mills will be little altered in aggregate. There remains the problem of how these goods are to be sold. Any fresh thinking on this subject should yield stimulating results.

Another aspect of Lancashire's outlook which the Productivity Centre is determined not to ignore is the world outside. British consultants, who have for many years played a notable part in aiding the scientific approach to greater efficiency, are not being abandoned, but foreign experts in the same field are being employed to give a new angle to the problems concerned. Two Americans and a Frenchman are to take part during the coming winter in discussions at which executives of the mills will be able to compare their experience with consultants who have dealt with textile problems in many parts of the world.

Among the advantages gained from participation in the Centre's activities has been the "give-and-take" between representatives of different firms when they have been attending courses together. The old idea of secrecy has gradually crumbled away in recent years and training grounds such as those provided by the Centre have had much to do with this more modern approach.

Maybe it is not entirely a coincidence that the proportion of those firms which have lately decided to leave the industry includes very few of those which have taken advantage of the facilities offered by the Productivity Centre during its existence.

Notice

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND Transfer Books of the Company will be closed from 23rd November to 6th December, 1959, both days inclusive, in connection with Final Dividend for the second half-year ended 31st March, 1959, payable on or after 7th December, 1959.

By Order of the Board,
FOR THE AMALGAMATED ELECTRICITY CO., LTD.,
FOR N. C. JAVERI & Co.,
N. C. JAVERI,
Partner,
Managing Agents.

BOMBAY, 16th October, 1959.

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

State Bank of Pakistan			
Statement of Affairs for the week ended 9th Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES		Rs.	
Capital paid-up		3,00,00,000	
Reserve Fund		4,15,00,000	
Deposits			
(a) Central Government		84,54,86,000	
(b) Provincial Governments		2,83,38,000	
(c) Banks		25,29,18,000	
(d) Others		47,75,000	
Bills Payable		97,17,000	
Other Liabilities		77,98,000	
	Rupees ..	132,49,86,000	
ASSETS		Rs.	
Notes		10,54,28,000	
Rupee Coin		88,000	
Subsidiary Coin		53,000	
Bills Purchased and Discounted:—			
(a) Internal		9,98,000	
(b) External		26,82,40,000	
(c) Government Treasury Bills		5,54,00,000	
Balances held outside Pakistan*		2,41,18,000	
Loans and Advances to Governments		78,21,73,000	
Provincial Governments' Debtor Balances		5,84,97,000	
Other Loans and Advances			
Investments			
Other Assets			
	Rupees ..	132,49,86,000	
*Includes Cash and Short-term Securities.			
ISSUE DEPARTMENT			
LIABILITIES		Rs.	
Notes held in the Banking Department		10,54,28,000	
Notes in circulation		894,98,48,000	
Total Notes issued		845,52,76,000	
Total Liabilities		845,52,76,000	
ASSETS		Rs.	
I. A. Gold Coin and Bullion		23,70,06,000	
Silver Bullion			
Foreign Securities		65,81,52,000	
India Notes representing assets receivable from the Reserve Bank of India		45,01,61,000	
B. Rupee Coin		4,55,68,000	132,58,79,000
Government of Pakistan Securities		202,53,23,000	
Internal bills of exchange and other commercial paper			
II. Held with the Reserve Bank			207,08,91,000

Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,68,000	
Government of India Securities ..	1,00,90,000	
Rupee Coin ..	29,51,000	
Total Assets ..	....	5,90,06,000
		\$45,52,76,000
Ratio of Gold Coin and Bullion, Silver Bullion and approved Foreign Exchange to total notes issued: 40.30 per cent.		
EXCHANGE RATES		

		20th October 1959	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot ..	s.	1-8 1/2	1-8 1/2
Sellers T.T. D.D. upto six months ..	s.	1-8 1/2	1-8 1/2
Buyers T.T. spot to nine months ..	s.	1-8 1/2	1-8 1/2
Buyers T.T. 10 to 12 months ..	s.	1-8 1/2	1-8 1/2
Bombay on New York—			
Sellers T.T. D.D. Spot ..	Ra.	478.25	478.50
Buyers T.T. ..	Ra.	478.50	478.50
London on New York ..	s.	2.8080-2.8082	2.8082-2.8085
London on Paris ..	s.	13.77-13.78	13.73-13.73
London on Bernese .. Sw. Fra.	s.	12.180-12.1805	12.1800-12.1802
New York on London ..	s.	2.8080-2.8083	2.8082-2.8088

Centre	Week ended 10th October 1959		Week ended 9th October 1959	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	3,65,091	78,84,61,000	8,85,821	84,17,94,000
Calcutta ..	1,52,000	52,90,00,000	1,80,000	61,30,00,000
Madras ..	95,004	11,26,67,710	93,556	10,69,64,549
All Centres— 1958-57 ..	..	..	40,008	..

1968-69		1967-68		1966-67	
June	July	June	July	June	July
1968-69	1967-68	1966-67	1965-66	1964-65	1963-64
45,172,000	45,172,000	45,172,000	45,172,000	45,172,000	45,172,000
3,217,000	3,217,000	3,217,000	3,217,000	3,217,000	3,217,000
4,236,000	4,236,000	4,236,000	4,236,000	4,236,000	4,236,000
5,329,000	5,329,000	5,329,000	5,329,000	5,329,000	5,329,000

OLESALE PRICES

(Base: 1963-64=100)

th Oct., 1969	August 1969	August 1968	Percentage of Increase (+) or Decrease (-) in Aug. 1969 as compared with Aug. 1968	Financial Year Average	1968-69	1967-68
123.4	121.7	125.5	+ 1.2	118.2	126.4	126.4
113.9	109.3	115.5	- 5.7	108.6	108.6	108.6
105.7	102.6	101.8	- 2.8	107.7	107.7	107.7
123.5	125.1	123.9	+ 1.2	127.7	127.7	127.7
113.9	112.9	112.5	- 0.4	117.0	117.0	117.0
130.6	129.6	129.2	- 0.4	108.1	108.1	108.1
112.0	110.4	114.4	+ 3.9	124.8	124.8	124.8
125.4	124.4	124.2	- 0.2	125.4	125.4	125.4
156.6	156.8	156.3	- 0.5	126.4	126.4	126.4
92.8	96.3	95.3	- 1.0	108.1	108.1	108.1
111.7	111.8	111.9	+ 0.1	108.1	108.1	108.1
117.8	117.8	117.8	0.0	118.2	118.2	118.2
106.2	109.0	110.8	+ 1.8	118.2	118.2	118.2
113.9	113.9	113.9	0.0	118.2	118.2	118.2
105.3	106.2	107.3	+ 1.0	108.6	108.6	108.6
126.3	126.3	126.3	0.0	127.7	127.7	127.7
118.5	118.5	118.5	0.0	109.2	109.2	109.2
108.2	108.2	108.2	0.0	108.1	108.1	108.1
111.8	111.8	111.8	0.0	108.1	108.1	108.1
87.5	90.3	90.4	+ 0.1	108.1	108.1	108.1
104.5	104.5	104.5	0.0	108.1	108.1	108.1
143.1	143.1	143.1	0.0	108.1	108.1	108.1
107.8	107.8	107.8	0.0	108.1	108.1	108.1
108.6	108.6	108.6	0.0	108.1	108.1	108.1
114.1	114.1	114.1	0.0	118.2	118.2	118.2

CONSUMER PRICE INDEX NUMBER FOR WORKING CLASS														
	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jabalpur	Bangalore
	Base 1949-100	Base 1934-100	Base 1927-100	Base January 1928-100	Base 1949-100	Base 1949-100	Base August 1939-100	Base 1949-100	Base 1949-100	Base 1949-100	Base 1949-100	Base 1949-100	Base 1949-100	Base 1949-100
1952 Average	103	387	259	310	92	101	351	102	108	108	111	112	99	115
1953	108	383	275	323	95	103	348	106	104	102	112	108	114	106
1954	101	359	244	294	85	99	327	100	105	91	95	102	98	106
1955	96	338	217	246	78	98	321	99	99	83	87	98	98	108
1956	105	353	244	216	89	105	347	111	109	95	96	100	100	114
1957	111	369	259	339	94	112	384	116	114	99	103	115	107	129
1958	116	395	274	313	98	120	384	124	113	103	108	123	109	131
March 1958	110	381	253	293	89	115	368	119	108	96	102	119	105	128
April	111	389	261	295	91	116	368	119	107	100	100	118	108	128
May	113	387	263	295	93	117	371	119	108	97	101	119	107	129
June	116	393	273	307	98	117	378	121	111	101	108	120	113	130
July	119	407	285	317	101	118	392	125	116	105	108	122	114	130
August	120	404	288	322	103	118	403	126	117	108	106	125	111	132
September	119	401	286	320	99	120	364	124	116	108	98	121	105	132
March 1959	117	401	290	320	93	120	364	128	111	101	95	121	104	137
April	119	401	290	320	99	120	364	128	116	108	96	125	104	138
May	117	406	307	313	95	131	371	131	119	104	96	126	104	147
June	121	413	309	337	97	132	385	134	117	104	99	129	108	148
July	122	418	315	345	97	133	399	134	117	106	97	129	110	141
August 1959	123	421	318	348	99	134	403	135	118*	105	97	129	109	141

Index number (for Delhi) for September remains at 218.												† Provisional.												(In lakhs of rupees)											
SMALL SAVINGS																																			
Year Month		National Savings Certificates			12-Year National Plan Savings Certificates C		Post Office Savings Bank Deposits		10-Year National Plan Savings Certificates D		Post Office Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits E		10-Year Treasury Savings Deposit Certificates F		15-Year Annuity Certificates G		Total																		
		5-Year A		7-Year B	12-Year B	Out-standings		Out-standings		Out-standings		Out-standings		Out-standings		Out-standings		Out-standings																	
		Out-standings	Out-standings	Out-standings	Re-ceipts	Out-standings	Re-ceipts	Out-standings	Out-standings	Out-standings	Out-standings	Out-standings	Re-ceipts	Out-standings	Re-ceipts	Out-standings	Re-ceipts	Out-standings	Re-ceipts	Out-standings															
1954-55	..	..	..	..	4.70	4.99	124.64	..	..	134.94	130.88	7.98	..	36.35	37.15	..	..	55	54	177.58	310.00														
1955-56	..	..	..	..	7.76	5.48	144.87	..	..	158.11	167.85	16.98	..	37.08	41.28	..	..	55	54	205.53	380.00														
1956-57	..	..	..	..	8.00	7.01	168.98	..	..	179.97	194.50	25.58	..	38.85	44.28	..	..	45	45	1.82	228.88														
1957-58	..	..	..	..	2.22	7.78	143.45	71.45	71.43	179.86	213.91	23.11	..	30.73	45.88	588	547	63	137	264.32	509.77														
1958-59	..	..	..	..	1.73	3.79	119.11	87.11	118.48	182.92	226.92	21.01	..	40.69	45.87	558	57	11.58	67	2.41	581.74														
Aug. 1958	..	..	..	..	1.94	4.80	133.28	6.20	100.79	164.40	217.51	22.02	..	40.13	45.07	45	5.11	5	1.20	21.10	632.72														
Jan. 1959	..	..	..	..	1.80	3.93	122.83	8.97	135.00	147	218.71	21.27	..	40.52	42.70	57	10.60	5	2.32	24.07	595.51														
Feb. 1959	..	..	..	..	1.78	3.87	120.98	9.64	143.14	149.39	219.99	21.13	..	40.60	42.57	65	11.68	6	2.41	34.58	681.77														
March	..	..	..	..	1.78	3.79	119.11	6.16	147.31	153.39	222.92	21.08	..	40.52	42.57	61	12.76	5	2.54	25.25	689.46														
April	..	..	..	..	1.70	3.72	117.25	6.98	147.31	16.39	226.99	20.88	..	40.74	42.49	63	12.22	1	2.50	33.22	685.06														
May	..	..	..	..	1.68	3.65	115.69	5.71	162.02	15.38	223.83	20.76	..	40.50	42.39	51	13.78	2	2.62	34.58	682.99														
June	..	..	..	..	1.65	3.59	114.19	6.03	167.24	15.89	226.99	20.68	..	40.50	42.39	49	13.19	3	2.56	22.40	680.76														
July	..	..	..	..	1.60	3.55	112.42	6.17	172.53	15.28	227.31	20.53	..	40.49	42.25	53	13.06	8	2.62	24.06	696.70														
August	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	37	14.15	8	2.64	..	..														

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-partition liabilities; repayments, however, include those from June 1, 1957. D—Issue pre-partition holdings of Indian National Savings A—Discontinued from July 1, 1958. E—Discontinued from June 1, 1957. D—Issue pre-partition holdings of Indian National Savings A—Discontinued from July 1, 1958. F—No sales from June 1, 1957. G—From July 1, 1957. H—From May 10, 1954 to May 30, 1957. B—Progressive net repayments at the end of period from August 1951 to May 1957. C—Cumulative Total Savings commenced from August 1954. H—Outstandings in respect of items in column 'B' are not included. M.R.—Five Year C—Cumulative Total Savings commenced from August 1954. 2nd January, 1959 and the outstandings at the end of July 1959 is rupees Twelve lakhs. 10-Year Cumulative Total Savings commenced from 2nd January, 1959 and the outstandings at the end of July 1959 is rupees Seven lakhs.

GOVERNMENT SECURITIES												PUBLIC TRUST LOANS												IMPR. TRUST LOANS											
Loan		Issued	Outstanding	Repayable	Latest Available Quotation	Amount	Interest	Year of Issue	Repayable	Market quotation	Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation																				
																Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.												
TERMINABLE LOANS																																			
4 % Bond	1922-28		63,80,96,00	1960-70	100.70	Ra.		1904	1964	Ra.	80,00,000	4	1809	1959	100.00																				
3 % Bond	1928-30		118,17,46,000	1965-65	98.15	35,50,000		1904	1964		80,00,000	4	1801	1951																					
3 % Gov. Loan	1945		80,28,25,000	1965-65	98.15	15,00,000		1904	1964		80,00,000	4	1802	1952																					
3 % Gov. Loan	1950		1,01,17,78,000	1966-68	98.00	15,00,000		1906	1967		80,00,000	4	1803	1953																					
3 % Gov. Loan	1955		1,01,17,78,000	1966-68	98.00	15,00,000		1907	1968		80,00,000	4	1804	1954																					
3 % Dev. Loan	1961		1,15,05,38,000	1970-75	63.80	44,00,000		1907	1968		80,00,000	4	1805	1955																					
											98.30	80,00,000	4	1905	1965	97.75																			

[illegible][illegible][illegible]

MISCELLANEOUS STATISTICAL INFORMATION—Continued

CROP FORECASTS

Crop	Forecast	(In thousand acres)		(In thousand tons)	
		1958-59	1957-58	1958-59	1957-58
Cereals					
Rice	final	81,590	70,447	20,721	24,885
Wheat	final	30,966	29,300	6,604	7,741
Jowar	final	42,808	42,703	8,689	8,248
Bajra	final	27,905	27,236	3,791	3,522
Barley	final	8,164	7,549	2,640	2,288
Maize	final	10,314	9,819	2,990	3,038
Ragi	final	5,980	5,731	1,722	1,656
Small millets	final	12,156	11,943	2,042	1,971
Total cereals	final	219,633	213,183	61,296	53,004
Pulses					
Gram	final	24,540	22,982	6,888	4,979
Other Kharif pulses	final	5,890	5,690	1,662	1,412
Other Rabi pulses	final	15,506	15,857	1,542	1,390
Rabi pulses	final	12,784	11,289	2,178	1,726
Total pulses	final	58,970	55,478	12,208	9,507
Total foodgrains					
	final	278,603	268,661	73,503	62,511
Oilseeds					
Groundnut	final	14,481	14,876	4,816	4,436
Castorseed	final	1,113	1,111	38	38
Sesamum	final	5,332	5,171	493	534
Rape and Mustard	final	6,238	5,979	1,069	923
Linseed	final	3,708	3,129	430	249
Total oilseeds	final	31,002	30,339	6,919	6,051
Fibres					
Cotton	final	19,825	19,996	4,705	4,789
Jute	final	1,827	1,742	5,178	4,052
Mesta	final	851	784	1,581	1,291
Other crops					
Potato	final	785	785	1,081	1,081
Sugarcane	final	5,080	5,080	68,019	68,019
Ginger (Dry)	final	81	81	16	16
Dry chili	final	281	281	28	27
Chillies (Dry)	final	1,479	1,479	382	377
Tobacco	final	926	926	222	222

Source: Ministry of Food and Agriculture. Excluding Tur. A—In thousand bales of 400 lbs. B—Revised.

FOREIGN TRADE OF INDIA
(In lakhs of rupees)

Particulars	Jan. to Dec.		Six months ended June	
	1957	1958	1958	1959
Exports				
Re-exports	637.74	570.56	258.15	202.36
Total Exports	642.85	578.96	261.96	205.94
Imports	1,028.86	884.18	394.05	446.09
Overall Balance of Trade	-386.97	-305.22	-132.09	-240.15
Exports				
Jute yarns and manufactures	128.40	136.54	47.42	36.71
Cotton yarns and manufactures	114.87	108.82	46.91	49.08
Metals and metal manufactures	68.58	52.63	26.93	26.26
Mineral products	49.80	35.85	16.56	17.60
Cotton, raw and waste	18.66	21.20	10.31	8.70
Oil—vegetable, mineral and animal	19.81	12.85	7.33	5.98
Fruits and vegetables	18.20	11.19	9.43	10.34
Tobacco	12.88	16.29	11.31	10.70
Wool and other animal hair	8.29	7.18	4.28	5.49
Gums, resins and lac	8.45	8.38	3.85	3.69
Spices	6.99	7.35	3.93	5.21
Hides and skins, raw	222.97	186.92	98.44	95.22
Iron and steel	146.98	97.80	47.14	45.42
Chemicals, drugs and medicines	118.44	80.28	35.04	32.67
Electrical goods and apparatus	76.77	65.04	29.79	41.84
Transport (excluding aircraft, ships and boats)	61.14	49.04	24.23	24.71
Fruits and vegetables	71.35	52.58	24.03	37.89
Cotton, raw and waste	48.62	30.56	19.64	16.21
Paper, pasteboard, etc.	13.11	8.26	3.71	4.45
Dyes and colours	2.93	2.84	1.00	1.17
Woolen and worsted fabrics	1.81	30	16	0
Cotton fabrics	2.87	1.06	45	0

INDIAN JUTE STATISTICS

Particulars	Period		Quantity	
			(In 000 tons)	
JUTE MANUFACTURES				
During Sept., 1959			92.6	
Corresponding month, 1958			87.3	
Three months ended Sept., 1959			289.1	
Corresponding period, 1958			289.3	
At the end of Sept., 1959			78.6	
Corresponding month, 1958			109.0	
DEPARTURES OF GUNNIES				
1956-57			882.9	
1957-58			882.6	
1958-59			884.9	
Aug., 1958			77.6	
Aug., 1959			84.0	
1956-57			1,000.0	
1957-58			1,045.6	
1958-59			1,045.6	
Aug., 1958			11.2	
Aug., 1959			13.6	
RAW JUTE				
September, 1959			537	
Corresponding month, 1958			508	
Three months ended Sept., 1959			1,561	
Corresponding period, 1958			1,561	
1956-57			1,561	
1957-58			1,561	
1958-59			1,561	

ELECTRIC ENERGY GENERATED AND SOLD*
(In millions of kilo-watt-hours)

Year	No. of Consumers		Units Generated		Total Units Sold	
1956-57	715	8,895.8	7,185.8			
1957-58	769	8,877.8	8,108.1			
1958-59	824	11,176.9	9,011.1			
Mar., 1959	818	887.0	10,807.7			
Apr., 1959	834	939.3	791.4			
May, 1959	841	1,008.6	810.6			
June, 1959	773	1,014.3	810.7			
July, 1959	813	1,171.1	906.9			
Aug., 1959	813	1,241.6	906.9			
Sept., 1959	813	1,201.5	906.9			

* Excluding railway, military and factory power stations. Chola Power Station being interconnected with the Tata Power System has been included. † Including purchases from non-electric utilities. ‡ At the end of period. Source: Central Water and Power Commission.

RAILWAY TRAFFIC—WAGON LOADINGS

Year/Month	Total No. of Wagons Loaded	(In thousands)									
		Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar	Cement	Pig-iron
1955-56	12,751	2,120	974	213	111	67	149	29	170	412	41
1956-57	13,586	2,285	1,023	219	105	52	219	25	213	503	39
1957-58	14,314	2,359	1,229	214	105	52	219	25	213	503	39
1958-59	14,355	2,355	1,296	206	92	36	221	23	184	483	38
Jan. 1958	3,541	628	355	56	31	12	46	7	63	104	10
Feb.	3,677	647	371	57	31	12	46	7	63	104	10
Mar.	3,823	1,077	581	83	37	15	58	8	77	202	12
Apr.	3,928	1,308	671	95	41	18	75	10	85	241	15
May	11,784	2,228	1,083	166	70	30	180	19	151	394	32
June	13,018	2,431	1,184	186	70	30	221	23	184	483	38
July	12,855	2,18	1,22	13	3	16	4	33	96	6	8
Aug.	2,534	422	282	43	24	6	33	4	48	142	11
Sept.	3,723	618	356	59	32	9	45	6	48	142	11
Oct.	4,333	842	500	72	37	11	58	8	65	186	16

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

INDUSTRIAL PRODUCTION

Industries	1958	January 1959*					May 1958*	May 1959
		1959*	1959*	1959*	1959*	1959*		
Major Industries—								
Coal	45.32	4.59	3.94	3.96	3.98	4.01	8.89	
Steel (Ingots and Metal for castings)	1,818	1,818	1,818	1,818	1,818	1,818	1,818	
Iron and steel (other than castings)	1,818	1,818	1,818	1,818	1,818	1,818	1,818	
Aluminium	4,927	4,927	4,927	4,927	4,927	4,927	4,927	
Cement	6.07	6.07	6.07	6.07	6.07	6.07	6.07	
Textiles	1,069	1,069	1,069	1,069	1,069	1,069	1,069	
Food and allied products	253	253	253	253	253	253	253	
Chemicals and allied products	614,400	48,300	47,200	50,800	48,400	54,300	59,000	
Engineering and electrical industries	1,957	445	411	367	174	32	82	
Engineering and electrical industries—								
Machine tools	376.01	51.08	36.40	39.81	20.39	24.70	24.70	
Electric lamps	30.42	2.71	2.71	2.94	3.10	2.88	2.88	
Electric fans	168.24	14.80	14.80	13.85	13.85	16.41	16.41	
Power transformers	1,128,000	100,000	100,000	100,000	100,000	100,000	100,000	
Electric motors	636,000	62,400	51,100	55,200	52,100	56,700	56,700	
Radio receivers	198,108	14,384	15,474	15,557	18,270	15,418	15,418	
Storage batteries	355,200	32,700	32,500	31,700	37,500	37,700	37,700	
Electric fans	2,296	275	565	672	524	795	795	
Winding wires	1,212	129.60	12.59	13.67	13.27	12.81	12.81	
Rubber and plastic ins. cables and flexibles	748,400	81,400	82,300	73,200	75,700	52,000	52,000	
Insulators—H.T.	5.00	0.32	0.32	0.32	0.32	0.32	0.32	
Insulators—L.T.	4,260	598	598	636	671	785	785	
Diesel engines—Vehicular	25,860	2,427	2,388	2,752	2,752	2,077	2,077	
Diesel engines—Stationary	112.55	1.78	4.16	8.06	15.40	18.73	27.87	
Chemical industries—								
Salt	57,192	5,179	4,825	5,242	4,760	4,834	4,834	
Caustic soda	89,435	8,422	8,422	8,422	8,422	8,422	8,422	
Soda ash	19,824	1,782	1,686	1,850	1,686	1,686	1,686	
Chlorine liquid	6,504	539	423	583	492	484	484	
Bleaching powder	3,444	226,016	20,351	21,912	20,000	19,045	19,045	
Sulphuric acid	166,800	16,463	16,463	14,328	15,000	14,328	14,328	
Non-ferrous metals—								
Aluminium	8,182	805	1,429	1,624	1,280	711	711	
Antimony	527	15	30	30	30	84	84	
Copper (virgin metal)	7,858	657	406	671	671	680	680	
Copper (recycled metal)	3,355	392	346	410	300	382	382	
Lead (virgin metal)	170	10	14	15	13	14	14	
Lead (recycled metal)	170	10	14	15	13	14	14	
Miscellaneous (Miner) industries—								
Sewing machines	205,320	19,828	18,110	19,256	19,300	18,458	18,458	
Bicycles	912,624	75,347	77,347	78,940	75,000	85,747	85,747	
Automobiles	26,796	2,676	2,676	2,676	2,676	2,676	2,676	
Motor cycles and tubes	1.16	1.16	1.16	1.16	1.16	1.16	1.16	
Motor tyres and tubes	1.16	1.16	1.16	1.16	1.16	1.16	1.16	
Cigarettes	29,899	2,847	2,847	2,847	2,847	2,847	2,847	
Motor cycles and tubes	29,899	2,847	2,847	2,847	2,847	2,847	2,847	
Pyroxylin—Textile	37.68	3.10	3.85	1.92	3.94	8.10	8.10	

STOCK & SHARE QUOTATIONS

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

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed		Latest available Quotation	Dividend Per Ordinary Shares					Accounts Closed	Reference	
						Spindles	Looms		1956	1957	1958	1959				
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.			
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	67,22,245	10,40,080	4,58,855	Rajputana Text. (Agency) Pvt. Ltd.	56,488	898	1	1.30	2	0.19	N/A	N/A	12	Y.	
40,00,000	24,00,000	1,40,93,494	79,90,955	17,309	M. R. Cotton Mills	50,596	1,021	100	22.80	100	N/A	N/A	N/A	12	Y.T.	
2,50,98,000	5,46,87,968	9,01,44,459	4,42,04,600	50,596	Norwester Wadia & Sons (Pvt.) Ltd.	2,23,000	4,211	25	68.50	25	2.50	2.50	2.50	1,000	12	
1,00,00,000	29,40,358	73,20,352	13,74,455	47,207	Brachmury Mills	128,750	860	100	133.75	50	20.00	15.00	7.50	5.00	3	
1,22,75,700	1,22,75,700	8,11,17,283	3,12,12,599	9,04,912	Century Spg. & Mfg.	1,26,752	2,762	22	22.00	22	22.00	22.00	8.051	12	Y.P.	
28,00,000	29,04,920	1,21,43,644	73,38,437	61,364	Cowasjee Jehangir & Co., Pvt. Ltd.	31,460	680	147	15.00	12,500	12.50	12.50	7.50	3	Y.	
34,00,000	27,35,372	93,69,335	59,09,007	12,102	Ramanarain Sons Private Ltd.	43,960	928	200	117.00	50	17.00	7.50	5.00	10.00	3	
29,00,000	15,61,000	85,42,424	64,50,061	16,348	Puranmal Butna Sons	1,26,752	2,762	22	22.00	22	22.00	22.00	8.051	12	Y.P.	
29,00,000	11,19,546	1,43,62,618	81,20,935	-5,61,687	B. L. Jaisn, Esq. (Chairman)	40,620	886	800	87.00	60	15.00	N/A	N/A	12	Y.P.	
34,00,000	63,57,852	1,81,16,465	95,84,207	37,155	James Finlay & Co., Ltd.	63,212	734	151	300.00	100	20.00	20.00	16.00	12	Y.	
12,00,000	45,63,000	1,00,18,313	21,00,000	10,253	James Finlay & Co., Ltd.	45,798	1,018	100	365.00	100	20.00	20.00	16.00	12	Y.	
24,00,000	1,17,23,947	1,94,91,703	1,40,31,408	-27,490	K. M. D. Thackersey, Esq. (Chairman)	50,240	1,120	110	Hindustan Spg. & Wvg. Mills	3,925.00	1,000	325.00	350.00	350.00	3	
2,50,00,000	55,18,800	6,01,31,349	3,54,00,000	1,29,969	Agarwal & Co.	50,240	1,120	110	India United Mills	692.50	250	81.25	87.50	87.50	87.50	3
1,00,00,000	97,77,876	1,83,36,241	1,28,55,126	17,439	K. M. D. Thackersey, Esq. (Chairman)	57,440	1,152	100	2,100.00	100	1.14	0.18	N/A	12	Y.	
99,85,000	61,10,346	8,59,95,061	2,54,17,423	23,727	Khatam Makanij & Co. (Pvt.) Ltd.	99,772	1,500	400	Khatam Makanij Spg. & Wvg.	272.50	100	10.00	10.00	10.00	6	
1,00,00,000	1,04,58,747	2,75,23,474	2,50,25,380	67,775	Kilnites Industries Ltd.	1,20,504	1,846	100	Roholpur Mills	218.50	100	18.00	18.00	10.00	10	Y.P.
1,00,00,000	30,04,414	1,21,20,500	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	644	400	Modern Mills	5.00	6,000	15.00	15.00	10.00	10	Y.T.
51,75,000	44,00,000	2,84,52,913	93,25,259	2,38,354	Pinnars Sons Private Ltd.	71,004	1,652	100	Morjee Goudasdas Spg. & Wvg.	298.75	100	15.00	14.00	15.00	21,500	12
1,80,62,800	1,66,72,400	1,04,94,324	4,32,00,000	97,100	Chinal & Co. Private Ltd.	97,100	Chinal & Co. Private Ltd.	97,100	National Rayon Corporation	385.00	100	14.00	14.00	14.00	12	Y.P.
24,00,000	22,76,281	82,93,080	48,70,077	-9,74,756	W. H. Brady & Co. Ltd.	45,944	432	100	New City of Bombay Mfg.	125.00	100	10.00	5.00	N/A	12	Y.
80,00,000	7,01,166	1,09,27,346	63,37,035	-4,83,512	W. H. Brady & Co., Ltd.	49,012	970	100	New Great Spg. & Wvg.	180.00	100	10.00	N/A	N/A	12	Y.P.
48,00,000	57,19,167	1,76,53,754	1,15,83,393	36,434	Ramanarain Sons Private Ltd.	69,232	1,190	100	Phonix Mills	153.50	100	12.50	10.00	10.00	3	Y.
40,00,000	40,79,554	76,38,108	27,15,472	20,371	Pedar Mills Private Ltd.	62,600	920	100	Pedar Mills	1473.00	100	12.00	10.00	18.00	100	12
10,00,000		23,94,122	14,48,733	-10,15,689	M.				Sassoon & Alliance Silk Mill	10.00	10	0.25	0.25	2.00	10	Y.
1,18,66,143	2,61,80,531	4,47,19,893	5,46,565	17,100	M. G. Investment Corp. Private Ltd.	96,448	2,127	200	Sassoon Spg. & Wvg.	225.00	100	12.00	8.00	10.00	12	Y.
40,00,000	2,61,80,531	4,47,19,893	5,46,565	17,100	Forbes, F. Campbell & Co. Pvt. Ltd.	49,840	1,258	300	Lower Price Cotton Mills	102.00	50	12.00	8.00	10.00	5,000	3
42,00,000	2,59,70,426	4,48,22,221	2,04,23,247	7,708	Matlani Gansabhai & Sons	96,555	2,409	400	Standard Mills	845.00	100	22.00	22.00	20.00	3	Y.P.
1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Matlani Gansabhai & Sons	2,000	2,000	200	Victoria Mills	2,000.00	100	14.00	14.00	14.00	12	Y.P.
66,00,330	1,58,67,555	1,02,92,715	26,062	James Finlay & Co., Ltd.	40,328	540	400	Swan Mills	430.00	100	25.00	25.00	20.00	12	Y.T.	
56,87,876	49,27,388	2,40,96,335	95,63,631	17,925	Texta Industries Private Ltd.	70,988	1,788	200	Texta Mills	40.75	3	3.00	3.00	3.00	12	Y.T.
12,00,000	1,04,98,944	1,72,88,864	1,08,61,771	-20,67,771	Wangmunda Mills & Co. Private Ltd.	60,058	958	100	Victoria Mills Ltd.	200.00	100	250.00	250.00	825.00	12	Y.T.
						54,664	1,212	100	Western India Spg. & Mfg.	4,475.00	1,000	800.00	250.00	825.00	12	Y.T.

TEA AND OTHER PLANTING COMPANIES

Fid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Assess under Tax	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share	1955	1956	1957	1958	Account Closed	Refer- ence
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. p.F	Rs.	Rs. p.F	Rs. p.F	Rs. p.F	Rs. p.F	Rs. p.F		
ASSAM																
145,700	11,53,190	20,29,508	7,47,926	2,091	McLeod & Co. Ltd.	325	Amulkei	32.00N	10	19.00A	5.00	1.00	1.50	12	Y.P.	
76,500	8,91,500	12,10,619	4,33,800	2,091	Gillanders Arbuthnot & Co. Ltd.	461	Anand (Assam) Tea ..	19.00	10	1.00	1.00	1.00	1.00	12	Y.	
1,03,250	6,91,482	14,72,002	4,33,800	21,708	McLeod & Co. Ltd.	573	Ananda Bag	25.75	10	1.00	1.25	0.80	1.00	12	Y.	
1,50,000	10,14,641	24,15,218	8,37,118	21,708	Andrew Yule & Co. Ltd.	201	Bachmar	20.12	10	1.00	1.50	1.50	1.50	12	Y.	
1,10,000	10,75,983	15,39,219	6,30,711	40,495	Andrew Yule & Co. Ltd.	579	Bachmar	19.75	10	1.00	2.00	1.75	2.00	12	Y.	
1,16,500	8,59,910	14,69,473	4,88,087	34,304	Gillanders Arbuthnot & Co. Ltd.	535	Bachmar	20.12	10	1.00	2.00	1.75	2.00	12	Y.	
9,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	Williamson Major & Co. Ltd.	4,007	Bachmar	20.12	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	15,39,219	28,41,373	33,10,699	5,50,235	Octavius Steel & Co. Ltd.	450	Bachmar	18.25	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	2,50,000	1,81,300	45,460	50,886	McLeod & Co. Ltd.	2,284	Bachmar	14.25	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	8,05,725	13,34,893	3,91,123	54,400	McLeod & Co. Ltd.	2,284	Bachmar	14.25	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	16,34,345	8,57,373	29,08,341	17,283	McLeod & Co. Ltd.	2,284	Bachmar	14.25	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,07,581	10,87,383	3,47,412	3,08,274	Jardine Henderson Ltd.	2,284	Bachmar	14.25	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	4,08,678	3,81,927	10,35,251	4,33,800	James Watson & Co. Ltd.	641	Bachmar	22.82	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	9,57,982	24,99,777	8,10,505	8,827	M. P. Dhanuka, Esq. (Chairman)	656	Bachmar	18.00	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	5,85,600	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	632	Bachmar	18.00	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,05,480	14,09,503	3,43,241	63,312	Williamson Major & Co. Ltd.	632	Bachmar	31.50N	10	1.00	2.00	1.75	2.00	12	Y.	
1,73,400	6,40,000	16,02,493	1,04,033	4,42,523	Williamson Major & Co. Ltd.	637	Bachmar	30.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,00,000	28,41,373	1,04,033	1,07,243	Williamson Major & Co. Ltd.	1,165	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,000	1,00,00,000	1,00,00,000	Octavius Steel & Co. Ltd.	1,923	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	1,10,00,000	1,00,00,000	1,00,00,000	1,00,00,000	McLeod & Co. Ltd.	2,284	Bachmar	19.31	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	7,98,277	29,70,277	11,51,727	1,07,243	Williamson Major & Co. Ltd.	407	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,03,740	8,002,414	16,03,423	5,76,981	1,43,353	Williamson Major & Co. Ltd.	552	Bachmar	28.50	10	1.00	2.00	1.75	2.00	12	Y.	
1,00,000	6,05,000	1,00,00,0														

*—On Issued Capital.

TEA AND OTHER PLANTING COMPANIES—Continued.

				Dividend per Share																			
				1956				1957				1958				1959				Accounts Closed		Reference	
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							
				Rs.				Rs.				Rs.				Rs.							
				Rs. n.p.				Rs. n.p.				Rs. n.p.				Rs. n.p.							

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up Share	Dividend per Share				Accounts Closed	Reference
										1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
60,00,000	44,70,000	1,29,07,472	57,07,186	16,782	B. N. Elias & Co. Private Ltd.	...	879	13 37	10	0 25	0 25	0 25	18	Y.P.T.	
6,00,000	11,72,140	68,39,056	43,04,148	1,02,640	McLeod & Co., Ltd.	...	456	200 00	100	10 00	10 00	10 00	12	Y.P.T.	
90,00,000	1,25,000	1,25,19,100	97,80,831	8,40,191	McLeod & Co., Ltd.	...	1,254	130 00	100	N/A	N/A	N/A	5	Y.P.	
20,00,000	72,61,060	3,09,72,421	2,99,93,087	2,15,074	Dunlop Brothers & Co., Ltd.	...	2,561	253 00	100	3 50	7 00	10 00	12 50	8	Y.P.
40,00,000	82,60,924	1,49,82,554	63,17,408	3,215	Hird & Co. Private Ltd.	...	810	200 00	100	1 00	1 00	1 00		8	Y.P.
20,00,000	28,83,885	1,07,52,143	71,05,888	4,205	Birra Brothers Private Ltd.	...	969	100	100	2 00	2 00	2 00	6 00	10	Y.P.
22,75,000	48,31,032	1,64,040	62,047	1,17,547	Sir John H. Burder (Chairman)	...	1,889	181 00	100	1 00	N/A	N/A		8	Y.P.
25,00,000	28,98,408	97,77,435	64,82,569	16,240	Andrew Yule & Co., Ltd.	...	820	100	100	1 00	N/A	7 50		12	Y.P.
45,00,000	29,71,745	58,94,991	36,42,983	5,73,235	Socramul Saramul	...	611	11 00	100	1 00	N/A			6	Y.P.
25,00,000	28,00,000	62,047	62,047	...	Birra Brothers Private Ltd.	...	1,373	100	100	1 00	1 00	1 00	1 00	8	Y.P.
86,00,000	19,35,850	1,17,06,462	70,59,451	83,113	Andrew Yule & Co., Ltd.	...	961	157 00	100	1 00	N/A			10	Y.P.
7,47,880	1,000	45,15,657	34,32,120	6,20,965	Davaram & Sons	...	589	402 12	100	1 00	N/A			11	Y.P.
18,00,000	26,46,123	84,70,034	46,52,078	35,722	Andrew Yule & Co., Ltd.	...	616	189 00	100	1 00	N/A	15 00		11	Y.P.
59,14,800	75,85,482	2,31,96,782	1,27,96,666	5,45,990	James Finlay & Co., Ltd.	...	600	140 00	100	2 00	N/A			8	Y.P.
16,95,000	21,34,670	63,51,524	58,61,109	18,020	Birra Brothers Private Ltd.	...	610	238 00	100	2 00	N/A	5 00		11	Y.P.
30,00,000	85,50,000	1,04,41,515	64,94,415	1,04,415	McLeod & Co., Ltd.	...	1,304	15 25	100	0 50	1 10	1 25		7	Y.P.
24,00,000	9,00,000	61,90,984	67,13,337	1,11,818	Shree Krishna Investment Co. Ltd.	...	969	13 50	100	0 82	N/A			8	Y.P.
11,49,200	45,61,566	1,39,75,699	56,08,219	12,92,367	Hird & Co. Private Ltd.	...	779	734 00	100	7 00	N/A			7	Y.P.
30,00,000	38,52,170	1,03,53,008	50,83,300	6,792	Andrew Yule & Co., Ltd.	...	779	178 00	100	5 00	N/A	6 00		11	Y.P.
15,00,000	86,95,450	1,01,87,738	65,96,232	20,123	McLeod & Co., Ltd.	...	500	17 75	100	0 50	0 75	1 00		7	Y.P.
21,00,000	74,32,310	2,61,26,629	1,59,43,058	1,04,546	Kettwell Bullen & Co., Ltd.	...	1,884	280 00	100	10 00	10 00	20 00		8	Y.P.T.
21,00,000	19,22,948	1,27,75,074	68,81,071	1,66,649	Bangur Bros., Ltd.	...	1,014	23 37	100	0 75	1 50	1 50		10	Y.P.
10,80,000	20,50,315	69,22,327	43,80,330	1,51,070	McLeod & Co., Ltd.	...	607	30 00	100	50 00	60 00	2 00		12	Y.P.
24,00,000	44,12,950	2,41,02,831	1,46,19,415	65,780	Macneill & Barry Ltd.	...	1,304	419 00	100	2 50	2 50	25 00		12	Y.P.
40,00,000	69,223	1,38,26,777	2,58,083	1,08,083	Bangur Bros., Ltd.	...	1,078	94 00	100	5 00	5 00	6 00		6	Y.P.
16,30,000	13,81,969	66,47,731	47,79,416	2,95,258	Bajnah Bahoria	...	720	13 00	100	N/A				8	Y.P.
65,25,000	38,16,723	2,35,30,920	1,36,48,188	58,053	Jardine Henderson Ltd.	...	2,272	15 00	100	1 00	N/A			8	Y.P.
82,50,000	2,35,30,920	2,35,30,920	1,36,48,188	58,053	Raudutt Kamkandees	...	790	23 81	7 50	2 00	1 50	1 00		8	Y.P.
87,30,000	20,35,465	1,52,56,168	93,25,898	62,038	Jardine Henderson Ltd.	...	1,797	14 75	12 50	4 00	9 37	15 62	1 24	8	Y.P.
24,00,000	21,11,227	1,77,74,840	1,24,02,441	2,530	Jardine Henderson Ltd.	...	1,797	100	100	2 15	0 00			12	Y.P.T.
80,00,000	9,86,279	1,75,62,659	1,05,04,210	1,18,147	Jardine Henderson Ltd.	...	1,527	128 00	100	N/A	N/A			13	Y.P.T.
11,00,000	55,00,000	1,41,35,235	93,87,823	1,18,699	McLeod & Co., Ltd.	...	703	113 00	100	N/A	N/A			8	Y.P.
44,00,000	23,89,747	2,00,62,835	1,26,97,897	45,833	Anderson Wright Ltd.	...	1,580	187 00	100	5 00	6 00	12 50		5	Y.P.
48,00,000	77,82,121	2,38,47,061	1,08,51,199	25,650	F. W. Hollers & Co. Private Ltd.	...	931	170 00	100	8 00	8 00	8 00		8	Y.P.
28,00,000	69,223	1,38,26,777	2,58,083	1,08,083	Hird & Co. Private Ltd.	...	840	137 00	100	6 00	6 00	6 00		8	Y.P.
24,00,000	40,49,600	1,48,98,866	66,75,920	1,45,990	M. ...	...	2,82,507	136 00	100	N/A	N/A			8	Y.P.
81,65,200	28,13,201	2,34,62,630	1,45,990	1,45,990	M. ...	...	1,45,990	131 00	100	N/A	N/A			8	Y.P.
20,00,000	18,14,376	36,54,253	24,27,490	4,929	Howrah Trg. Co. Private Ltd.	...	862	11 31	100	1 00	N/A	17 00	3 00	8	Y.P.
80,00,000	80,01,828	49,49,737	12,31,378	19,904	McLeod & Co., Ltd.	...	816	80 00	100	5 00	5 00			10	Y.P.
20,00,000	20,00,000	20,00,000	20,00,000	20,00,000	McLeod & Co., Ltd.	...	816	12 50	100	0 75	0 25	0 25		10	Y.P.
84,00,000	1,12,85,400	6,35,25,272	1,19,61,749	3,274	Mcneill & Barry Ltd.	...	1,785	24 00	100	1 00	1 00	1 00		10	Y.P.
18,79,400	43,88,845	1,06,58,574	61,41,213	2,43,817	Hird & Co. Private Ltd.	...	1,067	19 75	100	1 50	1 50			8	Y.P.
60,79,000	25,55,018	1,06,58,574	61,41,213	2,43,817	Mcneill & Barry Ltd.	...	1,067	71 00	100	1 50	N/A			8	Y.P.
20,00,000	22,84,440	75,21,180	63,59,969	20,257	Mcneill & Barry Ltd.	...	1,067	100	100	1 00	N/A		1 00	11	Y.P.
28,00,000	9,17,798	93,02,573	70,04,048	12,839	Mcneill & Barry Ltd.	...	601	188 00	100	2 50	2 50			8	Y.P.
80,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	6 09	5	0 20	0 30	0 37		7	Y.P.
18,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	105 00	100	5 00	N/A	N/A	N/A	8	Y.P.
18,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	9 50	100	N/A	N/A	N/A	N/A	8	Y.P.
80,00,000	11,14,000	1,21,72,885	70,04,048	1,11,990	Shree Krishna Investment Co. Ltd.	...	2,272	12 00	81	8 1/2	100	5 1/2		13	Y.P.
18,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	15 50	100	1 50	1 50			13	Y.P.
80,00,000	11,14,000	1,21,72,885	70,04,048	1,11,990	Shree Krishna Investment Co. Ltd.	...	2,272	10 87	81	N/A	N/A	3 1/2		8	Y.P.
18,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	12 00	100	1 00	1 00			8	Y.P.
80,00,000	11,14,000	1,21,72,885	70,04,048	1,11,990	Shree Krishna Investment Co. Ltd.	...	2,272	12 00	81	8 1/2	100	5 1/2		8	Y.P.
18,00,000	1,17,798	81,75,757	60,72,920	38,95,851	Jardine Henderson Ltd.	...	1,276	5 75	1	N/A	N/A	N/A		13	Y.P.

It remains to be seen what action the Labour Party's leadership would take to meet these criticisms and strengthen its chances of success in the next election. Whatever the steps taken, the road ahead would surely be painful as it means tearing down the Party's fundamental beliefs.

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on Expiry date	Company	Date of Issue	Latest Available Quotations (per 100 Rs.) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
18,50,000	6	1st December and 1st June	Carver & Co.	1933	94.00	1st June .. 1943
4,00,000	6 1/2	1st March and 1st September	Carver & Co. (2nd mortgage)	1931	92.00	1st June .. 1943
10,00,000	6	1st August and 1st February	Ravalpura Sugar	1942	100.25	27th December .. 1952-53
1st May and 1st November			Walchand Sugar	1944	87.00	1st November .. 1954-55
25,00,000	6 1/2	1st May and 1st November	Walchand Sugar Industries (New)	1944	95.00	1st November .. 1954-55
COAL						
20,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June .. 1954
20,00,000	6 1/2	30th June and 31st December	Bharat Coal Co.	1947	90.00	30th June .. 1957 (e)
47,50,000	6 1/2	30th June and 1st December	Regitable Coal Co.	1933	100.00	1st December .. 1950 (e)
COTTON						
7,00,000	6 1/2	30th June and 31st December	Basant Cotton Mills Ltd.	1942	98.00	30th April .. 1954
1,00,000	6 1/2	30th May and 1st November	Basant Nagar	1942	98.00	30th April .. 1954
47,50,000	6 1/2	30th April and 1st October	Bhachhan and Cornette	1927	100.00	1st November .. 1950 (e)
50,00,000	6 1/2	1st April and 1st October	Gobak Mills	1937	100.00	1st March .. 1957 (e)
20,00,000	6 1/2	30th June and 31st December	Kardhat Textiles	1942	98.00	1st January .. 1952-53
30,00,000	6 1/2	1st June	S. Mills	1941	95.25	1st June .. 1954-71
ELECTRICS						
10,00,000	6 1/2	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	92.00	31st March .. 1955 (e)
1,50,00,000	6 1/2	1st June and 1st December	Ambernath Electric Co. Ltd.	1940	92.00	1st June .. 1950
25,00,000	6 1/2	1st April and 1st October	Ashtori Valley Power Supply Co.	1940	100.00	1st April .. 1950
1,00,00,000	6 1/2	30th June and 31st December	Bombay Electric Light and Power Co. Ltd.	1940	100.00	30th June .. 1950
12,50,00,000	6 1/2	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1942	95.00	1st December .. 1954 (e)
2,00,00,000	6 1/2	30th June and 31st December	Gompa Electric Supply Co. Ltd.	1943	95.00	31st January .. 1950 (e)
1st January and 1st July			South India Electric Supply Co. Ltd.	1941	95.00	30th June .. 1954 (e)
2,00,00,000	6 1/2	31st March and 30th September	South India Electric Supply Co. Ltd.	1941	95.00	30th June .. 1954 (e)
1,00,00,000	6 1/2	31st April and 3rd October	South Madras Electric Supply Co.	1940	95.00	1st April .. 1950-51
47,50,000	6 1/2	1st April and 1st October	Tata Power	1940	101.50	1st October .. 1953-54
2,50,00,000	6 1/2	1st April and 1st October	Tata Power	1940	95.25	1st July .. 1970
						15th September .. 1968-70
ENGINEERING						
6,00,000	6 1/2	30th June and 31st December	Britannia Engineering	1943	94.00	31st December .. 1955
1,50,00,000	6 1/2	1st January and 1st July	Grech, Keen, Williams Ltd.	1942	95.00	1st January .. 1955-71
25,00,00,000	6 1/2	31st March and 30th September	Indian Iron Pipe (Bewer)	1942	95.00	31st March .. 1955-71
10,00,00,000	6 1/2	31st May and 30th November	K. S. Krishnan Engineering Works Ltd.	1943	94.00	31st May .. 1971
3,00,00,000	6 1/2	1st April and 1st October	Tata Locomotive	1940	95.00	1st October .. 1950-51
49,00,000	6 1/2	1st April and 1st October	Textile Machinery Corporation Ltd.	1950	95.00	1st October .. 1955 (e)
JUTE						
18,00,000	6 1/2	1st October and 1st April	Anapara	1932	95.00	1st March .. 1950
4,00,000	6 1/2	30th June and 31st December	Anapara	1932	95.00	30th June .. 1950
14,00,000	6 1/2	1st December and 30th June	Arundel Jute Co. Ltd.	1932	95.00	1st December .. 1950
10,00,000	6 1/2	30th June and 31st December	Berkal Jute Mill Co. Ltd.	1932	95.00	30th June .. 1950
1,00,00,000	6 1/2	1st January and 1st July	Berkal Jute Mill Co. Ltd.	1932	95.00	1st January .. 1950
10,00,000	6 1/2	30th June and 31st December	Chittagong Jute Mills	1932	95.00	30th June .. 1950
20,00,000	6 1/2	31st March and 30th September	Dumfries Jute Co.	1932	95.00	30th June .. 1950
1,00,00,000	6 1/2	1st January and 1st July	Dumfries Jute Co.	1932	95.00	1st January .. 1950
20,00,000						

WORLD agricultural situation shows some disturbing signs. In many countries production of agricultural commodities, including food, is expanding faster than the market for them. At the same time, in many of the underdeveloped countries, consumption of food is lower than what would be required at nutritionally appropriate levels and thus economic development is not fast enough to solve their problem of agriculture as a whole. Earnings from agricultural produce determine the living standards and provide

LEADING ARTICLES—	PAGES
New Sugar Policy	717
World Agriculture	717
MARKET GOSSIP	719
ROUND THE EXCHANGES	720
NEWS IN BRIEF	721
PERSONAL	721
THIS WEEK'S SURVEY	722-724
SPECIAL FEATURES—	
London Letter	725
American Letter	725
Unit Insurance Trusts	728
Manchester Letter	728
Land Reforms and Plantations	732
India's Balance of Payment Position in 1958-59	745
CHAIRMAN'S SPEECHES—	
The Jay Engineering Works Ltd.	746
Aluminium Corporation of India Ltd.	751
MONEY AND BANKING	726-727
COTTON AND TEXTILES	736
PLANNING	731
NEW PUBLICATIONS	734
ENGINEERING	736
NEW PRODUCTS AND PROCESSES	737
INSURANCE	738
COMMERCE AND INDUSTRY	740
COMPANY MATTERS	745-748
COMPANY MEETINGS AND DIVIDENDS	748
COMPANY NEWS	744-745
MARKET REPORTS	747-749
MISCELLANEOUS STATISTICAL INFORMATION	750
WEEK'S STOCK EXCHANGE TEND	750

sinews of development programmes, are declining. The immediate prospects are by no means very bright. Agricultural stocks, which have now reached very high levels, are not likely to be reduced soon, for, in the immediate future, a further increase in production is indicated. The F.A.O. Report on the *State of Food and Agriculture, 1959* which, besides being statistically comprehensive, throws much new light on trends and prospects in industrially advanced and economically backward countries and also discusses the factors influencing agricultural policies in different countries, makes the somewhat grim forecast: "It appears that stocks are now so large that only a succession of poor harvests would reduce them materially." No one would, of course, wish so unwelcome a development for the correction of their imbalance. But the fact remains that the world agricultural terrain is singularly uneven, with a few dizzy peaks and many perilous depths; while the haves have so much that they do not know what to do with it, the have-nots are unable to find their way to higher levels of agricultural prosperity.

The volume of world agricultural output, according to the Report, increased substantially in 1958-59, when it was 4 per cent. higher than in each of the two preceding seasons, the bulk of the expansion having taken place in North America, Oceania and the U.S.S.R. And it is likely to increase further in 1959-60. But the increase must be viewed against the background of the rate of growth of world population which averages some 16 per cent. a year. The per capita agricultural production shows some increase over the pre-war and the immediate post-war years. Thus, the index number of per capita agricultural production (Base: average 1952-53 to 1956-57=100) was 106 in 1958-59, as against 103 in 1957-58, 94 in 1948-49 to 1952-53 (average) and 95 in pre-war years. This overall improvement conceals the decline in per capita production in the economically backward countries. In the Far East (excluding China), it was only 101, as against 108 in pre-war years, though in the Near East it was 102 in 1958-59, as against 94 in pre-war years.

The large cereal harvests of 1958-59, especially in the U.S., have led to a sharp increase in stocks of wheat and coarse grain. Prospects for the 1959-60 harvests indicate a still higher level of production and surplus stocks are likely to accumulate further. Wheat stocks in the four chief producing countries (the U.S., Canada, Argentina and Australia), which declined from 47.3 million tons in 1957 to 42.4 million tons in 1958, are likely to rise to 50.8 million tons in 1959. Rice stocks, however, fell from 1 million tons in 1957 to 0.8 million tons in 1958. But there has been a successive increase in coarse grain stocks which will go up this year to 67.2 million tons, as against 58.6 million tons in 1958 and 51 million tons in 1957. Intensified measures of surplus disposal, which have been adopted in the more-developed countries, have not succeeded in solving the problem of burdensome stocks. The Report, however, rightly points out that, though these measures have great value, the final solution of the problems of rural poverty and inadequate food supplies in the less-developed countries must come primarily from improvements in their own agricultural productivity.

There was a slight decline in the volume of world trade in agricultural products last year. But what made the decline particularly difficult for the exporters was that it was also accompanied by a setback in prices. The index of the volume of world trade in agricultural products (Base: 1952-53=100) was 133 in 1958, as against 135 in 1957, 87 in 1948-52 (average) and 66 in 1934-38 (average). Thus, the volume of exports in 1958 was about 3 per cent. less than in 1957; prices in world markets fell by about 7 per cent., thereby depressing total earnings from agricultural exports by about 9 per cent. Raw materials of agricultural origin were severely affected. The volume of world exports of these products in 1958 fell by some 8 per cent. and the average price (unit volume) by some 16 per cent. below the level of the previous year, so that total export earnings were reduced by no less than 23 per cent. The reduction of 7 per cent. in 1958 in average export unit values for agricultural products took them to their lowest level since the war. The terms of trade for agricultural products were also lower than in any post-war year. There is no doubt that this development has adversely affected the development programmes in several underdeveloped countries. But what is perhaps not so widely realised is that the decline in the volume of exports and terms of trade of these countries

also adversely affect the export prospects for manufacturing countries. In 1958, for the first time since the Second World War, there was a decline in both the volume and total value of exports of manufactured goods. There can be little doubt, as the Report points out, that the reduced export earnings of primary producers contributed to this result.

Living standards in the less-developed countries are determined by the level of agricultural production which is still the mainstay of their economy. But world agricultural output is unevenly distributed. Thus, in 1954-58, the four regions of Latin America, the Far East, the Near East and Africa—these regions may be regarded as the major part of the underdeveloped world—accounted for only one-third of world agricultural output, though they have two-thirds of world population. Further, the population in the less-developed countries is increasing at a fast pace. Between 1936 and 1958, the combined population of Asia, Africa and Latin America increased by 500 million to 2,004 million or nearly 40 per cent. and recent estimates foreshadow a further increase of the order of 1,100 million by 1980, when it is expected to reach 3,152 million. Living standards in these regions are now extremely low. There is a pronounced nutritional deficiency in their diet, chiefly because their incomes do not permit larger intake of food rich in proteins. Thus, the per capita food intake in India in 1935-48 was 3,293 calories in urban areas and 2,277 calories in rural areas, as against 4,230 calories and 4,880 calories, respectively, in the U.S. in 1955. From these figures, it will be seen that, in India, not only is the calorie intake lower than in the U.S. but, unlike in that country, the rural worker eats less rich food than the urban resident. Nevertheless, a large part of per capita income in the less-developed countries is absorbed by food articles, leaving little room for expenditure on other items. In India, for instance, out of the per capita annual expenditure of \$90 in urban area, food alone accounts for 53 per cent., the share of clothing being 7 per cent.; the corresponding figures for the rural region are \$80, 66 per cent. and 7 per cent. In the U.S. (urban area), food accounts for only 31 per cent. and clothing for 12 per cent. of the higher per capita annual expenditure of \$1,270; the corresponding figures for farm operators are 35 per cent., 11 per cent., and \$990. A similar pattern is disclosed by family living expenditure in the U.K., where food accounts for 33 per cent. and clothing for 10 per cent. of the total per capita annual expenditure of \$620 in urban area; the corresponding figures for rural area are respectively 32 per cent., 13 per cent. and \$590. Clearly, unless per capita incomes go up in the underdeveloped countries, the overall pattern of expenditure will remain the same as now.

Discussing the major changes in agricultural policies in different countries, the Report draws attention to the fact that, whereas in the more-developed countries, agricultural policies were increasingly concerned with problems of surplus production of certain commodities, the authorities in the less-developed countries were mainly concerned with the removal of obstacles to increased agricultural production. It also points out that the general adoption of price control and price supports in the last two decades has done much to increase the price and income differences between the less-developed and the economically advanced countries; agricultural price policies in the former group of countries are primarily aimed at controlling consumer prices and avoiding inflation, whereas, in the latter group, they are designed to prevent any serious decline in farm incomes.

The Report recognises that increased agricultural production must come primarily from improved methods and better use of existing resources. But it rightly insists that improved technology is only part of the answer. It lists three basic conditions for agricultural improvement—stable prices, adequate marketing facilities and a satisfactory system of land tenure. It is true that, in many underdeveloped countries, the third condition, namely, the evolution of an equitable system of land tenure has received much attention, though, even here, ideological considerations have militated against the adoption of realistic solutions. But what requires greater attention are the achievement of reasonably stable prices and establishment of marketing facilities. Unless farmers have some confidence that prices will bear a minimum relationship to costs, they will be hesitant to incur additional work or expense to increase their output. Surely, pious exhortations and even provision of technical advice and credit will not

induce them to undertake improved cultural practices, unless they are reasonably certain that the larger crops they raise will be protected against some steep fall in prices which would make all their efforts look profitless in retrospect.

RENT CONTROL IN MADRAS

IT is now clear that, on the housing front, the Union Government and the State Governments are working at cross purposes. While the Union Ministry of Housing is keen on promoting housing activity within the admittedly limited means available to it, the State Governments are vying with one another in promoting legislation which must kill all incentive for constructional activity by private builders. In a misconceived mood of aiding tenants, more than one State Government has placed on its statute book legislation which can have no effect other than chase capital and resources away from building industry. An instance in point is the recent legislation in Bombay which accorded legal validity to unauthorised sub-tenancy agreements. Yet another instance of infringement of the rights of landlords, which are respected even in countries with a more avowedly socialistic outlook than India, is furnished by the Madras Building (Lease and Rent) Bill, now referred to the Select Committee.

The Madras Bill is a truly Draconian piece of legislative proposal. The Bill provides that, where a landlord has two or more residential buildings in the same city, town or village, he shall have any one of such buildings for his own occupation and the other buildings, if not already let to any tenant, shall be deemed to have become vacant; the authorised officer can then let out vacant buildings to tenants. The owner has no right to say that he does not want to let out his house to others. He is, of course, not free to ask for vacant possession of any of his houses, even if he requires it for his own use or for the use of members of his family. Fair rents for vacant houses will be fixed by the statutory officer on the basis of rents prevailing in 1939-40. This provision, which is a common feature to all rent control Acts, ignores the vital consideration that the landlord's income cannot be pegged at a particular level, while the incomes of other classes of people are allowed to fluctuate freely.

Eviction of tenants is rendered next to impossible by the provision—that too is a common feature of all rent control Acts—that any demand for it will be rejected if the Controller is satisfied that the hardship caused to the tenant will outweigh the advantage to the landlord. Some of the other restrictive provisions in the Bill include: (1) advance rent is limited to one month's rent; (2) a landlord, intent upon rebuilding his premises, should obtain consent from the Government and demolish it within three months and rebuild it within 15 months in accordance with the plans approved by the authorities; and (3) essential service personnel cannot be displaced from their tenancies. The Bill provides for a five-year period for its life. But this is a pious hope. Since the tenants' greed for low rents and protected tenancy grows on what it feeds on and they have voting power, it is easy to see how rent control enactments will get perpetual leases of fresh life.

It is time somebody cried halt to this merry game of witch-hunting of urban landlords and spoon-feeding of tenants which has been practised in several States for two decades now in open defiance of all canons of economic justice. The concrete ill-effects of unwise rent control legislation—a species of political bribery which democratic Governments find it difficult to dispense with—are unmistakably evident in the large number of houses that are falling into a state of utter disrepair, a tragic national waste. A direct consequence of this movement has been that India continues to face increasingly difficult conditions of housing shortage, while other countries, which suffered virtually complete destruction of housing property in World War II have been able to build their housing economy on firm foundations. The least the Government of India should do is to get the issues raised by housing and rent control measures examined by an expert and impartial body which could hold the scales even as between landlords and tenants and also suggest measures which would help augment the number of houses and thereby eliminate gradually the need for the retention of the present irksome controls on rents and houses.

MARKET GOSSIP

CHINA has falsified the hope, entertained in these columns early this month, that it would commit no more aggression against India. Its occupation of a sizable area of Eastern Ladakh and killing and capture of several members of an Indian police patrol this week show beyond doubt that it is bent upon taking over by force those portions of Indian territory in the Himalayas which it unilaterally regards as its own. Its aggressive designs are now receiving the serious attention of the Government of India. Since persuasion has failed, retaliation and effective vigilance against further encroachment seem to be the only way out. These would require a substantial increase in Defence expenditure and the Government might ask the people to bear additional taxation. It is this prospect, more than the physical occupation of unguarded land in Ladakh by the Chinese armed forces, that has upset the share markets. Shrewd operators have either lightened their commitments by outright liquidation or hedged their investments by selling short some of the forward scrips. Reports from New Delhi hinting at the probability of Mr. T. T. Krishnamachari joining the Government of India, again, has also had a disquieting effect, because there are many who fear that he will actively help the Prime Minister to translate into practice the socialist pattern of society. The heavy taxes imposed by him during his brief regime as the Finance Minister, his introduction of the State Trading Corporation as the Commerce and Industry Minister and his reference to the man-eater in his speech to Parliament just before leaving the Government have left such an adverse impression in the minds of investors that the very mention of the possibility of his returning to power unnerves the markets. There are, however, many in the Bombay market who confidently aver that the chances of his rejoining the Government of India are slender. Whether this is mere wishful thinking or based on inside information, events alone will show.

Anyway, the sudden shake-out in equities early this week has induced a cautious feeling among investors. Consequently, the buying fervour in the cash section also has perceptibly diminished. Further, the spate of new issues that will be coming from the beginning of next week almost right up to the end of December is diverting their attention and resources.

The commodity markets are distinctly on the quieter side. The prices of both cotton and oilseeds have fallen for the second week in succession. The decline is not confined to the futures section alone, but includes the ready also. Ready groundnut, for instance, has dropped by 10 per cent. from the peak level witnessed on 12th October. The fall in other oilseeds and cotton is relatively modest; nevertheless, it has given a feeling of relief among industrialists. It is, however, too early to presume, for reasons mentioned in these columns last week, that the end of the upward trend in commodities has been seen.

Sugar Industry

The last word on the policy for sugar industry has not yet been said. The Government's pronouncement on Sunday the 25th inst., is only a stop-gap arrangement for the new season commencing next week. Its views and decisions on the Tariff Commission's recommendations have not been made known. Will they be adverse to the industry? At one time, there were reasons to feel that the Government might make a doctrinaire approach to the problem of high prices and short supply of sugar. But the statements made by Mr. S. K. Patil, the Union Food Minister, reveal that he is not thinking on those lines. The policy announced for the 1959-60 season is by no means perfect. It may not be as effective as the Food Minister thinks, but it will not make matters worse.

Mr. Patil has made it clear that, normally, the Government does not want to interfere with either the sugar trade or industry. If, however, any of them tried to squeeze the consumer, it could not remain a silent spectator. It would appear from his remarks in Madras and Kanpur last week that he holds very realistic views on controls. He knows that Government machinery is not perfect and that controls breed corruption. He himself admitted in Kanpur that, in Bombay City, there were 700,000 ghost ration cards in a population of 4,000,000 and that crores of rupees worth of sugar are being diverted to the black market with the help of these cards. Despite all that, he is not for immediate abolition of controls, as demanded by the President of the All-India Sugar Merchants Association. He is quite right in holding this view, because, so long as there is not sufficient surplus of sugar to keep the pipelines full and to leave a balance to fall back upon in times of emergency, there will be sufficient room for the trade and industry to boost the prices. When sugar prices shoot up, they become political dynamite, with which the opposition attacks the Government, the industry and the trade and tries to bring them down in the eyes of the public. It is, therefore, not desirable to press for the abolition of controls on sugar now. The real remedy for controls lies in more production.

A section of sugar industry and trade has been advocating imports of sugar to the tune of 200,000 tons, so that supplies could be increased within a short period and controls taken off. Mr. Patil has rightly turned down this suggestion. "I would not spare" he remarked in Kanpur, "even one naye paise for importing sugar, even if the position remained the same for 50 years." Sugar, after all, is not as important as foodgrains. One can easily curtail one's sugar consumption without any ill-

effect on one's health. Indeed, those who are over 40 years will improve in their health if they consume less sweets. Accordingly, in the allocation of scarce foreign exchange, sugar cannot and need not be given the same priority as foodgrains.

Another welcome observation made by Mr. Patil last week pertains to the demand for nationalisation of sugar industry voiced by the socialists in Uttar Pradesh. He said that sugar industry and trade would remain in the private sector, unless they committed the blunder of plundering consumers. The Government, he added, was already saddled with so many heavy responsibilities in the public sector that it would not feel happy if it were saddled with additional responsibility by nationalising a huge industry like sugar. This is, indeed, a reassuring statement and the U.P. Government will do well to save time, labour and money by giving up its decision to appoint a committee for considering the Socialists' suggestion for nationalising this industry.

West German Bank Rate

West Germany has taken prompt measures to curb excessive business expansion. With effect from Friday the 23rd inst., it raised its Bank rate from 3 to 4 per cent. and applied the credit squeeze by raising 10 per cent. the minimum reserves the banks must deposit with the Bundesbank, its central banking institution. Bill and bond rates also have been raised. A new Government loan for DM 300 million (about Rs. 34 crores) to cover a part of the deficit, has been announced. This loan carries interest at 5½ per cent. per annum and, as the issue price is at 96½ per cent., the yield works out to as high as 6.2 per cent. The loan is repayable in eight annual instalments, beginning from 1st November 1964. Explaining the reasons for these measures, the Bundesbank said that they were meant for countering excessive business expansion and that delay could have endangered the price and wage lines and led to recession.

The enhanced Bank rate is the highest since January 1958. Whole of last year, the Bundesbank's policy was in favour of lower interest rates and the Bank rate witnessed a low of 2½ per cent. in January 1959, at which level it stayed until early last month when it was put up by ½ per cent. as a clear-cut warning that sharper measures of credit policy would be taken, if the stability of price level were endangered. This warning has now been carried out. It may be noted, in this connection, that, in the past 12 months, West German industrial production has gone up by 7½ per cent., order books of almost all industries have been lengthening, the building boom has persisted, and labour shortage is acute, there being more vacancies than unemployed. Indeed, labour shortage is so acute that there has been a large influx of workers from Italy.

Outlook for Aluminium

The demand for aluminium in India, as in other countries, is rising by virtue of its merit as a universal metal which can be put to more numerous uses than any other metal. The consumption of primary metal, which was only 11,000 tons in 1946, rose to 20,000 tons in 1955. In the next three years, it rose even more rapidly to touch 30,000 tons in 1958. It is estimated that annual consumption will be anything between 65,000 and 70,000 tons by the end of the third Plan period. This will mean an annual increase of 12 per cent. The rise in aluminium consumption depends on the growth of various industries. It, therefore, follows that, if the growth of the latter is more rapid, the consumption of aluminium will also be at a much higher rate.

As Mr. Lakshminpat Singhania, Chairman of the Aluminium Corporation of India, pointed out in his address at the annual general meeting of the Company held this week (the full text of his speech appears on page 751 of this issue), the pattern of consumption in India has gradually shifted, as in other parts of the world, from domestic use to industrial and transport use. To take a few instances, use of aluminium in utensils dropped from 12,000 tons in 1951 to 8,000 tons in 1955 and was unchanged at that level in 1958, while that in cable manufacturing more than doubled itself from 5,000 tons in 1955 to 11,000 tons. In transport, it rose from 3,000 tons to 4,000 tons and in engineering building and construction, there was a fivefold rise within three years to 2,500 tons in 1958.

In view of the anticipated rise in consumption, there are plans to establish more aluminium plants at various places in India. By way of caution to prospective entrepreneurs in this line, Mr. Lakshminpat Singhania drew attention to some basic factors to be borne in mind by them. "The deciding factor," he said, "should be the competitive value of the metal produced at different stages and at different places, as immediately the metal becomes costlier, the consumption pattern will change. It must be borne in mind that this metal has to compete with many other non-ferrous metals, as well as steel, and here the cost is the most important governing factor. If the cost of production is affected either due to heavy capital expenditure or to higher power cost, the consumption of the metal will also be affected." Mr. Singhania feared that as the cost of power in India is very high—aluminium is a highly power-intensive industry—the power cost would prove to be a heavy burden on this industry.

He also drew attention to the paucity of some important raw materials for aluminium manufacture, such as petroleum coke for electrodes and cryolite for electrolytic process. The former, it is

said, is available only at the Digboi oil refinery, but the quantity available is not sufficient and the cost of transporting it is prohibitive. The new refineries are adopting a different process and as such are not producing petroleum coke. Mr. Singhania, therefore, stressed the necessity for the new refineries producing petroleum coke as a by-product. So far as cryolite is concerned, it is at present mostly imported from Greenland. Since commercial production of aluminium depends on cryolite and dependence of the industry on imports is not always desirable, Mr. Singhania said that due attention must be paid to the manufacture of synthetic cryolite in India.

As readers are aware, Birlas are going ahead with their plans for setting up an aluminium plant near the Rihand Dam in Uttar Pradesh, in collaboration with Kaisers of the U.S. Seven representatives of Kaisers are already in India, preparing the ground for the construction of the project. The prospectus of the Hindustan Aluminium Corporation—Hindalcor, for short—is expected to be released shortly.

Meanwhile, moves are being made by a Bombay industrialist to exploit the rich aluminium-bearing bauxite deposits at Udgr near Kolhapur, estimated at 5.74 million tons. The availability of bauxite in Kolhapur has been known for a long time. It was the ambition of the late Mr. Walchand Hirachand to establish an aluminium plant in that site. He had to give it up, as cheap electric power was not available. This handicap, however, can be overcome when the Koyana power project is completed. The Government of Bombay, too, is keen on including aluminium manufacture in Kolhapur in the third Plan. The Bombay industrialist—Dr. A. G. Tendulkar—is actively exploring the possibilities of getting collaboration of the U.S. and West German firms. The representatives of the Aluminium Company of America—Alcoa, for short—the biggest aluminium manufacturer in the U.S., are already in Bombay to examine the merits of the project, which aims at producing 10,000 tons, initially, and 25,000 tons in a few years. It would appear that the Government of India, too, has given its informal consent to this project.

Air Transport

Since the failure of the International Air Transport Association (I.A.T.A.), at its recent meeting held in Tokyo, to reach an agreement on air fares and rates acceptable to all its members, many international airlines are independently thinking about ways and means of reducing fares. The British Overseas Airways Corporation (B.O.A.C.), which had vigorously, albeit unsuccessfully, campaigned for the extension of the North Atlantic "economy" fares to other routes throughout the world, has now proposed a 20 per cent. cut in fares on its "cabotage" routes over which the I.A.T.A.—through which most international air fares are fixed by agreement—has no control. The reduction will take effect only if the British Government approves of it. The Corporation has decided to place it before Mr. Duncan Sandys, the Minister for Aviation, for approval.

The present international agreement between members of the I.A.T.A. is due to expire on 31st March 1960 and, unless a fresh agreement is signed, airlines will be free to compete openly from 1st April. In other words, they will be free to modify their fares and rates as they please. None will welcome such a development as it might well spark a rate war in air transport.

The fact that the proposed cut in fares by about 20 per cent. will be confined only to "cabotage" routes indicates that the B.O.A.C. is optimistic that an agreement acceptable to all can be reached before the expiry of the one currently in force.

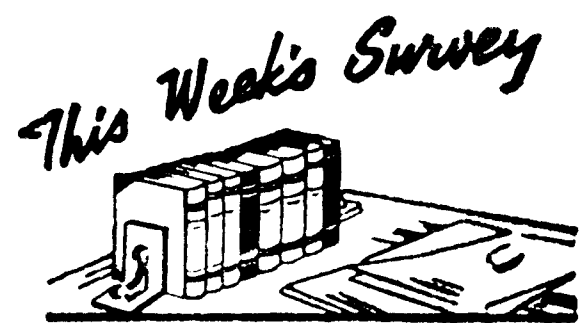
But even in respect of "cabotage" routes, the B.O.A.C. cannot have its own way. For here it has to compete with independent airlines operating alongside the B.O.A.C. on colonial routes. Three such airlines—Airwork, Hunting-Clan and Eagle Aviation—had some time ago approached the British Government for permission to reduce rates by as much as 50 per cent. on colonial routes, including destinations now covered by the B.O.A.C.'s own proposals. The B.O.A.C. had contested these proposals on the ground that they would materially divert traffic from the Corporation to the extent of £5.5 million in the first full year of operation and even more in subsequent years. Many colonial air transport authorities have approved one or other of the independent's proposal, though the U.K. Government does not appear to have taken any action so far.

Be that as it may, the B.O.A.C. is keen on reducing air fares. Cheaper fares alone, it believes, can attract traffic in sufficient quantity to make the operation of giant jet planes economically feasible. And at no time in the past was the B.O.A.C. in a better position to effect a reduction in fares. The financial position of the Corporation has considerably improved of late. While in 1958-59 the Corporation and its associates suffered a loss of as much as £5.2 million, in the first half of the current year alone it has earned a profit of £1.1 million. At the same time, the losses of associate companies have been substantially reduced to a mere £156,000. This was brought about by the cut in engineering cost, higher labour productivity and higher passenger revenue.

Air transportation by its very nature involves heavy capital expenditure. The advent of jet aircraft has called for larger investments. Although the potential market for airlines are virtually inexhaustible, only a fringe of this has so far been tapped. More traffic can be attracted only by making fares cheaper. But the heavy capital expenditure involved makes any marked reduction in fares difficult. The only way, therefore, is to reduce operational costs as much as possible and to pass on the benefit to the passenger. It is this consideration which has prompted even some of the giant airlines to enter into some kind of pooling arrangement with other carriers for sharing overheads.

(Continued on page 752)

Colombia's need for balance of payments assistance arises primarily from the decline in coffee prices, and the heavy burden imposed on the balance of payments by amortization of debts incurred in connection with former import arrears. The Government is carrying out a stabilization program based on policies of fiscal and credit restraint.



WAGE BOARD FOR PLANTATIONS

NOW that the representatives of employers, workers and the Government constituting the Industrial Committee on Plantations, which met in Calcutta this week under the chairmanship of Mr. G. L. Nanda, Union Minister for Labour, has urged the Union Government to set up a national wage board for plantation industry, 'it may not be long before such a body is formed. This will bring the total number of wage boards to four. At present, there are wage boards for the textile, cement and sugar industries. Employers and workers need not entertain any apprehensions regarding the scope and effect of wage boards. For, as long as dissatisfaction over the current wage level exists—and there is dissatisfaction—the choice for both employers and workers lies, as Mr. Nanda pointed out in his presidential remarks, between wage boards and tribunals. By dispensing with the wage board, the industry could not avoid facing the demand for an examination of the wage question. The Plantation Committee has, therefore, done well to decide in favour of wage board. Constituted on a national level, having a tripartite composition with an independent chairman and two independent members, the board is better suited to evolve a wage structure for the entire industry than regional Industrial Tribunals which give widely varying and, at times, conflicting awards.

Nevertheless, in the case of a large industry like the plantations, spread over several parts of the country, regional differences have got to be taken into account in fixing a wage structure. Even so, it is not advisable to have two separate wage boards, as was suggested in some quarters, one for the plantation industry in the South and another for that in the North, as this will give rise to many complicated problems of co-ordination. The Committee decided, as per the recommendations of a sub-committee specially appointed to go into the question, to have two sections for the board, one for the South and the other for the North and North Eastern areas. This seems to be the ideal solution, as it represents a compromise between the regional and the national approach to the question of wage-fixing. Employers and workers would do well to wait for the formation of the wage board and desist from any action that might complicate matters to be dealt with by the board.

Mr. Nanda, in his speech, referred to certain considerations that should govern the Committee's decisions which, we think, should guide the decisions of wage board also. These referred to the cost of welfare measures and their effect on the industry and co-operation between management and workers to improve efficiency. Any increase in payments to workers, on account of housing and other welfare services, added to the industry's costs. If these costs were allowed to rise beyond a point compatible with economic operations of a considerable section of the industry with ordinary efficiency, production and employment would be adversely affected and the workers would be among the worst sufferers. On the other hand, it would harm the industry if workers' basic needs were not complied with and their conditions of service were not satisfactory. The problem is, therefore, one of evolving a wage structure which does not swing too far to either side.

Another issue having a close bearing on labour-management relations is bonus. Mr. Nanda had some suggestions to offer in this regard. The bonus question, he pointed out, was complicated by the existence of plantations which had no substantial reserves, had no profits to show and could not therefore afford to pay a bonus. But this caused much heart-burning among workers of such plantations. An obvious solution to this difficulty, according to him, was the creation of some kind of bonus equalisation fund in which there might be an element of pooling, especially as the bonus rate in Northern areas was settled area-wise and not separately for individual gardens. This suggestion has many drawbacks and requires to be critically examined.

The progress of housing for plantation workers has been quite uneven and unsatisfactory. The Committee, which considered this question, agreed that a central agency should be set up to examine the difficulties experienced by plantation owners in implementing the housing programmes and to suggest measures for facilitating construction of houses by employers. The central agency, it was suggested, should consist of representatives of State housing boards set up under the Plantations Labour Act. It was recommended that the difficulties pointed out by employers in furnishing security to obtain loans from the Government for the construction of such houses should be examined by the Government. The Government's reaction to this suggestion is not known at the time of writing.

OIL PRICES

The reduction in oil prices announced last week is the result of prolonged negotiations between the Government and the three petroleum companies. The present reduction follows the earlier revision of its kind in May 1958. It will be recalled that the oil companies agreed in 1958 to an *ad-hoc* reduction amounting to Rs. 10 crores a year. It was then agreed that the prices would be further reviewed in the light of the examination of the companies' accounts by the Government's cost accountants. Such a review has now taken place and made possible the present reduction in oil prices. An agreement has now been reached between the Government and the companies, covering the period to the end of March 1961. Under the new agreement, the companies will forgo a further sum of Rs. 3 crores for the first seven months of the present financial year. From 1st November 1959 the fresh agreement with the companies provides for reduction at the rate of Rs. 15 crores a year. In addition to this, there will be a further reduction at the rate of Rs. 4 crores a year which is attributed to the drop in landed costs. Thus, the immediate effect of the agreement is that, with effect from 1st November 1959, there will be a total net reduction at the

rate of Rs. 19 crores a year. The concession agreed to by the companies is in respect of distribution charges from the port to the point of delivery. The total value of petroleum products for distribution in India by the companies is roughly Rs. 200 crores. The reduction in oil prices will not, of course, be reflected in consumer prices, since it will be mopped up by the Government of India.

Announcing the agreement reached by the Government with the oil companies, the Union Minister for Oil, Mr. K. D. Malaviya, stated, at a Press conference held last week in New Delhi, that there was still a "disparity" between the reduced prices and what the Government "wanted" by way of further reduction; he did not, however, specify the extent of reduction the Government had in mind. He declared that it was an *ad-hoc* agreement and that the "search for a new formula will continue." The present agreement, according to the Minister, opens the way for "a further examination, further talks and further understanding between the two sides on this matter." Paying a tribute to the oil companies, he said: "There has been an attempt on the part of the distributing companies to appreciate our viewpoint and it will not be fair for us to project any differences that we have regarding the concessions which, we think, they should give at this stage. We shall continue to examine this question. When our distributing company comes into being, they will help in this process." He added: "It is in that spirit of appreciation and co-operation that we have come to this understanding. We are happy over it, though I must say there is still disparity in what we wanted and the agreement arrived at. But the disparity between the two has been minimised."

There will be widespread disappointment among consumers that the benefit of neither the last nor the present reduction in prices will be available to them. Mr. Malaviya argued that, even if a good part of the reduction were passed on to the consumer, the benefit would be "so insignificant that even the consumer would not consider it worthwhile." He said that even a

reduction of one naya paisa in the price of a bottle of kerosene would cost Rs. 3 crores annually; it was not also certain whether the reduction would actually benefit the consumer or be mopped up by middlemen. This argument is by and large correct, for there is no doubt that the transfer of the benefit of the reduction would mean a serious loss to the producer and the Government while it would be of doubtful benefit to the consumer. But there is no reason why a part of the reduction in prices should not be passed on to industrial consumers of petroleum products to whom even a small reduction in production costs could be of some real significance.

WORLD WHEAT POSITION

The most important decision taken by the International Wheat Council, at its twenty-eighth session held in London last week, was to undertake a detailed review of the world wheat situation in April 1960. The Council was meeting for the first time since the International Wheat Agreement 1959 came into force on 1st August last. The review, which the Council has been obliged to undertake under Article 21 of the Agreement, would include appraisal of national production policies, stocks, prices, trade and disposal of surpluses. Surplus disposal is a question which has aroused bitter controversy, as it affects both producers and consumers. While the need to channel surpluses to underdeveloped countries in need of foodstuffs, either to tide over temporary shortages or build up buffer stocks, is recognised, it is also contended that the disposal of surplus stocks should not interfere with normal commercial transactions. This is the reason why agreements to supply wheat on concessional terms stipulate that the receiving countries should procure their normal commercial requirements from members of the Wheat Council. Their inability to do so perhaps explains the slow progress of surplus disposal.

Stocks with the main exporting countries such as the U.S., Canada and Australia, have risen to a record level and are, at present, as much as twice their combined annual exports. In fact, the problem of disposing surplus wheat has now assumed such proportions and such a potential for intensified conflict of interest that exporting countries are urging for new and better co-ordinated surplus disposal methods. For instance, in a statement by the Canadian-American Committee, released by the Private Planning Association of Canada and the U.S. National Planning Association, it has been suggested that co-operative action between Canada and the U.S. should be considered at least in the form of a joint programme for using the wheat surpluses of the two countries for famine relief and special emergency purposes and, possibly, in a broader framework which might envisage the establishment of national reserve stocks of wheat in underdeveloped countries. Pending the development of any such plan for co-operative action, the Committee has proposed various means for improving existing policies and techniques of surplus wheat disposal. These recommendations, too, are based on one main and essential principle, namely, that the disposal of surplus stocks on concessional terms should not interfere with commercial transactions. The Committee emphasises that the programme of surplus elimination should not be a permanent one. The ultimate aim should be restoration of the balance between supply and effective commercial demand and elimination of Government pricing policies that require export subsidies.

It remains to be seen how far this ultimate freeing of the wheat trade from Government controls is practically feasible and how long it will take to materialise. Meanwhile, there is need to re-examine the question whether countries which are unable to fulfil the normal commercial procurement condition should not at all be given wheat on concessional terms. Last year, according to the F.A.O., while the overall food production rose by four per cent, and stocks increased in exporting countries, the underdeveloped countries of the world actually had less supplies. It is to be hoped that the Wheat Council, when it reviews the position next year, will consider this aspect.

COLOMBO PLAN: TECHNICAL AID

The extension of the period of operation of the Colombo Plan beyond 1961 will be considered by the Consultative Committee at its annual meeting scheduled to be held in Indonesia next week. It may be recalled that the period of operation of the Plan, which commenced in 1950 initially for a term of six years, was subsequently extended upto 1961. There is no reason to believe that the Committee will

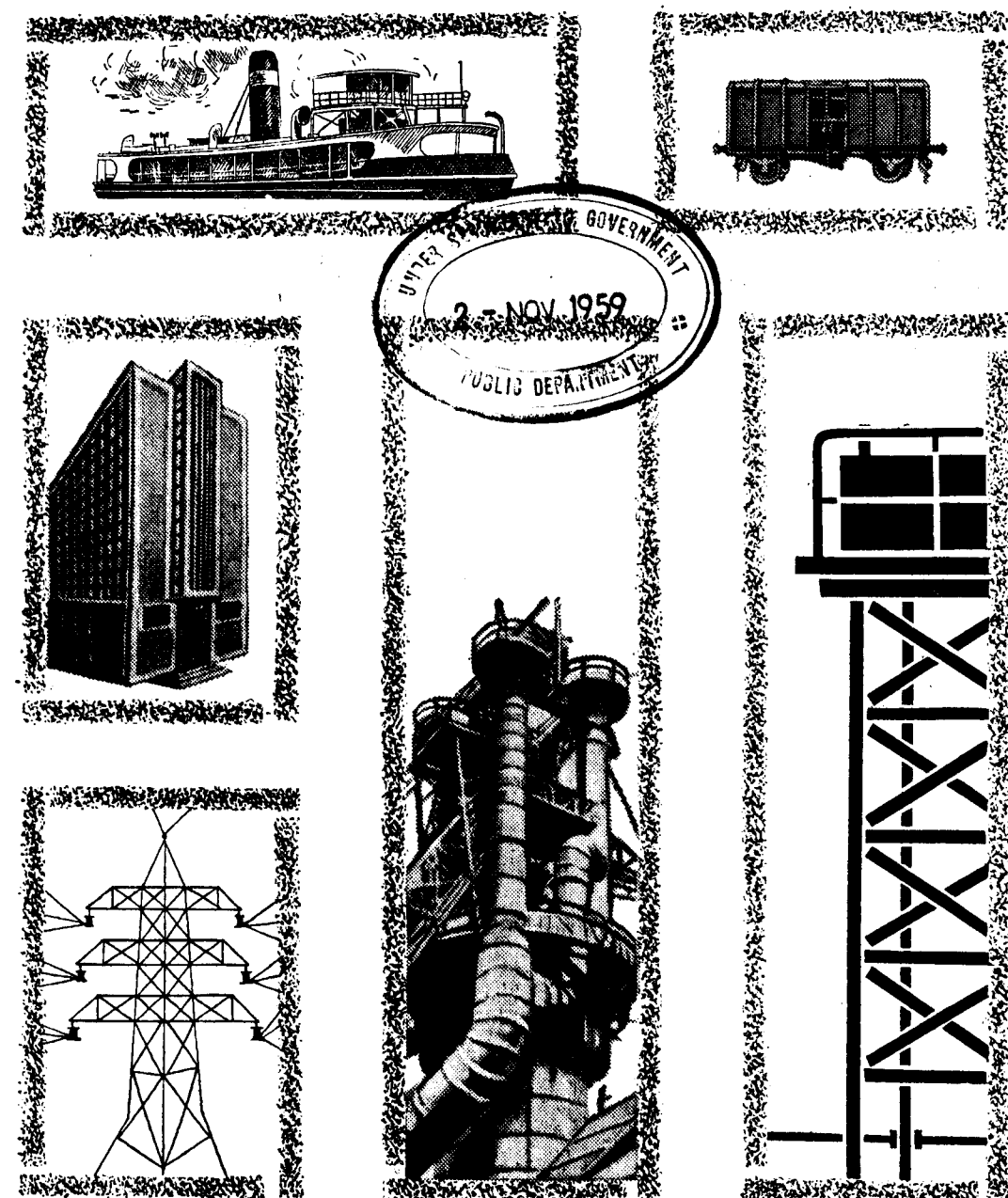
advocate its termination, since such a step will certainly put a premature end to a very useful form of international co-operation. In any case, there is hardly any room for complacency or a sense of fulfilment on the part of the sponsors of the Plan. For the *raison d'être* of the Plan, that is, the need for enlisting international co-operation to fill the gaps in the national resources for economic development of the South and South-East Asian countries, continues to be as pressing as ever. This is not to say that the Plan has not achieved anything. Quite the contrary. A glance at the *Report of the Colombo Plan Technical Co-operation Scheme 1958-59*, just published, will provide an impressive record of its operation during the comparatively short period of its existence of less than a decade. The technical co-operation scheme is only one of the two component parts of the Colombo Plan, the other part being the capital aid programmes which, since 1951, have accounted for a total expenditure of about £2,000 million on Colombo Plan projects (including the U.S. aid projects) in the countries of South and South-East Asia.

Ever since the inception of the technical assistance programme, over 1,100 Colombo Plan experts in many industrial, agricultural, administrative, and other economic and social fields have come to the countries of South and South-East Asia to help their Governments and peoples to speed up the tempo of development. Besides, more than 8,500 persons from countries

of the area have received training in other Colombo Plan (mainly donor) countries in many techniques and skills—engineering, medicine, education, agriculture, public administration, industrial management and others. Scientific, technical and training equipment of the value of over £2.9 million has also been supplied to the area as part of the Technical Co-operation Scheme in addition to large amounts that have been made available for similar purposes under the capital aid part of the Colombo Plan. As on 30th June 1959, the total value of technical assistance that has been provided to South and South-East Asia under the Technical Co-operation Scheme since its inception comes to over £14 million, as against £11 million at the end of 1957-58. This excludes the contribution of the U.S., for, though it had been a permanent member of the Colombo Plan, the U.S. was brought within the scope of the scheme in January 1959 only. Its expenditure on the scheme upto the end of June last is shown at \$31.7 million (over £11 million).

The *Report* points out that, while the greater part of the assistance being given under the scheme to the developing countries of South and South-East Asia comes from the member-countries outside the area, namely, the U.S., the U.K., Canada, Japan, Australia and New Zealand, an increasingly significant proportion is being contributed in the form of mutual aid by the countries of the region itself. This is a natural corollary of the original concept of the

AIDING INDIA'S PROGRESS



IN COMMERCE AND INDUSTRY

IRON · STEEL · ENGINEERING · SHIPBUILDING
ELECTRICITY · RAILWAY WAGONS · BUILDING · MERCHANTING

MARTIN BURN LIMITED

MARTIN BURN HOUSE
Head Office: 12 MISSION ROW, CALCUTTA
Branches at NEW DELHI BOMBAY KANPUR

Another step forward
in
Transformer manufacture
in India with German
technical collaboration
3000 K V A
33/11 K V
Transformers
by

TRANSFORMER AND SWITCHGEAR LTD.

FACTORY: No. 2, LATTICE BRIDGE ROAD, ADYAR, MADRAS-20 • REGD. OFFICE: 'INDIAN CHAMBER BUILDING', ESPARADE, MADRAS-1.

Colombo Plan as a co-operative effort for economic development.

The technical assistance given under the scheme falls into three categories: provision of training places, experts, and equipments. The total volume of technical assistance given and received under the scheme during the year under review was greater than in any previous year. The number of new training places provided during the year exceeded the previous highest figure in 1955-56 by 165 to 1,717. The number of new experts taking up assignments under the scheme, however, fell from 210 in 1957-58 to 192 in 1958-59, but this is due, at least partly, it is explained, to a change in the system of recording, introduced in the beginning of the year by the Colombo Plan Bureau. The contribution by way of equipments was also higher during the year. The total expenditure on the various schemes by donor countries amounted to £3 million—a record for any previous year since the inception of the scheme in 1950—as against £2.90 million in 1957-58. The total expenditure incurred by the U.K. under the scheme during the year amounted to over a million pounds, followed by, among others, Australia, which supplied £995,845, Canada £505,431, New Zealand £271,083, Japan £163,493 and India £113,184. Among the recipients, India got the largest sum (in the form of experts, equipments and number of training places), amounting to £486,114. Indonesia received £477,380, Pakistan £447,837, Ceylon £285,640 and Burma £256,715, to mention only a few.

It is true that neither the total expenditure involved nor the numerical strength of persons trained is impressive, if taken as an adequate objective measurement of the utility of the scheme for providing an impetus to the economic development of this region and raising the living standard of its people. But there is no doubt that, because of the way in which it can stimulate and guide local effort and help put unused resources to work and also because the skills and knowledge it generates can spread from person to person, it does represent much more to the receiving countries than the production of a specific number of trained people and the direct achievements of the experts. As

LONDON LETTER

MONEY FOR EXPORT SOME IS GOING EVEN TO THE U.S.

(From Our Own Correspondent)

LONDON, 24th October

THE British Treasury has recently published an estimate of the funds made available annually by this country for investment in the Commonwealth. In the first half of this year, the following sums were raised through public (mainly Governmental) channels:

	(In million £s)
Colonial Services Vote	11½
Under Colonial Development and Welfare Acts	12½
Other loans and grants	5
Colonial Development Corporation	7
From World Bank ex U.K. subscription	15

Add—Commercial finance ex Export Credits Guarantee Department	13
---	----

Total from public sources .. 64

This annual rate in excess of £120 million is higher than has been achieved at any time in the past five years, mainly as a result of the new channel of lending for the development of underdeveloped countries opened through the World Bank. On the other hand, the £28 million of private loans made through the City in the first half of this year has been less than the average since 1954. But whether we take the current rate of British loan investment in the Commonwealth (say, £180 million per annum) or the rate for the past five years (say £165 million per annum), the flow of funds is considerable; but it is not the whole story, for

the Report pertinently points out, one of the special virtues of technical assistance, as compared with other forms of technical aid, is its 'multiplier' effect, which may enable a single expert (or returned trainee) to make a more than proportionate contribution to the country's development.

direct investments by British firms must be added. The average for recent years then becomes:

	(In million £s)
From public sources	88
From City loans	77
From direct investment	45
Total	210

This is a very fair proportion of the £300 million per annum which a past Chancellor estimated as the necessary total export of British capital. It also provides the answer to the American demand that the burden of assisting the underdeveloped countries should be borne increasingly outside the U.S.

The answer is also reinforced by the news that the building of the highest ever office block in New York is to be undertaken jointly by American and British finance—with Treasury approval. This may mean the largest single investment of British capital in the United States for a generation.

But the Treasury is not prepared to open the floodgates of sterling to indiscriminate overseas investment—which might take the form simply of the investment of large private nest-eggs. This could follow from the complete convertibility of sterling and the Treasury is prepared to go all the way short of this. This is shown by the freeing of the travel allowances from the £100 per annum per head chains which have hitherto bound them. For six years now the limit for Scandinavian countries has been £250 and this has meant a loophole. Now the notional limit is £250 for anybody per annum anywhere—including the United States, but, in practice, more will be available on direct application to the Bank of England. The need for special permission is the one limit retained against the unauthorised issue of capital. But, if it is a matter of genuine development expenditure or investment—then no limits exist. No—there is still one other limitation: the purchase of dollar goods is still rationed and this anomaly is likely to be the next to go, if only to enable the British Government to take up an untarnished "holier than thou" attitude towards the U.S.A. at the next G.A.T.T. Conference!—All Rights Reserved.

AMERICAN LETTER

STEEL STRIKE INFLECTS HEAVY LOSSES INNOVATION IN TREASURY FINANCING

From Our Special Correspondent

New York, 20th October

ONE glum observation and a cheerful one. Neither the steel workers, nor steel management, made any friends in the last three months, except, perhaps, foreign steel workers and manufacturers who benefited by the longest American steel strike in history. The impact on the United States' economy was far worse than expected.

General Motors, for example, was forced to cut down on its automobile manufacturing operation about the middle of October and it will be another four to six weeks before sufficient steel is at hand for normal operations and pay-rolls. The railroads are hit badly, too. There were operating losses, rather than net profit and considerable unemployment.

Government economists said the prolonged steel walk-out halted and may even have reversed the country's overall economic growth. Tentative estimates are that 1959 national production will probably fall short of the \$500,000 million. This rate was previously considered an outside possibility.

Even feverish economic activity in November and December is unlikely to make up the industrial losses of the last three months and it will take the workers perhaps two years of hard work, abstention of luxuries and savings before their losses can be recouped. Like in modern wars, nobody won. Like in modern wars, everyone seems determined to eradicate the mess which was created. Strikes of that scope are indeed a luxury and a phenomenon of liberty and democracy which seem somehow out of context of modern society, except that they break the monotony of mass production and routine and satisfy egos as heroics in war do.

Interest Rates

The cheerful observation concerns an innovation in U.S. Treasury financing policy and the offering to the public of 5 per cent. notes due in a little less than five years. The response was enormous. Throughout the country, people withdrew from their savings and commercial accounts to subscribe to the new securities, although I am convinced very few people knew that the 5 per cent. rate is obtainable only if the notes are held to maturity and that in the meantime the securities are subject to market fluctua-

tions and, thus, have no resemblance to a real savings medium.

The innovation was significant, though, in many respects. Heretofore, Government securities were designed strictly for institutional investors, commercial banks, insurance companies, trust funds, investment companies and the like. To a considerable extent, that was inflationary financing.

As the *Wall Street Journal* pointed out last month, "the real ghost that stalks the Treasury corridors these days is the spectre of a sudden and wholesale loss of confidence in the U.S. Government's ability to meet its financial obligations without inflation."

Members of the Congress have been obsessed for some years with the conviction that high interest rates are an evil which benefited just lenders. They never realised that savers who may also be borrowers like to get a good return on their nest-eggs. The latter have proved it in their unexpectedly large subscriptions to the new 5 per cent. Treasury notes. At least some of the inhibitions have been shaken off some people in Government who felt exaggerated fears of rising interest rates. These fears kept the Treasury predominantly in the short-term range for its refinancing and kept longer terms out of attractive interest rate ranges.

This interest rate bogey was not confined to the U.S. alone. The British Radcliffe Commission reported, for example, "over most of the period," meaning the post-World War II years, "the authorities have not been prepared to force interest rates on the longer bonds upwards, in order to tempt holders of short bonds to switch to long bonds."

Sounder Debt Management

The offering of the new 5 per cent. U.S. Treasury notes to the public, when all is said and done, can only be regarded as a step toward sounder debt management, even though it involved a relative depletion of private bank deposits. This resulted in substituting a Treasury liability of 1964 for one that was payable on demand.

The U.S. Treasury savings bond programme has been hurt, naturally, by the new 5 per cent. notes. Savings bonds pay only 3½ per cent. and prior to 1st June, only 3¼ per cent., if held to

maturity. Many holders cashed in their bonds to buy the new 5 per cent. bond. But it really does not matter much. Since March, 1955, there was no single month in which Treasury savings bond sales exceeded redemptions and total savings bonds outstanding have now dropped to \$8,600 million.

Appropriately interest rates, large New York City banks charged an average of 5.09 per cent. on short-term business loans in the first half of September, according to the quarterly report of the Federal Reserve Bank of New York. This compares with 4.63 per cent. in the first half of June and with 3.92 per cent. in the first half of September 1958. The average price for long-term money due in more than one year rose to 4.85 per cent., against 4.75 per cent. in June and 4 per cent. in the September 1958 period.

Some Data

Official statistics are always lagging. Figures have to be collected from many parts of the country and by the time they are computed and co-related the picture may have changed. But at the risk of being contradictory, I would like to cite a few indices which may be indicative as of this writing.

Employment in the U.S., as reported on 14th October, was 66.3 million, as compared with 67.2 million in the previous month and with 64.6 million a year ago. Unemployment was 3.2 million, against 3.4 million and 4.1 million, respectively.

Personal income, as reported last on 17th September, stood at a remarkable \$381,400 million, as compared with \$384,100 million in the prior month and with \$362,400 million a year ago. Construction awards, reported weekly, as of 16th October were \$264.3 million, as compared with \$241.5 million in the previous week and only \$248.1 million twelve months previously. It must be remembered that not all construction requires much steel.

Farm prices have remained steady up to mid-September after a three months decline, but the index was still 16 points lower than a year ago. Lower prices received for cattle, hogs and other products were offset by seasonal increases in dairy products and a continued boost in the prices of eggs.

These somewhat conflicting U.S. statistics were interpreted on the New York Stock Exchange as just what they appear on the surface. There have hardly been any price changes. There were some flurries in steel stocks on the basis of good business in the immediate future. There was some selling. There was some profit-taking. On the whole, brokers could not have been disappointed—the trading volume was quite large—in fact, larger than a year ago.—All Rights Reserved.

BRITAIN'S LEADING JOURNAL FOR ASIA AND AUSTRALASIA

For Public Affairs Industry Business

FAR EAST TRADE

Forward-looking Indian concerns are now considering 'What can Far East Trade do for me?' Every month FAR EAST TRADE brings news of developments in Asia and Australasia to influential readers in Government, in business, and in industry, throughout this vast area, as well as in Western Europe. Besides being a unique advertising medium, it maintains an exceptionally wide coverage of events everywhere in the economic, technological, and industrial fields. Confident that we are contributing to better understanding, we warmly welcome new readers.

Write for specimen copy to: Mr. S. L. Dhillon, Room No. 6, Indian and Eastern News Service Building, Old Mill Road, New Delhi.

LAURENCE FRENCH PUBLICATIONS, LIMITED, 3, Belisle Crescent, London N.W. 3.

Cable address: Frenpub London



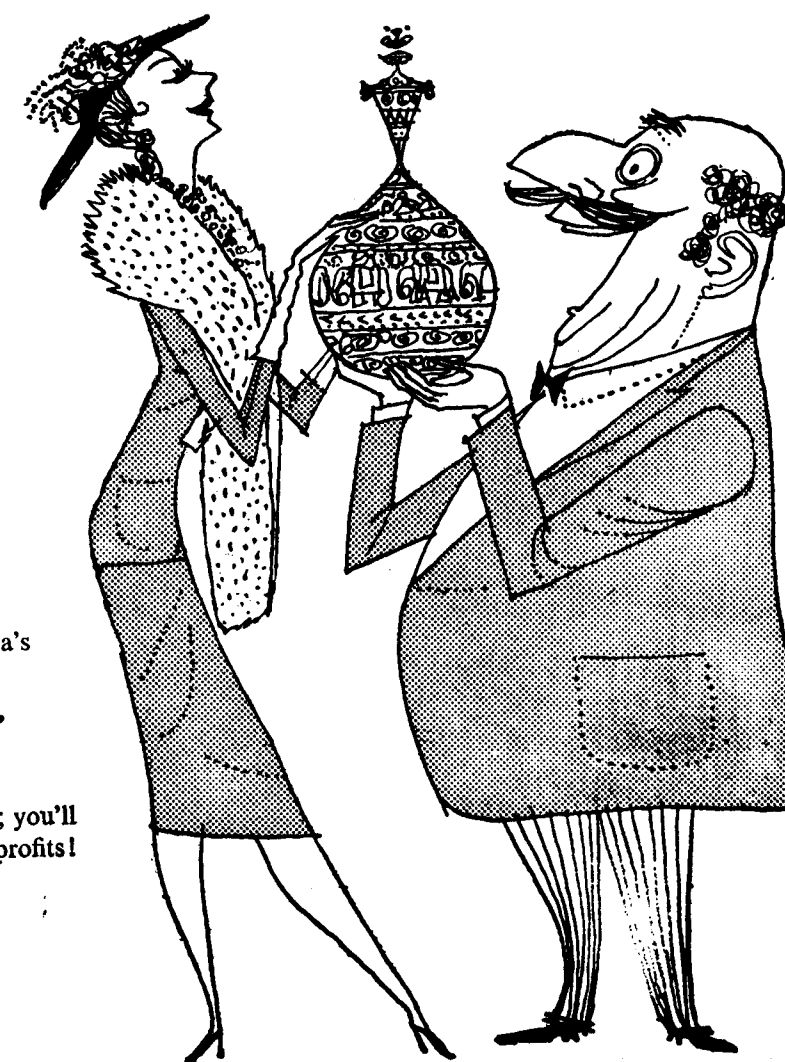
THE WORLD LOVES INDIAN GOODS

...but competition's brisk and much depends on the way you deliver the goods! Take advantage of Air-India's frequent flights, both East and West, (plus a special weekly cargo service to the U.K. and Europe for heavy, bulky or lively goods).

You'll be enjoying the selling plus of being first on the market; you'll cut down on your transit risks and costs; you'll be freeing 'idle' capital; getting faster turnover, bigger profits! Above all, you'll rest easy—knowing your cargo with Air-India is in the best of hands!

AIR-INDIA

Cargo Department, Esplanade Mansion, Mahatma Gandhi Road, Bombay 1 • Telephone: 259191



LONG-TERM FINANCE FOR INDUSTRIES INDIAN MERCHANTS' CHAMBER'S VIEWS

THE problem of long-term industrial finance in India constitutes a curious pattern. While financial institutions like the Industrial Finance Corporation of India are in a position to meet the increasing needs of industries, which are starved of long-term finance, they are not able to utilise fully their augmented resources. Two years ago, it was found that the resources of the I.F.C. were too inadequate to fulfil its task and this had had a restraining effect on its activity. But now the situation has changed completely. While, as stated above, its resources have been considerably augmented, thanks to the increase in its earnings and the favourable response to its bond issues, it has not been able to expand its activity. On the contrary, its business has actually suffered a setback. Not only the total amount of loans sanctioned during 1958-59 declined sharply to Rs. 3.79 crores from Rs. 7.78 crores in 1957-58 and Rs. 11.91 crores in 1956-57, but the actual disbursements too dropped to Rs. 7.48 crores from Rs. 8.34 crores in 1957-58 and Rs. 9.78 crores in 1956-57. The reasons for this phenomenon were explained not long ago by the Chairman of the I.F.C., Mr. K. R. K. Menon, in his speech at the last annual meeting of the Corporation. Nevertheless, the Committee of the Indian Merchants' Chamber, Bombay, which considers this development as an "unhealthy phenomenon" in the process of development, sought further clarification from Mr. K. R. K. Menon, when it held a reception in his honour on Monday this week and had a discussion and exchange of views on the various aspects of industrial finance.

Matter for Concern

Speaking on behalf of the Committee, Mr. Lalchand Hirachand, President of the I.M.C., observed:

"... if there are surplus funds with the I.F.C. or other institutions which have the avowed object of financing industry and, at the same time, these funds could not be utilised, that is clearly an indication of a trend which requires the closest scrutiny and rectification. The quantum of funds that could be made available by the I.F.C. would be only a very small percentage of the total requirements of the private industry and even to this small extent if the I.F.C. is handicapped in the normal function of granting long-term industrial loans, I think, then this should be a matter for concern, from the point of view of the utility of the State financing institutions under planning. I hope, therefore, you would explain to us how the I.F.C. proposes to reorientate its policy and procedure to play an effective role in the development of industry in the private sector, particularly in the third Plan period."

Distribution of Loans

Referring to the pattern of distribution of loans by the I.F.C., Mr. Lalchand complained that "the scope of the loans advanced by the I.F.C. is not sufficiently extensive as to cover a variety of industries which are now being planned for development." For, hitherto, he said, the Corporation had been giving loans mostly to well-established industries. He pointed out that food industries including sugar, textiles, chemicals, fertilisers, cement and paper had figured prominently with substantial assistance in excess of Rs. 5 crores each and between them they shared 74.6 per cent. of the total loans sanctioned. While admitting that the demand for loans should come from the prospective entrepreneurs, the I.M.C. President suggested that, in the period of initial development, it should be the function of the I.F.C. to take the initiative and provide such facilities as would enable new industries to avail themselves of the assistance of the I.F.C. He felt that the I.F.C. should devise a policy which would extend the benefit of the loans to diverse industries.

One of the difficulties in the way of the I.F.C. expanding its business is the serious foreign exchange situation and the consequent severe curb on imports. In this connection, Mr. Lalchand suggested that a procedure should be evolved by which the parties who were eligible for financial assistance by the Corporation and whose applications had been scrutinised and found in order should find priority in obtaining import licences and exchange. "The lack of import licences," he added, "or the delay in obtaining them should be no reason for the non-utilisation of the facility."

The paucity of foreign exchange, Mr. Lalchand added, offered an anomalous situation for the I.F.C., in that "its normal and effective role in financing industries is held up for reasons beyond the purview of the institution, while,

on the other hand, there are foreign credits with the Government which are unutilised." Thus, out of the total credit of Rs. 71.4 crores authorised to India by the Export-Import Bank between April 1956 and March 1959, the actual utilisations aggregated no more than Rs. 1.2 crores. Commenting on this position, Mr. Lalchand said:

"It is a matter of vital importance, to my mind, that when there is so much pressure for foreign assistance, the authorised credits are fully utilised, so that the tempo of industrial development is kept up. This is all the more necessary, when, on account of the restriction of imports undertaken as an inevitable consequence of the foreign exchange difficulties, the rate of industrial production has slowed down significantly. It is imperative under the situation that, in the first instance, the reasons for non-utilisation of dollar credits over this period are fully investigated. I think it would be but appropriate if the I.F.C. requested the Government to clarify the position by stating precisely the quantum of (1) authorised credits that could be drawn upon by private industry through the financing institutions like the I.F.C. and (2) the special conditions and terms that could be offered to make these loans easily available."

Proceeding, Mr. Lalchand posed the following questions to Mr. Menon:

"Why Government themselves have not been able to use this source of credit so far, in spite of the fact that nearly two-thirds of the credits of the Ex-Imp Bank are for the public sector? Why, in the alternative, Government have not taken steps so far to see that the credit is utilised by private industry, through appropriate agencies as the I.F.C.? Are the conditions attached to these loans such that they do not favour utilisation even on the part of the public sector? What are these conditions which have really hampered utilisation? What are the full implications of the scheme of utilisation now suggested by the Government and of which you have hinted in your speech at the annual meeting?"

Ex-Imp Bank Loans

The loans from the Export-Import Bank are more or less earmarked for various specific development projects. In the private sector, as at present, the projects covering engineering, chemicals, textile and automobile and coal mining industries would be financed from the credit. Mr. Lalchand wanted to know whether the rigidity in the allocation of the loans to specific heads of development projects is one of the factors contributing to the non-utilisation of the dollar credits by the private sector. He asked whether the whole or any part of the dollar credits from the Ex-Imp Bank allotted for the public sector could be immediately made available for the private sector.

It may be noted here that, in regard to the utilisation of the Ex-Imp Bank loan earmarked for specific projects in the private sector, the Government of India has just authorised the I.F.C. to reduce the margin on the loans advanced to private industry from 50 per cent. to 40 per cent. and, in some cases for special reasons, even upto 35 per cent. for the rupee finance sanctioned by the Corporation and also underwrite the balance of the amount. This relaxation will, however, be applicable only to those cases where foreign exchange cost of the imported plant and machinery amounts to not less than 60 per cent. of the total capital

cost of the project financed by the I.F.C. and where the import is covered by import licence issued under one or other of the foreign exchange loans taken from foreign Governments or financial institutions. Mr. Lalchand wondered whether the relaxation of margin alone could help private industries to take advantage of the loan. "Only, instead of making the insistence of a down payment in rupees to the Government of the full extent of the value of goods imported," he observed, "the industrialists are now given the facility of obtaining a loan from the I.F.C."

While on this subject, Mr. Lalchand suggested that the I.F.C. should negotiate and obtain directly foreign currency loans from financial institutions like the World Bank and the Development Loan Fund and the Government should view such efforts with favour. He went on to observe:

"If investment effort has to be stepped up in the third Plan period and if private sector has to play a significant part, there is no question that resources will have to be found for industries largely from external sources. It would be, therefore, profitable for the I.F.C. to explore ways and means of obtaining foreign funds directly and working out a scheme by which it could play a more direct and effective part in assisting industrial growth."

Other Suggestions

The I.M.C. President made a few other suggestions. First, the rate of interest charged by the I.F.C. on loans given against Ex-Imp Bank credit should be reduced from 7 per cent. (with a rebate of $\frac{1}{2}$ per cent.) to $5\frac{1}{2}$ per cent., the rate at which the Ex-Imp Bank loan has been made available to the Government. Secondly, the rupee payments should be accepted in instalments. Thirdly, negotiations with the Ex-Imp Bank and other organisations in the U.S. which give credit to India should be conducted for waiver of the condition that purchases out of the credit should be made in the U.S. This, he said, must be left to mutual agreement, subject to the suitability of the prices. Fourthly, the possibility of finding out a workable and mutually advantageous price arrangement by discussions at commercial level with American suppliers of goods should be examined by the I.F.C.

Mr. Lalchand did not view with favour the proposal of the I.M.C. to widen its activities, such as participation in the share capital of approved undertakings, exercise of conversion rights, and participation in the profits of companies to whom loans are advanced, in addition to charging interest. While not underrating the importance of these new spheres of activity, the I.M.C. President felt that, in the present context of development, the I.F.C. should concentrate more and more on providing loan capital and underwriting of new issues. There was good scope for extending the business of underwriting. He was of the view that conditions were "not quite favourable" for breaking new ground.

While the Indian Merchants' Chamber has given us the full text of Mr. Lalchand's speech, it has not provided us with the details of Mr. Menon's replies. All that it has done is a very brief summary of his remarks. It is not, therefore, possible for us to cover Mr. Menon's observations at length. If, however, Mr. Menon did not say much, it would be perfectly understood.

(Continued on next page)

BANK ADVANCES AGAINST REAL ESTATE IN KERALA

SPECIAL CORPORATION FOR TAKING THEM OVER ADVOCATED

By N. K. Narayan Sarma

IT may be seen from the Report of the Travancore-Cochin Banking Enquiry Commission that one of the serious and paralysing defects in the structure of banking business in the Kerala State is the preponderance of the advances granted against the security of real estate over other types of advances. Although the ultimate realisability of these advances may, perhaps, be beyond doubt, the fact remains that such advances have exhibited a strong tendency to be "illiquid" and have, by force of circumstances, proved to be of a "long-term" nature. Accordingly, a high proportion of such advances is an undesirable feature of commercial banking in Kerala. Despite the fact that real estate forms a real security for advances, especially in this part of the country, it has been stated to be the sad experience of banks in Kerala that they are unable to effect any appreciable reduction in the quantum of such advances. It will be seen from the Report of the Commission that, as on 31st December 1955, out of the total advances at Rs. 15.98 crores of the banks in the Travancore-Cochin area, the advances against real estate amounted to as much as Rs. 4.31 crores, working out to 26.9 per cent. of the total advances. Considering the fact that the all-India pattern of such advances stood between 4 and 5 per cent. of the total advances, the seriousness of the above feature of the banks in Kerala can well be imagined.

A practical suggestion for remedying this defect is the creation of a Real Estate Finance Corporation. This body can take over from the banks the entire management and recovery of the advances granted against the security of real estates, leaving with them, if need be, only 4 to 5 per cent. of the total advances under this category. For transferring the "real-estate business" from the commercial banks to the proposed Corporation, no cash payment in lieu thereof need be made. Only, the banks should be paid in the form of bonds to be issued by the Corporation for a value equal in amount to that of the realisable value of the advances transferred to it. The Corporation should be constituted by an Act of the Legislature so as to give its bonds the status of "Trustee securities." This would enable the banks to hold these bonds under their "investment portfolio" and thus increase their liquid assets (the ratio of which is comparatively low with many banks in Kerala); this would also bring about a substantial reduction in the excessive level of their total advances, which again, is another persisting feature in the case of many Kerala banks.

Another major advantage of the above proposal is that:

(a) the Corporation will be in a better position to take effective steps to realise these advances by introducing "easy-repayment system" for the convenience of the borrowers, spread over a long period of years if necessary.

(b) the Corporation will be in a better position to take legal remedies against defaulting borrowers than the banks themselves; and, in the case of borrowers who dodge the banks with delay in the repayment of the dues within reasonable time, the Corporation could be enabled to take the process of "Revenue Recovery Act," if necessary, by providing suitable provisions in the legislation.

Yet another advantage of the proposal is that, being relieved of the deadweight of this "involving business," the banks will be able to concentrate their attention on the regular commercial banking business and thereby effectively serve trade, commerce and industry of the State, especially in the climate of a developing economy of our country. Further, in the immediate context of the various agrarian reforms contemplated by the State, in particular, and the country, in general (having serious repercussions on and values and therefore on the bank loans), it appears that a ray of hope for rehabilitating the banks in this State lies, perhaps, only in the direction indicated above.

It is possible that some doubts may arise about the feasibility and/or desirability of bringing into existence a specialised agency like the one in question, especially in the present set-up of several credit agencies working in the country. It is, therefore, necessary to touch upon

Further, the pattern of advances under this category reveals that there is a strong case for the creation of a specialised agency like the Corporation now proposed. The following figures taken from the Report of the Travancore-Cochin Banking Enquiry Commission make interesting reading:

Advances against Real Estate

	Rs. (crores)
(a) Advances of all the banks operating in the Travancore-Cochin area, according to the nature of security:	
(i) Agricultural lands	1.81
(ii) House properties	2.78
Total advances against real estate ..	4.59
(b) Advances classified according to purpose:	
(i) Seasonal agricultural operations ..	1.14
(ii) Agricultural improvements	0.43
Total agricultural loans	1.57

It will be seen from the above figures that the advances against real estate are granted not entirely or merely for agricultural purposes but also for several trade and commercial pursuits other than agricultural operations. This serves as an additional point to show the unsuitability of land mortgage banks for this purpose.

EXPANSION OF U.K. EXPORTS

The expansion of Britain's exports, which for the past six months have been 6 per cent. higher, on an average, than a year earlier, is likely to be continued, according to the *Bulletin for Industry* published by the Treasury in London. This is suggested by the good prospects in North America and Europe, and the fact that the primary producing markets are now contributing to the general improvement in British exports. The *Bulletin* says it is now possible to form a provisional picture of how Britain's accounts with the rest of the world are moving this year. Thus, the gold and foreign currency reserves have risen by £77 million in the first nine months (including an increase of £40 million in the third quarter, which is normally an unfavourable one for the reserves). While the figures for the reserves are known accurately, they tell only part of the story. To complete it, it is necessary to know what happened to the other monetary items. Taking into account these items—such as overseas sterling holdings and other monetary movements—the overseas monetary position improved by just over £50 million in the first quarter.

In the second quarter there was an adverse movement in the overseas monetary position of £149 million. But had it not been for the payment by the United Kingdom of the additional sterling subscription to the International Monetary Fund of £174 million—which represents no real burden on United Kingdom resources until the sterling is drawn from the Fund—the external monetary position would have improved by £25 million, making more than £75 million for the half-year.

(Concluded from previous page)

standable, for quite a number of the points raised by Mr. Lalchand, as, for instance, the utilisation of foreign credits, does not fall within his purview but that of the Government of India. Again, while Mr. Lalchand was right in saying that the I.F.C. should concentrate on new industries, he was a little wide off the mark when he remarked that this financial institution was helping only the established industries. A glance at the latest annual report of the Corporation will show that it has assisted numerous new units established after independence. It cannot be denied that the Corporation has rendered valuable help to a number of old industrial units which were badly in need of funds for expansion and modernisation. The utility of such finance is no less important than of loans to new industries.

From the Chamber's brief summary of Mr. Menon's reply, it is clear that the suggestion for a reduction in the rate of interest did not appeal to him nor the one in regard to breaking new ground by the I.F.C. On the latter, Mr. Lalchand voiced the feelings of business men, at least of a section of them. These were anticipated by us earlier this month, vide page 542 of *Commerce* dated 3rd October. It is needless to add that, if the I.F.C. is to succeed in this direction, it has to carry the private sector with it. Accordingly, Mr. Menon would be well advised to make the new scheme he has in mind sufficiently attractive to the business community. There is nothing new in Mr. Lalchand's suggestion that the I.F.C. should make direct approaches to the lending agencies in the U.S. The I.F.C. itself has tried it in the past and failed. Its efforts to secure a loan from the World Bank, for instance, did not succeed, because it was regarded as a public sector institution. Even the fact that it has been helping only the private sector was ignored, unjustifiably in our view, by the Bank. It would, indeed, be a good idea if, in his capacity as the President of the Indian Merchants' Chamber, Mr. Lalchand were to take up this issue with the World Bank. He would thereby be strengthening the case of the I.F.C. for direct borrowing facilities from the Bank.

FOR
INTERNATIONAL
AND
DOMESTIC
BANKING SERVICE

★
CONSULT

THE
BANK OF TOKYO
LIMITED

(Incorporated in Japan under the special law)

30 Overseas branches and representative offices

and

1 Affiliate Bank 1 Trust Company

All information concerning foreign trade available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★

K. Hashimoto
Manager
Bombay Office

Bombay Office:

"Jeevan Prakash", Sir Phiroozshah Mehta Road
P.O. Box 1762, Bombay-1. Tel: 253587/58 & 253848
Office at Calcutta Representative at Delhi

TOBACCO DIRECTORY

Indian Central Tobacco Committee are shortly publishing the Tobacco Directory containing names and addresses of wholesale dealers, commission agents, grower-curers, warehouse-keepers, manufacturers and exporters handling 2,000 brands or more of different varieties of Indian Tobacco, prominent tobacco growers, tobacco growers' and traders' associations and co-operative societies and importers of Indian Tobacco in different countries.

Those who desire their names to be included in the Directory may furnish information immediately in the prescribed proforma which can be obtained on request.

Advertisements are also accepted for publication in the Directory.

Pre-publication price: Rs. 15 per copy (postage Rs. 2 extra)

THE INDIAN TOBACCO ATLAS

Just published by the Committee, the Atlas contains 45 maps, histograms and graphs showing centres of tobacco cultivation, research, marketing, etc. It covers all aspects of Indian tobacco production, industry and trade.

Price: Rs. 17 (postage Rs. 1.50 extra)

For copies and other particulars, write to:

The Secretary,

INDIAN CENTRAL TOBACCO COMMITTEE,

38, MOUNT ROAD, MADRAS-6

UNIT INVESTMENT TRUSTS HIGH TIME INDIA HAD SOME FOR MOBILISING SMALL SAVINGS

By A. C. K. Krishnaswami

THE Government and the Planning Commission are, indeed, much concerned about the need to induce the general public to save and to mobilise these savings into channels where they will best contribute to national development. The Planning Commission calculated that domestic savings in 1955-56 amounted to seven per cent. of the National Income, a total of Rs. 756 crores. Currently, the figure is likely to be nearer Rs. 1,000 crores per annum, as the National Income has gone up and with it the rate of savings also must have registered an improvement.

Less than a quarter of these savings are invested in Postal and National Savings securities. Insurance premia and provident funds account for another part. But are we sure that the remainder is invested where it will best conduce to the national economy of an underdeveloped country, trying hard to pull itself up to its proper level? And are we sure that the savings of the people, particularly the industrial sections, cannot, with some calculated and planned effort, be increased by something like 50 per cent. and wasteful expenditure on trifles eliminated?

One of the chief incentives to better savings is the advertised availability of attractive savings media. Till now mostly Savings Bonds and Government fixed-interest bearing securities have been sold to the small saver. From the point of view of "safety first," there is nothing to beat them. But the real problem to long-term investors, big and small, is the quest for some safe investment which ensures that their savings are not eaten away by the inflationary price spiral. That is why a security whose value is likely to rise parallel to the rising curve of living costs has an irresistible lure. From the point of view of safety plus inflation hedge plus reasonable dividend, we in this country have no outlets for small savings. I feel that given such investment opportunities and proper educative publicity, small savings can be increased very substantially and deployed much more purposefully.

System Explained

It is quite safe to say that the Unit Investment Trust offers by far the best answer to the problem. This form of mobilising and encouraging small savings has been successfully exploited, notably in the United Kingdom and Switzerland. In Switzerland, one group of Investment Trusts alone, the INTRAG, computed that their total investments, in the middle of 1958, were about 1,000 million Swiss francs or about Rs. 120 crores. In the United Kingdom, an analysis of only one group of six such Trusts showed that, between them, they had invested a total of £26 million by the beginning of 1958. Trusts commanding from Rs. 5 to Rs. 10 crores of investments are quite common and have portfolios in as many as 150 selected companies, with no single investment exceeding a fraction of one per cent. of the total portfolio.

Some features of this type of Trust are novel to this country. A Unit Trust is a voluntary association of investors who come together and invest for mutual benefit. They do not form a company, but organise themselves almost like a family trust, and the terms of association are laid down in a Registered Trust Deed. The Trust property is held by a custodian trustee, who is usually one of the prominent banks.

Not being a company form of organisation, every "unit-holder" is enabled to withdraw his fair share of the assets on adequate notice and by surrendering his unit certificate. And apart from this right of partial liquidation, which, in practice, is rarely exercised, a holder enjoys the right and facility of marketing and transferring his "units," as shares in these associations are called. By holding the "units" and in some case "sub-units," one becomes a part-owner of all the assets of the Trust. The units are generally of small value, say, about a pound sterling; but the market value rises with the prosperity of the Trust. The earnings of the Trust are computed each half-year, and every unit holder receives on fixed days twice a year his share of the earnings. The earnings in practice have risen in step with the cost of living: "Scotbits," a typical trust which distributed on a stated holding ten years ago, 17s. 6d. annually, have lately distributed £2 15s. 6d. per annum on the same holding. Naturally enough, the market

value of the unit records rises as the distributions increase, and during the six-year period, from 1952 to 1958, almost all investment Trusts in the United Kingdom recorded rapid rises in value.

In making distributions half-yearly, the unit-holder only receives the revenues on the Trust investments. Any capital receipts like bonus shares are used to increase the value of the fund. This is another factor which contributes to increased quotations for prices of the "units" in the market. Some Trusts have provisions whereby, where the portfolio contains partly-paid shares, the unit-holder is freed from personal liability when calls are made in respect of those shares. The voting rights on the shareholdings are exercised by the custodian trustee, consistent with the interests of the Trust and the public interest.

Spread of Investment

A trust having been formed, the moneys are invested in accordance with the terms of its Trust Deed by expert managers in concurrence with the custodian trustee. The Trust Deed usually lays down the maximum possible investment in any one company and in any one industry. In FONSA, a typical Swiss Trust, the distribution is as follows:

	Per cent.
Bank and insurance shares	37
Chemicals	13
Machine industries	16
Buildings and constructions	5
Miscellaneous	29

This makes for a comprehensive and yet well balanced holding in the Swiss industry. Additionally, some Trusts also maintain a geographical distribution of portfolio, as in a typical case

	Per cent.
United Kingdom	56
North America	19
International (oil, shipping)	14
Africa	3
Continental Europe	3
India, Pakistan, etc.	2
Australia, Japan, etc.	3

Under present conditions, we cannot for an Indian Trust visualise foreign investments. Nevertheless, the foregoing arrangement is of current interest to us, as we can ensure regionally distributed investments in the country, thereby making for all-round development. Some Trusts do specify proportions of preference shares and debentures to be held, but, in the main, as the accent is on capital appreciation, ordinary shares form the bulk of all portfolios. Needless to add that the investments are under constant scrutiny by the managers and are changed as often as may be necessary.

Thrift Schemes

Some of the Trusts have also successfully introduced "thrift schemes" to benefit the salaried classes; they are enabled by these schemes to make recurring deposits in the purchase of Trust units periodically and also to reinvest dividends of the Trust as and when declared, until, say, their retirement from service. A recently formed Trust, the "Unitrust," has met with great success in its savings scheme specially designed for the small investor and the scheme is proving popular with the workers.

The success of the Unit Trust is largely due to the special features we have noticed. It provides a convenient and easy form of making small and recurring investments in industry, practically without risks, and with a near certainty of capital appreciation. It is able to provide expert financial management, investment advice and care at very low cost, which otherwise are not available except to the largest investors. And, not being a company form of association, it is able to provide for refund of the proportionate share of assets to any unit-holder when required.

Legality of the Trust

Almost soon after 1931, when the Unit Trust first made its appearance in the United Kingdom, its legality was questioned. It was assailed on the ground that it constituted an unregistered business association of more than 20 persons, which the Companies Act prohibited as being illegal. There are corresponding provisions in our Companies Act too. But the British Courts declared the Trusts legal, holding that the "business," if business it was, was being conducted only by the custodian trustees

who certainly numbered less than twenty, and the prohibition contained in the Companies Act did not apply to the Unit Trusts. This position would also obtain in India.

The State encourages and gives facilities to Unit Trusts in the United Kingdom. Apparently, it does not subject to income-tax the earnings of the Trust Fund, as the Trust itself is only an association of persons; instead it obligates the custodian to deduct tax on the distributions shared by each unit-holder and remit it to the Treasury, which will pass on refunds based on the personal tax liabilities of the holders. Adjustments would no doubt have to be made for the taxes paid by the companies in respect of the dividends earned by the Trust Fund, but this is of no current interest to us in this country, as no refunds are possible to shareholders out of taxes paid by Indian companies.

Both the Board of Trade, and the London Stock Exchange enforce certain requirements on the Trusts. The charges for administration are usually limited to about 2 per cent. at the time one subscribes to the Trust as an initial payment, and a recurring charge of three-eighths of one per cent. is made on the annual income of the Trust. Every Trust Deed usually has a life of 20 years but this can be prolonged by consent of the unit-holders. There is a voluntarily formed Unit Trust Council which strengthens the protection given by the Board of Trade and enquires into any complaints made against Trust administrations.

Under Indian conditions, it will be necessary for the State to give facilities and exercise control over the Trusts. It will have to examine and scrutinise the terms of the Trust, before it sanctions the public issue of "capital" by the Trust; it will have to ensure that the custodian trustee is a reputed large bank like the State Bank of India or one of the all-India banks; it will probably have to limit the management expenses permissible; it will have to scrutinise the permissible maxima of investments in any company and industry and prescribe that only quoted shares may be purchased by the Trust; it will also have to insist on State-supervised audit and publication of transactions and accounts; it will have to provide for enquiries into complaints from the unit-holders by a Superintendent of Unit Trusts. It may be expected that, in the matter of income taxation, the Central Board of Revenue will extend the same facilities that the Board of Trade does in the United Kingdom and that in the matter of stamp duties some concessions will be shown.

Conclusion

The L.I.C. is said to invest about Rs. 8 crores annually in the private sector and to sustain the value of industrial investments by its open market operations. It has been remarked elsewhere that this support is not without its disadvantages and that there are sound reasons why the L.I.C. should abstain from open market operations. Be that as it may, it appears that, if the Unit Trust idea succeeds in India, even less fully than it has abroad, we shall have not merely Rs. 8 crores but many times that amount every year from small savers, particularly those who earn their living from industrial units.

It is about time that a start was made to attract and canalise savings in Unit Trusts. It is for one of the larger banks to take the initiative and sell the idea to the public and the State. A modest start can be made with a target of Rs. 5 or Rs. 10 crores and investment may be restricted to inter-market leaders of the stock market, the so-called "industrial blue-chips." It should be possible to canvass the support of the trade union organisations and ask them to demonstrate their faith in free institutions by inducing labour to invest a part of their wages, and a larger part of their bonuses in Unit Trusts. New life will then be infused in the private sector on whose positive success the Five-year Plans importantly depend.

U.S. INDUSTRY INVESTMENTS ABROAD

Capital outlays abroad by U.S. industry in 1958 aggregated \$5,200 million, the U.S. Department of Commerce reported the other day. The total, 14 per cent. lower than in 1957, reflected the absence of large payments for petroleum leases in Venezuela, which were large in 1957, and a drop in the amount put into plant and equipment in a number of countries. Foreign plant and equipment expenditures in 1958 reported by a group of major companies amounted to \$3,000 million.

Britain's exports of office machinery in the first nine months of 1959 amounted to a record £15,172,623, as compared with £14,437,176 in the same period of 1958. Shipments to Australia, traditionally the industry's biggest customer, dropped £244,000 to £2,766,301, but South Africa took £200,000 more at £1,380,385. Exports of accounting machinery led the rise. They amounted to £4.5m. against £3,785,000.

COTTON BOARD'S ANNUAL CONFERENCE REORGANISATION WILL NOT CAUSE SHORTAGE OF SUPPLIES, ASSURES LORD ROCCHDALE

From Our Special Correspondent

MANCHESTER, 20th October

LANCASHIRE cotton employers, whose mills are to close under the Government's £30-million redundancy and re-equipment scheme, have been urged to tell their workpeople of their decision as soon as possible.

MANCHESTER LETTER

This was disclosed at the Cotton Board's annual conference at Harrogate, when the practice of keeping the news of closures quiet was condemned by representatives of both millowners and trade unions.

The Board has written to all firms known to be withdrawing from the trade, telling them that their intentions should be announced to their operatives without delay. Any special reasons for withholding the information should be submitted to the Board.

Millowners, who had decided to close down and then booked further orders, were also criticised. The revival in business during the past few months had tempted action of this kind, it was stated. Many of the orders would not be completed until well into 1960, nearing the deadline on 31st March for the scrapping of plant.

Shocked

Mr. W. T. Winterbottom, a member of the Cotton Board and Chairman of the Fine Spinners and Doublers group, said: "I was shocked to hear that the whole spirit of the scheme was being abused in this way."

"By taking on fresh business it means that more operatives will be thrown out of work together and will be competing for jobs, instead of there being a steady transfer of workpeople from mill to mill over the next six months."

This view was emphasised by Sir Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, who said: "If firms have booked contracts which may keep them active until, perhaps, February, instead of an orderly contraction, we shall get a flood of people becoming unemployed at the same time."

Another complication arising from the continued running of the doomed mill concerns the machinery. Mr. Winterbottom said: "Many of the closing mills contained good machinery. Under the scheme this could be bought by the firms remaining in business."

"Orders for plant have been completed and the buyers expected to get delivery about Christmas. Now it looks as if some of this machinery will not be available before next April. This is going to present problems to the buyers."

The reorganisation scheme in the Lancashire cotton industry will not give rise to a supply shortage, Lord Rochdale, Chairman of the Board, gave this assurance when he opened the conference.

"A large proportion of the capacity due for scrapping was already idle before the reorganisation schemes were made and more than enough remains to meet requirements if there is a comparatively modest extension of shift-working and re-adjustment of production programmes," Lord Rochdale conceded that reorganisation schemes of the magnitude of those in the cotton industry were bound to throw up problems and difficulties such as misunderstandings about prices, supply fears and the human problems where mills were closing in areas without alternative employment readily available.

These problems were being tackled, he said, and there was no reason why the transition should not be effected with the minimum disruption to supplies and to the industry's relations with its customers.

Unique Opportunity

In a year's time, he hoped the transitional problems would all be out of the way. The industry would certainly have moved considerably nearer to the compact and efficient industry aimed at.

But Lord Rochdale added: "None of us is so optimistic as to think that we shall have made more than a beginning by then. The measures which have been taken this year can only provide the foundation on which a fully efficient and competitive industry can be created."

"This is a unique opportunity and a challenge which I am sure Lancashire will not fail to meet."

It was not enough, said Lord Rochdale, to get production alone on the most efficient basis. To sell Lancashire's cottons both at home and overseas would increasingly call for up-to-date and imaginative selling and marketing methods.

In a brief reference to the progress with the redundancy scheme for the finishing section of the industry, he said it was proving a far more difficult task to arrive at a measure of redundancy in the finishing sections than was the case with spinning, doubling and weaving. There appeared to be no productive unit in the finishing sections equivalent to spindles and looms.

Lord Rochdale warned the conference of a threat to cotton and other European industries far greater than the flood of cheap imports which had been so damaging to the Lancashire cotton industry.

The import problem, he said, was comparable to the "cloud the size of a man's hand" in relation to the larger problem which the growing economic strength of Far Eastern countries, including China, would confront Britain and other Western countries within the years ahead.

Mr. Cyril Harrison's contribution to the conference held four years ago was notable for his blunt division of the merchanting community into those who regarded themselves as buying

agents for their customers and those who acted as sellers of Lancashire productions. In the meantime, the speaker, now President of the Manchester Chamber of Commerce, has altered not a whit in his belief that the gulf which separates these twin systems of distribution harbours danger for the local industry.

Producers, with heavy investments at stake, should have better control over the sale and distribution of their products, he urged, while support should be given to those merchants who were concerned to sell Lancashire's products. Commenting that the existence of a large body of traders "dealing in anybody's products" was harmful to the producing interests, he added: "It would be interesting to know how far the import of Asiatic cloths is damaging Lancashire's trade in industrial and other fabrics."

Exporters Meet Snags

One of the aspects of the current world situation in the production of cotton goods, as emphasised in the latest Cotton Board quarterly review, is the way in which demand for the products of the mills has outstripped supply in virtually every country. As a result, it is no longer possible for distributors to play off one set of producers against another and delivery dates have lengthened appreciably, whether in Lancashire, Hong Kong or elsewhere.

As in most other directions, there is a delay before such a situation is reflected in the statistics drawn up indicating exports from the different countries. The first half of 1959 was not a particularly bright period for the major suppliers of the world, partly due to the increasing rate of indigenous production which former importing nations were able to absorb. In some cases further progress was made in such countries towards becoming net exporters.

The following table, extracted from the review and adjusted to cover the half-year, shows the trend of overseas trade in cotton and synthetic fabrics achieved by the leading exporters:

	1st half 1959			1st half 1958		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K.	167.6	55.6	223.2	207.6	49.3	256.9
U.S.	239.9	79.4	319.3	274.4	64.2	338.6
India	309.0	18.2	327.2	325.0	6.6	331.6
Japan	588.1	613.6	1,201.7	688.6	663.4	1,352.0
Hong Kong	103.1	12.1	115.2	101.8	10.6	112.4
Germany	115.7	105.4	221.1	105.9	96.0	201.9
Italy	45.0	57.4	102.4	60.2	54.3	114.5
France	164.0	71.5	235.5	145.9	74.6	220.5
Belgium	103.6	48.4	152.0	99.1	40.7	139.8
Holland	142.8	22.3	165.1	123.3	28.5	151.8
Switzerland	34.0	18.2	52.2	30.8	14.7	45.5
Portugal	58.0	1.1	59.1	60.4	1.8	62.2

As compared with the position a year ago, only the Continental countries had much cause for satisfaction with their performance. The traditional suppliers including Japan, the United Kingdom and the United States all lost ground.

On cotton goods alone, Lancashire retains fourth place in the table by the skin of its teeth. When rayon and synthetic fibre goods are included, both France and Germany have surpassed the shipments achieved by exporters from this country.

Manpower for the Mills

Confirming certain facts disclosed in its quarterly survey, the Cotton Board has now issued production figures relating to August. (Continued on page 752)

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone: 26-3201 (2 lines)

small packs

Distribute, market or export your products, liquids/solids, in lithographed or plain tin plate containers, in convenient, easy to handle sizes. All containers fully tested.

Manufactured to standard specifications on up to date automatic machinery, we can supply large quantities at competitive rates. Early Deliveries.

Call
POYSHA INDUSTRIAL CO.
PRIVATE LTD.
Poysha Road, Baram, Bombay 15 - (Phone 1966) Caxton, Bombay

INTERNATIONAL TRADE IN COTTON

HIGHER U.S. SHARE IN WORLD EXPORTS PREDICTED

A NOTABLE feature of international trade in cotton during the 1958-59 season, which ended on 31st July 1959, was the extensive substitution by textile manufacturers of U.S. cotton by other growths. Reflecting this trend, exports of cotton from the U.S. declined by as much as three million bales of 478 lbs. each to 2.8 million, as compared with 5.8 million bales in 1957-58. The fall in U.S. exports was much greater than the overall reduction in world trade in cotton of only 1.3 million bales. World exports during the season amounted to 11.3 million bales, as against 12.6 million bales in the previous year. Other cotton exporting countries, in contrast, were able to dispose of virtually the entire production of last season and even liquidate sizable quantities from the carry-over stocks. Aggregate exports from these countries were 8.5 million bales, about one and a half million bales more than in 1957-58. According to the International Cotton Advisory Committee, Washington, this increase in exports in countries outside the U.S., offset, to some extent, a sharp decline in cotton prices last season.

In the case of most countries of Western Europe and Japan, the switch-over from the U.S. to other growths was even more pronounced than is suggested by total figures which include the share of some countries like Spain, Yugoslavia, Korea and Formosa which made larger purchases of U.S. cotton last year, thanks to the special financing made available under P.L. 480.

Shipments from the U.S. to the U.K. during 1958-59 at 202,000 bales, as against 677,000 bales in 1957-58, were the smallest for the entire post-war period. The same was true of exports to the rest of Western Europe. U.S. cotton imports by Japan were less than half the previous season's volume and the smallest since the post-war rehabilitation of the Japanese textile industry.

The major reason for the contraction in U.S. exports, according to the Committee, is the fact that U.S. prices were for the most part uncompetitive in world markets. It is, however, felt that, with the new export policy, the prospects are for a very substantial increase in U.S. exports during the present season.

Mexican exports last season increased by about 400,000 bales or about 28 per cent., as compared with 1957-58. The increase is explained by much heavier shipments to Japan (almost double the 1957-58 volume) and West Germany. Japan probably imported almost as much Mexican cotton as U.S. cotton last season.

Cotton exports from the Central American countries last season are estimated to have reached a record 550,000 bales.

Exports from Egypt are estimated at 1.5 million bales which is higher by about a quarter of a million bales than the 1957-58 level and the heaviest volume for several years. Virtually all the increase in exports was in the extra-long staple group, whose exports were nearly 40 per cent. higher. Another feature of Egyptian cotton trade last season was the continuing high percentage, as much as 60 per cent., of total exports to the Communist countries. Not all of this cotton would appear to have been consumed by these countries. An indeterminate quantity of cotton is reported in storage, pending shipment to Western Europe. It is common knowledge that the Communist countries were able to undersell Egypt in their resale of Egyptian cotton to the rest of the world.

Exports from African Countries

Sudan had the most successful season ever. Exports are estimated to have risen to a record 600,000 bales, as compared with 393,000 bales in the previous season, and the bulk of the cotton available for export has been sold. Exports to almost all destinations were much higher than in 1957-58. Exports to the Communist countries, however, were still relatively small.

Exports from all African countries, including Egypt and Sudan, in 1958-59 are estimated to have reached a record of nearly 3.4 million bales, surpassing the previous high of 3.2 million bales attained in 1955-56. Record shipments were made from Uganda and Nigeria and possibly Tanganyika and French Equatorial Africa.

Despite a smaller crop, exports from Pakistan last season were not much below those of

1957-58, but the trading pattern changed radically. Exports to Japan were fully maintained but, in contrast to the previous season, exports to France declined to a negligible level. Exports from Pakistan to Mainland China were well over double the 1957-58 volume.

Exports from India were about 50 per cent. higher than in 1957-58. Japan itself took well over half of the total shipments and the pattern of trade, therefore, remained substantially unchanged from that in previous seasons.

The following table indicates the trend of free world cotton exports during the three seasons ended 1958-59:

(In '000 bales of 478 lbs. each)			
Country	1958-59*	1957-58	1956-57
U. S. A.	2,790	5,717	7,598
Mexico	1,800	1,411	1,308
Central America	550	334	290
India	310	207	254
Pakistan	400	385	508
Syria	400	450	374
Turkey	300	134	226
Greece	200	124	149
Egypt	1,500	1,262	928
Sudan	600	393	334
Brazil	230	216	381
Peru	540	420	408
Others	1,680	1,547	1,546
Total	11,300	12,600	14,300

* Preliminary.

Although it is too early to make any detailed prediction about cotton trade in the present season, it appears, according to the Committee, that the switch-over from the U.S. growths to others is likely to be reversed. There is a significant increase in total supply in the U.S. this season, and there will, in any event, be a radical change in its disposal. Total supplies in the U.S. this season, made up of an estimated production of 14.6 million bales and stocks of 8.8 million bales, will be 23.5 million bales, as compared with 20.2 million bales in 1958-59. Supplies outside the U.S., in contrast, will be substantially lower, partly because of the reduced carry-over, particularly in the net importing countries, and partly because of a possible decline in production. On present estimates, the supply in this area is likely to be lower than in either of the two previous seasons.

Concentration of Supplies

The greater concentration of supplies in the U.S. can have important implications to international trade and prices this season. The likelihood that export availabilities in other producing countries will decline somewhat, while total trade is expected to expand considerably, inevitably means that importing countries will be obliged to rely more on U.S. cotton, thus reversing the trend witnessed in 1958-59.

The uncertain factor in the trade outlook, at the moment, however, is the demand from Communist countries. In each of the last two seasons, net exports to these countries from the

rest of the world were in excess of one million bales. There is, however, reason to believe, according to the Committee, that not all this cotton has been consumed and that stocks may be available for domestic consumption or for re-export. Assuming little change in the trading relationship between Communist countries and the rest of the world, the minimum level of exports during the current season is expected to be between 12.5 and 13 million bales. But, if account is taken of the probable increase in consumption and of the possibility of stock-building in the net importing countries, the actual trade potential is likely to be even higher.

COTTON PRICES AND MARKETS

In two resolutions submitted to the International Cotton Advisory Committee, Washington, the International Federation of Cotton and Allied Textile Industries, Manchester, which represents about two-thirds of the world's cotton spindles and looms and the members of which consume more than 80 per cent. of the raw cotton that moves in international trade, has once again reiterated its view that cotton prices should be maintained at competitive levels by allowing free play of the laws of supply and demand and that cotton futures markets existing in all consuming areas should be allowed to function freely.

The Federation has urged that producing countries should not attempt to introduce any international arrangements that affect price and supply without full consideration of the views and recommendations of the consuming countries as to their effect on the industry. It, no doubt, recognises that some cotton producing countries have suffered from the recent decline in cotton prices but it maintains that this decline was the logical result of excessive commodity controls and price intervention of the kind now being considered. It is such measures, the Federation maintains, which have kept world cotton prices at an artificially high level over the past few years. They have provoked the recent decline in prices, which, incidentally, was, according to it "not an excessive fluctuation but merely a normal adjustment to more realistic levels."

The Federation has appealed to all cotton-producing countries to direct their efforts and resources into more constructive channels and to consider joint action in the field of cotton textile promotion. It appreciates the efforts made by the U.S. Administration towards a one-price system but desires it to go on record that "it would be in the general interest to hasten that return as much as possible."

Cotton futures markets, the Federation points out, have not been allowed to function freely and to render all the services of which they are capable. Governmental interference in the form of exchange restrictions, price and import controls, arbitrary two-price systems and other forms of governmental intervention continue to dislocate trading in futures.

MAN-MADE FIBRES IN U.K.

Reflecting the increased demand from the clothing and automobile industry, output of man-made fibres in the U.K. in September rose to a record figure of 43.45 million lbs., as compared with 39.66 million lbs. in August and 31.91 million lbs. in the same month last year. The September figure is the highest for that month since 1955. Of the total production, continuous filament yarn and staple fibre amounted to 19.63 million lbs. and 23.82 million lbs., as compared with 18.19 million lbs. and 21.47 million lbs. in August and 14.48 million lbs. and 17.43 million lbs. in September 1958, respectively.

Production during the first nine months of 1959 of man-made fibres adds up to 368.75 million lbs., as against 308.03 million lbs. in the corresponding period last year and 378.25 million lbs. in the same period in 1957. This indicates that, after a setback early this year, output of man-made fibres has recovered to the pre-1958 depression levels. This recovery is also indicated by the sustained activity among woven, knit goods and carpet manufacturers. Many Lancashire manufacturing firms are reported to be having long order books extending well up to the middle of 1960. Large accumulated stocks have also been liquidated and the industry would now appear to have stepped on to the primrose path.

U.K. COTTON INDUSTRY REORGANISATION

More than £16,000,000 will be paid in compensation to Lancashire cotton firms taking part in the reorganisation scheme for the industry. The British Government will pay two-thirds of the bill. The first detailed figures of what mills going out of business, or scrapping part of their plant, will receive in compensation have now been worked out by the Cotton Board. They show that the total compensation allowance to millowners comes to £16,624,000.

The Board has now released figures outlining the shape of the industry after reorganisation has been completed and before the mills start to re-equip with more up-to-date machinery. The following will be the pattern:

Spinning: 6,619,000 ring spindles and 2,973,000 mule spindles will be left; 3,408,000 ring spindles and 7,332,000 mules will be scrapped.

Weaving: 154,497 looms remain; 104,747 are to be scrapped.

Doubling: 1,038,000 doubling spindles are left; 571,000 are to be scrapped.

Commenting on these figures, a spokesman of the industry said: "More than enough capacity remains to meet requirements, with only a comparatively modest extension of the shift working."

PROBLEM OF COFFEE SURPLUS

REVISION OF MARKETING POLICY NEEDED

COFFEE is an important commercial crop of India and a major industry of Mysore State, where it is largely confined. The total annual crop of coffee is worth Rs. 18 crores, of which about Rs. 7 crores are earned by way of foreign exchange. Of the 40,000 growers of plantation crops in the Malnad areas of Mysore and Coorg, coffee crop accounts for the bulk and nearly 100,000 wage earners and salaried employees directly depend on coffee industry. The importance of the industry as a foreign exchange earner has grown in recent years, following the rapid rise in production. In ten years, the crop has grown more than threefold, from 15,800 tons in 1947-48 to over 46,000 tons in 1958-59, to be precise. This can be said to be a remarkable achievement in Indian agriculture, especially for a fruit crop of a perennial plant. The growth is due mainly to the marked rise in the yield per acre from 150 lbs. to nearly 400 lbs. during the ten-year period. The area under coffee, it may be noted, has gone up by only about 20 per cent. from 221,000 acres to 260,000 acres. It will be interesting to note here that, a decade ago, the coffee crop was barely sufficient to meet the internal consumption, not to speak of exports. The position has, however, undergone a change. Thus, in spite of home consumption rising from 15,000 tons in 1947-48 to about 30,000 tons, the country is left with a large surplus, which could be sold abroad.

Rise in Internal Prices

A curious phenomenon is that, notwithstanding the record output of coffee, internal prices have been rising in recent months and that at a time when the prospect of finding profitable disposal of the surplus abroad at reasonable prices is becoming more difficult, consequent on the sharp rise in output abroad and the resultant huge accumulation of stocks and fall in world prices. Much public attention has been drawn in recent months by the sharp rise in domestic price of coffee. An idea of the extent of increase can be had from the following comparative table of prices fetched at the auctions held in Coimbatore:

	(Per 50 kilos)	
	4-9-1959	17-6-1959
	Rs.	Rs.
Plantation "A"	314.94	285.73
" " "PB"	315.92	286.21
Arabica Cherry Flats..	No stock	No stock
" " "PB" ..	No stock	No stock
Robusta Cherry Flats..	170.37	179.12
" " "PB" ..	171.35	175.19
" " "PB" ..	178.17	177.18
" " "PB" ..	177.18	178.15

Source: Indian Trade Journal, based on figures supplied by the Indian Coffee Board.

Since the middle of September, however, there has been a decline in prices. According to the Coffee Board's latest News Letter, a few lots of Plantation "PB", "A", "B" and Triage were sold at Rs. 280, Rs. 270, Rs. 260 and Rs. 250 per 50 kilos (cwt.), while the majority of lots were sold at the following rates:

	(Per 50 kilos)	
	Rs.	Rs.
Plantation "PB"	242.85	247.00
" " "A"	225.00	255.00
" " "B"	205.00	230.75
" " Triage	185.10	224.10

The decline in prices in recent weeks does not appear to be reflected in retail prices yet. It remains to be seen when and to what extent it will do so.

Cornering Activity

Be that as it may, the rise in coffee prices in recent months is attributed by the Coffee Board to the cornering activity of a group of dealers, who jointly bid coffee at auctions at high prices. "The object of such joint bidding," the Board says, "was apparently to see that all plantation coffee was withdrawn by the Board from the sale, the result of which would have been that other dealers would not get any Plantation coffee in that sale and, during the scarcity that would follow in the market, they could liquidate their earlier purchases at high levels." The Coffee Board would appear to have foiled this alleged attempt at cornering by fixing limits on the quantity released to them at the prices bid by them and offering the balance to other bidders. The Coffee Board adds that the dealers were found to have not removed the

Plantation coffee from the Pool agents even after they had paid for the lots declared to them. It concludes that "it is such practices which create artificial scarcity conditions and lead to soaring prices."

These allegations only confirm the inefficiency of the Coffee Board and its failure to take prompt measures long ago to check such activities. Being solely responsible for the marketing of coffee, the Board cannot escape its responsibility for the high prices being paid by consumers for a surplus commodity like coffee. It is all a question of tact in the handling of the situation. The Board ought to know how to defeat the speculators. If it does not know, the least it should do is to take into confidence the responsible sections of coffee producers and traders and evolve policies and procedures which, while ensuring a reasonable return to the grower, will not hit the consumer and the honest middlemen. As Mr. U. K. Lakshman Gowda, Chairman of the Mysore State Planters' Association, rightly admitted, in his address at the first annual general meeting of the Association held in Mysore on the 26th inst., it is in the interest of producers and traders that coffee is made available to the public at reasonable prices. But they are helpless in that they have "little to do with marketing or in the export policy or control over distribution" of coffee. He revealed that the planters had submitted a scheme to the Expert Marketing Committee on Coffee on this important subject, but it is not known what the Committee has done about it. The Committee's report and the Government's decisions thereon are long overdue. One does not know who is at fault, the Committee or the Government. Here is another instance of waste of taxpayers' money; for what good is it if an expert committee meant to solve a critical problem does not submit its report in time or the Government quietly sits on the report? The crux of the coffee problem boils down to this: whether coffee crop rising at such a rapid pace, as it has done in recent years, can be marketed at prices reasonable to consumers and economic to growers.

Rise in Prices Justified

Mr. Lakshman Gowda, however, seems to justify to some extent the recent rise in coffee prices. Commenting on the price situation, he says:

"In recent months, there has been an increase in internal prices of Plantation coffee and public criticism against this trend has become pronounced. It will appear that while, on the one hand, there is a good crop and world surplus, on the other, there is an increase in internal price. The Government policy, with a view to earning the greatly needed foreign exchange, being to export more coffee, in a surplus market, we have to export our best varieties and our best grades were increasingly exported in the early part of the year and the price for the limited stock of Plantation coffee left rose sharply in recent months. But there was plenty of coffee in other varieties and types which the market was reluctant to take and naturally the price of other types remained moderate and the rise taking place in Plantation coffee alone.

"In this connection, it must also be remembered that, although the total production of coffee has gone up, the actual increase in respect of Plantation coffee is not so pronounced as in other types, as Arabica Cherry and Robusta. Plantation coffee, being in greater demand both in the internal market and abroad, the prices of this variety of coffee has in recent months risen, whereas the prices of other grades and varieties which form nearly 65 per cent. of the total production remain around the basic level. What many of the critics of the recent rise in price of Plantation coffee overlook is that rise in price for coffee is not an isolated event in India unrelated to the rise in prices of other commodities in consumption."

The Chairman of the Mysore State Planters' Association is of the view that internal prices will have to rise in coming years, if the return to the growers is not to be affected. His reasoning runs as follows:

"Since 1952, the internal prices are controlled and held at below the minimum return guaranteed to the producers. This has been made possible by the high price realised on the exported coffee. When there is a tendency for the export price to fall below the internal price, as is happening now in the case of Robusta coffee, there will not be any surplus to cover the shortfall in internal sales prices and, consequently, the internal prices will have to rise to make it true to the price paid to the grower. We might very well be faced with this situation in the coming years."

Mr. Gowda's argument seems to be based on the assumption that the minimum price to the producers should not be reduced, even though

production per acre has risen, with a consequent reduction in costs. There does not seem to be much logic in this contention.

There is every indication that the output of crop will grow at a much rapid pace and the industry is, therefore, concerned with the problem of marketing the prospective increase in supplies. Mr. Gowda disclosed that "there is an almost continuous process of regeneration and replacement going on and that well tended coffee can go on producing for many decades." According to some experienced planters, coffee production in India may exceed 80,000 tons within the next ten years. The problem can be solved, according to Mr. Gowda, by raising internal consumption at the rate of 10 per cent. per annum and by increasing exports. From about 3,000 tons in 1950, exports have grown to 16,000 tons this year. The planters envisage that, by 1965, exports will be increased to about 30,000 tons and internal consumption to about 40,000 tons.

Production Trend

A noteworthy feature of the recent trend in coffee production is the lack of uniform growth among the three main varieties, particularly in the case of Arabica and Robusta. Since 1952, there has been an increase of 28,016 acres in the area under Robusta and a 200 per cent. rise in production, from 6,738 tons to 20,284 tons. In the case of Arabica, while production during this period has gone up by 76 per cent., that is, from 14,184 tons to 24,818 tons, the area under cultivation has actually declined by 7,653 acres. Thus, there seems to be shift in cultivation from Arabica to Robusta. This raises the problem of giving suitable incentives to planters for growing those kinds of coffee that are preferred by consumers. The producers, in general, and the Board, in particular, are confronted with the question: should growers be given the actual realisation for their particular variety of coffee in the market or an incentive price which will encourage the growth of a particular variety? Referring to this problem, Mr. Gowda said:

"If there is a strong preference in the market for a particular variety of coffee, the difference should provide an incentive to the grower. But marketed, as they are, through a Board, some of the forces of a free market, preference are lost or not sufficiently expressed in the ultimate price realised and paid to the grower."

So it is the marketing system and the pricing policies that are defective. These have become outmoded, thanks to the transformation that has taken place in the coffee situation. They are badly in need of reorientation. But Government machinery always moves slowly, bringing a bad name for the industry and trade and misery for consumers. The Coffee Board, dominated as it is by officials who have no practical experience and who are too old to learn things quickly or to act promptly, can be no exception.

Fertilisers

There are two other questions, having an important bearing on production and marketing of coffee, to which Mr. Gowda drew pointed attention. The first one is the shortfall in supplies of fertilisers and other equipment. This problem is not beyond the capacity of the Board to solve. For, according to Mr. Gowda, the total requirement of imported material does not exceed Rs. 30 lakhs per annum. It is stated that supply of imported fertilisers has been reduced by 50 per cent. and Mr. Gowda warned that, unless the per-acre yield was further raised, which in turn was dependent upon availability of fertilisers, the industry would not be able to face the future with strength, what with an impending rise in costs and an equally immediate possibility of fall in prices. Surely, an investment of the order of Rs. 30 lakhs on fertilisers and equipment is worthwhile on an industry which grows a crop worth Rs. 18 crores per annum and earns Rs. 7 crores by way of foreign exchange.

The second problem is paucity of curing facilities. Although production of coffee has gone up markedly, there has been no commensurate expansion in curing facilities. This backwardness was attributed by Mr. Gowda to lack of adequate incentive and uncertainties about the future in the field when the same investment in other fields was likely to give greater security to the investor, less annoying controls and better returns. The problems of coffee industry can, in fact, be handled more deftly and solved satisfactorily by the Board by giving larger representation on it to the growers and by listening to their views with a little more consideration. After all, the Board owes its origin and growth to the planters, who have nourished it to its present size and position.

LAND REFORMS AND PLANTATIONS

ORGANISED AND MOST EFFICIENT FORM OF AGRICULTURE IN DANGER OF STAGNATION

KERALA has already posed the Central Government with a question as to the real area of control the Centre can exercise over a controlled industry when at some point the State's right of control intervenes. Plantations provide a case in point. Land is a State subject and the States are about to or have already legislated on limitation of holdings. Plantations are organised agriculture and the three major crops, tea, coffee and rubber are under Central control by virtue of the three Acts, the Tea Act 1953, the Coffee Act 1955, and the Rubber Act 1955, respectively.

Contrary to popular impression, the Kerala Agrarian Relations Bill does not provide exemption to plantations. All it does is to impose a special ceiling on plantation holdings, namely, the actual area under plantation plus 20 per cent. of reserve where such reserve is contiguous to the planted property. In other words, the industry is put under a definite limitation, each unit frozen to its present size, except for the conditional expansion of 20 per cent.

What is Wrong?

The natural question is: what is wrong with a ceiling for plantation when ceiling is applied to all other land? With a certain amount of logical absolutism, this argument is generally used against any move for considering organised plantations on a separate footing. Two public bodies to give any consideration to plantations in relation to ceiling were the Planning Commission and the Plantation Inquiry Commission. The former has argued the case well for leaving the existing units undisturbed. The latter has gone further and suggested that land be reserved for the expansion of the industry apart from exempting existing units.

The Planning Commission's approach to this question was unfortunately conditioned by its limited knowledge of plantation economics. It was, therefore, strong on principles but weak on specific facts. It had no clear idea of what constitutes a plantation and did not quite realise what would happen once planted units are frozen at their present individual sizes. Imagine for a moment that the land Bills prohibiting expansion had come into being in 1900. There would have been no plantation industry as such today. Once it is agreed that plantations form an organised enterprise, consisting of composite and integrated agricultural units, and that for these reasons they are worth having, the arguments for growth are irresistible.

Three Possible Grounds

There are three possible grounds on which the Planning Commission could have recommended exemption to existing units without leaving scope for expansion. One is that, in its opinion, the industry has already reached the desirable overall size. Another is that it cannot recommend expansion for plantations when it proposes ceilings on the rest of agriculture. The third is that it did not really consider the question of expansion and the most it was called upon to do was to save the existing industry from dismemberment.

The plantation industry grew to its present size from small beginnings. The beginning was with small units which in course of time were expanded to sizes which would support modern managerial practices. But there is no recognisable size which could be universally applied to all the units in the industry.

A 1,000-acre tea estate in Peermade yielding 1,000 lbs. per acre may earn only half of what an estate of the same size producing the same quantity may in the Nilgiris or Kanan Devans. This is only one of the instances illustrating the extreme difficulty of fixing any optimum size for plantations. Distance from the selling centre, quality of the product, the prices fetched, the yield per acre and many other factors influence the earning capacity of a unit and any attempt to determine a size applicable to the whole industry would be foolish.

Whatever the merit of imposing a ceiling on agricultural holdings, it is generally conceded that it is destructive to organised semi-industrial enterprise like plantations. If plantations are exempted from the limitations of common agriculture and it is not possible to predetermine the optimum size of a unit from the point of view of economic viability, the obvious course is to allow each unit to expand according to available resources and convenience. In the

South at least it cannot be said that plantation areas will take away any land from common agricultural crops. In hill areas of the west coast where plantations are located, there is hardly any prospect for other economic crops. In other words, plantations would hardly interfere with the scheme to impose ceilings on common agriculture in the plains.

Contribution To Exchequer

Economic development in an excessively agricultural country depends on the diversion of surplus from agriculture to other forms of economic activity. The plantation industry is the largest contributors to this concept. An average tea estate pays to the Central and State coffers an average of over Rs. 500 and in certain cases over Rs. 1,500 per acre!

There is always some confusion as to whether plantations require further expansion. The Plantation Inquiry Commission considered this question and made certain estimates of production and demand. Making its estimate for 15 years from 1956 the Commission calculated as follows:

	Coffee (In tons)		
	Arabica	Robusta	Total
Increase in consumption in 15 years	10,500	4,500	15,000
Estimated Indian consumption in 1956	14,700	6,300	21,000
Total supplies required in 1971	25,200	10,800	36,000
Exports according to 1956 proportion	8,000	1,000	9,000
Production required by 1971	33,200	11,800	45,000

Source: Plantation Inquiry Commission Report on Coffee.

Invest in NATIONAL WAREHOUSING PROGRAMME

Help the Nation
Preserve Agricultural Produce
and Produce More

3½% Income-tax free dividend guaranteed by the Government of India on shares issued by

THE CENTRAL WAREHOUSING CORPORATION

(Established under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956)

Authorised Capital .. Rs. 20 Crores

Issued Capital .. Rs. 10 Crores

Each share is of the face value of .. Rs. 1,000/-

(Repayment of the principal is guaranteed by the Central Government)

Subscriptions still open to following Categories:

- (1) Scheduled Banks.
- (2) Insurance Companies, Investment Trusts and other classes of financial institutions.
- (3) Associations Recognised under Section 6 of the Forward Contracts (Regulation) Act 1952 and Joint Stock Companies dealing in agricultural produce.

Closing Date - December 31, 1959

Issued by
THE CENTRAL WAREHOUSING CORPORATION

11, Parliament Street, NEW DELHI-1

DA59/311

It is obvious that something has gone wrong with these estimates. Within three years of this estimation, the coffee industry produced more coffee than was estimated for 1971! Indian consumption in 1959 is estimated at over 30,000 tons and allocation for export was over 16,000 tons.

Rubber consumption was estimated by the Commission at 40,000 tons by 1960 and 65,000 tons by 1970. Actual consumption exceeded the figure of 40,000 tons last year and the Rubber Board's estimate of demand for rubber in 1959 is over 55,000 tons. Manufacturers estimate next year's consumption at over 60,000 tons, as against 65,000 tons estimated by the Commission for 1970.

Similar errors of estimates were made by the Commission in the case of tea but the reason for such error lay in not recognising the bouncing vitality of the plantation industry against a growing national economy.

Fixed Idea

The planters have shown the way for the most efficient land utilisation in the country; they do not interfere with the reform schemes for rural lands; they pay the largest amount of taxes per acre for any land cultivated, and they are the most valuable earners of foreign exchange for the country. By normal reasoning, they among all should have escaped the scythe of land ceilings. But political slogans have such hypnotic qualities that State Governments and politicians are held, as if in a vice, to the fixed idea that ceiling is an absolute necessity and the decision is immutable.

The Kerala Agrarian Relations Bill, the Presidential assent to which is now a matter of higher politics, contains provisions which make nonsense of any exemption provided. Under certain circumstances, a shareholder of a company owning a plantation could force its fragmentation. The Bill, of course, confers on the Government power to provide exemption to land intended to be planted with plantation crops. But, in actual practice, this will be of no meaning. Any land which is surrendered under the Act—if the objective of the Act is fulfilled—would have been already distributed, occupied and cultivated on by the time the Government would be in a position to exercise its powers of exemption. Probably, more because of the political situation, almost the entire opposition in the Kerala Assembly registered its opinion in favour of total exemption for plantations.

In Mysore, the political situation is different and Congressmen are more royalist than the King-Emperor. Most of them believe that a ceiling must be applied irrespective of all consideration of purpose or effect and a socialistic pattern is the automatic end result of its application. They are not only not prepared to discuss the point but are offended by, and deeply suspicious of, anyone who presents a case for reconsideration.

Mysore Bill

The Mysore Bill differs from the Kerala one in certain particulars that affect plantations. Both the Bills appear to provide for exemptions but the Mysore Land Reforms Bill refers to "plantation crops" and not "plantations". The result will be utter chaos, if the crops are exempted and not the plantations. A plantation is a composite holding, growing a major crop but consisting of approach and inspection roads, water sources, fuel reserves, grazing land, playgrounds, drying or sorting grounds, cattle sheds, housing colonies, school fields, windbelts, jungle reserve and enclaves on which no planting is possible. The size and requirement of each one differs from estate to estate and no practicable norms can be laid down. Clauses 69 and 71 of the Mysore Bill, read with clause 68, would have the effect of first exempting existing plantations and then preventing the exempted plantations from passing from one hand to another. For instance, a 500-acre estate may be exempted under clause 68(a). If the same owner comes into possession of 5 acres newly after the Act comes into force, he shall not only have to give up the additional acreage of 5 but 405 acres, because clauses 59 (1) and (3) and 71 place rigid limit on future acquisition. If it was the concern of the Bill to preserve existing plantations from fragmentation, then it is defeated by placing a prohibition on the transfer of an "exempted" property. The fact is that the blind and compelling motivation is not the preservation of a valuable asset, recommended by the Planning Commission, but the adherence to the idea of a ceiling, come what may. The most that can be hoped for is that wiser counsels will prevail in the legislature.

Progress is the sum of KNOW-HOW plus RESOURCES

Regarded with little favour—even for household uses—by the ordinary man-in-the-bazaar less than 20 years ago, aluminium has today become the engineers' favourite light metal. It is now fast replacing other metals and wood in the construction of railway coaches, bus bodies, aircraft and ships.

The wide acceptance that aluminium has come to enjoy as a structural material is largely due to the ceaseless efforts of Indian Aluminium Company, which today accounts for over 90% of the country's total production. Pioneer and leader of the aluminium industry in India, Indian Aluminium Company has continuously sought to promote new applications of this versatile metal and has frequently expanded its production facilities to meet the increased demand thus stimulated.

To do this two-fold job of promotion and expansion Indian Aluminium has been uniquely well-placed. It has drawn fully upon the technical and research facilities of its Canadian associates, Aluminium Limited—the world's largest group of aluminium companies. And now, Indian Aluminium stands ready to contribute all its know-how and resources towards achieving India's self-sufficiency in aluminium.



Indian Aluminium Company Limited

A CANADIAN-INDIAN ENTERPRISE

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,
are now ready to serve your needs with all types of high class
"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

In all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

In all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

NEW PUBLICATIONS

Report on the Administrative Survey of the Surat District. By N. B. Desai. Published by the Indian Society of Agricultural Economics, 46-48, Esplanade Mansions, Mahatma Gandhi Road, Bombay. Pages : 336. Price : Rs. 12.

THE Report on the Administrative Survey of the Surat District contains the findings of a research study of the structure of revenue administration and the working of Government departments and institutions concerned with rural development in the Surat district of Bombay State. The survey was carried out by the Indian Society of Agricultural Economics on behalf of the Research Programmes Committee of the Planning Commission. The report has been divided into three parts, composed of nine chapters. The first part gives a historical review of the district administration in the Moghul and British periods, and of the development of administrative responsibility in the post-independence period and outlines, in general, the present structure and set-up of administration in the district. The second part critically examines the procedures and practices followed in revenue offices, right from the Collector's office at the district to the lowest village unit. The third part deals with the structure and set-up of district development departments and organisations, and also the role of statutory and non-statutory agencies connected with district development activities. It also discusses the problem of co-ordination between departments of district administration and district development agencies. Although the survey relates exclusively to Surat, its findings are of wider applicability.

The author has made some valuable suggestions to streamline and tone up the district administration, consistent with the growing demands of economic development. Dr. Desai is not in favour of any radical changes in the present set-up. Nevertheless, he lays considerable emphasis on the need for a basic change in the spirit, rather than in the form, of the existing system of administration. This book will be read with profit by students of both rural economics and civil administration no less by the general readers and powers-that-be.

Report on an Enquiry into the Working of the Bombay Tenancy and Agricultural Lands Act, 1948 (as amended upto 1953) in Gujarat (excluding Baroda District). By M. B. Desai. Published by The Indian Society of Agricultural Economics, 46-48 Esplanade Mansions, Mahatma Gandhi Road, Bombay-1. Pages: 96. Price: Rs. 4-00.

In no field is the inductive method of arriving at conclusions more necessary than in agricultural economics. For a country of India's continental size and large dependence on agriculture which is the major occupation of the people, the number of surveys which have been conducted is very small indeed. The book under review sets forth the data which were gathered in the course of a research project which was both sponsored and financed by the Research Programmes Committee of the Planning Commission. Mr. M. B. Desai who directed the research has brought together the facts which emerged from the survey and the conclusions which were derived from it. The survey covered 52 villages in both the ryotwari and non-ryotwari districts of Gujarat, the objective of the enquiry being to find out the results of the working of the Bombay Tenancy and Agricultural Lands Act 1948.

It is pointed out that the inferior social status and the low standard of literacy of the tenants appear to be the two important contributory factors impeding the smooth and successful working of the provisions of the Act which, as is well known, is intended to benefit the tenants. There has been extensive voluntary surrender of lands by tenants aggregating about 150,000 acres upto June 1955. In the absence of details, it is stated, it is extremely difficult to precisely indicate how much of the surrender was genuinely voluntary. Eviction of protected tenants during 1951-54 was considerable, involving 27 per cent. of the tenants. Similarly, during 1952-55, 38 per cent. of the evictions arose due to failure by tenants to pay rent. About 6 per cent. of the tenants examined failed to acquire protected tenancy rights due to faulty records. Another 13 per cent. who were mere sub-tenants could not be covered by the legislation.

It is stated that, in general, tenants have not yet grown conscious of the need for an

proving productivity. They are content with traditional farm practices and land improvements. Clearly, the obvious conclusion seems to be that legislation by itself can be of little avail to the agricultural population, unless it is supplemented by educative effort. Again, as Mr. Manilal B. Nanavati, President of the Indian Society of Agricultural Economics, points out in his foreword, by and large, traditional farm practices among the tenants who have not yet grown conscious of the need for improving productivity still characterise a large sector of the farm economy. There is thus a clear case for greater effort in the cause of increased productivity in the rural areas.

The All-India Rural Credit Survey—District Monographs. Published by the Reserve Bank of India, Bombay, (i) Akola District, Bombay. Pages: 174. Price: Rs. 8.00. (ii) Jullundur District, Punjab. Pages: 124. Price: Rs. 6.50. (iii) Monghyr District, Bihar. Pages: 141. Price: Rs. 6.50. (iv) Bhatinda District, Punjab. Pages: 104. Price: Rs. 5.50.

The Report of the All-India Rural Credit Survey (1954), conducted by the Committee of Direction appointed by the Reserve Bank, covered over 130,000 families resident in 600 villages in 75 selected districts spread all over the country. Preliminary monographs had been prepared for each of these districts, which served as background for the Report. The four district monographs under review are selected out of these preliminary studies for revision and publication. While the methodology followed in the monograph is the same as that in the Report, the monographs have been able to focus particular attention on special problems in the districts, besides presenting a review of the detailed economic and credit pattern of the districts concerned.

A similar pattern of investigation is followed in all these monographs. The data presented in each district monograph are based on field investigation in eight villages selected by adopting the stratified random sampling method. The first part of the monograph gives an account of the main features of the agricultural economy of the district concerned and the selected villages, with particular reference to land utilisation, crop distribution, crop rotations and combinations, marketing, land tenures, etc. This is followed by a detailed account of borrowings and credit requirements. Each monograph also gives a description and assessment of the working of the rural credit organisations. These surveys have brought to light a wealth of information on such subjects of vital economic interests as rural indebtedness, sources of finance, family and capital expenditures and current farm operations. The monographs must appeal to students of India's rural economy, co-operators and policy-makers.

Japan Trade Guide 1959—with a comprehensive Mercantile Directory. Published by the Research Institute of Japan, No. 2, Hibiya Park, Chiyoda Ka, Tokyo, Japan. Pages : 811.

A standard reference volume on Japanese foreign trade, the 1959 edition has improved upon its earlier editions both in terms of quantity as well as quality. Readers are relieved of the usual monotony natural to such trade guides by the succinct and stimulating articles included in the volume on major export commodities contributed by experts and also by a few select photographs. One section—a new feature of the present edition—contains detailed information on foreign trade and exchange regulations in Japan, which are particularly useful to overseas traders. The customary sections include those on foreign trade and export commodities, general trade information, Government and trade organisations, industrial resources and vital statistical data. The mercantile directory contains a classified list of manufacturers and traders.

The Law of Income-tax in India. By V. S. Sundaram. Eighth Edition. Published by The Madras Law Journal Office, Madras. Pages : 1,547. Price : Rs. 40.

The book under review is a most comprehensive exposition of Income-tax law. It is a well-known publication and, therefore, hardly needs any introduction. The fact that it is now in its eighth edition is itself proof of its popularity. A welcome feature of the book is that the author, Mr. V. S. Sundaram, traces the history of each section and explains its significance to

the scheme of the Income-tax Act. The other notable features are a table of important cases cited by the author in the course of the exposition of the law and an intelligently compiled index of topics dealt with in the book. The appendix carries the Income-tax Rules, the provisions relating to double taxation relief, notifications relating to companies and several other orders issued by the Government which have a relevance to Income-tax Law. In the course of his critical introduction to the book, the author brings out some of the important principles embodied in judicial pronouncements on cases which have come up before courts. We have no doubt the book will continue to be as popular as it has been so far.

Administrative Problems of State Enterprises in India—Report of a Seminar. Published by the Indian Institute of Public Administration, New Delhi. Pages : 188. Price : Rs. 2.25.

With the rapid growth of State enterprises in India during the last decade, the problems of their administration have assumed enormous importance in this country. In this context, the book under review will certainly be read with interest. The book is a collection of papers read at the seminar held at the Institute in 1957. The Seminar was attended by about 27 experts in the field. Subjects for discussions included parliamentary control of autonomous State enterprises, audit control and workers' participation in management, to mention only a few. The book is a valuable addition to the literature on public administration.

The Wealth of India. A Dictionary of Indian Raw Materials and Industrial Products. Industrial Products, Part IV—F.—H. Connell of Scientific and Industrial Research. Publications Directorate, Old Mill Road, New Delhi-2. Pages: 304.

This volume, which is the fourth in the series, contains 31 articles on the major, medium and cottage industries of India covering alphabets, F, G and H, from ferro-alloys to hydroquinone. Each article provides fairly exhaustive information on the development of the industry dealt with, its present position, the principal raw materials consumed and their sources and availability. Besides furnishing important statistical data on production and trade, a brief account is also included of the manufacturing processes in vogue in this country as well as in some foreign countries.

Cottage Industries and Planning. By R. V. Rao. Published by Vora & Co., Publishers Private Ltd., 1 Round Building, Bombay-2. Pages: 104. Price: Rs. 2.50.

Besides, a description of India's chief cottage industries, including khadi, handloom and cotton woollen industries, the book under review gives a succinct summary of the measures which should be adopted in order to enable these industries to play their part more effectively in national economy. The points the author emphasises in his book include the provision of credit to cottage industries, training of artisans and skilled workers and use of hydro-electric power in small-scale and cottage industries.

Statistical Atlas, Rajasthan. Compiled and published by the Directorate of Economics and Statistics, Rajasthan, Jaipur. Pages : 60. Price : Rs. 7.50.

In sixty beautifully presented and drawn maps, the book under review give the physical traits, the socio-economic conditions and the mode of life of the people of Rajasthan. A common lay-out and pattern has been used throughout this Atlas. A special feature of this useful publication is the use of colour and side illustrations of historical and tourist importance and/or a symbolic representation of the activity illustrated in the main map.

Recent Developments in Housing. By S. C. Aggarwal. Published by Jain Book Agency, Connaught Place, New Delhi. Pages : 175. Price : Rs. 4.00.

This is a useful compilation of what has been said on housing in India, together with an account of the Government's housing schemes. A few chapters are devoted to a discussion of the general questions relating to housing, such as housing research, modern concepts of housing standards and reduction in costs of building



For
thousands
of young men
a new life



begins at Durgapur Training completed, this young apprentice in Durgapur is on his first practical survey job in the field. When he becomes an experienced hand, efficient at his work, he will command a good salary and will have a future ahead, bright with promise.

In Durgapur today, ISCON, who are entrusted with the construction of the giant one million ton steel plant, have already helped to train up a large group of young Indians in the technical field. This is part and parcel of the ISCON scheme of collaboration—to work side by side with Indian technicians and workers, to instruct them on the spot and in steel factories in England so that in the future India will have, not only her steel plants but also technicians to run them.

ISCON
INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited, Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

PROSPECTS FOR SAHARAN OIL

NEW SOURCE OF STRENGTH TO FRENCH ECONOMY

WITH every passing year, the estimates of reserves of oil in the Sahara are being revised upwards. Through French effort, several discoveries of oil and gas have been made in recent years. From a figure of about 1½ million tons this year, the total crude oil production from the two main Saharan areas—the Edjele oilfield and the Hassi Messaoud oilfield—is expected gradually to rise to 10 million tons in 1960. Production is expected to go on rising to 25 million tons in 1962 or 1963 which would be approximately equivalent to the consumption of Metropolitan France. If all goes well, oil output could be doubled to reach 50 million tons in 1965. The discovery of oil and the prospects for its exploitation constitute a new source of strength to French economy inasmuch as the "franc" oil now made possible by the Saharan discovery will save France several millions of dollars every year which that country will otherwise have to spend on oil imports.

Sahara

The Sahara, as is well known, is the largest desert of our planet. From the Nile Valley to the Atlantic, from the southern slopes of the Atlas mountains to the banks of the Senegal river, the Sahara covers more than 2,000,000 square miles, and is the home of nearly 2,000,000 people. The 1,660,000 square miles forming the French Sahara are divided for administrative purposes among three groups of territories: Algeria, French West Africa and French East Africa. As in any desert, two problems are foremost in development plans: water and transport. Except in the bordering areas, the Sahara has an average rainfall of less than 3½ inches per year. No permanent river can thus survive; only wadies, which are swollen during rainy periods and disappear completely after a few days or even a few hours, can exist. Yet the rainfall is not entirely lost in evaporation. It sinks into the ground, and in a large part of the Sahara, hydraulic possibilities exist which simply require drilling to a certain depth in order to get at them.

Nevertheless, the Sahara desert has only very very limited agricultural possibilities. The real interest for the Sahara's future lies in minerals. As prospecting continues, the Sahara reveals more and more of its tremendous mineral wealth, including coal, iron ore, copper, lead and oil. It is the Sahara oil that has attracted world-wide attention. M. Jacques Soustelle, the Minister of State responsible for the Sahara, told the French Senate in July last that the known recoverable reserves of the Sahara could be conservatively estimated at 700 million tons of oil and 750 milliard cubic metres of natural gas. But no one can say what other reserves may be discovered in due course. Reviewing the development of the Sahara oil supplies, the Petroleum Press Service (October issue) observes that the month of October 1959 marks the opening of an "important new chapter" in the long story of French concern with oil supplies because it witnesses the commencement of shipments through the new large-diameter pipeline from the rich Hassi Messaoud oilfield in the Central Sahara to the Algerian port of Bougie, and thence to markets in France and elsewhere. In a year's time, the completion of another big pipeline, this time to Skirra on the Tunisian coast, will make possible the export of oil from Edjele and neighbouring oilfields. The geographical advantage enjoyed by Sahara crude for supplying Europe (which is by far the world's biggest oil importing area) virtually ensures that its offtake will find outlets.

Middle East

Examining the impact of the Sahara oil on Middle East economy, the Petroleum Press Service notes that it is the oil producing countries of the Middle East that will bear the brunt of the competition of Sahara oil in Europe. France is at present drawing nearly nine-tenths of its crude oil supplies from Middle East sources, this being much the same proportion (86 per cent. last year) as for the O.E.E.C. countries as a whole. For the Governments of Persia and the Arab countries, the advent of Saharan oil means the displacement of some of their oil and still sharper selling competition. It, therefore, spells lower incomes—not necessarily in the absolute sense, as oil consumption will continue to expand, but relatively to what they would otherwise have been. These countries must, moreover, face the fact that before many years have passed

room will also have to be found on the world market for oil from the Libyan fields. It seems virtually certain that Libya and the Sahara contain a vast new oil province, the exploitation of which will decisively affect the fortunes of the Middle East. But all the major oil exporting countries will be affected in one way or another.

By the same token, the opening up of these vast new resources near to a big importing area, it is stated, will have its effect on the demand for tanker tonnage and on the volume of traffic passing through the Suez Canal. North-bound shipments through the Canal are now running at over 100 million tons a year, a volume of traffic which may provide continuous employment for 10 to 15 million tons of tankers—or perhaps a quarter of the world fleet of 58.7 million dw. tons. While it is impossible at this stage to assess, with any pretence at precision, how this traffic and that of the pipelines will be affected by the growth of Saharan exports, the effect on tanker traffic will doubtless be considerable.

Oil Economy

It is thus apparent that the oil of the Sahara (and later that of Libya also), according to the journal, will make its presence felt to an increasing degree from now on. For the French the prospect is highly satisfactory; they will be the only major country in Europe virtually self-sufficient in oil. Western Europe will no longer be so dependent on Middle East oil supplies, and the strategic importance of the Middle East will be correspondingly diminished. Against these major considerations, the fact remains that, in the circumstances of today, so large an accretion of new oil in such a short time is bound to cause numerous headaches to oil companies and others engaged in the international oil trade.

SUPERSONIC FLIGHT

The next step in commercial aviation, it is now confidently predicted, will be a transport vehicle, capable of flying from New York to Amsterdam in less than two hours, 116 minutes to be precise. This view was expressed by Dr. Hal Hibbard, Senior Vice-President of the Lockheed Aircraft Corporation, California, U.S., in the course of the Dr. Albert Alesman Memorial Lecture, delivered recently. This revolutionary improvement is likely to be made possible by the pace of progress in supersonic flight. Dr. Hibbard predicted that the transport which will cruise in the Mach 3.0 to 3.5 range (one Mach is roughly 650 miles per hour) would be in operation in 1965, if current plans were implemented. He even forecast the possibility of commercial transport at Mach numbers above 5.0. He disclosed that design studies had been executed on both winged and wingless take-off commercial transport, having a cruising speed of Mach 6.0 to 7.0 and a range of 3,500 nautical miles with reserves. Further research remained to be accomplished to settle the

question of winged or wingless vehicles at Mach 3.0 and higher.

Few people realise the tremendous rate at which experience in supersonic flight is being currently gained. According to Dr. Hibbard, the high speed aircraft of the American Air Force and Navy were doing many thousands of flight hours per day, of which approximately 1,000 were supersonic. With the supersonic flight time of the remainder of the free world, estimated at about 500 hours daily, supersonic flying hours now amounted to an annual rate of nearly half a million. This impressive background, according to Dr. Hibbard, provides a firm basis for the forecasting of commercial air transport in the supersonic area. The other important points made by Dr. Hibbard in his lecture included:

(1) At subsonic speeds, high range and structural efficiencies result in a substantial payload. This corresponds with the known performance of our long-range commercial transports of today. As the cruising speed approaches Mach 1.0, the quantity of fuel required for a 3,500 nautical mile flight rapidly increases, with the result that a speed regime exists in which no payload can be carried.

(2) This highly inefficient flight regime extends from approximately 0.90 Mach number to the Mach 1.5 region. Above Mach 1.5 cruising speed, it becomes possible to carry a payload again, and the magnitude of this payload steadily increases up to the Mach 3.0 region. If dry turbo-jet engines of the type currently being tested are utilised for speeds above Mach 3.0, the payload capability again vanishes at a speed of approximately Mach 3.5.

(3) As the flight speed is increased above Mach 3.5, it is necessary to make a transition from conventional turbojet engines to power plants of the turbo-ramjet or pure ramjet type. The outlook for carrying appreciable payload with dual-cycle power plants of the type based on present state-of-the-art, and at speeds above Mach 3.5 shows promise, but is not yet sufficiently attractive to provide a firm basis for commercial operation in the immediate future.

(4) The longer range attractiveness of this higher Mach number region, however, is clearly indicated when the payload available by use of 1970 ramjet performance is examined. Calculations indicate a payload potential of the same order of magnitude at Mach 5.0 with 1970 ramjet performance that we are currently experiencing subsonically, and will experience in the near future with conventional turbojet engines operating in the Mach 3.0 to 3.5 area.

(5) Despite lack of definite information at the higher speeds, attractive payload will be realised at speeds of Mach 5.0 or above, resulting in practical and economical operation.

In conclusion, Dr. Hibbard felt that the aircraft industry should be prepared to undertake increased research on its own, rather than depend on military initiative. He recalled that jet air transport was primarily the result of military support in research and development. Substantial experience acquired by the military was also responsible for the present development of Mach 3.0 to Mach 3.5 commercial aircraft. But, in future, military research might be almost entirely directed towards areas which had little in common with commercial aviation, such as space programmes. This meant that the development of future air transportation, particularly of Mach 6.0-7.0 transport airplane, might well have to be undertaken by the aircraft industry, without the advantage of military leadership.

KLM AIRLINE

KLM, which celebrated its fortieth anniversary on 7th October 1959, is one of the oldest airlines in the world. It is a non-subsidised, profit-making company, 51 per cent. of the registered capital of which is held by the Kingdom of the Netherlands. It has had a period of remarkable growth in the last 40 years, ranking third at present among the 250 airlines in the world today. In the first year of its birth, it carried an average daily traffic of only one passenger and 150 lbs. of freight and mail. Now it carries an average of 2,700 passengers and 80 tons of freight and mail daily. Its route network is the longest in the world, linking 105 cities in 74 countries. The impressive record of its service will be evident from the fact that, every 44 minutes, one of the 95 KLM airliners takes off or lands at some point on the globe.

The name of Dr. Albert Plesman is inseparably associated with the tremendous development of KLM. Until his death in December 1933, he directed the growth of KLM with his broad vision and indomitable energy. Among the notable achievements of KLM must be mentioned its inauguration in 1938 of a route over the North Pole between Amsterdam and Tokyo, thereby completing its round-the-world circuit. KLM also participated in the London-Christchurch air race in 1933, winning first prize in the handicap section with a DC-6A carrying a full load of emigrants.

With an eye to the new jet age of civil aviation, KLM has ordered not only 12 DC-8s which will be placed in service on the main intercontinental routes in 1960 and 1961 but also 12 turbo-prop aircraft of the Lockheed Electra type, which are specially designed for short and medium hauls. A couple of years ago, KLM introduced nine Vickers Viscount 800s on numerous European routes, so that the airline has already had a lot of experience with turbo-prop aircraft. With this fleet of turbine-engined airliners, KLM hopes to make a good start in the jet age, in which the faithful old piston engine will gradually be superseded by the lighter, more powerful, jet engine. The Electra will be equipped with four Allison 501 propeller turbine engines, which are based on the same principles as the Dart engine of the Viscount and thus offers the same advantages.

NEW PRODUCTS AND PROCESSES

Enamels for Textile Bobbins

WOODEN bobbins used in textile industry are coated with water-proof enamels for increasing their utility. Black enamels based on cashew-nut shell liquid or bhillawan shell liquid are already being produced and used for this purpose in India. For various practical considerations, however, bobbins in different bright colours are in demand. Coloured enamels which will withstand the rigorous use implied in bobbin coating are not known to be manufactured in India. Requirements of such coloured enamels for bobbins are met from imports.

The present annual production of textile bobbins in the country is estimated at 300,000 to 400,000 gross. On an average, one gallon of enamel is sufficient for coating about 3 gross bobbins. On this basis, the requirements of enamels for coating bobbins may be placed at about 100,000 gallons or 400 tons per annum.

A bobbin coating composition based on a mixture of modified urea resin and modified alkylid resin has been developed at the National Chemical Laboratory, Poona. The modified urea formaldehyde resin is prepared by reacting, under suitable conditions, appropriate quantities of formalin, urea and fuel oil. This is mixed in required proportion with alkylid resin modified with fatty acids derived from drying and semi-drying oils. Accelerators and thinners are added in desired quantities. The composition is blended with pigments to obtain the desired colour on application. Bobbins after conditioning are dipped in the unpigmented composition, air dried and baked. This is followed by two more coats, the second coat containing pigments while the final coat is without fillers. The composition has been tested by some of the leading paint manufacturers and is reported to have produced favourable results. The manufacture of the composition can be taken up by firms engaged in the manufacture of paints or urea formaldehyde resins. The equipment required for commercial manufacture consists of two reaction vessels, two ball mills and necessary tanks.

Soda Ash from Sambhar Bittern

A process for obtaining dense soda ash from Sambhar bittern, the liquid residue left over after recovery of common salt from the Sambhar lake water, has been developed at the Central Salt and Research Institute, Bhavnagar. Dense soda ash is used by the glass and dichromate industries. At present, the entire demand of this variety of soda ash, about 50,000 tons per year, is met through imports.

Sodium sulphate and additional quantities of common salt are also recovered in the process. About 150,000 tons of Sambhar bittern, considered so far a waste product, are available every year. Out of these, about 8,000 tons of soda ash, 15,000 tons of sodium sulphate and 40,000 tons of edible common salt can be produced. The process, details of which appear in an article in the September 1959 issue of the *Journal of Scientific and Industrial Research*, consists in adjusting the concentration of the bittern suitably and treating it at 100°C. whereby burkeite, a double salt of sodium sulphate and sodium carbonate, is thrown out from the solution and is separated. The remaining solution is subjected to solar evaporation to recover common salt of edible quality. Burkeite is processed further for the recovery of sodium sulphate and dense soda ash.

Extraction of Vinyl Chloride

The Shri Ram Institute for Industrial Research, Delhi, has developed a process for extracting vinyl chloride from alcohol and chlorine. Vinyl chloride is the starting material for the manufacture of poly-vinyl chloride or "P.V.C." resins which are one of the cheapest thermoplastics available and find wide application both in industrial as well as domestic fields. The technical know-how for the chlorination of vinyl chloride to form trichloroethane, another important raw material for the vinylidene-chloride-based plastics, has also been worked out. At present, the entire requirements of P.V.C. resins in India are met from imports, while about 60 tons of vinyl chloride monomer addition, about 60 tons of vinyl chloride monomer were also imported. The Government of India has already licensed four units for the manufacture of P.V.C. resins. One of these plants, with an annual capacity of 2,980 tons, is expected to go into production by 1961.

Pushbutton Phone

A pushbutton device for making phone calls, which may replace the rotary dial now in general use, is being developed by the Bell Telephone Laboratories in the United States. Manufacture of the new device has been made possible by the development of transistors, says the publication *Science Service*. Transistors are very small devices that amplify electronic signals while using little power and producing little heat. In many fields, they are now replacing the much larger vacuum tubes formerly used. Pushbutton telephones, now being tested, contain transistorised oscillators that generate two coded musical tones for each of the phone's 10 pushbuttons. The tones produced by pushing the buttons required for a call are transmitted to a central switching office, from where the call moves on to the recipient. This routing is similar to that of present switching systems.

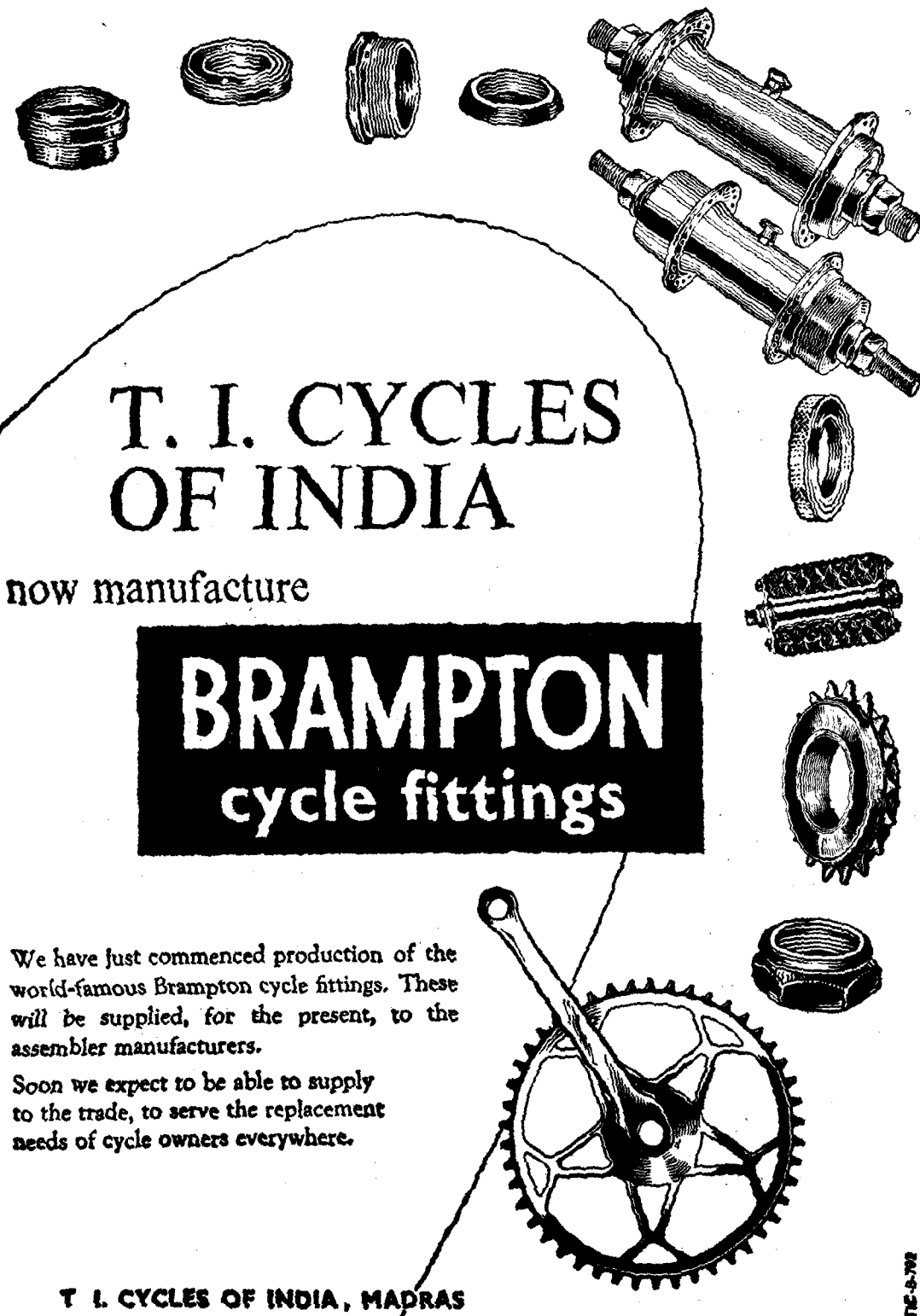
The Low Down on Cow Comfort

Encouraged by farmers, cows in the U.S.A. are learning to scorn their traditional straw in favour of something more luxurious—rubber. The rubber bedding is a good deal less expensive than straw and much easier to keep clean. Rubber mats 1 in. thick are installed individually for each cow and bolted into lead anchorages in the concrete stall. A quick sweep down every day is all the attention the mats need and they should last at least ten years without replacing.

Fly the all-jet route
to
Britain or Australia
by
Qantas 707 jetliners!

QANTAS
with
B.O.A.C.

BRITISH OVERSEAS AIRWAYS CORPORATION
WITH QANTAS EMPIRE AIRWAYS



T. I. CYCLES OF INDIA

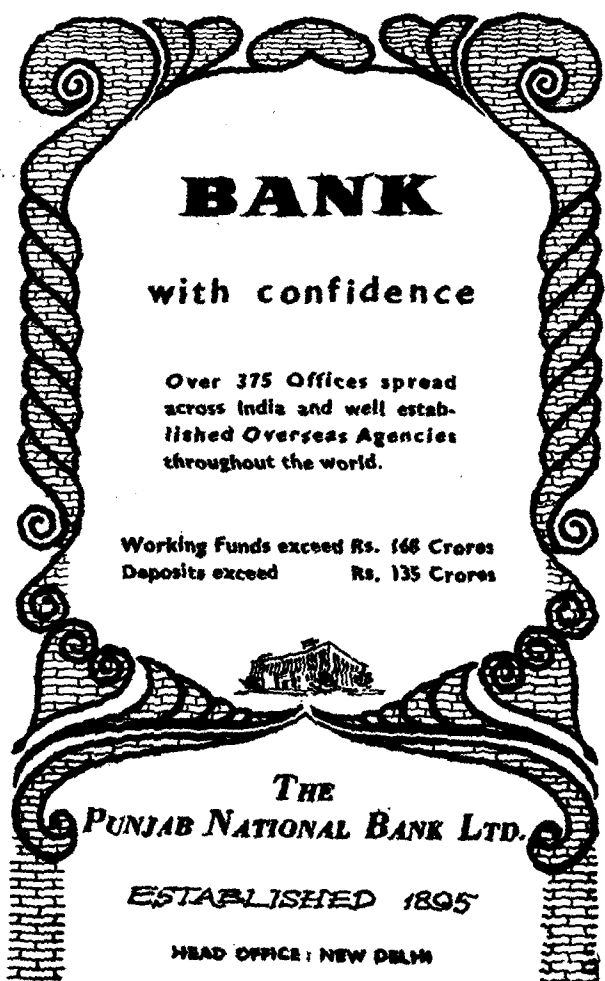
now manufacture

BRAMPTON
cycle fittings

We have just commenced production of the world-famous Brampton cycle fittings. These will be supplied, for the present, to the assembler manufacturers.

Soon we expect to be able to supply to the trade, to serve the replacement needs of cycle owners everywhere.

T. I. CYCLES OF INDIA, MADRAS



BANK

with confidence

Over 375 Offices spread across India and well established Overseas Agencies throughout the world.

Working Funds exceed Rs. 168 Crores
Deposits exceed Rs. 135 Crores

THE PUNJAB NATIONAL BANK LTD.

ESTABLISHED 1895

HEAD OFFICE: NEW DELHI

BETTER ROADS AND ROAD BEHAVIOUR KEY TO SMOOTH AND SAFER TRAFFIC

THE study week on traffic engineering and highway safety, jointly sponsored by the Indian Roads Congress and the Economic Commission for Asia and the Far East in Bombay this week, should serve to focus public attention on the need for ending the unsatisfactory condition of road traffic in this country. Although the number of vehicles and the density of traffic in India are low, as compared with Western countries, the number of accidents, traffic holdups, and congestions on Indian roads, especially in the bigger cities, are much higher. It has been calculated that, in Bombay City, every fourth private car met with an accident in 1958, every B.E.S.T. bus met with 4.5 accidents, every sixth motor cycle met with an accident, every 10th motor taxi met with an accident, and every seventh lorry met with two accidents. In monetary terms, nearly a sum of Rs. 4 lakhs per day is literally exploded into exhaust fumes alone in the city. This is a matter which should engage the attention of the Government and the Municipal authorities no less than the general public.

As the country progresses economically and the levels of living rise both passenger and goods traffic are bound to increase. Even in Britain, which surely has a far better road and traffic system, the cost of traffic delays and congestion in terms of fuel charges, vehicle wear and tear, etc., has been estimated at about £500 million a year. According to the calculations of the British Road Research Laboratory, costs of traffic congestion are increasing at more than twice the rate of traffic growth. Britain's motor traffic has a density of 36.6 vehicles per road mile or more than two to every hundred yards. If, as some estimate, road traffic doubles in the next ten years, the cost of traffic delays would increase from the present £500 million to £2,000 million a year. We are not aware of any such calculation having been made in respect of traffic in India, but we are painfully aware of the exasperating delays on roads.

Apart from the cost of traffic delays, which itself is an important consideration, there is the more important question of damage to vehicles and danger to life resulting from accidents. The number of accidents is increasing day by day and, unless effective steps are taken to enforce traffic regulations and instil road discipline in the minds of all those who use roads, the situation will deteriorate further. The importance of good road behaviour cannot be over-emphasised. On it depends road safety, rather than on the number of vehicles on the roads, or the pressure or density of traffic, or the state of the roads. Equally important is the state of roads. Bad roads mean more accidents.

Situation in Europe

In Europe, the highest percentage of accidents is to be found not necessarily in countries with the largest number of vehicles or the highest density of traffic or the worst roads. For instance, the highest number of accidents occur in Portugal and Yugoslavia—629 and 550, respectively, per 10,000 vehicles. Strangely enough, neither of these two States has a high number of licensed vehicles. Total number of licensed vehicles was 9.4 million in France, as of 1956, 6.9 million in West Germany, 6.49 million in Great Britain, 4.61 million in Italy, 1.27 million in Holland and 1.12 million in Sweden, while, in Yugoslavia and Portugal, it was 62,227 and 183,281, respectively. Among the nations with more than one million vehicles, West Germany had the highest number of road accidents in 1956, 418 for 10,000 vehicles. Belgium ranked second with 372 accidents, Great Britain third with 330 accidents, Holland fourth with 264 accidents and Italy fifth with 234 accidents per 10,000 vehicles.

In France, which had the largest number of vehicles, there were, in 1956, only 150 accidents per 10,000 vehicles. Sweden had the lowest number of accidents, namely, 140 per 10,000 vehicles. The number of deaths per 10,000 vehicles was the highest in Yugoslavia, namely, 80, followed by 29 in Portugal. Among other countries with high mortality figures are West Germany (18.6 per 10,000 vehicles), Luxembourg (18 per 10,000 vehicles), Switzerland (16.8 per 10,000 vehicles) and Italy (14.6 per 10,000 vehicles). The lowest number of deaths per 10,000 vehicles was in Sweden, being as low as 7.9.

An analysis of fatal road accidents for countries for which figures are available showed that

the most unfortunate road users were pedestrians, although the danger they face, is not graver than that of the pedal cyclist. Motor cyclists show a higher death rate than motorists. The latter enjoy greater protection from the very structure of the vehicle they are driving. Leaving aside Yugoslavia, the most difficult country for motorists is West Germany where the figure of 3.6 deaths per 10,000 vehicles in 1956 represents the highest percentage for those nations with intense motor traffic. Switzerland follows with 1.9, Belgium and Denmark with 1.4, Holland and Sweden with 1.2 and Italy and France with 1.1.

The most important factor in road safety is good road behaviour by pedestrians and motorists. Improvements to roads do not necessarily bring about a reduction in the number of accidents. In fact, countries like West Germany, famous for excellent roads, have the highest accident index. Nor does traffic density seem to have any direct bearing on the accident level. France, with the highest number of licensed vehicles on the European continent, has a lower number of accidents per 10,000 vehicles than countries with slight traffic like Yugoslavia.

Three Factors

There are three factors which came into play in traffic accidents, namely, the road, the vehicle and the road user. The deplorable state of the roads in the major cities of India cannot fail to strike even a casual visitor. More attention should be paid to the maintenance of roads and the check on vehicles put on the roads should be stricter. Vigorous efforts should be taken to instil road discipline through traffic education, not only of school children but of city planners, road builders, traffic control authorities, all types of road users, in fact, everyone who has anything to do with roads. Automobile associations and motor insurance companies, who have a direct financial stake in the condition of road traffic, should take greater interest in promoting better safety climate.

Motor insurance throughout the world is notoriously unremunerative. In India, too, thanks to the high claim incidence and mounting repair costs, the motor portfolio is year after year in red. While automobile owners, already heavily burdened with the high price of petrol and crushing taxes, grumble and protest at the rise in premium rates, insurers complain of continuing losses. The latter have therefore been forced to raise the motor tariff rate from time to time. The latest increase in premium was made last year when private car and motor cycle comprehensive cover rates for risks in Bombay City and the island of Salsette were raised by 40 per cent. It was the third upward revision in premium rates in Bombay since 1949 and automobile owners strongly protested against it. Insurers pointed out that, in spite of the increases, the loss ratio continued to be very high. It was pointed out that the ratio in 1953-55, on which last year's rates were based, was as high as 73.33 per cent, and that there was no other alternative to raising the premium. The solution to the problem lies in reducing the number of accidents involving high claims.

RUBY GENERAL INSURANCE

The Ruby General Insurance Company Ltd. (General Manager: Mr. B. K. Setalvad), which was founded in 1936, has, during the 23 years of its existence, grown into one of the leading insurance companies of the country. Its business has steadily expanded, to yield a net premium of Rs. 1.32 crores in 1958, as against a mere Rs. 2.85 lakhs in 1936, representing a forty-six fold increase in twenty years. To sustain this expanding business and to give it a sound financial basis, the capital and reserves of the Company have been progressively strengthened. Capital and funds, which stood at a modest figure of Rs. 16.76 lakhs in 1936, have increased to Rs. 1.19 crores at the end of 1958.

Reflecting the strain on general insurance business during 1958, the combined net premium income of the Company, according to the audited accounts for the year ended 31st December 1958, showed a slight decline to Rs. 1.32 crores, from Rs. 1.33 crores in the previous year. The fall occurred in the miscellaneous and marine sections, wherein premiums declined from Rs. 63.22 lakhs and Rs. 17.58 lakhs in 1957 to Rs. 59.73 lakhs and Rs. 15.72 lakhs respectively, in 1958. The fire department, on the other hand, received a higher premium income of Rs. 56.40 lakhs, as compared with Rs. 52.01 lakhs in 1957. Despite the lower aggregate net premium the net profits were higher, thanks to the higher return on investments and the reduction of losses in the miscellaneous and marine sections as a result of the cautious underwriting policy followed in these two departments.

The dividend has been maintained at the last year's level of 62 nP per share of Rs. 8 paid-up, free of income-tax.

Net premium in the fire department, as already stated, amounted to Rs. 56.40 lakhs, as compared with Rs. 52.01 lakhs in the previous year. Net claims paid and outstanding aggregated Rs. 23.89 lakhs and commission and expenses Rs. 23.87 lakhs. After maintaining the reserve for unexpired risks, including additional reserve, at Rs. 25.10 lakhs, being 44.5 per cent. of premium, as against Rs. 22.10 lakhs in 1957, a sum of Rs. 5.13 lakhs has been transferred as profit to the profit and loss account.

In the miscellaneous department, net premium aggregated Rs. 59.73 lakhs, as against Rs. 63.22 lakhs in the previous year. Net claims paid and outstanding amounted to Rs. 38.62 lakhs. Commission and expenses were of the order of Rs. 25.19 lakhs. After earmarking Rs. 27.48 lakhs as the reserve for unexpired risks, including additional reserve, being 46 per cent. of premium, a sum of Rs. 4.02 lakhs has been transferred as loss to the profit and loss account.

Net premium in the marine section amounted to Rs. 15.72 lakhs, as against Rs. 17.58 lakhs in the previous year. Net claims paid and outstanding were Rs. 11.21 lakhs and commission and expenses of management amounted to Rs. 5.13 lakhs. The marine fund, including additional reserve, stands at Rs. 10.90 lakhs, as against Rs. 11.35 lakhs in 1957, being 54 per cent. of cargo premium and 100 per cent. of hull premium. The account shows a deficit of Rs. 28,161.

After crediting interest, dividend and rent, less interest thereon, amounting to Rs. 3.82 lakhs and other miscellaneous receipts and crediting the profit of the fire department and debiting the loss in the marine and miscellaneous departments and expenses of management not applicable to any particular account aggregating Rs. 30,559, and foreign taxes amounting to Rs. 82,737, a sum of Rs. 3.67 lakhs has been transferred to the profit and loss account. This, together with the net balance of Rs. 19,103 brought in, makes in all Rs. 3.86 lakhs. Out of this, Rs. 20,000 has been transferred to the reserve for doubtful debts and Rs. 1.10 lakhs to taxation reserve. The payment of dividend of 62 nP per share will absorb Rs. 2.48 lakhs, leaving a balance of Rs. 8,214 to be carried forward.

UNIT TRUST CUM INSURANCE

A new unit trust called British Shareholders International Trust, to which some novel insurance arrangements, have been built-in, has recently been formed in the United Kingdom. The funds of the trust will be invested initially in a minimum of 50 British and foreign Government securities and first class British, Commonwealth and International investments chosen from a list of 83 companies. The Trust has offered five million unit shares at a net price per share of 10 shillings.

The most interesting feature of the Trust offer is the "Executive Saving Scheme" by which the Eagle Star and Guardian insurance companies will issue special endowment assurance policies payable in terms of the trust units. Instead of cash, in this way, policyholders will receive, it is claimed, the benefit of any capital appreciation on the whole number of units assured between the date when the policy is effected and the date when the units become payable on maturity of the policy or on earlier death. It is said that this is the first time it has been possible in Britain to insure one's life for a number of trust units instead of cash.

Policies will be issued in return for an initial premium of 25 per cent. of the commencing value of the units to be purchased, followed by future annual premiums fixed on the same value. As all payments are expressed as premiums for a life assurance policy, these will automatically qualify for income-tax relief up to the normal limits. During the period there will be no distributions but this is taken into account in the premium levels.

Eagle Star and Guardian are now offering similar policies in connection with the existing British Shareholders' Trust.

In addition, the managers of the Trust have arranged a "Regular Saving Scheme" under which one buys a fixed number of B.S.I.T. units each month for a number of years. During this period, the buyer is covered for the outstanding number of units by life assurance at no cost to himself. This scheme is covered by Eagle Star with the premiums borne by the managers.

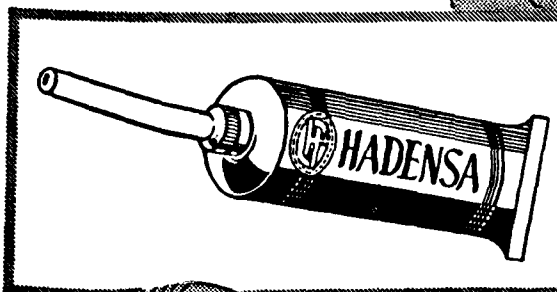
ROAD TRAFFIC ACCIDENTS IN EUROPE

Statistics of road traffic accidents in Europe in 1957, published by the Secretariat of the United Nations Economic Commission for Europe show that over 44,000 people were killed in road traffic accidents in sixteen European countries during 1957, i.e., nearly 10,000 more than in 1953. This rate of increase (20 per cent.) was, however, much smaller than the rate of increase in numbers of motor vehicles (44 per cent. for cars and 80 per cent. for motor cycles).

The bulletin, which is priced at 2 shillings per copy, indicates that, although numbers of persons killed in 1957 increased at a slower rate than the size of vehicle fleets, the number of persons killed was high: it rose from 42,725 in 1956, to 44,059 in 1957. Preliminary figures in respect of 1958 show, however, that the number of people killed during that year probably fell below 44,000.

The number of persons injured was also high. In 15 countries, it rose from 1,179,714 in 1956, to 1,214,597 in 1957. The number of accidents involving personal injury in these countries was 968,705 in 1956, and 990,488 in 1957. The proportion of drivers and passengers of two-wheeled vehicles (cycles, cycles with auxiliary engine and motor cycles) to the total number of persons killed or injured was still high. The most common type of accident was collision between moving vehicles.

The
difference
between
LAST WEEK



and
THIS WEEK
is
Amazing
HADENSA
for PILES

AVAILABLE
AT ALL CHEMISTS

GUARDIAN ASSURANCE COMPANY LIMITED

(Incorporated in England)

(The Liability of the members of the Company is Limited)

ALL CLASSES OF GENERAL
INSURANCE BUSINESS
TRANSACTION

8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.

STEARIC ACID

(Double Distilled)

Manufactured by:

THE MODI VANASPATHI MFG. CO.

Bombay State Distributors:

RAMJILAL LAKHMICHAND

Head Office: 333, Kalbadvi Road, Bombay-2

Phone: 39161

Branch: 695, Roid Road, Ahmedabad

Phone: 2663

Importers, Stockists and Suppliers of:

ALL INDUSTRIAL CHEMICALS



When swords of lightning no longer flash,
the roll of thunder loses its echo, the
pitch laden sky clears and the sun breaks
through wisps of cloud cotton-like
in the sudden blue—that is the time
of the harvest, and the year's work is done.

For this end; the effort, the toil. For a
world that offers a little more—
a little less of the care, a little more of the joy:

Today, as in the past, our products help to make homes
cleaner, healthier, happier. But today we are also working for...
Tomorrow, when the evergrowing urge for better living
will demand still greater efforts. And we shall be
ready with wider service, new ideas, new products...

Today and Tomorrow... Hindustan Lever serves the home.

PR.10-X52

India can make it

EXHIBITION

THE LARGEST
EXHIBITION TO BE HELD
IN BOMBAY
SINCE 1933

ORGANISED BY

THE SWADESHI LEAGUE

OPEN TO ALL GOODS
MADE IN INDIA

OPENING
LAST WEEK OF NOVEMBER 1959
AT AZAD MAIDAN, BOMBAY

For details and booking of stalls contact:

THE SWADESHI LEAGUE

East & West Building, 51, Apollo Street, Bombay 1.

Telegram: "SWAEXHIBIT"

Telephone: 253804

SPECIAL FACILITIES FOR
SMALL-SCALE INDUSTRIES

A Few Leading Participants:

Government of India
Government of Bombay
Government of M. P.
Bombay Telephones
Indian Ordnance Factory
Ministry of Information
and Broadcasting
Hindustan Aircraft
Handicraft Board
Tata Concerns
Hindustan Antibiotics
Birla Brothers
Mafatlal Group Mills
Walchand Industries
Ruia Concerns
Sahu-Jain Enterprises
Silk and Art Silk Mills' Association
Podar Concerns
Kashmir Handicrafts
Soman Industries
Kamani Concerns
Times of India
Golden Tobacco
Finlays
Seindias
Khataus
Etc., etc.

TRADE RELATIONS BETWEEN INDIA AND AUSTRIA

HEAVY GOODS FIGURE PROMINENTLY IN INDIA'S IMPORTS

By A Special Correspondent

FOR an understanding of trade relations between India and Austria, it is necessary to be familiar with the economic system prevailing in either country. While the Indian reader will be familiar with the economic conditions in his own country, it might be worthwhile to make a few comments on the economic and political set-up of Austria.

Politically, Austria has, since October 1955, pledged itself to a policy of neutrality which roughly corresponds to the type of neutrality pursued by Switzerland. This means that Austria does not belong to either of the two major power blocs and that, while taking a firm stand in its concept of the freedom of the individual and of western-style Parliamentary democracy, it successfully strives to be on good terms with all countries. This attitude is being reflected in its export and import trade. Thus, while it is true that the bulk of Austria's foreign trade still goes to and comes from the O.E.E.C. countries, Austria has made continuous efforts to increase the volume of trade with the Americas, the countries of the Soviet bloc, as well as the newly independent countries of Asia and Africa, and Australia.

Like India, Austria has a mixed economy, reflecting the political outlook of the Austrian population, which is, roughly speaking, half conservative and half socialist. Both the right-wing Austrian People's Party and the moderately left wing Socialist Party share equal responsibility in the recently formed cabinet which is presided by a Prime Minister from the Austrian People's Party.

Controls Relaxed

While large sections of the Austrian economy (for example, the major banks of the country, most of the heavy industry, the bulk of the hydro-electric plants, etc.) are in the public sector, all these enterprises are being operated strictly on sound business principles and their prices are dictated exclusively by commercial motives. It should also be mentioned that the Austrian Government has successfully tried to reduce the large number of restrictions which were introduced in the emergency situation that resulted from the Second World War, and the economic boom in Austria which can justly be compared to what is known as the "German economic miracle" has proved this policy correct.

In recent years, a vast number of restrictions on imports and exports have been abandoned and taxation (in particular income-tax) has been somewhat reduced. By a continuous lowering of tariffs and a steady increase in import quotas, the industrial enterprises of the country have been made ready to face competition from their confreres in Europe and overseas in both the domestic and export markets.

Today, Austria has a completely even balance of trade and is able to give its nationals a sound standard of living, without having to rely on any foreign aid. This is the result of a continuous and vigorous export drive, a steadily expanding domestic market and very considerable revenues from tourism. Austria it may be noted in passing, earns about Rs. 80 crores in foreign exchange each year through its tourist industry.

Exports

Having given this summary of some of the more essential features of Austria's economy, I should now like to turn to the practical application of these economic conditions to the trade relations between the two countries. The Indian reader will quite naturally be interested, first and foremost, in the question of Indian exports to Austria. Since the Austrian economy is not Government-regimented, efforts to increase the amount of Indian goods flowing to Austria have to be made by and large on a firm-to-firm basis. This means that, though the competent Austrian authorities sincerely sympathise with the Indian export drive, the procuring of orders will have to be done by the representatives of Indian firms in Austria. Participation in the Vienna Trade Fairs, held in spring and autumn every year, would also be a way to interest

Austrian importers in Indian goods. The development of an efficient system of quality control would also be of great help. In the developing of trade relations between two countries, instances of quality not coming up to the stipulated standard or dates of delivery not being observed, can be quite harmful. It is submitted that efforts in these directions will lead to an increase of Indian exports to Austria.

Imports

As regards the goods which India imports from Austria, they comprise steel, railway equipment, electric machinery, tractors, pumps, turbines, newsprint, fertilisers and high quality magnesite. Of course, Austria also exports a wide range of consumer goods, but, at present, they do not reach India due to import restrictions.

In recent years, Austria's largest locomotive factory, Simmering Graz-Pauker, have supplied about 200 steam locomotives and 2,000 railway carriages to the Indian railways. Now that India has become self-sufficient with respect to these items, the question of the supply of other types of railway equipment is under consideration. I might add that Austria has also supplied bridge girders, cranes and locomotives, boilers and spares to the Indian railways.

Steyr-Daimler-Puch A.G., one of the largest tractor plants on the European Continent, are supplying tractors to India and sharing their technical know-how in the production not only of the tractors but also of cars, motor cycles, scooters, mopeds and bicycles, with Indian trainees working at their plants.

In the field of steel construction, Waagner-Biro and Maschinenfabrik Audritz have parti-

INDO-AUSTRIAN TRADE (Value: In Rs. lakhs)				
Calendar year	Imports from Austria	Exports to Austria	Balance of trade	
1952	165	46	-119	
1953	244	55	-189	
1954	236	29	-207	
1955	233	44	-189	
1956	444	25	-419	
1957	478	28	-450	
1958	213	21	-192	
1959 (January to June)	59	10	-79	

cipated in many of the hydro-electric projects of India by supplying cranes, hoists, sluice gates and pumps.

Rourkela

Austria's biggest steel plant Voest (United Austrian Iron and Steel Works, annual production approximately 2 million tons of steel) has contributed to one of the main objects of the second Five-year Plan, namely, the development of steel production on a large scale, by the delivery and erection of the L.D. steel melting shop of the Rourkela Steel Plant.

The L.D. process of steel production, which was entirely developed in Austria, necessitates smaller initial investment than other methods of steel making and has the additional advantage of lower operating costs. Of a total of one million tons of steel per year to be produced at Rourkela, 750,000 tons will be produced by L.D. Since Voest have given licences for the use of their patent on the L.D. process, know-how and equipment to steel plants all over the world, including the U.S., the Federal Republic of Germany, Japan, Canada, France, Brazil, Spain and the Netherlands, India can justly be proud of sharing with these countries what is considered to be the latest technical development in steel production.

Apart from being busy with the delivery and erection of L.D. plants all over the world, Voest are also supplying penstocks for hydro-electric projects (in India, e.g., Konar, Rupa and Panchet hill projects) as well as Hamilton poles, lathes, locomotive cranes, etc. They are also in a position to design, supply and erect all

types of industrial plants, e.g., steel plants, rolling mills, etc., and they can deliver plate shears, adjustment machines, machine tools, equipment for mining and large construction yards, crushing machines, road construction equipment and equipment for bricks factories.

Austria's Schoeller Bleckmann and Boehler Brothers are highly advanced in production of alloy steel, and high grade alloy steels have been imported by a large number of India's manufacturers, ranging from tool and machine tool factories to such big concerns as the Hindustan Aircraft Ltd., Bangalore, and the Tata Iron and Steel Company, Ltd., Jamshedpur.

Owing to the specific properties of Austrian iron ore, it was possible for several Austrian firms, especially the United Austrian Iron and Steel Works (VOEST), the Boehler Steel Works, and the Schoeller-Bleckmann Concern, to develop steels with a maximum content of cobalt of only 0.003 to 0.005 per cent. This is of extreme importance for the use of such material in the construction of reactors. The best American steels still exceed this maximum permissible content of cobalt by about twenty times.

The Boehler concern has developed a high-boron-content steel alloy, with superior qualities of neutron absorption. The Schoeller-Bleckmann concern has received orders for low-cobalt-content steels from the French Atomic Energy Centre of Saclay, and for German reactors. Another Austrian firm is in a position to supply lead of almost 100 per cent. purity for the first Austrian research reactor soon to be established. Also, this product has begun to attract international attention. The Plansee Metal Works in Reutte, Tyrol, whose sinter metals are exported to all parts of the world, is now producing sintered uranium which is delivered, for instance, for Swedish reactors. Furthermore, the Plansee plant produces radiation-proof containers and vessels. For the Austrian reactor a heavy concrete has been developed on the basis of barite.

Optical Concern

A leading Viennese optical concern has built a microscope for the observation of radioactive substances, which is the first of its kind and is already being exported, for instance, to France. Austrian engineering firms, such as the Simmering-Graz-Pauker A.G., account for about 80 per cent. of the parts for the Austrian reactor, working on a contract basis for a well-known U.S. concern.

Messrs. Alpine Montan A.G., a big mining and steel concern, have also a wide variety of production, ranging from equipment for steel mills, foundries, coal mines, railway tracks to special tools, springs, alloy steels, semi-finished steel, bar iron, strip iron, profile iron, iron sheets, etc.

Austria's major electrical engineering concern, Elin Union, has not only delivered electromotors, transformers, diesel generators, welding sets, switchgear and various other types of electrical equipment to India, but has also made two years' training of Indian engineers at their plant a regular feature.

With industrialisation in India gaining momentum, it is only natural that emphasis should shift from mere imports to technical co-operation. A first step in this direction has been made by the Österreichische Stickstoffwerke A.G. (Austrian Nitrogen Works). This concern had realised years ago that it will not do just to supply their fertilisers to India but that, in the first place, the Indian farmer must be made fertiliser-minded.

This has successfully been achieved in close co-operation with its Indian partners, namely, the International Ore and Fertiliser Company Private Ltd. by establishing what is known as the Nitramon Scheme (Kisan Khad) of India. In this scheme, the necessary market for fertiliser is being created. The Government of India is being assisted in the handling, storing and distributing of Nitramon fertiliser and soil research is being carried on.

Machine Tools

Another venture of Indo-Austrian technical co-operation which has proved successful is manufacturing in India of air compressors by MAW, a Vienna factory producing machine and machine tools, together with their Indian partners, K. G. Khosla Private Ltd., New Delhi. While this may be a comparatively small project, it is a pleasure to visit this new factory and to watch the steady progress which is being made both in increasing production and in lowering costs.

It is felt that there is still wide scope left for similar Indo-Austrian ventures on a small (Continued on page 752)

Make your
SAVINGS
grow through our
**RECURRING
DEPOSIT SCHEME**

**THE
UNITED COMMERCIAL
BANK LTD.**

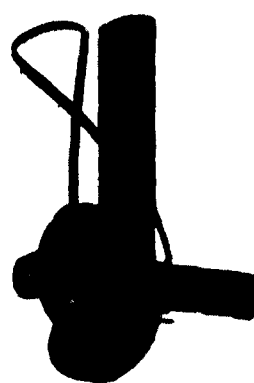
Head Office: CALCUTTA

SUBSCRIBED CAPITAL Rs. 4,00,00,000
PAID-UP CAPITAL ... Rs. 2,00,00,000
RESERVE FUND ... Rs. 1,48,00,000

G. D. BIRLA
Chairman

S. T. SADASIVAN
General Manager

TEMPERATURE MEASURING & CONTROLLING INSTRUMENTS FOR INDUSTRY & RESEARCH



Partial or Total Radiation
Pyrometers,
Immersion Thermocouples for Electrical
Resistance Thermometers and
Temperature Indicators
and Recorders, Flow Indicators and Recorders,
Pressure and Vacuum Indicators and Recorders,
Gas Analysers and Controllers.

Manufactured by

M/s. HARTMANN & BRAUN, GERMANY

Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.,
198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS

Looking for
TRADE Contacts
in
**Australia, New Zealand
PAPUA and NEW GUINEA**
* F.I.I.?

Businessmen who are interested in developing trade with these countries are invited to use the complete banking services provided by the Bank of New South Wales.

The services include trade and industrial introductions, economic and market information, and assistance with travel requirements.

Address enquiries to:

John W. McEwen — Manager, International Division,

**BANK OF
NEW SOUTH WALES**

HEAD OFFICE, SYDNEY, AUSTRALIA

Over 1,000 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, and three branches in London.

ESTABLISHED 1817

IP5801a

The Quality that Speaks!

From

Dr. B. L. Sethi, M.Sc., Ph.D. (Wales),
Secretary,
Indian Central Cotton Committee,
14, Nicol Road, Ballard Estate,
Bombay-1.

AKSIR DANDAN Tooth Powder was first recommended to me by Shri Mayadass, I.A.S., Director of Agriculture, Uttar Pradesh, in 1946, when I was the Principal of the Government Agricultural College, Kanpur. Ever since, I have used it with benefit and pleasure so much so that even on my transfer from U.P. to Bombay I have continued to use it and have been getting the required quantity from AKSIR DANDAN CHEMICAL WORKS PRIVATE LTD., Allahabad, as it was not available locally in Bombay. This in itself speaks for its utility and efficacy and my liking for it.

Dated,
19th August 1959

B. L. Sethi



**HERBAL TOOTH POWDER
FOR HEALTHY TEETH AND GUMS**
Now available in Bombay.

DISTRIBUTORS:

KANCHANLAL VADILAL & CO.
MANGALDAS ROAD, BOMBAY-2
PHONE: 38935

Stephens Ink claims its importance as far back as 1886 and there are authorities enough to prove that STEPHENS INK was used for all important documents.

Stephens Ink is known for its fluidity because it does not clog. Old and new pens 'feel' better and behave better. Use STEPHENS INK and your pen will never fail you.

Every batch manufactured is not bottled until it is tested in the laboratories in England.

**The
ink
that
doesn't
clog**



Manufactured by
TOA PRIVATE LTD.
MADRAS

SOLE DISTRIBUTORS
SPENCER & CO. LTD.
MADRAS BOMBAY, CALCUTTA, DELHI AND BRANCHES

The Rs. 10 paid-up (old) shares of the Company are being currently quoted at Rs. 18.25 cum-div. On an ex-div. basis and at the current rate of dividend the yield works out to 4 per cent, per annum, subject to deduction of tax, which is equivalent to a tax-free yield of 2.95 per cent. per annum.

SYNOPSIS OF COMPANY REPORTS

Cooper Engineering Ltd.

The directors of the above Company (Managing Agents: Messrs. Walchand & Co., Private Ltd., Bombay) presented the audited accounts of the Company for the year ended 30th June 1959.

The net profit for the year after providing Rs. 4,00,000 (Rs. 4,80,000) for taxation and Rs. 2,82,697 (nil) for development rebate reserve amounts to Rs. 4,61,242 (Rs. 5,34,108) to which is added the balance brought forward from the previous year of Rs. 63,527 (Rs. 67,219) making a total of Rs. 5,24,769 (Rs. 6,01,327). From this the directors have transferred to general reserve Rs. 1,25,000 (Rs. 50,000) leaving a balance of Rs. 3,99,769 (Rs. 3,15,277) after transferring Rs. 89,660 to special depreciation reserve and Rs. 1,46,140 to development rebate reserve. The directors now recommend a dividend on ordinary shares at 10 (7) per cent. plus 3 (3) per cent. as bonus (subject to tax (free of tax)) absorbing Rs. 3,27,800 (Rs. 2,52,000) leaving a surplus to be carried forward of Rs. 72,169 (Rs. 63,527).

The directors are pleased to inform that there is a considerable increase in the sales of the Company's products during the year under report. There is an increase in demand for oil engines, machine tools and looms.

The Company had taken part in the exhibitions held at Baghdad, Toronto (Canada), Cairo, Saigon, and Sudan where the oil engines, pumps and shaping machines were exhibited in the Government of India stalls. The Company had also taken part in the exhibitions conducted by the Engineering Export Promotion Council held at Singapore.

During the year under report the Company had exported engines and pumps valued about Rs. 1,50,000 to Jeddah, Jordan and Bangkok.

The Company has entered into technical collaboration agreements with Messrs. Scottish Machine Tools Corporation Ltd., Scotland, for assistance in supplying technical know-how for the manufacture of planing machines, and with Messrs. Strojexport Foreign Trade Corporation, Praha, Czechoslovakia, for the manufacture of slotting machines.

As the shareholders were aware, the Company issued ordinary shares worth Rs. 20 lakhs at par and the whole issue was fully subscribed.

The income-tax assessments of the Company are completed upto year ended 30th June 1954, i.e., assessment year 1955-56. The Company has gone in appeal in respect of the assessment for the year ended 30th June 1954.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	35,76,300	Gross block	79,73,950
Reserves	19,61,209	Less—Depreciation	43,30,263
Provision for taxation	8,70,455	Net block	36,43,687
Liabilities	59,11,070	Expenditure-in-progress	88,730
Profit and loss account (surplus)	72,169	Stock-in-trade	39,26,536
		Stores, etc.	10,03,451
		Goods-in-transit	1,70,220
		Debits, deposits and advances	19,68,556
		Investments	1,34,870
		Cash	14,55,153
	Rs. 1,23,91,203		Rs. 1,23,91,203

Dauracherra Tea Co., Ltd.

The directors of the above Company (Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The accounts disclose a working profit of Rs. 3,77,809 (Rs. 1,40,326). On transfer of this sum to profit and loss account, and after providing for taxation liability and sundry adjustments, there is a balance at credit of the profit and loss account amounting to Rs. 1,78,190 (Rs. 78,625) of which the directors have transferred Rs. 50,000 (nil) to revenue reserve and Rs. 10,000 (nil) to development rebate reserve. It is proposed to declare part dividend of 5 (total dividend of 7) per cent. and to provide a sum of Rs. 30,000 (nil) against distribution of balance dividend at the rate of 5 per cent. for season 1958 when funds are available in India, thus carrying forward Rs. 58,190 (Rs. 33,625).

Crop was 4,24,720 lbs. as compared with 3,14,800 lbs. in 1957. The average selling price realised was Rs. 2.32 per lb. as against Rs. 2.15 per lb. in the previous year.

Estimates for 1959 provide for a crop of 4,16,000 lbs. at an outlay of Rs. 6,25,062, including inland freight and sale charges.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	6,00,000	Gross block	9,91,503
Reserves	10,04,531	Less—Depreciation	2,48,236
Provision for taxation	3,90,931	Net block	7,43,267
Liabilities	1,64,527	Stock-in-trade	2,83,612
Profit and loss account (surplus)	58,190	Stores, etc.	81,729
		Loans and advances	2,30,842
		Investments	1,02,833
		Cash	7,76,916
	Rs. 22,18,199		Rs. 22,18,199

New Chumta Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co. Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

There was good rains from June onwards and a crop of 7,206 maunds of tea was made during the year against an estimate of 6,500 maunds. Drought conditions prevailing at the beginning of the season and attack of hail of slight severity in April affected the growth and quality of early teas to some extent which was overcome by the welcome rains in June and maintenance of fine plucking and a satisfactory standard of manufacture. The total net average sale price per pound was Re. 1.86 (Re. 1.77) and the working cost per pound of tea produced was Re. 1.58 (Re. 1.59).

Expenses incurred on the compulsory provident fund scheme for plantation labour which was introduced by Government from May 1957 and the high price of concessions on foodstuffs among others increased the cost of production.

The gross profit for the year is Rs. 1,80,698 (Rs. 83,960) and after writing off Rs. 76,368 (Rs. 35,270) for depreciation of assets and allowing for provision for bonus to labour Rs. 10,000 (Rs. 10,000), for taxation Rs. 42,398 (Rs. 12,989), for development rebate reserve Rs. 15,400 (nil) and for other adjustments there is a net profit of Rs. 12,025 (Rs. 38,268) which together with the balance brought forward from 1957 gives a total available on this account of Rs. 89,723 (Rs. 1,15,198) which, the directors propose to deal with as follows:—

To pay a dividend of 10 (12) per cent. for the year absorbing Rs. 30,000 (Rs. 37,500) and to carry forward to 1959 Rs. 59,723 (Rs. 77,698).

Estimates for 1959 have been based on a crop of 6,500 maunds of tea at a total cost of Rs. 78,000.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	3,00,000	Gross block	8,49,733
Reserves	7,79,930	Less—Depreciation	3,58,333
Provision for taxation	52,557	Net block	4,91,400
Liabilities	4,00,970	Land, etc.	1,02,676
Profit and loss account (surplus)	59,723	Stock of tea	3,82,201
		Stores and spare parts	1,30,010
		Debits, deposits and advances	1,70,538
		Investments	1,49,811
		Cash	1,66,514
	Rs. 15,93,150		Rs. 15,93,150

Teesta Valley Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Davenport & Co. Private Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

A severe hail struck the garden in the first week of April resulting in reduction in crop and deterioration in quality and a total of 4,153 maunds of tea was made against an estimate of 5,000 maunds. The total net average sale price per pound was Rs. 2.89 (Rs. 2.83) and the total working cost per pound of tea produced was Rs. 2.92 (Rs. 2.65).

Expenses incurred on the compulsory Provident Fund Scheme for plantation labour which was introduced by Government from May 1957, the high cost of concessions foodstuff and the short crop made, etc., account largely for the increase in the working costs.

As indicated in the directors' report of the 7th August 1958, a loan of up to Rs. 5,00,000 was negotiated from the West Bengal Financial Corporation and the replacement of the Estate Factory taken up at the end of the year is now complete and has been in use since April 1959.

The gross profit for the year is Rs. 25,051 (Rs. 43,873); the directors have written off Rs. 53,404 (Rs. 34,751) for depreciation and provided Rs. 12,400 (nil) for development rebate reserve. After allowing for the above and the other adjustments made there is a net profit of Rs. 10,002 (Rs. 62,905) (net profit of Rs. 10,002) and, after adjusting the previous year's balance of Rs. 54,633 (Rs. 54,831), a final debit balance of Rs. 8,272 (credit of Rs. 54,633) after paying a dividend of 10 per cent. for the year absorbing Rs. 32,000 is carried forward to 1959.

Estimates for 1959 have been based on a crop of 5,000 maunds of tea at a total cost of Rs. 9,80,000.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	3,20,000	Gross block	8,96,438
Reserves	7,96,637	Less—Depreciation	3,08,938
Provision for taxation	1,40,944	Net block	5,87,500
Liabilities	5,39,033	Stock of tea	1,27,508
		Stores and spare parts	53,832
		Miscellaneous	3,82,958
		Debits, deposits and advances	1,23,245
		Investments	1,66,111
		Cash	3,55,460
	Rs. 17,96,614		Rs. 17,96,614

Ranicherra Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The season's working resulted in a profit, after providing for depreciation, of Rs. 2,55,570 (Rs. 1,28,378) to which must be added—adjustment account Rs. 3,507 (nil) and the balance of profit brought forward from 1957 of Rs. 28,093 (Rs. 24,662) making a total of Rs. 2,87,170 (Rs. 1,53,040). From this amount must be deduct-

ed—provision for taxation of Rs. 84,500 (Rs. 27,000) and provision for wealth tax of Rs. 6,500 (Rs. 8,430) leaving a balance of Rs. 1,96,170 (Rs. 66,343) after deducting Rs. 14,221 in respect of adjustment and Rs. 37,076 for depreciation for previous year. From this amount the directors have set aside to buildings and machinery reserve Rs. 1,00,000 (nil) and to development rebate reserve Rs. 7,800 (nil) leaving an available balance of Rs. 88,370 (Rs. 66,343). This amount the directors recommend, should be distributed as follows:—

In payment of a dividend for the year ended 31st December 1958, at the rate of 75 (50) naye Paisa (free of tax) per equity share, on 76,500 equity shares, absorbing Rs. 57,375 (Rs. 38,250) and leaving to be carried forward Rs. 30,995 (Rs. 28,093).

The saleable crop weighed out at 12,748 (11,606) maunds against an estimate of 12,750 maunds and was disposed of at an average price of Re. 1.99 (Re. 1.91) per lb.

The estimate for season 1959 provides for a saleable crop of 13,500 maunds at a total revenue expenditure of Rs. 16,25,651.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	7,65,000	Gross block	29,26,219
Reserves	14,51,350	Less—Depreciation	14,43,439
Provision for taxation	4,02,827	Net block	14,82,780
Liabilities	3,61,466	Work-in-progress	889
Profit and loss account (surplus)	30,995	Stock-in-trade	7,57,612
		Stores, etc.	3,26,788
		Debits, deposits and advances	3,06,225
		Investments	54,375
		Cash	82,969
	Rs. 30,11,638		Rs. 30,11,638

Rajabhat Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod and Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December, 1958.

The season's working resulted in a loss, after providing for depreciation, of Rs. 12,220 (loss of Rs. 3,18,765) to which must be added—adjustment account Rs. 2,604 (Rs. 23,553), provision for taxation in respect of previous years Rs. 8,000 (nil), amount written off stores for obsolescence, etc. Rs. 191 (nil), provision for wealth tax Rs. 4,000 (nil), amount set aside by directors to development rebate reserve Rs. 4,615 (nil) and loss brought forward from 1957 of Rs. 3,00,938 (credit of Rs. 41,380) leaving a total balance at debit of profit and loss account to be carried forward to 1959 Rs. 3,32,568 (Rs. 3,00,938).

The saleable crop weighed out at 9,459 (6,235) maunds against an estimate of 1,000 maunds and was disposed of at an average price of Rs. 2.06 (Re. 1.99) per lb.

The estimate for season 1959 provides for a saleable crop of 10,000 maunds at a total revenue expenditure of Rs. 14,47,574.

The heavy short-fall in the crop made in 1958, was mainly due to severe hail damage sustained by the garden in April, 1958. The loss as a result of the hail damage was assessed at 614 maunds of pucca tea and a sum of Rs. 49,081 was realised from the Insurance Company as compensation.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	6,00,000	Gross block	15,21,696
Reserves	7,74,381	Less—Depreciation	6,56,106
Provision for taxation	2,26,494	Net block	8,65,590
Liabilities	3,01,620	Stock of tea	5,23,310
		Stores, etc.	2,54,873
		Debits, deposits and advances	1,55,632
		Investments	53,573
		Cash	49,517
	Rs. 19,02,495		Rs. 19,02,495

*Reserves are shown after deducting Rs. 3,32,568 being the debit balance in the profit and loss account.

Killcoot Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The accounts disclosed a working profit of Rs. 1,36,245 (Rs. 2,30,620). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 10,000 (nil) from depreciation reserve and Rs. 4,86,615 (nil) credit of the profit and loss account amounting to Rs. 6,37,908 (Rs. 2,94,052) of which the directors have transferred Rs. 50,000 (nil) to development rebate reserve and Rs. 4,86,600 (Rs. 3,767) to buildings and machinery reserve. The directors recommend payment of a dividend of 7½ (15) per cent. absorbing Rs. 67,500 (Rs. 1,35,000) leaving Rs. 34,408 (Rs. 61,265) after transferring Rs. 50,000 to revenue reserve and Rs. 10,000 to development reserve) to be carried forward.

Crop was 10,10,717 lbs. as compared with 10,79,603 lbs. in 1957. The average selling price realised was Re. 1.85 per lb. as against Re. 1.78 per lb. in the previous year.

Estimates for 1959 provide for a crop of 10,40,000 lbs. at an outlay of Rs. 17,34,165 including inland freight and sale charges.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	9,07,000	Gross block	23,67,451
Reserves	16,81,000	Less—Depreciation	6,96,766
Provision for taxation	2,31,322	Net block	16,70,685
Liabilities	7,08,219	Stock-in-trade	10,54,982
Profit and loss account (surplus)	34,403	Stores, etc.	2,15,993
		Debits, deposits and advances	1,92,883
		Investments	3,06,894
		Cash	95,499
	Rs. 35,36,940		Rs. 35,36,940

Hantapara Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1958.

The total loss for the year amounted to Rs. 4,72,542 (Rs. 5,70,052). Of this loss, Hantapara Estates accounted for Rs. 4,17,894 (Rs. 3,34,704) and Dumchhipara Estates Rs. 54,648 (Rs. 2,35,348). On transfer of this sum to profit and loss account and after sundry adjustments, including the transfers of Rs. 3,25,000 (Rs. 1,75,000) from revenue reserve, of Rs. 13,58,934 (nil) from depreciation reserve, there is a balance at credit of the profit and loss account amounting to Rs. 14,81,842 (Rs. 1,70,092), of which the directors have transferred Rs. 13,59,000 (nil) to buildings and machinery reserve and Rs. 1,00,000 (Rs. 50,000 to development reserve) to development rebate reserve.

The disappointing result is due to shortfall in the crop at Hantapara which was caused mainly by an attack of red spider of unprecedented severity. Statutory amenities and wages for the surplus labour force raised the cost of production to uneconomical levels.

Dividend. The directors recommend payment of a dividend of 8 (8) per cent. on the preference shares for season 1958 leaving Rs. 18,842 (Rs. 1,16,092) to be carried forward.

Tea crop from Hantapara amounted to 12,84,045 (14,54,230) pounds and from Dumchhipara amounted to 12,52,007 (11,74,000) pounds. The average selling prices obtained per pound of tea were as follows:—For Hantapara Re. 1.88 (Re. 1.75) and for Dumchhipara Re. 1.84 (Re. 1.79).

Planted area totals 2,507.82 acres comprising 1,313.37 acres at Hantapara and 1,184.25 acres at Dumchhipara.

Estimates for 1959 provide for a total crop of 28,80,000 lbs. at an outlay of Rs. 54,28,699, including inland freight and sale charges.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	36,50,000	Gross block	68,81,978
Reserves	31,84,800	Less—Depreciation	21,10,964
Provision for taxation	2,74,143	Net block	47,62,014
Liabilities	23,62,814	Stock-in-trade	30,46,543
Profit and loss account (surplus)	18,842	Stores and supplies	5,13,984
		Debits, deposits and advances	3,85,539
		Investments	5,08,042
		Cash	1,93,675
	Rs. 94,69,799		Rs. 94,69,799

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Rule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1959.

The accounts show a profit, after charging all expenses, of Rs. 58,861 (Rs. 88,902) to which is added the balance brought forward from last year of Rs. 25,543 (Rs. 17,516) making a total amount available for appropriation of Rs. 84,404 (Rs. 1,06,418). An interim dividend of 7½ (7) per cent. was paid on 16th February 1959, absorbing Rs. 20,438 (Rs. 20,438). The directors now propose a final dividend of 7½ (7) per cent. absorbing Rs. 20,437 (Rs. 20,437) leaving a balance of Rs. 41,629 (Rs. 25,543) after transferring Rs. 40,000 to general reserve. The directors have forfeited unclaimed dividends in accordance with Article 158 Rs. 5,237 (nil). Thus there is a balance to be carried forward of Rs. 46,886 (Rs. 25,543). Wealth tax in respect of the year, estimated at Rs. 1,300, has been provided for by transfer from investment realisation surplus.

Raisings for the year were 1,37,083 tons compared with 1,29,943 tons in the previous year, whilst despatches totalled 1,37,508 tons as against 1,30,848 tons. The installation of a stowing plant for the working of No. 10 Seam is in progress.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	2,72,500	Gross block	13,00,275
Reserves	3,84,524	Less—Depreciation	9,40,919
Provision for taxation	21,096	Net block	3,59,356
Provision for wealth tax	1,308	Stores	1,10,060
Liabilities	4,36,618	Debits, deposits and advances	5,18,277
Profit and loss account (surplus)	46,866	Cash	1,69,219
	Rs. 11,62,912		Rs. 11,62,912

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

INDIA'S BALANCE OF PAYMENTS
POSITION IN 1958-59

RELIEF IN STRAIN, THANKS TO FOREIGN AID

A LARGE cut in imports, accompanied by an increased inflow of foreign assistance, helped to relieve considerably the strain on India's balance of payments in 1958-59. The decline in the foreign exchange reserves during the year was on y Rs. 47 crores, as against Rs. 260 crores in 1957-58. In fact, for the first time since the start of the second Five-year Plan, there was even a seasonal increase in the foreign exchange reserves; between November 1958 and March 1959 the reserves rose by Rs. 44 crores. The table at the bottom of this article shows the position at a glance.

Imports

Total imports at Rs. 1,046.5 crores in 1958-59 were Rs. 157 crores lower than in the preceding year. While private imports dropped by Rs. 177 crores, Government imports showed an increase of Rs. 19 crores, thus becoming larger than private imports.

The largest fall in private imports was recorded in capital goods (Rs. 65 crores), followed by intermediate goods (Rs. 54 crores) and consumer goods (Rs. 40 crores). Raw materials showed the smallest decline (Rs. 10 crores) as they were rather liberally licensed for the maintenance of the economy.

The biggest item in Government imports was capital equipment for Government projects; these showed a marked rise, over the year, of Rs. 67 crores to Rs. 154 crores. Food imports, which were the biggest item in the preceding year, showed only a nominal decline.

Total machinery imports rose only a little during the year but iron and steel imports recorded a considerable fall, as shown below:

Notices

THE INDIAN CABLE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Fortieth Annual General Meeting of the Shareholders of The Indian Cable Company, Limited, will be held at the Registered Office of the Company, 9, Hare Street, Calcutta, on Saturday, the 28th November 1959, at 10 O'clock in the forenoon, for the following purposes:

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 1959.
2. To declare Dividends.
3. To re-appoint a Director who retires by rotation.
4. To re-appoint the firm of Messrs. Lovelock and Lewes of 4, Lyons Range, Calcutta, Auditors of the Company for the current year and to fix their remuneration.

AS SPECIAL BUSINESS

5. To consider resolutions in relation to the following matters and things:
 - (a) In pursuance of Section 228(1) of the Companies Act, 1956, to appoint the firm of Messrs. A. F. Ferguson & Co. of Bombay for the purpose of auditing the Accounts of the Factory at Tatanagar and the Branch offices of the Company at Bombay, Ahmedabad, Jamshedpur, Kanpur, Nagpur, New Delhi and Secunderabad, and to fix their remuneration.
 - (b) In pursuance of Section 228(1) of the Companies Act, 1956, to appoint the firm of Messrs. Fraser and Ross of Madras for the purpose of auditing the accounts of the Branch offices of the Company at Madras, Bangalore and Coimbatore, and to fix their remuneration.
 - (c) To determine that the accounts of the Branch office of the Company at Karachi be not audited under the provisions of Section 228(1) of the Companies Act, 1956.

The Share Transfer Books of the Company will be closed from the 14th November 1959 to the 28th November 1959, both days inclusive.

Dividends, if any, declared at this meeting will be payable to Shareholders registered on the Company's Books on the 28th November 1959 or their mandatees.

By Order of the Board,
B. J. WOODLEY,
Chairman.

9, HARE STREET,
CALCUTTA, 5th October, 1959.

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

GOVERNMENT OF INDIA MINISTRY OF RAILWAYS (Railway Board)

Indian Railways' Requirements of Double Acting Hydraulic and Friction Type Shock Absorbers for Vertical Application for First Class Coaches.

THE MINISTRY OF RAILWAYS (RAILWAY BOARD), Government of India, propose to obtain from established or prospective and reliable manufacturers supply of Double Acting Hydraulic and Friction Type Shock Absorbers for Vertical Application for First Class Coaches.

2. The relevant tender documents are obtainable from the Research Design and Standardisation Organization, Baroda House Annexe, New Delhi, on payment of Rs. 2 per copy.

3. Quotations should reach the undersigned not later than 11 a.m. on 16th November, 1959.

QURBAN SINGH,
Director, Railway Stores,
Railway Board,
State Entry Road,
New Delhi.

THE WESTERN BENGAL COALFIELDS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held on Wednesday the 25th November 1959, at 2.30 p.m. at the Registered Office of the Company, at 8, India Exchange Place, Calcutta, to transact the business as per the Notice dated the 21st October 1959, sent along with the Balance Sheet and Profit and Loss Account to the shareholders of the Company separately.

The Share transfer books of the Company shall remain closed from 9th November 1959 to 25th November 1959, both days inclusive.

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LIMITED,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA 1, 21st October 1959.

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

(b) If dividend on shares as recommended by the Directors is passed at the meeting, the same will be sent to the registered shareholders whose names appear in the Company's register on 25th November 1959 or to their order or to their bankers.

THE INDO-BURMA PETROLEUM COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have declared an Interim Dividend of Re. 1 (Rupee one) per share less tax to be deducted in accordance with the provisions of the Finance Act 1959, on the Ordinary Share Capital of the Company for the year ending 31st December 1959, payable on the 30th November 1959 to those members whose names appear on the Register of Members on the 9th November 1959.

The Ordinary Register of Members will be closed from the 9th November 1959 to 28th November 1959, both days inclusive.

By Order of the Board,
STEEL BROTHERS & COMPANY LTD.,
Managing Agents.

GILLANDER HOUSE,
NETAJI SUBHAS ROAD,
CALCUTTA, 20th October, 1959.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT A GENERAL meeting of the members of the above-named Company will be held at the registered office, No. 4, Clive Row, Calcutta, on Thursday, the 19th day of November, 1959, at 11 a.m., to consider and if thought fit to pass with or without modifications the following Resolutions, which will be proposed as Ordinary Resolutions, namely:—

1. That with effect from the 1st April, 1957, Mr. John Douglas Keith Brown, a Managing Director of the Company, be and is hereby authorised to receive remuneration for his services as such Managing Director in accordance with the terms specified in the Agreement dated the twenty-fourth day of September, 1959 made between the Company of the one part and Mr. Brown of the other part.
2. That with effect from the 1st April, 1957, Mr. Girdharilal Mehta, a Managing Director of the Company, be and is hereby authorised to receive remuneration for his services as such Managing Director in accordance with the terms specified in the Agreement dated the twenty-fourth day of September, 1959 made between the Company of the one part and Mr. Mehta of the other part.
3. That with effect from the 1st April, 1957, Mr. John Valentine Jardine Paterson, a Managing Director of the Company,

be and is hereby authorised to receive remuneration for his services as such Managing Director in accordance with the terms specified in the Agreement dated the twenty-fourth day of September, 1959 made between the Company of the one part and Mr. Jardine Paterson of the other part.

A Member entitled to attend and vote at this Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

By Order of the Board,
I. F. MORRIS,
Acting Secretary.

4, CLIVE ROW,
CALCUTTA-1, 24th September, 1959.

Note: The explanatory statement together with memorandum of interest and the abstract of each of the agreements in accordance with the provisions of Sections 173(2) and 302(2) and (7) of the Companies Act, 1956, have been annexed to notices despatched to Members.

THE WESTERN INDIA PLYWOODS LIMITED

P.O. BALIAPATAM

(Railway Station: VALAPATTANAM)
CANNANORE DISTRICT - KERALA STATE

NOTICE

(The announcement and circular to the Shareholders, dated the 3rd October, 1959, relating to the issue of 4,500 Ordinary Shares stand cancelled.)

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Body Meeting of the Members of the Company will be held at the Registered Office of the Company at Baliapatam (Cannanore Dt.) on Saturday, the 21st November, 1959, at 3 p.m., to consider the issue of a further 4,500 Ordinary Shares of Rs. 100 at a premium of Rs. 25 per share to those ordinary shareholders whose names stand on the Register of Members on the 21st November, 1959. Detailed particulars and draft resolution are being posted to the Shareholders direct.

The Share Transfer Books of the Company will remain closed from 19th November, 1959 to 21st November, 1959, both days inclusive, for the purpose of the above issue.

By Order of the Board,
A. K. KADER KUTTY,
Managing Director.
BALIAPATAM, 21st October, 1959.

THE MYSORE SPINNING AND WEAVING COMPANY LIMITED

NOTICE OF NINETY-SECOND DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 5 per share on the Ordinary Shares of Rs. 50 each and a dividend of Rs. 2.25 per share on the 4½ per cent. Cumulative Preference Shares of Rs. 50 each for the year ended 28th February 1959 sanctioned by the Shareholders at the Sixty-sixth Annual General Meeting held on the 27th October 1959 are made payable at the State Bank of India, Bombay, on and after Friday the 6th November 1959, to those shareholders whose names stood on the Register of Members on the 28th September 1959. The dividend warrants will be made negotiable at par at the State Bank of India, Bangalore.

By Order of the Board,
N. SIRUR & COMPANY PRIVATE LTD.,
Managing Agents,
N. D. SIRUR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 27th October, 1959.

MONEY COMFORTABLE

(From Our Own Correspondent)

BOMBAY, 28th October

Activity in the short-term money market continues to be restricted, in the absence of any worthwhile broadening of demand for funds. Even the little business noted in the last few days is only restricted to small banks. Interest rates are, however, unchanged at the previous week's level. Inter-bank call money is being quoted at 1½ per cent. among the Exchange banks and big Indian banks and at 2½ per cent. among the smaller banks. House money at seven days' notice is being placed at 3 to 3½ per cent. and short-term deposits at 3 to 3½ per cent. for one to six months.

There has been a further dip in the 91-day Treasury Bill rate this week to 2.420 per cent. per annum from last week's rate of 2.435 per cent. The amount offered is, however, a fraction lower at Rs. 3.53 crores (the corresponding offerings last week aggregated Rs. 3.85 crores), as against the week before Rs. 2 crores. Tenders for next week invitation for Rs. 2 crores. The sales of Intermediate Treasury Bills during the period 21st to 24th October amounted to Rs. 4.25 crores a week, as compared with Rs. 4.25 crores a week before. These bills are being offered this week at Rs. 99.411 per cent., which works out to a discount rate of 2.356 per cent. per annum, as against 2.376 per cent. last week.

A further contraction of Rs. 12.82 crores in notes in circulation is disclosed by the Reserve Bank of India statement for the week ended 23rd October 1959. Notes held in the Banking Department are higher by Rs. 14.05 crores, so that the total notes issued show a rise of Rs. 1.23 crores. This is mainly covered by an increase in rupee coin. For the second week in succession, balances held abroad have increased, the rise during the week under review being Rs. 2.69 crores. Deposits of the Central Government have gone up by Rs. 14.38 crores, while those of other Governments show a fall of Rs. 11.74 crores. No notable variations are noted in loans and advances to Governments and other loans and advances. There has been a drop of Rs. 13.46 crores in Government Treasury Bills purchased and discounted.

A sharp rise of Rs. 13.44 crores in demand deposits and of Rs. 6.24 crores in time deposits are noted in the Scheduled banks' statement for the week ended 16th October 1959. Of the cumulative increase of Rs. 19.68 crores in deposits, the State Bank of India's share is Rs. 3.54 crores. Borrowings from the Reserve Bank have been reduced by Rs. 6.61 crores and those from the State Bank by Rs. 1.56 crores. Advances have declined by Rs. 4.55 crores and investments by Rs. 1.84 crores. The rise in deposits is reflected in the increase of Rs. 11.85 crores in cash balances, the State Bank alone accounting for as much as Rs. 9.82 crores.

The gilt-edged market is dull, with very little business passing, in view of the proximity of the busy season. While some interest is still taken in short-dated issues, the medium and long-dated loans are on offer at quoted rates. State loans, too, are having sellers and some of the 4 per cent. 1971 issues are a shade lower over the week. 3 per cent. 1966 Conversion Loan is featureless at Rs. 14.85, while 3 per cent. 1970-75 has shed 10 nP to Rs. 93-10. 3 per cent. 1966-68 has lost 5 nP to Rs. 95-5. There are no changes in other loans, except a 4 per cent. 1973 which is marked up by 10 nP to Rs. 101.65. Among the State loans, Bombay 4 per cent. 1971 is 5 nP lower at Rs. 100.90, West Bengal 1971 has shed 10 nP to Rs. 100, and Madras and U.P. 1971 have each suffered a similar fall to Rs. 100.

The list for public subscription to the Assam Financial Corporation Bonds for Rs. 50 lakhs opened today and may be closed any time before 7th November. The bonds carry interest at the rate of 4½ per cent. and are repayable in 1971. The issue price is Rs. 99.50 per cent.

Another issue which opened for subscription this week is the 4½ per cent. Kerala State Electricity Bonds for Rs. 2 crores. (The list opened on the 26th inst.). The bonds are being issued at Rs. 99.50 per cent. The list will be closed as soon as the issue is fully subscribed, but not later than 5th November.

In the foreign exchange section, the rupee has weakened a little in terms of the U.S. dollar, in consonance with the drop in the pound sterling abroad. Banks' selling rate for U.S. T.T. has gone up from Rs. 476.50 to Rs. 477 and their buying rate from Rs. 473.25 to 473.75 per \$100. In New York, spot sterling has dropped from 280.80-280.83 cents to 280.51-280.54 cents and three months' forward from 281.26-281.29 cents to 280.95-280.98 cents.

HIDES DULL

(From Our Own Correspondent)

MADRAS, 26th October

Business in tanned cow hides was patchy during the week under review, as U.K. importers were holding out for lower prices. Sellers were slightly nervous at the absence of orders for shipment and were willing to take on some orders at 1d. to 2d. lower than their earlier sales. Buffalo hides have been accumulating in the local market, as U.S. importers have not shown any interest for several weeks. Tanned buff calf declined by 10 nP. Tanned cow calf ruled steady as arrivals were small. Enquiries for lower grade kips for inland consumption were poor and the market was weak.

In view of the high prices ruling for tanned goat skins, importers have been less active, and have not followed the last prices established and the market is declining. Tanned sheep middle class is weak, while semi-primers are steady. In the October London public sales, there was a fair attendance of buyers and good competition for goods near to standard and quality. Prices paid were near the level of c.i.f. prices. There were several withdrawals of best parcels in sheep skins before the sales.

BULLION REACTS

(From Our Own Correspondent)

BOMBAY, 28th October

The bullion market was a little subdued during the week under review and prices suffered a mild reaction. Though at one time during the week prices displayed a tendency to shoot up following reports of Chinese occupation of a part of Eastern Ladakh and killing of members of Indian police patrol, weaker advices from the share and commodity markets induced selling pressure. The increasing pace of arrivals, presumably induced by the current high levels, the decline in demand, despite Diwali, had a sobering effect on bulls. The downward trend in prices gathered momentum, particularly in gold, towards the close of the week, with the result that the closing rates in the forward section today were Rs. 2 below the week's peak levels.

Silver for forward delivery (November settlement) dropped early in the week from Rs. 211-1 to Rs. 210-2. After a spurt to Rs. 211-6, which was Rs. 4 above last week's peak, the forward metal retreated to Rs. 209-5 at the close today. The December settlement came up to Rs. 211-11 from Rs. 211-6 before dropping to Rs. 209-7 today.

Ready silver finished the week with a loss of Re. 1-11 at Rs. 208-10 after touching a high of Rs. 210-11, which is a fresh record in the history of the bullion market. The floating stocks are reported to be 900 bars. The daily average arrivals were 45 bars (including unrefined metal), while the offtake was 10 bars.

Forward gold (November settlement) was subdued early in the week with a drop from Rs. 123-7 to Rs. 125. At this level, however, there was fresh bull support to push it to Rs. 125-10 on Monday. Subsequently, prices gave way on renewed selling pressure, the November settlement dipping to Rs. 123-11 at the close today. Business in December settlement began only yesterday at Rs. 125-1. The closing today was done at Rs. 123-14.

Ready gold was quoted at par with the November settlement throughout the week. The floating stocks of gold are estimated at 80,000 tolas. The daily average arrivals were 2,500 to 3,000 tolas, and the offtake was also of the same order on an average.

New York silver was again unchanged at 91.37 cents. In London, while spot silver held its ground at 80½d., the forward gained ¼d. to 79½d. Gold hardened from 249s. 10½d. to 250s. 3d., reflecting the weakness of sterling.

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

	28-10-59	Highest	Lowest	21-10-59
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready Gold (99.99 fine Mint)	123 11	125 10	123 10	125 7
Forward " " " "	123 11	125 10	123 10	125 7
Silver (99.99 fine Mint)	79 8	—	—	79 8
Ready Silver (99.99 fine Mint)	208 10	210 11	208 9	210 5
Forward " " " "	208 10	210 11	208 9	210 5
London Silver Ready	27-10-59	—	—	20-10-59
London Forward	79½d.	79½d.	79½d.	79½d.
London Silver	250s. 3d.	250s. 3d.	249s. 10½d.	249s. 10½d.
New York Silver	91.375c.	—	—	91.375c.

* 17th November settlement. † 16th November settlement.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 26th October

Slightly depressed conditions were witnessed in the foodgrain prices during the past week, thanks to pressure of new kharif grain arrivals in the market. Rabi sowings are in full swing and it is hoped that they will be finished by Diwali. While average wheat prices ruled quiet but unchanged at Rs. 17.50 per maund at Hapur during the week, superior quality prices eased by 50 nP per maund to Rs. 18.50, thanks to arrivals at an average of 100 maunds daily. These arrivals were mostly out of stocks supplied to cultivators for seed purposes by the Government seed stores. There were no purchases under the wheat levy scheme, as the Government purchasing price at Rs. 13 to Rs. 15 a maund were far below the prevailing market price.

Rice prices continued to be quiet, with inferior quality registering a modest decline following arrival of new paddy in heavy quantity. Harvesting of mungli is also being done and week-end prevailing prices of rice were: *selā basmati* Rs. 32 to Rs. 35 maund; *selā ramayayyan* Rs. 24.50, *gadda* Rs. 21.75 a maund.

Gram prices lost about 25 nP per maund during the week, as demand for seed purposes has subsided and local stocks were heavy at about 50,000 maunds. Barley and *bejhar* prices were depressed, as consumers had switched over their demand to maize, which is attracting good seasonal support. Maize prices, despite good demand, ruled quiet, as the maize crop was fairly heavy in this area. New *juar* and *barja* did not reach the market as yet. Prices of other coarse grains were also quiet. Today's rates (in rupees per maund) are: gram 12.75, barley 12.75, *bejhar* 11.50, maize 11.25 to 11.62, desi quality 12, *barja* 14, *juar* 12 to 14, *guwar* 11 to 13.

Pulses, too, experienced a downward trend during the week, as demand for peas and *arhar* was very poor. Peas lost about 50 nP per maund. Arrivals averaged at about 100 maunds daily and local stock is put at 43 khatties. Prices of *arhar* also ran down fractionally. Prices of other pulses mostly quiet and week-end prices (in rupees per maund) were: peas 11.11, *farm* white quality 12.25, *peas* 13.25, *arhar* 17, *arhar* 22 to 23, *urad* 17 to 18, *moong* 18 to 19, *masoor* 14.50 to 16.

FURTHER FALL IN COTTON

(From Our Own Correspondent)

BOMBAY, 28th October

Cotton futures suffered a sharp break during the week under review. The worsening of the Sino-Indian relations and bearish weather reports prompted fresh selling. Crop position improved following the emergence of clear and sunny weather. The pace of new crop arrivals showed that the damage to the crop due to recent floods and untimely rains was not as large as was earlier feared. Advices from the spot market indicated larger arrivals and slowing down of mill demand. The news that a plea for further liberalisation of imports will be put forward by the Cotton Advisory Board, when it meets on 3rd November, and that the Government might accept it, unnerved bulls. Under the pressure of heavy selling, the Jarilla March contract slumped from the opening level of the week of Rs. 716 to Rs. 707.50 on Saturday, the lowest for many weeks. The low level attracted some fresh buying and short-covering and values partially recovered in the second half of the week. Sentiment was also aided by the outlook for cotton which remained healthy.

I.C.C. Moglai Jarilla March 1960 opened the week at Rs. 716 and steadily declined to Rs. 707.50 on Saturday. It gradually recovered, on fresh support, to Rs. 713.25 yesterday. Commencing at Rs. 709 today, the contract rose to Rs. 710.50 before finishing lower at Rs. 708.25. The net loss over the week was Rs. 6.75.

In the spot section, demand slackened. Values receded further due to lack of support in the wake of larger new crop arrivals. Mills were keeping off the market in anticipation of a further fall in prices. Needy mills purchased new crop Vijay, Berar, Khandesh, Moglai, Old crop Rajpalayam, CO2, Kalyan, Laxmi and Wagad also found buyers.

Export interest did not show any material improvement. Prices of Bengal Deshi declined steadily, following heavy arrival of new crop. Estimates of new crop have been revised upwards to about 400,000 bales. Demand from Japan is likely to improve in the coming weeks, thanks to the fall in prices. Exchange allocation to Japanese importers is expected to be issued next month.

Demand for foreign cotton was well maintained. Sudan, Egyptian, East African, and American cotton found ready buyers. East African B.P. 52 was done at Rs. 1,190 c.i.f. Jan-Feb. shipment. Californian Acala G.M. 1-5/32" for November-December shipment changed hands at Rs. 1,170. Karnak T151 for December delivery was done at prices ranging from Rs. 1,540 to Rs. 1,550 per candy.

Allocations out of the recent import quotas already made are as follows: Of the quota of 140,000 bales stapling 1-3/16" and above, announced on 31st August, 40,000 bales continue to be reserved for needy mills. Of the balance of 100,000 bales, half has been allocated to non-actual-user mills and the other half would also be offered to them at a premium of 20 per cent. Any unabsorbed quantity will be allocated to regular users on consumption basis. A similar procedure is also being applied to the quota of 50,000 bales stapling 1-1/16" and above but below 1-3/16" announced on the 2nd inst. with any unabsorbed balance to be allocated to regular users on the basis of consumption. The 100,000 bales quota of stapling 1-3/16" and above, announced on the 2nd inst. for regular users, has already been distributed on consumption basis. The allotments against the 30,000 bales quota under the export incentive scheme for July-September are expected to be received by the eligible mills early next month.

Spinners are reported to be against the compulsory splitting up of retention quotas. It will be recalled that a trade notice issued by the Joint Chief Controller of Imports, Bombay, on the 6th inst., stated that, in distributing retention quotas against export entitlements for July-September 1959, half the value of the entitlement will be available for cotton of 1-3/16" and above and the other half for 1-1/16" and above but below 1-3/16". It was hitherto left to the exporting mills to choose the type of cotton they wanted. Mills are opposed to this compulsory split up for the following reasons:

(1) Since the retention quota itself is a small quantity, there is hardly any scope for a mill to place its production if the quota is given in two different staple lengths. This, it is said, amounts to denying the facility of retention and forcing the mills to resell the retention portion. (2) A large number of mills earning retention quotas are not equipped to process all types of long staple cotton. It is of no use to them to get cotton of a staple which they cannot process. (3) So far as retention quotas against exports of superfine cloth are concerned, the mills have already utilised cotton of 1-3/16" and above for producing cloth for export, and it is unfair to them if they get only half of their retention quota in that staple.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 625; Berar Jarilla 780; Gadag Laxmi 960; CO2 1,055; Surti 880.

Cotton futures values in Karachi moved up during the week under review. Prices improved on speculative support based on expectation of improved export demand. Domestic spinner demand was also good. N.T.R.G. January gained 6 to Rs. 64-6. March contract rose by a like amount to Rs. 64-10. In the spot section, there was brisk demand. The following are the latest available quotations—in rupees per maund of 82 lbs.—prevailing at Karachi:

Punjab Deshi 63; 4F Punjab Roller 71-10; S.G. 72-9; L.S.S. Punjab Roller 72-1; S.G. 73-1; N.T. Roller 75-1; S.G. 80-1; 289F Punjab Roller 78-1; S.G. 77-9.

Despite the prospects for improved demand for Egyptian cotton, the Alexandria cotton futures market ruled easy during the week under review. New

crop arrivals gathered momentum and this exerted a downward pressure on prices. Values were prevented from falling further by the sustained demand from Western Europe, especially U.K. and Germany. East European countries also showed interest. The following are the latest available quotations—in tallars per lb.—from Alexandria:

Karnak: November 70.80; January 71.47.
Ashmouni: October 62.90; December 61.05.

Steady conditions prevailed in the Liverpool cotton futures market during the week. Values moved narrowly in slow dealings characterised by inter-month switchings. A limited volume of long liquidation and hedge-selling was absorbing in mill fixation and commission house buying. Values, consequently, remained practically unchanged. The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: October-November 21.70; December-January 21.65; March-April 21.80; May 22.10.

American cotton mixed growth contract: October-November 21.95; December-January 22.00; March-April 22.25; May 22.25.

Sudan: November-December, January-February 29.00; May-June 28.75.

Dull conditions prevailed in the New York cotton futures market. Business was largely confined to small routine trade buying which absorbed limited hedge selling by Commission Houses and local traders. Movement of new crop gathered momentum and this was reflected in the price level which tended to look down. Encouraging reports from the textile market, however, imparted some strength to the market.

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

	(In cents per lb.)	27-10-59	20-10-59	13-10-59
Spot	...	32.70	32.75	32.80
October	...	...	...	32.55
December	...	32.39	32.33	32.15
March	...	32.85	32.86	32.59
May	...	33.14	33.15	...

YARNS LISTLESS

(From Our Own Correspondent)

BOMBAY, 28th October

Yarn prices ruled generally easy during the week under review. With only a few days left for Diwali, there was a customary lull in business. Traders were busy settling their accounts. Fresh business done was, therefore, small. Values declined. Ready prices of art silk yarn came down on profit-taking in the wake of reduced demand, although futures managed to attract some support. Listless conditions prevailed in the cotton yarn section. Only selected counts met with enquiries. Price movements were irregular. Staple fibre yarns, however, proved an exception to the general trend. Prices ruled remarkably steady. Pre-Diwali sales by mills were not as large as was earlier anticipated while demand was better than was expected.

Cupressa Bamberg yarn (80 x 2) October contract was unchanged at Rs. 1.631 while the December contract improved by Rs. 5 over the week on speculative buying to Rs. 1.676. Prices of imported yarn receded, thanks to lack of demand. 120 Japan eased to Rs. 5.25. 150 Japan met with selling and dropped to Rs. 5.12. 150 Italy declined to Rs. 4.84, while 120 Italy scored 25 nP, on stray buying, to Rs. 5.12.

In the cotton yarn section, ten counts Podars were unchanged at Rs. 14.50. Twentys Moderns were in demand and the quotation rose by 50 nP to Rs. 20.50. Sixties Finlays, however, came under selling pressure and dropped one rupee to Rs. 63.

Staple fibre yarn (40 x 2) October contract met with buying. It was quoted Rs. 3 higher at Rs. 690, as against Rs. 682 last week-end. The December contract too was well favoured and gained a like amount to Rs. 692. Spot Kohinoor found buyers at Rs. 3.75, as against Rs. 3.72 quoted last week-end, while spot Citys climbed down to Rs. 3.75.

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

	28-10-59	21-10-59
Art silk yarn—		
60/1 Cupressa Bamberg October (100 Kg.)	Rs. 1,631	Rs. 1,631
60/1 Cupressa Bamberg spot (per lb.)	7.44	7.41
120 Japan (per lb.)	5.25	5.40
150 Japan (per lb.)	5.12	5.20
120 Italy (per lb.)	4.84	4.97
150 Italy (per lb.)	4.84	5.12
Staple fibre yarn—		
40 x 2 October (per case of 500 lbs.)	690	692
40 x 2 December	692	694
40 x 2 Kohinoor (per lb.)	3.75	3.72
40 x 2 City	3.75	3.70
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.50	14.50
20s Modern	20.50	20.50
40s Minaxi	27.87	—
60s Finlay	63.00	64.00
80s Mahendra	78.50	78.50

SEEDS DOWN

(From Our Own Correspondent)

BOMBAY, 28th October

For the second week in succession, values in the oilseeds market suffered a serious setback during the week under review. This was due partly to larger arrivals and partly to a pronounced lull in the export front. Groundnuts and castor seeds reacted sharply. So also cottonseeds. Linseed was easy in the initial sessions; but at the close of the week it made a slight recovery, thanks to revival of some export prospects for flaxseed oil and oilcake.

The groundnut section was easy, particularly because of the pressure of arrivals of new crops. The manaspatil manufacturers and crushers were reluctant to extend support in a declining market. Foreign advices were not encouraging. Reports that the U.K. quotation for groundnut oil and oilcake receded further led to sizable drop in values. Groundnut February 1960 contract, which had wound up last week at Rs. 176.12, improved on Thursday to Rs. 176.25, but it subsequently gave way to close today at Rs. 173.50. Spot section was particularly hard hit. Saurashtra came in for heavy selling. Saurashtra Bold and Saurashtra Quality lost Rs. 2.25 each to Rs. 36.50 and Rs. 36.75, respectively. Oil ex-mill closed today, lower at Rs. 19.50, as against Rs. 20.50 last Wednesday. Railway receipts sagged by 87 nP to Rs. 19.25.

Heavy bull liquidation was in evidence in the castorseed section. The continuing uncertainty in the export business for castor oil, particularly exports to the U.S., dampened the activity in this section. There were hardly any sizable reports of export business with the U.K. or countries of the Continent. The perceptible weakness in the spot section also pushed down the values in the futures. Castorseed May 1960 contract reacted by Rs. 5.25 over the week to Rs. 158.75, after moving between Rs. 163 and Rs. 158.87. Madras small fell from Rs. 31.50 to Rs. 30.37. Ready Kanpur eased by Re. 1.25 to Rs. 29.25. Oil B.S.S. moved down by 37 nP to Rs. 17 and oil Commercial by 25 nP to Rs. 16.25.

The linseed section fared better than other seeds and oils. In the beginning of the week, linseed had moved down under the pressure of heavy offerings and lack of export business in oil. At the close of the week, there were reports of improvement in the export business for both oil and oilcake. This pushed up prices. Higher levels, however, led to some profit-taking. Linseed May 1960 contract, which had finished last week at Rs. 35.06, receded to Rs. 34.50 on Saturday. It improved once again to touch Rs. 35 yesterday. Today, it closed lower at Rs. 34.75 on a steady note. Bold ready came down by 50 nP to Rs. 34.62. Oil was lower by 25 nP at Rs. 17.

In sympathy with other seeds, cottonseeds gave way. The reaction in the raw cotton market also led to considerable selling. February contract closed at Rs. 123.50 today, as against Rs. 127.50 last Wednesday, after moving both ways between Rs. 127.75 and Rs. 125, over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	28-10-1959	21-10-1959	14-10-1959
Groundnut			
February 1960	173.50	176.12	179.75
Bold ready	86.00	85.50	40.00
Coromandel ready	86.25	85.50	40.00
Khandesh ready	86.25	85.50	40.00
Oil ex-mill ready*	19.50	20.50	21.50
Railway receipts*	19.25	20.12	21.16
Castorseed			
May 1960	158.75	164.00	166.62
Ready Madras	30.37	31.50	32.00
Ready Kanpur	29.25	30.50	30.50
Oil B.S.S.	17.00	17.87	17.87
Oil commercial	16.25	16.50	17.00
Linseed			
May 1960	34.75	35.06	35.56
Bold ready	34.62	35.12	35.12
Oil ready*	17.00	17.25	17.60
Cotton seed			
February 1960	124.50	127.50	129.25
High seed	81.50	81.75	81.75
Kardi seed	28.00	28.00	28.25

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

PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 28th October

Malabar black pepper ruled quiet during the week thanks to absence of foreign demand. The U.S. is reported to be interested in November-December-January delivery at about \$0.28. Ready garbled at Cochin ruled fairly steady at Rs. 139 as there was no selling pressure of old pepper, while heavy fluctuations were witnessed both in December and January delivery. Improvement in December and January, which took place after touching Rs. 129 in the last week, proved short-lived. After technical recovery from Rs. 129 to Rs. 133, December and January once again came down to Rs. 127. At the time of writing, however, the market showed some improvement, December and January having moved up to Rs. 129. Ready ungarbled is quoted at Rs. 800 while Calicut is nominally quoting at Rs. 825 but without sellers. The growers raise their selling price when there are foreign inquiries as the floating stock in the primary markets is small and that too, in strong hands. Arrivals of light berries are expanding but garbled quality new crop is not likely to come in the market before the second week of November.

Black pepper in Singapore is firmly held with no change in the prices but white is quoted at Str. \$175 in view of inquiries from Europe.

Spot in New York is reported steady at \$0.31. Dealers there are reported awaiting the crop movement in Malabar. They are said to be willing to pick up any low-priced offers for forward delivery. They expect good improvement and some lively fluctuation during the coming year sometime after the seasonal pressure is over, since production in other producing countries is reported disappointing.

Ready pepper in the local market is quoted between Rs. 95 and Rs. 102 per Bengal maund according to quality. Demand has failed to come up to the level generally expected during this time of the season.

DEMAND FOR TEA GOOD, BUT IRREGULAR

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)
COCHIN, 23rd October

Sale No. 40, held on 20th October 1959, comprised 1,257,500 lbs. The quality of teas offered in this sale was well maintained. The market met with good, but irregular, demand. Low mediums and mediums were 5 to 10 nP dearer, but all black leaf fannings suitable for the Middle East met with better support and were sometimes dearer by 25 nP. There was only limited enquiry for better liquoring descriptions which generally sold at lower rates than last. Whole leaf grades with improved quality were well contested for and were dearer, while others were easier. There was a useful demand for a small selection of tippy teas. The following are the quotations:—

	1959	1958
Low medium	1.80 to 1.90	1.55 to 1.65
Medium	1.90 to 2.20	1.70 to 1.85
Good medium	2.25 to 2.45	2.05 to 2.30
Quality	2.55 to 4.25	2.90 to 4.45

Dust Sale 'DD'—A quantity of 500,000 lbs. was offered in dust sale 'DD' held on 22nd October 1959. Quality of dusts offered in this sale showed a slight improvement. There was a good general demand and prices were steady for all descriptions. However, C.T.C. dusts met with poor support and were easier.

London Market: Sale of 19th October 1959.—Best Assams Brown Doonars and plain firm others irregular.

Sale of 20th October 1959.—Good demand with prices were changed in sellers' favour.

Sale of 21st October 1959.—Better tone with any changes in sellers' favour.

Colombo Market: Sale of 19th October 1959.—Strong general demand. Uvas lower following quality. Dimbula Dickoyas substantially dearer than last week's closing particularly B.O.P.F. Medium broken very strong. Better sorts up 10 cents, plain sorts up 20 cents. Lowgrowns strong firm to dealer.

Sale of 20th October 1959.—Offgrades strong general demand. About 15 to 20 cents dearer all round.

Calcutta Market: Export.—71,000 chests. Continued strong general demand for commons. Medium B.O.P.s easier, but improved competition for C.T.C.s particularly B.P.

Internal.—23,800 packages dust. Good demand. Orthodox up to 2 nP easier. Medium C.T.C. irregularly easier. Best C.T.C. steady.

Export Quota.—The market has been quite active and a fair amount of business has taken place at 2 1/2 nP. At present there are sellers at 2 1/2 nP with probable buyers at this rate.

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

"Sale 41.—1,250,000 lbs. Good general demand. Low medium broken irregularly 5 nP easier, but fannings firm. Medium and good medium fully firm. Highgrown broken considerably easier, but similar fannings dearer. Whole leaf irregular."

LINSEED DECLINES

(Messrs. A. Bradley & Co.)

CALCUTTA, 26th October

After the firmness of the previous week, there has been some reaction in the market and prices have declined gradually with small losses recorded in all sections. Enquiries from crushers have continued, but interest has been mainly at lower levels and the weekly turnover, although regular, has been small.

There has been a decline of about Re. 1 in oilcake prices with sellers quoting Rs. 18 and a very poor local offake. Shippers have not been interested above Rs. 15, owing to a decline in U.K. prices to £38.

Activity in the oil market has been rather limited. Overseas prices have been nominally quoted at £115, but little fresh business has been reported. Local shippers have shown very little interest. The latest quotations are as follows:—Ready October Rs. 25.62, November December Rs. 25.75 and May futures Rs. 23.84 per maund.

GUR FIRM

(From Our Own Correspondent)

HAPUR, 26th October

Sugar prices continued steady during the past week. The Government of India is anxious to allow a monetary incentive for starting the crush ing season in early November, prices of cane supplied to factories have also been enhanced for Re. 1.44 to Re. 1.62 per maund for delivery at the gate of the factory and from Re. 1.31 to Re. 1.5 for delivery at purchasing centre for 1959-60 season. A rebate of 50 per cent. in the basic excise duty has also been promised on all sugar produced during 1959-60 in excess of their average production in 1957-58 and 1958-59. Ex-factory controlled sugar price of D-39 has also been increased from Rs. 36 to Rs. 37.85 per maund in U.P. and North Bihar and from Rs. 36.50 to Rs. 38.50 a maund in the Punjab. The reactions to the new announcement are yet to be watched. Sugar prices here are steady at Rs. 131 per bag in the open market and in retail at Rs. 1.25 per seer.

Khandasari prices continued steady, due to brisk demand for Diwali in the form of Boora and Kilohamans. Power-driven crusher owners have been asked to stop crushing and not to resume till they secure a licence. The latest Government policy is not to allow any new licence for new crushers, but licences of all those who had deposited fees before 31st March 1959 will be renewed in the near future. The latest prevailing prices of Khandasari are: inferior Rs. 40 to Rs. 48, superior upto Rs. 52, Boora Rs. 48 to Rs. 52 a maund.

Although new gur prices declined by about Rs. 2 per maund during the week, prices are still steady due to good outside demand. Pressure of new gur arrivals is being felt in the market. Balti quality being much in request from Saurashtra, is quoted about Rs. 3 higher than pansera quality, at Rs. 27 per maund. Daily arrivals have mounted to an average of 3,000 maunds here and the entire arrivals are being lifted for consuming areas. The latest prevailing prices are:—pansera best Rs. 24, dara Rs. 22 to Rs. 23, shakker Rs. 24.25, balti Rs. 26.50 to Rs. 27 a maund.

Ready gur prices eased by about Rs. 2 to Rs. 2.50 per maund during the week in the Muzaffarnagar market, where too arrivals are rising. Demand for shakker is keen from Rajasthan and prevailing prices are:—gur pansera Rs. 23, chaku Rs. 24.50, shakker Rs. 25 to Rs. 27 a maund.

Following the announcement of increase in cane prices, gur fagun prices registered a sharp advance from Rs. 15.29 to Rs. 15.58; it is quoted today at Rs. 15.44.

Notice

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta-1, on Thursday the 26th November, 1959, at 11 a.m., for the following purposes:—

- To receive and consider the Audited Accounts for the year ended 31st March, 1959, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- To confirm the Dividends already paid on the Preference Shares and to declare a Dividend on the Ordinary Shares of the Company.
- To appoint Directors in place of those retiring and in this connection to consider and, if thought fit, to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company, viz.:—
"That pursuant to the provisions of Section 281 of the Companies Act, 1956, Sir Asoka Kumar Roy, who has attained the age of 73 years and who retires from the Board by rotation, be and is hereby re-appointed a Director of the Company and it is hereby specifically declared that the age limit for directors prescribed by Section 280 of the said Act shall not apply to him."
- To appoint Auditors and to fix their remuneration.
- To consider and, if thought fit, to pass the following resolution which will be proposed as a Special Resolution, viz.:—
"That pursuant to the provisions of Section 314 of the Companies Act, 1956, consent be and the same is hereby accorded to Mr. Surendralal Girdharilal Mehta, a relative of Mr. Girdharilal Mehta, a Managing Director of the Company, holding an office or place of profit as an Assistant to the Company on such terms as to remuneration or otherwise as have been or may be agreed from time to time between such Assistant and the Company."

Notice is also given that the Transfer Books of the Ordinary Shares of the Company will be closed from the 12th November to the 26th November, 1959, both days inclusive.

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

By Order of the Board,
D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA-1, 26th October, 1959.

Note.—An Explanatory Statement is annexed to the Convening Notice issued to Members.

THE JAY ENGINEERING WORKS LTD.

EXPORTS ALMOST DOUBLED

LALA SHRI RAM REVIEWS PROGRESS

ADDRESSING the shareholders of The Jay Engineering Works Ltd., at its Twenty-second Annual General Meeting held on 23rd October 1959, Lala Shri Ram, Chairman of the Company, said:

"LADIES AND GENTLEMEN,

"The balance-sheet and profit and loss accounts and the Directors' report have been in your hands for some time and these with your permission I will take as read.

"The comparative figures of sales, etc., between the year ended 31st March 1958 and the year ending 31st March 1959, are:

	For the year ending	31-3-1958	31-3-1959
Sales	...	Rs. 4,71,60,120	5,33,24,107
Profit before providing for income-tax	...	Rs. 38,52,326	44,22,192
No. of sewing machines made	...	1,57,945	1,97,126
No. of fans made	...	1,99,073	2,70,807
No. of schools	...	386	547
No. of students	...	30,000	40,000

"These show an all-round improvement.

"I told you last year that we have got arrangements for the sale of our sewing machines and fans at 1,200 places. The arrangement now is at 1,500 places.

Exports Up

"Although we are having stiff competition from Japan, and other countries in exporting our sewing machines and fans, you will be glad to know that our exports up to 31st March 1959, were of the value of Rs. 45,10,776, as compared with Rs. 24,96,270 up to the year ended 31st March 1958, in other words, an increase of over 80 per cent.

"I told you last year that our agents had started showrooms in Singapore and in Bangkok. Both the places, I am glad to say, are doing well. They have also opened new showrooms and offices at Kuala Lumpur and Penang and I hope our sales in those countries, too, will increase much more.

"I take this opportunity of conveying our appreciation of the work done by our staff, in particular Shri Ravindranath, who go out of India to study foreign markets and their needs, and popularise our goods there.

Fan Factory

"During the year, we have been able to produce in the fan factory, air circulators of good quality and performance, and hope this will be a good additional line of our products. The prototypes for exhaust fans are also ready, and we will be able to put them in the market early next year, if not in the current year.

"I am sorry to say that, due to various difficulties, the production of the Zig Zag machines has not been taken in hand. Our staff have been kept busy with the designing and producing the new type of streamlined machines specially for the American market. The first lot of the machines will be despatched by the end of this month, and we hope that they will give satisfaction to our buyers. Once we produce an article to the liking of our American friends, we hope good business would be possible in that country.

"I told you last year how, in a very few years, we brought down the price of our machines from Rs. 220 to Rs. 160 in three stages, but now we find it very difficult to reduce the price any further.

"The high price of foodstuffs, and all the other articles of consumption of the lower middle class, leave very little margin with the poor and middle class housewives, who are

our biggest customers, to be able to buy sewing machines, although these machines help the tailors and poor middle class families in earning their livelihood.

"After all, sewing machines would only be used if there is cloth to sew. In 1950, the cloth consumption per capita was 9.7 yards, in 1951 11.7 yards, in 1952 14.4 yards, in 1953 and 1954 15 yards, in 1955 15.8 yards, in 1956 16.1 yards; since then, it is approximately 16.2 yards per annum for 1957 and 1958. So long as consumption of cloth was going up, our sale of sewing machines was also going up. Now that cloth consumption has become static, so has become the sale of machines and we are finding a little buyers' resistance, which can be well appreciated.

"I told you last year that a beginning has been made in selling machines on hire-purchase system and this is gradually but slowly catching.

"Last year, we held an All-India Sewing and Embroidery Exhibition at Calcutta. Since then, one more was held at Madras which was opened by the Chief Minister, Shri Kamraj Nadar. And another was held in Colombo; this was opened by Mrs. Bandaranaike, the wife of the then Prime Minister of Ceylon. In both places, literally thousands of people saw the exhibition every day, and it has helped a good deal in popularising our machines.

Capacity to Buy

"There is one other point which I made some years back when speaking to you. After all, the people in a country can buy things, made in the country by the people, whose remuneration has some relation with the per capita income of that country. While in 1952 the industrial workers in India got 419 per cent. of the per capita income, it has gone up to 448 per cent. in 1957. On the other hand, in France, it has come down from 116 per cent. in 1952 to 110 per cent. in 1957. In Japan, it was 263 per cent. in 1952 and 255 per cent. in 1957, and, after all, Japan is the country who is our biggest competitor. It will not be out of place to say that, even in 1952, the percentage of wages of an industrial worker in India was almost twice as high as the highest in any country in the world. In 1952, the lowest in France was 116 per cent. of the per capita income and 263 per cent. the highest in Japan, whereas in India the corresponding figure was 419 per cent. of the per capita income. It is also well known that the per hour output in India is lower than in all industrially advanced countries. These figures do not include in our case either the heavy losses we suffer in the food we provide to our workers or the provident fund amount or the payment for the State insurance, etc. The loss on a meal has gone up from 37 naye paise in 1952 to 62 naye paise in 1959 and over 50,000 meals are supplied in a month. The loss, which was less than Rs. 7,000 per mensem, has gone upto almost Rs. 36,000 per month.

An Uphill Task

"Every effort is being made to bring down the cost of production, without affecting the income of the workers, on the one hand, and the quality of the machines, on the other, but it is an uphill task, and while in the past I have always been optimistic, I am sorry to say that, with the buyers' resistance, the high cost of labour and food, etc., I am not sure whether we will be able to sell all our products even at the present low price; and, as I have told you, it is not possible for us to reduce the price further. If, unfortunately, we are compelled to do it, it will certainly affect very highly the limited profits that we have made this year.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India				
Statement of Affairs for the week ended 23rd Oct., 1959				
BANKING DEPARTMENT				
LIABILITIES				
Capital paid-up	Rs.			
Reserve Fund	5,00,00,000			
National Agricultural Credit (Long-term Operations) Fund	30,00,00,000			
National Agricultural Credit (Stabilisation) Fund	4,00,00,000			
Deposits—				
(a) Government—				
(1) Central Government	87,39,35,000			
(2) Other Governments	18,18,63,000			
(b) Banks	80,90,05,000			
(c) Others	118,23,52,000			
Bills Payable	18,71,58,000			
Other Liabilities	19,27,88,000			
Total	Rs. 441,71,91,000			
ASSETS				
Notes	Rs. 30,65,00,000			
Rupee Coin	1,72,00,000			
Subsidiary Coin	8,66,000			
Bills Purchased and Discounted—				
(a) Internal	30,37,39,000			
(b) External	24,85,71,000			
Loans and Advances to Governments	18,55,31,000			
Other Loans and Advances	80,62,00,000			
Investments	24,62,97,000			
Other Assets	10,02,91,000			
Total	Rs. 441,71,91,000			

* Includes Cash and Short-term Securities.
No advances granted against unsecured bills under Section 17(4) (c) of the Reserve Bank of India Act are outstanding.

COMPARATIVE BANKING STATISTICS*				
(In crores of rupees)				
	1st Sept. 1959 (pre-war)	16th Oct. 1959	A week ago	A month ago
RESERVE BANK				
Notes in circulation	172.37	166.01	166.53	167.81
Notes held in Bank	17.87	16.80	16.80	16.80
Foreign Securities	50.80	183.01	183.01	183.01
Rupee Securities	97.89	121.51	121.51	121.51
SCHEDULED BANKS				
Demand Liabilities	184.36	741.94	729.35	741.35
Time Liabilities	102.24	111.05	111.02	111.02
Borrowings from Reserve Bank	3.50	10.20	7.49	1.45
Borrowings from State Bank	6.70	44.56	41.35	43.18
Cash in India	25.17	79.79	71.15	79.21
Reserves with Reserve Bank	18.52	20.36	12.47	19.88
Money at call and short notice in India	14.23	13.25	14.21	12.81
Investments (at book value)	105.9	780.15	781.99	759.85
Advances and bills	87.76	951.30	935.68	925.55
Deposits	51.90	867.68	862.24	875.54
Others	80.85	159.89	159.37	160.99
Cash	14.90	30.84	21.02	37.06

* Borrowings from Banks excluding the Reserve Bank and the State Bank.
† Borrowings against unsecured bills and promissory notes.

PRINCIPAL BANK RATES %				
Centre	Changed on	From	To	
Argentina	Dec. 1957	3.50	6	
Austria	28th April, 1959	3.50	4.50	
Belgium	7th Jan. 1959	3.50	3.50	
Bolivia	30th Sept. 1959	5	6	
Burma	Feb. 1948	5	5.18	
Canada	11th June, 1954	2.50	2.50	
Chile	Feb. 1957	4.50	6	
Denmark	8th May, 1958	7	4.50	
Ecuador	15th Nov. 1952	7.50	3	
El Salvador	April, 1957	6	4	
Finland	6th Nov. 1959	6.50	6	
France	23rd April, 1959	4.25	4	
Greece	May, 1959	9	10	
India	16th May, 1959	3.50	4	
Indonesia	1st April, 1946	4.50	4.25	
Ireland	28th Nov. 1958	4.50	4.25	
Italy	7th Jan. 1959	3	3.50	
Japan	Feb. 1959	7.50	6.94	
Mexico	4th June, 1945	4	4.50	
Netherlands	19th Oct. 1959	7	6.75	
New Zealand	19th Oct. 1959	7	6	
Norway	14th Feb. 1955	2.50	3.50	
Pakistan	14th Jan. 1959	3	4	
Peru	18th Nov. 1947	5	4	
Philippines	Feb. 1959	4.50	6.50	
Portugal	21st Jan. 1954	3	3.50	
South Africa	5th Jan. 1959	4.50	4	
Spain	6th Aug. 1949	6	6.25	
Sweden	28th Nov. 1958	4.50	4.50	
Switzerland	28th Feb. 1959	2.50	4	
Thailand	Feb. 1945	7	7	
Turkey	6th June, 1958	4.50	6	
United Kingdom	30th Nov. 1958	4.50	6	
U.S.A.	1st July, 1958	3.50	4	
U.S.S.R.	11th Sept. 1959	3	4	
West Germany	24th Oct. 1959	3	4	

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The latest available rate is shown here, as compared with that for the preceding week.

State Bank of India				
Statement of Affairs for the week ended 23rd Oct., 1959				
CAPITAL AND LIABILITIES				
CAPITAL				
Authorized Capital—	Rs.			
20,00,00,000 shares of Rs. 100 each	20,00,00,000			
Issued, Subscribed and Paid-up—				
5,62,50,000 shares of Rs. 100 each	5,62,50,000			
Reserve Fund and Other Reserves	577,45,69,000			
Deposits and Other Accounts	9,74,41,000			
Borrowings from Other Banking Companies, Agents, etc.	1,69,90,000			
Bills Payable	1,49,17,000			
Bills for Collection being Bills receivable as per contra	12,70,99,000			
Accruals, Endorsements and Other Obligations per contra	1,49,17,000			
Other Liabilities (including Inter-Office Adjustments)	12,70,99,000			
Total	Rs. 615,72,66,000			
PROPERTY AND ASSETS				
Cash in hand and with Reserve Bank	28,53,83,000			
Balance with other Banks	2,13,12,000			
Money at Call and Short Notice	2,66,67,000			
INVESTMENTS				
Government and other Trustee Securities	887,26,71,000			
Other Authorized Investments	10,17,27,000			
ADVANCES				
Loans, Cash Credits, Overdrafts, etc.	147,75,92,000			
Bills Discounted and Purchased	9,84,08,000			
Bills Receivable being Bills for Collection as per contra	1,69,90,000			
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	1,49,17,000			
Premises less Depreciation	1,24,47,000			
Furniture and Fixtures less Depreciation	1,17,64,000			
Other Assets (including Inter-Office Adjustments)	21,69,88,000			
Total	Rs. 615,72,66,000			

Scheduled Banks*				
Statement of Affairs for the week ended 16th Oct., 1959				
Demand Liabilities in India:				
(a) Borrowings from banks other than the State Bank and a notified bank	Rs. 22,46,96,000			
(b) Other demand liabilities	719,47,37,000			
Time Liabilities in India:				
(a) Borrowings from banks other than the State Bank and a notified bank	28,66,71,000			
(b) Other time liabilities	1088,32,62,000			
Borrowings in India from the State Bank and/or a notified bank:				
(a) Demand liabilities	3,07,95,000			
(b) Time liabilities	1,12,00,000			
Borrowings in India from the Reserve Bank of India	3,68,80,000			
Cash in India	44,55,98,000			
Balance with the Reserve Bank in India	79,78,68,000			
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	780,14,65,000			
Advances in India	794,92,78,000			
Internal Bills, purchased and discounted in India	97,05,55,000			
Foreign Bills, purchased and discounted in India	39,21,31,000			

TREASURY BILLS				
(In crores of rupees)				
Date of tender	Offered	Applied for	Allocated	Rate of discount
20th July to 1st Aug.	0.68	4.05	0.68	99.391
4th August	3.00	3.00	2.519	99.375
11th August	3.00	3.00	2.530	99.365
12th to 14th Aug.	2.00	2.00	2.00	99.381
17th to 22nd Aug.	0.58	0.58	0.58	99.381
25th August	2.00	2.00	2.520	99.370
31st August	3.00	3.05	2.519	99.380
1st to 5th Sept.	1.20	1.20	1.20	99.380
8th September	2.00	2.00	2.448	99.380
9th to 12th Sept.	1.00	1.00	1.00	99.406
15th September	2.00	2.00	2.440	99.406
16th to 19th Sept.	2.00	2.00	2.440	99.390
22nd September	2.00	2.00	2.440	99.390
23rd to 26th Sept.	2.00	2.00	2.440	99.390
29th September	2.00	2.00	2.440	99.390
5th October	2.00	2.25	2.440	99.406
13th October	2.00	2.05	2.440	99.406
14th to 17th Oct.	4.25	4.25	4.25	99.406
20th October	2.00	3.85	2.485	99.395
21st to 24th Oct.	6.05	6.05	6.05	99.395
27th October	2.00	3.58	2.420	99.395
Total amount outstanding	45.48	45.48	45.48	

* Intermediate Treasury Bills sold.

INDEX NUMBERS OF WHOLESALE PRICES				
(Base: 1945-46 = 100)				
Particulars	Weight	10th Oct. 1959	3rd Oct. 1959	11th Oct. 1959
Food Articles				
Cereals	504	125.2	122.8	121.4
Pulses	48	93.8	108.5	113.9
Fruits and Vegetables	28	141.4	122.6	122.1
Milk and Eggs	94	122.4	117.9	113.9
Edible Oils	47	121.3	122.6	113.9
Fish, Eggs and Meat	112	112.5	111.5	112.3
Sugar and Gums	49	158.1	155.5	145.1
Others	50	127.5	127.4	127.4
Liquor and Tobacco				
Tobacco	21	100.2	100.2	99.3
Others	29	98.7	98.7	98.7
Food, Fuel, Light and Lubricants				
Food	122	110.2	110.2	110.2
Fuel	122	123.0	123.0	117.1
Light	61	108.0	109.2	109.2
Lubricants	61	108.0	109.2	109.2
Industrial Raw Materials				
Textiles	147	104.5	104.5	104.5
Others	32	121.0	121.0	108.6
Manufactures				
Intermediate Products	41	112.9	112.9	112.9
Finished Products	349	110.2	110.2	108.6
Others	147	104.5	104.5	104.5
Others				
Cotton	114	111.5	111.5	111.5
Others	90	90.7	90.7	90.7
Woolen	104	104.5	104.5	104.5
Silk and Rayon	90	90.7	90.7	90.7
Metal Products	12	143.6	143.6	143.6
Chemicals	20	107.7	107.7	107.7
Oil Cakes	10	145.5	145.5	145.5
Machinery and Transport Equipment	81	105.9	105.9	105.9
Others	21	113.5	113.5	113.5
All Commodities	1,000	110.8	110.8	110.8

Notes:—Weight shown against the sub-groups under each of the groups are those assigned to the respective sub-group to arrive at the group index.

State Bank of Pakistan				
Statement of Affairs for the week ended 16th Oct., 1959				
BANKING DEPARTMENT				
LIABILITIES				
Capital paid-up	Rs. 3,00,00,000			
Reserve Fund	4,15,00,000			
Deposits—				
(a) Central Government	80,83,64,000			
(b) Provincial Governments	2,96,48,000			
(c) Banks	30,80,08,000			
(d) Others	4,78,57,000			
Bills Payable	22,41,000			
Other Liabilities	7,62,59,000			
Total	Rs. 134,38,57,000			
ASSETS				
Notes	Rs. 12,23,39,000			
Rupee Coin	80,000			
Subsidiary Coin	58,000			
Bills Purchased and Discounted—				
(a) Internal	27,87,63,000			
(b) External	4,68,00,000			
Loans and Advances to Governments	2,47,58,000			
Provincial Governments' Debtor Balances	78,21,78,000			
Other Loans and Advances	8,88,81,000			
Investments	134,38,57,000			
Other Assets	134,38,57,000			
Total	Rs. 134,38,57,000			

* Includes Cash and Short-term Securities.

EXCHANGE RATES				
27th October 1959				
Previous week				
Bombay on London—	1-5 1/2			
Sellers T.T. D.D. Spot	1-5 1/2			
Sellers T.T. D.D. up to six months	1-5 1/2			
Buyers T.T. spot to nine months	1-6 1/2			
Buyers T.T. 10 to 12 months	1-6 1/2			
Bombay on New York—	1-5 1/2			
Buyers T.T. D.D. Spot	477.00			
Buyers T.T. D.D. up to six months	473.50			

in almost every country, whether it be a large producer or small producer. Even in America there is tariff protection. It is felt that in India also this industry may have to seek continuous tariff protection for a long period to come.

"For future development of this industry in India some raw materials like petroleum coke for electrodes and cryolite for electrolytic process are required. Petroleum coke is only available from the oil refinery at Dgbol, but the quantity is not sufficient and the inland carrying cost is high. The new refineries are not using this process and it is necessary that the Government should pay attention to the necessity of production of petroleum coke in the new refineries as a by-product. As far as cryolite is concerned, at the moment it is mostly imported from Greenland. It is necessary to pay attention for manufacture of synthetic cryolite in India. Commercial production of aluminium depends on cryolite, and dependence of the industry on such imports is not always desirable.

"Due to the expanding economy of the country, the price indices have risen and thereby wages have also been necessarily increased. But there is real danger of these wages getting out of proportion to the income of majority of people in India who are either unemployed or under-employed. It is well to remember that the number of industrial workers total only about 7 million out of the total labour force of 154 million in our country. The majority, therefore, are dependent on agricultural income, which is much lower as compared to that of the industrial workers. Such disparity is leading to a vast influx of persons from villages to the cities creating tremendous problems of housing and amenities, apart from unbalanced increased employment load on industries. The solution lies on the betterment of agricultural income and this can be achieved when crop yield per acre goes high. For such high crop yield, more irrigation, more fertilisers and more insecticides have to be provided. This means developing more balancing industries and thus the problem assumes a vicious circle.

Better Facilities Needed

"Therefore, rapid industrialisation also assumes great importance. To facilitate quicker industrialisation in the country and to achieve better and balanced economical conditions and employment, *entrepreneurs* should be accorded better facilities and the procedure for disposal by Government should be more flexible. At present, industrialisation is dependent on the import of necessary equipments from foreign countries. Due to foreign exchange shortage the import of equipments has to be arranged either against loan in foreign countries or against deferred terms of payment from suppliers of equipment. The agencies from whom such loans can be secured are either in the United States of America, like the Export-Import Bank, etc., or in different continental countries who have accorded to India foreign exchange credit, or the different suppliers direct. Whenever help is taken from the Export-Import Bank of America, the plants have to be purchased in the U.S.A. Looking to the smaller size of the requirement of the plants in India in comparison with the U.S.A., in most of the cases, the plants purchased in the U.S.A. cost more than the plants purchased from the continent, and India has to pay this higher price along with high technical collaboration fee for developing such industries or in case of foreign collaboration profits have to be remitted for all time to come.

"In the Continent and other places outside U.S.A. where plant requirements are similar to our requirements, the price of such equipments is lower, but the equipment has to be imported on deferred terms of payment which requires guarantee from suitable institutions in India for the credit extended. Therefore, the whole process of piloting the scheme, viz., obtaining essentiality certificate from Government, fulfilling and negotiating formalities for obtaining bank guarantee and final acceptance are subject to too much delay, thus rendering implementation of the scheme impracticable specially by new *entrepreneurs*. I wish to make a suggestion that suitable procedure be worked out for approving without much delay the scheme for expansion or for setting up a new plant after examination of its soundness, financial as well as technical, so that the necessary guarantee is available as early as possible.

"Especially in a transitory period as the one through which we are passing, the problems have to be handled in a very balanced way, so that while there is an all-round economic equilibrium, there is also a rising economy for the progress of the nation."

MANCHESTER LETTER

(Concluded from page 729)

These show that, in every case except cotton waste yarn, output in Lancashire was higher than in the corresponding month last year and that, despite the holiday season, the industry itself was fully reflecting the sharp increase in demand which had already been proceeding for several months.

The total manpower figure for those on the books of employers has now fallen below 200,000 for the first time for many years past. Historians had to delve into their records to find a comparable position, which took them back far into the nineteenth century. The rate of decline in the labour force, however, has been sharply curtailed for most of the current year. The actual reduction in the number of employees in spinning, doubling and weaving during August was exactly 501, which compares with a fall of 3,500 in the same month in 1958.—All Rights Reserved.

COMMERCE AND INDUSTRY

(Concluded from page 740)

and medium scale, apart from the possibilities of co-operation with large industrial concerns. As business contracts between the two countries are being intensified, Indian businessmen will become increasingly aware of the vast variety of products in which Austrian firms can offer technical know-how and deliver the necessary equipment (and, for the initial stage, parts for assembling in India) at reasonable terms.

It must be pointed out, however, that, while some Austrian firms might be interested in investments in India, Austria is not in a position to accept payment in non-convertible rupees for her goods.

It is hoped that the volume of Indo-Austrian trade which has recently been subject to a certain setback due to import restrictions by India will find new ways of expansion and will thus reflect the very warm and cordial relations which happily exist between the two countries at both political and cultural levels.

PAPER INDUSTRY

The paper industry has been making steady progress during the last few years. The production of paper and paperboard amounted to 106,300 tons during the first five months of the current year, or an annual rate of 255,130 tons, as against 233,011 tons in 1958 and 210,126 tons in 1957. Besides, mills have started manufacturing such specialised superior quality paper as high gloss poster paper, superior varieties of bank and bond and off-set papers, brush coated art paper, vulcanised fibre sheets and butter and greaseproof paper. What is more, the paper industry has been able to utilise not less than 92 per cent. of the installed capacity. Three new units, namely, the West Coast Paper Mills, Dandeli, Mysore; the Western India Match Company, Calcutta, and the Padumjee Paper Mills, Kharpholi, have recently gone into production. Mr. Hariprasad Singh, in his presidential address at the 17th annual general meeting of the Indian Paper Mills' Association, held on the 26th inst., in Bombay, felt confident that, at the present rate of expansion, the paper industry would be able to attain the production target of 350,000 tons, laid down in the second Plan to be reached by 1960-61.

The consumption of paper has been going up in this country, thanks to growth of industrialisation as well as literacy, and rise in general standard of living. The per capita consumption of paper at present in India is, however, no more than 2 lbs., as compared with 42.4 lbs. in the U.S. and 183 lbs. in the U.K. There is every likelihood that consumption of paper in India will go up appreciably in the coming years. Apart from civilian consumption, off-take of paper by Government departments has also increased. The fact remains that despite the lower levels of paper consumption in India, scarcity conditions continue to prevail. Viewed against this background, Mr. Singh's plea to lay down production target of 700,000 tons for the third Plan seems quite justified. In order to attain this objective he considered it necessary to step up installed capacity to 900,000 tons during the third Plan period. Even though licences had been issued to bring up the capacity to 555,000 tons by 1960-61, he anticipated a short-fall of approximately 90,000 tons in the installed capacity of 450,000 tons to be achieved by the end of the second Plan period, owing to the difficulties in the procurement of plant and machinery as a result of restrictions. It was, therefore, essential to install capacity to the tune of over 540,000 tons during the third Plan. Mr. Singh was of the opinion that, unless this additional capacity was installed, scarcity conditions would prevail, and development and educational plans would suffer.

Mr. Singh, however, was not in favour of setting up small units with a capacity of 5 to 10 tons for raising production of paper. Such small units, he observed, would not be integrated plants, since they did not have any pulp plant attached to them. Even now, many of the mills had to import part of their requirements of pulp from abroad. He pointed out that the supply of waste

paper also was not sufficient to meet the requirements of the existing paper mills. He, therefore, felt that the development of small units would necessitate much larger imports of pulp, causing considerable drain on foreign exchange.

Drawing attention to the difficult position of raw material supplies, Mr. Singh observed that Government had not made much headway in formulating a uniform and co-ordinated forest policy, as recommended by the Planning Commission to ensure continued supply of raw materials to the industry at reasonable rates. He, therefore, urged the Central Government to prevail upon the State Governments concerned to lease out forest areas for longer periods and implement the recommendations of the Planning Commission in that regard. He also wanted that the D.G.S. and D. as in the case of purchases of Government requirements of paper, should collect from the various Government departments waste papers arising out of office sweepings and weeding of records and offer the same to the paper mills, at a price to be negotiated mutually by the Government and the mills.

MARKET GOSSIP

(Concluded from page 719)

head expenses. This is more a marriage of convenience than one prompted by desire for mergers.

Smaller airlines cannot remain unaffected by this trend. They too have begun to think along similar lines. For instance, a move is afoot to establish a joint airline, called the United Arab Air Company, by five Arab States, namely, the U.A.R., Jordan, Saudi Arabia, Iraq and Lebanon. In spite of their deep political differences, representatives of these States recently met in Beirut for preparing the way for the formation of the Company. The meeting was sponsored by the Arab League. The main consideration underlying this proposal is that, with the advent of jet aircraft in civil aviation and the prospect of the main European airlines merging or adopting joint policies, some form of merger of the airlines in Arab countries, too, is called for.

Lebanon, which is one of the foremost advocates of the United Arab Air Company, has suggested that each contracting Arab country should assign one of its national companies or a federation of its national companies to take part in the proposed Company which would operate long-distance flights on a co-operative basis. The United Arab Air Company, it is further suggested, need not have a legal personality independent of the companies from which it is formed. Member-companies could be subject to the laws of their own country. But the contracting parties would undertake to unify legislation affecting the air companies, especially laws and regulations covering customs, municipal tax, income-tax, exemptions, etc. The proposal is still in a nebulous stage and it will take some time before anything concrete comes out of it.

Fertiliser Plant at Neyveli

A big step forward in the realisation of the scheme for an integrated lignite project at Neyveli (South Arcot, Madras State) was taken this week when an agreement was signed (on the 27th inst.) between the Neyveli Lignite Corporation and the representatives of two Italian and two German firms for setting up a Rs. 25-crore fertiliser plant at Neyveli. This agreement followed several weeks of negotiations between the Corporation and the representatives of the foreign firms. The production capacity of the plant will be 152,000 tons of urea per annum. The plant was originally expected to go into production by the end of 1960, but it is now anticipated that the erection of the plant would commence in about 16 months from now and production would commence at the end of 1962.

The two Italian firms are Ansaldo, a famous building and engineering concern of Genoa, and Montecatini, a leading engineering firm in chemicals, fertilisers, dyestuffs, plastic and aluminium. The two German firms are Hulschemann and Linde. The Italian firm of Ansaldo has contracted for the design, fabrication of equipment, erection and starting of the five sections, namely, ammonia, urea, process steam, electrical installation and off-site facilities. Montecatini will supply its technical process—total recycle process—for the production of urea utilising 800,000 tons of lignite. The whole project will be technically co-ordinated by Montecatini with the two German firms. The latter two firms have signed the agreement for the production of synthesis gas to feed the ammonia plant and will supply the equipment for the manufacture of ammonia, urea and process steam.

The two Italian firms, of which Ansaldo will be paid about \$22 million (Rs. 10.45 crores) by the Lignite Corporation in Italian lire, the major portion of which will be by deferred payment, have undertaken the necessary technical supervision for the erection and operation of the plant. For this purpose, they will send to India about 200 technicians. They have also undertaken to train Indian technical personnel both in India and in their factories in Italy.

When completed, the urea plant will, it is claimed, be the largest in the world. The estimated lignite production at Neyveli is 3.5 million tons, a part of which will be utilised to produce 250 m.w. of thermal power, 152,000 tons of urea with a nitrogen content of 72,000 tons, carbonised briquettes, and other valuable by-products like tar, phenol, motor spirit and char dust. It is planned to utilise the chinaclay obtained to manufacture refractory bricks, sanitary and domestic ware and electric insulators.

COMMERCE

VOL. XCIX. No. 2537

BOMBAY, 7th NOVEMBER 1959

PRICE : Rs. 2

G.A.T.T. SESSION AT TOKYO

THE outcome of the fifteenth session of the General Agreement on Tariffs and Trade (G.A.T.T.), held at Tokyo from 27th to 29th October 1959, is not as disappointing as some commentators in this country have made out. It is true that no specific concessions have been offered by the developed countries to underdeveloped countries, but it must be noted that none was expected. The Tokyo session was not meant for negotiating either tariff or quota concessions. It was mainly intended for securing a general understanding at Ministerial level of the measures necessary for solving some of the problems currently confronting international trade. This purpose was well served. There was thus a frank discussion of trade problems and the member-countries were in an accommodating and co-operative mood. The official *communiqué* issued at the end of the session makes encouraging reading, as it reveals bright prospects for gainful international co-operation, albeit in the free world.

There are four major problems connected with international trade. One is the continuing adverse balance and terms of trade of underdeveloped countries. Another is the growing tendency among the developed countries to place restraints on the imports of simple manufactured or semi-processed goods from the developing countries. The third springs from regional economic groupings, such as the Common Market of six Continental countries, the proposed Little Free Trade Area in Western Europe and the move to form a common market of Latin American countries; the repercussions of such economic blocs on world trade constitute a big problem. And the fourth is the balance of payments difficulties of the U.S., the keystone of free world economy. All the four issues figured at the latest G.A.T.T. session and the Ministers of participating countries were agreed that they should be tackled promptly and realistically. There is good reason to feel that the general agreement reached by them will pave the way for securing positive results at the next round of negotiations due to begin in 1960 for initiating specific measures for the expansion of trade.

The persistence of a substantial deficit in the U.S. international accounts, accompanied by a steady improvement in the balance of payments and reserve positions of the other major developed countries, has led to a new situation in world trade. The U.S. had a deficit of \$3,400 million in 1958; this is expected to be in the neighbourhood of \$4,000 million this year. The reverse side of this coin is provided by a corresponding rise in the gold and liquid dollar assets held by Western Europe, Japan and some of the Latin American nations. Because of this change in its fortunes, the U.S. Government proposes to reduce its foreign economic and military aid programmes. As this move will hit the developing countries further, the U.S. difficulties have a close bearing on their development efforts. They have, therefore, a vital interest in seeing that prompt steps are taken to minimise the drain on U.S. gold reserves. It will be of little help to them if they merely say that the U.S. must continue its economic assistance to them whatever may be its difficulties. The U.S. Government is strongly of the view that the time is propitious for the other industrialised countries to end all the remaining discriminatory restrictions on the imports of goods from the U.S. and other countries. In making this plea, the U.S. has the support of the I.M.F. and other underdeveloped countries as well. On the eve of the G.A.T.T. session, the Executive Directors of the I.M.F. unanimously adopted the following resolution and com-

municated it to the G.A.T.T. and member-countries:

"In some countries, considerable progress has already been made towards the elimination of discriminatory restrictions; in others, much remains to be done. Recent international financial developments have established an environment favourable to the elimination of discrimination for balance of payments reasons. There has been a substantial improvement in the reserve positions of the industrial countries, in particular, and widespread moves to external convertibility have taken place. In these circumstances, the Fund considers that there is no longer any balance of payments justification for discrimination by members whose current receipts are largely in externally convertible currencies. However, the Fund recognises that, where such discriminatory restrictions have been long maintained, a reasonable amount of time may be needed fully to eliminate them. But this time should be short and members will be expected to proceed with all feasible speed in eliminating discrimination against member-countries, including that arising from bilateralism.

"Notwithstanding the extensive moves toward convertibility, a substantial portion of the current receipts of some countries is still subject to limitations on convertibility, particularly in payments relations with State-trading countries. In the case of these countries, the Fund will be prepared to consider whether balance of payments considerations would justify the maintenance of some degree of discrimination, although not as between countries, having externally convertible currencies."

This appeal has gone home. The Ministers who attended the G.A.T.T. session have literally accepted the foregoing resolution. The U.K. has already abolished the restrictions on foreign travel and France has relaxed them. Reports from London suggest that the West European Governments are making preparations for an early end of discriminatory restrictions.

Welcome as these developments are, they cannot, by themselves, solve the imbalance in the U.S. payments situation. There is a lot that the U.S. itself has to do. It has to set its house in order. In saying this, we are fully aware of the fact that the U.S. Government has been trying to balance its national budget, with

Contents

LEADING ARTICLES—	PAGES
G.A.T.T. Session at Tokyo	753
Problems of Policy-making	754
MARKET GOSSIP	755
ROUND THE EXCHANGES	756
NEWS IN BRIEF	757
PERSONAL	757
THIS WEEK'S SURVEY	758-759
SPECIAL FEATURES—	
Indo-German Economic Relations	760
World's Most Powerful Turbine Generator	761
Manchester Letter	765
Farm Organisation and Credit	768
Inflation and Economic Development	774-775
MONEY AND BANKING	782
TEXTILES	784
LABOUR	786
PLANTING	786
ENGINEERING	772
NEW PRODUCTS AND PROCESSES	773
COMMERCE AND INDUSTRY	778
COMPANY MATTERS	780
COMPANY REPORTS	782
MARKET REPORTS	784-785
MISCELLANEOUS STATISTICAL INFORMATION	786-788
STOCK AND SHARE QUOTATIONS	789-794
WEEK'S STOCK EXCHANGE TREND	796

a view to achieving financial stability. But the U.S. economy needs something more than this. The prices of its plant and machinery must be brought down. It is paying a heavy price for securing industrial peace. Its method of settling industrial disputes is outmoded. To allow the strike in the steel industry to run for nearly four months, resulting in heavy losses to the nation as a whole, is to make a fetish of respect for free enterprise and workers' rights and liberties. It seems ridiculous to us that a country, which is faced with a balance of payments deficit of \$4,000 million (about Rs. 2,000 crores), should permit a million of its highly productive workers to remain idle for as many as 113 days and there is still no prospect of this pernicious strike coming to an early end. The direct and indirect losses of this strike are stated to have already reached the staggering figure of \$7,000 million (about Rs. 3,500 crores). Surely, a little bit of compulsory arbitration for bringing to an end this crippling strike will do no harm to democracy. After all, the steel workers in the U.S. are the wealthiest among the industrial workers in the whole world. Their incomes are high enough to lead a comfortable life. No amount of liberalisation of restrictions on imports of American goods will solve the balance of payments difficulties of the U.S. if it loses seven billion dollars worth of goods and services. It is surprising that no delegate made this point at the G.A.T.T. session last week.

Economic integration of West European countries is a natural movement, based on political and social considerations. It is only a question of time before Britain and the six other countries that are now out of the Common Market join the latter. The ultimate aim of the proposed Little Free Trade Area, as we all know, is to bring about one market of all the thirteen O.E.E.C. countries. A similar move in Latin America is also understandable. The underdeveloped countries in Asia cannot prevent these moves, but they will be perfectly justified in demanding that such economic unions should not place their legitimate trade at a disadvantage through discriminatory tariff, fiscal and import control measures. It is gratifying to be told that all the Ministers at the G.A.T.T. meeting agreed that "such groupings should take full account of the trade interests of other countries and to pursue outward looking policies in accordance with the principles and objectives of the General Agreement." This understanding will, however, have no value, if it is not followed in actual practice. The G.A.T.T. Secretariat must, therefore, be strengthened suitably to keep a permanent watch over the working of these economic blocs. India, in particular, will do well to take special steps for bringing to light promptly any discriminatory practices that may be followed by the Common Market countries, for instance, and seek redress against them through the G.A.T.T. or the appropriate machinery in the C.M. It is necessary to make this point, as, recently, France was seen bringing pressure on West Germany to buy its requirements of raw materials from the French overseas territories in preference to sources outside the C.M.

The need for adoption of positive measures by the developed countries for expanding the export trade of underdeveloped countries was forcefully stressed by Mr. Nityanand Kanungo, India's Minister for Commerce. He wanted the developed countries, very rightly, of course, to reduce (a) the taxes on consumption of goods originating from the less developed areas and (b) the high tariffs and other restrictions on imports of semi-processed and processed goods from these areas. One of the grounds on which some of the former countries seek to restrain the arrival of manufactured and partially manufactured goods is that they are the product of cheap labour. This argument is not tenable, because the unit cost of wages of goods produced

by the underdeveloped countries is not that low, since the productivity of their workers is not as high as that of workers in developed countries. While the underdeveloped countries have more labour, the developed countries have more machinery, highly automatic ones at that, and all the advantages arising from the tremendous lead in modern industrialisation. Again, the economies of developed countries are in a strong position; their living standards are incomparably high; and they have full employment. They can, therefore, afford to let the manufactured goods from the developing countries come in freely. If these goods are cheaper than their domestic manufactures, it is invariably due to the advantage of proximity to raw materials and others rather than cheap labour.

Another point that requires to be borne in mind, in this connection, is that, as industrialisation of underdeveloped countries proceeds, some of them, as, for instance, India, will have less of raw materials and more of manufactured goods for export. Unless the developed countries are prepared to make room for some of these goods, the problem of repaying the loans taken from them for economic development will become practically insoluble. The Western countries will, therefore, do well to make a beginning from now onwards with the readjustment of their economies suitably. Since they have no problem of unemployment now, nor are they likely to have it for a good many years to come, and since there is unlimited scope for their capital both within and outside, such an adjustment will not be painful. The G.A.T.T. *communiqué* says that "a suggestion was made during the course of discussion that this is a problem which might be usefully studied by a panel of experts to be designated by the Contracting Parties." It, however, does not say what happened to this suggestion, whether it was accepted or rejected. It is to be hoped that it was accepted and that the G.A.T.T. will soon initiate an expert study of this problem.

Agreeing with the view that the present climate of international trade was favourable to press on with the G.A.T.T. programme for trade expansion, the Ministers at the Tokyo session decided: (a) arrangements for the 1960-61 tariff conference should be rapidly completed, due account being taken of the suggestions put forward in the course of the discussion; (b) the examination of the ways and means of expanding international trade in agricultural products and of reducing agricultural protectionism should be energetically pursued; and (c) the search for practical steps to help the less developed countries to increase their export earnings should be intensified. All these three decisions are important and require to be implemented with vigour and promptness. Meanwhile, the underdeveloped countries, most of which have socialist Governments with doctrinaire ideas, must follow realistic policies designed to raise the efficiency of their agricultural and industrial production, so that their goods can be competitive in price and quality, without necessarily having to reduce the income of producers. They have also to reconcile judiciously their need for revenue through import and export duties with the need for selling their goods in a buyers' market. Failure to do so has often cost India many valuable export markets and encouraged its competitors to grow. The developed countries, too, must see to it that their prices for domestic consumption and exports are substantially brought down. This will benefit the underdeveloped countries in two ways; their exports will expand; at the same time, their imports will cost less.

PROBLEMS OF POLICY-MAKING

MANY external observers and not a few Indian spectators of the country's economic scene have often wondered as to where lies the chief source from which policy decisions emanate. In any democratic country, the Government is the source from which all economic policies emanate, the ruling party having made its intention clear in advance before its assumption of power. The situation in India is somewhat different. There are at least four authorities, with ill-defined functions and powers, each making its contribution to the determination of economic policy—the Central and State Governments, the Party in office, the Planning Commission and the National Development Council. It may not be far wrong to state that to these groups of authorities must be added the powerful personality of the Prime Minister himself; although he has often striven to find a compromise between two conflicting points of view, it is known that a view opposed to his seldom gets the hearing it deserves even in the uncertain event of its being expressed. Not always do these sets of authorities think alike, nor does

the authority whose views are the best and most practicable carry the day. Since these authorities do not always meet at one and the same time, and each of them has its own way of looking at problems, the result of their individual endeavour is a certain blurring of Ministerial responsibility, a confusion of aims, a certain demoralisation in the Secretariat and considerable loss of administrative competence.

In recent months, there has been some reappraisal of the roles of these different authorities. It has been held that the Congress High Command often takes snap decisions, the implementation of which then becomes a matter of Party prestige for the Ministers. Since the Party's decisions are seldom taken in the light of administrative experience, they give rise to inconvenient problems for the executive. Apart from the fact that these decisions are taken on purely theoretical and doctrinaire grounds, the criticism has been made that the individual member of the ruling Party cannot always resist the temptation of interfering in the day-to-day administration at local levels. Presumably, they feel that they must function as supervisors charged with the responsibility of ensuring that Party decisions are effectively implemented. This is an additional source of confusion, besides being a wholly undemocratic practice. The chief element of danger, however, lies in the unsatisfactory manner in which far-reaching issues, beyond the knowledge and experience of the rank and file of the political Party, are debated and decisions reached on the basis of imperfect examination of issues. Because the ruling Party today holds power both at the Centre and in the States, it must show a much higher sense of national responsibility than it has shown on certain occasions when profound decisions, affecting the lives and fortunes of millions of people, have been taken with scant regard for their consequences. Whether the issue is socialist pattern of society or ceiling on land or State trading in foodgrains, the decision is reached in less than a day's discussion by members who have frequently not had any opportunity of understanding the sense of the constituencies which they represent. It is this circumstance that justifies the criticism that, in India, policy matters tend to be imposed by the Party executive and do not reflect the considered views of the rank and file of the Party. And, invariably, the Party executive is a one-man affair.

Next in importance to the Congress High Command, and in some cases, even going beyond it, are the two bodies—the Planning Commission and the National Development Council. The precise relationship of these two bodies to the Central and State Governments has never been properly defined. And yet, they loom so large in Governmental decisions that they have earned the distinction or opprobrium of being called super-cabinets. Established in 1950, the Planning Commission, with the Prime Minister as its Chairman, is mainly charged with the responsibility of formulating a plan for the most effective and balanced utilisation of the country's resources, of examining from time to time the progress achieved in the execution of each stage of the Plan and of recommending the adjustment of policy and measures that such appraisal might warrant. There is no doubt the Commission has played a very significant role in the country's economic development. Indeed, it would be difficult to conceive present-day India without its Planning Commission. By and large, no comprehensive planning would have emerged in the absence of this body. To say this, however, is not necessarily to admit that its decisions have been free from ideological bias or to assert that they have invariably been correct.

What is more relevant to this article is that, in a country where long years of political dependence have bred a certain aversion to responsibility, there is a danger that people might easily come to look upon a planning body as some supra-governmental authority. The Estimates Committee, in its report on the Planning Commission, felt that, since the States have to depend upon the Centre for financing a large part of their development expenditure, "very great importance is attached to the approval of the Planning body, as a prerequisite to the release of funds." It added: "In consequence, it is understandable that a feeling could grow that the Planning Commission was not just an advisory body but that it was an additional authority to be reckoned with which, though not part of the ordinary machinery of the Government of India, decided every programme of work and whose decisions were to be carried out by all." This is the danger which Indian administration faces today and had been clearly visualised by the late Dr. John Mathai nine years ago. The fact that the Commission has, on the whole,

functioned with a becoming sense of moderation and fairplay does not detract from the validity of the criticism that it is not in the interests of democratic planning that a body of experts, however able and conscientious they may be, should, whether by accident or design, acquire the status of authority parallel, if not superior, to that of the Government and the Legislature.

Like the Planning Commission, the National Development Council is also a non-statutory body created by executive decision. Besides the Prime Minister, who is its Chairman, it consists of the members of the Planning Commission, the Chief Ministers of States and three Union Ministers (Home, Finance and Defence); other Ministers may attend by special invitation. The Council has no place in the Constitution. But this has not prevented the Council from taking important decisions which have become binding on the Union and State Governments. In the case of the Planning Commission, it could at least be claimed that its decisions are the result of prolonged study undertaken on its behalf by a competent staff. The Council, on the other hand, does not have a staff of its own. To its meetings which are held once every three months, come hard-worked State Ministers who are expected to take decisions without the benefit of the advice of their colleagues or their own Secretariat. If they merely talked and dispersed, leaving the decisions in a tentative stage, there might be some justification for the Council which might then serve as a forum for the representatives of the Central and State Governments. But the fact is that, in actual practice, its conclusions acquire the status of Cabinet decisions.

In the course of his two articles on the food problem, contributed to the *Times of India* this week, the ex-Union Minister, Mr. A. P. Jain, points out how it was the Council that took the two major policy decisions—the increase in the target for food (without fresh allocation of resources) and State trading in foodgrains—which, to quote him, "descended meteor-like from the sky." Mr. Jain concedes that the Council has a certain value in the context of India's federal Constitution, in that it brings the Centre and the States on a common platform. But his point is that the N.D.C. often goes beyond its normal functions. He says: "Grave constitutional issues arise, however, when the N.D.C. arrogates to itself or otherwise impinges upon functions which under the Constitution are assigned to other bodies created by the Constitution or attempts to do what the Council of Ministers, at the Centre or in the States, should do." This is a piece of valid criticism which cannot be lightly dismissed. A less general criticism of its functions is that a Ministry, which is not represented in the Council, can make itself heard only through the Planning Commission. Referring to this aspect of the role of the N.D.C., Mr. Jain says: "The Planning Commission is generally not interested in suppressing the views of Ministers. However, in case of a sharp conflict between the Planning Commission and a Ministry, the latter is left with the disconcerting feeling that its views did not receive full weight." In other words, the Ministry is in the position of a person who is represented in a court by a counsel who does not genuinely believe in the justice of his client's case.

All this indicates that India's economic broth is being brewed by far too many cooks. And what is worse, the recipe is laid down by an imperious master-cook who knows little about the ingredients, relies on borrowed ideas and is overburdened with so many duties that he has little time to reflect on what he is asking his fellow cooks to do or to direct them properly. No wonder the brew is unpalatable and undigestible. An equally deplorable effect of this handling of economic policy by too many bodies is that a conscientious Minister does not know where he stands or who are his masters; his department knows even less than he. Examining this issue in the course of an article to the *Hindu*, Mr. K. Santhanam, also an ex-Minister, said: "A Central Minister is today in the position of a modern Draupadi who has to manage all the time four temperamental husbands, besides dutiful obedience to the supreme chief. It is doubtful if many can be found to possess the virtues of the heroine of the *Mahabharata*." This, as Mr. Santhanam himself pointed out, must lead to blurring of Ministerial responsibilities. Mr. Jain's exit is a striking example showing how under the present set-up even a very tolerant person cannot stand it for ever. Some realistic reappraisal of the political, constitutional and administrative implications of the cavalier manner in which policy decisions of far-reaching importance are taken is called for in the interests of the success of planned economy.

MARKET GOSSIP

THE rapidity with which industrial equities have regained their poise and a large part of earlier losses is amazing, because the two chief factors that had depressed them last week have not lost their validity. At a Press conference on Thursday this week, the Prime Minister admitted that defence expenditure had already increased this year and that a further increase was possible. This enhances the prospects of additional taxation as well as deficit financing. It is possible that some have chosen to be bullish again on the ground that inflationary pressures, arising from larger defence expenditure, would push up equity values, but this is not necessarily a sound view to take, especially when first-class scrips have come to be quoted on a 3.5 per cent. yield basis. Inflation always brings with it several headaches such as more Government interference and controls, heavier taxation, bigger wage and salary bills, not to mention stiff commodity prices. Already industrial labour is getting restive. The wages of workers in sugar, cotton textile and cement industries are awaiting upward revision. We have just had a lightning strike for a day by the workers of the B.E.S.T. on the question of wages. The Pay Commission's recommendations covering Government employees are yet to be implemented.

As for the chances of Mr. T. T. Krishnamachari's return to the Union Cabinet, some knowledgeable circles still aver that they are slender. A leading Union Minister, who was in the city this week, is reported to have discounted the prospects of T. T. K. becoming his colleague again. It would, however, appear that both support and opposition to his inclusion in the Cabinet are strong.

The commodity and bullion markets, too, are distinctly firm. Silver has scaled new heights and so also gold, with professional operators piling up stocks in the expectation of supply falling short of demand in the ensuing busy season. Good offake of oilseeds and cotton have imparted fresh strength to the basically bullish trend of these commodities. The policy of cheap money is assisting the speculators in all the markets.

Hindustan Aluminium

There has been some delay in the release of the prospectus of the Hindustan Aluminium Corporation—Hindalco, for short—which is being sponsored by the House of Birlas in collaboration with the Kaiser Aluminium and Chemical Corporation of the U.S. The release was expected towards the end of September last. Later, it was said that it would be out after the *Pooja* holidays. Subsequently, it was anticipated that the announcement would be made immediately after the Deepavali. Although a week has elapsed since then, the announcement has not yet been made. We now learn that the prospectus would definitely be published within the next two or three weeks. The delay is attributed to the absence of firm agreement over the cost of power to be supplied by the U.P. Government from the Rihand Power House. It would be recalled that there was some criticism by a few members of the U.P. Vidhan Sabha over the rate quoted by the State Government. A final agreement has since been signed between the Hindalco and the U.P. Government. The salient features of the agreement are:

1. The agreement covers a total period of 25 years from early 1962.
2. The rate for power supplied is Rs. 175 per kw. for the first sixteen years on the energy consumed. This rate is a "firm" rate, including all taxes, liable to be enhanced only in the event of a war materially affecting conditions in India. For the remaining nine years of the agreement, the rate of power may be raised, by mutual consent or arbitration, but by not more than 10 per cent. or Rs. 175 per kw. It will be recalled that the U.P. Government had previously quoted Rs. 150 per kw. on the basis of 80 per cent. load factor for eight years. But the Company insisted on a "firm" rate for 16 years on the basis of 100 per cent. load factor. Hence the latest revision.
3. The quantum of power supply to the Company will be up to 35,000 kw. per annum, which accounts for over half of the aggregate power producing capacity of the Rihand Power House. The maximum energy allowed for consumption by the Company every year is fixed at 433.62 million kw. hours, the quantum in any quarter not exceeding 110.00 million kw. hours. If, however, the Company consumes more power than the agreed quantity, additional charges will have to be paid.
4. The minimum charge payable by the Company will be for 100 million kw. hours per quarter, subject, of course, to proportionate reduction whenever major causes occur preventing the factory from consuming power to the agreed minimum.
5. The U.P. Government has agreed to provide 132 kw. metering installation at the Pipri sub-station equipped with all the necessary metering transformers, meters and instruments to measure the power to be supplied to the Company.

The rate for power now fixed, namely, Rs. 175 per kw., is considered rather high. According to preliminary estimates, power is expected to account for as much as 20 per cent. of the total cost of aluminium production, as compared with 12 to 15 per cent. in the U.S. The sponsors of the Hindalco drew the attention of the U.P. Government to this aspect, but the latter would appear to have stated that the rate quoted would work out to just 4 per cent. of the total outlay of Rs. 34 crores on the Rihand Power project plus 1 per cent. for depreciation.

The total capital cost of putting up the aluminium plant with an aggregate annual production

capacity of 20,000 tons is expected to be Rs. 15 to Rs. 16 crores, of which Rs. 7.5 to Rs. 8.0 crores would be in foreign exchange. Negotiations are being held with the Ex-Im Bank of the U.S. for a dollar loan of Rs. 6.5 crores and a rupee loan of Rs. 1.0 crore. The Kaiser Aluminium's interest in the enterprise will be approximately 27 per cent. of the equity capital. Kaisers will draw up the specifications for the factory; help in inviting and accepting global tenders for the supply of machinery and equipment; make available the services of executives and engineers to inspect the equipment, supervise its transport, erect the plant, and start it; train Indian personnel in this country and their works in the U.S.; and permit the Hindalco the use of all their patent rights and secret processes.

The Hindustan Aluminium Corporation is expected to go into production sometime early in 1962, according to Mr. D. P. Mandelia, Special Adviser to the Corporation. The Company, we are told, has already finalised arrangements for the supply of bauxite with the Minerals and Minerals Ltd. from the latter's mines in Lohardaga area in Bihar State. The alumina content of bauxite is placed at 52 per cent., with not more than 2 per cent. of silica. The supply will be at the rate of 4,000 tons per month (5 per cent. more or less), subject to a maximum of 8,000 tons. The rate fixed is Rs. 16.25 per ton f.o.r. Tori or Richughata railway station. It is inclusive of all royalties and taxes.

The Government of India has formally approved of the appointment of Birla Gwalior Private Ltd. as the Managing Agents of the Company for ten years, the remuneration payable being 4 per cent. of the net profit as defined in the Companies Act.

Finance for Export

Credit has always played an important role in facilitating exports. In export trade, situations very often arise when the overseas buyer is unable to pay immediately and the exporter cannot afford to wait for payment either. Banks and merchant houses step in in such situations to help both the parties by temporarily taking upon themselves the financial burden of the transaction for a small consideration. Few would have realised a century ago that such normal, apparently innocuous, arrangement, which was a help for both the buyer and the seller, had such potentialities for export promotion and could give rise to such controversies as was accompanied by changes in the terms and conditions of export credit offered to different countries. Credit facilities have come to occupy such a crucial role in exports that, whenever an exporter loses an export order, he tends to blame the financiers for not allowing the buyer sufficiently long credit. From time to time, in recent years, one has come across references in the foreign Press to credit wars. Even now a credit race is feared by a section of the British Press.

There have of late been repeated complaints by British manufacturers that in respect of export credit facilities, their position is unenviable vis-à-vis their German or American competitors. Exporters in the latter two countries, it has been pointed out, have the advantage of long-term credit facilities made available to them with the help of Government money. In West Germany, a substantial part of export finance is provided through the *Ausfuhr Kredit A.G.* (A.K.A.), a credit institution owned by commercial banks, which give credit up to four years. Recently, some other institutions have sanctioned even longer term credits to India, Ghana, Chile and the United Arab Republic. In the U.S., the wholly Government-owned Export-Import Bank has been financing capital goods exports to a considerable extent.

Several suggestions have been put forward in recent times to increase the credit facilities available to British manufacturers, including the establishment of a new Government finance corporation to undertake financing of export contracts. It was also suggested that foreign trade banks, which hold medium-term export bills, should have the opportunity to rediscount them if and when they needed cash. Not long ago, the Federation of British Industries proposed that the Export Credit Guarantee Department should insure credits up to 10 or 15 years. The Radcliffe Committee had recommended that, if the existing financial institutions failed to meet the demand for adequate export credits, the Government should consider the setting up of an export finance corporation.

The British Credit Insurance Association has now come out with some important suggestions for improving export finance facilities now obtaining in Britain. In a survey entitled *Finance for Exports*, the Association estimates that, at the end of 1958, the amount of British capital and quasi-capital goods delivered and not yet paid for was somewhere between £200 million and £300 million. This figure is expected to rise sharply in 1959 and 1960. In view of this, the Association has urged that the provision of credit should become one of the basic calls on the national income and should take its place, along with Government expenditure and capital investments, as one of the main features of annual forecasting. Export credit, in its opinion, is in the process of becoming a permanent feature of world trade and there is, therefore, need for some reassessment of its place in the economic pattern.

The time has come, avers the Association, to create an adequate private market for the financing of exports and this can best be done by encouraging the establishment of a number of ex-

port finance companies which would operate as profit-making ventures. Detailing the sources of finance for, and the advantages of, such companies, the Association observes:

"Once it is accepted that there is a permanent demand for medium-term financing and that it can operate successfully at market rates, the logical solution would be for banks, insurance companies and big exporters of capital goods to collaborate in providing the share capital for such companies. It would also be an advantage to bring in leading merchant houses as shareholders, since they are already experts in the problem of overseas organisations. Although the greater part of the money required by the finance companies would continue to come from the clearing banks, the banks would no longer have to involve themselves in a number of commercial and merchanting problems which are outside the scope of normal banking and which under present conditions cause them a great deal of inconvenience. The manufacturer would have the advantage that the expertise of the export finance companies would supplement his own activities in negotiating the financial aspects of his export contracts. As they gained experience, the finance companies might be able to adopt the techniques of the French bank which goes out in search of new export business for its customers."

The second main problem of exporters is the growing demand for long-term credit, that is, for periods in excess of five years, the maximum period for which the Export Credit Guarantee Department can now provide cover. The need for this facility has, chiefly because underdeveloped countries, which badly need capital goods, have been pressing for long-term credits and deferred payments.

The Association does not agree with the official view that the balance of payments position, the demands of the Commonwealth and Britain's commitments through international organisations like the World Bank have made the granting of long-term credits impossible. The activities of the U.S. Export-Import Bank, the Association points out, have long been a serious liability of British exporters. Now that the West European countries are employing the same techniques, the Association sees no reason why Britain should not follow suit. Otherwise, Britain will, it feels, lose some important markets, particularly in Latin America.

The aforesaid suggestions will surely be welcomed by the underdeveloped countries, as they will enable them to get capital goods from Britain on easier terms. The financial commentators in London are, however, cautious in their reactions to the Association's proposal. The City Editor of the *News Chronicle*, Mr. Paul Bureau, for instance, remarks:

"The dangers of starting an export credit race are self-evident. The country, as the Radcliffe Committee said, would not be the main beneficiary of such a free-for-all competition."

"It is nonetheless desirable that we should be aware of what other countries are doing and taking appropriate defensive action."

Similarly, the *Economist* observes:

"If market institutions themselves decide that there is scope for such collaboration, on a profit-making basis, that would be a different matter from a similar body using official funds, or official insurance of credits up to ten or fifteen years, as recently suggested by the Federation of British Industries. A private venture might work best if it were limited to a particular industry—for the lines, for example, of Air Finance. For special cases, there will always be an export financing gap. In Britain, it can be met by what are virtually Government loans given by the E.C.G.D. under Section 3 of the Export Guarantees Act. Undoubtedly more development loans will be needed; and the British Government might unfortunately follow others and tie such loans to its own exports. The main need is to keep this finance in the form of the development loan, extended selectively to the borrower. In that way the Government retains some influence in its overseas investment. A lost contract in a Latin American country is better than a bad debt."

A New Tea Issue

Close on the heels of the announcement of several new issues, such as those of Baroda Rayon, Mandya Paper and K.C.P., has come the offer of equity shares by the Hilla Tea Estates Ltd., Calcutta, a newly registered company. The details of the issue are published on page 763. The authorised capital of the Company is Rs. 25 lakhs, made up of 5,000—7½ per cent. tax-free cumulative preference shares of Rs. 100 each, redeemable at a premium of Rs. 5 each on or after April 1968 and 200,000 ordinary shares of Rs. 10 each. Of this, only 125,000 ordinary shares (aggregating Rs. 12.50 lakhs) of Rs. 10 each are proposed to be issued at par. Out of this, 40,000 shares have been reserved for the promoters, Directors and their friends, who have already subscribed to and paid for 20,000 shares and will take up the balance after the issue of the prospectus. Accordingly, only the remaining 85,000 ordinary shares are available for public subscription. The list will open on the 9th inst. and will close on the 14th, or sooner or later as the Directors may decide. Applications are invited for a minimum of 50 shares and the whole amount is payable on application.

The object of the issue is to meet a part of the Company's financial requirements for taking over and managing as a going concern the Hilla Tea Estate, situated in Doorga, West Bengal, and belonging to the Doorga Tea Company, Ltd. of the U.K. The total financial requirements of the Company aggregate Rs. 40 lakhs, made up of a purchase price of Rs. 10 lakhs, preliminary expenses considered in this issue Rs. 75,000 and working capital Rs. 11.25 lakhs. Investors will do well to

(Continued on page 795)

EQUITIES BULLISH CENTURYS SHOOT UP

(From Our Own Correspondents)

Bombay, 5th November

THE Stock Exchange regained its buoyancy during the week under review on replacement buying by those who had liquidated their holdings and covering by those who had gone short following the border incidents at East Ladakh. Operators' confidence would appear to have been restored by the Prime Minister's assurance that every step would be taken to preserve India's territorial integrity. There were other factors, too, which helped improvement in the market's morale: (1) There was the news that the Tata Iron and Steel Company's output of saleable steel crossed the 100,000-ton mark to reach 104,600 tons in October, representing an increase of 11,500 tons over the month and of 27,700 tons over the year. (2) The working results of the Century Spinning and Manufacturing Company, Ltd., for the half-year ended 30th June 1959, which were published yesterday, made encouraging reading. Sales aggregated Rs. 5.94 crores, as against Rs. 10.60 crores in the whole of 1958, and gross profit amounted to Rs. 80.91 lakhs, as compared with Rs. 132.57 lakhs in the previous twelve months.

The Moort session on Saturday last, with which the business for the Hindu New Year began, was devoid of its traditional gaiety, but the undertone was steady with small rise in prices all round. In the regular session on Monday, however, there was a sizable reaction on bull liquidation. Sentiment again turned for the better from Tuesday onwards and the previous day's losses were more than made good in the last three days, with the result that leading counters finished today with handsome gains over the week.

There were a few more announcements of rights and new issues during the week. The Dunbar Mills Ltd. of Calcutta has decided to issue right shares in the ratio of one new ordinary share of Rs. 100 each for every two ordinary shares, at par. The present paid-up capital of the Company is Rs. 19 lakhs, made up of 19,000 ordinary shares of Rs. 100 each. The rights issue will provide an additional capital of Rs. 9.50 lakhs and will be utilised for renovation and expansion of the mills.

J. K. Agents (Private) Ltd., Managing Agents of the Madhya Pradesh Industries Ltd., will shortly offer for sale 50,000 ordinary shares of Rs. 10 each of the latter Company at a premium of Rs. 5 per share. The offer is being made with a view to getting the Company's shares listed on the Calcutta and Bombay Stock Exchanges. The shares that are to be offered will rank for any final dividend that may be declared for the year ended 31st March 1959. An interim dividend of Rs. 1 per share has been paid. For 1957-58, the Company paid a dividend of Rs. 3.50 per share. The present paid-up capital of the Company is Rs. 15 lakhs, all in ordinary shares of Rs. 10 each.

Under the scheme of reorganisation approved by the shareholders and sanctioned by the High Court, the Bhartia Electric Steel Company, Ltd., has formed itself into a new company, known as Calcutta Steel Company, Ltd., with an authorised capital of Rs. 1 crore, made up of 1,000,000 ordinary shares of Rs. 10 each. Out of this, it is proposed to issue for the present 500,000 shares of Rs. 10 each to the shareholders of the Bhartia Electric Steel in the ratio of one equity share of the new company to one equity share of Rs. 10 each in the Bhartia Electric Steel, at par.

To revert to the trend of the market. Tata Ordinaries, after hardening from Rs. 154.50 to Rs. 156.50 in the Moort session, reacted to Rs. 152.75 on Monday. Thereafter, they regained to close at the week's peak of Rs. 158. The rights were done Rs. 3 higher at Rs. 73. Indian Irons were relatively

less buoyant on account of the lower production during October. The output of saleable steel shows a decline from 49,428 tons in September to 48,863 tons in October. Despatches were, however, higher at 53,069 tons, as against 47,490 tons. The shares came up to touch Rs. 24.28 from last week's closing of Rs. 23.84. Mukund Irons were active and were done at Rs. 18.16 ex-right, as against Rs. 22.36 cum-right a week ago.

The buoyancy in textile shares was inspired by good offtake of cloth for Diwali and was led by Centurys. The following table presenting the price variations of leading scrips gives an idea of the trends in the markets:

Scrips	Today's closing Rs.	Closing on 28-10-59 Rs.	Gain over the week Rs.
Century	622.00	600.00	22.00
Bombay			
Dyeing	69.60	67.60	2.00
Kohinoor	325.00	310.50	14.50
Central			
India	113.00	110.00	3.00
Finlay	305.50	293.00	12.50
Khatana	263.75x.d.	266.25x.d.	8.70
Shree Niwas	237.00	231.00	6.00
Standard	647.00	635.00	12.00
Svadeshi	264.50	257.00	7.50
Tata	47.00	46.00	1.00

Sugar shares returned to favour. Belapurs were marked up over the week by Rs. 11 to Rs. 342. Phaltans by Rs. 2 to Rs. 186. Walchandnagars by Rs. 3.75 to Rs. 328.75. Ravalgaons by Rs. 2 to Rs. 153.

Cement shares moved up in consonance with the general trend. A.C.C.s recorded a gain of Rs. 3.50 to Rs. 155.25 and Digvijays Re. 1.25 to Rs. 145.25. Orissa Cements put on 48 nP to Rs. 13.92.

Gains in shipping shares were less marked. Scindias moving up from Rs. 16.92 to Rs. 17.12 and Great Easterns from Rs. 19.32 to Rs. 19.60, whereas automobiles were in the forefront. On keen buying induced by hopes of a substantially higher dividend, Premier Automobiles shot up from Rs. 131 to Rs. 145.50. Hindustan Motors were done at Rs. 13.72 ex-div., as against Rs. 13.36 cum-div.

Engineers were well supported. Tata Locomotives, after a dip to Rs. 196.50, rallied to Rs. 205.50 at the close, thus recording a gain of Rs. 5.25 over the week. Alcocks were marked up by Rs. 4 to Rs. 255. Premier Constructions by Rs. 2.50 to Rs. 368. Larsen and Toubros by Re. 1.10 to Rs. 25.10 and Mahindras by 28 nP to Rs. 23.16.

Dyes and chemicals continued to soar. Amar Dyes improved by Rs. 9.50 to Rs. 256. Indian Dye-stuffs by Rs. 32.50 to Rs. 360 and Polychems by Rs. 5 to Rs. 185. Alembic Chemicals hardened by Rs. 2 to Rs. 195. Dhrangadhars by Rs. 3.50 to Rs. 159.50 and Tata Chemicals by 40 nP to Rs. 18.08. Among miscellaneous shares, Bombay Burmahs (old) were prominent with a rise of Rs. 11.50 to Rs. 547 and National Rayons with a gain of Rs. 9 to Rs. 384.50.

Calcutta Stock Exchange

CALCUTTA, 4th November

The Calcutta Stock Exchange reopened, after the Diwali holidays, on Monday last week on an easy note influenced by lower Bombay advices. Earlier in the week, trading still bore the impact of the then week-old news of the Chinese aggression in Ladakh, and rumours denoting the strong possibility of Mr. T. T. Krishnamachari joining the Central Government in a high capacity. Conditions were then dull and drab as operators were extremely cautious in extending commitments. However, as the week progressed, buying support was in evidence at the lower levels which were considered attractive. In the transactions that followed on Thursday and Friday, handsome gains were recorded in selected industrials. The news of inclusion of Rohas Industries, Dunlop Rubbers, Shree Gopal Papers and Hindustan

Motors in the clearing list was greeted with enthusiasm. With this, the number of shares in the clearing list is now thirteen. This measure on the part of the exchange authorities demonstrates the optimism entertained by operators. In recent weeks, there had been hectic activity in these four shares, and a section of the market sadly inferred that the imminent action on the part of the Stock Exchange authorities had leaked out and was put to good use by those better placed for sources of information. Conditions were better yesterday.

A feature of this week's trading was the keen interest which selected teas evoked, following increased offtake of tea for internal consumption. The export trend also showed a definite improvement, but prices were still low. In the miscellaneous section, interest in the four shares now added to the clearing list was a feature, while sugars looked up on the possibility of mills increasing output. Coals were firm, and the report of increased interest shown in the export market by a few countries provided the incentive for buyers. Jutes improved or were held around previous levels following reports that earlier fears of damage to the crop were unfounded. Earlier in the week, Indian Irons were affected, but operators were awaiting the announcement of increased retention prices as well as publication of the Company's annual report.

Madras Stock Exchange

MADRAS, 4th November

Equities on the Madras Stock Exchange generally tended to move up during the week under review, thanks to speculative support. Tea shares were quite active, as were coffees and rubbers. The miscellaneous section, too, presented fairly cheerful conditions. Sugar shares ruled steady, though there was no marked rise in prices following the scheme of incentives for higher production recently announced by the Union Government. Textiles, however, lacked support.

Deccans provided a bright spot in the sugar group, the quotation rising by 47 nP to Rs. 13.87. Indias improved by 10 nP to Rs. 13.10. Cauverys were fully maintained at the last week's level of Rs. 137 and Mysore at Rs. 54. But Travancore fell by 75 nP to Rs. 11.70 for want of follow-up support. E.I.D.s shed 25 nP to Rs. 42.75.

Among teas, Kil Kotagiris spurred by 15 nP to Rs. 8.90. Peermades rose by 10 nP to Rs. 18.10. Twyforwards were well fancied at Rs. 13. United Nilgiris at Rs. 20.30 and Haileyburias at Rs. 16.35. Nonsuch Teas lost Re. 1.25 to Rs. 27.50, reflecting the disappointment of operators over the announcement of the final dividend of 10 per cent., making a total of 20 per cent. for the year ended June 1959, as against 35 per cent. for the previous year. Blue Mountains declined by 10 nP to Rs. 3.30. Ouchterlony and Chembras lost 2 nP each to Rs. 5.52 and Rs. 3.86, respectively. Among coffees, Consolidated Coffees forged ahead by Re. 1.75 in anticipation of good dividend. Coffealands were marked up by Re. 1.12 to Rs. 26.25. Cowcoodys were higher by 10 nP to Rs. 6.45. In the rubber section, Cochinn Malabars gained 18 nP to Rs. 7. Highlanders were firm at Rs. 14.25, so also Teekays at Rs. 7.50.

Textiles came in for selling and drifted lower. Coimbatore Pioneers were marked down by Rs. 5 at Rs. 335. Buckinghams declined by Rs. 3 to Rs. 205. Rang Vilas eased by Rs. 2 to Rs. 47. Loyals were lower by 50 nP at Rs. 31. Metturs and Premiers were neglected, the former at Rs. 407 and the latter at Rs. 204.

The feature of the trading in the miscellaneous section was the sharp rise of Rs. 4.50 to Rs. 88 in Rallis. Travancore Chemicals and Mettur Chemicals improved by 25 nP each to Rs. 14.25 and Rs. 12.25, respectively. F.A.C.T.s were higher by 10 nP at Rs. 9.30. Indian Steel Rollings hardened by 20 nP to Rs. 13.40. Aluminium Industries gathered a like amount to Rs. 22.65.

NEWS IN BRIEF

THE Tariff Commission has taken up for investigation the question of revising raw rubber prices. The Commission has already started issuing questionnaires in this connection.

An agreement for the avoidance of double taxation in respect of incomes was initiated between the representatives of the Governments of India and Japan at Tokyo on 28th October 1959.

The Jammu and Kashmir Government has decided to set up shortly a cement factory with a capacity to produce 100 tons per day. The factory is expected to cost Rs. 1 crore. The Government has also decided to establish a paper factory.

The annual general meeting of the Associated Chambers of Commerce of India, Calcutta, will be held on Saturday, 5th December 1959, at the Royal Exchange. The Union Finance Minister, Mr. Morarji R. Desai, will be the chief guest.

The cost of repairing the left bank power house at Bhakra Nangal, which was flooded recently as a result of the mishap to the hoist chamber, is now estimated at about Rs. 25 lakhs, much less than what was expected earlier. The flow of water was stopped last week and the water in the power house has been drained off completely.

Under an agreement signed between the Indian Trade Delegation (leader: Mr. K. B. Lal, Director-General of Foreign Trade) and the representatives of West German Government, a commission will be set up to explore the possibilities of stepping up Indian exports to West Germany. The proposed Commission is expected to work at New Delhi and Bonn alternately.

The scheme providing for the democratic decentralisation of powers on the lines of the Panchayat Raj, recently introduced in Rajasthan and Andhra Pradesh, is proposed to be extended by April next in six other States, namely, Mysore, Madras, Orissa, Assam and Kerala. The State Governments of the Punjab, Madhya Pradesh, U.P. and Bombay are considering the question of bringing legislation for the implementation of the scheme.

An official team, led by Mr. Nagendra Bahadur, Joint Secretary, Union Ministry of Commerce and Industry, will shortly leave for France to discuss the details of help offered by France for the establishment of a prototype production-cum-training centre for the manufacture of scientific and high precision instruments in Madras. Another Indian team, led by the Minister for Industry, West Bengal, will leave for Japan to hold talks on details of assistance offered to set up a similar centre at Calcutta.

An agreement has been reached between India and Bhutan on the Jalbhaka hydro-electric project to be set up by the Government of West Bengal. Under the agreement, Bhutan will receive 250 kw. of power free of cost, besides an annual royalty of Rs. 8 per kw. for the rest of the power generated from the first stage of this project. The firm power potential of the first stage is put at 18,000 kw. at 50 per cent. load factor. The work on this stage, which will cost Rs. 290 lakhs on power generation and Rs. 146 lakhs on transmission equipment, is expected to be completed within three years.

India heads the list of recipients of the U.N. Special Fund allocations, recommended by its Managing Director, Mr. M. Paul Hoffman. It will receive a sum of \$3,012,800, which will be spent on the establishment of a central mechanical research institute at Durgapur in West Bengal, three labour institutes (one each at Calcutta, Madras and Kanpur) and two power engineering research institutes (one at Bangalore and the other at Bhopal). The total allocations recommended include 31 development projects located in 19 different countries and territories, with an aggregate cost of \$23 million. The recommendations will come up for consideration at the conference of the Governing Council of the Fund scheduled to be held on 8th December.

With effect from the 1st inst., the Government of India has extended sub-section (4) of Section 8 of the Payment of Wages Act, 1936, in regard to payment of wages to mine workers. Consequently, there will be a limit on the fine that an employer can impose on a worker for such acts and omissions on his part as may be specified by notice. The Payment of Wages Act seeks to ensure that wages are disbursed to workers within the prescribed time limit and that employees get their full wages without any deductions which are not authorised. With the exception of sub-section (4) of Section 8, all provisions of the Act were made applicable to mines some time ago. While Section 8 provides for the imposition of fines, sub-section (4) of that section restricts the limit of fines to an amount not exceeding half anna in a rupee of the wages payable.

A new trade and payments agreement has been entered into between India and Poland. The agreement envisages considerable increase in the present level of trade between the two countries. It will be in force for a period of three years commencing from 1st January 1960, when the current agreement will expire. Under the terms of the new agreement, payments between India and Poland will be in non-convertible Indian rupees and trade will be on a balanced basis. The Indian rupees which Poland will earn by its exports to India will be utilised for buying Indian goods of equal value. Poland will supply to India, among other things, industrial raw materials, pharmaceuticals, ships and tankers and complete machinery plants like coal mining, machinery, machine tools and

PERSONAL

MR. R. T. Sinha, Deputy Commissioner of Singhbhum district, Bihar, has been appointed Secretary to the Heavy Engineering Corporation, a Central Government undertaking.

Mr. Livingstone T. Merchant has been nominated by President Eisenhower for the post of U.S. Under Secretary of State, vice Mr. Robert P. Murphy, who has resigned to enter private industry.

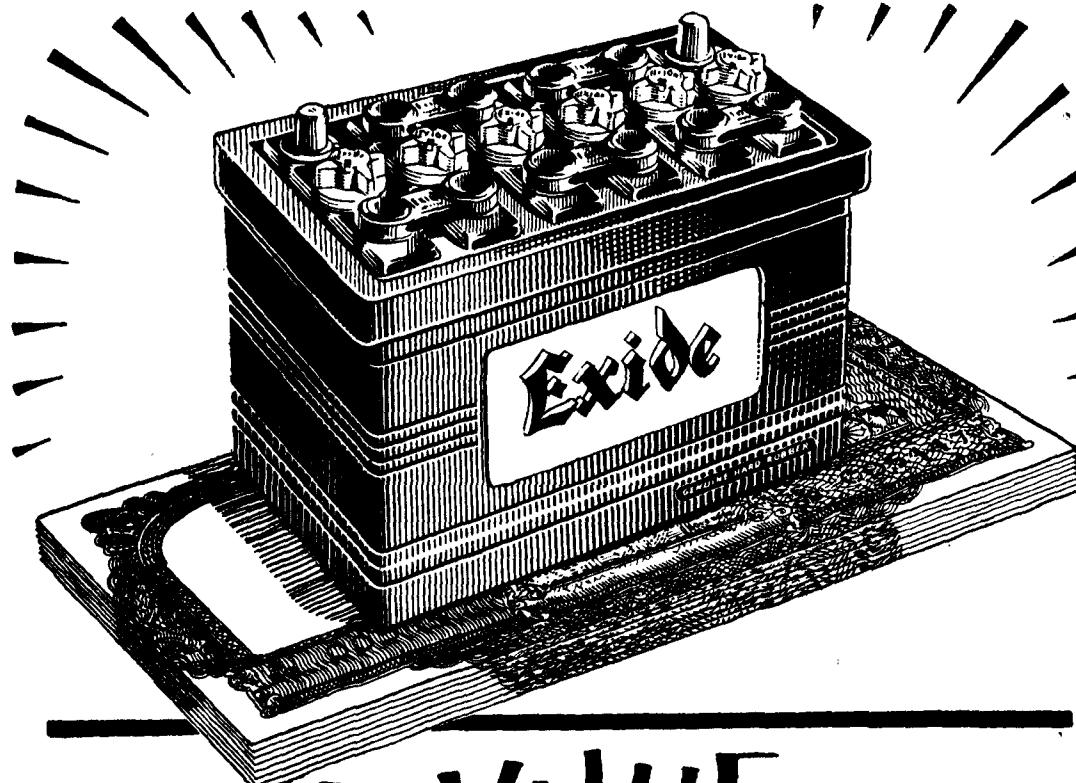
Mr. Harishwar Dayal, alternative delegate to the current session of the U.N. General Assembly and formerly a Minister in the Indian Embassy at Washington, has been appointed India's Ambassador to Nepal.

Mr. S. G. Pothan, until recently Financial Adviser and Chief Accounts Officer, Western Railway, has taken over charge as acting General Manager in the place of Mr. M. M. Khan, who has been transferred to the Eastern Railway as General Manager.

A material claimed to be of fantastic strength—1,330 kilograms per square millimetre—has been obtained from metal processed in a special way by Soviet scientists. (The strength of standard machine steel equals 30-50 kilograms per square millimetre.) The scientists are said to have succeeded in closing the gap between the atoms of the substance and to arrange them in a steady chain without the empty places usually found in metal.

France has substantially relaxed its discriminatory quantitative restrictions on imports from many countries which do not belong to the Organisation for European Economic Co-operation and the dollar area, but excluding Communist countries. The countries benefited include India, all Latin American countries, Australia, New Zealand, Pakistan, Ethiopia, Indonesia, Iran, Israel, Japan, Liberia, Libya, South Korea, the Philippines, Nepal, South Africa, Burma and Formosa.

India was the leading buyer of British aircraft and parts over the nine-month period January to September 1959. During this period, total British aviation exports amounted to £121.3 million—an increase of 7 per cent., as compared with the corresponding period last year. The main overseas purchasers were: India (£13.2 million), Switzerland (£7.4 million), West Germany (£5.5 million) and Argentina (£4.5 million), followed by the U.S. and Australia, each of which accounted for over £4 million.



BEST VALUE FOR YOUR MONEY

A cheap battery may seem a bargain, but it is really costlier in the long run. The cheapest battery in the end is the one that gives the most in months of reliable service. The long-lived CB 95 alloy plates, the virtually indestructible Porvic separators and the shock-resistant

hard rubber container all add up to make Silver Exide the cheapest battery in the long run. You get the best value for your money when you buy Silver Exide, the battery manufactured under strict Quality Control at every stage of production.

Silver Exide

Still keeps
going when
the rest
have
stopped



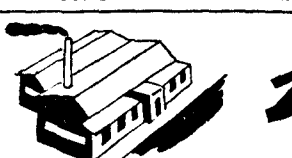
CHLORIDE & EXIDE BATTERIES (EASTERN) PRIVATE LTD.

Choice of Cement

in every field



FOR BUILDING CONSTRUCTION

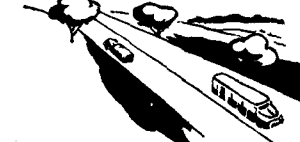


IN INDUSTRY

Dalmia



CEMENT



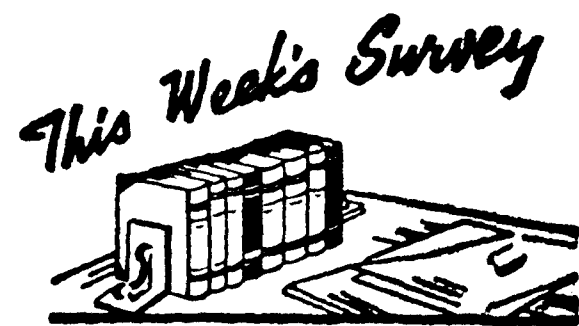
OR ROADWAYS



AND BRIDGE MAKING

the better make for better construction

DALMIA CEMENT (BHARAT) LTD.
DALMIAPURAM (TIRUCHIRAPALLI)



SIR NORMAN KIPPING

NOW on a ten-day business tour of India is Sir Norman Kipping, Director-General of the Federation of British Industries (F.B.I.). Since his arrival in New Delhi on 31st October, Sir Norman has been holding discussions with Central Government officials and industrialists on problems of Indo-British trade, in general, and the question of assistance by the U.K. private sector to India's third Five-year Plan, in particular. He has already had talks with the Prime Minister, the Finance Minister, the Ministers concerned with economic and industrial affairs, the Planning Commission, and other senior economic officials, as well as with many representatives of the F.B.I. member-firms associated with the Indian industrial projects. He is arriving in Bombay today and, after meeting the Governor of the Reserve Bank, the Chairman of the Industrial Credit and Investment Corporation, and several business men and industrialists, he will leave for Ceylon on Monday next.

The visit of Sir Norman Kipping is of special significance, especially in the present context when the financial and other aspects of the draft third Five-year Plan are being actively examined. The discussions between him and the planners will doubtless give an idea of the prospects that exist for the greater inflow of British capital into this country. Incidentally, it may be noted that the F.B.I. which Sir Norman heads is quite a powerful institution, with more than 7,500 individual firms and nearly 300 trade associations as members, 12 regional and district offices, and representatives in about 400 centres overseas. The F.B.I. has direct contacts with the British Government and acts as a spokesman for the industry in the international field. The impression which Sir Norman carries to the U.K. will go a long way towards shaping the attitude of both the authorities and private industrialists there in regard to economic assistance to India. It is gratifying to note that the F.B.I. President attaches utmost importance to the need for aiding the economic development of the underdeveloped countries. Shortly before leaving for India on a world tour, he told a gathering in London:

"The real menace of Communism is the menace of success. Damnable though Russia's record is in the political and human fields, yet, in the economic field, her achievement commands respect which lies within her own borders. Now the Chinese experiment is getting under way, and so, on the other hand, is the Indian. If we must vie with one another, let it be by all means to see who can most speedily improve the lot of the people in all the newly developing countries."

It is to be hoped that Sir Norman's visit to India will facilitate a larger inflow of British private capital. The pace of this inflow would appear to have slowed down a little in recent years. During 1957, for instance, fresh U.K. private investments in India aggregated no more than Rs. 6.3 crores, as against Rs. 15.7 crores in 1956. The rate of capital inflow from the U.S. seems to have been increasing at a faster pace than that from the U.K., though the U.K. still maintains its overwhelming lead in respect of outstanding foreign private non-banking investments, the total of which at the end of 1957 was Rs. 412.7 crores, or 74 per cent. of the aggregate investments amounting to Rs. 555.57 crores.

SMALL SAVINGS

India's planners have set much store by small savings, as an essential part of mobilising internal resources for economic development. In one sense, the small savings scheme has been in operation in India for over half a century. The scheme came into prominence particularly during the past two world wars. The scope of the scheme, however, had been limited; it hardly permeated to areas other than urban centres. The times have now changed, and with it the object of the scheme. Democratic planning presupposes purposeful and willing co-operation of the people. External assistance or other Government measures for financing the Plan are, no doubt, essential. But the small savings scheme serves not only to increase the resources

for development but also ensures mass participation in the great national endeavour.

In the second Plan, out of the original total outlay of Rs. 4,800 crores, the small savings scheme was expected to provide Rs. 500 crores. The target of small savings scheme was, however, reduced to Rs. 384 crores when the Planning Commission undertook an appraisal of the resources position of the current Plan last year. There is now some indication of the growing popularity of the scheme in the country but the progress is still below expectations. In 1958-59, net collections reached a record figure of Rs. 79.70 crores, as against about Rs. 70 crores in the previous year and about Rs. 30 crores in 1951-52. Concerted efforts, however, are necessary to enable the scheme to reach every village in India.

As Mr. Morarji Desai, Union Finance Minister, stressed last week, while inaugurating the first meeting of the National Savings Central Advisory Board at New Delhi, the important task facing the authorities is to educate the masses in such a way that they recognised the necessity for more and more savings even at the cost of self-denial. He wanted the Board to take up this task in good earnest to enable small savers to contribute a larger share to finance the third Plan. He pertinently pointed out that the measure of the effectiveness of the Board would be seen in the gap between gross and net collections. The experience of the last few years has shown that some small savers, particularly the rural folk, hasten to encash their savings certificates. This is due partly to the present high cost of living and partly to lack of sufficient education of the public regarding the benefit of investments in the small savings scheme. The National Savings Advisory Board will have to carry on propaganda work, as Mr. Morarji Desai pointed out, not merely for getting more money but also for educating the people into consciousness about India's economic problems and their responsibilities.

Dr. Sushila Nayyar, Chairman of the Board, in her report presented at the meeting, emphasised that publicity for the Plan and national savings should go hand in hand as an integrated campaign. According to her, a sub-committee could be set up in the States in order to Plan and execute the work of National Savings by linking it with development plans, especially the Plan of each State.

The Board made many useful suggestions. In order to discourage premature encashment, it recommended that sufficient publicity should be given to the loss involved in such a practice. Other important recommendations made by the Board were the introduction of a new non-encashable five-year certificate, payment of interest on certificates not claimed for encashment after maturity, measures for extending the pay-roll savings scheme and simplifying its procedure, introduction of a two-rupee deposit account in the case of the cumulative time deposit scheme and appointment of agents other than the post office for sale of savings certificates.

Both official and non-official bodies could help ensure a steady expansion of small savings. This is particularly compelling in the context of ambitious investment projects launched in the country. For, apart from swelling the savings stream, small savings have considerable disinflationary potential, which will add to the strength and stability of a dynamic economy. At the same time, it cannot be too strongly stressed that, in the absence of a certain measure of price stability, the small savings campaign can never become a mass movement.

ASIA'S FOOD PROBLEM

To those who thought that once Asia was freed from Colonial domination the way would be automatically paved for economic prosperity, recent developments must come as a somewhat painful disappointment. It is not, of course, as if political independence has done these countries no good. But the point is that the countries have generally utilised the new opportunity to ride their favourite political horse of leftist ideologies rather than address themselves to the more vital task of economic betterment. The result is that in the post-independence era, these countries have faced some of the most acute food crises in living memory. The latest issue of the *National and Grindlays Review* observes, in the course of an illuminating article on Asia's food supplies, that "it is a sobering thought that, with the possible exception of Burma, all the South Asian countries have experienced food shortages of varying dimensions in the decade that has passed since they achieved political independence."

These recurring food deficits, as the *Review* rightly points out, are not due to the dislocation of wars or passing political events but spring from "deeper and more fundamental causes." It would be easy to dismiss the whole matter by saying that the present situation is the outcome of generations of neglect of agriculture. But this view ignores the patient toil and the considerable skill of the average Asian farmer. The truth is that while the Asian peasant "has been making the best of his exiguous resources, his land has been required to sustain a population which has multiplied at a rate unknown in any part of Europe." Citing the instances of Burma and India, the *Review* recalls how the population of Burma has quadrupled since 1824, the year of British annexation—it has increased from 4 million in that year to 18.8 million in 1952—and the Indian population has increased from 235 million in 1901 (undivided India) to 356.9 million in 1951 (divided India). The problem in India is to achieve a rapid increase in production, in order to feed the added millions and to build up a margin of safety for poor crop years which "experience has shown recur with depressing regularity." In greater or less degree, all the nations of Asia—and certainly all the South Asian group—are faced with the Indian predicament, namely, the problem of feeding, at a rising level of nutrition, an increasing population, whilst at the same time pressing on with new and in some cases very ambitious schemes of industrialisation.

The *Review* recognises that the measures of land reform, which have been adopted in Asian countries, represent the "biggest agrarian revolution in the whole of recorded history." But it pertinently points out that it remains to be proved that redistribution of ownership or new forms of land tenure have added a "single iota" to the production of the soil. Food crises, which have occurred in the recent past, might have proved disastrous but for the availability, on special terms, of agricultural surpluses mostly from America and to a lesser degree from Australia and Canada under the Colombo Plan auspices. But it rightly insists that no nation can be truly independent, unless it can feed itself out of its own production or by purchases abroad. The real solution of the problem is, therefore, to "get more out of the land." And, this is a challenge as much to Asian farmers as to Asian Governments and scientists.

LATE DR. JOHN MATTHAI

It is with profound regret we record the death of Dr. John Matthai, at Bombay, on 2nd November 1959, at the age of 73. He was a great scholar, painstaking administrator and a perfect gentleman. It is rarely that a man combines in himself the qualities of a scholar with those of an administrator, for seldom is a man of scholarly temperament attracted by, and if attracted ever makes a success at, the administrator's desk. Dr. Matthai, however, was both a distinguished professor and able administrator. As a Professor of Economics in Madras University and a Vice-Chancellor of the Bombay and Kerala Universities, he won the esteem of students. In his varied career, he filled many difficult positions; he was the Chairman of the Tariff Board and the Director of Commercial Intelligence and Statistics.

Here is a brief record of the different positions held by him during five decades of his active life:

Officer on Special Duty, Co-operative Department, Government of Madras—1918-20.
Professor of Economics, Presidency College, Madras, 1920-25.
Professor of Indian Economics, University of Madras, 1922-25.
Member, Madras Legislative Council, 1922-25.
Member, Indian Tariff Board (1925-31) and Chairman of the Board (1931-35).
Director-General, Commercial Intelligence and Statistics, Calcutta, 1935-40.
Director, Messrs. Tata Sons Ltd.
Member for Finance in the Governor-General's Executive Council, 1946.
Central Government Minister for Railways in 1947-48 and for Finance during 1948-50.
Chairman of the Taxation Enquiry Commission, 1953.
Chairman of the State Bank of India, 1955-56.
Vice-Chancellor of Bombay University during 1955-57 and of Kerala University during 1957-59.
Chairman of the National Book Trust for a brief period.

Dr. Matthai's period of office as the Union Finance Minister synchronised with some critical years in world financial history. It fell to his lot to commit the country to a devaluation of the Rupee in September 1949, following a similar decision in the U.K., an action on which there was considerable difference of opinion.

There were many in this country, who felt that it was not necessary to have devalued the rupee to the full extent of devaluation of the pound sterling, as the former was then in a stronger position than the latter in almost every aspect. In the House of Tatas, with which he was connected for nearly 15 years, Dr. Matthai was intimately associated with their two large enterprises, the Tata Chemicals and the Tata Iron and Steel Company, to the building up of which he made a notable contribution. But it is his work as the Chairman of the Taxation Enquiry Commission that will be deservedly remembered by all chroniclers of India's economic history. The Commission's report bears the impress of his unbiased mind and practical outlook. When the report of the Taxation Enquiry Commission was published, many of his erstwhile colleagues in the business community felt that he had allowed himself to be influenced by the socialists. But the more recent fiscal developments have taken the country much farther in the direction of the left than that document visualised for the country. There is no doubt that Dr. Matthai will be long remembered as a man who brought to bear on his many tasks prodigious energy, besides an impartial attitude and rich experience of men and affairs.

One of the great qualities of Dr. Matthai was integrity of a high order. While he was prepared to make adjustments, as all sensible statesmen usually do, he would not compromise himself on fundamental principles and beliefs. Clear evidence of this is provided by his resignation from the Central Cabinet in 1950 owing to differences with the Prime Minister on planning and certain aspects relating to control over public expenditure. When the Planning Commission was set up in March 1950, Dr. Matthai had his own misgivings about its composition and powers which have very largely proved correct. Similarly, Dr. Matthai resigned his position as the Chairman of the State Bank of India in 1956, on a point of principle; he did not like the imposition by the Centre of an indirect restriction on the freedom of the Bank's directors to criticise the Government in public.

BRITISH ECONOMY

The present state of the British economy and its future prospects should be a matter for general satisfaction to all sterling area countries. Increased industrial production, which in September was 7 per cent. higher than in the same month last year, the encouraging export trade and improvement in the balance of payments position, the expansion of personal savings and capital investments, and the overall fall in unemployment are a reflection of the buoyancy of British economy. The outlook is also very encouraging, as can be judged from the Government's first appraisal of the economic situation after the election presented to Parliament by Mr. Maudling, President of the Board of Trade. Mr. Maudling pointed to the growing consumer demand, expansion of private investment and increased production which indicated "definitely encouraging" prospects for the economy. The Government, Mr. Maudling said, felt that there was still room for the growth of demand and employment within the capacity available to the industry. Britain now had the industrial equipment to sustain further expansion, there were no artificial controls on production and its industries had access to raw materials throughout the world on the best possible terms.

While the stage is thus favourably set for further expansion, stable prices, according to Mr. Maudling, are a necessity to sustain the growth. Without stable prices exports would suffer. But could prices remain stable when production and employment expanded? It was possible, said Mr. Maudling, provided increase in wages did not outstrip the increase in the general rate of productivity.

As a direct result of this improvement in the economic situation and in pursuance of its policy of removing all obstacles to expansion of world trade, the Government proposes to liberalise imports and eliminate discriminating quotas on dollar areas goods. Another result has been the repayment of the \$250 million loan which the U.K. had drawn two years ago under the \$500 million line of credit granted by the U.S. Export-Import Bank in 1957. Repayments were not due until October 1960 and, even then, were to be spread over five years. It may be noted that this is the second major loan repayment made by Britain in the current year of the loans taken during the post-Suez weakness of sterling and the payments crisis in 1957. In March last, the Government repaid \$200 million of the \$561 million drawn from the I.M.F. in December 1956. It was also decided not to draw the \$250 million still available under the Export-Import Bank line of credit and not to renew the draw-

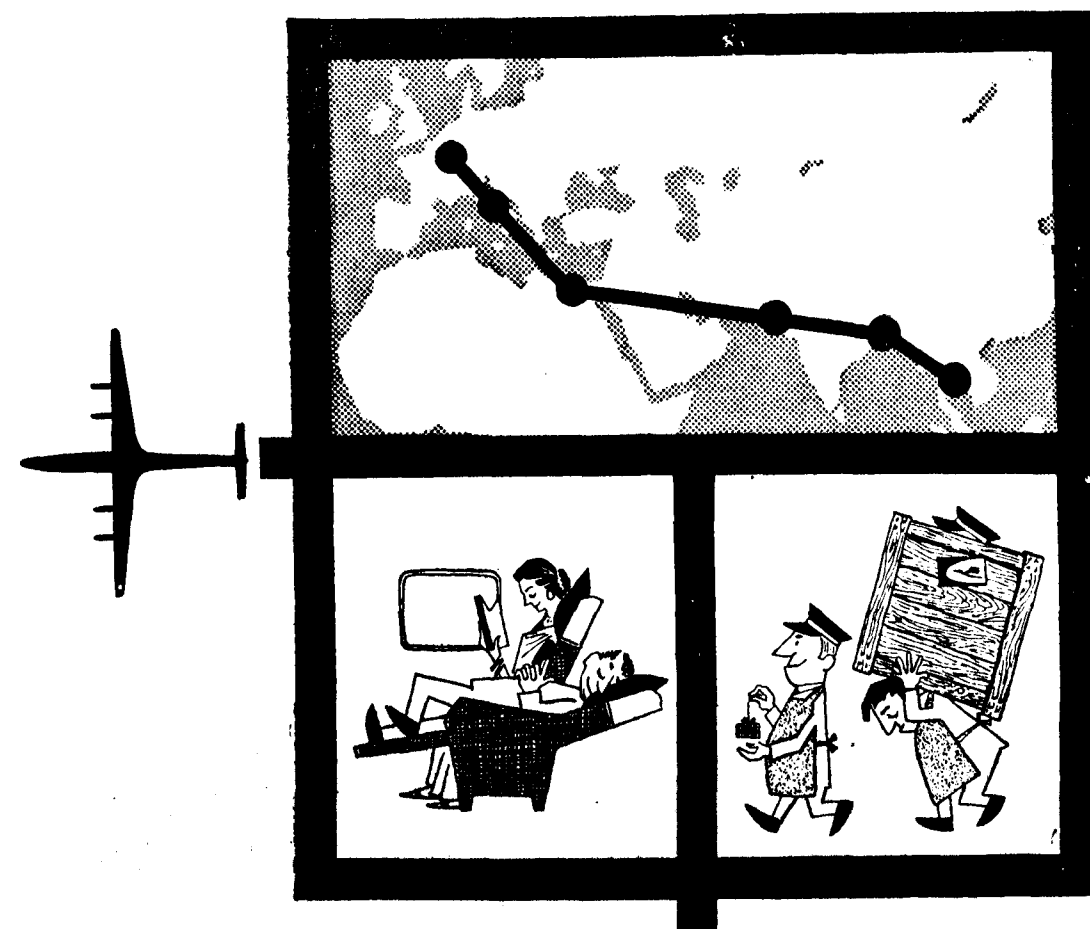
ing facility. Apart from the fact that the external position of the U.K. warranted repayment and that it would save Britain a not inconsiderable interest payment (the loan carried interest at 4½ per cent.) there were other considerations which influenced the Government to make the repayment in advance. The chief of these seems to have been the desire to help the U.S., which had lent a helping hand in time of need, to ease the present strain on its balance of payments.

The repayment of the loan at this time has been much appreciated in Washington. Commenting on this, Mr. Waugh, President of the Export-Import Bank, stated that it would materially assist the Bank in contributing its share towards a balanced budget for the U.S. Government in the fiscal year 1961. He also said that the Bank would be prepared to reinstate the advance at any time before April 1965. This means that the U.K. will continue to be able to draw such part of the \$250 million as would still have remained outstanding under the terms of the original agreement. Since the loan has been repaid, the \$300 million of securities pledged by the U.K. Government as collateral have been released by the Bank.

Now that Britain has successfully tidied over its financial difficulties, improved its position both as a debtor and creditor, and the prospects for the future are bright, the Government has set itself to the task of effecting some much-needed reforms. This was indicated in the Queen's address to the opening session of Parliament.

Among the economic measures proposed to be taken, three deserve special mention. First, the Bill which seeks to permit wages to be paid by cheque. This indicates that there is now in Britain a large body of weekly wage earners whose actual income rises well into the salaried class. The second is the reform of the Companies Act and the Building Societies Act to bring them in line with the changed business structure and practices and to protect the interest of millions of small investors. The third is a Bill to replace the Distribution of Industries Act by an enactment, which, apart from consolidating previous statutes in this respect, will give more powers to the Government to promote the growth of new industry and the expansion of existing industries in the Development Areas, that is, areas where employment opportunities require to be expanded.

Under the Technical Co-operation Scheme of the Colombo Plan, a British mining expert, Dr. J. W. Whitaker, has been assigned to India. He will advise the Indian Council of Scientific and Industrial Research on mining research and allied subjects and on the establishment of the Central Mining Research Station at Dhanbad. He will also advise on the creation of facilities for research into and development of Indian petroleum resources. Prior to this Colombo Plan assignment, Dr. Whitaker served in India with the Council of Scientific and Industrial Research for some 13 years. During that period, he was Director of the Central Fuel Research Station and of the School of Mines and Applied Geology, both at Dhanbad. He has also served as Deputy Director-General of Scientific and Industrial Research.



Twice Weekly—

Wednesdays & Saturdays at 6 p.m.

Fly by LUFTHANSA German Airlines

DIRECT TO GERMANY!

Connecting India with the very heart of Europe, Lufthansa, German Airlines, forges yet another link in its world-wide net-work of routes.

Twice weekly, Lufthansa flies from Calcutta to the main cities of Germany—Frankfurt, Düsseldorf, Hamburg.

Whether you're an industrialist, a businessman, a student, a government official or an educationist—you'll appreciate the traditional, generous German hospitality of Lufthansa, aboard the swift Super-G constellations.

Lufthansa, German Airlines, directly connects Germany with Bangkok, Calcutta, Karachi, Cairo and Rome. Coordinated flight schedules provide convenient connections with Air France and Alitalia.

FIRST CLASS OR TOURIST

For further information, consult your Travel Agent or any Air France or Alitalia office.

LUFTHANSA
GERMAN AIRLINES

PROMOTING INDO-GERMAN RELATIONS

INDO-GERMAN ECONOMIC RELATIONS

REASONS FOR TRADE IMBALANCE—SOME VALUABLE SUGGESTIONS FOR IMPROVEMENT

By W. von Pochhammer
GERMAN CONSUL GENERAL (RETD.)

GERMANY—we understand under this name rather prominent position in India's economy not only as a supplier of industrial goods, but also as a creditor, and both—I may say—to the surprise of the German business community which, after the end of the Second World War, had no chance to foresee such a development. Neither have they been aware that India would present such a huge market for investment goods, as she does now under the second and third plan, nor did Germany, after the immense losses caused by the war and the many destructions which had hit her, dream of the possibility that other foreign nations would apply to her for credits and loans. This post-war development may be recalled, in order to enable the Indian readers to appreciate what a surprise for the average German it was to follow this trend, and that it was not a small difficulty for them to adjust themselves to this new rôle.

Let us remember that the first great public undertaking which Germany accepted was the Rourkela steel plant. When the Indian Government suggested this idea for the first time, it was considered by the experts in Germany as a venture. Certainly they knew or could find out that India possessed already a steel plant, that is, the Tata Iron and Steel Works which, for the last 50 years, had already succeeded in making steel to a moderate extent. But it had needed years before it could reach the actual size, and it was directed by a private concern which was known for its experience and skilled labour. It appeared to them, indeed, as a venture to deliver a complete steel plant to the Indian Government which, so far, had no experience in this particular line, and evidently lacked a staff of skilled workers or trained engineers, and to build it amidst a desert region, where not even the most elementary conditions for a heavy modern industry existed. Moreover, the decision to undertake it and to run the risk of a failure weighed heavily on their minds.

Technical Personnel

Another difficulty, which soon became apparent, was the scarcity of technical personnel which could be sent to India. The construction of the Rourkela plant coincided with full employment in Germany's heavy industries, and, consequently, all the qualified men—engineers, foremen, skilled workers—who were needed for such an undertaking, were in the happy position to find attractive and well-paid jobs very easily in their home country, so that they did not show much eagerness to be sent to Rourkela, which, in spite of many attractive features qualifying it as an appropriate place for steel manufacture, was by no means noted as an attractive summer resort. Many who accepted the order to go there had been dreaming of India's lure and beauties, and found themselves, of course, bitterly disappointed, when they arrived at this lonely place, lacking in all the features of India's wonder world.

There was no "rush" for Rourkela in Germany. It was indispensable to make the jobs there, if not attractive, at least tolerable for the men who were supposed to work there for several years instead of enjoying the amenities of their home places. And it was, therefore, hardly possible always to select people who had a particular inclination or adaption for the work in an "underdeveloped" country, as it would have been desirable from a general point of view; for it goes without saying that the leading men, responsible for this enterprise, knew very well what it meant to give the "technical know-how" also in the form of a suitable know-how from the psychological point of view.

Kandla—A Vital Difference

On a smaller scale, we have had a precedent in the construction of the port of Kandla, but there was a rather significant difference as compared with Rourkela: at Kandla, there was one German firm in charge, and its leading man was superior to all other men employed there. He could direct and advise them how to behave and how to avoid the many small trickeries and tensions which arise, when people of two different nations, of different languages and different customs have to work together. At Rourkela, the leadership at the spot is represented by the Hindustan Steel Corporation,

while the Germans are either consulting engineers—and as such they sit mostly at Calcutta or New Delhi—or mere representatives of the 36 firms which are engaged in the different tasks, each for his own section. There is no leading man at the spot who would be qualified to supervise the whole body and to secure harmonious co-operation between all of them and their Indian partners. If, finally, we take into consideration the fact that most of the Germans who work there are young men without special training for working amongst foreigners, we will be able to visualise the whole situation and appreciate it properly.

As compared with the two other steel plants, it may be said that the British have had a better experience, since they have been working in India for generations. As for the Soviets, they had the advantage of their economic and social system which enabled them to arrange everything by orders and by commands. But the experiences which we gained at Rourkela are of the highest value for the future and will be used for the coming enterprises which might be entrusted to German firms.

Small Industries

The same problem of psychological experience may be felt, when now the German assistance is used for the development of small-scale and village industries. Technically, Germany is highly qualified for this kind of job, as Germany has developed, for decades, her small industries, particularly in the basin of the Wupper and in Wuertemberg, where a great number of such firms have attained a very high level in their production and are manufacturing not only goods of average quality, but also of top quality which, even in foreign markets, command a dominant position. Scientific instruments constitute a typical example to be quoted in this connection. The heads of such firms belong to the industrial middle class. They have hardly any knowledge of foreign countries and find themselves in a delicate position, when they are called upon to work amongst foreigners. It is highly gratifying that an Indo-German Association has been founded, in order to bring such firms in close contact with the Indian small industrialists, but it will require some effort and a good deal of time before they can go on smoothly with their new partners in new and unknown surroundings.

There is, however, certainly a good chance for happy and promising co-operation between Indian and German industrialists, both having many features in common: they are both striving their best, on their own private account, for the benefit of their families or for a joint family; both possess zeal and diligence; both like to stand and work on their homely ground; both know the great help which results from the traditional skill and inherited knowledge which leads them to make their sons their successors and enable them to plan beyond their lifetime. What is supposed to have often handicapped the progress of Indian industrialisation—the caste system—can even be of advantage in fostering the steady development of smaller enterprises within a family concern.

The problem is, what sort of goods they should produce. In Germany, these kinds of industrial enterprises prefer such types as are not fit for mass-production either because they require great personal skill and minute care, or, when machine-made, depend on a few simple machines. But it should be understood that, in all cases, their aim is to produce first class goods which can compete with the best ones of their class. This should be the aim of Indian small-scale industries, too. May be that at the beginning they might be contented with producing minor qualities at cheaper prices which adapt themselves to the purchasing power of the villagers. But this should be considered only as a temporary stage, whereas goods of high quality should remain the ultimate aim. Products of small-scale manufacturers should gain the reputation of being superior in quality to mass-production, at least in certain aspects, with regard to personal taste or ingenious varieties. It should also be the ambition of any small industry to become a competitor at the international market, that means to work for export, as the shoe industry at Agra has successfully tried.

The beginning of the German assistance in this sphere is the Prototype Workshop at Okhla, where not only young men are trained, but—what is considered as the most important task—also new and simple machines are designed fit for being used by such small Indian enterprises. There has been a good deal of criticism about the too luxurious equipment of this institute. But, when we consider its aim and task from a wider point of view, we understand that, from the very beginning, the planning must include a rather ambitious goal to train the smaller industrialists for quality, even with simpler means and machines.

Trade Imbalance

The surprising success which the German industry has found in the Indian market with regard to investment goods and other ways of helping in the establishment and extension of the Indian industry, has caused the figures of the German exports to India to rise so quickly that Germany's purchases from India could not keep pace with them. In the old "colonial" times, Germany was amongst India's best customers, as she bought annually huge quantities of raw materials, that is, oilseeds, hides and skins, raw jute and raw cotton. The old importers of Indian commodities remember even today this state of affairs, when they are consulted as to how to raise the figures of their purchases in India. Of course, they have to adapt themselves to the new conditions under which India refuses to sell her raw materials. In order to stimulate India's exports to Germany, new links have to be built up for which, however, many basic elements are still lacking.

Trade in bulk commodities during the British days had chiefly been carried on by European firms, and by a comparatively small number of houses, specialised in certain lines and equipped with great capital and long experience. As Germany, after the first war, had consciously abstained from establishing trading firms of her own on Indian soil (the aftermath of the war with its anti-German measures and the difficulties for Germans to settle in British India played a great part in it), the German importers got accustomed to buy the goods needed in London from British firms who had an easy access to the Indian market. Thus, tea, jute, cotton and many other things were purchased in London or through British mediation. The number of Indian export firms, which were equal to the standard of these London firms, was rather restricted. Even now, their number is small. On the other hand, attempts made by the Germans to establish export agents of their own in India, failed, as the Indian authorities did not consider them as "technicians" but only as merchants, and refused to extend their residential permit.

Trade in Private Hands

Whoever wishes to increase India's export to Germany must start with allowing or even inviting the representatives of established German importers to come to India, in order to select the goods and control their quality before shipping. At the same time, it will also be equally necessary to train a set of Indian exporters, who are prepared to go to Germany often, in order to study the market conditions and to acquire the confidence of their German partners and buyers.

The import trade of Germany lies exclusively in the hands of private firms. That is a basic truth which should never be overlooked in India. The German Government has nothing to do with it. The Government may conclude commercial treaties, perhaps fix therein certain quotas which should serve as maximal limits, but Government cannot buy a single ton nor guarantee the purchase of a single ton, unless a private buyer will do it. And these private importers are mostly at the ports of Bremen and Hamburg.

The majority of German industrialists, who need imported goods of the quality which India delivers, are still accustomed to approach the experienced import firms. That is why a personal visit to a big importer's office at Bremen or Hamburg may yield a more effective business than a show at Frankfurt which may attract the public, but certainly not the big importers. They are, under the present terms of trade, a spoiled lot of people. Nowadays we have a "buyers' market." There is not a single commodity which India offers that could not be bought in another country, and often at terms even more favourable than from India. Here lies the real difficulty for India's export trade. What Germany really wants to buy from India, she refuses to export, namely, raw materials. And what India offers, even the raw materials which are still on the export list, can easily be

(Continued on page 788)

WORLD'S MOST POWERFUL TURBINE GENERATOR

U.K. PLACES ORDER WITH A.E.I.

THE Central Electricity Generating Board of the U.K. has placed an order for two turbine generators each of 300,000 kw. capacity with the A.E.I. Company. The order includes the condensing plant and feed water heating plant, as well as various auxiliaries associated with this equipment, the value of the order being about £5 million. The machines are to be installed in a power station which will be located at West Thurrock near Tilbury. This power station has a planned capacity of 1,000 M.W. and, when in full operation, the coal consumption will be in the order of three and a quarter million tons per year. The outstanding feature of the generators is that they constitute the world's largest turbine-generator unit producing all the output in one single line machine at 3,000 r.p.m.

There are many other generating units of larger capacity which are already in manufacture, but the output of these units is divided between two single-line machines which work together on the same steam circuit and generate the electrical output by two generators in parallel. In such units, therefore, the output of each turbine generator is about half of the total output of the whole unit. It is a remarkable fact that this turbine generator of 300-M.W. capacity is about equal in size to those which were produced a decade ago, but which gave only a fraction of the output. As a measure of the advance in generating efficiency, it may be noted that in the twelve months ended 31st March 1952, the 396 steam power stations in Great Britain generated 4,733 million units of electricity and consumed just over 6½ million tons of coal. The two new machines alone will be capable of generating 5,256 million units in a year, and their boilers will consume about two million tons of coal.

These machines will incorporate a number of advanced design features. One of these is the water cooling of the generator stator which en-

ables the maximum electrical output to be derived from a given dimension of machine. A.E.I. is the first firm in the world to experiment successfully with water-cooled stators, one machine having been in commercial operation since 1956 with an over 99 per cent. availability. Cooling water for the steam condensers, which is required in large quantities for a machine of this size, will be taken from the Thames estuary.

It may be said that this achievement of producing the most powerful generator has also been made possible by very advanced methods of quality control in the construction of turbine generators. It will be realised that the parts subject to the highest mechanical stresses are the turbine and generator rotors. These rotors are machined out of special forgings, and subjected to very careful tests. In this field again A.E.I. was the first to introduce the method of trepanning a core piece out of the rotors to enable tests to be carried out on material representative of the centre of the forging. The first effective system of checking rotors for hair cracks was also introduced by A.E.I.

AEI to build Britain's most powerful generators



An order worth nearly £5 million is being placed with AEI for two 300,000 kw. turbine generator units which will be installed at West Thurrock power station, near Tilbury. Each of these generators will have the greatest single-shaft output at 3,000 r.p.m. in the world; each will, in fact, be capable of generating 2,628 million units in a year.

These generators represent important advances in design. Though no larger than those built a decade ago, they are several times more powerful. And their increased efficiency means that they will use less fuel for the electricity they produce.

FACTS FOR THE TECHNICAL. Each unit, which will have the greatest single-line output in the world at 3,000 r.p.m., will consist of a four-cylinder turbine directly coupled to the two-pole a.c. generator. The excitors are gear-driven from the generator shaft. The equipment provides seven stages of feed-water heating, giving a final feed temperature of 485°F. Inlet steam conditions are 2,300 psig, 1,050°F at the turbine stop valve. After expansion through the high-pressure stages, the steam is reheated to 1,050°F before entering the intermediate-pressure cylinder, from which the steam is conducted through four overhead pipes to the two double-flow low-pressure cylinders.

The generator will produce 50-cycle, 3-phase alternating current at 16,500 volts and operate at 0.85 power factor. The stator windings will be water-cooled, a system first introduced by AEI engineers, and the rotor windings will be direct-cooled by hydrogen at a gas pressure of 30 psig. To keep the overall dimensions and weight within the limits dictated by transport, the end-bells containing the coolers will be shipped separately from the core, and assembled on site.

Other AEI contributions to electrical progress

Did you know that:

- * AEI made Britain's first electron microscope,
- * the world's first gas turbines for ships,
- * the world's first water-cooled generator,
- * the world's first water-cooled cable
- * AEI operate Britain's first privately owned reactor.
- * AEI-John Thompson are building the Berkeley Nuclear Power Station.
- * AEI built ZETA.
- * And they make the electrical power system for the Comet.

ASSOCIATED ELECTRICAL INDUSTRIES (INDIA) PRIVATE LTD.

HEAD OFFICE: CROWN HOUSE, 6 MISSION ROW, CALCUTTA

BRANCHES AT: BOMBAY • NEW DELHI • MADRAS • BANGALORE • COIMBATORE • NAGPUR

AIC-219



PATTERN OF BANK DEPOSITS AND ADVANCES

SEASONAL FALL IN CREDIT SLOWS DOWN

NOW that the traditional slack season has almost come to an end—the last Friday of October is usually taken, for statistical purposes, as the termination of the slack season—an analysis of the seasonal variation in Scheduled banks' data will provide a useful study to students of money market. The statistics relating to the week ended 30th October 1959 are not available at the time of writing and, consequently, those relating to the previous week are taken for the purpose of this analysis, but it is believed that the general pattern of seasonal variations will not suffer on account of this.

While the general picture conforms to the traditional pattern, namely, a rise in deposit resources of banks, a reduction in banks' borrowings from the Reserve Bank, a contraction in bank credit and an enlargement of liquid assets of banks, the 1959 slack season discloses some distinct features, as compared with the corresponding season of 1958. The most noteworthy feature is the substantially larger accretion to bank deposits than in the previous slack season. Thus, the total net deposits of banks show a rise of over Rs. 126 crores, which is nearly double that (Rs. 65 crores) witnessed in the 1958 slack season. This is on top of an increase of Rs. 116 crores during the busy season 1958-59. It may also be noted that, barring 1957, the rise in deposits during the 1959 slack season is perhaps the largest in any slack season. In 1957, it was of the order of Rs. 143 crores. The rise in total (net) deposits is mainly accounted for, as in previous years, by time deposits which have gone up by Rs. 159 crores, as against an increase of Rs. 134 crores in the 1958 slack season. It is also noteworthy that the larger accretion to time deposits of banks has occurred during the period under review, despite the ceiling fixed on interest rates with effect from 1st October 1958 under an inter-bank agreement. Demand deposits have, however, declined by Rs. 33 crores, the decline being less than half of the contraction (Rs. 68.6 crores) in the corresponding season of 1958.

State Bank's Share

Of the rise of Rs. 126 crores in total net deposits of all Scheduled banks, the share of the State Bank of India is about Rs. 49 crores, which is, however, less than that (Rs. 54 crores) in the 1958 slack season.

Over the year, the total net deposits of Scheduled banks show an increase of Rs. 242 crores to Rs. 1,819 crores, the highest level touched so far in the history of Scheduled banks. The rise in deposits reflects (a) the counterpart funds of P.L. 480, (b) the shrinkage in the activity of the private sector, and (c) the rapid expansion of the public sector financed, to a considerable extent, by created money. The improvement in Government borrowings this year is itself inflationary to a considerable extent, as the loans raised are quickly spent and adds to the liquidity of commercial banks.

Though there is a net rise of Rs. 9 crores in inter-bank borrowings of banks during the slack season that has just ended, it is very much less than that noted in the corresponding season of 1958, thanks to the improvement in resources of individual banks themselves. Also, the outstanding borrowings at the end of the season, at Rs. 56 crores, are lower by Rs. 6 crores as compared with those a year before. For the same reason, banks have been able to reduce their borrowings from the Reserve Bank and the State Bank to a greater extent than in the corresponding season of 1958, as will be seen from the comparative table in the next column.

Bank Credit

The second notable feature is the slower pace of seasonal fall in bank credit, despite the continuation of restrictive credit policy of the Reserve Bank. The decline in bank advances during the 1959 slack season is Rs. 89.6 crores, as compared with that of Rs. 117.8 crores in the corresponding season of 1958. Consequently, the outstanding bank credit at the end of the season, at Rs. 931 crores, is Rs. 92 crores more than that a year before. However, in view of the much sharper rise in deposits, as shown above, the credit ratio has declined from 53.2 per cent. at the end of October 1958 to 51.2 per cent., the lowest level of credit ratio at the close of a slack season in recent years. The corresponding rates for 1957 was 63.6 per cent. and for 1956, 70 per cent. This gives a better indication of

the effect of the official credit policy during slack seasons. Even at the beginning of the slack season, the credit ratio (60.3 per cent.) stood at a lower level than a year before, when it was 63.3 per cent. More than half of the reduction in Scheduled bank advances is accounted for by the State Bank of India, the advances of which, as will be seen from the table, have fallen by Rs. 45.6 crores.

Addition to Investments

Notwithstanding the slower pace of reduction in advances, banks have been able to add a larger amount to their investment portfolio than in the 1958 slack season; this is because of

the sharper rise in deposits. Thus, during the past six months, the investments of banks have risen by Rs. 179.5 crores to Rs. 795 crores, as against an increase of Rs. 174 crores to Rs. 618 crores in the corresponding season of 1958, thus raising the investment ratio from 39.2 per cent. at the end of October 1958 to 43.7 per cent. The major part of the increase in investments is, however, accounted for by the State Bank of India, the investments of which have grown by no less than Rs. 103.6 crores, an increase that compares very favourably with the addition of nearly Rs. 78 crores in the 1958 slack season. Cash balances have, however, shrunk by Rs. 15 crores to Rs. 169.5 crores, in contrast to the rise of Rs. 7.5 crores in the corresponding period of 1958, the whole of which is accounted for by the State Bank of India. Over the year, the cash balances of Scheduled banks show a contraction of Rs. 39 crores, bringing down the cash ratio from 13.2 per cent. at the close of October 1958 to 9.3 per cent.

	Slack season 1959			Slack season 1958		
	As on 23-10-59	As on 24-4-59	Seasonal change	As on 31-10-58	As on 25-4-58	Seasonal change
Demand deposits (net)	721.56	754.57	+33.01	689.20	757.81	+68.61
Time deposits (net)	1,097.43	938.23	+159.20	888.10	754.30	+133.80
Total deposits (net)	1,818.99	1,692.80	+126.19	1,577.30	1,512.11	+65.19
Inter-bank borrowings	55.85	46.80	+9.05	62.25	32.16	+30.09
Borrowings from Reserve Bank	3.03	27.20	-24.17	2.26	19.85	-17.59
Of which:						
Borrowings against usance bills	Nil	9.51	-9.57	0.92	17.72	-16.80
Borrowings from State Bank	3.68	9.17	-5.49	2.87	6.81	-3.94
Advances	791.89	869.05	-77.16	714.78	797.47	-82.69
Bills purchased and discounted	139.05	151.52	-12.47	124.07	159.14	-35.07
Total bank credit	930.94	1,020.57	-89.63	838.85	956.61	-117.76
Ratio of credit to deposits	51.18%	60.20%	+179.51	53.18%	63.28%	+178.88
Investments	795.13	615.62	+179.51	618.43	444.55	+173.88
Ratio of investments to deposits	43.71%	36.37%	-29.40%	39.21%	29.40%	+9.81%
Cash balances and money at call	169.47	184.51	-15.04	208.25	200.79	+7.46
Cash ratio	9.31%	10.90%	-1.59%	13.20%	13.27%	-0.07%
State Bank of India:						
Deposits (net)	577.46	528.62	+48.84	476.29	422.12	+54.17
Advances	147.76	190.06	-42.30	151.75	186.13	-34.38
Bills purchased and discounted	9.88	13.15	-3.27	10.31	20.27	-9.96
Total credit	157.64	203.21	-45.57	162.06	206.40	-44.34
Investments	397.44	293.88	+103.56	268.64	190.79	+77.85
Cash balances and money at call	33.34	48.65	-15.31	58.96	39.57	+19.39

AMARTHOLS FAST BASES OPTICAL WHITENERS

Forward to self-sufficiency

AMAR DYE-CHEM LIMITED

"Rang Udyan", Sitadevi Temple Road, Mahim, Bombay 16.

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS.

This announcement is not an invitation to subscribe for shares but is issued for the purpose of giving information concerning the Company. The formal Prospectus dated 29th October, 1959, has been delivered to the Registrar of Companies, West Bengal, for registration as required under Section 60 of the Companies Act, 1956. Copies thereof can be had from the Registered Office of the Company or from the Bankers and Brokers named below.

THE HILLA TEA ESTATES LIMITED

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

Issue of 1,25,000 Equity (Ordinary) Shares of Rs. 10 each at par Payable in full on Application

The Subscription List will open at the commencement of banking hours on 9th November, 1959, and will close at the close of banking hours on 14th November, 1959, or sooner or later as the Directors may decide.

SHARE CAPITAL

Authorised

Rs. 5,00,000 divided into 5,000—7½% Tax-free Cumulative Preference Shares of Rs. 100 each, redeemable at a Premium of 5% on or after the 1st April, 1968 at the option of the Company, either in whole or in part.

Rs. 20,00,000 divided into 2,00,000 Equity (Ordinary) Shares of Rs. 10 each.

Rs. 25,00,000

Issued

Rs. 12,50,000 divided into 1,25,000 Equity (Ordinary) Shares of Rs. 10 each.

Rs. 12,50,000

No Shares will be issued for consideration other than Cash.

Of the above Issue, 40,000 Equity Shares of Rs. 10 each are reserved for issue to the Promoters, Directors and their friends and associates at par, out of which 20,000 fully Paid-up Equity Shares at par have already been subscribed and paid for by the Directors and their friends being more than 15% (Fifteen per cent.) of the present issue of 1,25,000 Equity Shares. The balance 20,000 Equity Shares of Rs. 10 each are agreed to be taken up at par by the Promoters, Directors and their friends and associates following the issue of this Prospectus.

LOAN CAPITAL

The Company has created no Mortgages, Debentures or other Loan Capital.

FINANCIAL REQUIREMENTS

The Financial Requirements of the Company are comprised of:

(1) Purchase price of the Lands, Plantations, Buildings, Machinery, Motor Vehicles, etc. of Hilla Tea Estate including the earnest money of Rs. 1 lakh	Rs. 10,00,000
(2) Preliminary expenses including Commission, Brokerage and expenses of this Issue	75,000
(3) Working Capital	11,25,000
Total	22,00,000

MINIMUM SUBSCRIPTION

The minimum amount which, in the opinion of the Directors, must be raised by the issue of Shares in order to provide the sums required to be provided as per paragraph 5 of Schedule II to the Companies Act, 1956, upon which the Directors will proceed to allot shares offered by this Prospectus is 80,000 Equity Shares of the nominal value of Rs. 8,00,000 being only a part amount of this Issue, out of which Rs. 7,25,000 shall be the part purchase price of the Lands, Buildings, Plantations, Machinery, Motor Vehicles, etc., of the Hilla Tea Estate including the earnest money of Rs. 1 Lakh (Rupees One Lakh) paid in cash by Shri B. N. Sen Gupta, Director, and adjusted against subscription of 10,000 fully paid up Equity Shares of Rs. 10 each in the Capital of the Company in favour of the said Shri B. N. Sen Gupta as hereinafter mentioned, and Rs. 75,000 shall be for preliminary expenses including commission and brokerage and expenses of this Issue.

CHAIRMAN

Mr. DHIRENDRA NATH MITRA, of 7, Ballygunge Circular Road, Calcutta-19.

Director, Central Board, The Reserve Bank of India.

Director, Central Board, Life Insurance Corporation of India.

Director of Hantapara Tea Co. Ltd., Mahindra & Mahindra Ltd., Aeronautical Services Ltd., Air Survey Co. of India Ltd., Airways (India) Ltd., Angelo Bros. Ltd., Central India Coal Fields Ltd., Hindustan Motors Ltd., Indo-Asahi Glass Co. Ltd., National Fire and General Insurance Co., Ltd.

DIRECTORS

1. Mr. RANADEB CHAUDHURI, Barrister-at-Law, of 34, Ballygunge Circular Road, Calcutta-19.

2. Mr. C. P. WALLIS, Tea Broker, 3, Clive Row, Calcutta-1.

3. Mr. BIRENDRA NATH SEN GUPTA, Merchant, of 17, Lake Road, Calcutta-20.

4. Mr. SANTI SEN GUPTA, Merchant, of 20, Aswini Dutta Road, Calcutta-29.

5. Mr. GERALD ROBERT SQUIRE STAPLETON, Consulting Engineer and Tea Planter, of 9/A, Short Street, Calcutta-18.

PROPOSED MANAGING AGENTS

Messrs. PLANTERS (INDIA) PRIVATE LIMITED, a company incorporated under the Companies Act, 1956, Merchants of 5/1, Lower Circular Road, Calcutta-20.

OBJECTS

The main objects of the Company are set forth in detail in its Memorandum of Association.

The Company proposes to acquire lands, buildings, plantations, machinery, motor vehicles and other assets mentioned below of the tea garden known as "Hilla Tea Estate" situate in Dooars in West Bengal, belonging to Messrs. Dooars Tea Company Limited, a Company incorporated in England and having its registered office at King William House, 2A, Eastcheap in London, Merchant.

(a) Leasehold lands, Police Station Nagrakata, and Mouza Hill, in Dooars comprising a total area of 1040.29 acres more or less exclusive of 4.72 acres reserved for public roads and all tea gardens, nurseries, tea bushes, seedlings, plants and trees, standing and growing thereon.

(b) The buildings and other structures with fixtures and fittings therein erected thereon as on 1st January, 1958.

(c) The right to use the private roadway leading to the said Hilla Tea Estate through the Nagrakata Tea Estate and to lay pipes, cables, etc.

(d) Plant, machinery, appliances, electric and other equipments, motor lorries and other transport vehicles, tractors, tools, utensils, implements, furniture, articles and things in the said Tea Estate.

(e) The export quota rights and internal quota rights in relation to sale or production of tea which have been or may be allotted or granted to or in respect of the said Tea Estate.

The crop manufactured from Hilla Garden leaf during the years are as follows:

	Lbs.
1954	6,50,326
1955	6,67,850
1956	7,05,402
1957	6,49,553
1958	5,96,242
1959 (upto 14th October as per report submitted by Mr. Crowley, Manager of the Garden)	5,17,776
Expected yield at the end of this year	6,40,000 approx.

REPORT ON THE GARDEN

The Garden has a total area of 1,640.29 acres of which 783 acres are licensed for tea and the balance acreage utilised for grazing, khets, thatch, bamboos, fuel and buildings. Rainfall averages about 160" annually.

Some 550 houses accommodate the settled labour force and there are 14 Staff Quarters as well as Managers' and Assistant's Bungalows, also a Dispensary and nine creches. All buildings are in good repair.

The Factory is a pucca structure of adequate capacity with ample withering accommodation and is run by water power with a stand-by steam plant.

Six 36-inch Rolling Tables and three Legg Cutters together with necessary sifters are sufficient to deal with the leaf plucked on the peak days and two 6' and one 4' oil-fired dryers can easily cope with the output. The sorting arrangements were reorganised this year and teas are now graded by Middleton Sorters fed by Conveyors from the Cutters, which gives a very high percentage of Pekoe Fannings and a minimum of Broken tea. The Factory is generally well found for machinery which has been maintained in very good condition.

The planted area consists of an Upper Division of about 400 acres and a Lower Division of about 260 acres. The tea is well drained, fairly well shaded, green cropped as necessary and annually manured. Average outturn over the past three years was 15.18 maunds per acre on the Upper Division and 10.15 maunds per acre on the Lower Division, giving an overall 12.54 maunds per acre. The replanting and improvement programme is

now coming into effect and a crop exceeding 6,40,000 lbs. is anticipated this year, and it will increase to an optimum of about 8,00,000 lbs. when the young tea is in full bearing.

The Garden produces Legg Cut teas of a good standard which are classified by the Brokers as above average for the District, and the Directors feel that at the present price level, the Company should earn substantial profits and can expect to pay dividends from the very first year if there be no unforeseen circumstances and the present yield of this garden can be increased further in the early future.

AUDITORS

Messrs. PRICE, WATERHOUSE, PEAT & CO., Chartered Accountants, Gillander House, Calcutta-1.

SOLICITORS

Messrs. FOX & MANDAL, 12 Old Post Office St., Calcutta-1.

BANKERS

1. THE STATE BANK OF INDIA, 1, 2 & 3, Strand Road, Calcutta-1.
2. THE CHARTERED BANK, 4, Netaji Subhas Road, Calcutta-1.
3. THE NATIONAL & GRINDLAYS BANK LTD., 19, Netaji Subhas Road, Calcutta-1.
4. THE PUNJAB NATIONAL BANK LIMITED, 18A, Brabourne Road, Calcutta-1.

MANAGING BROKERS

Messrs. PLACE, SIDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta-1.

BROKERS

1. Messrs. LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort, Bombay-1.
2. Messrs. HARBANS SINGH MEHTA & COMPANY, 33 Regal Buildings, Parliament Street, New Delhi-1.
3. Messrs. PATERSON & COMPANY, 22, Errabalu Chetty Street, Madras-1.

LONDON SELLING AGENTS

Messrs. OGILVY GILLANDERS & CO. LTD., King William House, 2A, Eastcheap, E.C.3, London.

PROSPECTUS AND APPLICATION FORMS

Copies of the Prospectus, on the terms of which alone applications will be considered, and Application Forms may be obtained from the Registered Office of the Company or from the Company's Bankers at their Calcutta, Bombay, Madras, Delhi, Kanpur and Patna Offices or the offices of the Brokers. Also from the Branch Office of the State Bank of India, at Darjeeling, Siliguri, Jalpaiguri, Dibrugarh, Jorhat and Gauhati.

COTTON TEXTILE INDUSTRY IN CHINA

PROGRESS MADE IN THE PAST DECADE REMARKABLE

INDIA'S cotton textiles continue to encounter serious competition in world markets especially in the South-East Asian region not merely from a traditional exporting country like Japan or a relatively new-comer like Hong Kong but also from Communist China. Textile exports from China to Asian countries during the calendar year 1958 aggregated as much as 400 million square yards, which compare very favourably with 242 million square yards in 1957, 115.4 million square yards in 1956 and just 2.3 million square yards in 1953. How severe has been the competition offered by China is well described by Mr. Kayser Sung, in the course of an interesting article published in a recent issue of the *Far Eastern Economic Review* (Hong Kong). Mr. Kayser Sung says:

"Japan's exports of cotton goods to Asia dropped from 70 per cent. of her total cotton exports in 1953 to 51 per cent. in 1958. India feels Chinese competition most keenly in unbleached fabrics. The sharpest effect was in Malaya, though losses also occurred in other traditional Indian markets—Indonesia, Hong Kong, Thailand and Ceylon. Hong Kong has felt the force of the Peking trade drive both ways, since it is a principal supplier as well as a heavy importer. Only 2 per cent. of Hong Kong's cotton piecegoods imports were from China in 1953, but these rose to 30 per cent. by 1958. The Chinese export of textiles also made itself felt in Britain, in Western Europe, in Africa, Latin America and Canada."

The success of Chinese textile export drive has been rendered possible by the remarkable improvement in production, both quantitatively and qualitatively. Thus, as compared with the position obtaining before the Chinese Communist Party took over the reins of administration ten years ago—in October 1949—the production of cotton yarn has gone up by 355 per cent., from 1.8 million bales (of 400 lbs. each) in 1949 to 8.2 million bales (estimated) in 1959. Following the marked rise in yarn output, there has been an appreciable increase in the quantity of fabrics woven. At present, the production is believed to be running at an annual rate of 7,200 million metres (one metre=1.0936 yard), as against a bare 855 million metres in 1949, representing a rise of over 740 per cent. The following table indicates the trend of cotton textile output since 1949:

Year	Yarn (Thousand bales)	Cloth (Million metres)
1949	1,800	855
1952	3,620	3,330
1953	4,104	4,600
1954	4,598	5,216
1955	3,968	3,485
1956	5,246	4,600
1957	4,850	5,050
1958	6,100	5,700
Jan.-June 1959	4,147	N.A.
1959 (planned)	8,200	7,200

N.A.—Not available.

The above table reveals two striking features. First, the very first three years of Communist rule in China witnessed a spectacular improvement in the production of both cotton yarn and fabrics. Secondly, the trend of output has been most erratic, with violent fluctuations from year to year.

Government's Efforts

The substantial rise in cotton textile output in China must be attributed to the Communist Government's devoted persistent efforts to develop the industry. One of the first steps taken by the Government was the setting up of a special Ministry of Textile Industry. The number of cotton spindles actually installed at the end of last year was 8.5 million, as against 5.0 million in 1949, or an addition of 3.5 million spindles over nine years. The number of looms in place during 1957 (the latest year for which statistics are available) was 180,000, a rise of 120,000 looms as compared with the end of July 1952. The second Five-year Plan (1958-62) envisages the installation of 40,000 more looms.

Great priority was accorded to the development of the textile industry during the first Five-year Plan (1953-57). The capital investment in this industry amounted to £235 million, or 6.4 per cent. of the total industrial investment of £3,672 million. During these five years, more than 70 new mills, of which two-thirds represented cotton mills, were built.

Due attention has been paid to the need for augmenting the productivity of textile industry. An idea of the results achieved was given by the Minister for Textile Industry, Mr. Chiang Kuang-nai in the course of his address to the National People's Congress in April last. According to him, the national average unit production of 21 counts cotton yarn has increased from 25 kilograms (one kilogramme=2.2046 lbs.) per 1,000 spindles per hour to 30 kilograms, that is, a rise of 20 per cent. The production of cloth covers many kinds of popularly-priced and durable products, including 16-count and 18-count cross-woven and intricately-woven fabrics. Measures have been taken to make colours and designs last longer and to reduce shrinkage. High-grade goods such as "Hongee" of over 200 counts as well as woolen cloth for overcoats and "East Wind" brand silk piecegoods have been produced on a trial basis.

It is claimed by the *Handbook on Current Affairs*, a semi-official magazine, that cotton yarn of Grade A, Class I accounts for 95 per cent. of the total production in several principal Provinces and cities and 100 per cent. in a few areas. Last year, over 120 new textile products were successfully trial-produced in Shanghai, the centre of light industries.

Incidentally, it may be noted that China produces high-grade serge, fancy overcoat woollens and woolen fabrics of different designs which, in 1958, reached or even surpassed the standards of similar British products of well-known brands. On the side of silk production, China is said to have regained the position as the world's leading producer which it held before the Second World War but was captured later by Japan. Raw silk production in China during 1958 is put at 21,000 tons, as against 20,000 tons in Japan. The output of silk cocoons has risen three times in the past ten years, the actual production in 1958 being 162,000 tons, that is, 45,300 tons more than what was produced in Japan in the same year.

Decentralisation

At the very early stage of textile expansion, the Chinese Government adopted a policy of redistribution of units on a regional basis which later proved to be a practical one. Before 1949, the majority of spindles was concentrated in the coastal ports like Shanghai, Tsingtao and Tientsin which are far away from the cotton-growing regions. But the Government set up almost all the new mills in the interior cotton-producing areas. Nevertheless, Shanghai still remains the leading textile industrial centre in China, accounting, as it does, for one-fourth of the total cotton goods output. Under a Government-sponsored reorganisation scheme in 1957 costing £940,000, all worn-out machinery and equipment in the City's mills have been replaced by new ones manufactured within the country. These include spindles (numbering 130,000), cleaning machines, combers, drawing and slubbing machinery, and spinning machines. Commenting on the progress achieved by the textile machinery industry, Mr. Kayser Sung observes:

"Traditionally, most of the textile machinery in the Chinese mills was imported. But this situation changed in 1950, when most of the former repair shops were reorganised into textile machinery manufacturers, turning out products for domestic consumption. Later, the State-owned Chingwei Textile Machinery Works was set up in the North China Province of Shansi, and this now supplies most of the textile machinery to the new mills. The Chingwei Works, which occupies some 500 acres, produces the full range of spinning equipment. The large-scale enterprise was equipped with the latest types of machine tools from Soviet Russia, Czechoslovakia and East Germany. Other leading textile machinery manufacturers in China include the Shanghai No. 2 Textile Machinery Works and the China Textile Machinery Works.

At the end of the first Five-year Plan, China had not only one and a half times as much cotton textile manufacturing capacity as in 1952, but she also began receiving orders from abroad for complete textile plants. In 1956, a total of 20,000 spindles and 190 looms with all accessories were exported to Burma, and 10 wet spinning machines and 200 looms to Egypt. Before accepting the Burmese order, the Chinese gave much consideration to it. Burmese cotton is a short-staple type and the Chinese machines had to be specially adapted to the processing of the cotton. The Burmese order was followed by similar orders from Yemen, Cambodia and Ceylon. Indonesia is the latest customer, sending a mission to Peking in April to negotiate for the purchase of three tex-

tile mills from China, with some 160,000 spindles and 1,000 automatic looms. Peking has extended a credit of U.S. \$30 million to Indonesia for this purpose. In the past decade, China had manufactured 3.8 million spindles and more than 90,000 looms."

Cotton Output

Alongside the efforts to expand the production capacity of the textile industry and to develop textile machinery manufacture, steps have also been taken to step up raw cotton output and these have met with great success. The production of ginned cotton in 1958 is estimated at 2.1 million metric tons (one metric ton=2,204 lbs.), as against 1.64 million tons in 1957 and a mere 446,800 tons in 1949. The target fixed was 3.35 million tons. The shortfall in output was due to damage to the crop caused by drought. The target for the current year has been revised downward from 5.0 million tons to 2.3 million tons. Although cotton production has increased, China continues to import cotton from abroad. The total imports in 1957 were 83,500 metric tons.

Thanks to shortage of raw cotton and to the anxiety of the authorities to maintain a high level of export trade in textiles, the people in China have had to reduce cloth consumption. The ration of cotton textiles was actually cut by one half in the summer of 1957. During the twelve-month period beginning from 1st September 1957, each person could buy no more than 6.30 yards of cloth. This quantity has been raised to 8.75 yards in 1959. Recently, the Textile Minister assured that the per capita consumption of cotton cloth would soon exceed 8.75 yards.

HONG KONG TEXTILE INTERESTS' PLEA

Since the final understanding in regard to the volume of cotton piecegoods shipments from India and Pakistan to Britain was reached towards the end of September last, several textile interests of Hong Kong have been contemplating to urge Lancashire to concede the following three demands:

1. An increase should be accorded to the Hong Kong ceiling of 164 million square yards, as the ceilings for India and Pakistan are in excess of their actual performance in recent years.
2. If, by the end of 1960, the actual exports of cloth from India and Pakistan were to be lower than the ceilings fixed (namely, 175 million square yards and 38 million square yards, respectively), the shortfall should be made available to Hong Kong.
3. There should be no illusion of possible renewals at the end of the three-year agreement in January 1962, when India and Pakistan will still have another year to go.

The above demands are on the ground that the ceilings now fixed for India and Pakistan are higher by 25 per cent. as compared with those yards for India and 30 million square yards for Pakistan. These were the figures, it is pointed out, that were mentioned by Lord Rochdale, Chairman of the Cotton Board, when he visited Hong Kong.

Since no approach has still been made to the Cotton Board, official sources in Lancashire are reluctant to comment on the aforesaid demands. The general reaction of millowners and traders there seems to be this: the original limits suggested for India and Pakistan were raised during the course of the protracted discussions mainly because of the figure agreed with Hong Kong. When industries learned of the Indian and Pakistan negotiators of the ceiling agreed with the ceilings for their own goods, they demanded higher continue this process of leap-frogging, the situation will never become stabilised. It is considered restart talks so soon after the completion of voluntary arrangements with the three countries concerned. Some even feel that the pace of Lancashire cotton industry's reorganising months to the extent of Hong Kong ceiling pact a year ahead of its originally fixed expiration, 31st January 1962.

Meanwhile, the Hong Kong Government has announced the allocation of the British quota of 115 million square yards (for retention in the home market) for the year commencing from 1st February 1960, thereby ending the two-month-old argument over the method of allocation between the millowners and traders. The allocation will be on the basis of past performance during the first nine months of the current year (1st February-31st October 1959), the quantities in million square yards—to be allotted among the different sections being: shippers of grey cloth, 83; shippers of finished piecegoods: 23; new entrants: 5; exporters of yarn-dyed piecegoods and cotton towelling: 4. Out of the total quota of 115 million yards, the share of manufacturers is expected to be 60 per cent., the balance of 40 per cent. being the share of exporters.

The Government of India has decided to extend the procedure under Rule 191-A of the Central Excise Rules, 1944, for export out of India excisable goods under claim for rebate of duty on the ton handkerchiefs as well. It is already applicable to ready-made apparel, tents, sugar products, table covers and shawls, chaddars, pillow cases, garment has also decided to permit the manufacture in bond of cotton handkerchiefs for the purpose of export, under Rule 191-B of the said Rules.

MORE ABOUT REDUNDANCY STATISTICS

FINISHERS, TOO, WANT REORGANISATION

From Our Special Correspondent

MANCHESTER, 27th October

SOME people might say that there has never before been such a spate of figures concerning the cotton industry since the reorganisation scheme got under way. We can only hope that readers will not feel dizzy if we add further comment on the latest batch provided by the Cotton Board.

MANCHESTER LETTER

These, at least, should mark the completion of the redundancy statistics, as they cover the final returns showing the quantity of machinery to be scrapped and the estimated compensation payable to those millowners involved. There may be minor variations arising from later developments, but the general trend of the industry's shrinkage can now be accurately assessed.

Earlier figures were based entirely on the mule equivalent spindleage scheduled for disposal. This amounted to 12,444,000. Actual spindles for scrapping total 3,408,000 rings and 7,332,000 mules. After deducting those figures from the number of spindles installed either running or stopped as on 24th April, the machinery remaining before re-equipment consists of 6,619,000 rings and 2,973,000 mules.

Big Shut-down

The analysis breaks down the machinery for scrapping into different categories according to whether the mills are to continue running. It is thus disclosed that, out of approximately 10,700,000 actual spindles which are to be scrapped, nearly 7 million are in mills which propose to shut down completely. In some cases, these are controlled by firms, such as the combines, which are retaining their connection with the trade, but one of the most interesting facts emerging from the survey is the response to the tempting terms offered to close down entire units. This applies no less to spinning than to the weaving branch. The total number of looms to be scrapped is 104,747, of which 82,308 are in sheds which are to be completely shut. In some cases, the parent firms will continue in being, but the particular mills will finally close their doors before the end of March.

In the weaving section, the preponderance of looms to be scrapped are those of up to 48 inches in width, numbering 68,597. A further 31,997 machines for dismantling are between 48 and 72 inches wide. Total loomage installed at the effective date of the launching of the scheme was 259,244 of which 182,745 machines were running. After the scrapping but before re-equipment, there will be 154,497 looms available for work.

The amount of doubling machinery to be scrapped in the mills controlled by firms remaining in the industry is almost exactly half the total, in contrast to the other sections. After the disposal of 571,000 doubling spindles as

planned, the quantity remaining before re-equipment will be 1,038,000 spindles.

Included in the analysis is an estimate of the compensation payable for the dismantled plant, excluding any additional scrap value which can be obtained by millowners. In the spinning section this amounts to £9,329,000, made up of £2,134,000 for rings, £3,044,000 for mules and £4,151,000 for carding engines. The average cost per mule equivalent spindle works out at 15s.—showing how remarkably accurate some forecasts were before the details of the scheme were ever published. Doublers who are scrapping their plant will receive approximately £382,000, made up of £106,000 for twiner spindles, £123,000 for rings under 2 inches and £137,000 for rings of 2 inches and over, plus a further £16,000 representing the 5 per cent. bonus for applications received before the end of August. The cost per doubling spindle averages 13s. 4½d.

Payment of compensation for weaving plant scheduled for the scrap-heap will total £6,913,000, including £310,000 under the bonus arrangements. For looms up to 48 inches wide, the compensation will be £4,090,000 and, for those between 48 and 72 inches, £2,199,000. The average estimated cost per loom is £66. Full cost of the compensation for scrapping will, therefore, amount to £16,624,000. The Government will contribute just over £11,000,000 and the remaining firms in the industry face a bill of £5,541,000, to be obtained by means of a levy on their plants.

One slightly surprising aspect of the outcome of the scrapping is the fact that nearly 3 million mule spindles will remain in operation in the industry. Before the scheme began, about 5 million of these spindles were stopped and 5,236,000 were running. The number of ring spindles in operation in April will be reduced by rather less than one million by the scrapping programme. There will be a reduction of about 28,000 looms as compared with those running when the plan was first proposed.

Gap Wider Still

Traders may well be getting tired of the continual comment that exports are "disappointing." As month follows month, it is equally depressing to record that shipments are slipping, while imports continue to rise. The fact remains, however, that the Board of Trade returns do not disguise that unpalatable situation. In September, the quantity of cotton cloth shipped abroad, at 24,771,000 square yards, was lower than in any month since the end of 1945 when overseas trade was still suffering from the aftermath of the war. On the other hand, foreign cloth arrivals last month reached a total of 45,078,000 square yards, which has only once before been exceeded.

With nine months of 1959 gone, the gap between Lancashire exports of cotton cloth and corresponding arrivals of foreign goods has widened to nearly 120 million square yards. Shipments of all types of cotton cloth to the

end of September amounted to 251,811,000 square yards, while imports were 370,680,000 square yards. The decline in exports was almost 44 million square yards as compared with 1958, while arrivals increased by 94 million square yards. Earnings from cloth exports at £23,900,000 compared with the cost of imports of £27,600,000.

So far as exports are concerned, only eight countries are now taking Lancashire fabrics at an average rate of more than 1,000,000 yards monthly. Significantly, it is among this number that the major declines in business have occurred, notably with Australia and South Africa. In both these cases, the quantity of cloth absorbed has fallen by over 10 million yards in the first nine months this year. The only areas where a little ground has been gained are Ghana and Rhodesia and Nyasaland.

Whereas the Commonwealth countries show the largest declines in takings, the rising tide of arrivals also comes from Commonwealth sources. Out of grey cloth imports amounting to 320 million yards in the nine months, 243 million yards were supplied from India, Hong Kong and other Commonwealth countries. Imports from India during the period increased from 87,467,000 square yards to 121,371,000 square yards; from Hong Kong from 76,663,000 square yards to 102,034,000 square yards; and from unspecified Commonwealth countries from only 951,000 square yards to 20,263,000 square yards.

Shipments of cotton yarn in the nine months declined from 20,669,000 lbs. to 16,987,000 lbs. Larger supplies were sent to Canada, but a substantial fall occurred in trade with India, Australia, the Irish Republic and Western Germany. Meanwhile, imports of yarn went up from 9,912,000 lbs. to 14,809,000 lbs.

More Plant for Scrap

Firms in the textile finishing trade are becoming increasingly restive at the absence of redundancy proposals similar to those drawn up for the producing branches. At the Cotton Board conference, the subject was raised in open meeting and drew a response from a Board of Trade representative who promised early action to deal with this vital matter. Inability to find an effective basis for providing compensation without standard machinery such as spindles and looms is at the root of the problem, and much time is being spent in trying to evolve a suitable system. In the meantime, the pressure of demand for cloth and rising prices is resulting in a "squeeze" on the finishing branches between producers and the merchants, who are trying to avoid passing on the dearer rates to their customers.

Mr. Roger Lee, Chairman of the Calico Printers Association, added an appeal to the Government to complete the reorganisation job by launching redundancy schemes for textile finishing, when he spoke at the annual meeting last week. At the same time, he gave a somewhat glowing picture of current conditions, indicating that the printworks had booked orders during the last few weeks at a very high level. Contracts obtained in the merchanting group of the Association, especially since the beginning of last month, were over half as much again as at the same time last year, and were the highest recorded since the war for the third quarter.

(Continued on page 762)

THE CONCORD OF INDIA

Insurance Company Ltd.

(INCORPORATED IN INDIA)

Head Office: 8, Clive Row, CALCUTTA-1.

Telephone: 22-4315

Telegrams: YULINSURE

BRANCH OFFICES:

ANDHRA PRADESH
6-D, Rahmatnagar Road
SECUNDERABAD (D.A.)

DELHI STATE
60, Janpath
NEW DELHI

PUNJAB STATE (India)
Madan Mohan Malviya Road
AMRITSAR

BOMBAY STATE
Hongkong Bank Building
Veer Narayan Road
Fort, BOMBAY

MADRAS STATE
Finance House
Pattalam Road
MADRAS-2

UNITED KINGDOM
1 Priory House
New Broad Street
LONDON, E.C. 2

Sir Chinnabai Building
Reddy Bazar, Cross Lane
ARMOURABAD

MADHYA PRADESH
41, Tokogan Main Road
INDORE

UTTAR PRADESH
Moons Lal & Sons Bldg.
Mahatma Gandhi Road
KANPUR

Dhanraj Chandra
Geeta Ground
Shabuldi, NAAGPUR

MYSORE STATE
Kongur Building
Ramdeo Gali
BANGALURU

RAJASTHAN
Jwalnagar P.O.
RAMPUR

Dewan Para Road
BHAVANAGAR
Gandhi Gali
BARODA

GUJARAT
Kongur Building
Ramdeo Gali
BANGALURU

RAJASTHAN
Jwalnagar P.O.
RAMPUR

FIRE, ACCIDENT, MARINE, WORKMEN'S COMPENSATION

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS

CAXTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2

WAGE BOARDS FOR INDUSTRIES MUST THEY BE MADE STATUTORY?

THE suggestion of the Union Ministry of Labour to introduce legislation to provide for the establishment of Wage Boards on a statutory basis for industries and making their decisions legally binding on employers and workers has sparked off a keen controversy over the concept of statutory fixation of wages and its effect on collective bargaining and trade union movement. The proposal, which has been communicated to employers' and workers' organisations, along with a draft note on the contemplated legislation for eliciting their views, has come as a surprise to many employers. None of the three Wage Boards at present functioning (all of which are non-statutory bodies) has submitted its final report and there has, therefore, been no way of ascertaining employers' and workers' reactions to their recommendations and judging whether or not the Wage Boards are a success.

The proposed legislation, according to the draft note, will apply to factories, plantations, and mines and such other establishments as may be notified. Persons receiving wages exceeding Rs. 400 per month will not be included in the definition of the term employee whose wages will be fixed by the Wage Board. It will apply to establishments in both the private and public sectors. The Wage Board will be appointed by the "appropriate Government" by a Gazette notification. The "appropriate Government" is defined as the Central Government in the following cases:

(1) mines, oilfields and major ports; (2) railways; (3) any industry or employment carried on by or under the authority of the Central Government; (4) any statutory corporation or other authority constituted by the Central Government; (5) any banking or insurance company having branches in more than one State; (6) industries included in the first schedule to the Industries (Development and Regulation) Act, 1951.

The State Government will be the appropriate Government in respect of the remaining industries and employments.

Besides an independent chairman, the Wage Boards will have six members—two each to represent the employers and workers and to independent members. The Boards, it is proposed, will be given powers to co-opt members for considering regional matters whenever necessary.

Functions of Wage Boards

The functions of the Wage Board will be: (1) to fix fair rates of wages; (2) to determine such other matters allied to the question of wages as may be specified in this behalf in notifications constituting the Wage Board or may be referred to it by the appropriate Government; and (3) to discharge such other functions as may be assigned to it by or under legislation.

In fixing fair rates of wages, the Wage Boards are to follow the principle of fair wages set forth in the Report of the Committee on Fair Wages. The award of the Boards will be binding on all employers of the class of establishments for which the Board is set up and all the employees to which the proceedings relate, whether they were employed at the time of making the award or subsequently become so employed.

An award, as is now proposed, will remain in operation for a period of three years. But the "appropriate Government" has the power to extend the period of operation by any period not exceeding one year at a time. The total period of operation of an award, however, should not exceed five years from the date on which it comes into operation. The draft also provides for penalties being imposed on employers for breach of terms of awards.

The award of the Boards fixing fair rates of wages will, it is said, be final and cannot be questioned in any proceedings under any other law for the time being in force; it will have effect, notwithstanding anything inconsistent therewith contained in any award of any Labour Tribunal. The Government, however, will have power to modify or reject the award of a wage board on such public grounds as affecting national economy or social justice.

Federation's Criticisms

The employers are strongly opposed to the aforesaid scheme on the ground that it is unsound in principle and unworkable in practice. For instance, the Employers' Federation of India, in a memorandum submitted to the Secretary, Union Ministry of Labour, has strongly criticised the proposed legislation as unnecessary and premature. The Federation is of the view that any statutory regulation of wages at this juncture would amount to a negation of the principle of collective bargaining which has been accepted by all the parties concerned, as the basic pre-requisite for sound and healthy industrial relations. The Government according to it, should have awaited the final outcome of the deliberations of the Wage Boards currently functioning and assessed the effectiveness of this machinery for the settlement of wage disputes in a manner acceptable to the parties concerned before taking any action.

The Federation also apprehends that, once the Wage Boards are given statutory status, the discussions will revert to the type of adjudication proceedings, which it was clearly the intention of Government to avoid. Moreover, the creation of statutory Wage Boards, it feels, will give rise to a great deal of confusion in the field of industrial relations arising from the simultaneous working of two compulsory systems. There may well be a good deal of overlapping, particularly because the

Wage Boards are supposed to concern themselves with wages and "allied matters." The term "allied matters" is capable of many interpretations.

Drawing attention to the experience of the working of the Minimum Wages Act of 1948, which is intended to afford protection to workers in sweated industries, the Federation points out that, even after 11 years, it has not been possible for most of the State Governments to give the benefit of that enactment to those engaged in the biggest sector of economic activity in the country, namely, agriculture. Again, in some of the industries covered by the Act, workers have had to agree to rates of wages lower than the statutory minimum, for the simple reason that the particular industry could not afford to pay the rates of wages fixed by the authorities. This further proves, according to it, that wages should be settled by mutual negotiation between the parties concerned rather than by legislative measures.

Millowners' Association's Stand

The Bombay Millowners' Association, in a letter addressed to the Employers' Federation of India, has also strongly opposed the proposal. Legislation of this type, according to it, is objectionable in principle, has no warrant of actual experience and, where alternative machinery exists for implementation, is unnecessary in practice. The grounds on which the Association opposes the legislation may be summarised as follows:

There is a real apprehension that the contemplated legislation might make negotiations and collective bargaining unreal. It may happen that, as both the employers and the workers are equally represented on Wage Boards at present, its recommendations will be generally acceptable to both the parties; and, in that event, it should be possible to implement them through the existing machinery of tribunals and industrial courts, without any difficulty. Even if this happy state of affairs does not obtain, the normal machinery established by Industrial Relations and Industrial Disputes Act is available to either party and the recommendations of the Board will not fail to influence the final decision by these bodies.

The principal function of the proposed Wage Boards is to fix fair rates of wages. It is obvious that fixation of wage rates would involve consideration of a number of matters, many of which are not specifically included in the functions of the Board. To that extent, the normal machinery of industrial tribunals have to be invoked. There is little point in dividing the work between two separate authorities.

The Association agrees with the views expressed by its Labour Officer in a separate note appended to the letter. In this note, the Labour Officer points out that, when representatives of employers and employees agreed to the formation of the Central Wage Board for the cotton textile industry, they had no idea whatever that the decisions of such boards would be made enforceable under law. The Government should not have, therefore, proposed to bring in legislation to make the decisions of the Wage Board legally binding without consulting the parties concerned. He makes the following further criticisms of the proposal:

"If the decisions of the Wage Boards were not statutorily binding and unanimous decisions were

available to the parties, it would then be open to either party to go to the Tribunal or to the Industrial Court under the State Legislation and secure the implementation of those decisions, as there is no doubt that the unanimous decisions of Wage Boards will certainly weigh with the Tribunals or Industrial Court. It would thus appear that it is open to the workers to secure what the Wage Boards have unanimously decided and to make it enforceable under law, when a defiant employer is not willing to adopt the unanimous decisions voluntarily. If such a remedy was not available to the parties, there was some argument for making the decisions of the Wage Boards statutorily binding.

Different Complexion

"If the Wage Boards function as bodies statutorily set up, their working will take a different complexion than when the Wage Board is functioning on a voluntary basis whose decisions are not binding on the parties. In the latter case, the central idea is collective bargaining and not 'compulsory arbitration'. We are indirectly encouraging the latter (compulsory arbitration) which is not the real intention of the Ministry of Labour or the Indian Labour Conference. The present trend is not for adjudication but for voluntary arbitration, failing collective bargaining. If this is the real trend, the proposed legislation cuts at the very root and must be considered as a retrograde step in the field of labour legislation relating to wage fixation.

"If Government really want to make Wage Board statutory and their decisions binding, they may consider limiting the scope of other Tribunals and Courts to all disputes bearing wages and thus avoid duplication and make Wage Board a specialised body to deal with the complex question of wage fixation. It would be wrong to confine the functions of the Wage Boards to fixation of fair wages and leave the evolution of wage structure to Tribunals. Such a division would be arbitrary, impracticable and least conducive to industrial peace."

The aforesaid note also points out that it would be difficult to divorce fair wages from other methods of remuneration or even kindred matters such as dearness allowance, hours of work, overtime, holidays, leave with wages, or for that matter, bonus. As it would not be possible to dislodge fair wages from the gamut of disputes between workers and employers, Wage Boards cannot be treated as statutory bodies for fixation of wages. It only means that the Wage Boards should be maintained as fact-finding and advisory bodies helping the decisions of parties and the Tribunals. They are, by the nature of their duties and functions, bodies whose unanimous recommendations have always a great value in narrowing down the differences between the parties and helping mutual settlement of disputes.

The Labour Officer of the Bombay Millowners' Association further maintains that the Fair Wages Bill of 1950, which was not enacted into law, and a far better legislation, in its modelled, was Tripartite Wage Boards constituted under that Bill Tribunal whereas no such appeal is possible under the proposed legislation.

Objection Academic

It will be seen from the foregoing account that the employers' organisations have made certain very pertinent criticisms, especially in regard to the practical difficulties the legislation will give rise to. Their objection to the proposal in principle is, however, academic. The issue should be examined not in the light of abstract principles but in the context of the circumstances obtaining in the country. The employers' contention that the proposed legislation will cut at the root of collective bargaining is perfectly true. All true lovers of democratic trade unionism will agree with it. But it must be viewed from the practical angle. The contention proceeds on the assumption that trade unions in this country are as much in favour of collective bargaining as the employers are. Are the trade unions in this country really so? So far as our information goes, they do not seem to have objected to the Government's latest move. If this is true, an important question that arises is this: Why is it that the trade unions in this country are willing to agree to a proposal which will, in due course, weaken their position by taking away from their hands one of the most potent method of securing higher wages? The unfortunate fact is that in this country, the powers-that-be and trade union leaders pay only lip service to collective bargaining. If they are staunch believers in it, the move under discussion will not have been made at all. So, what is the point in employers trying to knock against granite? A more sensible approach would be to put forward suggestions that would make the Government's proposal workable.

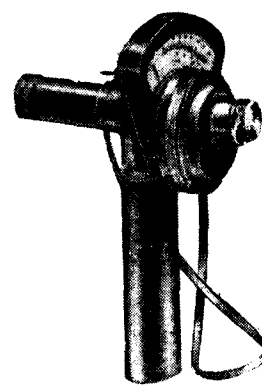
Why Collective Bargaining Failed?

It is common knowledge that, except in a few cases, collective bargaining in this country has not succeeded in evolving an acceptable wage structure. The Government is as much to be blamed for this as employers, for its efforts to build up trade union movement on sound lines were at best half-hearted. On the employers' side, some at least were, and still are, against workers organising on trade union lines. Even if this be incorrect, the fact remains that the vast majority of employers have miserably failed in winning over trade union leaders for collective bargaining. The political parties, which sponsored and supported trade unions, have their eyes on the political gains to themselves than on the benefits workers could get from organisation.

Statutory regulation of wages, when other methods have failed to give satisfactory results, should not be regarded as offending the canons of economic or social justice so long as it is done in a sensible manner. Statutory wage-fixing (minimum) is not limited to countries where general

(Continued on page 781)

TEMPERATURE MEASURING & CONTROLLING INSTRUMENTS FOR INDUSTRY & RESEARCH



Partial or Total Radiation Pyrometers, Immersion Thermocouples for Electrical Resistance Thermometers and Temperature Indicators and Recorders, Flow Indicators and Recorders, Pressure and Vacuum Indicators and Recorders, Gas Analysers and Controllers.

Manufactured by

M/s. HARTMANN & BRAUN, GERMANY

Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.,

198, Jamshedji Tata Road, Bombay 1

Branches:

AJMER CALCUTTA DELHI MADRAS



ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited

Incorporated in England

Bombay Agents:

N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:

Doogall Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

THE BOMBAY STATE CO-OPERATIVE BANK LIMITED, BOMBAY

2, BAKEHOUSE LANE, FORT, BOMBAY-1.

(ESTABLISHED IN 1911)

Telephone: 255474-5 Post Box No. 472

Telegram: FARMERBANK

Chairman: Prof. D. G. KARVE

Money deposited with this Bank helps the Indian Agriculturists and Co-operatives.

PAID-UP SHARE CAPITAL 1,30,00,000

RESERVE AND OTHER FUNDS 80,00,000

TOTAL DEPOSITS 17,20,00,000

WORKING CAPITAL 20,00,000

BRANCHES AND AFFILIATES AT 304

PLACES IN BOMBAY STATE

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

Deposits of all kinds accepted. Terms on application.

G. M. LAUD, Managing Director.

Bombay State Co-operative Bank Ltd.

THE YORKSHIRE INSURANCE COMPANY LTD.

(Incorporated in England)

(Established 1824)

(The Liability of the members of the Company is Limited)

**FIRE, ACCIDENT
LIVESTOCK, AVIATION
Etc.**

8, Clive Row CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

Safe Custody and Management of Shares and Securities

To those who buy and sell securities and shares, their safe-keeping and management is often a source of worry.

For a very small cost the State Bank of India undertakes to relieve you of this burden and to provide you with (a) safe custody for your Government securities and share and debenture scrips, (b) a prompt and efficient service for the collection of interest and dividends, and (c) other services connected with the buying, selling and transfer of the scrips.

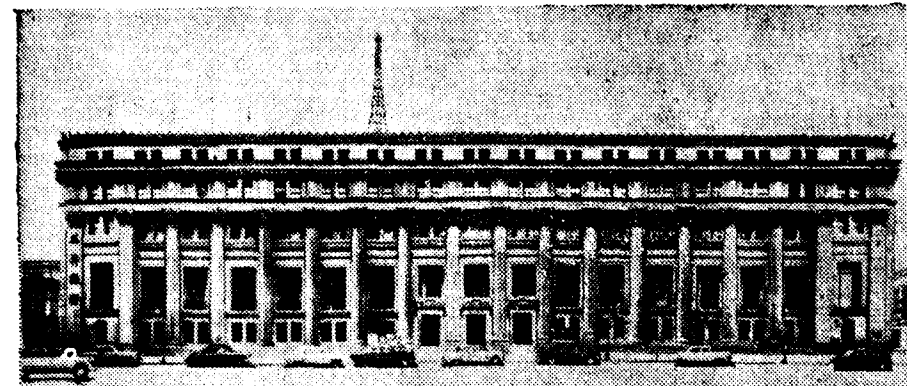
This Safe Custody service of the State Bank is one of the many banking services the Bank renders to its clients. It may be worth your while to know how the Bank can be useful to you by calling on any of the local head offices or branches of the Bank.

STATE BANK OF INDIA
INDIA'S LEADING BANK

SISTA'S-58-28

MITSUI BANK

A Bank To Consult
On All Business With Japan



THE MITSUI BANK, LTD.

HEAD OFFICE: NIHONBASHI, TOKYO, JAPAN

NEW YORK AGENCY LONDON BRANCH BANGKOK BRANCH

BOMBAY BRANCH:

6 Wallace Street, Dr. Dadabhai
Naraji Road, Fort, Bombay 1,
India

FARM ORGANISATION AND CREDIT SOME REVEALING FOOTLIGHTS

By Prof. S. Kesava Iyengar

STATE farms, collective and co-operative farms, farms worked by communes, have all this in common: land is pooled and a labour force cultivates the area. There are several common features as between Soviet and Indian agriculture. Seasons are uncertain in both countries: "like the little girl in the nursery rhyme, the weather, in its effect on agricultural production in the U.S.S.R., when it is good, it is very, very good, but when it is bad it is horrid." And the cultivators are highly conservative, requiring one decade to forget and another to learn. In the U.S.S.R., the acreage under crops was 450 million in 1954. Ninety million acres were added during the next two years, making a total of 540 million acres. Area under corn was particularly increased, because Premier Khrushchev attached special importance to this crop which serves both as food and feed. Quite a large area of marginal land was brought under the plough. Holdings comprise State farms, collective farms and private farms of small sizes. Foodgrain production was of the order of 375 million tons in 1958, and the estimate is 525 million tons for 1959. Mr. Khrushchev has been devoting special attention to agriculture: he is popularly known as the "corn enthusiast" and his schemes are known as "corn giantism." In fact, "gigantomania" characterises plans and implementation in Russia. In 1957, agriculture in the U.S.S.R. was further supplied with large quantities of machinery. It got 257,000 tractors (in 15 h.p. units), 126,000 lorries, 131,000 grain harvester combines, many hundreds of thousands of various farm machines and implements. Almost complete mechanisation has been effected in ploughing and in sowing grain crops, cotton, sugar beet and some other industrial crops. The harvesting of grains (exclusive of maize) is mechanised to the extent of 93 per cent.

The Khrushchev Reforms

His first reform was to raise prices of compulsory deliveries to the State, as also of supplementary deliveries and of private farm produce. His general policy has been to encourage private farms and to upgrade the collective farms in efficiency: the idea of converting collective farms into State farms has been shelved for the present. Mr. Khrushchev is now out for more and more consumer goods. The table below shows the rate of improvement, achieved and targeted:

Annual Soviet Output of Foodstuffs Per Head

	Unit	1953	1958	1965 planned
Meat	lb.	66	84	158
Milk and dairy products	lb.	420	645	1,000
Butter	lb.	5.7	8.4	11.2
Vegetable oils	lb.	N.A.	13.2	19
Eggs	units	90	115	165
Sugar	lb.	40	57	93

N.A.—Not available.

The average agricultural working family gets about 2,100 roubles per annum which, in real terms, means about Rs. 200 per month. Rural incomes have become larger, but there was no outlet for the additional purchasing power, because the production of consumer goods in the U.S.S.R. progressed at a pedestrian pace in the past. In view of this and other reasons, Premier Khrushchev decided on a progressive decentralisation of powers of the collective farm managements. The closing down of the machine tractor service stations as Government agencies was decided on 22nd January 1958, the intention having been to hand over the equipment and paraphernalia to the collectives, for direct management. By December 1958, 81 per cent of M.T.S. stations had been sold over to the farms nearby. This served as an anti-inflationary measure, because the additional purchasing power among the rural masses came to be invested in capital equipment thus transferred to them. It was felt that there was no longer any need for a third party to supervise the working of the farms and to collect the levies: the Communist Party position had become stronger, and the dual management of farms was ended. The multiplication of "cow palaces" (complexly built barns) gave way to investment in efficient machinery and equipment.

All this was for the good, because Mr. Khrushchev found that the collectives had degenerated in efficiency, as compared with the directly State-owned farms in the U.S.S.R. or the average farm in the U.S.A. The following table (compiled by Mr. Lazar Volin) shows man-hours

required for the production of one unit of agricultural produce in the U.S.A. and on State farms and in collectives in the U.S.S.R., and also percentages as among the three with the U.S. man-hours as unit:

Labour Requirements for Crops and Milk in U.S.A. and U.S.S.R.

	Man hours per centner*		U.S.S.R. as percentage of U.S.A.	
	U.S.A.†	U.S.S.R.‡	State farms	Collective farms
Grain ..	1.0	1.8	7.3	180
Potatoes ..	1.0	4.2	5.1	420
Sugar beets ..	0.5	2.1	9.1	420
Seed cotton ..	18.8	29.8	42.5	160
Milk ..	4.7	9.9	14.7	210

* Centner equals one-tenth of a metric ton or 220.46 pounds.

† In 1956.

‡ Average for 1956-57.

The moral of these figures is very far-reaching: while Indian enthusiasts imagine the dawn of a higher level of productivity under joint farming, Russian experience has been quite the other way. In the words of the Economist: "Collectivisation wrought more damage in the countryside than any armed conflict had done." Two glaring causes for the growth of this serious inefficiency were (1) lack of incentives and (2) low technical skill. In State farms in the U.S.S.R., salary proved a good incentive, closer checking was possible, and higher technical skill available. The poor performance by collective farms was despite the fact that investment in such farms rose from less than 10 billion roubles in 1952 to more than 23 billion roubles by 1957 and that "the indivisible fund" had risen from 63 billion roubles in 1952 to 102 billion roubles in 1957. In 1956, the Government investment in collective farms stood at 20.9 billion roubles.

Communes in China

Within a few years after the establishment of the Chinese Peoples' Republic, small farms were co-operativised with a view to augmenting agricultural outturn. This did not give satisfactory results and therefore Chinese agriculture was reorganised with communes about two years ago. At present, about 500 million Chinese are members of such communes (about 24,000 in number) in urban as well as rural areas, with half a million basic accounting units, each covering 200-300 households. Even this arrangement did not add much to productivity: foodgrains outturn in 1958 was at 250 million tons, as against an expectation of 375 million tons. The Chinese Government realised this a few months ago and two important changes were brought about in the status and wages of communes: "To each according to his work" is the latest criterion for wage payment in the place of the previous ticket system according to which there was one flat rate of remuneration in kind for all. The other reform, and the more important, is that the communes have been declared part-owners of the land in the three-level ownership. Thus, here again, as in the U.S.S.R., joint farming has proved much less effective than anticipated in outturn, and measures have been adopted with a view to stimulating individual incentive. For comparison, figures are given in the table below with regard to outturn of four principal crops in China and in India between 1950 and 1958: in spite of obstacles and difficulties, the Chinese pace was quicker in adding to agricultural production than the Indian.

The target for 1959, after the pruning down a few months ago, is 275 million tons foodgrains, and 2.31 million tons of cotton (a later estimate puts the 1958 cotton production at 2.1 million tons).

Agricultural Output: Major Commodities

Year	Foodgrains (million tons)		Cotton (thousand tons)		Jute (thousand tons)		Sugarcane (million tons)	
	India	China	India	China	India	China	India	China
1950 ..	53.80	122.72	509	681.5	586	77.6	56.2	3.1
1951 ..	55.06	132.02	548	1014.3	835	245.7	60.7	4.0
1952 ..	62.45	151.96	650	1283.1	820	300.7	50.2	7.0
1953 ..	74.68	154.42	690	1154.2	852	135.7	44.2	7.1
1954 ..	69.76	157.90	740	1048.1	828	134.5	56.9	8.5
1955 ..	69.95	174.81	700	1494.4	749	252.7	50.3	8.0
1956 ..	73.20	182.50	830	1445.0	768	258.0	67.0	8.7
1957 ..	67.10	185.00	835	1640.0	730	305.0	64.0	10.2
1958 ..	72.50	225.00	825	2500.0	750	325.0	65.0	13.0
Change over 1950 ..	+35.5%	+98.0%	+62.7%	+267.0%	+28.0%	+304%	+16%	+320%

Let us now see what the position is in the U.S., where agriculture is privately owned and a competitive enterprise. Under the U.S. Agricultural Adjustment Act, the Soil Bank makes a grant of \$12.40 per acre left fallow, and under the Farm Price Support Programme, the American farmer gets \$1.78 as subsidy per bushel of wheat grown. But the economic framework is competitive. Mechanisation has advanced to the optimum point, and the present situation is that 7.5 million persons on the land not only feed and clothe 180 million United States' citizens, but also contribute to stockpiling and distribution of agricultural products among 38 countries as grants and loans under P.L. 480. At present, the value of such stockpiles of about 40 agricultural products is \$8,965 million. The latest inventory includes items like these:

Wheat ..	749 million bushels
Corn ..	1,116 million bushels
Cotton ..	1,280 million bales
Butter ..	8 million lbs.
Dried milk ..	119.6 million lbs.

Another estimate is that the U.S. Government has, in terms of wheat content, 64,720,000,000 loaves of bread it does not want and cannot get rid of. It also has money tied (as advances through the Commodity Credit Corporation) up in about 31,755,000,000 additional loaves. Up to March 1959, \$3,500 million worth of agricultural products have either been exported or contracted since 1954 when Public Law 480 was put on the Statute Book: so much so that wheat is nowadays more potent than the dollar in international negotiations.

Land Ceilings and Joint Farms in India

It is most unfortunate that persons with little or no farm experience assume the role of advisers and planners for Indian agriculture. Prime Minister Nehru began with a directive that the Congressmen who did not agree on co-operative joint farming should quit: he fore-shadowed economic restrictions on non-members (those who did not join co-operative farms). But, of late, he has watered down his proposals. Joint farms might be introduced gradually. He has gone further; if cultivators do not want it, they need not take to it. Membership would be optional, carrying with it the right to withdraw. He seems to forget that joint farms, with personal farms in between, would be more uneconomic than personal farms without joint cultivation. He is, however, supported by voices from many quarters. Mr. Sri-man Narayan, a member of the Planning Commission, has further expounded the scheme for co-operative joint farms, but has not succeeded in simplifying the problem. One timely warning he has given is that political leaders and social workers should not try to quicken the pace of progress in this respect. Otherwise, his ideas are all urban, with no relation to farm economics. He says that a member may leave after some years but does not say after how many years. According to him, a farmer who wants to withdraw should give a year's notice, and also pay compensation for improvements made on his land. Further, the farmer should pay up all obligations. He should take back some other land if his own land cannot be returned. Does all this amount to freedom to withdraw? Mr. Sri-man Narayan thinks that joint farms should take to intensive cultivation and not to mechanisation. Intensive cultivation and joint farming are poles apart, unless it be that the participants are a few brothers who partitioned paternal property but informally carry on joint cultivation and division of yield. Mr. Sri-man Narayan is not for any rigid pattern: he wants ample flexibility. In the meantime, what will happen to agricultural production, particularly of foodgrains?

Russian collective farms and Chinese communes are a standing warning to this country. Our third Plan target itself is very tame (110 million tons of foodgrains), but even this may not be attained with cross-currents and whirlpools like land ceilings and joint farms. It is still a mystery that no one has come forward to explain the contradiction between the two slogans which blow hot and cold at the same

(Continued on page 777)

THE BRITISH BANK OF THE MIDDLE EAST

(Incorporated in England by Royal Charter 1889 with limited liability)

CAPITAL:
Authorised - - - - - £2,500,000
Issued and Fully Paid - - - - - £2,000,000
Published Reserves - - - - - £2,375,000

Head Office: LONDON

WITH OFFICES AT

ADEN (Crater)	PERSIAN GULF
ADEN	ABU DHABI
INDIA	BAHRAIN
BOMBAY	DUBAI
IRAC	KUWAIT (2 branches)
BAGHDAD (3 branches)	(AND AHMADI)
BASRA	MUSCAT
JORDAN	QATAR (DOHA)
AMMAN	SHARJAH
JERUSALEM	SAUDI ARABIA
LEBANON	ALKHOBAR
BEIRUT (3 branches)	(for DHAKHAN)
TRIPOLI	JEDDAH
LISYA	U.A.R.
BENGHAZI	Syrian Region
TRIPOLI	ALEPPO
TUNISIA	DAMASCUS

BOMBAY OFFICE:

314, Dr. Dadabhai Navroji Road, Fort
Telephone No: 25-2267 Cable Add: BACTRIA

Associated Bank in Iran

THE BANK OF IRAN AND THE
MIDDLE EAST

B. I. C.

THE
BRITISH INDIA CORPORATION LTD.
KANPUR

Branches—Cawnpore Woollen Mills Branch, Cawnpore Cotton Mills Branch, Cooper Allen Branch, North West Tannery Branch, New Egerton Woollen Mills Branch.

Subsidiary Company:—

BEGG, SUTHERLAND & CO.
PRIVATE LIMITED

Managing Agents for:—Elgin Mills Co., Ltd., Brushware Ltd., The Cawnpore Sugar Works Ltd., Champaran Sugar Co., Ltd., Cawnpore Textiles Ltd., Saran Engineering Co., Ltd.

Secretaries of:—The Beta Picker Co., Private Ltd.

Agents for The Royal Exchange Assurance.



MOTORS
TRANSFORMERS
L. T. & R. T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS

THE HINDUSTAN
ELECTRIC CO. LTD.

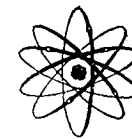
PO BOX 117, NO. 47 BOMBAY 1

BRANCHES: CALCUTTA, MADRAS
DELHI, PANDHAR

Extra productivity is
one of many dividends with

Honeywell

Electronik



INSTRUMENTATION

Modern methods of measurement and automatic control can help you raise output by improving operating techniques. The results—economical operation, increased profits, and high product quality.

Whether you're building an entire new plant, bringing your present plant equipment up to date, or just modernizing a single production unit, Honeywell instrumentation can show the way to greater productivity ... more profits for you.

Honeywell, a pioneer in automatic controls, offers the most comprehensive line in the industry, engineered and serviced in India by BLUE STAR.

Ask a Blue Star representative to advise you on the profitability of modern instrumentation for your plant.



Honeywell First in Control

Exclusive Distributors

BLUE STAR

BLUE STAR ENGINEERING
CO. (Bombay) PRIVATE LTD.

KASTURI BUILDINGS
JAMSHEDJI TATA ROAD, BOMBAY 1
(Also at CALCUTTA, DELHI, MADRAS)

Advertising
helps you
to buy
better quality
goods

YOU CAN TRUST THE ADVERTISING IN YOUR PAPER



Inserted by
The Indian & Eastern Newspaper
Society and the Advertising
Agencies Association of India



JAPAN SETS UP SYNTHETIC RUBBER PLANT

OUTPUT NEXT YEAR WILL MEET 30 PER CENT. OF ITS RUBBER CONSUMPTION

THE rapid expansion in production of automobiles, aircrafts and other vehicles, as well as of ordinary and foam rubber goods, has pushed up the demand for rubber since the end of World War II. The total world consumption of rubber (natural and synthetic) has, for instance, grown from 2.32 million metric tons in 1950 to 2.98 million metric tons in 1958. Almost the entire rise in consumption during this period is accounted for by synthetic rubber, the use of which has gone up from 589,000 metric tons in 1950 to 1,247,000 metric tons in 1958. While the annual trend of consumption is not uniform in all the industrialised countries—in the U.S. and the U.K. the pattern has been somewhat erratic—over the beginning of this decade all of them show a marked increase. This is true of Japan also. The annual consumption of rubber in Japan has grown by more than 50 per cent. in the last five years alone, that is, from 92,000 metric tons in 1953 to 145,000 metric tons in 1958. The use of natural rubber, which had risen from 90,000 metric tons in 1953 to 132,000 metric tons in 1957, declined slightly to 129,000 metric tons in 1958, while the consumption of synthetic, which was no more than 2,000 tons in 1953 and 1954, rose to 16,000 tons in 1958. Japan is currently importing over 130,000 tons of natural rubber and well over 10,000 tons of synthetic rubber per annum. The present rate of increase in synthetic rubber consumption in that country indicates that it will gain momentum in the coming years.

In order to meet this situation, Japan has been taking steps to establish a synthetic rubber industry in collaboration with the U.S. manufacturers. A company called the Japan Geon Company has set up a plant at Kawasaki, an industrial city south-west of Tokyo, in technical collaboration with Goodrich Chemicals Inc. of the U.S., with an annual productive capacity of 8,400 tons of synthetic rubber, of which 40 per cent. will be ordinary rubber known as G.R.S., the balance being accounted for by special types of rubber including those highly resistant to oil. Another company, the Japan Synthetic Rubber Company, which is a joint venture of the Japanese Government and private manufacturers, is now building a factory in Central Japan. When the factory is completed in December this year, the Company will commence production under a contract for technical assistance with Goodyear Synthetic Rubber Company and three other American manufacturers. This Company plans to produce 30,000 tons of ordinary synthetic rubber by 1960. The production will be increased in the succeeding years and, by 1954, the plant is expected to turn out 45,000 tons per annum.

It may seem surprising that, despite the several advantages of synthetic over natural rubber and the advance Japan had already made in the field of chemicals, it had not developed this industry earlier. The reason for this late start lies in the fact that Japan did not have a large petrochemical industry. This difficulty has now been overcome with the setting up of a number of giant oil refineries in Japan, following the sharp rise in the demand for oil. Petroleum has now become a more important source of energy in that country, gradually replacing coal. In consonance with the startling increase in production of automobiles, the consumption of petroleum in Japan has also been soaring. The petrochemical industrial is a child of petroleum refining. The exhaust gas produced at the oil-refineries furnishes the raw material to the petrochemical industry.

Japan started its petrochemical industry in 1957. A huge petrochemical centre was recently built at Kawasaki near Tokyo and another is under construction at Yokkaichi in Central Japan. These plants are supplied with sufficient quantities of raw materials directly from adjacent oil refineries. Thus, the development of petrochemical industry paved the way for the establishment of the synthetic rubber industry.

From next year, Japan will produce 40,000 tons of synthetic rubber, a quantity equal to nearly 30 per cent. of its total rubber consumption today. Being a new industry, it may have to face a number of difficulties which require further study. It is, however, confidently expected that the advanced Japanese technology will enable the country to overcome these difficulties. It is, therefore, anticipated that Japan will before long be able to get a large part of its requirements of rubber from its synthetic

rubber industry and that the Japanese people will be using a greater variety of home-made synthetic rubber goods. It is also likely that Japan will be able to produce synthetic rubber at a much lower cost than other countries.

OUTLOOK FOR COFFEE

The prospect of world coffee production touching a new record level of 57-58 million bags (that is, 3.4 to 3.5 million tons) in 1959-60 is indicated by the F.A.O. in its annual report on *The State of Food and Agriculture, 1959*, provided the Brazilian crop turns out to be as large as forecast, that is, 30-31 million bags or 1.8-1.9 million tons. The growing conditions in Brazil have so far been good and, if these are maintained, the chances of the forecast coming true cannot be ruled out. "In these circumstances," the F.A.O. observes, "no large-scale buying for stocks is likely and the possible increase in consumption alone will not suffice to dispose of the huge exportable surplus." It, therefore, concludes that, on the whole, it would seem that prices have not yet found their long-term equilibrium level.

The F.A.O. goes on to point out that imports are likely to rise substantially during 1959, because of the lower prices and the need in importing countries to replenish stocks which at present cover only a few weeks' requirements. It adds:

"So far, in 1959, Brazilian exports have been relatively high. Domestic consumption in producing countries is also likely to improve as more and cheaper coffee is being made available from the retained quotas. Stocks, however, will be higher at the beginning of the 1959-60 season than a year earlier and will probably be around 28 million bags (1.7 million tons), which is 70 per cent. of annual world requirements. Brazilian stocks were 13.9 million bags (0.8 million tons) on 1st July 1958 and are likely to reach 21-22 million bags (1.3 million tons) at the beginning of the new crop year."

Discussing the main features of the world coffee economy during 1958, the F.A.O. says that, for the second year in succession, there was a rise in production, the volume of trade was stationary, its value showed a decline, there were heavy stock accumulations in producing countries and prices gradually declined, as will be seen from the following comparative table:

ing comparative table:

	1958-57	1957-58	1958-59 (Prelim.)
World Production	2,510	3,090	3,410
Of which:			
Brazil	979	1,409	1,730
Total Latin America	1,870	2,420	2,710
Africa	517	530	560
Asia-Oceania	118	133	133
World Imports†	2,264	2,259	2,270
Of which:			
U.S.	1,274	1,253	1,212
Western Europe	748	755	800
Opening Stocks‡			
Brazil—Columbia	670	565	935
Prices:			
Santos No. 4	58.1	56.9	48.4
Columbia Mains	74.0	63.9	52.3
Ivory Coast Cointant	31.0	34.2	36.5

† Calendar year—first year indicated.
‡ On 1st July of the first year indicated.

The world production in 1958-59, estimated at 55 million bags (3.4 million tons), was 10 per cent. higher than in the previous year, because of an increase of 19 per cent. in Brazil. African production also rose by about 6 per cent., the largest increases having been noted in the Belgian territories, the Ivory Coast and Uganda. The expansion in production was not fully reflected in the volume of imports, which, at 2.3 million tons, was only a shade higher than in 1957. This was due to the reluctance of buyers to take up more than their immediate consumption requirements, in anticipation of a further decline in prices. The U.S., the leading consuming country in the world, imported during 1958 1.2 million tons, which was 3 per cent. less in quantity and 15 per cent. less in value than in 1957. Imports by West European countries, at 800,000 tons, were, however, higher by 7 per cent.

Exports of mild and robusta coffees were maintained, but Brazilian exports declined by 11 per cent. in volume and by 19 per cent. in value. The value of the Latin American coffee exports which had declined from U.S. \$1,952 million in 1956 to \$1,788 million in 1957, fell further to about \$1,400 million in 1958.

Referring to the trend of prices, the F.A.O. says that the downward trend in prices continued throughout 1958 and early 1959, particularly for Brazilian coffee, for which prices declined by 33 per cent. between early 1958 and March 1959. In consonance with this trend, the retail prices in the U.S. declined by about 11 per cent. during 1958 and there were gradual downward revisions in some European countries as well. With this recession in prices, consumption showed a tendency to rise. In the U.S., for instance, roastings increased by 3 per cent. to the highest level since 1949.



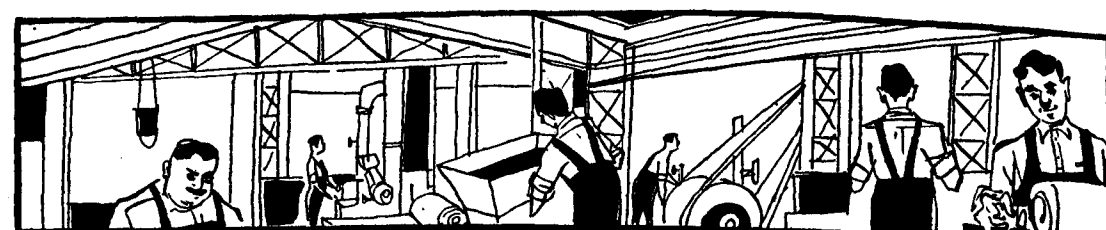
TATA STEEL



is serving



the nation



well



ORGANIC CHEMICALS

SERVING INDUSTRY

Alcohols
Amines
Anhydrides
Aromatic Hydrocarbons
Chlorine Compounds
Synthetic Lubricants
Glycols
Glycol-Ethers
Ketones
Plasticisers
Phenols
Nitrogen Compounds
Polyalkylene Glycols
Rubber Auxiliaries
Esters
Silicones
Wetting and Emulsifying Agents

INDUSTRIAL PRODUCTS DIVISION
NATIONAL CARBON COMPANY (INDIA) LTD.

THE TRAVANCORE BANK LIMITED

Head Office: TRIVANDRUM

Offers complete banking services in connection with the trade and commerce in the industrially fast developing State of Kerala.

CURRENT ACCOUNTS AND SAVINGS BANK ACCOUNTS opened and FIXED DEPOSITS and SHORT TERM DEPOSITS received on attractive terms.

THREE YEAR AND FIVE YEAR CASH CERTIFICATES are issued at 4% and 4½% compound interest respectively.

ALL TYPES OF INTERNAL AND INTERNATIONAL BANKING BUSINESS TRANSACTED.

For further particulars, please apply to nearest Branch or Head Office.

Branches at Bombay, Madras and all important commercial centres in South India.

D. R. VEDAMUTHU,
General Manager.

'BEHAR' the dependable name in FIRECLAY & SILICA Refractories

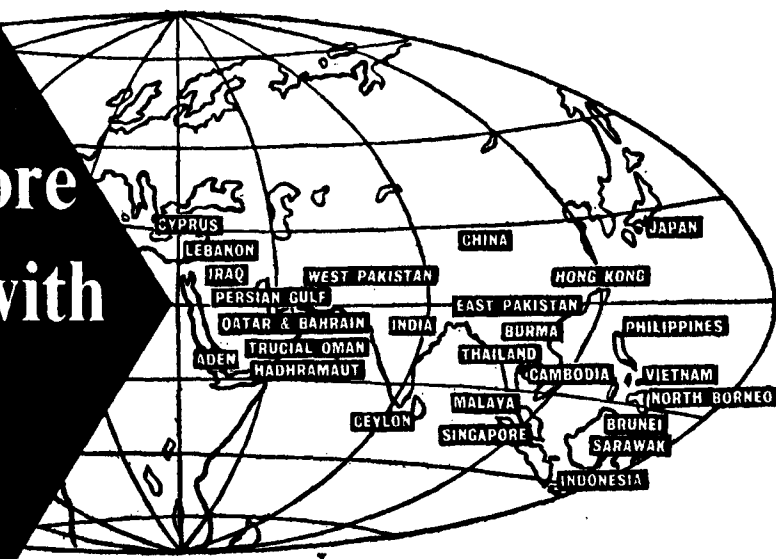
For over 25 years 'BEHAR' REFRACTORIES are being used by leading iron and steel works, cement and glass factories, the industries, sugar and cotton mills and other industries in the country.

Phone: 22-5953
22-3121
Cable: "BANKO"

BEHAR FIREBRICKS & POTTERIES LTD.

Trade with Eastern countries is ever on the increase. An efficient world wide banking service with expert knowledge of market conditions is essential to develop trade. The three associated banks, The Chartered Bank, The Eastern Bank Ltd. and Allahabad Bank Ltd. with branches in almost every commercial centre in the Middle East, South East Asia and the far East are fully equipped to provide complete Banking facilities to every trade and industry.

More and more trade with the East



Let your worry be our pleasure

**THE CHARTERED BANK
THE EASTERN BANK LTD.
ALLAHABAD BANK LTD.**

which together have over 80 branches in India and a complete branch service in The East extending from Cyprus to Japan.



Our fleet of eighteen modern freighters offers fast, regular and dependable service between

INDIA—U. K. & the CONTINENT • INDIA—SOUTH AMERICA
INDIA—BLACK SEA & EASTERN MEDITERRANEAN PORTS
Also around INDIAN COAST

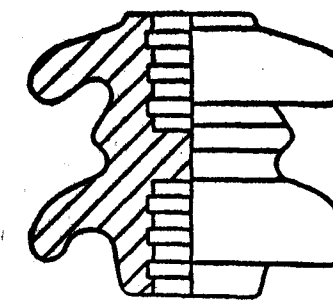
INDIA STEAMSHIP CO., LTD.

"INDIA STEAMSHIP HOUSE", 21, OLD COURT HOUSE STREET, CALCUTTA-1
Managing Agents:—LIONEL EDWARDS (PRIVATE) LTD.

HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

ORIENT TEXTILE ENGINEERS LIMITED

24, Netaji Subhas Road
CALCUTTA-1



LARGE INCREASE IN WORLD CRUDE STEEL CAPACITY FORECAST

TRENDS REVIEWED BY E.C.E.

A SIGNIFICANT increase in world capacity for crude steel production by 1965 is indicated by the statistics compiled by the European Economic Commission (E.E.C.). The Commission, in its report entitled *European Steel Market in 1958*, estimates world crude steel (ingots) capacity in 1965 at 529 million tons, as compared with 369 million tons in 1958 and 136 million tons in 1939. Last year, world crude steel production fell by 7 per cent. to 273.5 million tons. A major part of the decline was accounted for by the U.S., where production declined by about 25 million tons to 77.2 million tons and also by the decline in the output of the U.K. (by 9.8 per cent.) and of the countries of the European Coal and Steel Community (by 3.1 per cent.). Crude steel production in Eastern Europe continued to rise and reached 54.9 million tons in the U.S.S.R. In the Far East, the main contribution to an increase of 5 million tons has come from Communist China. Crude steel output in Japan fell by 450,000 tons; this is the first time production has fallen since the war.

The following table gives the trend of world crude steel production in 1939, 1957, 1958 and estimated capacity in 1959 and 1965:

Country	1939	1957	1958	Estimated 1959	Capacity (a)
Africa:					
Algeria ..	—	15	15	15	20
B. Rhodesia ..	—	5	5	5	80
S. Africa ..	390	1,735	1,836	2,000	3,600
Total ..	390	1,815	1,916	2,015	3,850
Middle East:					
Egypt ..	—	80	100	150	300
Iran ..	—	—	—	—	200
Iraq ..	—	—	—	—	100
Israel ..	—	60	60	100	300
Total ..	—	140	160	250	900
Far East:					
China, Taiwan ..	—	60	60	60	100
India ..	645	4,987	11,000	18,000	45,000
Japan ..	1,007	1,715	1,839	2,000	18,000
North Korea ..	6,096	12,554	12,120	14,400	25,000
Pakistan ..	101	365	450	600	1,000
Philippines ..	—	15	15	20	300
Others ..	—	50	50	50	3,000
Total ..	8,409	19,756	25,534	35,540	85,000
Oceania:					
Australia ..	1,191	2,904	2,816	3,200	5,000
Total ..	1,191	2,904	2,816	3,200	5,000
Latin America:					
Argentina ..	20	220	250	280	1,000
Brazil ..	114	1,560	1,800	1,800	3,400
Chile ..	—	389	385	400	700
Colombia ..	—	40	40	60	300
Cuba ..	—	—	—	—	—
Mexico ..	77	900	996	1,100	100
Peru ..	—	30	40	60	120
Uruguay ..	—	20	20	20	100
Venezuela ..	—	20	20	20	1,200
Total ..	211	3,179	3,351	3,720	8,900
North America:					
United States ..	47,898	102,253	77,244	133,904(d)	163,000
Canada ..	1,407	4,570	3,936	5,500	9,000
Total ..	49,305	106,823	81,180	139,404	172,000
U.S.S.R. ..	17,900	51,000	54,868	58,900	91,000(c)
Western Europe:					
ECSC countries ..	36,054	59,779	57,945	71,073	86,800
United Kingdom ..	13,433	22,047	19,834(d)	24,900	31,000
Others ..	2,943	8,726	8,701	10,760	16,800
Total ..	52,430	90,552	86,480	106,733	134,600
Eastern Europe:					
Europe ..	6,522	16,255	17,338	19,200	27,750
Total ..	58,952	106,807	103,868	125,933	162,350
World total ..	136,063	292,424	273,493	369,132	529,000

(a) At the beginning of the year.
(b) Burma, Hong Kong, Republic of Korea, and Thailand.
(c) Expected production.
(d) For the United Kingdom the year 1958 covers 53 weeks.

Despite evidence of a general recession in most countries, influenced in some degree by a decline in economic activity in the United States which started in an earlier period, there was little change in the activity of the metal-using industries in domestic markets. This, however, was in contrast with rising activity in these industries in most countries in preceding years. The upward trend in the metal-using industries was markedly affected by buoyant conditions in the motor-vehicle and shipbuilding industries. As a result, actual steel consumption in western Europe was well maintained or even increased slightly, the principal exceptions being the United Kingdom, Belgium and Luxembourg, where there was some fall. This contrasted with a decline in apparent consumption in most western European countries, the fall for western Europe as a whole being 5 per cent. The difference between actual and apparent consumption can be accounted for by de-stocking on the part of merchants and consumers. This in turn was reflected in falling deliveries by the steel industry, varying according to the different sectors of the economy and by a greater fall in new orders. Thus order books fell sharply between the beginning and the end of the year.

The general conclusion would appear to be, says the report, that there was no real recession in the European steel market in 1958 since downward tendencies in the economy as a whole bore lightly if at all in most countries on the steel-consuming industries. It is true that the rising output in these industries, witnessed over a number of years, was checked, but there was little or no fall in activity. Consequently, the weaknesses in the steel market are to be explained largely in terms of the mechanism of supply and demand in the market itself; in other words, excessive stock movements, which were in turn accounted for by the sensitivity of steel merchants and consumers. It may well be argued that steel producers operated too long at a very high percentage of capacity and that if they had been prepared to reduce production at an earlier stage in the light of the actual market situation, the excessive build-up of stocks and subsequent de-stocking on the part of merchants and consumers might have been partly avoided.

Discussing the prospects for crude steel production, the Report recalls how, last year, production capacity continued to be built up though actual production showed a decline. The latter development (that is, the decline in output) is attributed to the slackening of economic activity. Actual consumption in W. Europe was, as stated above, well maintained, the difference between apparent and actual consumption being accounted for by widespread reduction in consumers' and merchants' stocks. The Report brings out the fact that European steel production capacity is continuing to increase, particularly in the U.S.S.R. and the rest of Eastern Europe and in the smaller Western producing countries. Actual production will, of course, be determined by the trend of demand. In Eastern Europe, metal-using industries are fast expanding in accordance with national economic plans. There is also tangible evidence of the upturn in economic activity in Western Europe which is expected to increase by 4 per cent. this year as compared with 2 per cent. last year.

To turn to the prospects in the different steel-consuming sectors in western Europe, private industrial investment appears in the main to have responded rather slowly so far to the general relaxation of credit and other restrictions. This may mean that there will be little immediate revival in demand by the machinery industries, though the prospects in the electrical machinery industry are probably better. The prospective levels of building activity differ from country to country. The level of house construction may be slightly greater in 1959 than in 1958. Measured by unfilled vacancies in the building industry, there is an upward movement of activity in construction generally in Western Germany, the Netherlands, Switzerland and Sweden. Demand by the coal-mining industry and from railways may tend to fall; that from the shipbuilding industry is likely to remain largely unchanged. Consumption is rising with the steady growth of consumers' real incomes; with a continuation of the past tendency for a greater proportion of rising incomes to be devoted to consumer durables, a further marked expansion in the activities of the motor-vehicle and other durable consumer goods industries can be expected. The outlook in the canning industry may be one of some expansion. The revival of general economic activity in the world, markedly influenced by present conditions in the United States, is likely to lead to an increased export demand for steel, both direct and indirect. In terms of individual steel products, demand for sheet, strip and light sections should increase; demand for heavy products is likely to remain stable or may fall, for example, demand for railway-track material.

In the first half of 1959 in the E.C.S.C. countries, as a whole, the upward trend in the activity of the steel industry is illustrated by a marked increase of new orders. During the first four months of 1959 these exceeded one million tons per month, with a peak of 1.55 million in March. In Western

Germany, it seems likely that steel production will be maintained throughout the year at at least its level in the spring. Delivery dates are tending to lengthen. In France, steel production during the first four months of 1959, 4.95 million tons, approached the record output of the corresponding period of 1958. In the United Kingdom, industrial activity recovered rather later than in other western European countries, with a corresponding effect on the demand for steel, but by the middle of the year incoming orders were increasing. In Sweden, crude steel output in the first quarter of 1959 was more than 5 per cent. higher than in the corresponding period in 1958. In the United States, iron and steel output during the first five months of 1959 reached a record level of 47.6 million tons. It is difficult, however, to predict the total output for the year, owing to the stoppage in the steel industry.

It was already fairly clear by the end of 1958 that, in most western European countries, a revival of steel demand was to be expected in the early part of 1959. At the time of writing, says the report, there are clear signs of this and it seems reasonable to expect that, in the second half of 1959, steel production will have resumed the steady upward movement characteristic of most of the post-war period. Capacity also is being expanded at a rate to make this possible and in the immediate future there are no signs of raw material difficulties.

FUTURE SPACE SHIPS

Space ships that utilise sun-rays to "fly" indefinitely and to send messages back to earth are within the realm of possibility. The free, unlimited energy given off by the sun may prove to be the cheapest, simplest and lightest source of power for both manned and unmanned vehicles exploring distant planets and the moon. United States scientists, eager to tap the sun's heat and radiation, have developed solar devices that may lead to fuel-less space flight. Their research indicates that space ships continuously propelled by solar power would be more versatile and manoeuvrable than ships that have no power after being thrust into space by man-made fuel.

One of the most promising new devices is a "solar sail" that would use sunshine like a sailboat uses wind, which has been designed by scientists at Los Alamos Scientific Laboratory in New Mexico. The sail, folded in a space vehicle, would be "shot" into orbit by a rocket. Out in space, the sail—a thin plastic disk coated with evaporated aluminium—would unfurl and begin its propulsion task. Gradually, it would propel the attached satellite into an increasingly larger orbit and finally into an area beyond the gravitational pull of the earth and other planets.

By means of radio signals to adjust gyroscopes at the control of the sail, the space ship could be manoeuvred on trips anywhere in the solar system, including orbits around the sun, moon or planets. Since outer space is almost a perfect vacuum, the sail would encounter no resistance and, therefore, would remain serviceable for years. Los Alamos scientists estimate that a 1,000-pound sail one-fourth of a mile wide could propel a space vehicle to Mars and back to earth in 2½ years.

The United States is already utilising solar power to explore space. The Explorer VI now circling the earth is transmitting information from 23,000 miles out in space on power collected by 1,000 solar cells mounted on the satellite's four "paddle wheels." Sun-energy collected by the cells is converted into power which recharges the batteries operating the radio transmitter.

Direct conversion of sunshine into power is a comparatively new scientific development, and various types of conversion equipment may be tested in space. One that shows promise is a solar-powered thermo-electric generator developed recently by Westinghouse Electric Corporation and Boeing Aircraft Company. The generator uses a reflective device—a mirror or sheet aluminium—to collect and concentrate sunlight, which is converted into a continuous flow of electricity when different temperatures. When perfected, the generator is expected to be light weight, compact, reliable and long-lived. These advantages, plus the fact that no maintenance would be required, make this power-producer extremely valuable during space flights of several years' duration.

Solar power for propelling space ships and for operating instruments necessary to explore the universe is in its infancy, but its future looks promising. Solar devices cost much less than man-made fuel, operate on a continuous dependable basis and can "fly" in space. Utilising these advantages, engineers may eventually build solar ships as fantastic in appearance and achievement as the most imaginative artist could conceive.

GAS TANKERS

Plans for big new tankers to import liquefied gas from America are shortly to be put before the British Minister of Fuel and Power, said Sir Harold Smith, Chairman of the Gas Council, in London. Sir Harold said that the experiment of importing liquefied gas to Thames Haven in a tanker carrying 2,000 tons was "perhaps the most many years." They were sufficiently encouraged to go into details of the design of a larger ship carrying 20,000 tons, he said, "is one tanker carrying 10,000 tons." He added: "I hope that, position to the Minister, I do not think there is any doubt that the ships will be built in British yards." Sir Harold said Britain's share of the cost of the present experiment amounted to £1,200,000. The gas carried by a 20,000-ton tanker operating on a normal schedule of 13 or 14 voyages a year would be equivalent to that made from 2,000,000 tons of coal—sufficient to supply for more than 1,000,000 of the Council's 12,000,000 domestic consumers.

NEW PRODUCTS AND PROCESSES

Cotton Maturity Fineness

THE selection and blending of cotton according to maturity fineness is widely prevalent in the U.S. and some other countries. The determination of maturity fineness can now be done quickly with the help of instruments such as the Micronaire Portar and WIRA fineness tester. For a given cotton (or for different cottons having the same average fibre perimeter) a higher value as obtained on the Portar or the Micronaire denotes a more mature and hence a coarser cotton. Studies made at the Ahmedabad Textile Industry's Research Association so far show that, with the variations generally existing within lots blending of eight or ten bales is quite sufficient to ensure a uniform fineness in blend, so long as the relative proportions of different cottons in the blend are the same. The number of bales to be mixed would, of course, vary according to the variability in the lots. The object of this project is twofold: (1) to determine, for the major types of cottons used in the industry, optimum maturity fineness values which will lead to the best quality and performance, and (2) to help industry to have a practical plan for selecting and blending cottons from the fineness point of view. A start has also been made to determine the optimum maturity fineness of different cottons. In the first experiment with one variety of cotton one bale each with extreme micronaire values was processed identically to 30s warp. Interesting differences were observed in yarn quality and performance of the two bales. The finer cotton gave a slightly stronger yarn with less end-breaks in reaping and winding frames than the coarser variety. The general weaving performance of the finer cotton was also good.

Porcelain Enamelling

The Small Industries Service Institute, New Delhi, has introduced a new process in porcelain enamelling industry which is expected to lead to considerable improvement in the quality of wares. Already an enamel works in Shandara, near Delhi, has adopted this process with great success.

According to the old practice in enamelling sheet iron wares are first treated with sulphuric acid to remove rust etc. They are then washed in water and neutralised by sodium carbonate solution and washed again in water. If not enamelled immediately the metal got rusted again. Even after enamelling various other defects would appear. Under the new process, the wares are treated with sulphuric acid as before, but after washing in water they are put in 2 per cent. hot solution of sodium or potassium dichromate. The temperature of the solution is kept at about 80°C and the wares are kept in it for 5 to 10 minutes. They are then taken out, dried and stored in a dry place. By using this process the wares do not rust again and the adherence of the ground coat to the metal is much improved. Thus the chipping off defect is eliminated and the wares get a very good finish without any defect.

Ductile Ceramics

A new ceramic material that has a melting temperature of more than 4,700 degrees Fahrenheit and yet will be, according to the scientists responsible for developing it, the first ductile ceramic material to become available to industry is being developed.

The compound, which is already being used in a non-ductile form for trial applications, is based on magnesium oxide. It has a very high density and is said to have unusually high electrical resistance at elevated temperatures.

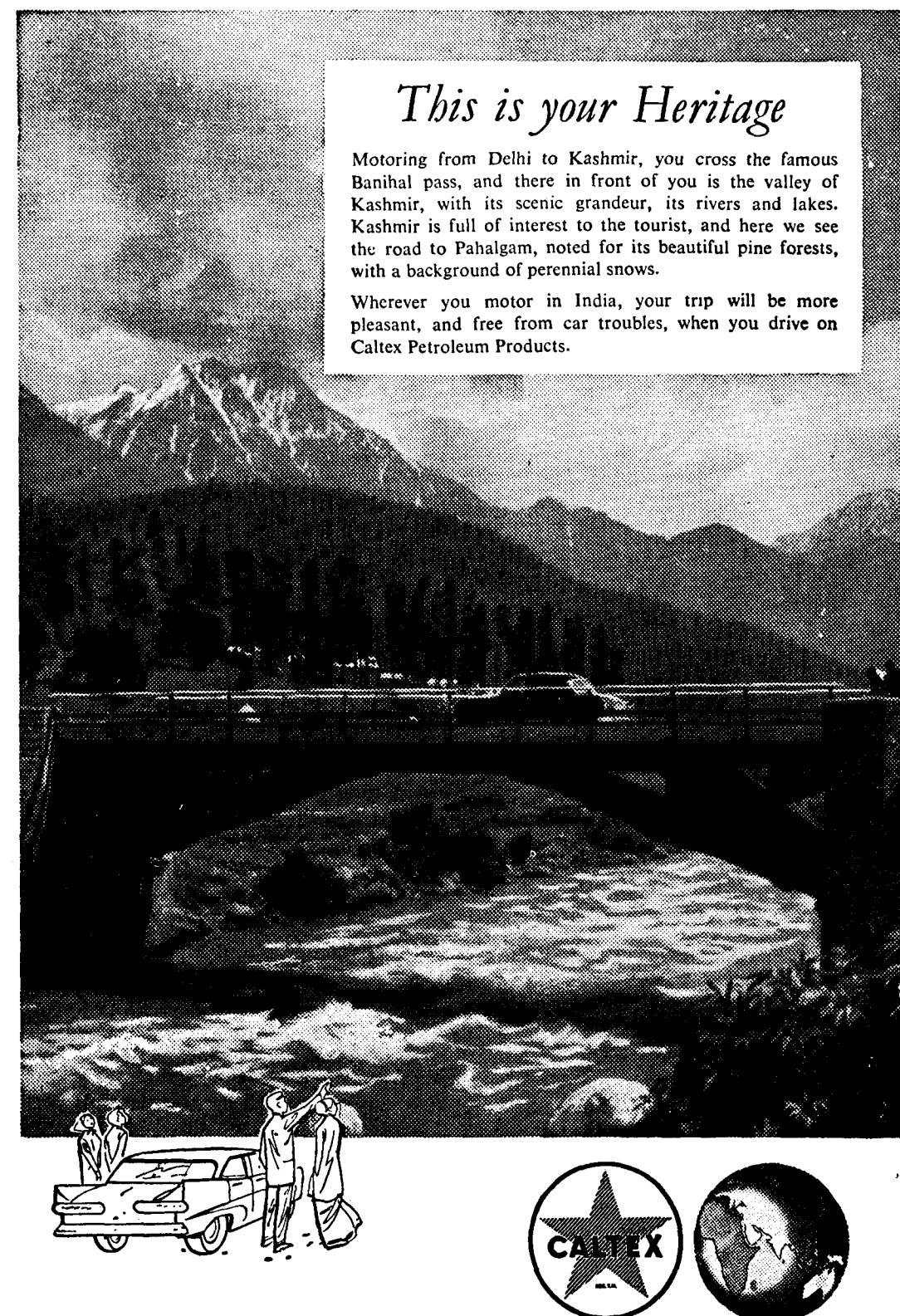
Already in its present form it could be used, it is claimed, for the manufacture of crucibles for melting materials such as nickel, cobalt, and uranium alloys where contamination must be kept to a low level. Experiments have, however, shown that ductile forms of the ceramic can be produced. This can be done, it is claimed, because of the structure of the magnesium oxide crystal used in the manufacture of the ceramic. These ductile forms of the material are now being developed for future commercial application.

Resilient Pads from Bamboo Waste

The Forest Research Institute, Dehra Dun, has developed a method for the preparation of resilient pads from bamboo shavings. Resilient pads are used for packing motor transport batteries and their demand at present is met through imports. It is estimated that at present about 108,000 pads are required in India annually. Bamboo shavings are obtained as waste material during the manufacture of bamboo boards. Under the new process, bamboo shavings are cut to a uniform size of about 2 to 3 inches in length and mixed well with 4 per cent. acid condensed cashewnut shell liquid adhesive containing paraformaldehyde. The shavings are then pressed in a wooden mould under moderate pressure. The pads are taken out of the moulds after 24 hours and allowed to condition for a week. The pads thus obtained are comparable both in cost and performance to the imported ones.

Opaque Glass

A novel form of glass which will turn, it is claimed, milky, or opalescent when it is exposed to strong sunlight and regain its original transparency when the sunlight ceases to shine on it at more than a certain strength, has been developed in East Germany. The transparency of the glass is said to be equal to that of normal glass. At the same time, the sensitivity of the glass to sunlight, and consequently the exact pattern of its behaviour, are said to be controllable within fairly precise limits. Although the glass was developed in the first instance for certain special applications, it is expected to come into more general use in certain types of building construction.



This is your Heritage

Motoring from Delhi to Kashmir, you cross the famous Banihal pass, and there in front of you is the valley of Kashmir, with its scenic grandeur, its rivers and lakes. Kashmir is full of interest to the tourist, and here we see the road to Pahalgam, noted for its beautiful pine forests, with a background of perennial snows.

Wherever you motor in India, your trip will be more pleasant, and free from car troubles, when you drive on Caltex Petroleum Products.

SEE YOUR COUNTRY ON CALTEX PETROLEUM PRODUCTS

COTTON YARNS

OF ALL DESCRIPTIONS
FOR HANDLOOM, POWERLOOM AND HOSIERY FACTORIES
MADURA MILLS COMPANY LIMITED

Phone: 250 (5 Lines)

— MADURAI —
SOUTH INDIA

Telegrams: 'Harvey'

MILLS AT MADURAI, TUTICORIN AND AMBASAMUDRAM
5,00,000 Spindles Counts up to 80s

We Supply:

WARP YARNS, COMBED YARNS, HOSIERY YARNS,
CONE, CHEESE AND HANK YARNS, SINGLE AND FOLDED

SPECIALITIES

Yarns for the Manufacture of ROPES — HEADS — CANVAS — TAPE

BELTING DUCK — TYRE CORD — SEWING THREAD

MULTI-PLY AND CORD YARNS

MANAGERS: A. & F. HARVEY LIMITED
PANDYAN BUILDING, MADURAI, SOUTH INDIA

Phone: 420 (4 Lines)

Telegrams: 'HARVEY'

INFLATION AND ECONOMIC DEVELOPMENT MANY MISCONCEPTIONS DISPELLED

[It will be recalled that, in some of our issues in August and September last, we carried a series of articles on "Creeping Inflation," prepared by the Research Department of the Federal Reserve Bank of New York and published in the Bank's June and July 1959 issues of the Monthly Review. In these two articles, the authors had dealt with certain aspects of the problem of inflation in economically advanced countries. They have followed up this series in the August issue of the Monthly Review with a third article examining the problem in the underdeveloped countries of the world, including India. In republishing the article in these columns with acknowledgements to the Federal Reserve Bank of New York, we would like to invite the attention of readers that India is included by the authors in the list of countries which have had economic growth with relatively stable prices. This conclusion is based on data up to 1957. Since then, there has been a substantial rise in cost of living, accompanied by a relatively slower rate of industrial growth, a marked fall in foreign exchange to vitiate the conclusion reached in the article, it should serve as a warning to the authorities in this country that there is precious little room now for continuing to indulge in deficit financing on the same scale as in the past two or three years. It is necessary to sound this note of caution, lest the observations contained in the article should make the authorities feel that, after all, they have not done so badly as their critics have made out, a feeling that would engender among them complacency towards inflationary pressures and soon take this country to the list of nations included in Chart II of the article.—Ed.]

SINCE World War II, inflation in its various forms—open or suppressed, creeping or galloping—has taken its toll in virtually all countries, regardless of their stage of economic development. The extent of the problem is dramatised by the fact that, since 1950, only sixteen of the sixty-three countries for which data are available have succeeded in confining the advance of the domestic price level to an annual average of 1.5 per cent. or less. And, while there were only a few countries in which the price level remained virtually unchanged, several suffered the ravages of hyperinflation that pushed its victims to the brink of economic and political collapse.

Contrary to common belief, the incidence of inflation in economically underdeveloped countries appears to be no greater than in the more advanced economies. In fact, viewing the post-war period as a whole, there were proportionately fewer developed than underdeveloped economies that managed to escape sustained inflationary pressure. On the other hand, there is good evidence that, where inflation has occurred in the less-developed countries, it has often been more intense, has affected the economic and social environment more profoundly, and generally has been checked neither early enough nor energetically enough to avoid more painful later adjustments. A particularly disturbing aspect of inflation in these less-developed regions is the frequent inclination to regard it as an inevitable by-product of the growth process, if not indeed a positive element promoting productive advance.

Inflation and Underdeveloped Economic Structure

It is somewhat hazardous to define an economically underdeveloped country, mainly because there is no absolute standard or criterion against which the degree of development or underdevelopment can be measured. Perhaps the best basis for defining such a country is in terms of its relatively low levels of per capita income and productive efficiency. These conditions, in turn, generally reflect other structural characteristics of the underdeveloped economy: the national income is derived largely from subsistence farming, the industrialised sector is small, exports are relatively undiversified, and capital resources, technical skills, and entrepreneurship are scarce. In most underdeveloped countries, moreover, financial institutions and markets tend to be rudimentary.

One of the basic causes of inflation in underdeveloped countries is that the investment effort regarded as necessary in order to raise productive capacity to a desired level is usually far in excess of what is feasible on the basis of available savings. In the majority of these countries, private savings probably represent, on the average, no more than 4 to 6 per cent. of national income; by comparison, gross investment averages at least twice that amount. Although foreign capital is usually counted upon to fill at least a part of any shortfall in domestic savings, such expectations are only rarely fulfilled—partly because foreign investors tend to shun countries where severe pressures on prices and exchange rates seem likely to develop. Quite apart from this, the availability of external funds offers no assurance that inflationary pressures can thereby be wholly avoided; to the extent that such funds are spent on local resources, rather than on imported goods, upward pressures on prices emerge.

Another element in the special sensitivity of underdeveloped countries to strong inflationary influences is the large extent to which domestic money income is determined by export receipts. Sustained increases in export prices, such as have occurred on several occasions since World War II, generally lead to an immediate swelling of the domestic money supply and the demand for goods, driving prices upward and putting

pressure on imports. Attempts to keep the domestic repercussions of an export boom from getting out of hand generally meet broad public resistance, with the result that the authorities—often against their better judgment—are induced to yield to the inflationary tide.

The vulnerability to acute inflationary pressures in underdeveloped countries results not only from the volatile nature of demand but from the supply side as well. In these countries, productive capacity is relatively small and limited in variety. Consequently, output is unresponsive over the short period to an increase in demand, and immediate pressure is placed on prices whenever money income expands. Moreover, poorly developed distributive channels and the inadequacy of transportation, communications, and other basic facilities aggravate the problem of achieving an adjustment between demand and supply at stable prices.

In addition to these factors, there are several others which, if not among the initiating causes of inflation, at least play a major role in allowing it to accelerate. The regressive tax structure characteristic of underdeveloped countries, and its dependence on specific rather than *ad-valorem* taxes, often results in a tendency for budgetary receipts to lag behind the rising cost of Government services during periods of advancing prices. Budget deficits consequently tend to widen, rather than to narrow, during such periods. Another deterrent to price stability is the relatively small number of savers, which limits public support for policies intended to keep the purchasing power of the currency intact. At the same time, the narrowness of financial markets not only impedes the effective mobilisation of savings, but to some extent also restricts the field of action for credit policy. More important, however, political instability and a history of inflation in many underdeveloped countries create an atmosphere in which the public is ever poised to speculate on a depreciation of the currency and thus to add fuel to inflationary pressures whenever they arise.

The Illusion of Growth Through Inflation

While the disruptive economic and social impact of hyperinflation is generally acknowledged, there still exists in many underdeveloped countries a tendency to regard some inflation, not only as tolerable, but indeed as necessary to promote economic development. This view rests on the belief that rising prices, by stimulating investment and capital formation, spark the economic development process.

Thus the argument is advanced that inflation, by raising business profits, increases the returns on investment and induces enterprises to expand their scale of operations or to undertake new productive ventures. The proponents of economic development through inflation go on to assert that, in countries where the savings habit has not yet fully developed, the resources necessary for new investment often can be obtained only by enlarging the share of national income that goes to profit recipients, who save a higher proportion of their income than wage earners.

The point is also frequently made that inflation creates money income where little or none existed previously. This is supposed to stimulate the movement of previously underemployed resources, notably labour, into more productive employment and to help widen the market economy. Another thesis, not often espoused openly, is that inflation dramatises a country's development effort and, to the extent that it leads to balance-of-payments difficulties, tends to bring forth "distress loans" from abroad which furnish investment funds that otherwise might not be forthcoming. Such inflation-induced balance-of-payments strains also enable countries

to justify the imposition or maintenance of exchange restrictions, which can be employed to protect domestic industries against foreign competition and to control the allocation of domestic economic resources.

The various claims in favour of inflation have, in practice, proved largely illusory. One of the main reasons is that this line of argument ignores the economic waste and the social costs of inflation, which are an excessive price to pay for gains that are generally small, irrationally distributed over the economy, and unsustainable.

The social costs inherent in inflation must be a particularly important consideration in underdeveloped countries, where most of the population lives at a bare subsistence level and social inequities are already very pronounced. The rise in profits and the lag in wages that accompany the process of inflation in its early stages aggravate the maldistribution of income and intensify these social inequities. The claim that such a redistribution of income may be necessary to bring forth new savings is particularly difficult to justify, for it means that, for any additional amount of savings that might be obtained by transferring income to the high-saving group, a larger amount of real income has actually to be shifted from the low-savings group; the reason is that only a part—and during inflation a declining part—of increments to profits is saved, the remainder being spent on consumption. One of the important effects of such a redistribution of income from the poor to the wealthy is to retard the growth of a large and vigorous middle class which is so important not only in promoting self-sustaining economic progress, but also in fostering democratic institutions and a politically stable society.

Not Essential

Not only are the social costs of inflation intolerable but there are no grounds for believing that inflation is essential to break the vicious circle of poverty and to help set in motion a cumulative process of capital formation and economic growth. On the contrary, the expectation of continually rising prices engendered by inflation often leads to economic decisions that would be considered wholly irrational under conditions of price stability. Investment in new plant, machinery, tools, research facilities, power projects, and the like, all of which are essential to balanced economic development, are usually discouraged because they are amortisable only over long periods and do not promise quick inflation profits. This is illustrated by the case of Chile where prices rose more than ten times from 1950 to 1957 while investment in fixed capital declined sharply over the same period.

Along with the deterrent effects on productive investment, inflation usually enhances the attractiveness of investment in the kind of real assets that can be turned over rapidly and assure high capital gains yet add little to the expansion of productive capacity. In the underdeveloped countries, where the range of industrial investment opportunities is characteristically small and the inclination to trade and speculate strong, inflation generally leads to an immediate build-up of inventories. For example, in Brazil, inflation was accompanied during 1950-54 by a more-than-sixfold increase in the flow of goods into stocks. Such inventory accumulations, in addition to diverting resources from more productive undertakings, are often also a principal cause of the balance-of-payments difficulties that accompany inflation. Inflation provides a similar stimulus to investment in real estate. This stimulus is generally magnified in underdeveloped countries by the social prestige that attaches to the ownership of land or dwellings, by the fact that real estate is often the type of collateral preferred by lenders, and by the mistaken view that the management of real estate requires no special aptitude.

Similarly, inflation militates against investment in fixed-interest securities, thus undermining the development of capital markets. In underdeveloped countries this affects mainly Government bonds and severely restricts the Government's capacity to finance in a non-inflationary manner various types of "social overhead" projects, notably schools, health centres, and basic utilities. Such projects are often unsuited to private investment but represent the foundation on which any broad and balanced economic development effort must rest.

Deterrent to Exports

A particularly disturbing aspect of inflation in underdeveloped countries is its deterrent effect on exports, which often constitute the prime source of private domestic investment funds and Government revenues. To the extent

that inflation raises production costs while export prices remain determined by world market conditions, export income is often drastically reduced and output discouraged. In recent years, this has represented a particularly serious problem in Argentina and Uruguay. The fact that inflation also gives rise to exchange rate instability and to exchange restrictions, thus discouraging the inflow of private foreign investments, requires no elaboration.

Because inflation undermines exchange rate stability, it also results in a tendency—particularly strong in underdeveloped countries—to speculate against the currency by moving funds abroad or hoarding gold or foreign exchange. Such "investments" represent an obvious waste of financial resources, put heavy pressure on the balance of payments, and thus help bring about the expected devaluation. In Mexico, for example, the sustained rise in the price level during 1950-57 was at various times accompanied by massive movements of liquid funds abroad, including a substantial expansion in Mexican commercial bank deposits denominated in United States dollars.

One of the basic weaknesses of the "economic-development-through-inflation" thesis is that it fails to take account of the adverse effects of rising prices on the capacity and willingness to save. It is evident that, unless an economic system can generate a high and rising volume of internal savings, economic growth cannot be maintained. Perhaps the decisive argument against inflation as the path to economic development is that eventually it either becomes cumulative or leads to crippling economic controls—or both. The experience of many underdeveloped countries suggests that, where inflation has been permitted to continue unbridled for any length of time, the application of corrective measures has become progressively more difficult. The usual outcome has been the adoption of elaborate economic controls, which have concealed the symptoms of inflation without attacking its basic causes. Such controls, which generally take the form of price ceilings, the linking of wages to the cost-of-living index, import quotas, exchange controls, or multiple exchange rate systems, have in many underdeveloped countries led to the growth of an administrative machinery that has promoted the emergence of vested interests, a swollen bureaucracy, and corruption. The intensification of such controls, moreover, as rising prices become ever more difficult to curb without fundamental adjustments, tends to hasten the economic paralysis to which inflation leads in its final stages.

Inflation Vs. Price Stability

Any attempt to show statistically the relationship between economic growth and price stability or inflation is necessarily difficult. The reasons are not merely technical—notably lack of comparability, or even absence, of data—but conceptual as well. The process of economic development is highly complex and involves not merely quantitative but far-reaching qualitative changes. These changes, which sometimes represent a transformation of the economic system and the social structure of a country, are not capable of effective statistical measurement. Moreover, mere quantitative additions to an economy's total output of goods and services may signify little over the longer run if they are accomplished largely at the cost of exhausting international reserves, mortgaging future production to repay sizable external obligations, or fostering an increasingly unequal distribution of income. Economic growth on that basis is not likely to be lasting and, therefore, cannot be regarded as satisfactory.

With these cautions, Charts I and II depict the growth of real output and price movements in sixteen underdeveloped countries. The selection of the particular countries is partly determined by the availability of data and partly by the fact that they represent a cross section of economies at various stages of development and with differing structures. While the data do not purport to offer conclusive evidence of any causal links between inflation or price stability and economic growth, they do lend support to the arguments set forth earlier.

The principal generalisation they suggest is that the countries where prices advanced moderately or not at all from 1950 to 1957 (Chart I) experienced rates of economic expansion which by and large were steady and which clustered around an average of close to 6 per cent. annually. In contrast, the countries where sustained inflationary pressures developed during this period have shown widely varying and somewhat sporadic growth; the average rates of growth have ranged from less than 1 to more than 7 per cent, with an average of about 4 per

cent. for the whole group. These data lend no support to the contention that price stability in underdeveloped countries is incompatible with rapid economic expansion. On the contrary, they confirm the view that, while stable prices tend to promote an orderly and fairly rapid expansion in output, inflation tends to lead to uneven and, in many cases, lagging rates of overall growth.

Chile

Chile represents, of course, a classic case of chronic inflation exploding into hyperinflation. During the three years from 1953 to 1956 the cost of living advanced nearly fivefold; at the same time, the output of goods and services not only stopped expanding, but actually declined. This contraction coincided with a marked curtailing of productive investment and a sharp drop in productivity. However, after the inflation had been brought under some degree of control in 1957, output once again began to expand. Similarly in Bolivia, which experienced one of the most violent inflations ever recorded, the near collapse of the price mechanism was accompanied by stagnation of production and the complete disruption of the economic system.

But even in countries where inflation was somewhat less extreme, the growth of output appears to have suffered as the price level climbed. For example in Argentina, where the cost of living advanced threefold during 1950-57, aggregate output actually declined during the years when the inflation was most intense. The sluggish recovery in the more recent period is presumably far below the country's capacity for growth; even so, it has been achieved mainly by running down international reserves and incurring heavy external liabilities. Similarly, in such countries as Pakistan and Thailand, mounting inflationary pressures have been accompanied by lagging output.

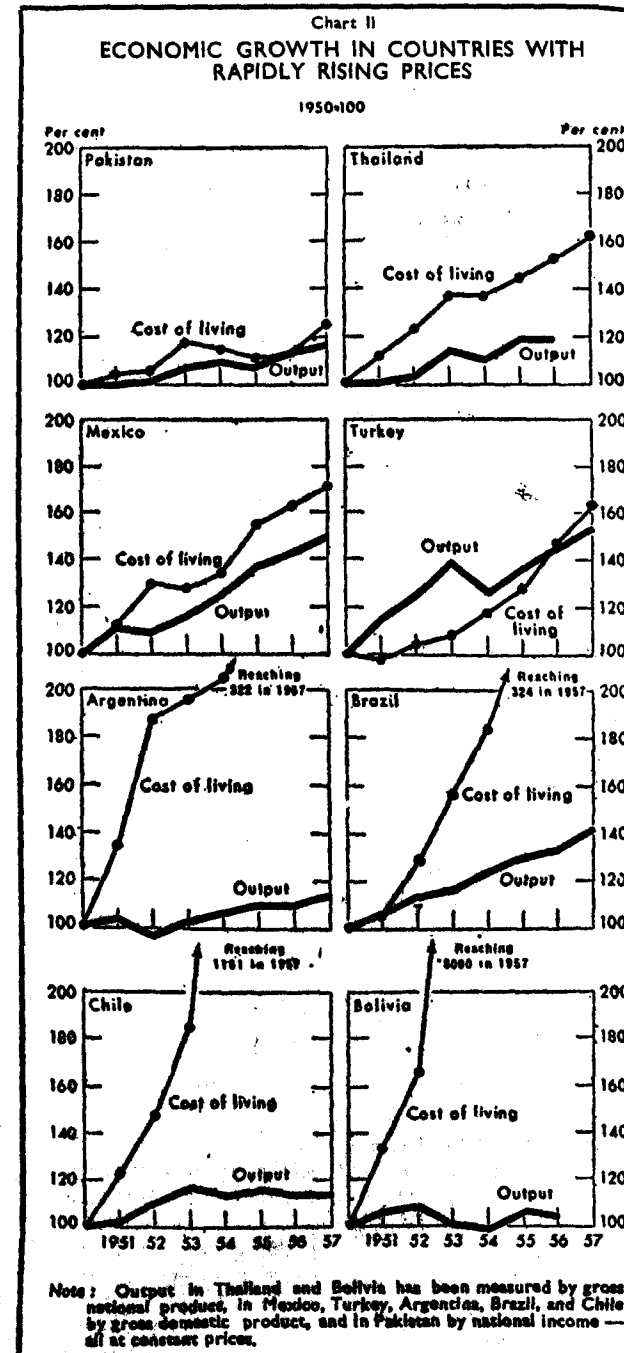
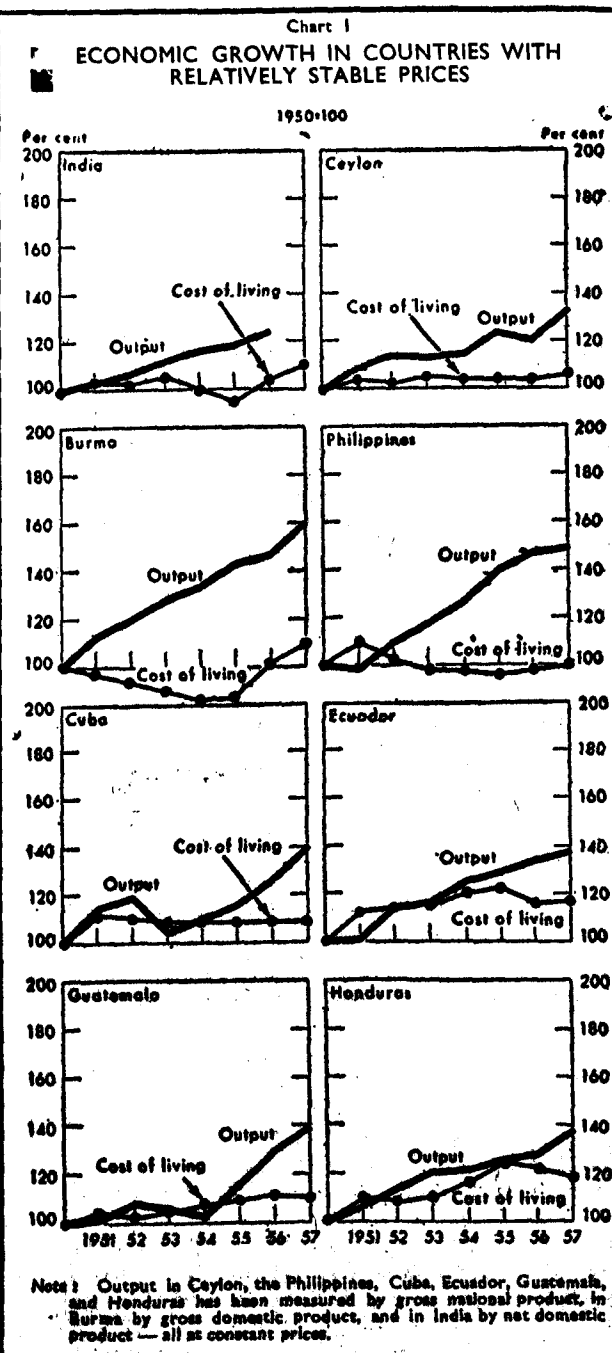
The cases of Brazil, Turkey, and Mexico reveal vigorous rates of economic expansion side by side with fairly intense inflationary pressures. In the Brazilian case, the expansion in output was sustained largely at the cost of incurring a huge and mounting external debt. This debt is likely to place a heavy burden on the balance of payments in the years ahead, making present growth rates difficult to maintain unless inflation is curbed and new stimuli are thereby provided for domestic savings and foreign investment. Turkey's impressive economic expansion under inflationary conditions also has been

underpinned by a massive inflow of external funds, mainly foreign aid. In the case of both Brazil and Turkey, moreover, inflation has tended both to distort the pattern of economic growth and to prevent the expansion from reaching the point where it can continue on its own momentum. Mexico is perhaps the only case where rapid—and on the whole reasonably well-balanced—economic expansion has occurred during a period of substantial inflationary pressures. Many factors, notably Mexico's fairly well-developed basic utilities, its productive agriculture, a large internal market, heavy foreign investments, and an expanding tourist industry, all contributed to this expansion in output. That even rapid growth with inflation has had its drawbacks is suggested by the necessity of several devaluations of the peso in recent years and by the maldistribution of income. In fact, the Mexican authorities have in recent years devoted considerable effort to curbing inflation and thus establishing a sounder foundation for economic advance.

India

Turning to the group of countries shown in Chart I, the relative price stability that characterises them reflects, to a considerable extent, the pursuit of financial policies intended to confine the demand generated by development efforts to proportions that could be satisfied by domestic and imported goods and services. This is particularly true in Ecuador, Ceylon, the Philippines, and India, where various kinds of monetary and fiscal measures have been applied to minimise any strong upward pressure on the price level. The confidence in the stability of the currency engendered by such measures, in turn, has helped to promote voluntary savings, notably in India; it has also induced a more rational investment pattern than that in countries where inflation has been permitted to develop, and has encouraged—particularly in India, Ceylon, and Cuba—the growth of a broad capital market. In most of these countries, the absence of strong inflationary pressures was partly attributable to their capacity to finance a rising volume of imports, by aid or investments from abroad or by rising export income. Exchange inflows from such sources were not, however, unique to these countries and occurred also—and perhaps to an even greater extent—in the countries that experienced marked price advances.

The test of a sound economic development (Continued on page 777)



THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

THE K. C. P. LIMITED

(INCORPORATED ON 3RD JULY 1941 UNDER THE INDIAN COMPANIES ACT, 1913)

Issue of 20,000 6½ per cent. Tax-free Redeemable Cumulative Second Preference Shares of Rs. 100 each

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

The First Preference and Equity shares of the Company are at present being officially quoted on the Madras Stock Exchange.

The Company has issued a Prospectus in which it has stated that the subscription list will open on 16th November 1959 and will close on 30th November 1959.

SHARE CAPITAL

Nature of Shares	Authorised Capital		Subscribed & Paid-up Capital	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
(a) 5% Tax-free Cumulative Redeemable First Preference shares of Rs. 100 each	3,287	3,28,700	3,287	3,28,700
(b) 6½% Tax-free Cumulative Second Preference shares	96,713	96,71,300		
(c) Equity shares of Rs. 10 each	20,00,000	2,00,00,000	3,92,410	39,24,100
		3,00,00,000		42,52,800

The Company has no Debentures. It has a mortgage loan of Rs. 87 lakhs under a Mortgage Deed dated 5th August 1957 executed in favour of the Industrial Finance Corporation of India on which Rs. 70 lakhs are outstanding.

DIRECTORS

1. SRI V. RAMAKRISHNA, M.A., C.I.E., I.C.S., (Retd.), 55, Peters Road, Madras-6.
2. SRI A. VISWESWARA RAO, Gudivada, Krishna Dt.
3. SRI A. V. RAGHAVA RAO, M.Sc., B.E., A.M.I.E., 55, Peters Road, Madras-6.
4. SRI V. M. RAO, B.E. S.M. (M.I.T.), Ex-Officio, 55, Peters Road, Madras-6.
5. SRI V. L. DUTT, (Ex-Officio), 55, Peters Road, Madras-6.
6. SRI C. RAMANADHA BABU, 'Palace' Chellapalli, Krishna Dist.
7. SRI M. A. KRISHNAMACHARI, B.A., B.L., 186, Poonamallee High Road, Madras-10.
8. SRI KOLLIPARA SRIRAMULU, Governorpet, Vijayavada.
9. SRI KAZA UMAMAHESWARA RAO, Pedagonuru, Kaikalur Tq., Krishna Dt.
10. SRI KOGANTI VENKATARAMAIAH, Vuyyuru, Krishna Dt.
11. SRI S. V. R. APPA RAO BAHADUR, Vullipalem, Repalle P.O. Guntur Dt.

MANAGING AGENTS

V. RAMAKRISHNA SONS PRIVATE LIMITED, 38, Mount Road, Madras-6.

UNDERWRITERS

1. THE ANDHRA BANK LIMITED, Masulipatam.
2. M/s. P. R. SUBRAMANYAM, Stock and Share Brokers, 70-A, Stock Exchange Buildings, Apollo Street, Fort, Bombay-1.
3. M/s. SOMAYAJULU & CO., Stock and Share Brokers, 337, Thambu Chetty Street, Madras-1.

AUDITORS

M/s. BRAHMAYYA & CO., Chartered Accountants, Vijayavada.

REGISTERED OFFICE

38, MOUNT ROAD, MADRAS-6.

PRESENT ISSUE

Out of the Authorised Capital, as per the resolution of the General Body dated 30th March 1959, the Directors decided on 20th May 1959 to issue 43,287—6½% tax-free Redeemable Cumulative Second Preference shares of Rs. 100 each at par. 3,287 shares out of them were reserved to the holders of the 5% tax-free First Preference shares, who were given the option to convert their 5% tax-free First Preference shares into 6½% tax-free Second Preference shares. To the extent that the holders of the First Preference shares opt to convert in such manner, the number of First Preference shares having priority over the Second Preference shares, including the present issue thereof, will diminish.

Out of the balance of 40,000, 6½% tax-free Redeemable Cumulative Second Preference shares, the Life Insurance Corporation of India, Bombay, and the Central Bank of India Ltd., Bombay, have agreed to subscribe for 10,000 shares of the total value of Rs. 20 lakhs. The balance of 20,000 shares are now offered to the public for subscription at par.

Terms of Payment
Payment for the shares issued hereunder should be made at the rate of Rs. 50 per share along with the application. The balance of Rs. 50 is payable within a month of the allotment of the share. If it is not so paid, the balance will have to be paid with interest thereon at 10% per annum from the date of allotment to the date of its receipt by the Company and the shares will become liable to be forfeited after notice.

The said Preference shares shall be entitled to the payment of the Cumulative tax-free dividend of 6½% per annum on the capital paid up for the time being proportionately for the period commencing from the date of allotment of each share.

Terms of Redemption of the Shares Issued Hereunder

The Board may redeem at their discretion on the 1st July of any year commencing from 1st July 1970 to 1st July 1974 (both dates inclusive), the

whole or any part of the said Preference shares for the time being issued and outstanding, out of any moneys which may lawfully be applied for the purpose, at par, together with the fixed dividend due thereon down to the date of redemption, thereof, upon giving to the holders of the shares to be redeemed not less than 3 months previous notice in writing.

Any of the Preference shares not previously redeemed under the foregoing provisions shall be redeemable on 1st July 1974.

History and Development of Business

The Company was registered under the Indian Companies Act, 1913, on 3rd July 1941. It obtained its certificate of commencement of business on 21st September 1942 and has been doing business ever since then.

The Company took over the sugar factory of the Vuyyuru Co-operative Agricultural Industrial and Credit Society Ltd., (V.C.A.I. & C.S. Ltd.) at Vuyyuru, by purchase under a sale deed dated 9th March 1943 for Rs. 22,74,000.

The original Authorised Capital of the Company was as follows:—

6,000 5% tax-free Cumulative Redeemable Preference shares of Rs. 100 each	Rs. 6,00,000
13,000 7½% tax-free Ordinary shares of Rs. 100 each	13,00,000
30,000 Deferred shares of Rs. 10 each	3,00,000
Total	22,00,000

Out of the above, Rs. 16,68,090 was subscribed and paid up as under:—

3,287 5% tax-free Cumulative Redeemable Preference shares of Rs. 100 each of which 3,000 shares were allotted as fully paid up pursuant to the sale deed dated 9th March 1943 mentioned above)	Rs. 3,28,700
10,522 7½% tax-free Ordinary shares of Rs. 100 each	10,52,200
26,719 Deferred shares of Rs. 10 each	2,67,190
Total	16,68,090

The Company, at its class Meetings and Extraordinary General Meeting held on 30th March 1959, cancelled the 2,713 Cumulative Redeemable Preference shares not taken up and increased its Authorised Capital to Rs. 3,00,00,000, which was reorganised as under:—

(a) 3,287 5% tax-free Cumulative Redeemable First Preference shares of Rs. 100 each	Rs. 3,28,700
(b) 96,713 6½% tax-free Cumulative Second Preference shares of Rs. 100 each	96,71,300
(c) 20,00,000 Equity shares of Rs. 10 each	2,00,00,000
Total	3,00,00,000

Under the above reorganisation, the subscribed and fully paid up 3,287, 5% tax-free Cumulative Redeemable Preference shares were termed as 5% tax-free Cumulative Redeemable First Preference shares. The Ordinary shares and Deferred shares became Equity shares with equal rights from 29th July 1959 and for this purpose, the 13,000 Ordinary shares of Rs. 100 each were sub-divided into shares of Rs. 10 each in the proportion of ten shares for every one old Ordinary share and the provision for a fixed Preferential tax-free dividend of 7½% per annum in respect of those shares was abolished. To equate the Deferred shares with the Ordinary shares which were being quoted at about the same in the share market, Rs. 25,34,710 from out of the General Reserves was capitalised and applied in payment in full for 2,53,471 Equity shares of Rs. 10 each of the Company which were allotted to the holders of Deferred shares in the proportion of nine Bonus Equity shares of Rs. 10 each fully-paid up for every Deferred share and the Deferred shares, after the above allotment of Bonus shares, were termed Equity shares. After the said re-

organisation of the Capital structure, the Company has recently issued 1,96,205 Equity shares of Rs. 10 each which have been offered as 'Right' shares to the existing holders of Equity shares in the ratio of 1 : 2 increasing the total Equity Capital of the Company to Rs. 58,86,150. The shares so offered are due for acceptance by the Equity shareholders on or before 14th December 1959.

Development Programme and Prospects

The Company is engaged in the business of manufacture of (1) Sugar, (2) Spirits, (3) Confectionery, (4) Cement, and (5) Heavy Industrial Machinery. When the Company took over the Sugar Factory of V.C.A.I. and C.S. Ltd., at Vuyyuru as mentioned above, its crushing capacity was 800 tons of sugarcane per day. The crushing capacity was increased to 1,200 tons in 1951 and 1,800 tons in 1952. It has now been further expanded to 2,500 tons of sugarcane per day. The Board have under consideration plans for further expansion of the sugar factory to a crushing capacity of 3,000 tons per day.

For the utilisation of the by-products of the Sugar Factory, a distillery with a capacity of 1,500 gallons of Industrial Alcohol per day was erected in 1945 where Industrial Alcohol is being produced. A Confectionery section was started in 1951 and equipped with modern automatic machinery and confectionery of high quality is being manufactured.

For the manufacture of most of the items of plant and machinery required for the Sugar Factory at Vuyyuru and for other industries, a Central Workshops was established at Tiruvottiyur near Madras. This Workshop is manufacturing Heavy Industrial Machinery and is now being expanded and equipped with up-to-date machinery for the manufacture of four complete sugar plants of 1,000 tons daily capacity each and two complete cement plants of 300/600 tons daily capacity each per annum, as also superphosphate and sulphuric acid plants.

The Company has completed the first stage of a Cement Factory at Macherla in Guntur District with an annual capacity of one lakh tons of cement which is supplying cement to the Nagarjunasagar Project. It is now being expanded so as to manufacture 2,50,000 tons of cement per annum in the second stage, which is expected to be completed in 1960.

The Industrial Finance Corporation of India has already advanced to the Company two loans amounting to Rs. 87 lakhs covered by a Mortgage Deed dated 5th August 1957 for the expansion of the Sugar Factory at Vuyyuru and the Cement Factory at Macherla under which Rs. 70 lakhs is now outstanding.

When all the above projects are completed, the total fixed Assets of the Company will be over Rs. 400 lakhs as against the outstanding mortgage loan of Rs. 70 lakhs. Preference Capital of Rs. 43,28,700 (inclusive of the present issue) and Equity Capital of Rs. 58,86,150.

The Company with its Sugar Factory at Vuyyuru, a Cement Factory at Macherla and the Central Workshops at Tiruvottiyur is estimated to earn a profit of not less than 50 lakhs per year from 1960 onwards. The total amount required for payment of dividends on the entire Preference share capital is about Rs. 4 lakhs as against the estimated annual profit of Rs. 50 lakhs. The Preference shares may therefore be considered well covered both as regards capital and also earnings.

Underwriting

The present issue has been underwritten by the following for the amounts set out against them at an underwriting commission of 2½% on the value of the shares underwritten by them respectively:—

1. The Andhra Bank Ltd., Masulipatam.	Rs. 5.0 lakhs
2. Messrs. P. R. Subramanyam, Stock and Share Brokers, 70-A, Stock Exchange Buildings, Apollo St., Fort, Bombay-1.	7.5 "
3. Messrs. Somayajulu & Co., Stock and Share Brokers, 337 Thambu Chetty Street, Madras-1.	7.5 "
	20.0 "

(Continued in next page)

FARM ORGANISATION AND CREDIT

(Concluded from page 768)

time: "Land to the tiller" and "Land for the joint farm." Again and again, Prime Minister Nehru has affirmed that no ceiling on incomes is intended by land ceilings: a man who holds and cultivates 20 acres of dry land would be left undisturbed although he might get Rs. 10 lakhs per annum from a cotton mill he owned. If this be so, it follows logically that the bottom is knocked out of the case for land ceilings: once co-operative joint farming is accepted as the monolithic type on the pooled land, the big and the small landowners would all be workers with the same status, and every cultivator in the area would participate in the processes of joint farming, with incomes according to contributions. There is no point in dispossessing a substantial landholder of his surplus lands now and taking over the balance of his lands to the pool later: we could as well wait till the latter stage came. In the meanwhile, agricultural production would remain undisturbed, perhaps improve on account of enterprise and capital still continuing on the land.

The situation is more confused by an active furtherance of overlapping and superficial credit schemes. For example, the Mysore Conference in July voted for a revolving fund of Rs. 1,000 crores for the purpose of covering the entire 45 or 50 million agricultural families (including cultivating owners big and small, tenants and agricultural labourers), at an average rate of Rs. 200 per family, for crop financing, overlooking for the moment the fact that quite a good number of such families can themselves find seasonal requirements, and that an equally good number prefer to continue with traditional moneylenders, as they find that course more convenient and economical. The authors of this plan also forgot the fact that landless labourers earning wages on the land do not need any seasonal or medium-term advances at all.

The Rural Department of the Government of India has launched a huge experiment on a national scale, with 200 pilot blocks in 4,000 villages, with 400,000 cultivators (not necessarily members of co-operatives), setting the ball in motion with Rs. 8 crores for short- and medium-term credit to be based on personal

character and capacity to repay, not on owned capital or other tangible assets. Even here, premature claims are being made about punctual repayments by individual borrowers. All this would be irreconcilable with the concept of joint farming which is sure to be fully and finally ratified at the Bangalore session of Congress in the ensuing winter. It passes one's imagination as to why and how such contradictory and superficial management and credit schemes are being rushed even when it is almost certain that personal farming will be superseded by pooling lands for joint farming in the course of the next few years. If, however, joint farming is dropped as the sole type of cultivation, personal credit schemes may be proceeded with, but on realistic scales and on modest and cautious estimates of results.

INFLATION AND ECONOMIC DEVELOPMENT

(Concluded from page 775)

programme is that the growth in output and productivity strike a sustainable balance among the different economic sectors, that the process be socially equitable, and above all that it be self-propelling, leading to greater and greater real income and not to an early stagnation. Inflation as a part of the growth process does not help to fulfil any of these requirements. It directs financial and real resources to the least productive segments of the economy and favours particular economic sectors at the expense of others. It is likely to be accompanied by gross social inequities that impair the basis of economic progress and undermine political stability. And it leads to balance-of-payments difficulties and heavy international reserve losses that eventually bring the economic development process to a grinding halt.

Reasonable price stability, by contrast, provides much more favourable conditions for sound economic development. First, it permits investors and entrepreneurs to plan rationally for the future, thus promoting the kind of long-term capital formation on which continuing productive advance is based. Secondly, it sustains confidence in the currency, thus permitting money to perform its proper function in the economy and encouraging the growth of savings. Finally, stable prices minimise the possibilities for sudden shifts in income distribution that lead

to social frictions, intrusive Governmental controls, and political instability.

Once inflation has been permitted to get out of hand, as it tends to do most quickly in the underdeveloped countries, stabilisation involves adjustments that are immeasurably more painful than any initial policy of preventing inflation could be. In practice, as many countries have found, restoration of price stability is difficult to achieve merely by stimulating production through increased investment, in the hope that the rise in output will eventually catch up with money income and offset the price pressures that may have been tolerated at the start. Moreover, once prices have been rapidly on the move, stabilisation programmes require much more than merely stopping further expansion in the money supply or braking the wage-price spiral. Inflation will usually have already distorted the whole pattern of production and relative incomes and prices. Correction of these distortions involves difficult adaptations on the internal and external front, including austerity measures that often are not readily accepted by the public. Nor can stabilisation on necessarily be accomplished rapidly, by the mere act of resolutely adapting a "tough" programme. The restoration of confidence in the currency and the reallocation of resources, once inflation has worked its havoc very long, requires in some form all the stern measures just described, and even then takes time.

Economic development through inflation has repeatedly turned out to be a chimera. It is unacceptable as a conscious economic policy. Price stability, as the record shows, is not a luxury that only a few selected countries can afford; nor is it an unattainable goal in a country attempting to achieve a breakthrough that will launch the economy on the road to cumulative economic growth. If it were, there could be no balanced or lasting economic development.

The limitation of general movements in prices is never easy; no single formula to that end has been suggested here. But the effective resolution of any problem, great or small, depends first upon a recognition of the nature of the problem. And the first step in the design of any framework of public policy on economic growth, in the unique conditions of any country, is to recognise that reasonable price stability is not an alternative to economic development but an essential condition for its achievement.

THE K. C. P. LIMITED—(Continued)

Brokers

Brokerage not exceeding 1% will be paid to recognised Bankers and/or Brokers on allotments made in respect of application bearing their stamps.

FINANCIAL INFORMATION RE: THE COMPANY

	For the year ended 30th June				
	1955	1956	1957	1958	1959
	Rs.	Rs.	Rs.	Rs.	Rs.
SALES	1,18,82,039	1,97,39,390	2,12,99,580	3,19,43,484	3,72,62,594
Net Profit before Depreciation and taxation	14,72,871	29,00,046	32,10,911	30,96,383	33,74,967
Net Profit before taxation	10,93,209	24,18,624	32,12,617	19,71,696	19,12,581
Dividend on Ordinary shares		Fixed tax-free dividend of 7½%			
Dividend on Deferred shares (Tax-free)	100%	100%	15%	15%	..
Dividend on Equity shares	..	..	..	..	16%*

* Subject to tax and to the approval of the Industrial Finance Corporation of India and the General Body.

Extracts from the Balance Sheet as at 30th June 1959:—

ASSETS:		Rs.	Rs.
Fixed Assets:			
Gross Block at Cost	..	3,52,12,086	
Depreciation written off	..	64,84,232	
Net Block of Fixed Assets	..		2,87,27,773
INVESTMENTS:			
In Government Securities at Cost	..	39,000	
In Subsidiary Company (Ramakrishna Basic Industries Corporation Ltd.)	..	47,391	
In other Companies	..	24,48,060	
			25,34,451
LIABILITIES:			
Mortgage Debt due to Industrial Finance Corporation of India	..		70,00,000
Net Assets of the Company being excess of Fixed Assets, Investments and Current Assets over Liabilities and Provisions	..		1,42,29,158
Out of the above the following are the Reserves of the Company:—		Rs.	Rs.
General Reserve	..	99,00,000	
Development Reserve	..	14,75,000	
Dividend Equalisation Reserve	..	10,00,000	
Gratuity Reserve	..	94,323	
Surplus as per Profit and Loss Account	..	91,745	
			1,25,61,068

Managing Agents

V. Ramakrishna Sons Private Ltd. are the Managing Agents of the Company under an Agreement dated 1st January 1955 for a period of ten years therefrom. The said Managing Agency, however, expires on 15th August 1960, by virtue of Section 330 of the Companies Act 1956. An Extra-

ordinary General Meeting of the Company has been convened to consider the renewal of the said Managing Agency for a further period of ten years from 15th August 1960, subject to the approval of the Central Government. The remuneration payable to the Managing Agents under the said Managing Agency agreement

is 10% of the net profits, subject to modification by the Central Government.

Voting Rights

The holders of Preference shares issued after 1st April 1956 shall have such voting rights as are prescribed and limited by Section 87(2) of the Indian Companies Act 1956.

Application for Allotment

The application for shares must be made in the official form accompanying the prospectus and is liable to be refused if not so made. The application form duly filled in together with the remittance of Rs. 50 payable per share along with the application must be forwarded to as to reach the Registered Office of the Company at 38, Mount Road, Madras-6. Cheques and Drafts must be made out in favour of the Company and crossed "A/c Payee only." Cheques and Drafts drawn on a Bank outside the City of Madras must include Bank collection charges. A separate cheque or draft must accompany each form.

Applications must be for a minimum of five shares.

The allotment will be notified by the despatch of an allotment letter, but the Directors reserve the full and uncontrolled right of accepting or rejecting any application in whole or in part. Where no allotment is made, the entire application money and where the number of shares allotted is less than the shares applied for, the balance of the application money will be returned to the applicant by a cheque on a Madras Bank without any interest thereon.

Copies of the Prospectus and forms of application can be obtained from the following Offices:—

1. The Registered Office of the Company at 38, Mount Road, Madras-6.
2. The Factory Office of the Company at Vuyyuru, Krishna District.
3. The Branch Office of the Company at Buckinghampet, Vijayawada.
4. The Central Bank of India Ltd., Bombay, Madras and Vijayawada.
5. The Andhra Bank Ltd., Madras, Masulipatam and branches.
6. M/s. P. R. Subramanyam, Stock and Share Brokers, 70-A, Stock Exchange Building, Apollo Street, Fort, Bombay.
7. M/s. Somayajulu & Co., Stock and Share Brokers, 337, Thambu Chetty Street, Madras-1.

For THE K. C. P. LIMITED,
V. RAMAKRISHNA,
Chairman.

WORLD AGRICULTURAL TRADE BOTH VOLUME AND VALUE SHRINK

INTERNATIONAL trade in agricultural products has a significant bearing on the tempo of world economic development. Consisting as it does of essential foodstuffs and industrial raw materials, agricultural exports have a vital role to play in determining world industrial activity as well as the standard of living of the people, particularly in exporting countries. It must be admitted, however, that the trend in agricultural exports not only conditions but also is conditioned by the general world economic activity. This fact has been clearly illustrated by the repercussions of the 1957-58 industrial recession in the U.S. and the countries of Western Europe on the exports of primary products. According to the State of Food and Agriculture 1959, published by the Food and Agricultural Organisation of the United Nations, both the volume of, and the earnings from, agricultural exports suffered a perceptible setback—by 3 per cent. and 9 per cent., respectively, to be exact—in 1958, primarily owing to the impact of recession. Raw materials of agricultural origin in particular were worst hit; their volume of exports fell by about 8 per cent. and their average price by about 16 per cent. in 1958, so that total earnings from the commodities of this group were, as compared with 1957, lower by no less than 23 per cent. At the same time, the index of average prices of manufactured goods in world trade showed no change from 1957 to 1958. Consequently, the terms of trade for agricultural products, which has been falling ever since the Korean boom, further gave way by about 7 per cent. over the year to the lowest level in the post-war years.

Production and Exports

The following table gives the world production and exports of major commodities in the pre-war period 1934-38 (av.), 1948-52 (av.) and also in the two latest years for which information is available:

(In million metric tons)					
	Average 1934-38	Average 1948-52	1957-58	1958-59 (Prelim.)	
Production*					
Wheat	95.0	118.6	126.0	138.6	
Barley	28.5	36.0	40.9	51.5	
Oats	27.5	43.0	49.9	48.3	
Maize	94.1	119.9	138.5	148.4	
Rice (milled equivalent)	70.2	74.8	80.8	94.1	
Sugar	20.0	25.8	34.4	38.0	
Vegetable oils	8.2	12.0	14.8	15.0	
Animal fats	3.0	4.1	5.8	5.3	
Coffee	0.4	2.2	3.1	3.4	
Cocoa	0.7	0.8	0.9	0.9	
Tea	0.5	0.6	0.7	0.7	
Tobacco	1.9	2.4	2.7	2.7	
Cotton	8.8	6.1	6.5	6.5	
Wool	1.9	2.0	2.2	2.5	
Wool	1.5	1.6	1.9	1.9	
Rubber	0.9	1.7	1.9	2.0	
Exports†					
Wheat	15.4	25.1	29.5	27.3	
Barley	1.7	2.2	2.3	2.4	
Oats	0.7	1.2	1.4	1.4	
Maize	9.3	4.2	7.1	8.2	
Rice (milled equivalent)	9.7	10.4	6.5	4.9	
Sugar	9.4	10.7	14.4	14.4	
Vegetable oils	4.2	3.8	5.2	4.8	
Coffee	1.7	1.9	2.3	2.3	
Cocoa	0.7	0.7	0.7	0.7	
Tea	0.4	0.4	0.5	0.5	
Tobacco	0.5	0.5	0.7	0.7	
Cotton	8.8	6.1	6.5	6.5	
Wool	1.9	2.0	2.2	2.5	
Wool	1.5	1.6	1.9	1.9	
Rubber	1.0	1.8	2.0	2.1	

* Excluding U.S.S.R., Eastern Europe and Mainland China.
† Including exports from the rest of the world to the U.S.S.R., Eastern Europe and Mainland China.

In distinct contrast to the increases recorded in the past few years, the volume of agricultural trade fell by about 3 per cent. in 1958. It may be recalled that the volume of trade (average of exports and imports), which had remained more or less stable until 1954, rose successively in subsequent years, by 7 per cent. in 1955, 8 per cent. in 1956 and 4 per cent. in 1957. These increases, it may be added, reflected largely the intensified surplus disposal operations of the U.S. rather than any rapid improvement in the basic structure and pattern of agricultural exports and its production. The decline in the year under review was the result of a fall in the U.S. exports, especially of cotton. The other factors included lower cereal harvests in 1957-58 in the rice exporting countries in the Far East and in Australia and a reduced output of cocoa and copra. The impact of the recession, however, was uneven on the different commodity groups. Foodstuffs and beverage crops, in general, fared better than agricultural raw materials. The following table shows the selected annual

indices of the volume of world agricultural trade by commodity groups:

	1958 (Prelim.)	1957	Average 1948-52	Average 1934-38
(Base 1952-53 = 100)				
Total trade (agricultural and non-agricultural)	133	135	87	66
All agricultural products*	113	121	94	99
Food and feeding stuffs	123	128	91	92
Food and feeding stuffs	127	129	93	98
Cereals	117	117	93	100
Sugar	118	119	89	79
Oilseeds and vegetable oils (edible)	143	145	96	120
Fruits, fresh and dried	120	122	83	89
Livestock and livestock products (edible)	135	133	94	97
Beverages and tobacco	113	116	95	86
Agricultural raw materials	106	117	97	110

* Includes exports to and imports from the U.S.S.R., Eastern Europe and China, but excluding trade within this group of countries.

Although there were marked variations in the trends in the different regions, they do not modify substantially the post-war trend towards a considerable fall in net exports of food and feeding stuffs from the less-developed regions to the more-developed regions of the world. Since food production in the less-developed regions in general did not keep pace with their requirements, some countries have had to curtail exports, while others have become substantial net importers of foodstuffs. Net exports of beverage crops, on the other hand, have expanded fairly steadily, as the domestic markets for these products in the less-developed countries are still too small to absorb them in appreciable quantities. Net exports of raw materials have fluctuated at roughly the pre-war average, in accordance with the level of economic activity in industrialised countries, and export outlets have been limited by synthetic substitutes and by the more economic use of raw materials in industry. Another factor limiting the world trade in agricultural products has been increased domestic production in the more developed countries of all commodities except those which can be produced only in tropical zones.

Among the main regions of the world, Western Europe and Africa slightly increased their gross exports of agricultural products in 1958. In Latin America, there was a fairly substantial recovery from the low level of 1957, when exports of cereals, cotton, and coffee had fallen sharply. The volume of exports from North America fell by 10 per cent. and was somewhat less than in 1956. There were declines of some 6 to 9 per cent. in Oceania and the Far East (excluding China) and a small reduction in the Near East. Gross agricultural imports increased in North America, Latin America, and Oceania in 1958. The major decline was inevitably in Western Europe, which accounts for more than half the world's imports of agricultural products.

Export Prices

The setback in 1958 was in evidence not only in the volume of agricultural exports but also in their value, as already mentioned. As with the volume of trade, the main decline in average export unit values during the year was in the agricultural raw materials group. Average unit values for this group of products has been falling since the beginning of 1957, but the pace of decline was accelerated during the first nine months of 1958; consequently, the average for the year was 16 per cent. less than in 1957. For the first few months of 1959, however, price series show some recovery for both wool and rubber.

Average unit values for the food and feeding stuffs group fell by 4 per cent. in 1958, after rising slowly over the previous two years. Prices for cereals were again more or less unchanged, as lower maize prices were counterbalanced by increased prices for rice, following the poor 1957-58 harvests in most Far Eastern countries. Sugar prices, which had climbed in 1957, fell substantially. Trends for the different edible oils and oilseeds varied considerably, but, for the group as a whole, there was a further slight decline in prices. While prices rose for all types of meat (except mutton and lamb), heavy supplies on the main Western European markets for butter and cheese brought about a rapid fall of 14 per cent. in prices of dairy products. The decline in food and feeding stuff prices appears to be continuing, for, during the early months of 1959, only price series for some oilseeds, butter, and cheese have shown much recovery. In spite of a rise of more than 50 per cent. in prices for the small cocoa crop, average unit values for the beverages and tobacco group fell

slightly in 1958. Coffee prices fell by 16 per cent. and there were small declines for tea and tobacco. From the beginning of 1959 prices of cocoa have also joined in the general downward movement. The reduction of 7 per cent. in 1958 in average export unit values for agricultural products as a whole took them to their lowest level since the war. The indices of the average export unit values (average prices) of the various agricultural products in world trade is shown in the following table:

	1958 (Prelim.)	1957	1948	1947
(Base 1952-53 = 100)				
Food and feeding stuffs	87	91	117	106
Beverages and tobacco	99	100	76	72
Agricultural raw materials	79	84	88	71
Forest products	90	94	93	83
All agricultural products taken together	87	94	99	88
Manufactured goods	105	105	101	97
Terms of trade	83	90	98	90

Note: The data exclude those relating to the U.S.S.R., Eastern Europe and China.

Terms of Trade

The terms of trade for agricultural countries, in other words, their purchasing power for the manufactured goods which are the main imports of agricultural exporting countries, were also lower in 1958 than in any post-war year; but they were still about 30 per cent. higher than in 1934-38. The report has highlighted the fact that the main significance of changes in the terms of trade for agricultural products lies in their influence on the earnings of foreign exchange of agricultural exporting countries. The latter, in turn, will obviously depend on the particular products exported. Export earnings of many of the less-developed countries are very narrowly based and depend heavily on one or two agricultural products, for example, cocoa in Ghana or coffee in Colombia.

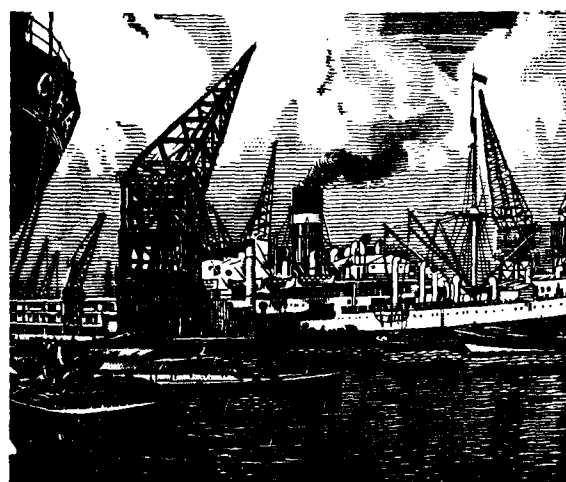
The total real value of agricultural exports declined by 9 per cent. to approximately the level of 1952-53. The volume of exports in 1958 was about 19 per cent. larger than in 1952-53 and 25 per cent. larger than in 1948-52, but these increases in volume have brought virtually no improvement in total earnings from agricultural exports. Indeed, since the figures for 1958 include a considerable proportion sold under special terms in the course of various schemes of surplus disposal, earnings from commercial exports must have been substantially less than in 1952-53. In comparison with the pre-war period, however, whereas the 1958 volume of exports was only about 20 per cent. larger, the real value still showed an increase of nearly 60 per cent.

Earnings Vary

The situation regarding export earnings is seen to have varied considerably from region to region, and data for single countries would certainly show still greater variation. Thus, in Oceania, the volume of exports in 1958 was about 8 per cent. less than the year before, and the corresponding export earnings in real terms some 23 per cent. less, indicating a fall of around 17 per cent. in the terms of trade. In Latin America, an increase of 4 per cent. in the volume of exports was accompanied by a decline of 7 per cent. in export earnings, so that the terms of trade fell by some 12 per cent. In the Far East, earnings from agricultural exports fell by 11 per cent. in 1958, but about half of this movement reflected a decline in the volume of shipments. Both the Near East and Africa maintained about the same volume of agricultural exports in 1958 as the year before, but, while export earnings in the latter region were at about the 1957 level, those in the Near East fell by some 10 per cent.

The F.A.O. Report has devoted a separate section to the exclusive study of imports from and exports to the U.S.S.R., Eastern Europe and China, with particular reference to trade among themselves. The Soviet imports of such products as fruit, beverages, tobacco, wool, and rubber have expanded sharply in recent years with the increased emphasis on consumer needs. Increased domestic production has led to larger exports of many products, including cereals, cotton, hemp and flax, and reductions in net imports, especially of vegetable oils and some animal products, while the country has become a net exporter of butter and cheese to Eastern Europe. The U.S.S.R.'s grain exports fell sharply in 1957-58 as a result of lower harvests, but, in 1958-59, they are expected to have risen to 8 million tons. Exports from Communist China, which is the U.S.S.R.'s largest supplier of agricultural imports, appear to have increased sharply in 1958, especially those of rice. While the agricultural trade of the U.S.S.R., Eastern Europe, and China with the rest of the world is now much greater, it seems likely, according to the F.A.O. Report, that the bulk of their trade will continue to be among themselves.

Ship via London



Britain's Premier Port
equipped for all types of ships and cargoes.

The PORT OF LONDON AUTHORITY

A Self-governing Public Trust for Public Service

For full particulars apply
The General Manager

PORT OF LONDON AUTHORITY, LONDON, E.C.3

ESTD: 1906 HEAD OFFICE: UDIPI, S. I.

THE CANARA BANKING CORPORATION LIMITED

54 years strong, the Bank is transacting business of every description with a fine network of 53 branches spread over the States of Madras, Andhra Pradesh, Kerala, Bombay, West Bengal and Mysore and agency arrangements throughout the Indian Republic.

It's the oldest of all the Scheduled Banks
founded in the State of Mysore!

Branches in Bombay City:

FORT OFFICE:

"Lentin Chambers," Ground Floor, Dalal Street,
(Phone No. 252777)

MANDVI OFFICE:

First Floor, 209/211, Naraina Street, Mandvi
(Phone No. 73342)

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

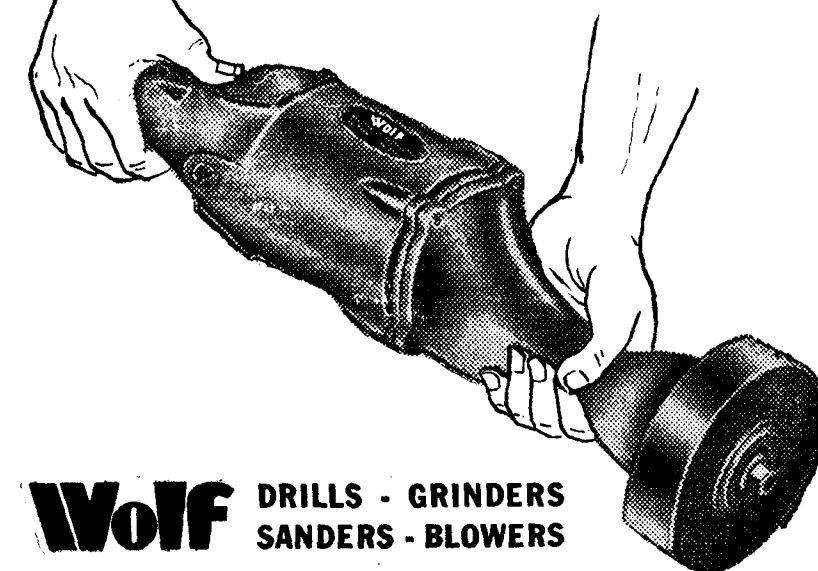
Shri G. D. SOMANI, M.P.

Authorised Capital - Rs. 2,00,00,000
Issued and Subscribed Capital - Rs. 1,00,00,000
Paid-up Capital - Rs. 50,00,000
Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of
Foreign Exchange

S. L. KOTHARI,
General Manager.

now made in India!



Wolf DRILLS - GRINDERS
SANDERS - BLOWERS

A wide range now made in India by
Ralliwolf Private Limited in collaboration with
Wolf Electric Tools Limited, London.

Perfectly balanced and with exceptional power
to weight ratio, Wolf Portable Electric
Tools are packed with power—with outstanding
performance and reliability. They are

THE FINEST ELECTRIC TOOLS IN THE WORLD
Backed by service after sales



Now made in India

Sole Distributors in India:

RALLIS INDIA LIMITED

Ralli House, 21 Ravelin Street, Bombay-I
Calcutta - Madras - New Delhi - Kanpur

Accredited dealers throughout India



save for the future

Put aside a little money each month
and you'll be surprised how quickly it grows.
Especially when you save with the
National and Grindlays Bank Ltd. Our Savings
Bank accounts are easy to open, may
be operated by cheque and offer attractive rates
of interest—at present 2½% per annum.
Why not write or call on your nearest Branch
Office today? We shall be glad to give
you full details and all the help you need.



National and Grindlays Bank Ltd.

Incorporated in the United Kingdom
The Liability of Members is Limited

BOMBAY BRANCHES: 90 MAHATMA GANDHI ROAD
MINT ROAD, (CORNER OF MINT ROAD AND SIR P.M. ROAD)

FAVOURABLE YEAR FOR INDIAN CABLES

DIVIDEND MAINTAINED ON HIGHER CAPITAL

THE year ended 31st March 1959 proved to be a favourable one for the Indian Cable Company Ltd. (Chairman and Managing Director: Mr. B. J. Woodley, Calcutta). The copper market turned in its favour and the first fruits of expansion schemes were harvested during the year, unlike in the previous year when world prices of copper suffered a landslide and there was an unavoidable cut in output during the final phases of factory reorganisation. The turn in the Company's fortunes during the year under review is reflected in the expansion of Rs. 40 lakhs in sales and the rise of Rs. 7.23 lakhs to Rs. 118.38 lakhs in gross profit. This increase in gross profit is in refreshing contrast to the drop of Rs. 49.04 lakhs to Rs. 111.15 lakhs in 1957-58. It must, however, be noted that the gross profit for the year under review has been arrived at after writing off bad debts to the tune of Rs. 26.30 lakhs. Had it not been for this, the gross profit for 1958-59 would have been of the order of Rs. 144.68 lakhs, representing an increase of Rs. 33.53 lakhs over the year. Nevertheless, it would have been well below the profit earned in 1956-57.

The net profit for the year under review amounts to Rs. 50.62 lakhs, which compares favourably with that of Rs. 36.94 lakhs for the previous year. But for the large bad debt written off, the year's net profit would have even exceeded the previous high of Rs. 61.17 lakhs touched in 1956-57 by a handsome margin of Rs. 15.75 lakhs. The relatively larger rise in net profit is due to the cut in the provision for taxation from Rs. 55 lakhs to Rs. 48 lakhs.

Explaining the unavoidable step taken by the Directors to write off a large portion of bad debts, the Directors observe, in their latest report, that the Company had taken all steps possible to recover the debts considered doubtful, which as on 31st March 1958 had aggregated Rs. 38.42 lakhs. "Of that amount," they add, "certain debts aggregating Rs. 26.30 lakhs have proved to be irrecoverable, despite the orders of the High Court, and the Company has been advised to write off these debts from the profits of the year." This is covered by a sum of Rs. 13 lakhs transferred from the provision built up in previous years for bad and doubtful debts and the income-tax relief secured in respect thereof.

Thanks to the sharp rise in net profit and the provision for doubtful debts written back, the Directors have been able to strengthen the reserves considerably, even after adding Rs. 12.75 lakhs to the development rebate reserve (as against Rs. 1.25 lakhs transferred last year). Thus, a sum of Rs. 5 lakhs (as against Rs. 3.75 lakhs) has been added to the general reserve, Rs. 5 lakhs (same as in the previous year) to the reserve for replacement of fixed assets and Rs. 3.05 lakhs (Rs. 3 lakhs) to the debenture sinking fund. The distribution to shareholders has been maintained, albeit on a higher paid-up capital, at 15 per cent. per annum (free of income-tax), made up of a dividend of 12½ per cent. and a cash bonus of 2½ per cent. on ordinary, as well as participating preference shares. The distribution on ordinary shares, it may be noted, is on a bigger capital following the rights issue of 828,848 ordinary shares of Rs. 10 each during the year under review.

The salient features of the Company's profit and loss account for 1958-59 are presented against the background of those for the previous three years in the following comparative table:

(In lakhs of rupees)				
	1959	1958	1957	1956
Sales and internal consumption of goods	730.12	689.06	708.42	614.55
Closing stocks of finished goods and work-in-progress	77.77	72.29	78.97	65.54
Other income	7.88	9.77	11.53	4.04
Raw materials consumed	371.28	356.22	396.36	348.43
Other expenses including purchases of goods	253.83†	280.67	186.83	140.09
Gross profit	118.58	111.15	180.19	139.18
Depreciation	2.81	2.60	2.85	1.47
Directors' Commission	17.15	16.99	15.67	14.07
Taxation	48.00	55.60	79.50	68.00
Net profit	50.62	36.94	61.17	55.59
Excess provisions written back	13.00	13.00		
To reserves and provisions	27.62	15.58	26.58	25.06
Dividends:				
6% participating preference	1.93	1.93	1.93	1.93
Ordinary	35.37	22.93	22.93	22.93
	(D.12½% + B.2½%)	(D.12½% + B.2½%)	(D.12½% + B.2½%)	(D.12½% + B.2½%)
Carry forward	40.00	41.90	35.10‡	32.04

† Includes Rs. 20.30 lakhs written off as bad debts.
‡ After paying Rs. 6.63 lakhs as extraordinary dividend at 4 per cent. on ordinary as well as participating preference shares in respect of the year 1956-57.

There has been a substantial rise of Rs. 13.99 lakhs in salaries, wages and bonus paid during the year, of Rs. 2.72 lakhs in cost of repairs and renewals and of Rs. 1.26 lakhs in selling expenses. But these increases have been offset, to some extent, by a saving of Rs. 4.08 lakhs in duty, dock clearance and freight, of Rs. 2.54 lakhs in sub-contractors' expenses and of Rs. 2.40 lakhs in bank charges and interest.

As stated at the outset, the first fruits of the Company's expansion schemes were harvested during the year. Referring to the progress of these schemes, the Chairman, Mr. B. J. Woodley, in his statement accompanying the Directors' report, says:

"Although it necessarily takes time to bring new plant into full operation, we have already made substantial progress in that direction. The new paper cable division has reached 80 per cent. of planned full production, rubber insulated wire output is running at 75 per cent. of planned capacity, while synthetic enamelled wires are being manufactured at a rate considerably in excess of the quantity originally envisaged. An added cause for satisfaction is that current production is rising steadily and continuously towards fulfilment of planned targets."

During the year under review, the Company received a number of valuable orders from the new steel plants at Bhilai, Durgapur and Rourkela, the Neyveli Lignite Corporation, the Heavy Electric Plant at Bhopal and the Eastern Railway Electrification Project. The Company's contracts department has also had a busy and successful year. Alluding to the progress of this department, the Chairman observes:

"They have completed the commissioning of two of the three 30 M.W. turbo alternator sets at the Korba thermal station which will feed the Bhilai steel project, and have made considerable progress on the electrical transmission system at the Barsua Iron Mines which will supply power to the Rourkela steel project and in connection with which an extension to the original order has recently been awarded to us. Other construction orders received during the year include the cabling of two 30 M.W. sets for the extension to the Kharakheda power station and the new thermal station at Akola both in Bombay State; also the complete electrification of the large extension to Messrs. Guest, Keen Williams Ltd. factory in Calcutta."

The Company has been fortunate in continuing to receive the utmost consideration from the licensing authorities in respect of import of essential raw materials and machinery components. However, the increasing delays in the issues of licences have, the Chairman points out, "created great difficulty in planning forward factory production and on occasion resulted in temporary stoppage of machinery while awaiting permits to import the spare parts required for repairs." The coal and coke position is said to have eased considerably, while the issue of steel quotas and the corresponding receipts of supplies from the manufacturers are seriously in arrears. The congestion in the port of Calcutta, coupled with the shortage of railway wagons, has prompted the Company to make greater use of road transport services for moving essential supplies to the factory in order to maintain speed and efficiency. The shortage of power is also a problem, as the Company is not receiving its full requirement from the Damodar Valley. However, by mutual agreement with other factories in Tatanagar area and by adopting staggered working hours, it has been able to avoid loss of production.

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKALIC BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY
CO., LTD.
4, LYONS RANGE, CALCUTTA 1.
Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.

The working of the Company during the current year so far is said to be encouraging with a full order book for all its products. The Company is, however, conscious of the prospect of increased competition in the years to come. Two new cable factories of appreciable size are to commence production shortly and two further major factories are planned to come into operation in the near future. It is, however, confident of meeting this competition. The demand for its products is also bound to expand.

The Company's financial position is quite impressive. As stated earlier, the paid-up capital has been raised from Rs. 165.77 lakhs to Rs. 248.65 lakhs and this is supplemented by reserves and surplus aggregating Rs. 224.80 lakhs. Thanks to the improvement in cash position, the Company has been able to wipe off its loan liability to banks, which at the end of the previous year had stood at Rs. 45.79 lakhs. It has also redeemed Rs. 2.20 lakhs worth of 5½ per cent. 1964-69 debentures, the outstanding liability on this account now being Rs. 97.80 lakhs. The other current liabilities and provisions stand at Rs. 229.42 lakhs, which are more than adequately covered by current assets aggregating Rs. 644.63 lakhs. Of these current assets, a sum of Rs. 11.23 lakhs represent outstanding doubtful debts, as against which the provision made in the accounts is Rs. 7 lakhs. In the Chairman's opinion, this provision is "more than adequate, as securities are lodged with the Company in respect of the major portion of the amount shown as doubtful and payments are being received in the form of regular instalments." There has been an addition of Rs. 21.03 lakhs to the block account during the year bringing its gross value to Rs. 276.17 lakhs at the end of the year under review. This has been written down to a book value of Rs. 156.04 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted on the Calcutta Stock Exchange at Rs. 30.62 cum-div. On an ex-div. basis and at the current rate of dividend, the yield works out to 5.1 per cent. per annum, free of tax.

PENCH VALLEY COAL HALVES DIVIDEND

The Directors of the Pench Valley Coal Company, Ltd. (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta), have recommended a 50-per cent. cut in dividend for the year ended 31st March 1959, that is, to Re. 1 per share of Rs. 10 each from Rs. 2 paid for each of the previous two years. This follows a setback in earnings, despite a rise in production and despatches of coal. The earnings have gone up from 490,042 tons (in 1957-58) to a high of 500,161 tons and despatches from 474,880 tons to 503,180 tons. It will be noted that despatches during the year under review even exceeded production, resulting in a reduction in stocks. Nevertheless, the gross profit has declined from Rs. 12.20 lakhs to Rs. 10.02 lakhs. This is due to a sharp rise of Rs. 11.92 lakhs in expenses.

With the setback in earnings, the Managing Agents' remuneration has been reduced from Rs. 1.11 lakhs to Rs. 77,185 and the provision for taxation from Rs. 4.54 lakhs to Rs. 4.23 lakhs. The provision for depreciation is also lower at Rs. 2.29 lakhs, as against Rs. 3.74 lakhs set aside a year ago. These essential appropriations leave a net profit of Rs. 2.63 lakhs, as compared with Rs. 2.81 lakhs for 1957-58. A sum of Rs. 2.26 lakhs, representing excess provisions made in previous years, has been written back; the corresponding transfer in 1957-58 was Rs. 2.33 lakhs. After taking this into account, the Directors have raised the transfer to the development rebate reserve from a mere Rs. 4,800 to Rs. 1.35 lakhs and that to the general reserve from Rs. 70,000 to Rs. 2 lakhs. The larger allocation to the general reserve is in replenishment of the withdrawal made in 1957 and has been made with a view to providing finance for the Company's development plans. The proposed dividend will absorb Rs. 1.57 lakhs, as against Rs. 3.15 lakhs a year ago, leaving a surplus of Rs. 32,085 to be carried forward, as against Rs. 36,465 brought in.

The Directors point out that the recommendations of the Coal Prices Revision Committee (which have been accepted by the Government of India) will not be applicable to the Company until its coal has been graded. "Every endeavour is being made to allow the new prices to be effective at an early date," the Directors add, as the present prices are considered uneconomic and stand in the way of further development. Disputes arising out of the Labour Appellate Tribunal have been submitted to arbitration which is in progress now, but the Directors cautiously warn that "it is not unlikely that some burden may be thrust on the industry as a whole."

The Company has made a capital expenditure of Rs. 8.79 lakhs during the year under review (excluding capital work-in-progress) of the value of Rs. 1.93 lakhs, bringing the total expenditure so far to Rs. 68.60 lakhs. In order to maintain the improvement in production and despatches, the Directors observe, considerable expenditure will be necessary in the years to come. The gross block has been written down to Rs. 23.76 lakhs. The other assets aggregate Rs. 45.45 lakhs, as against which the current liabilities and provisions amount to no more than Rs. 34.87 lakhs. The excess of all assets over current liabilities is Rs. 36.47 lakhs and this is represented by a paid-up capital of Rs. 15.75 lakhs and reserves and surplus amounting to Rs. 20.72 lakhs.

Notices

THE BARNAGORE JUTE FACTORY COMPANY, LIMITED

(Incorporated in England)
Liability of Members Limited

DIVIDENDS

THE FOLLOWING FINAL DIVIDENDS have been recommended in respect of the year ended 31st March 1959, payable on the 27th November, 1959:—

On the Preference Shares 5 per cent. (Five Shillings per share) less U.K. Income-tax of seven shillings and nine pence in the £ Sterling.

On the Ordinary Shares 10 per cent. (Ten Shillings per share) less U.K. Income-tax of seven shillings and nine pence in the £ Sterling.

Payment of any Dividend declared will be made only to those Members whose names are registered in the Books of the Company on the 17th November, 1959 or to their Mandatees.

Dividend Warrants to Members on the Calcutta Register will be made payable in Calcutta.

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

The Share Transfer Books will be closed from the 4th November, 1959, to 17th November, 1959, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA, 27th October, 1959.

BHARTIA ELECTRIC STEEL COMPANY, LIMITED

CIRCULAR

To
THE SHAREHOLDERS.

PURSUANT to the Scheme approved by you in the Extraordinary General Meeting of the Company held on the 23rd July 1959 and sanctioned by the Hon'ble High Court at Calcutta on the 11th August, 1959, a new company called "CALCUTTA STEEL CO. LTD." has since been promoted with an authorised Capital of Rupees One crore divided into ten lakhs Equity Shares of Rs. 10 each. As envisaged in the scheme, 5 lakhs Equity Shares of Rs. 10 each will be issued at present. The sanction of the Controller of Capital Issues for issue of the above capital has also been received by the new Company.

In terms of the scheme, each holder of one Equity Share of Rs. 10 each, fully paid up, in this Company as on the date of issue of capital by the new company shall be offered one Equity Share of Rs. 10 each in the new company at par with a right to renounce the offer in favour of his or her nominees, the offer to remain valid for acceptance for a period of 30 days from the date of offer.

The Directors of the new company have informed this company that they propose to make an offer of the said issue on the 16th November, 1959. Prospectus will be published by Messrs. Calcutta Steel Co. Ltd. in due course. The holders of shares in this company, particularly those holding shares on blank transfer deeds, are, therefore, hereby advised and requested, in their own interest, to get their holdings in this company registered in the books of the company, before the 15th November, 1959.

By Order of the Board,
R. L. BHARTIA,
Director.

4, OLD COURT HOUSE STREET,
CALCUTTA-1, 30th October 1959.

Note: The Share Transfer Register of the Company will be closed from 16th November to 16th November, 1959, both days inclusive.

DUNBAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the shareholders of Dunbar Mills Limited will be held at the Registered Office of the Company, 21 Strand Road, Calcutta, on Thursday the 26th November, 1959 at 3 p.m., to consider and if thought fit to pass with or without modification the following resolution:

(As a Special Resolution) "That the Company hereby authorises the Board to issue 9,500 new Ordinary Shares of Rs. 100 each and to offer them for subscription on the following terms and conditions:

(a) The new Ordinary Shares shall rank pari passu with the existing Ordinary Shares of the Company in all respects.

(b) The shares shall be offered for subscription for cash at par to the persons whose names appear in the Company's Register of Members on the date of passing of this resolution as nearly as circumstances admit, in the proportion of one new Ordinary Share for every two Ordinary Shares held by each such member on the said date.

(c) The offer aforesaid shall be made by the Board by notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(d) The offer aforesaid shall include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person.

(e) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company.

(f) The issue, offer and allotment of the new Ordinary Shares aforesaid shall be made in such manner and on such terms, consistent with this resolution, as the Board may in its absolute discretion determine and without prejudice to the generality of its powers given under this resolution the Board is hereby explicitly authorised to decide and settle all questions relating to the issue and allotment to non-resident members of the Company and all questions relating to the fractional allotments of the said shares."

The Register of Members and the Share Transfer Books of the Company will remain closed from 19th November, 1959 to 26th November, 1959, both days inclusive.

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

21 STRAND ROAD,
CALCUTTA, 27th October, 1959.

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

(2) An Explanatory Statement relating to the above resolution is annexed to the Notice convening the Extraordinary General Meeting sent to the members individually.

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

TIRUCHIRAPALLI

NOTICE

1. THE DIRECTORS HAVE SANCTIONED the payment of an ad-interim dividend for the year 1959-60 of 4½ per cent. less tax on Ordinary shares and 2½ per cent. on the First and Second Preference Shares free of tax.

2. The warrants will be made out in the names and addresses of shareholders standing registered in our books as on 26th November 1959 or their mandates and posted on and after 17th December 1959. The shareholders are requested to notify immediately any change of their address to the Company.

3. The Register of Members and share transfer books of the Company will be closed from 26th November 1959 to 5th December 1959 (both days inclusive).

N.B.—Holders of Blank transfers are advised to have the shares registered in their names in time before closure of books.

(By order),

SESHASAYEE BROTHERS PRIVATE
LIMITED,
Managing Agents & Chief Engineers.
TIRUCHIRAPALLI, 17th October 1959.

LABOUR

(Concluded from page 766)

wage levels are low or labour unorganised but is also found in some highly industrialised countries like the United Kingdom, the U.S., New Zealand and Australia.

As collective bargaining, desirable though it is, has not taken firm roots in this country, disputes relating to wages tend to be increasingly settled by adjudication. Industrial Tribunals, presided over by judges with little or no knowledge of industrial economics, are surely not the ideal agency for settling wage disputes, especially because in fixing a wage rate for a particular industry or unit, a vast complex of economic factors have got to be taken into account. A body like a Wage Board, presided over by an independent chairman and two independent members and an equal number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional lawyers. In fine, if the Wage Boards are manned by competent persons and maintain an atmosphere of a petent number of representatives of workers and employers fully conversant with the various aspects of the wage question, is certainly better qualified to decide wage questions than a purely judicial or quasi-judicial tribunal where the issues are presented and argued by professional

SYNOPSIS OF COMPANY REPORTS

Hind Cycles Ltd.

THE directors of the above Company (Chairman: Mr. R. D. Birla, Bombay) submit the nineteenth annual report with the audited accounts of the Company for the year ended 31st March 1959.

The loss for the year before charging to depreciation and development rebate amounts to Rs. 4,91,637 (profit of Rs. 6,97,890). Adding there to provision for development rebate of Rs. 64,600 (nil) there is a total debit of Rs. 5,56,237 (credit of Rs. 52,992 after providing Rs. 5,47,000 for depreciation including development rebate and Rs. 33,500 for wealth-tax and provision for taxation for previous years of Rs. 64,398). Deducting therefrom the excess provision for taxation of previous year Rs. 6,209 (nil) and the balance brought forward from previous year of Rs. 67,978 (Rs. 14,986 there remains net loss of Rs. 4,82,050 (Rs. 67,978) to be carried forward. Further the directors have drawn from dividend equalisation fund Rs. 46,234 (Rs. 2,62,802) which is proposed to be appropriated for payment of dividends for the year as under: To dividend at 5 per cent. on 5,000 taxable redeemable cumulative preference shares of Rs. 100 each absorbing Rs. 17,125 (Rs. 17,125), to dividend at 5½ per cent. on 7,000 taxable redeemable cumulative preference shares of Rs. 100 each absorbing Rs. 26,373 (Rs. 26,373), to dividend at 5½ per cent. on 1,926 taxable redeemable cumulative preference shares of Rs. 25 each absorbing Rs. 1,814 (Rs. 1,814) and to dividend at 6 per cent. on 2,242 free of income-tax redeemable cumulative preference shares of Rs. 100 each absorbing Rs. 922 (nil).

For the year ended 31st March 1958 the directors also paid a dividend on ordinary shares at Rs. 7.00 per share, free of tax, absorbing Rs. 2,17,490. This amount was drawn from the dividend equalisation fund. The directors have to state that during the year under report no provision for depreciation of Rs. 5,35,300 is made. No provision for wealth-tax is made as the Company has been advised that no wealth-tax will be payable by the Company as the Company has incurred losses and has not declared dividend on equity capital during the year.

As in the last year the main contributing factor for the unsatisfactory results for the year under review is the increase in the labour cost. During the course of the year the seriousness of the situation had been pointed out to the workers through their Works Committee and the Union. They have been explained how the unusually high labour cost in the factory has resulted in the loss during the year. The directors however regret that efforts with the Union leaders did not bear any fruit but on the contrary, production went down by about 10 per cent. and wages and salaries cost went up instead of going down. The workers have been finally warned about the ultimate result.

It seems that the matter has now been taken seriously by the Union. They have agreed to refer the question of labour cost to arbitration. The directors hope that, through the proposed arbitration labour cost will be revised to a reasonable level so that optimum production at reasonable labour cost will be achieved in near future.

As the shareholders are aware that the Company had received last year the consent of Controller of Capital Issues for the issue of capital of Rs. 30,00,000 in preference shares. In terms of that consent the Company had first offered the said preference shares to the then existing shareholders and the balance not applied for by them was then offered to the public by prospectus. Out of the above, capital of Rs. 20,00,000 was subscribed partly by the shareholders, partly by the public and the rest by underwriters.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
Capital	45,81,265	Gross block	1,17,36,431
Reserves*	8,13,024	Less—Depreciation	72,51,407
Liabilities	1,16,73,375		
		Net block	44,85,024
		Stock-in-trade	56,34,963
		Stores and spares	16,61,786
		Loose tools, etc.	9,53,113
		Debts, deposits and advances	39,04,347
		Investments	4,000
		Cash	5,24,431
	Rs. 1,71,67,664		Rs. 1,71,67,664

*Reserves are shown after deducting Rs. 4,82,050 being the debit balance in the profit and loss account.

India United Mills, Ltd.

The directors of the above Company (Agents: Messrs. Agarwal & Co., Bombay) submit the audited accounts of the Company for the year ended 31st December 1958.

The working results of the Company have in the year in question continued to be unsatisfactory and show a loss for the year of Rs. 66,74,156 (Rs. 31,52,513). After adjustments in the accounts in respect of the provisions for development rebate Rs. 1,16,525 (nil), taxation in respect of previous years Rs. 1,00,494 (Rs. 7,42,146), providing for managing agents' minimum commission (including adjustment of directors' fees) Rs. 50,000 (Rs. 40,000) and effecting an ad hoc reduction in the value of stock-in-trade Rs. 10,00,000 (nil) the total loss amounts to Rs. 79,41,175 (Rs. 60,13,081 after providing Rs. 14,18,422 for depreciation and Rs. 6,50,000 for bonus for the year 1957). Against this item of Rs. 79,41,175 (Rs. 60,13,081) the directors have adjusted the following:—The balance of general reserve after transfer this year as ex-

plained in 1(e) below Rs. 20,43,164 (nil), unutilised balance from provision for bonus in the past year Rs. 56,709 (nil) and the balance out of the last year's provision of Rs. 5 lakhs for stores after deducting Rs. 4,28,692 written off during the year Rs. 71,308 (nil) leaving the unabsorbed portion of loss for the year of Rs. 57,69,994 (Rs. 58,83,112 after taking into account the credit balance of Rs. 1,29,969 brought forward from the previous year. This whole amount was adjusted against reserve) to be carried forward to the next year's account.

There being no profit for the year, provision has been made in the accounts as per Section 198(4) of the Companies Act, 1956, for payment to the directors and the managing agents by way of minimum remuneration the sum of Rs. 50,000. Rs. 31,050 having been paid to the directors as their fees for attending the Board and/or the committee meetings, the balance of Rs. 18,950 only is proposed to be paid to the managing agents, for the year, subject to the approval of the Company.

Depreciation: The statutory development rebate in respect of additions to plant and machinery has been debited in the accounts under report. The normal depreciation for the year amounting to Rs. 12,23,545 has, however, not been charged in the accounts.

Value of closing stock: On account of the existence of large quantities of old stocks at the close of the year the question of their proper valuation was directed to be carefully considered by Shri S. A. Kher and following his report, the directors have directed an ad hoc reduction of Rs. 10,00,000 to be made in the total value of stock-in-trade, as shown above. The true value, however, of the old stocks can be ascertained only after they are disposed of and the price realised.

General reserve: The accumulated credit balances of Rs. 2,34,393 in the forfeited dividend account and Rs. 6,73,083 in the workmen's benefit fund have been transferred to the general reserve thus making a total reserve of Rs. 20,43,164 as the general reserve at the end of the year. This total amount as explained above, has been set off against the loss.

Taxation: The Company's income-tax assessments have been completed upto the accounting year ended 31st December 1953. Appeals, however, have been made against the assessment orders for the assessment years 1949-50 to 1954-55 (both inclusive). In respect of the assessment years 1955-56 to 1958-59 returns have been submitted by the Company on the basis of the published accounts.

The committee of directors appointed as mentioned in the last year's report has been meeting regularly almost invariably once every week and scrutinises the day to day working of the Mills, as per reports submitted to it by Shri S. A. Kher. In regard to the stock position, the Committee is particularly careful as until the accumulated old stocks were disposed of, it was difficult to improve the financial position of the Company. The efforts to dispose of the stocks have slowly been gathering momentum and the stocks are now moving reasonably fast. In the year in question the results were however disappointing. The stock at the commencement of the year was 53,785 bales comprising 43,594 bales unsold and 10,194 bales sold but not taken delivery of. The position as at 31st December 1958 was that the stock was 39,288 bales made up of 19,011 bales unsold and 20,277 bales sold but not delivered.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
Capital	2,50,00,000	Gross block	5,09,02,595
Reserves	1,16,525	Less—Depreciation	3,68,18,422
Liabilities	4,28,92,136		
		Net block	1,40,84,173
		Capital expenditure unallocated	7,25,320
		Stock-in-trade	3,97,47,042
		Stores, etc.	44,14,258
		Debts, deposits and advances	24,68,802
		Investments	2,95,542
		Cash	5,03,630
		Profit and loss account (deficit)	57,69,994
	Rs. 6,80,08,661		Rs. 6,80,08,661

Amalgamated Coalfields Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The Company's profit for the year is Rs. 16,10,855 (Rs. 9,47,462). And after providing taxation on profits for the year of Rs. 11,04,891 (Rs. 5,56,395) there remains a balance of Rs. 5,05,964 (Rs. 3,91,067). To this is added provision for liabilities no longer required Rs. 5,00,961 (Rs. 2,61,288), provision for taxation no longer required Rs. 30,265 (nil) and the amount brought forward from the previous year of Rs. 40,639 (Rs. 29,730) making a total of Rs. 10,77,829 (Rs. 7,89,498 including Rs. 1,07,413 being items relating to previous periods). From this amount is to be deducted: transfer to development rebate reserve of Rs. 1,06,200 (Rs. 30,000), transfer to general reserve of Rs. 3,50,000 (Rs. 1,70,000) and transfer to contingencies reserve of Rs. 2,00,000 (nil) leaving an available sum of Rs. 4,21,629 (Rs. 3,59,389 after provision for Labour Appellate Tribunal Award of Rs. 2,30,109). Out of this amount the directors recommend a dividend of 15 (12½) per cent. payable without any deduction for income-tax paid by the Company Rs. 3,82,500 (Rs. 3,18,750) leaving a credit balance to be carried forward of Rs. 39,129 (Rs. 40,639).

Output and despatches of steam and other grades of coal for the last three years are as follows:

Year ended	Raisings	Despatches
	Tons	Tons
31st March, 1959	9,46,564	9,38,545
31st March, 1958	8,61,267	8,59,453
31st March, 1957	8,53,379	8,55,642

Heavy capital expenditure was necessary for development and fitting out new collieries to replace some of the exhausting mines. Capital expenditure during the year was Rs. 6,68,811 excluding work-in-progress Rs. 6,64,980.

An amount of Rs. 1,06,200 (Rs. 30,000) has been transferred to development rebate reserve in compliance with the provisions of the Finance Act representing 75 per cent. of the development rebate allowable on plant and machinery installed. Rs. 3,50,000 has been transferred to general reserve in replenishment of the withdrawals made in 1957 and also to finance development plans. Rs. 2,00,000 has also been transferred to contingencies reserve to meet possible liabilities.

The Coal Prices Revision Committee have submitted their report, but unfortunately the recommendations which have been accepted by the Government of India, will not be applicable to this Company until its coal has been graded. Every endeavour is being made to allow the new prices to be effective at an early date. Present prices must be considered as uneconomic and are standing in the way of further development.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
LIABILITIES		Gross block	1,09,35,072
Capital	25,50,000	Less—Depreciation	77,39,072
Reserves	32,36,200		
Provision for taxation	11,30,000	Net block	31,96,000
Liabilities	45,62,815	Work-in-progress	6,64,908
Profit and loss account (surplus)	39,129	Stock	2,14,658
		Stores and spare parts	32,49,839
		Debts, deposits and advances	38,34,614
		Cash	3,58,125
	Rs. 1,15,18,144		Rs. 1,15,18,144

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

MANCHESTER LETTER

(Concluded from page 765)

On prices, Mr. Lee referred to the sharp rise in quotations in grey cloth, coupled with the scarcity of supplies. "How long conditions of shortage may continue depends on the rate at which the distributing sections seek to refill their empty pipelines," he said, "but I see no reason to expect this condition of shortage to be of any great duration."

Machinery Exports

Although shipments of British-made textile machinery this year have not suffered to the same extent as the fall in exports of cotton goods generally, overseas trade has been dwindling. For the nine months to the end of September, exports amounted to 813,236 cwts., as against 844,998 cwts., last year and 1,237,267 cwts. at the same stage in 1956. In view of the dearer prices ruling, earnings at £29,947,000 are a little higher than in the same period last year, but are over £4 million lower than in 1956.

Variations in the quantity of plant shipped abroad are more frequent than in the trade done in textile products. India remains the chief consumer, with virtually unchanged takings, but Egypt has risen to second place with 46,905 cwts. and Soviet Union is third at 44,751 cwts.

Egyptian Cotton Supplies

A delegation representing Lancashire spinners and raw cotton interests will fly out to Egypt on 31st October to discuss the possibilities of more extensive use of Egyptian cotton in Lancashire mills. Following approaches from Egypt through the Board of Trade, the spinning section of the industry has nominated a mission of five members, made up of two spinners and three merchants—two from the Liverpool Cotton Association and one from the Manchester Cotton Association—to visit Egypt for discussions with cotton interests there. The talks will last about a week.

Imports of Egyptian cotton have shrunk from a post-war peak of 380,000 bales to a mere 3,500 bales in the season which ended in July. Since the Suez crisis interrupted supplies, Lancashire mills have turned to alternative growths which, in many cases, have proved very satisfactory substitutes. More widespread use has been made of Sudan cotton; imports from the Sudan at 223,000 bales last season were second in volume only to those from America. American cotton grown from Egyptian seed has also helped to fill the gap in Egyptian qualities. —All Rights Reserved.

MORARJEE GOCULDAS SPINNING AND WEAVING CO., LTD.

SPEECH OF CHAIRMAN, MR. GOPIKISAN PIRAMAL, AT ANNUAL MEETING

TEXTILE INDUSTRY MORTGAGED TO IDEOLOGICAL EXERCISES IN ECONOMIC PLANNING

AN appeal to the authorities concerned not to hamstring the cotton textile industry in its efforts to make its legitimate contribution to national welfare was made by Mr. Gopikisan Piramal, Chairman of the Morarjee Goculdass Spinning and Weaving Company, Ltd., in the course of his forceful speech at the Eighty-eighth Annual General Meeting of the Company held at Bombay on Tuesday, 3rd November 1959. The industry, Mr. Piramal declared, was today sandwiched between the misunderstanding and unsympathetic attitude of the Government and the ruthless operation of economic and technological forces. He stressed the vital importance of rationalisation and automation in mills by saying that "not to undertake them is to put Tiger-moths against Jets."

The following is the full text of Mr. Piramal's speech at the meeting:

"GENTLEMEN, "It gives me great pleasure to welcome you all here to the 88th annual general meeting of our Company. The Directors' report and the audited statements of accounts have been in your hands for some time now and, with your permission, I shall take them as read.

"We are now approaching the fag-end of the second Five-year Plan and the draft of the third Plan is in the process of being drawn up. It is time, therefore, to make an appraisal of the deal that the cotton textile industry has received under the previous Plan dispensations and the outlook for the next five years, commencing 1960-61.

"You are by now well aware of the step-motherly treatment the industry has received at the hands of the Government. The interests of one of the most strategic sectors of the Indian economy have been mortgaged to ideological exercises in economic planning. As a vital foreign exchange earner and a major contributor to the national income, the industry has been mulcted of its revenues in order to shore up and spoon-feed handlooms and Ambar Charkhas whose technology and economics are dubious in the modern context. I shall remind you of only one instance of the inept approach of the Government to the industry. I am referring to the excise duty muddle of 1956 and the hasty retreat that Government had to back subsequently.

Margin of Survival

"The industry today is sandwiched between the misunderstanding and unsympathetic attitude of the Government and the ruthless operation of economic and technological forces. Indeed, when one takes into account the increasing rate of mortality of the units in the industry, one is inclined to feel that the margin of survival is encroaching dangerously upon the industry.

"I have no intention of appearing before you as a prophet of doom and I have a deep and abiding confidence in the inherent vitality of the industry. But, at the same time, I desire to call your attention to the open facts of the case and to appeal to the quarters concerned not to hamstring the industry in its efforts to make its legitimate contribution to the national welfare.

"As far as the ensuing Five-year Plan is concerned, one can only hope that the sins of omission and commission of the previous Plans are not repeated and that the necessary corrective measures are taken. The third Five-year Plan, let us not forget, will have to face the blast of the borrowing indulgences of its predecessors in the shape of interest and service charges and repayments that fall due. These international commitments can be met ultimately only through exports. The urgency to export arises not only from the exigencies of international indebtedness but is also underlined by the scarce availability of foreign exchange to implement the long-term developmental programmes and to finance the current demands of the economy in general.

"The problem of exports, as far as our industry is concerned, is intimately linked with deeper problems affecting the industry. To export is to compete both in price and quality.

"It would be my duty to refer here to the considerable broadening of active interests evinced by foreign private and public investment, aid and technical collaboration in India, thanks to the farsighted and strenuous efforts and personal tours abroad of our worthy Finance Minister, Shri Morarjibhai Desai. I shall also express here my fervent hope that, under the new set-up that will emerge from the proposed bifurcation of Bombay State, the industry in Bombay will receive the same encouragement from our respected Chief Minister, Shri Y. B. Chavan, that he has been giving us so far.

"There are signs that our exports this year have been given a leg-up by the international revival from the 1957-58 recession and the recent export incentives in the form of import entitlements in respect of cotton, machinery, and dyes and chemicals. But such incentives are in essence piecemeal and temporary palliatives when basic forces are still at work thwarting the existence and progress of the industry. The domestic market, too, has looked up this year, thus leaving the mills with lesser unsold stocks on hand to reckon with than last year.

Taxation

"Prior to the Finance Act of 1959, the taxation of dividends and company profits was already a complicated procedure and the situation was further aggravated by the imposition of wealth tax and excess dividends tax. The chief feature of the 1959 Finance Act is the substitution of a simpler system of taxation of corporate profits and the introduction of a scheme for deduction of tax at source. While the tax on companies has been reduced under the new system, the total taxes which companies and shareholders will together pay between them on profits and dividends respectively in a normal year will be substantially higher than under the existing tax system, as relief from income-tax will no longer be available to shareholders on their dividends.

"Your Company is being gradually switched over to the manufacture of superior varieties of cloth. Under our modernisation programme, we have, over the past few years, made substantial additions to plant and machinery worth over rupees twelve millions and the pace is likely to be maintained in the future. During the year under review, we have installed a number of Japanese combers and some more are expected to arrive in 1960. In addition, we have secured a licence for some automatic looms for replacement and an application is pending with the Textile Commissioner in respect of automatic looms for expansion which is likely to be decided in the current month. Moreover, a sanforising machine which is awaiting shipment is expected to be installed at the mills in early 1960. Over the next few years, we have plans for modernisation of machinery to the tune of five to six million rupees depending, of course, on the Government's sanction for the necessary import licences.

Company's Overseas Business

"Your Company's products are becoming popular overseas. The exports which were below 10 per cent. of the total sales in the past have reached over 20 per cent. in the year under review. It is hoped that, during the current year, exports will reach over 25 per cent. of the total sales of the Company. Your Company is, therefore, playing its part in helping to earn more foreign exchange which we so badly require.

"I am glad to inform you that our relationship with labour was most friendly and, bearing in mind the importance of smooth industrial relations, we are maintaining a spirit of cordiality with labour.

"I have also to extend my sincere thanks to my colleagues on the Board and the officers, staff and workers of the Company for the ungrudging co-operation displayed by them.

"I shall finally conclude by thanking you all, gentlemen, for making it convenient to be present here today. I now move that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 30th June 1959, already sent to the shareholders, be and are hereby adopted."

N.B.—This does not purport to be a report of the proceedings of the annual general meeting of the Company.

A Policy Issued By
The
Bombay Fire & General
Insurance Company, Ltd.

(Incorporated in India)

Your Symbol of Security in the
Event of

FIRE, ACCIDENT OR A
MARINE PERIL

Head Office:
Henley House, Graham Road
Ballard Estate, BOMBAY 1

Represented In
INDIA, BURMA & PAKISTAN

DEMAND FOR MONEY PICKS UP

(From Our Own Correspondent)

BOMBAY, 4th November

Conditions in the short-term money market have turned a little tight, consequent on the broadening of demand for bank credit. There was a sudden revival of demand on the eve of Diwali and this has persisted since then. It is, however, too early to say whether this marks the onset of the traditional busy season. Be that as it may, there has been a hardening of inter-bank call money rate, from 1½ per cent. to 2½ per cent. among the Exchange and big Indian banks and from 2½ per cent. to 3 per cent. among the smaller banks. House money at seven days' notice, however, continues to be bid at 3 to 3½ per cent. and short-term deposits for one to six months at 3 to 3½ per cent.

The downward trend in the 91-day Treasury Bill rate, noted in the previous two weeks, has been halted, the average rate of accepted tenders at yesterday's sales being unchanged at 2,420 per cent. per annum. The amount offered was no more than that invited, namely, Rs. 2 crores. Tenders for next week are again unchanged at Rs. 2 crores. There were no sales of Intermediate Treasury Bills during the period 28th to 30th October, but they are being offered this week at the self-same rate of Rs. 99.411 per cent. The negative response to the Intermediate Treasury Bills during the week under review is in striking contrast to the sale of Rs. 6.05 crores in the previous week and Rs. 4.25 crores in the week before it, that is, a total of Rs. 10.30 crores in a fortnight.

The Reserve Bank of India statement for the week ended 30th October 1959 discloses an expansion of Rs. 17.96 crores in notes in circulation. Notes held in the Banking Department are, however, lower by Rs. 19.96 crores, so that the fall in total notes issued is Rs. 2 crores, which is covered by a similar decline in rupee coin. There is again no change in foreign balances held abroad have gone up, the rise during the week under review alone being Rs. 10.33 crores. The aggregate increase during the last three weeks is of the order of Rs. 20.99 crores, thus lifting the total foreign assets to Rs. 198.20 crores. This represents an increase of Rs. 19.77 crores over the year. Deposits of the Central Government have declined by Rs. 12.39 crores, presumably due to transfer of funds to the State Governments which is reflected in a rise of Rs. 12.07 crores in deposits of "other Governments." Deposits of banks, too, have shrunk by Rs. 7.47 crores. Loans and advances to Governments have gone up by Rs. 1.69 crores and other loans and advances by Rs. 11.85 crores. Of the latter, advances to Scheduled banks against usance bills account for Rs. 1.70 crores. Investments have declined by Rs. 5.89 crores and Government Treasury Bills purchased and discounted by Rs. 6.80 crores.

The upward trend in Scheduled banks' deposits is being maintained with a rise of Rs. 2.09 crores in demand deposits and of Rs. 9.04 crores in time deposits during the week ended 23rd October 1959. Of the aggregate rise of Rs. 11.13 crores in deposits, the State Bank of India alone accounts for Rs. 7.10 crores. Advances have declined by Rs. 3.04 crores, the whole of which is accounted for by the State Bank, while bills purchased and discounted have gone up by Rs. 2.78 crores, the State Bank's share in this being Rs. 1.43 crores. There has been an addition of Rs. 14.99 crores to investments, of which Rs. 9.76 crores is due to the State Bank. This growth in investments apparently reflects the purchases of Intermediate Treasury Bills referred to above. While cash balances have shrunk by Rs. 6.37 crores, money at call and short notice is higher by Rs. 3.64 crores.

There has been no worthwhile development in the Gilt-edged market, which continues to be dull and devoid of support. There has, however, been no selling pressure. Barring 3 per cent. 1986 Conversion Loan which has shed 10 nP over the week to Rs. 74.75, the entire list is unchanged. State loans, too, are neglected, but the price-lines are well maintained. The volume of business is at a low ebb.

The persistent weakness of sterling abroad has affected the rupee also in terms of the U.S. dollar. Banks' selling rate of U.S. T.T. has gone up from Rs. 477 to Rs. 477.50 and their buying rate from Rs. 473.75 to Rs. 474 per \$100. In New York, spot sterling has receded from 280.51-280.54 cents to 280.40-280.44 cents and three months' forward from 280.95-280.98 cents to 280.89-280.93 cents.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 2nd November

Quiet conditions prevailed in the foodgrains market during the week, following slack demand which was being met mostly in local areas following good kharif crop. Sowings of rabi grains was still in full swing, but was likely to be finished by the week-end. Harvesting of munji crop was nearing completion and new paddy and munji crops were reaching the market in heavy quantity.

Wheat at Hapur eased by about 25 nP per maund during the week to be quoted on Monday at Rs. 17.25 per maund for average quality and upto Rs. 18.50 for farm produce. Daily arrivals of wheat in the market were reported to be about 100 maunds and demand for seed purposes was also subsiding. Arrivals in the market were still in private on fears of Government purchases under the wheat levy scheme to the extent of 50 per cent. at Rs. 13 to Rs. 15 a maund.

Following increased arrivals of munji and paddy crops in the market, there was a modest decline in rice during the week. Quotations were: *sela basmati* Rs. 32 to Rs. 35; *mainpuri* Rs. 24; *ramajayvan* Rs. 24.50; *gadda* Rs. 21.75.

Gram registered a fall of about 37 nP per maund during the week, as demand was poor and

BULLION UP AGAIN

(From Our Own Correspondent)

BOMBAY, 4th November

The Moorat trading in bullion for the *Sambat* year 1970, which took place on Saturday, 31st October, was a colourless affair. Operators did not show much interest in fresh business. Transactions put through were, therefore, on a reduced scale, with values moving narrowly.

Taking the whole week under review into account, however, it is seen that both silver and gold have registered handsome gains to the extent of Rs. 3-10 and Re. 1-7, respectively. The rise in silver followed good support lent by a bull syndicate. Even slackness in demand and large arrivals failed to have any significant effect. Gold ruled firm, in sympathy with the white metal and on reports that one prominent operator alone had taken delivery of a large quantity in October settlement.

In silver, November settlement steadily advanced from Rs. 209.4 on Wednesday last to Rs. 212.5 today, before finishing an anna lower. The net gain over the week was Rs. 3. December settlement spurted from Rs. 209.7 to Rs. 212.7, after being higher still at Rs. 212.8 today. Business in January settlement commenced today at Rs. 212-10. Towards the close, it stood higher at Rs. 213-2.

Ready silver began the week at Rs. 208-11, as against Rs. 208-7, and firmed up to touch a high of Rs. 211-11 today, a fresh record peak for the metal, and compares with Rs. 210-11 touched last week. The daily average arrivals of silver were as much as 27 bars, while the actual offtake was six bars per day. The floating stocks of silver are estimated at 900 bars.

In the gold section, November settlement advanced in the course of the week from Rs. 123-10 to Rs. 125-2, though the closing rate today was half an anna lower at Rs. 125-1-6. December settlement recorded a net increase of Re. 1-9, today's closing price being Rs. 125-7-6, as against Rs. 123-14-6 on Wednesday last week.

Ready gold met with good enquiries and rallied from Rs. 123-7-6 to Rs. 124-15 today before finishing at Rs. 124-14-6. The daily average arrivals and offtake of gold were 2,750 tolas and 3,000 tolas, respectively. The floating stocks of gold are reported to be in the neighbourhood of 80,000 tolas.

Both spot and forward silver in the London bullion market were maintained at the last week's levels of 80½d. and 76½d., respectively. Silver in New York was also unchanged at 91.375 cents. Ready gold in London improved from 250s. 3d. to 250s. 2d., owing to a slight weakness of the pound sterling. The latest available world price for gold in London is \$35.08-\$35.10 per ounce.

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

	4-11-59	Highest	Lowest	28-10-59
GOLD				
Ready (99 fine Mint)	124 14 1/2	124 1/2	123 8	123 11
Forward	125 1 1/2	125 1/2	123 12	123 11
SILVER				
Ready (99 fine Mint)	212 10	211 11	208 10	208 10
Forward	212 14	212 5	209 8	208 10
London Silver Ready	80 1/4	—	—	80 1/4
London Forward	79 3/4	—	—	79 3/4
London Gold	250 3/4	250 1/4	250 1/4	250 1/4
New York Silver	91 3/8	—	—	91 3/8

* 17th November settlement.

† 16th November settlement.

local stocks were heavy at about 50,000 maunds. Barley and *bejhar* also sought lower levels in sympathy. Maize continued to attract good consumer demand, but prices differ lower, due to easy supply position, following good crop in this area. There were also some arrivals of new *bajra* in the market. *Juar* and *guzar* ruled steady. The week-end prices (in rupees per maund) were:—gram 12.62; barley 12.62; *bejhar* 11.75; maize 11.25 to 11.50; dest 11.75; *bajra* 13.12; *jowar* 12 to 14; *guzar* 11 to 12.50.

Pulses registered a downward trend. Peas lost about a rupee per maund. Arrivals were at an average of 100 maunds daily and local stock was unchanged at 43 khatties. *Ahar* also tended to recede, as demand was dormant and stock was heavy at about 30 khatties. Other pulses ruled quiet. The week-end prices were:—peas *dara* Rs. 10.25; *farm white* Rs. 13.25; *peas dal* Rs. 12; *arhar* Rs. 16.50; *arhar dal* Rs. 20 to Rs. 21; *urd* Rs. 16 to Rs. 19; *moong* Rs. 16 to Rs. 18.50; *masoor* Rs. 14.50 to Rs. 16.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 2nd November

The tanned cow and buffalo hides market is weak, and prices are sagging, due to inactivity in the shipment business section. Importers seem to be keeping out of the market with a view to buying at lower prices. Tanners are slightly nervous at the trend of the market and are willing to book orders at lower levels. Meanwhile, stocks are accumulating in the bazaar and the tone is bearish. Demand for tanned buff calf is patchy. Arrivals of cow calf have been poor.

In the tanned goat skin section, the market is weak, except on top marks 8/9 lbs. average. Inquiries for sheep skins are small.

COTTON FUTURES SUBDUED

(From Our Own Correspondent)

BOMBAY, 4th November

The Moorat session of the cotton futures market on Saturday failed to extend the gains made in the earlier two sessions of the week. In fact, after displaying a steady undertone, the market staged a retreat on profit-taking and renewed selling attributed to the worsening of the Sino-Indian relations. Reports of good demand and fairly large turnover in piecegoods induced some fresh buying but it failed to lift values. The closing rate was consequently three rupees lower than the opening rate which was also the highest.

The market, however, again gathered strength on Monday following reports of unfavourable rains in Khandesh and Berar tracts and the expectation (which materialised) that the Cotton Advisory Board, which met yesterday, would recommend a fresh export quota of 75,000 bales of Bengal Deshi, although its recommendation regarding imports disappointed the trade as the quantity recommended for import, namely, 100,000 bales, was below expectation. Advances from the spot market indicating a slow-down of new crop arrival and brisk mill demand imparted strength to the market. The Jarilla March contract firmed up to Rs. 721.50 yesterday. This level attracted profit-taking and values receded to Rs. 719.25 at close. The market was closed today as a mark of respect to the memory of the late Mr. Nandalal Madhavdas Amarsey, a member of the E.I.C.A. The trend in *kerb* was subdued, with the quotation hovering round Rs. 718.

In the Moorat session in spot, held on Saturday, trading was dull. Business done was moderate in volume. Turnover was placed at eight to ten thousand bales. Demand in subsequent sessions, however, improved on reports of reduced arrivals. The mills were, therefore, eager to purchase available lots of good quality cotton, although sellers were hesitant to sell. Old crop Kalyan, 1954 and 197/3 attracted attention. New crop 320F Vijay, Digvijay, Wagad and Jarilla, etc., evoked good demand.

The export front presented a better appearance. The decline in Bengal Deshi prices were halted, thanks to inquiries from Japan. A moderate volume of business was done in Bengal Deshi. Hopes of fresh quota for Bengal Deshi have been strengthened, following the reported recommendation of the Cotton Advisory Board for the release of 75,000 bales of Bengal Deshi.

Demand for foreign cotton was brisk. Some Bombay mills were keen buyers of East African cotton. B.P. 52 was done at Rs. 1,170 c.i.f. and Busogo at Rs. 1,145. Good business was also reported in selected Egyptian and Sudan cotton.

There was disappointment in some quarters over the Cotton Advisory Board's reported recommendations that the Government should permit import of 100,000 bales of cotton stapling below 1-1/16" but not below 1-5/16" from any area. It was expected that the Board would recommend an import quota of at least 300,000 bales of cotton.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from the spot market at Sewri:

Bengal Deshi 615; Berar Jarilla 775; Gadag Laxmi 940; Punjab 216F 970; Mathia 681.

Karachi cotton futures market ruled fully steady during the week, with no changes over the week being nil. A limited volume of hedge selling and profit-taking was absorbed in mill buying. Values moved either way in a narrow range in limited trading. N.T.R.G. January, after declining to Rs. 63-11, improved to Rs. 64-10 before closing at Rs. 64-6, the same as the week-end quotation. The March contract fluctuated between Rs. 64-15 and Rs. 64-2 and finished at Rs. 64-10.

Cotton futures in Alexandria ruled firm during the week. Improved export demand from India and European countries and firm spot advances imparted strength to the market. Futures prices consequently hardened.

Actual exports from the commencement of the season till 14th October aggregated 19,682 bales. Of this 8,830 bales were shipped to the Continent of Europe and 11,052 bales to India, China and Japan.

Cotton futures in Liverpool scored handsome gains during the week on active trade and mill buying. Both the American and American type contracts were quoted higher. Sudan contracts were, however, neglected, and values remained practically unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December-January 21.80; March-April 21.90; May 22.20; July 22.05.

American cotton mixed growth contract: December-January 22.15; March-April 22.40; May 22.40; July 21.85.

Sudan: November-December, January-February 29.00; May-June 28.75.

New York cotton futures market reflected a steady undertone during the week. There was a moderate volume of liquidation and local selling which were absorbed by Commission Houses and mill buyers. The near deliveries were well favoured while the distant ones were neglected.

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

(In cents per lb.)

	2-11-59	27-10-59	20-10-59
Spot	32.70	32.70	32.75
December	32.42	32.39	32.33
March	32.88	32.85	32.86
May	33.13	33.14	33.15

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 4th November

There has not been any development of import to the yarn market in the past week. Enthusiasm among traders to enter into new commitments is lacking, as they prefer to await the emergence of a clear picture regarding offtake. Stray reports indicate resumption of working of several power-looms in Surat and other areas which had been seriously affected by the heavy floods. But these reports have not resulted in any marked rise in prices of rayon yarns. Staple fibre yarns also rule quiet, thanks to unsatisfactory enquiries from consuming centres such as Bhagalpur, Amritsar and Ludhiana. It is feared that many mills which are not showing any eagerness to sell at present may make offerings in the next few weeks. Cotton yarns, too, are depressed, thanks to tapering off of export demand, owing to the present high level of prices. Nylon yarns, however, have registered a notable rise of about Re. 1.25 per lb., following encouraging demand from consuming interests.

Cupressa Bamberg yarn (60 x 2) December contract dropped Rs. 2 to Rs. 1,674. Spot Cupressa was quiet at Rs. 7.44, same as last week. Among imported yarns, 120 Japan and 150 Italy rose by 3 nP each to Rs. 5.28 and Rs. 4.97, respectively. 150 Japan and 120 Italy both rose from Rs. 5.12 to Rs. 5.15. Among indigenous yarns, National Rayons 120 bright cones first grade stood at Rs. 4.75, as against Rs. 4.72 last week. 150 bright cones first grade gained a naya paisa to Rs. 4.35.

Staple fibre yarn (40 x 2) December contract put on Rs. 3 to Rs. 695. Spot Citys dropped 3 nP to Rs. 3.72. Kohinoors declined from Rs. 3.75 to Rs. 3.74. Century were unaltered at Rs. 3.75. Among imported yarns (80 x 2), Paramounts were unaltered at Rs. 8.87.

In the cotton yarn section, ten counts Podars gained 6 nP to Rs. 14.56. Twenty counts Hinds and Moderns were both dull at Rs. 19.75. Forty counts Minaxis had some buyers, the quotation spurring by 19 nP to Rs. 26.94. Moderns were quiet at Rs. 27. Sixty counts Raghuvamsis and Finlays were dull, the former being quoted at Rs. 56.50 and the latter at Rs. 61.50. Among eighty counts, Citys dropped 31 nP to Rs. 64.69. Moderns Mahendras fell by 25 nP to Rs. 73.25. Moderns were neglected at Rs. 79, as also Finlays at Rs. 81.

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

	4-11-59	28-10-59
Rayon yarns		
40 x 2 Cupressa Bamberg December (100 Kg.)	1,674	1,674
40 x 2 Cupressa Bamberg spot (per lb.)	7.44	7.44
120 Japan (per lb.)	5.28	5.28
150 Japan (per lb.)	5.15	5.12
120 Italy (per lb.)	5.15	5.12
150 Italy (per lb.)	4.97	4.94
Staple fibre yarns		
40 x 2 December (per case of 200 lbs.)	695.00	692.00
40 x 2 Kohinoor (per lb.)	3.74	3.75
40 x 2 City	3.72	3.75
Cotton yarns (per bundle of 10 lbs.)		
10s Podar	14.56	14.50
20s Hinds	19.75	19.75
40s Minaxis	26.94	26.76
60s Finlay	61.50	61.50
80s Mahendras	73.25	73.50

CASTOR IMPROVES

(From Our Own Correspondent)

BOMBAY, 4th November

The Moorat session, held on Saturday, commenced on a buoyant note, thanks to good overseas enquiries. But the strength tapered off subsequently on upcountry selling. Groundnut oil, however, continued to be steady. Castor and linseed futures were quiet, as a result of corrective profit movements in the Moorat session are indicated below:

	Opening	High	Low	Close
Castor seeds May	160.25	160.25	159.25	159.31
Groundnuts February	176.00	176.00	175.12	175.12
Linseeds May	35.21	35.37	35.12	35.12
Cottonseeds February	125.83	126.25	125.50	125.50

Over the week, the market presented quietly steady conditions. While there were heavy offerings, there was a notable improvement in the prospects for exports, particularly in the context of some export promotion measures announced by the Government of India. The Government has released a quota of two thousand tons of H.P.S. groundnuts in-shell for export to the United Kingdom and the Netherlands up to the end of March 1960. Established shippers of H.P.S. groundnuts will be granted quotas of H.P.S. groundnuts in-shell equal to ten per cent. of their basic year exports of H.P.S. ordinary groundnuts made to the U.K. and Netherlands only during any one of the calendar year 1949 to 1955. This measure did not make much impression on the market, since the quantities released for export is limited. Not only that, exports are restricted to only two countries, namely, the U.K. and Holland.

On Monday the Joint Chief Controller of Exports announced in Bombay that established shippers of groundnut oil will be given fifth repeat allotment for export up to the end of December 1959, equal to 15 per cent. of their basic year exports after they have completed shipments of groundnut oil against all the existing quotas to which they are entitled at present. At the same time, news regarding freights were rather discouraging. The Conference Lines have announced an increase of 10s. per ton in freight rates for groundnut oil and oilcakes which will come into force with effect from January 1960. This had a rather bearish influence on the market.

In the groundnut section, while futures presented cheerful conditions, the spot section remained dull. The strength in futures is mainly induced by good export outlook. Larger arrivals, particularly from Hyderabad and Bombay State, pushed down the values in the spot section. There were encouraging overseas advices for oil and oilcakes during the week under review. Oil, however, gave way at the close of the week mainly on account of proposed increase in freight rates. Groundnut February 1960, which had closed at Rs. 173.50 last week-end, moved up to Rs. 176 on Friday. During the Moorat session on Saturday, it came down to Rs. 175.12. Subsequently, it again recovered to close at Rs. 175.87—an increase of Rs. 2.37 over the week. Coromandel ready lost 75 nP to Rs. 36.25. Khandesh quality, however, was steady at Rs. 36.25. Oil ex-mill fell to Rs. 19.31 on Monday but improved to Rs. 19.50 yesterday. Today, however, it closed lower at Rs. 19.37.

The castorseed section elicited good support and firmed up, thanks mainly to better prospects for exports of castor oil to the U.S.A. Brazil is said to have been reluctant to export castor oil to the U.S. There were reports of export enquiries for sizable quantities for castor oil from the U.S. and the countries of the Communist bloc. Castor seeds May 1960, which had finished at Rs. 158.75 last week, hardened to close today at Rs. 162, after moving between Rs. 159.31 and Rs. 160.50 over the week. Ready Madras rose by 15 nP to Rs. 30.87, after moving in a narrow range during the week under review. Oil B.S.S. rose by 25 nP to Rs. 17.23. Similarly, oil commercial gained 12 nP to touch Rs. 16.37.

The linseed section was active, thanks to reported business in linseed oil with the U.S. Traders entertained hopes of better performance on the export front. Linseed May 1960 contract rallied from Rs. 34.75 to Rs. 35.37. Bold ready was marked up by Re. 1 to Rs. 35.62. Linseed oil was higher by 37 nP at Rs. 17.37.

Although raw cotton market was subdued, cottonseeds forged ahead on speculative support. Cottonseeds February 1960 contract, which had wound up last week at Rs. 123.50, rose gradually to close today at Rs. 126.50, after moving both ways in a narrow groove over the week.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	4-11-1959	28-10-1959	21-10-1959
Groundnut			
February 1960	175.87	173.50	172.12
Bold ready	35.75	36.00	36.50
Coromandel ready	36.25	36.25	36.50
Khandesh quality	36.25	36.25	36.50
Oil ex-mill ready	19.37	19.50	20.50
Hallway receipts	19.12	19.25	20.12
Castorseed			
May 1960	162.00	158.75	164.00
Ready Madras	30.87	30.37	31.50
Ready Kanpur	29.50	29.25	30.50
Oil B.S.S.	17.23	17.00	17.50
Oil commercial	16.37	16.25	16.50
Linseed			
May 1960	35.40	34.75	35.06
Bold ready	35.62	34.62	35.12
Oil ready	17.37	17.00	17.25
Cotton seed			
February 1960	126.50	124.50	127.50
Niger seed	31.50	31.50	31.75
Kandi seed	22.60	23.00	23.00

* Rates include excise duty but exclude sales tax.

† Rates exclude both excise duty and sales tax. ‡ All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 500 lbs., except in the case of cotton seed, for which it is 784 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

SUGAR PRICES RAISED

(From Our Own Correspondents)

BOMBAY, 4th November

Following the increase of Re. 1.85 per maund in the ex-factory prices of sugar in North India, announced by the Union Government on 24th October, the Government of Bombay has notified a corresponding increase of Rs. 5.08 per bag in the price of sugar of Decatur mills, effective from 25th October 1959. Accordingly, all stocks taken out from the factories from this date onwards will be subject to the special excise duty. The wholesale issue price in Greater Bombay has been fixed at Rs. 116.08 for D-29 grade, as against Rs. 111 which will apply to all stocks taken out of the sugar factories before the issue of the above orders by the Government of India. Consequent on this upward revision, the retail rates of sugar sold by fair price shops in Greater Bombay have been raised by 5 nP per seer, with effect from the 1st inst. The following are the revised rates per seer as compared with those prevailing before:

Grade	Revised Rates	Old Rates
A 29	1.13	1.08
B "	1.12	1.07
C "	1.10	1.05
D "	1.09	1.04
E "	1.08	1.03
B 28	1.11	1.06

The fair price shops continue to make available the stipulated supplies of sugar to consumers against ration cards at the officially fixed prices. But the open market prices of sugar are

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India			
Statement of Affairs for the week ended 30th Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	5,00,00,000		
National Agricultural Credit (Long-term Operations) Fund	80,00,00,000		
National Agricultural Credit (Stabilisation) Fund	30,00,00,000		
Deposits:			
(a) Government—			
(1) Central Government	55,00,00,000		
(2) Other Governments	30,28,18,000		
(b) Banks	73,44,21,000		
(c) Others	118,61,93,000		
Bills Payable	16,22,85,000		
Other Liabilities	20,57,28,000		
Total	Rs. 433,43,08,000		
ASSETS			
Notes	Rs. 10,68,91,000		
Rupee Coin	4,72,00,000		
Subsidiary Coin	8,78,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of India			
Statement of Affairs for the week ended 30th Oct., 1959			
CAPITAL AND LIABILITIES			
CAPITAL			
Authorised Capital—	Rs.		
20,00,00,000 shares of Rs. 100 each.	20,00,00,000		
Issued, Subscribed and Paid-up:			
5,62,50,000 shares of Rs. 100 each.	5,62,50,000		
Reserve Fund and Other Reserves	7,00,00,000		
Deposits and Other Accounts	569,65,65,000		
Borrowings from Other Banking Companies,			
Agents, etc.	0,56,33,000		
Bills Payable	1,53,29,000		
Bills for Collection being Bills receivable as per			
Acceptances, Endorsements and Other Obligations	1,49,21,000		
Other Liabilities (including Inter-Office Adjustments)	13,08,32,000		
Total	Rs. 607,95,30,000		
ASSETS			
Notes	Rs. 23,77,53,000		
Rupee Coin	20,08,80,000		
Subsidiary Coin	8,00,00,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of Pakistan			
Statement of Affairs for the week ended 23rd Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	3,00,00,000		
Deposits:			
(a) Central Government	83,35,44,000		
(b) Provincial Governments	1,14,58,000		
(c) Banks	33,44,00,000		
(d) Others	4,60,80,000		
Bills Payable	9,00,00,000		
Other Liabilities	7,91,58,000		
Total	Rs. 137,71,00,000		
ASSETS			
Notes	Rs. 14,00,77,000		
Rupee Coin	6,80,00,000		
Subsidiary Coin	82,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

* Includes Cash and Short-term Securities.
* Includes Temporary Overdrafts to State Governments.
The item Other Loans and Advances includes Rs. 1,70,00,000/- advanced to scheduled banks against unsecured bills under Section 17(4) (e) of the Reserve Bank of India Act.

State Bank of India			
Statement of Affairs for the week ended 30th Oct., 1959			
CAPITAL AND LIABILITIES			
CAPITAL			
Authorised Capital—	Rs.		
20,00,00,000 shares of Rs. 100 each.	20,00,00,000		
Issued, Subscribed and Paid-up:			
5,62,50,000 shares of Rs. 100 each.	5,62,50,000		
Reserve Fund and Other Reserves	7,00,00,000		
Deposits and Other Accounts	569,65,65,000		
Borrowings from Other Banking Companies,			
Agents, etc.	0,56,33,000		
Bills Payable	1,53,29,000		
Bills for Collection being Bills receivable as per			
Acceptances, Endorsements and Other Obligations	1,49,21,000		
Other Liabilities (including Inter-Office Adjustments)	13,08,32,000		
Total	Rs. 607,95,30,000		
ASSETS			
Notes	Rs. 23,77,53,000		
Rupee Coin	20,08,80,000		
Subsidiary Coin	8,00,00,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of Pakistan			
Statement of Affairs for the week ended 23rd Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	3,00,00,000		
Deposits:			
(a) Central Government	83,35,44,000		
(b) Provincial Governments	1,14,58,000		
(c) Banks	33,44,00,000		
(d) Others	4,60,80,000		
Bills Payable	9,00,00,000		
Other Liabilities	7,91,58,000		
Total	Rs. 137,71,00,000		
ASSETS			
Notes	Rs. 14,00,77,000		
Rupee Coin	6,80,00,000		
Subsidiary Coin	82,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of India			
Statement of Affairs for the week ended 30th Oct., 1959			
CAPITAL AND LIABILITIES			
CAPITAL			
Authorised Capital—	Rs.		
20,00,00,000 shares of Rs. 100 each.	20,00,00,000		
Issued, Subscribed and Paid-up:			
5,62,50,000 shares of Rs. 100 each.	5,62,50,000		
Reserve Fund and Other Reserves	7,00,00,000		
Deposits and Other Accounts	569,65,65,000		
Borrowings from Other Banking Companies,			
Agents, etc.	0,56,33,000		
Bills Payable	1,53,29,000		
Bills for Collection being Bills receivable as per			
Acceptances, Endorsements and Other Obligations	1,49,21,000		
Other Liabilities (including Inter-Office Adjustments)	13,08,32,000		
Total	Rs. 607,95,30,000		
ASSETS			
Notes	Rs. 23,77,53,000		
Rupee Coin	20,08,80,000		
Subsidiary Coin	8,00,00,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

* Includes Cash and Short-term Securities.
* Includes Temporary Overdrafts to State Governments.
The item Other Loans and Advances includes Rs. 1,70,00,000/- advanced to scheduled banks against unsecured bills under Section 17(4) (e) of the Reserve Bank of India Act.

State Bank of Pakistan			
Statement of Affairs for the week ended 23rd Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	3,00,00,000		
Deposits:			
(a) Central Government	83,35,44,000		
(b) Provincial Governments	1,14,58,000		
(c) Banks	33,44,00,000		
(d) Others	4,60,80,000		
Bills Payable	9,00,00,000		
Other Liabilities	7,91,58,000		
Total	Rs. 137,71,00,000		
ASSETS			
Notes	Rs. 14,00,77,000		
Rupee Coin	6,80,00,000		
Subsidiary Coin	82,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of India			
Statement of Affairs for the week ended 30th Oct., 1959			
CAPITAL AND LIABILITIES			
CAPITAL			
Authorised Capital—	Rs.		
20,00,00,000 shares of Rs. 100 each.	20,00,00,000		
Issued, Subscribed and Paid-up:			
5,62,50,000 shares of Rs. 100 each.	5,62,50,000		
Reserve Fund and Other Reserves	7,00,00,000		
Deposits and Other Accounts	569,65,65,000		
Borrowings from Other Banking Companies,			
Agents, etc.	0,56,33,000		
Bills Payable	1,53,29,000		
Bills for Collection being Bills receivable as per			
Acceptances, Endorsements and Other Obligations	1,49,21,000		
Other Liabilities (including Inter-Office Adjustments)	13,08,32,000		
Total	Rs. 607,95,30,000		
ASSETS			
Notes	Rs. 23,77,53,000		
Rupee Coin	20,08,80,000		
Subsidiary Coin	8,00,00,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

State Bank of Pakistan			
Statement of Affairs for the week ended 23rd Oct., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		
Reserve Fund	3,00,00,000		
Deposits:			
(a) Central Government	83,35,44,000		
(b) Provincial Governments	1,14,58,000		
(c) Banks	33,44,00,000		
(d) Others	4,60,80,000		
Bills Payable	9,00,00,000		
Other Liabilities	7,91,58,000		
Total	Rs. 137,71,00,000		
ASSETS			
Notes	Rs. 14,00,77,000		
Rupee Coin	6,80,00,000		
Subsidiary Coin	82,000		
Bills Purchased and Discounted—			
(a) Internal	23,59,93,000		
(b) External	20,24,84,000		
(c) Government Treasury Bills	92,47,47,000		
Loans and Advances to Governments*	1,04,04,18,000		
Other Loans and Advances	10,48,32,000		
Investments	438,43,08,000		
Other Assets	23,77,53,000		
Total	Rs. 106,88,80,000		

* Includes Cash and Short-term Securities.
* Includes Temporary Overdrafts to State Governments.
The item Other Loans and Advances includes Rs. 1,70,00,000/- advanced to scheduled banks against unsecured bills under Section 17(4) (e) of the Reserve Bank of India Act.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

CROP FORECASTS						
Crop		Forecast	(In thousand acres)		(In thousand tons)	
			1958-59	1957-58	1958-59	1957-58
Cereals—						
Rice	final	81,600	79,447	29,721	24,885	
Wheat	final	30,986	29,300	6,694	7,711	
Jowar	final	42,608	42,203	8,889	8,246	
Bajra	final	27,905	27,236	5,791	5,822	
Barley	final	8,154	7,549	2,440	2,258	
Maize	final	10,314	9,819	2,990	3,036	
Ragi	final	5,930	5,731	1,722	1,685	
Small millets ..	final	12,156	11,848	2,048	1,671	
Total cereals ..	final	219,633	213,138	61,295	58,004	
Pulses—						
Gram	final	24,840	22,862	6,826	4,979	
Tur	final	6,800	5,690	1,082	1,413	
Other Kharif ..	final	15,506	15,657	1,842	1,800	
Other Rabi	final	12,734	11,299	2,178	1,726	
Total pulses ..	final	59,970	55,478	12,208	9,507	
Total foodgrains ..	final	278,603	268,611	73,503	67,511	
Oilseeds—						
Groundnut	final	14,481	14,876	4,816	4,450	
Castor	final	1,108	1,184	111	114	
Sesamum	final	8,532	5,171	493	584	
Rape and	final	6,238	5,970	1,069	923	
Mustard	final	3,708	3,129	430	249	
Linseed	final	8,028	8,129	430	249	
Total oilseeds ..	final	51,002	50,339	6,919	6,061	
Fibres—						
Cotton*	final	19,825	19,096	4,705	4,739	
Julia A	final	1,827	1,742	2,178	4,052	
Mesta A	final	851	764	1,581	1,261	
Other crops—						
Potato	final	—	786	—	1,981	
Burcane	final	4,838	5,080	70,915	68,969	
Ginger (Dry) ..	final	80	—	18	15	
Pepper (Black) ..	final	331	251	26	27	
Chillies (Dry) ..	final	1,479	1,575	388	388	
Tobacco	final	—	929	—	232	

INDO-GERMAN ECONOMIC RELATIONS

(Concluded from page 760)

purchased from other countries. The best intention of the German Government or of German bankers cannot change this situation.

It has been said in certain Indian quarters that Germany had concluded a commercial treaty with China and had fixed therein quotas of goods to be purchased, and that this agreement had been made by private firms. This is not quite correct. The agreement was made by a group of private business men who, however, acted as agents of the Government which could not appear directly, as Germany has no relations with China. But in either case, it is left to the private German firms whether and to which extent they wish to make use of them. It is easy to get a list of all reliable and experienced import firms in Germany and to contact them. This appears to be the simplest and the only efficient way to come to contracts.

Main Commodities

Let us now pass on to a review of the different branches which form part of India's exports to Germany.

Jute: The German industry needs raw jute which, however, cannot be bought in India, but chiefly in Pakistan. In order to meet India's wishes, the German Government has liberalised the importation of *jute yarns* as from 1st July 1958 and, in accordance with a waiver which the G.A.T.T. has granted to Germany, the annual global quota for the import of jute fabrics, jute sacks and bags, has been increased in such a way that the quota will rise in the five years' period, 1960 to 1964, from a value of 475 million D-Marks to 850 million D-Marks. But, so far, the Indian exporters have not been able to make full use of this opportunity. During the period 1955-58, jute fabrics valued at 23 million D-Marks have been set free, but only for 3 million marks worth have been used by India. The sacrifice which it means from the German point of view to allow jute fabrics to enter the German market at all, in detriment to the German jute industry, has opened a chance, but only a closer study of the terms of trade will lead the Indian exports to a practical success.

Raw Hides and Skins may, of course, be imported into Germany without any restrictions. In spite of the objections of the German leather industry, a certain number of manufactured goods have been liberalised, that is, goat-skins leather and metis leather tanned, but not curried. Curried ones are allowed if imported for further processing in leather dressing plants. Further, also for neat leather undressed, certain global quotas are granted, the amount of which will increase annually. But the difficulty here is that the German importers are accustomed to buy them via London. If India wants direct trade, she must admit German buyers to come to India and settle down there. Besides, the price of goat-skins, one of the best items, has been raised by large purchases from the U.S.S.R., which did not insist on the same strict sorting standard, as the German users have to do, and by that the price for such consignments was raised beyond the world market price, cutting down further German purchases. Lately, even China has offered goat-skins cheaper than India.

The Germans are not a *Tea*-drinking nation, as England is. Nevertheless, owing to good propaganda, a great amount of tea is already being imported into Germany. It is true that tea and coffee are heavily burdened by excise and customs duties which form a source of revenue which the German Government cannot waive. Of course, the burden is carefully equalised for both sorts of beverages; but the trouble is that medium and low grade tea from India is burdened by an Indian *export* tax which makes these grades dearer than tea from other countries, that is, from East Africa which is becoming a serious competitor for India as well as for Ceylon. Furthermore, it has been noted by German importers that, often, the same quality is offered at the London auction on more favourable terms than at Calcutta, notwithstanding the cost of transport, re-export and auction fees. The reason may be that, at Calcutta, many consumers buy with rupees and grant higher prices than the customers can afford who will have to pay in free foreign money.

All these difficulties will have to be studied by Indian exporters as well as by the Government of India. It will be worthwhile doing so, because the German market is quite inclined to buy tea from India, and will be able to absorb more Indian tea than hitherto.

Easy is the trade in Indian *Coffee*, and it is known that, in 1956, Germany bought 4,500 tons, that is, almost 10 per cent. of the Indian coffee production. But India's harvest is relatively small; and, in view of the abundance of the world production of coffee, it might not be advisable to raise coffee cultivation in India.

The import of knotted coconut fibre carpets is liberalised from 1st July 1959. Restrictions on the import of woven coconut carpets might be withdrawn by mutual agreement with India. The import of coconut oil—highly detrimental for the German oil mills!—has been disturbed by export restrictions which the Government of India has introduced without considering previous contracts. It will not be easy to renew this trade.

Raw Cotton can easily be imported into Germany. Cotton fabrics are manufactured by the German industry in sufficient quantities and in qualities which meet the taste of the German customers. The German cotton industry suffers from a grave crisis. It will not be advisable, therefore, to render its position more difficult by imports from abroad. Nevertheless, the German Government is prepared to enter into bilateral negotiations with the Government of India in order to grant more facilities to Indian cotton goods, but it will require a closer study of the German market. We may remember that India has agreed to a ceiling on its cloth exports to the United Kingdom.

The products of the Indian *Handicrafts*, which please the German customers by their taste and their original appearance, have undoubtedly a good chance. Here the German buyers have complained that very often the deliveries of ordered goods did not correspond to samples. They were sometimes by no means inferior, but not identical. The Indian handicraft is evidently too much decentralised and therefore unable to work up to samples. A better organisation will help here, and will win more friends in Germany too. A direct contact with German department stores may perhaps prove to be the most efficient way for better sales.

But all these items will in the best event yield a moderate financial result compared to the trade balance. The only commodities which India could export to Germany in huge quantities will be *Ores*: iron ore and manganese ore. But here great difficulties present themselves. The ores of India are situated far remote from the ports. The cost of transport, and the difficulties which arise, when they are to be loaded at the ports, cause prices to rise, often even above the world market prices. There is no Indian port with loading facilities which are equal to the big ore-export centres in other countries. It has been suggested that India should export not iron ore but *pig iron*; but every expert knows that, in the steel manufacturing process, the big iron passes directly from the blast furnace to the steel plant, and it will not be easy to change this old-established chain of production by introducing pig iron from outside. Therefore, we need a far-reaching modernisation of the inland ore transport and of the loading facilities in special ports before ores will be able to be exported to Europe in huge quantities.

Personal Visits Essential

This review may not evoke enthusiastic feelings with regard to a sudden rise of India's export to Germany, but there are good chances which are worthwhile to be studied and tried with zeal. What is needed first of all are business-like men who know the market: either Germans domiciled in India, or Indians domiciled in Germany, who understand their respective branches and visit the partners personally, thereby creating the foundation of a lasting business contact. In no other branch of trade, personal confidence and long-established relations play such an important rôle as in the trade of the commodities which form the bulk of Germany's purchases in India. No casual contract-hunters are welcome there.

The other condition is a sharp control of the goods before they are shipped. This can be done either by an impartial company, for instance, the Controll Company, or a Chamber of Commerce, or, preferably, by an attorney of the purchaser. At any rate, it should be guaranteed that the shipment conforms with the sample. Any disputes which may arise after arrival will be a nuisance, and should therefore be avoided.

Finally, the Government of India should appoint a special official, whose duty it would be to defend the interest of India's export trade against any interference from whatever side it might come, in order to secure the *continuity* which, in this sort of trade, is more urgently required than anywhere else.

INDEX NUMBERS OF SECURITY PRICES

(1952-53 = 100)

Group and Sub-Group	Week ended			
	24th Oct. 1959	17th Oct. 1959	26th Sept. 1959	25th Oct. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.7	101.7	101.5	100.4
2. Government of India	101.6	101.6	101.3	100.3
3. State Government	102.8	102.7	102.7	101.5
4. Municipal, Port Trust, etc.	99.9	99.9	99.9	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.1	102.1	102.2	100.3
PREFERENCE SHARES—ALL INDIA.				
6. Total	93.1	93.6	93.7	88.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.				
7. Total	156.8	156.5	153.7	143.5
8. <i>Agriculture and Allied Activities: Total</i>	149.7	149.3	144.0	135.7
9. Tea Plantations	149.9	149.6	147.5	143.9
10. Coffee Plantations	206.2	208.2	194.6	216.0
11. Rubber Plantations	102.3	101.1	137.9	159.0
12. <i>Mining and Quarrying: Total</i>	143.6	144.6	144.2	148.4
13. Coal	111.6	112.1	112.7	115.4
14. Other Mining	165.6	166.9	165.7	171.1
15. <i>Processing and Manufacturing: Total</i>	164.4	164.0	159.7	142.1
16. <i>Processing and Mfg. (Foodstuffs, Textiles, etc.): Total</i>	167.5	166.2	151.6	129.9
17. Sugar	185.0	182.8	178.3	173.2
18. Cotton Textiles	133.5	132.3	126.9	115.2
19. New Textiles	138.0	138.8	138.8	138.8
20. Silk and Woolen	711.7	705.6	683.6	641.7
21. <i>Processing and Mfg. (Metals, Chemicals, etc.): Total</i>	161.9	161.5	176.9	162.5
22. Iron and Steel	162.9	164.2	160.6	158.2
23. Transport Equipment	295.5	298.5	283.6	208.4
24. Electrical Machinery	142.3	140.9	137.2	159.6
25. Machinery other than Transport and Electrical	196.4	195.9	190.5	174.3
26. Basic Industrial Chemicals	180.5	167.9	160.5	128.8
27. <i>Processing and Mfg. (Others): Total</i>	163.1	165.3	163.3	144.4
28. Cement	134.0	137.7	136.5	129.5
29. Paper	214.7	214.7	214.7	191.6
30. <i>Other Industries: Total</i>	116.1	115.4	115.6	118.1
31. Electricity Generation and Supply	90.2	90.2	90.7	95.3
32. Trading	105.2	104.7	105.3	89.4
33. Shipping and Other Transport	123.0	123.6	123.8	144.2
34. Construction	149.0	149.0	149.0	149.0
35. <i>Financial: Total</i>	169.6	169.9	170.8	183.9
36. Banks	184.9	185.9	186.6	209.3
37. Insurance	142.8	139.6	141.9	127.8
38. Investment Trusts	99.9	100.8	99.6	92.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL				
39. Bombay	131.5	162.1	158.4	147.4
40. Calcutta	146.7	146.7	146.7	146.7
41. Madras	173.6	171.2	166.8	155.4
42. Delhi	188.9	188.9	181.6	167.8

* Including 'Miscellaneous' † Including 'Edible and Vegetable Oils'.
‡ Calcutta Stock Exchange remained closed during the week.

IRON AND STEEL PRODUCTION (In Tons)

	Pig Iron	Steel Ingots	Salable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,800	1,108,800	786,900
Do. 31st March, 1959	1,187,500	1,149,900	884,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1957	102,200	104,100	68,800
Do. 31st March, 1958	99,500	107,800	70,300
Do. 31st March, 1959	125,000	121,100	98,500
Other Indian Steel Mills			
Year ended 31st March, 1957	128,700	125,500	97,100
Do. 31st March, 1958	133,200	129,600	104,600
Do. 31st March, 1959	133,200	129,600	104,600
Other Indian Steel Mills			
Year ended 31st March, 1957	695,156	532,351	441,483
Do. 31st March, 1958	733,945	507,580	410,558
Do. 31st March, 1959	869,933	608,205	496,217
Other Indian Steel Mills			
Year ended 31st March, 1957	199,839	133,568	106,501
Do. 31st March, 1958	252,705	176,443	158,907
Do. 31st March, 1959	241,105	177,438	149,470
Other Indian Steel Mills			
Year ended 31st March, 1957	78,795	62,510	49,296
Do. 31st March, 1958	97,082	71,411	55,903
Do. 31st March, 1959	94,200	62,644	51,556
Other Indian Steel Mills			
Year ended 31st March, 1957	79,615	60,701	49,428
Do. 31st March, 1958	79,539	67,901	48,868
Do. 31st March, 1959	79,539	67,901	48,868

Month	Number of disputes	Total of Average Number of workmen involved	Number of man-days lost
1957	1,680	889,571	6,429,310
1958	1,624	928,566	7,797,585
1959	1,168	86,969	845,699
1960	1,179	85,194	807,299
1961	1,183	100,466	902,367
1962	1,184	100,466	902,367
1963	1,184	100,466	902,367
1964	1,184	100,466	902,367
1965	1,184	100,466	902,367
1966	1,184	100,466	902,367
1967	1,184	100,466	902,367
1968	1,184	100,466	902,367
1969	1,184	100,466	902,367
1970	1,184	100,466	902,367
1971	1,184	100,466	902,367
1972	1,184	100,466	902,367
1973	1,184	100,466	902,367
1974	1,184	100,466	902,367
1975	1,184	100,466	902,367
1976	1,184	100,466	902,367
1977	1,184	100,466	902,367
1978	1,184	100,466	902,367
1979	1,184	100,466	902,367
1980	1,184	100,466	902,367
1981	1,184	100,466	902,367
1982	1,184	100,466	902,367
1983	1,184	100,466	902,367
1984	1,184	100,466	902,367
1985	1,184	100,466	902,367
1986	1,184	100,466	902,367
1987	1,184	100,466	902,367
1988	1,184	100,466	902,367
1989	1,184	100,466	902,367
1990	1,184	100,466	902,367
1991	1,184	100,466	902,367
1992	1,184	100,466	902,367
1993	1,184	100,466	902,367
1994	1,184	100,466	902,367
1995	1,184	100,466	902,367
1996	1,184	100,466	902,367
1997	1,184	100,466	902,367
1998	1,184	100,466	902,367
1999	1,184	100,466	902,367
2000	1,184	100,466	902,367

* In progress during the month. † Figures in brackets show the number of cases for which the relevant information is not available.

* Figures relate to all states and centrally administered areas as after reorganisation.

It will certainly take some time before the Indo-German trade balance can be levelled.

The deficit in India's foreign trade results from the fact that an "undeveloped" country is bound to import goods in huge quantities, without any consideration of the state of its exports. The balance will be made by term credits and loans. In this respect, Germany is doing her best, so that the greater part of her exports to India is delivered without payment. The balance of payments between both countries is much more favourable to India than the statistical position of the trade balance. The real problem is how India will repay the credits and loans which she is now receiving. Should her present exports prove to be insufficient, the only way would be to make a special offer in those raw materials which every creditor can take like cash, and which, for instance, in the case of Germany could be oilseeds, hides and skins as well as ores.—All Rights Reserved.

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank T.F.C.	15,00,000	1901	6.00	Mar. Sept.	104.00xd	100
BREWERIES AND SUGAR						
Bharat Sugar R.C.	5,00,000	1931	5.00	Dec.	70.00	100
Bhopal Sugar T.F.C.	15,00,000	1937	5.00	April	84.50	100
Carew & Co. T.F.C.	5,00,000	1936	6.00	Mar. Sep.	86.00	100
Cannore Sugar Works T.F.C.	10,00,000	1905-24	8.00	Feb. Aug.	102.00	100
Deccan Sugar & Abkhar T.F.C.	7,00,000	1920	8.00	July Apr.	5.82	5
East India Distilleries T.F.C.	22,00,000	1897	7.00	Jan. July	9.00	100
Gwalior Sugar R.C.	6,75,000	1940	7.00	Dec.	66.00	100
Do. (Non-redeem.)	5,00,000	1940	7.00	Dec.	66.00	100
Punjab Sugar Co. T.F.C.	6,00,000	1922	10.00	Oct.	13.50	100
Ramnagar Sugar T.F.C.	4,00,000	1933-36	6.00	Aug.	90.00	100
Saukya Sugar Co. T.F.C.	20,00,000	1943	5.00	Oct. Apr.	67.00	100
Travancore C.T.F.	21,20,000	1938	7.50	Oct.	20.00	100
Upper Ganges T.F.C.	15,00,000	1932	5.00	Dec.	90.00	100
Do. C.R.O.	12,00,000	1932	5.00	Dec.	70.00	100
Walchandnagar T.F.C.	3,50,000	1946	7.00	April May	115.25	100
COAL						
Borax T.F.C.	14,00,000	1899-97	6.50	Oct. Apr.	90.00xd	100
Burra (1st) T.F.C.	22,98,000	1901-19	7.00	Apr. Oct.	93.00xd	100
Do. (2nd) C.	4,50,000	1946	6.00	Feb. Aug.	6.70xd	10
Equitable T.F.C.	4,00,000	1895	6.00	Mar. Sept.	91.00	100
Karapuram Collieries C.	9,89,500	1946	6.50	...	60.00	75p.
Khadha Kajora C.	2,00,000	1920	7.00	Jan. Sept.	9.00	10
New Beetham T.F.C.	2,00,000	1920	7.00	Jan. July	11.00	10
Ondal T.F.C.	2,00,000	1898-99	6.00	Apr. Oct.	86.00	100
COTTON						
Ahmedabad Advance T.F.C.	10,00,000	1939	5.00	Apr. Oct.	84.00	100
Bangalore C.T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Basanti Cotton T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Bombay C.T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Do. B.T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Bradbury T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Buckingham & Carnatic C.T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Cambodia C.T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Central India T.F.	6,00,000	1939	5.00	Apr. Oct.	84.00	100
Centenary Sugar & Mfg. Co. T. F. R. C.	1,25,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F.	1,00,00,000	1928	7.00	Dec.	111.00	100
Combarbati Pioneer C.T.F						

STOCK & SHARE QUOTATIONS

Abbreviations: D.—Deferred shares. P.O.—Preferred Ordinary shares. Y.—Accounts published yearly. H.—Accounts published half-yearly. P.—Company has Preference shares. B.—Company has Debentures. N.—Nominal quotations. X.D.—Ex-Dividend. C.D.—Cum. Dividend. I.—Interim Dividend. F.—Dividend for first half of the year.

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

Accounts.—Figures in the 'Accounts Closed' column represent the months of the year in which the

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

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed		Latest available Quotation	Paid-up Per Share	Dividend Per Ordinary Shares				Accounts Closed	Reference	
						Spindles	Looms			1956	1957	1958	1959			
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.			
BOMBAY CITY AND ISLAND																
50,00,000	5,37,500	67,82,245	10,40,080	4,58,555	Rajputana Text. (Agency) Pvt. Ltd.	56,468	898	1.22	2	0.19	NH			12	Y.	
40,00,000	24,00,000	1,40,93,944	78,99,403	17,302	M.	50,596	1,021	R. R. Cotton Mills	22	100	NH	NH		3	Y.P.T.	
2,50,98,000	5,45,87,968	9,01,44,450	4,42,94,000	50,888	Novrosjee Wadia & Sons (Pvt.) Ltd.	47,704	4,211	Bombay Dyeing & Mfg. Z	68	25	2.50	2.50	1,000†	12	Y.	
10,00,000	20,40,366	78,24,032	4,42,94,000	60,888	Ramnarain Sons Private Ltd.	44,784	800	Bradbury Mills	132	50	15.00	7.50	5.00	3	Y.P.	
1,22,75,700	3,26,01,468	8,11,07,933	8,12,75,392	9,59,042	Birra Brothers Private Ltd.	1,20,752	2,752	Century Spg. & Mfg.	609	130	22.00	22.00	8,051	12	Y.P.	
26,00,000	20,04,902	1,21,49,933	73,38,437	61,364	Cowasjee Jhambhai & Co. Pvt. Ltd.	31,460	3,400	Cooria Spg. & Wvg.	147	120	12.50*	12.50*	7.50	3	Y.	
28,00,000	26,73,572	93,69,335	59,09,007	12,102	Ramnarain Sons Private Ltd.	43,900	112	Dawn Mills	115	60	7.50*	5.00	10.00	3	Y.	
84,00,000	15,61,000	85,42,424	64,50,001	16,34,576	Purandhar Bhatia Sons	46,476	928	Edward Textiles	220	15	15.00	15.00(c)		12	Y.P.	
29,08,050	11,19,516	1,43,32,108	61,20,632	2,51,087	N. J. Jagan, Esq. (Chairman)	40,620	880	Elphinstone Spg. & Wvg.	15	20	15.00	15.00		12	Y.	
60,00,000	63,57,852	1,81,16,905	95,94,207	37,155	James Finlay & Co. Ltd.	62,912	784	Finlay Mills	303	20	16.00	16.00		12	Y.	
60,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co. Ltd.	45,768	1,018	Gold Mohur Mills	251	10	15.00	15.00		12	Y.	
12,00,000	1,17,23,947	1,04,91,703	1,40,31,408	48,27,400	K. M. D. Thackersey, Esq. (Chairman)	50,240	1,120	Hindustan Spg. & Wvg. Mills	3,825	1,000	350.00	350.00	350.00(c)	3	Y.P.	
2,00,00,000	1,16,525	5,09,02,595	3,68,18,422	57,09,994	Agarwal & Co.	2,50,414	6,412	India United Mills	10	0.10	0.02	NH		12	Y.	
18,00,000	97,77,876	1,83,36,541	1,28,55,126	17,439	K. M. D. Thackersey, Esq. (Chairman)	57,440	1,152	Indian Mfg.	1.16	0.1D.	0.18		200.00(c)	8	Y.P.	
95,80,000	61,10,346	8,92,00,051	2,54,17,423	23,727	Khatun Makani & Co. (Pvt.) Ltd.	1,50,772	1,600	Khatun Makani Spg. & Wvg.	290	000d	100.00	10.00(c)	16.00†	6	Y.P.	
1,00,00,000	1,04,56,757	8,75,23,474	2,00,25,380	67,775	Kilik Industries Ltd.	1,25,074	1,540	Kolnoor Mills	823	100	10.00	10.00		12	Y.P.	
47,47,350	30,00,414	1,41,23,309	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	64	Modern Mills	55	50	8.00*	5.00(c)	3.00	6	Y.P.	
61,75,000	44,00,000	2,84,92,013	2,05,25,389	2,38,354	Pirani Sons Private Ltd.	71,604	1,652	Morjee Goudaldas Spg. & Wvg.	287	100	15.00	14.00(c)	15.00	21.50†	6	Y.P.
1,60,62,600	1,66,72,400	10,84,32,348	4,82,00,000	97,190	Chinal & Co. Private Ltd.	97,190	1,652	National Rayon Corporation	378	50	14.00*	14.00	11.20	12	Y.P.	
24,00,000	22,70,231	82,93,080	48,70,077	24,000	W. H. Brady & Co. Ltd.	45,944	432	New City of Bombay Mfg.	120	100	10.00	5.00	NH	12	Y.	
80,00,000	7,01,166	1,09,27,846	63,37,035	48,00,000	W. H. Brady & Co. Ltd.	40,012	979	New Great Spg. & Wvg.	171	50	10.00	NH		12	Y.	
48,00,000	57,10,107	1,76,53,764	1,15,83,593	36,434	Ramnarain Sons Private Ltd.	99,232	1,100	Podar Mills	145	100	12.50*	10.00		12	Y.	
40,00,000	40,79,554	76,38,108	12,12,113	20,271	Podar Sons Private Ltd.	32,600	930	Podar Mills	144X	100	12.50*	10.00	18.00(c)	12	Y.P.	
10,00,000	29,20,573	12,12,113	12,12,113	12,12,113	R. A. Polak, Esq. (Chairman)	45,944	432	Sassoon & Alliance Silk Mill	10	10	0.25(c)	0.25	NH	12	Y.P.	
37,70,100	1,18,46,143	2,51,80,351	1,49,71,893	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,127	Sassoon Spg. & Wvg.	43	00X	10.00	2.00		12	Y.P.	
80,00,000	46,03,455	1,75,55,556	70,08,050	22,207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Marwar Cotton Mills	12	100	12.00	8.00	10.00	10.00	12	Y.P.
42,00,000	21,46,143	1,75,55,556	70,08,050	22,207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	Simplex Mills	159	50	12.00	8.00	8.50	5.00(c)	3	Y.P.
1,09,76,000	2,39,70,402	8,04,88,221	2,04,23,247	1,708	Mafatlal Gajrabhai & Sons	96,856	2,400	Standard Mills	642	100	22.50*	22.50*	20.00		12	Y.P.
1,00,00,000	66,03,350	5,02,49,077	1,69,54,000	29,124	Tata Industries Private Ltd.	75,036	2,400	Swadeshi Mills	206	100	25.00	25.00	25.00		12	Y.P.
80,00,000	66,03,350	5,02,49,077	1,69,54,000	29,124	Tata Industries Private Ltd.	75,036	2,400	Swan Mills	44	12	25.00	25.00	25.00		12	Y.
65,57,875	49,27,888	2,40,99,835	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	Tata Mills	45	25	8.50*	2.00	1.50		12	Y.P.
14,00,000	60,80,577	17,18,091	69,81,908	27,600	Mangaldas Mehta & Co. Private Ltd.	50,056	958	Victoria Mills	350	100	300.00*	23.00*	22.00*		12	Y.P.
12,00,000	1,04,86,944	1,72,88,964	1,08,61,770	20,67,771	M.	54,664	1,212	Wadia & Sons	10	100	200.00*	22.00*	22.00*		12	Y.P.

BOMBAY CITY AND ISLAND

50.00,000	5,37,500	67,82,245	10,40,080	4,58,555	Rajputana Text. (Agency) Pvt. Ltd.	56,468	898	1.22	2	0.19	NH	12	Y.P.	
24.00,000	1,40,000	1,40,000	78,90,035	17,300	M. S. Cotton Mills	50,506	1,021	22	100	2.50	NH	12	Y.P.	
2,50,98,000	3,45,87,908	9,01,44,450	4,42,94,000	60,888	Novrosjee Wadia & Sons (Pvt.) Ltd.	50,596	4,211	88	68	2.50	2.50	1,000	12	Y.P.
10,00,000	20,40,366	78,24,032	4,42,94,000	60,888	Ramnarain Sons Private Ltd.	44,784	800	20	15	7.50	7.50	5	Y.P.	
22,75,700	38,94,988	1,21,49,933	8,12,75,392	9,59,042	Birra Brothers Private Ltd.	1,20,752	2,762	20	22	22	22	8,051	12	Y.P.
26,00,000	20,04,902	1,11,07,933	73,38,030	61,364	Cowasjee Jhambhai & Co. Pvt. Ltd.	31,460	680	15	12	12	12	7.50	3	Y.P.
28,00,000	26,73,572	93,69,335	59,09,007	12,102	Ramnarain Sons Private Ltd.	42,100	680	15	10	7.50	5.00	10.00	3	Y.P.
84,00,000	15,61,000	85,42,424	64,50,001	16,34,576	Purandhar Bhatia Sons	40,476	928	20	15	15	15	10,000	12	Y.P.
29,08,050	11,19,516	1,43,32,108	61,20,632	2,51,087	N. J. Jagan, Esq. (Chairman)	40,620	880	37	10	10	10	12	Y.P.	
60,00,000	63,57,852	1,81,16,905	95,94,207	37,155	James Finlay & Co. Ltd.	62,912	784	30	10	10	10	12	Y.P.	
60,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co. Ltd.	45,768	1,018	10	15	15	15	12	Y.P.	
12,00,000	1,17,23,947	1,04,91,703	1,40,31,408	48,27,400	K. M. D. Thackersey, Esq. (Chairman)	50,240	1,120	10	10	10	10	850.000	3	Y.P.
2,00,00,000	1,16,525	5,09,02,595	3,68,18,422	57,09,994	Agarwal & Co.	2,50,414	6,412	10	10	10	10	12	Y.P.	
18,00,000	97,77,876	1,83,36,541	1,28,55,126	17,439	K. M. D. Thackersey, Esq. (Chairman)	57,440	1,152	10	10	10	10	12	Y.P.	
95,80,000	61,10,346	8,92,00,051	2,54,17,423	23,727	Khatun Makani & Co. (Pvt.) Ltd.	1,500	1,500	10	10	10	10	12	Y.P.	
1,00,00,000	1,04,56,757	8,75,23,474	2,00,25,380	67,775	Kilik Industries Ltd.	1,25,074	1,846	10	10	10	10	12	Y.P.	
47,47,350	30,00,414	1,41,23,309	70,57,174	31,558	N. Sirur & Co. Private Ltd.	48,700	1,604	10	10	10	10	12	Y.P.	
61,75,000	44,00,000	2,84,92,013	2,05,25,389	2,38,354	Pirani Sons Private Ltd.	71,604	1,652	10	10	10	10	21,601	12	Y.P.
1,60,62,600	1,66,72,400	10,84,32,348	4,82,00,000	97,190	Chinal & Co. Private Ltd.	97,190	1,652	10	10	10	10	12	Y.P.	
64,00,000	22,70,231	82,93,080	48,70,077	24,000	W. H. Brady & Co. Ltd.	45,944	432	10	10	10	10	12	Y.P.	
80,00,000	7,01,166	1,09,27,846	63,37,035	48,00,000	W. H. Brady & Co. Ltd.	40,012	432	10	10	10	10	12	Y.P.	
48,00,000	57,10,107	1,76,53,764	1,15,83,593	36,434	Ramnarain Sons Private Ltd.	99,232	1,100	10	10	10	10	12	Y.P.	
40,00,000	40,79,554	76,38,108	12,12,113	20,271	Podar Sons Private Ltd.	32,600	930	10	10	10	10	12	Y.P.	
10,00,000	29,20,573	12,12,113	12,12,113	12,12,113	R. A. Polak, Esq. (Chairman)	45,944	432	10	10	10	10	12	Y.P.	
37,70,100	1,18,46,143	2,51,80,351	1,49,71,893	5,465	M. G. Investment Corp. Private Ltd.	96,488	1,620	10	10	10	10	10,000	12	Y.P.
80,00,000	46,03,455	1,75,55,556	70,08,050	22,207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	10	10	10	10	12	Y.P.	
42,00,000	21,46,143	1,75,55,556	70,08,050	22,207	Marwar Textiles (Agency) Pvt. Ltd.	77,436	1,620	10	10	10	10	5,000	3	Y.P.
1,09,76,000	2,39,70,402	8,04,88,221	2,04,23,247	1,708	Mafatlal Gajrabhai & Sons	96,856	2,400	10	10	10	10	12	Y.P.	
1,00,00,000	66,03,350	5,02,49,077	1,69,54,000	29,124	Tata Industries Private Ltd.	75,036	2,400	10	10	10	10	12	Y.P.	
80,00,000	66,03,350	5,02,49,077	1,69,54,000	29,124	Tata Industries Private Ltd.	75,036	2,400	10	10	10	10	12	Y.P.	
65,57,875	49,27,888	2,40,99,835	91,95,631	17,925	Tata Industries Private Ltd.	70,968	1,788	10	10	10	10	12	Y.P.	
14,00,000	60,80,577	17,18,091	69,81,908	27,600	Mangaldas Mehta & Co. Private Ltd.	50,056	958	10	10	10	10	12	Y.P.	
12,00,000	1,04,86,944	1,72,88,964	1,08,61,770	20,67,771	M.	54,664	1,212	10	10	10	10	12	Y.P.	

AHMEDABAD

40.00.000	27,78,612	1,90,92,976	69,55,118	11,155	Tata Industries Private Ltd.	49,144	1,018	Ahmedabad Advance Mills]	..	175.00	100	12.00	5.00	5.00	6	Y.P.T.
15.00.000	1,09,59,525	1,39,02,827	79,05,503		P. M. Huttichewar & Co. Ltd.	44,220	920	Arana Mills]	..	470.00	100	25.00	25.00	25.00	12	Y.P.
60.00.000	2,86,91,414	2,84,46,771	1,24,21,342	1,27,944	Narotam Lalbhai & Co.	6,412	1,218	Arvind Mills]	..	1,312.00	100	35.00	35.00	35.00	12	Y.P.
20.40.000	45,04,840	1,29,45,618	83,27,185		Narotam Lalbhai & Co.	6,412	1,218	Arvind Mills]	..	1,312.00	100	35.00	35.00	35.00	12	Y.P.
20.00.000	1,31,57,252	1,72,33,154	70,40,000	957	Lalbahai Dalmatiah & Co.	37,368	91	Asoka Mills]	..	645.00	100	30.00	30.00	20.00°C	12	Y.P.
2,04,25,000	2,84,29,731	6,88,43,600	3,04,87,886	8,145	Karamchand Premchand Pvt. Ltd.	1,39,120	2,378	Calico	..	680.00	125	60.00	30.00	25.00	22.00	Y.P.
43.00.000	27,81,252	1,72,33,154	70,40,000	8,145	Tejwanti Bhambhani & Co., Ltd.	46,638	1,218	Commercial Mills]	..	645.00	100	30.00	30.00	30.00	12	Y.P.
62.00.000	1,17,29,342	1,79,38,243	1,14,51,101	1,21,044	Lalbahai Chondai & Co., Ltd.	50,528	907	New Shorrock Spg. & Wvg.	..	1,227.00	125	40.00	35.00	35.00	12	Y.P.
65.41.900	75,41,900	97,25,296	30,67,374	228	Jasabhai Roshanji Nanavaty & Co.	26,660	672	Nutan Mills]	..	590.00	100	20.00	20.00	20.00	12	Y.P.
90.00.783	1,21,51,642	1,21,51,642	82,93,533	496	Lalbahai Chondai & Co.	49,144	1,018	Rohini Mills]	..	590.00	100	30.00	35.00	25.00°C	12	Y.P.
45.75.000	25,48,744	1,41,19,837	79,09,385	11,600	Rohitbhai Chinnubhai Esw. (Chairman)	35,196	648	Rohini Mills]	..	157.50	100	8.00*	9.00*	8.00*	12	Y.P.
75.29.000	8,01,44,505	2,32,18,108	1,32,23,150	59,960	Hariwalabhai Kallidas & Co.	94,128	1,780	Satpur Ambica Mills]	..	1,053.00	100	30.00*	25.00	8.00*	12	Y.P.
22.25.000	78,75,008	1,15,21,013	75,65,992	25,997	Lalbahai Chondai & Co.				..						12	Y.P.
					(Ahmedabad)]				..						12	Y.P.
85.00.000	75,48,859	1,84,94,632	92,06,120	25,810	Haridas Acharya & Co. Ltd.	80,648	720	Shorrock Spg. & Mfg.	..	582.50	100	30.00*	20.00	22.00*	12	Y.P.
						41,056	780	Vijaya Mills]	..	670.00	500	60.50*	40.00*	40.00*	12	Y.P.

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1956	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. nP	Rs.	Rs. nP	Rs. nP	Rs. nP			
PAPER														
45,00,000	41,25,866	2,20,92,169	1,63,24,169	54,751	Balmer Lawrie & Co. Ltd.	Bengal Paper Mills	107.00	25	2.50	3.12	5.50	1.00	12	Y.P.T.
63,00,000	65,47,004	2,32,06,898	1,03,23,856	54,751	Andrew Yule & Co. Ltd.	India Paper Pulp	21.75	10	1.39-2/5	1.40	1.00	1.00	3	Y.P.
25,00,000	33,79,739	1,52,01,582	96,32,785	43,794	M. D. Shivananappa, Esq. (Chairman)	Mysoor Paper Mills	23.00	10	1.00*	1.00*	1.00	1.25*	3	Y.P.T.
1,46,25,000	2,68,74,724	8,20,10,763	1,87,17,832	1,20,329	Birla Brothers Private Ltd.	Orient Paper	88.10	10	0.62	1.50	1.50		12	Y.P.T.
1,25,50,000	86,20,921	1,94,16,399	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	24.12	10	1.25	1.25	1.25		12	Y.P.T.
50,00,000	9,19,123	74,75,136	30,88,407	20,483	Bajoria & Co.	Star Paper Mills	12.12	O	1.05	0.60	0.60		9	Y.P.
2,18,55,240	51,23,786	3,98,55,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	14.28	10	0.60	0.50	0.65		6	Y.P.
50,00,000	3,85,66,722	6,68,90,634	3,73,82,529	1,16,856	F. W. Heggiers & Co. Private Ltd.	Titagur Paper Mills Co., Ltd.	45.00	A	1.12	2.38*	2.38*		3	Y.P.
4,67,60,000							4.00	P.O. 24	0.12	0.24	0.24		3	Y.P.
SAW MILLS AND TIMBER														
18,99,988	22,88,839	82,79,430	18,61,671	4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.15	3	NH	NH	NH	7.50	5	Y.
42,00,000	5,44,84,782	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corp.	18.75	Old125	18.75	19.00K	9.00	8.00	5	Y.
20,00,000	20,50,362	21,44,638	16,69,639	1,05,936	Gillanders Arbuthnot & Co., Ltd.	Indian Wood Products	34.62	10	8.00	2.75	2.50		5	Y.
SUGAR (U.P. and Bihar)														
81,00,000	16,50,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	6.31	NH	0.25	0.25		6	Y.	
18,00,000	29,80,280	55,40,831	36,32,435	12,12,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	125.00	A.100	10.00				4	Y.T.
9,00,000	9,25,000	33,56,131	25,76,647	66,832	Narang Bros. Ltd.	Batani Sugar	11.50	B.10	1.00				4	Y.T.
16,00,000	10,08,013	22,66,027	13,99,440	3,957	Cotton Agents Private Ltd.	Bhatnagar Sugar	15.02	74	1.00	1.00	1.00		9	Y.P.
32,00,000	1,08,55,222	1,49,71,234	1,02,01,879	11,728	Gladstone Lyle & Co. Ltd.	Carew & Co.	12.31	10	NH	0.25	0.25		6	Y.P.T.
30,00,000	68,00,047	1,46,58,531	86,00,000	6,822	Begg, Sutherland & Co. Private Ltd.	Cawnpore Sugar	13.50	10	0.75	NH	NH		10	Y.P.
16,00,000	36,41,544	55,45,310	32,25,098	34,923	Begg, Sutherland & Co. Private Ltd.	Champur Sugar	15.00	10	1.00	NH	0.50		10	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Deoria Sugar	9.50	10	0.50	NH	0.50		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	215.00	100	15.00	15.00	15.00		6	Y.P.
16,00,000	2,95,556	1,18,523	1,18,523	34,923	K. O. Thapar & Bros. Private Ltd.	Hindustani Sugar								

TEA AND OTHER PLANTING COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Refer- ence
									1955	1957	1958	1959		
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
PLANTING; PRODUCE AND RUBBER														
8,00,000	2,35,000	4,24,393	43,350	1,648	Planting Agencies (Private) Ltd.	Balmadras Plantations	2.95	2	0.21	0.45	0.25	0.15	5	Y.P.
25,00,000	20,25,000	50,55,438	6,98,019	15,281	Petree, Leslie & Co., Ltd.	Cochin Malabar	6.82	3	0.75	0.62	0.50	0.45	5	Y.P.
25,00,000	25,00,000	45,86,849	9,61,056	1,22,228	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	25.25	10	2.50	4.00	2.00		6	Y.P.
1,00,000	5,87,423	15,42,809	30,95,427	75,845	R. C. Paterson, Esq.	Consolidated Coffee	16.25	10	1.50	1.75	1.50	1.50	3	Y.P.
4,00,000	5,87,423	12,42,809	60,301	3,461	Associated Planters Private Ltd.	Cottanad Plantations	14.25	10	2.00	0.75	1.00		12	Y.P.
18,00,000	9,24,043	30,13,231	6,39,976	21,458	A. V. Thomas & Co., Ltd.	Highland Produce	12.52	10	2.00	2.00	1.00		4	Y.P.
8,00,000	6,82,846	19,66,906	3,05,819	11,993	A. V. Thomas & Co., Ltd.	Kalpetta Estates	17.65	10	3.25	2.25	1.70	1.60	3	Y.P.
13,50,000	4,77,380	20,94,033	3,70,508	13,167	K. T. Thomas Kathanar, Esq.	Malankara Rubber	12.37	10	2.00	2.00	1.00		4	Y.P.
40,50,000	29,09,139	86,11,082	10,30,523	2,531	A. V. Thomas & Co., Ltd.	Midland Rubber	15.75	10	1.50	0.75			12	Y.P.
2,35,000	4,06,000	16,43,851	2,29,134	22,019	A. V. George & Co., Ltd.	Nilambur Rubber	16.25	10	1.50	0.75			12	Y.P.
1,00,000	3,23,000	9,55,544	58,409	1,908	Associated Planters Private Ltd.	Nilambur Rubber Co.	5.54	2	0.20	0.60	0.20		10	Y.P.
14,50,980	22,18,923	46,95,527	15,75,048	4,912	Petree, Leslie & Co., Ltd.	Onchery Valley Estates	3.95	2	0.50	0.30	0.25		11	Y.P.
18,50,000	8,84,105	46,47,820	4,23,094	40,864	A. V. Thomas & Co., Ltd.	Rajastri Rubber	10.00	10	2.50	2.00			10	Y.P.
3,50,170	2,44,000	8,59,861	1,07,088	686	Petree, Leslie & Co., Ltd.	Savannal Estates Ltd.	2.78	2	0.00	0.60	0.18		3	Y.P.
12,00,000	1,35,000	18,24,855	88,427	15,743	East India Agencies Private Ltd.	Sangamshwar Coffee Estates Ltd.	26.62	10	3.00	3.00	0.60	0.18	3	Y.P.
10,00,000	2,74,418	22,50,914	1,70,648	16,692	Petree, Leslie & Co., Ltd.	Teskor Rubber (India) Ltd.	26.02	10	3.00	3.00			12	Y.P.
2,50,000	2,75,000	5,73,150	38,339	38,647	A. V. George & Co., Ltd.	Thangarany Rubber	1.88	1	0.124	0.05			12	Y.P.
9,15,800	4,00,000	25,40,087	1,37,435	22,927	Petree, Leslie & Co., Ltd.	Thirumalai Rubber	14.82	10	2.00	1.50	1.00		12	Y.P.
4,00,000	46,742	11,45,990	4,92,700	1,299	Repen Thomas, Esq. (Mg. Director)	Thirumbadi Rubber Co., Ltd.	6.87	10	0.75	0.40	0.50		12	Y.P.
41,00,000	14,50,980	35,55,548	16,43,709	23,041	Arundell & Co. (Travancore) Ltd.	Travancore Rubber & Tea Co., Ltd.	20.00	25	3.00	1.00	1.50		12	Y.P.
20,00,000	9,00,000	31,23,183	8,27,272	9,163	P. T. Thomas, Esq. (Mg. Director)	Thirumalai Rubber	10.75	10	0.75	0.40	0.50		12	Y.P.
2,00,000	4,29,900	9,25,785	33,552	872	A. V. George & Co., Ltd.	Tropical Plantations Co.	28.50	10	3.50	3.50	1.25		12	Y.P.
4,80,100	1,40,000	14,72,172	20,034	1,58,210	Petree, Leslie & Co., Ltd.	Udayasiri Rubber Co., Ltd.	3.80	2	0.30	0.15	0.30	0.30	3	Y.P.
12,00,000	11,40,982	14,72,172	20,034	5,478	M. K. Thomas, Esq. (Mg. Director)	Vaikundam (Travancore) Rubber	8.00	10	12.1	1.00	1.50		3	Y.P.
6,98,000	1,94,567	14,72,172	20,034			Wartilly Rubber Estates Ltd.								
						Woodland Estates								

J—Final dividend of Rs. 1.50 is on the increased capital.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation	Paid-up	Dividend per Share				Accounts Closed	Ref.	
								Rs. n.p.	Rs.	Rs. n.p.	1956	1957	1958			1959
Rs.	Rs.	Rs.	Rs.	Rs.				Rs. n.p.	Rs.	Rs. n.p.	Rs. n.p.	Rs. n.p.	Rs. n.p.			
60,00,000	44,70,000	1,29,07,472	57,07,182	16,782	M. N. Elias & Co. Private Ltd.	879	Agartara	18.31	10	0.25	0.25	0.25		5	Y.P.	
4,00,000	11,72,140	65,39,058	43,04,183	1,92,040	McLeod & Co., Ltd.	454	Alexandria	130.00	100	10.00	10.00	10.00		12	Y.P.	
30,00,000	12,05,190	37,80,000	1,02,00,000	1,254	McLeod & Co., Ltd.	1,084	Aligarh	130.00	100	10.00	10.00	10.00		12	Y.P.	
45,00,000	72,61,000	1,09,77,421	2,25,03,087	2,15,974	Dunand Brothers & Co. Ltd.	2,561	Anglo-India	255.00	100	3.50	7.00	10.00	12.50	5	Y.P.	
40,00,000	37,33,923	1,51,30,965	70,19,427	43,140	Bird & Co. Private Ltd.	810	Anglo-India	204.00	100	1.00	1.00	1.00	1.00	10	Y.P.	
20,00,000	29,38,583	1,07,62,180	17,05,565	32,647	Bird & Co. Private Ltd.	885	Bally	245.00	100	1.00	1.00	1.00	1.00	5	Y.P.	
25,75,000	2,63,032	81,640,294	5,69,487	41,78,577	St John H. Burder (Chairman)	1,889	Barnagore	179.00	100	1.00	1.00	1.00	1.00	5	Y.P.	
20,00,000	28,98,408	97,77,435	64,52,559	18,240	Andrew Yule & Co., Ltd.	820	Belvedere	179.00	100	1.00	1.00	1.00	1.00	12	Y.P.	
40,00,000	59,62,408	1,07,62,180	17,05,565	32,647	St John H. Burder (Chairman)	900	Bengal	12.00	100	1.00	1.00	1.00	1.00	5	Y.P.	
91,28,000	2,61,94,584	6,45,29,672	1,84,13,072	29,065	Bird & Co. Private Ltd.	1,373	Birba	166.00	100	1.00	1.00	1.00	1.00	1.00	5	Y.P.
64,00,000	19,85,850	1,17,06,422	70,59,451	38,113	Andrew Yule & Co., Ltd.	961	Budge-Budge	25.44	100	1.00	1.00	1.00	1.00	1.00	5	Y.P.
1,47,800	7,47,800	45,15,872	34,23,120	6,30,901	Dayanan & Son	502	Calcutta Jute Mfg.	6.31	10	1.00	1.00	1.00	1.00	10	Y.P.	
19,00,000	26,45,123	84,40,084	38,723	38,723	Andrew Yule & Co., Ltd.	1,012	Calcutta Jute Mfg.	6.31	10	1.00	1.00	1.00	1.00	10	Y.P.	
56,14,400	75,85,482	2,11,06,783	1,27,06,666	5,45,089	James Finlay & Co., Ltd.	600	Champdany	177.00	100	2.00	1.00	1.00	1.00	12	Y.P.	
19,00,000	51,84,670	45,15,872	34,23,120	6,30,901	Andrew Yule & Co., Ltd.	830	Cherivui	140.00	100	2.00	1.00	1.00	1.00	12	Y.P.	
30,00,000	60,00,000	89,14,415	54,94,801	78,480	McLeod & Co., Ltd.	202	Chitavara	202.00	100	1.00	1.00	1.00	1.00	11	Y.P.	
31,40,000	59,72,381	1,38,38,257	61,81,405	54,94,801	Shree Krishna Investment Co., Ltd.	969	Clive	15.25	100	0.62	1.10	1.00		11	Y.P.	
19,00,000	39,72,170	1,09,63,008	50,33,588	8,792	Bird & Co. Private Ltd.	796	Dalhousie	12.31	100	0.50	1.00	1.00		5	Y.P.	
30,00,000	59,72,381	1,38,38,257	61,81,405	54,94,801	Andrew Yule & Co., Ltd.	782	Dalia	149.00	100	1.00	1.00	1.00	1.00	11	Y.P.	
19,00,000	39,72,170	1,09,63,008	50,33,588	8,792	Bird & Co. Private Ltd.	500	Emporia	17.87	100	0.60	1.00	1.00		11	Y.P.	
21,00,000	74,32,310	2,61,29,629	1,59,43,058	1,94,544	Kottelwell Bullen & Co., Ltd.	1,384	Fort Gloster Industries	188.00	100	10.00	10.00	10.00	20.00	5	Y.P.	
21,00,000	10,22,948	1,27,75,074	68,81,071	1,96,649	Bangur Bros., Ltd.	1,014	Fort William	23.25	100	0.75	1.50	1.50	1.50	5	Y.P.	
10,00,000	20,50,513	69,32,327	43,80,380	1,51,070	M. N. Elias & Co. Private Ltd.	907	General Ind. Society Ltd.	30.00	100	6.00	6.00	6.00	6.00	12	Y.P.	
24,00,000	24,12,560	1,01,02,881	1,01,02,881	1,01,070	McNeill & Barry Ltd.	1,334	Gourapore	487.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
40,00,000	68,76,223	1,38,32,777	73,98,456	1,37,938	Bangur Bros., Ltd.	1,070	Hastings	80.00	100	5.00	5.00	5.00	5.00	5	Y.P.	
16,90,000	18,61,980	64,47,781	47,79,818	3,98,233	Balmain Brothers Ltd.	720	Hoochly	14.00	100	1.00	1.00	1.00	1.00	5	Y.P.	
16,90,000	18,61,980	64,47,781	47,79,818	3,98,233	Balmain Brothers Ltd.	1,940	Howrah	24.75	100	0.35	1.00	1.00	1.00	5	Y.P.	
6,90,000	80,85,784	2,36,54,182	1,09,483	1,09,483	Jardine Henderson Ltd.	2,772	Hukumchand	28.75	7.50	2.00	1.50	1.50	1.00	5	Y.P.	
87,00,000	20,36,458	1,52,85,108	98,26,868	63,088	M. N. Elias & Co. Private Ltd.	1,790	India	16.87	15.50	4.95	9.37	15.50	1.24	8	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	707	Karnahatty	196.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100	5.00	5.00	5.00	5.00	12	Y.P.	
24,00,000	31,11,227	1,97,71,840	1,24,02,441	2,920	Jardine Henderson Ltd.	1,587	Karnahatty	115.00	100							

gratifying to hear that, pending the work of the Commission, the German Government is prepared to allow imports of certain specified goods and also some quantities of non-specified goods for the purpose of testing the German market.

The most important point to be borne in mind in regard to export of Indian goods to Germany is the fact that trade in Germany is exclusively in private hands. The significance of this point was impressively brought out by Mr. von Pochhammer in the last issue of *Commerce*. His observations deserve careful study by both business men and the officials concerned in this country. The German Government may conclude trade treaties, liberalise quotas and reduce taxation, but it does not itself indulge in any trade. The actual business is done by German traders. And they will naturally buy from the cheapest market in the world. It must be recognised that, if India bought German goods and technical services in preference to others, it was not out of any special love for Germany but because their terms were favourable as compared with others. Similarly, it would be unrealistic to expect German business men to buy our goods in preference to others, if they are not competitive. Mr. Pochhammer's article clearly shows that India has not done all it can to promote the sale of its raw material, semi-manufactured and processed goods in Germany. He has given quite a few instances to substantiate his remarks. They are no exaggerations, in our opinion. Exports of cotton and jute textiles have been well below the quotas allotted to India. Coffee and tea from this country suffer from price disadvantage. Indian exporters have not been successful in establishing adequate contacts with Germany and the Indian Government has not been encouraging German importers to open offices in this country. The result is not only insufficient exports, but direction of a part of existing exports to Germany through London. Mr. Heller gave an example to show how direct contacts between Indians and Germans would lead to a larger offtake of Indian goods. Germany needs a particular type of tobacco which India can produce but has not been growing. With the guidance of German experts, India has, however, now begun to grow that particular type of tobacco and, in a few years, exports of tobacco to Germany are expected to be sizable. There is room for similar endeavours, particularly in the sphere of ores. It is, therefore, welcome news that Germany has expressed its readiness to assist this country in stepping up the extraction of ores and in arranging for its expeditious movement to points of export.

ARE advocates of co-operative farming more sinned against than sinning? Is it true that they have been mischievously misrepresented by their interested opponents? These questions deserve notice, because, if co-operative farming were an innocuous experiment and their advocates did not envisage it as a violent break with the past, it would be wrong to give it a bad name and hang it. Mr. Nehru, in the course of his speech inaugurating the co-operative week at New Delhi last week, admonished the critics of co-operative farming, asking them to "play the game" and tell the people the truth about co-operative farming. He said: "Our concept of co-operatives is that of a free association of free farmers." Mr. Nehru did not want Government officials or important local leaders to impose themselves upon co-operatives in any manner; in fact, he did not want them to be in the picture at all. In saying so, he is shutting his eyes to the facts as they are even now. There is not a single co-operative society worth the name which is not dominated by Government officials and/or party bosses. Let Mr. Nehru find out for himself as to who is actually running the sugar co-operatives, to give only one instance.

If co-operative farming is to be nothing more than a free association of free farmers, from which all compulsion is ruled out, there could, of course, be little opposition to it. But the fact is that there is a widespread fear that in the name of co-operative idealism, party or official pressure in a sinister form will manifest itself in the rural areas. In any case, the question will be asked as to why the ruling party should make co-operative farming a burning national issue if it is nothing more than to persuade people

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Dividend per Share				Accounts Closed	Reference
					1958	1957	1956	1955		
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. or £	Rs. or £			
16,00,000			Allahabad Bank	342.00	100	18.00	18.00	18.00	12	Y.P.
14,50,000	1,08,00,000	53,598		171.00	50	8.00	9.00	9.00	6.12	H.
1,01,000			Andhra Bank	103.00	80	8.00	6.00	6.00		
40,78,800				84.00	85	5.50	6.10	5.10	12	Y.
1,00,00,000	1,59,50,000	5,03,522	Bank of Baroda	101.25	100	10.00	8.00	12.25	12	Y.
25,00,000	27,00,000	1,880	Bank of Bikaner	45.50	25	1.12	1.25	1.50	12	V.
2,00,00,000	3,10,00,000	12,79,476	Bank of India	30.50	25	8.00	8.00	8.00	6.12	R.L.Y.
60,00,000				108.00	50	8.00	8.00	2.10	12	Y.
16,30,375	29,00,000	47,153	Bank of Indore	112.50	50A	4.00	4.25	4.00		
25,00,000	29,50,000	20,356	Bank of Madras	63.00	25	5.00	5.00	5.00	12	Y.
10,30,000	90,61,613	70,232	Bank of Mysore	40.00	100	16.00	16.00	16.00	12	Y.P.
25,80,820	51,24,246	37,384	Canara Bank Ltd.	81.00	50	5.00	5.00	5.00	12	Y.
1,00,00,000	14,40,000	6,716	Canara Bankrup Corporation Ltd.	50.00	100A	15.00	15.00	15.00	12	Y.
5,86,587A	25,24,200	12,632	Canara Ind. & Bkgs. Syndicate Ltd.	160.00	C ¹				1.33	R.L.Y.
2,62,11,875	4,04,68,517	17,32,516	Central Bank of India Ltd.	4.40	25	3.50	3.50	15.50		
A52,42,875				50.00	25	3.50	3.50	3.50	1.33	12
60,00,000	46,00,000	3,02,015	Devkar Nanjee Banking Co.	53.50	50	3.00	3.00	3.00	1.30	12
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P.)	40.12	50	1.57	0.60	0.60	12	Y.
1,28,00,000	10,00,000	29,695	Hindustan Commercial Bank	14.25	60	NH	NH	NH	12	Y.
60,00,000	2,08,000	12,536	Hindustan Mercantile Bank	19.50	60	NH	NH	NH	12	Y.
43,00,000			Indian Bank	178.00	100	12.00	15.00	13.00	6.12	R.L.Y.
22,40,000	98,91,884	60,933		151.00	80	9.75	12.00	10.40	12	Y.
50,00,000	52,30,560	2,03,141	Indian Overseas Bank	177.50	100	10.00	10.00	10.00		
18,75,000				145.00	75				12	Y.
10,00,00,000	10,00,00,000	30,428	Pandyan Bank Ltd.	34.25	25	1.87	1.87	2.50	12	Y.
1,25,00,000	1,27,00,000	4,48,910	Punjab National Bank—K	21.00	10	4.00	5.00	2.00	1.00	12
8,48,50,000	55,70,153		State Bank of India	80.00	100	1.00	1.00	1.00	12	Y.
1,00,00,000	27,72,000	19,529	Travancore Bank	25.50	25	1.00	1.25	1.25	12	Y.
60,00,000			Union Bank of India	6.92	5	0.44	0.44	3.75	12	H.
1,26,00,000		1,41,552	United Bank of India	61.50	100	0.87			12	R.L.Y.
2,65,03,566	38,00,000	1,21,542	United Bank of India	19.30	30	0.30	0.30	0.30	12	R.L.Y.

Amount		Description		Dividend (p.c.)		Yield	
\$2,000,000	\$2,100,000	\$174,988	British Bank of the Middle East	\$2-19-0	\$1	107	107
\$5,000,000	\$5,500,000	\$455,019	Chartered Bank	\$3-9-3	\$1	157	157
H.K. \$62,311,375	\$8,000,000	H.K. \$2,055,475	Hongkong and Shanghai Banking Corporation	\$5-0	H.K. \$125	5	5
\$24,809,508	\$23,950,000	\$703,010	Lloyds Bank	\$3-6-0	\$1	137	137
\$2,940,000	\$2,300,000	\$231,407	Mercantile Bank Ltd.	\$2-4-3	\$1	147	147
\$2,851,563	\$3,168,579	\$351,340	National and Grindlays Bank Ltd.	\$1-12-0	sh. 12 1/2	157	157

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred Rs. or £)	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1933	96.00	1st June . . . 1963
4,00,000	6	1st March and 18th September	Carew & Co. (2nd mortgage) . . .	1941	92.00	28th February . . 1960
10,00,000	6	1st August and 1st February	Ravalnagar Sugar	1942	100.25	27th December . 1962-62
10,00,000	6	1st May and 1st November	Ravalnagar Sugar (New)	1944	87.00	1st November . 1958-64
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) . .	1944	95.00	1st November . 1969-64
COAL						
20,00,000	6	30th April and 31st October	Bharat Collieries	1944	90.00	30th June . . . 1964
29,00,000	6½	20th June and 31st December	Burttark Coal Co.	1947	87.00	30th June . . . 1967 (a)
47,00,000	6½	15th June and 15th December	Equitable Coal Co.	1953	100.00	14th December . 1969 (a)(i)
COTTON						
7,00,000	6½	30th June and 31st December	Basant Cotton Mills Ltd.	1942	85.00	30th April . . . 1964
4,00,000	6	10th May and 10th November	Batala Knug	1937	85.00	15th November . 1966 (b)
67,94,000	6T	1st April and 1st October	Buckingham and Carnatole	1952	100.00	1st March . . . 1972 (a)
40,00,000	6	1st April and 1st October	Gokak Mills	1957	100.50	1st April . . . 1967-72
18,71,000	6	30th June and 31st December	Jaipur Textiles	1959	90.00N	1st January . . . 1965-69
30,51,000	6½	1st June	Tata Mills	1951	92.00	1st June . . . 1967-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agria Electric Supply Co. Ltd. . . .	1950	90.00	31st March . . . 1965 (a)
1,25,00,000	6	15th June and 15th December	Ahmedabad Electric Co., Ltd. . . .	1940	98.50	14th June . . . 1960
98,28,000	6½	1st April and 1st October	Andhra Valley Power Supply Co. . .	1940	101.00	31st March . . . 1975
12,71,000	6	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1944	90.00	31st December . 1964 (a)
2,32,29,400	6	1st January and 1st July	Balcatta Electric Supply Corporation Ltd.	1950	97.75	1st January . . . 1970 (a)
25,00,000	4	30th June and 31st December	Goutpore Electric Supply Co., Ltd. .	1951	91.00	31st December . 1970
13,80,000	6	1st January and 1st July	Silisa (Theriah) Electric Supply Co., Ltd.	1945	81.00	30th June . . . 1960
2,90,00,000	6½T	31st March and 30th September	South Madras Electric Supply	1939	95.00	1st April . . . 1959-61
1,00,000	6T	3rd April and 3rd October	South Madras Electric Supply	1940	93.50	30th September . 1953-63
47,73,000	6	1st April and 1st October	Tata Power	1940	101.50	1st July 1960
2,50,00,000	6	1st April and 1st October	Tata Power	1940	87.00	15th September . 1965-70
ENGINEERING						
5,00,000	6	30th June and 31st December	Drifannia Engineering	1945	84.00	31st December . 1969
1,50,00,000	6	1st January and 1st July	Guest, Keen, Wain & Co.	1958	103.00	1st January . . . 1967-71
29,18,000	6½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	98.50	1st July 1957-62
10,00,000	6	31st May and 30th November	Kumardhobi Engineering Works Ltd.	1946	84.00	31st May 1971
2,00,00,000	6	1st April and 1st October	Tata Locomotive	1940	91.00	1st October . . . 1960-65
40,00,000	6	31st December	Tata Machine Corporation Ltd. . . .	1950	98.00N	31st December . 1960 (a)

\$255,280	44	1st January and 1st July	Calcutta Tramways	1900	\$66.10N	At 105% at any time on 6 months' notice or on par or every seventh year thereafter
\$157,788	5	1st April and 1st October		1933	\$74.10N	1st October .. 1971
6.50,000	8	30th June and 31st December	Kolkata-Dalbarah Railway	1945	85.00N	31st December .. 1959 (a)
\$200,000	4	30th June and 31st December	Shahadai-Lalbahar-Sahanpur Railway	1905	\$24N	Any time on six months' notice (a)
4,14,13,000	44	1st March and 1st September	Bombay Steam Navigation	1949	99.50	1st September .. 1963
PLANTING						
10,00,000	GT.F.	31st March and 30th September	Nilgiri Tea		100.00	1st April .. 1955-66†
6,00,000	W.F.	1st January and 1st July	Kalling Rubber Co., Ltd.	1935	100.00	1st July .. 1959-68
MISCELLANEOUS						
10,00,000	44	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	\$2.00	31st December .. 1965
\$2,00,000	44	1st January and 1st July	Associated Hotels of India	1943	85.00N	31st December .. 1962
8,00,00,000	44	1st March and 1st September	Barnard Shaw	1954	101.50	1st September .. 1964-60 (a)
200,00,000	44	1st April and 1st October	Caltex Oil Refining (India)	1955	103.00	1st October .. 1970
\$1,00,000	44	1st February and 1st August	Five Buildings Calcutta Ltd.	1951	85.00N	1st February .. 1964
15,08,000	44	1st July and 1st January	Chowringhee Properties	1915	82.00	1st July .. 1960
10,00,000	44	1st March and 1st September	Dalhousie Properties	1946	78.00	1st September .. 1986
2,04,55,000	44	1st January and 1st July	Dalmin Cement (Bharat) Ltd.	1946	105.00	1st January .. 1973 (a)†
1,00,00,000	44	1st January and 1st July	Dunlop Rubber Co. (India)	1950	108.25	30th June .. 1969 (a)†
1,00,00,000	44	1st January and 1st July	Indian Cable Co. Ltd.	1954	101.50	30th June .. 1969 (a)†
1,00,00,000	44	1st January and 1st July	Mettur Chemical Industries	1949	83.00	30th June .. 1969 (a)†
8,89,500	44	1st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	610.00	30th September .. 1972 (a)
45,00,000	44	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	610.00	31st December .. 1976 (a)
75,00,000	5	1st April and 1st October	Macmillan and Barry Ltd.	1951	85.00N	1st April .. 1971
1,50,00,000	44	30th April and 31st December	National Itacon	1955	102.00	30th June .. 1965-70
1,00,00,000	44	31st March	Oriental Paper Mills Ltd.	1951	92.00	31st March .. 1964 (a)
1,00,00,000	44	30th June and 31st December	Shree Ganga Industries Ltd.	1951	99.00	31st December .. 1959
1,00,00,000	44	January and July	Shree Gopal Paper Mills Ltd.	1944	85.00	15th July .. 1966
50,00,000	44	16th Feb. and 16th August	Shree Gopal Paper Mills Ltd.	1955	98.00	16th February .. 1965 (a)†
4,10,00,000	44	1st May and 1st November	Tata Chemicals Ltd.	1945	104.00	1st May .. 1965-66†
25,00,000	44	30th June	Tata Chemicals Ltd.	1945	98.25	30th June .. 1965-66†

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th November, 1959.

	1950	1951	1952
Hum. Adv. (100)	185.00	175.00	172.00
Apolla (25)	1.26	1.30	1.22
Bumlay Dyeing (25)	67.60	69.00	67.40
Bradbury (50)	132.50	131.00	132.30
Central India (100)	113.00	113.00	113.00
Century Mills (100)	620.00	622.00	108.00
Edwards Textile (200)	620.00	622.00	622.00
Elington (50)	27.00	27.00	215.00
Finlay (100)	233.00	37.50	37.00
Gokak (100)	173.00	175.25	297.00
Ind. United (50)	1.10	1.20	1.10
Ind. United, Ord. (10)	1.10	1.24	1.08
Indore Malwa (100)	110.00	112.20	103.82
Khanau (100)	100.00	100.00	96.50
Kohinoor (100)	226.25	263.75	257.50
Kohinoor (250)	815.50	826.50	312.00
Lakshmi (250)	480.00	485.00	480.00
Minerva Mills (100)	70.00		485.00
Modi Sasson (250)	60.00		72.00
Morarij (100)	208.00		60.00
Neyore (50)	271.00		267.00
National Rayona (100)	75.00		270.00
National Rayona (250)	375.50	384.50	361.00
New Great (100)	125.75	127.00	125.00
Phoenix (100)	146.00	147.00	131.00
Phoenix (200)	145.00	147.00	171.50
Sassoon Silk (100)	145.00	146.00	145.00
Sassoon Silk (100)	145.00	146.00	145.00
Sassoon Spg. (10)	45.75		10.00

Bank of India (50) ..	110 00			
Do. (New) (50) ..	113 00	110 50	107 50	107 50
Bank of Baroda (50) ..	103 50	113 50	111 50	112 50
Central (25) ..	40 25	102 00	101 25	101 25
Central 'A' (25) ..	50 00	50 00	48 50	49 00
Dena Bank (50) ..	53 50	50 50	40 50	50 00
Punjab National (10) ..	21 00	—	—	53 50
Union Bank (5) ..	7 00	—	—	21 00
United Com. (50) ..	61 20	7 00	6 92	6 02
		61 50	6 92	6 02

Ahmedabad (100) ..	95.60	95.50	95.00	95.30
Amalgamated (10) ..	11.16	—	—	11.24
Andhra Valley (1,000) ..	1,081.25	1,032.50	1,075.00	1,080.00
Bom. Sub. El. (100) ..	104.00	104.00	103.00	103.75
Burat (100) ..	103.00	103.50	102.25	103.50
Tata Hydro (100) ..	112.00	113.25	112.50	113.00
Tata Power (1,000) ..	1,125.00	1,138.25	—	—

British India (10) ..	14.24	—	—	14.24
Empire of India (100) ..	200.00	—	—	200.00
Ind. Mercantile (20) ..	47.00	—	—	47.00
Jupiter (15) ..	6.12	47.50	47.00	47.50
New India (15) ..	66.00	68.00	66.00	6.12
Vulcan (10) ..	21.52	—	66.00	67.30

Ind. Iron (10)	23.84	24.28	23.72	24.28
Mukand Iron (10)	22.36	22.36	16.12	18.16
Tata Steel Ord. (75)	154.50	158.00	150.12	150.12

Belapur (50)	331.00	344.50	330.00	342.00
Bhopal (10)	24.60	24.60	24.44	24.60
Changdeo (12.50) ..	29.00	30.50	30.00	30.50
Phaltan (50)	184.00	180.00		

CEMENT COS.				
Associated Cts. (100) ..	151.75	156.00	151.50	155.25
Digvijay (100) ..	144.00	145.25	144.00	145.00

Aleock Ashdown (100).	251.00	255.00	248.00	255.00
Bom. Burma (125) ..	535.50	549.50	532.50	547.00
Do. (New) (50) ..	195.00	194.50	190.00	190.00
Br. B. Petrol (4 sh.) ..	1.44	1.44	1.40	

Hindustan Motors (10) ..	13 86	51 75	81 25	31 75
Indian Copper (2 sh.) ..	3 88	13 72	12 76	13 72
Ind. Inv. Tr. (100) ..	80 00	4 02	3 88	4 02
Killicks (100) ..	129 25	128 50	126 00	80 00
Larsen & Toubro (10) ..	24 00	25 25	24 08	127 00
Mahindra & Mahindra (10) ..	22 88	22 22	—	25 10

Pres. Automobiles (100)	131.00	145.50	132.00	140.00
Pres. Premier Co. (80)	305.00	370.00	354.00	345.00
Sandia (20)	16.92	17.40		388.00
G. E. Shipping (10)	19.32	17.40	16.80	
Shivrajpur (10)	89.50	91.00	19.32	17.12
Birpur Paper (10)	14.20	14.32	88.50	91.00
Data Chemicals (10)	17.68	18.28	17.68	14.60
Data Locomotive (100)	200.00	208.00	196.50	18.08
Volta Co. (25)	170.25	65.20	63.20	205.50
Volta (10)	183.00	183.00	176.50	94.00
W. I. Match (100)	227.00	229.00	223.00	182.50
				232.50

GOVERNMENT SECURITIES	20-10-59	Earlier Redemp- tion	Later Redemp- tion	5-11-1959
	Rs.			Rs.

22	1962	..	..	97.80	—	3.23	96.56
23	1976	..	..	83.50	—	3.53	99.56
3	1964	..	..	98.10	—	4.13	97.80
3	1963-65	..	..	98.15	3.50	3.41	98.10
3	1966-68	..	..	95.95	3.66	3.35	98.15
3	1970-75 1st Dev.	..	..	93.10	3.77	3.57	95.95
3	1961 N.P. Loan..	..	..	74.85	—	4.01*	93.10
3	1961 N.P. Loan..	..	..	100.30	—	3.37	100.30
3	1964 N.P. Loan..	..	..	100.30	—	3.37	100.30

3	%	1865	99 70	—	3 45	100 05
3	%	1867 N.P. Bonds.	99 80	—	3 50	99 70
3	%	1874	99 65	—	3 55	99 80
3	%	1867 N.P. Bonds.	100 85	—	3 78	99 85
3	%	1869 Loan	99 40	—	8 62	100 85
3	%	1868	99 65	—	3 57	99 40
3	%	1863 N.P. Bonds.	100 20	—	3 55	99 65
3	%	1868 N.P. Bonds.	100 75	—	3 67	100 20
4	%	1860	101 65	8 16	3 92	100 65
4	%	1872 Loan	101 85	—	3 84	101 65
4	%	1873 Loan	101 60	—	3 85	101 70
4	%	1879 Loan	100 10	—	—	101 80

BRITISH GOVERNMENT SECURITIES				
		Closing quotations 27-10-1959		Closing quotations 3-11-1959
21%	Brit. Consols. . .	52 1/2	—	—
3%	Savings Loan 1945-75	78	—	52
3%	War Loan 1955-60	90 1/2	—	77 1/2
3 1/2%	War Loan 1971	67 1/2	—	68 1/2
4%	Victory Bonds 1976	65 1/2	—	67 1/2
4%	Funding 1950-50	92 1/2	—	95 1/2

* Current Income. x.d.—Ex-dividend

Contents	
LEADING ARTICLES—	PAGES
Trade With West Germany	797
Co-operative Farming	797
Housing India's Millions	798
MARKET GOSSIP	799
ROUND THE EXCHANGES	800
THIS WEEK'S SURVEY	802-803
SPECIAL FEATURES—	
U.S. Economy in Good Shape	804
American Letter	805
London Letter	805
Manchester Letter	809
Free-of-Tax and Less-Tax Preference Dividends	816-817
MONEY AND BANKING	806
TEXTILES	808
COTTON	810
SUGAR	811
PLANTING	812
NEW PUBLICATIONS	818
ENGINEERING	820
INSURANCE	822
COMMERCE AND INDUSTRY	824
COMPANY MATTERS	826-828
MARKET REPORTS	832-834
MISCELLANEOUS STATISTICAL INFORMATION	
WEEK'S STOCK EXCHANGE TREND	836

it. Why should not the Government and the party concentrate themselves on educative work, leaving it to the good sense of the farmers to choose this way of life or deny themselves the benefits of co-operative farming? The practical test as to whether the Government means any compulsion in its co-operative farming policy or not is its preparedness to treat both co-operative farms and individual farms alike, for purposes of granting special facilities like seeds, credit and other requirements of agriculture. On this question, there has been some mental reservation on the part of the Congress Party and the Government which have never declared in unequivocal language that there will be no discrimination in favour of co-operative farms.

The argument that the modern critics of co-operative farming had themselves formerly acquiesced in this policy to which the Congress had committed itself a quarter of a century ago does not hold water. The fact is that the Congress was an entirely different organisation in the thirties. It was the spearhead of the movement of national liberation. It would have seemed a petty-minded quarrel over inconsequential details for anybody to question the validity of the resolutions on co-operative farming at a time when the really important issue was the maintenance of unity and discipline in the Congress ranks, so vital to the cause of winning the country's independence. In the altered political and economic conditions of today, it is surely permissible for the erstwhile supporters of the Congress to voice their honest differences of opinion over co-operative farming. Further, it would not be very wide of the mark to suggest that it is the Prime Minister's known personal predilections in favour of co-operative farming that provide much of the motivating power for the movement. Only, many impartial observers feel that a great deal of national energy is being wasted on the discussion of the pros and cons of a measure which, whatever its much-publicised, though little-examined, benefits in totalitarian countries, is not likely to appeal to the average Indian farmer too much attached to his plot of land to surrender it to a co-operative. Nobody could, of course, object to co-operation in agriculture as such. There is room and need for service co-operatives which can place at the disposal of farmers such agricultural prerequisites as tractors, pump-sets, motors, seeds and credit. But it is undeniable that even the organisation of service co-operatives, which will serve 60 million peasant households scattered in 500,000 villages, is by no means an ordinary problem.

So pervasive has been the impact of co-operative farming on public opinion that its twin brother, the ceiling on land, has apparently ceased to attract public notice. The fact is that, in one sense, the ceiling on land is a more dangerous enemy of free institutions than even co-operative farming. For, if a ceiling on land were conceded and if appropriations of surplus land by the State on terms which approximate as closely as possible to expropriation were permitted, it could not be long before the substantial rural sector in this country demands the imposition of ceiling on all property. That could be the beginning of a new era of expropriatory legislation. And yet, it looks as though public opinion is not completely alive to the sinister significance of the ceiling on land. This is a pity, for silence on this issue by other property holders will come to be interpreted as tacit approval.

HOUSING INDIA'S MILLIONS

THE acute shortage of housing in India's towns and villages is too real and apparent to need any special emphasis. The fact that India will begin its third Five-year Plan with a backlog of five million houses must serve to convey some idea of the immensity of the problem. Urban housing requirements by 1976, it is computed, will be of the order of 43.6 million dwelling units, requiring the construction of about 26 million new units between 1961 and 1976. A major problem in the expansion of housing facilities—that is, apart from the issues connected with housing finance and availability of constructional materials—is the paucity of well-developed plots. Appropriately enough, this problem figured prominently in the deliberations of the fourth Housing Ministers' Conference, held at Hyderabad last week. The Union Minister for Works and Housing, Mr. K. C. Reddy, who inaugurated the Conference, admitted, with refreshing candour, that the expenditure on housing under the second Five-year Plan was not very satisfactory; upto the end of March 1960, only about Rs. 54 crores out of the allocated sum of Rs. 84 crores will have been disbursed. He urged the State Governments to

become more alive to the need for expediting the housing programmes.

The chief housing schemes now in operation, as is well known, are: the subsidised industrial housing scheme, the low-income group housing scheme, the middle-income group housing scheme, the village housing projects scheme, the slum clearance scheme, the rental housing scheme for State Government employees, the land acquisition and development scheme, and the plantation labour housing scheme. Under the subsidised industrial housing scheme, which was introduced in September 1952, loans and subsidies are given by the Central Government to State Governments, housing boards, co-operative housing societies and industrial employers for the purpose of housing industrial workers. During the first three years of the second Plan, the amount utilised under the scheme was Rs. 10.87 crores, as against a provision of Rs. 27 crores. In the first Plan, a sum of Rs. 22.60 crores had been provided, but the expenditure actually incurred was Rs. 13.29 crores. Till 30th September 1959, the number of houses constructed under the scheme (since the date of its inception) is 80,000. The low-income group housing scheme, introduced in November 1954, provides for long-term loans for construction of houses by persons with an annual income not exceeding Rs. 6,000. It was modified in 1957 with a view to assisting State Governments to provide houses for their employees whose income was below Rs. 500 per month. During the first Plan, a sum of Rs. 10.89 crores was drawn by State Governments under this scheme. The second Plan provides for a revised sum of Rs. 35.60 crores. The total number of houses completed under this scheme upto 31st July 1959 is 42,663, while 14,669 houses are under construction.

The middle-income group housing scheme, introduced in February last, is intended to assist people with an income between Rs. 6,000 and Rs. 12,000 per year. The scheme is financed by the Life Insurance Corporation of India which will provide loan assistance to the tune of Rs. 3 crores per year for three years ending 1961 to State Governments which, in their turn, will advance the loans to eligible individuals and co-operatives. It would appear that the L.I.C. has now agreed to increase its assistance for the implementation of the middle-income group housing scheme from Rs. 3 crores to Rs. 5.25 crores and for rental housing scheme for low-paid employees of State Governments from Rs. 1 crore to Rs. 1.75 crores. An important recommendation made by the Conference was that, under the middle-income group housing scheme, a person might be given a loan upto a maximum of Rs. 20,000, even if he has a building plot in his possession, as against the loan of Rs. 16,000 which is admissible now.

The village housing project scheme, introduced in 1957, envisages the establishment of housing projects in 5,000 selected villages; loans not exceeding Rs. 1,500 or 50 per cent. of the cost of construction, whichever is less, are provided. The revised plan provision for this scheme is Rs. 5 crores. Under the slum clearance scheme, which came into operation in May 1956, loans and grants are made to State Governments for slum clearance projects undertaken by them or by agencies approved by them. The second Plan limits the expenditure under this scheme to Rs. 15 crores, the target being 52,000 units. Till the end of September 1959, the State Governments and Union administration had sanctioned 131 slum clearance projects for an approved cost of Rs. 9.64 crores. The total number of housing units completed since the inception of the scheme is 2,916, and the number under construction is 12,282. The plantation labour housing scheme, introduced in 1956, is intended to enable planters to build houses for their workers.

The chief contribution made by the Housing Ministers' Conference is the emphasis it laid on the need for a certain element of flexibility in the working of the housing schemes. This was reflected in a series of resolutions which were adopted by the Conference. These, it is reasonable to hope, will form the basis for action at the Central and State levels of administration in relation to housing projects. On the subject of industrial housing, the Conference stated that, in cases where the cost of construction exceeded the prescribed ceiling, there might be no objection to the State Governments utilising the savings from other housing schemes on which the cost of construction had been less than the prescribed ceiling cost. Again, in order to enable the State Governments to repay conveniently the Central loan from out of the rent receipts, the period of repayment may be increased from 25 to 40 years. The Confer-

ence recommended that immediate steps might be taken by the Central Government to amend the Employees' Provident Fund Act, with a view to enabling industrial workers to withdraw from their accumulations in the fund to meet 10 per cent. of the cost of tenements required to be contributed by them under the scheme. It also suggested that State Governments might be given greater discretion in fixation of rents as long as they adhered to the no-profit-no-loss principle.

The Conference did well to recommend that special attention should be paid to the housing of scavengers and that liberal subsidy should be given for the construction of houses for them. It also urged the need for extending the scope of the slum clearance schemes to all towns, instead of limiting it to the six major towns (Calcutta, Bombay, Madras, Delhi, Kanpur and Ahmedabad). The implementation of this suggestion will obviously depend on the availability of finance. As regards the village housing projects scheme, the Conference felt that the maximum amount of loan admissible under the scheme should be Rs. 2,500 or 50 per cent. of the estimated cost of the house, whichever was lower, as against the present ceiling of Rs. 1,500.

While these recommendations are commendable for the reason that, when they are implemented, they will stimulate building activity, it is difficult to appreciate the stand taken by the Conference on the question of the use of compulsion in the execution of industrial housing schemes and plantation workers' housing schemes. The Conference expressed disappointment over the progress of the scheme for housing industrial workers and recommended measures, including legislative compulsion, to meet the situation. It is true that the number of houses built by employers for their workers is small. Thus, out of the total of 80,000 houses constructed upto 30th September 1959 since the inception of the industrial housing scheme, the shares of State Governments and co-operative societies are 70,000 and 1,000, respectively, while the employers have constructed only 9,000 houses. But it is undeniable that employers, who are already working under the difficult conditions imposed by heavy taxation, scarcity of resources, high wage bills, import restrictions and other controls, cannot be expected to implement a scheme which only serves to swell their costs of production and overhead charges.

In any case, it is not the responsibility of employers—although employers in certain well established and relatively prosperous industries have always shouldered it even before the Government had any scheme for housing workers—to provide housing for the workers which is at best the responsibility of the State, Local bodies and private initiative. To impose hard and fast conditions on employers in the matter of providing housing facilities for workers is to retard the pace of industrialisation. This is clear from the experiment tried by the Government in the early post-independence period. All the new industries that have sprung up in Greater Bombay in recent years would not have materialised had not the Bombay Government relaxed the condition on providing housing for workers. Housing requires large investments and the return on them is next to nothing. This unremunerative burden cannot be borne by industrial managements, especially when they already find it difficult to raise the finance they need for establishing and running their enterprises.

The Conference might have done well to consider the reasons why private enterprise is not coming forth in sufficient measure to eliminate housing shortages. It is no doubt acted pertinently in recommending the establishment of housing finance corporations/boards in the States. But it is not lack of finance alone that prevents private enterprise from doing its best in the cause of creation of additional housing facilities. Mr. Bhimsen Sachar, Governor of Andhra Pradesh, rightly pointed out, in the course of his address, that private enterprise had begun to shrink in the field of housing activity on account of scarcity of housing materials. He was candid enough to concede that the enactment of laws on control of rents and the requisitioning of premises had also adversely affected private initiative. It is to be hoped that these issues will be examined at the Central and State levels and will form part of the agenda of the next Conference at least. The Government could do much to relieve housing shortage. But, in the sphere of housing, the creation of adequate facilities and provision of the necessary incentive will enable private initiative to do more than what it has done so far, and certainly more than what the Government could accomplish.

MARKET GOSSIP

A SOMEWHAT quiet trend has come to prevail in the share markets. The revival of bullish fervour noted last week has failed to gather momentum. This is not surprising, because there was really no reason for the past week's spurt in prices. The tightening of margins on the Ahmedabad Stock Exchange seems to have had an indirect effect on the Bombay Stock Exchange also. The substantial fall in the prices of Ahmedabad shares, including Atul Products, from the high levels to which they had moved up earlier has brought about a sympathetic reaction, especially in textile shares. There would appear to be no move by the authorities of the Bombay share market to follow the example of Ahmedabad. In Mr. K. R. P. Shroff, this market has a staunch free enterpriser and a believer in the adage that "old is gold." There is no need to fear that he will initiate any new move, unless forced by the Government. Stock Exchanges in Britain and the U.S. have been modernised in regard to both the method of operations and public relations. But the Bombay share market goes on as in the past. Apparently, Mr. Shroff takes pride in keeping his market as a show-piece of oriental antiquity. If there is any institution in our economy which has no plan for its future, it is our Stock Exchange.

We are sorry for this digression from the trend of the share market. The most significant feature is the inability or the unwillingness of the bulls to scale new heights. The occupation of our strategic heights in the Himalayas by the Chinese bears has definitely upset their enthusiasm. Occasionally, they may pull up the market, but only to wriggle out of their commitments as best as they can. Genuine investors are concentrating their attention on the new issues of both old and new companies. At the same time, there is not much liquidation by them. This must be attributed to two reasons: (1) lack of suitable sources for reinvestment; not all investors are mad after capital appreciation to such an extent as to liquidate all or most of their existing investments in order to take up the new shares; and (2) existence of heavy capital gains tax. As for the professional bears, they appear to be more anxious than the Indian Communists to display their patriotism! Initially, they looked as though they were happy at the appearance of the Chinese bears at N.E.F.A. and Ladakh, but they have quickly withdrawn from the ring and are quietly biding their time.

The increases in the retention prices of pig iron and finished steels have not helped the steel shares, because they do not increase the margin of profit of steel companies. They are barely sufficient to cover the rise in cost of production and fall short of the manufacturers' idea of fair price. The consumer, however, is not being asked, for the present at any rate, to bear the increase in retention prices as it is being met out of the price equalisation fund. In other words, he has already paid for this addition to the manufacturers' price.

The reduction in the net dividend of the Belapur Company Ltd. for the year ended 30th September 1959 is undoubtedly sharp, but it will not be surprising if it turns out to be strictly in accordance with the trend of profit, when the details of the financial results are made known. It was common knowledge even months ago that the profits of most of the Deccan sugar companies for 1958-59 would not compare favourably with those for 1957-58, as production was less and sales realisations did not increase to an extent sufficient to offset the fall in output. If still some operators went on boosting the shares of these companies, they were either ignorant or clever enough to anticipate the prospects for the current sugar season. If the latter, they surely can have no grouse over Belapur's proposed dividend.

Straw Products

The terms of the rights issue by the Straw Products Ltd., a company belonging to the J. K. Group, have touched off a lively controversy. The Directors of the Company, now engaged in the manufacture of straw paper, duplex, triplex and corrugated boards in their factory in Bhopal, have embarked upon a new paper mill project in Orissa. And with this object in view, they have decided to increase its capital of Rs. 15 lakhs (in 150,000 shares of Rs. 10 each) by Rs. 2 crores through the offer of 25 new ordinary shares of Rs. 10 each for every three shares held and also a preference share of Rs. 100 (7 per cent. cumulative, tax-free) for every two ordinary shares held. The issue does for a shareholder with a modest holding of 100 shares in his possession is now called upon to find money to the tune of Rs. 13,330. It is, of course, open to the shareholder to deny himself the benefit of the rights issue either partly or wholly. But the question is asked whether it is right that the small shareholder should be compelled to bear so heavy a burden of new investment.

On a closer look at the problem of the Company's rights issue, it is difficult not to appreciate the Directors' stand. It is true that a vast new enterprise is growing out of a modest undertaking, so that the whole process appears as a case of a tiny little ant of a company bloating itself into a corporate elephant. But instances of such growth and expansion are not entirely unknown to the history of corporate enterprises, though it is true that such expansion used to take place over a long period of time. In the present instance, the Directors might easily have formed a new company to run the paper factory in Orissa. But that would have denied the existing shareholders an opportunity for profitable association with a potentially prosperous enterprise. It may be noted, in passing, that the shares of

well established paper companies are today worth their weight in gold; they are not merely gilt-edged but gilt all over. If it is conceded that the Directors' decision to allow the small enterprise to grow into a big one is not unsound in principle, neither the issue of right shares—this is obligatory under the Company Law—nor the terms of that issue can be called into question.

If the Company deserves to be criticised, it cannot be on the score of the proposed new issue; a really pertinent ground for criticism is provided by the revaluation of all its assets, including plant and machinery, which has enabled an artificial boosting of reserves to the tune of Rs. 60.40 lakhs, a thoroughly unsound practice notwithstanding the fact that several companies had done so in the past. The only difference between this Company and others is that it did the revaluation as late as in December 1955, long after the practice had ceased to be respectable. This issue is, however, besides the point now.

It cannot, of course, be contended that the shareholders were completely taken unawares by the Directors' decision. For two years now, the paper mill project has been in the air. In the report for the year 1956, the Directors revealed that the Company had been granted a licence for establishing a paper mill of 18,000 tons capacity per annum in Orissa and that negotiations for the purchase of machinery and plant were being finalised. Further, in the report to Rs. 5 crores. All this was sufficient evidence for shareholders to realise the magnitude of the tasks ahead of the Company. The new mill, which is likely to go into production by the end of 1961 or early 1962, is to be set up in Orissa where raw material (bamboo), power and transport facilities are readily available. It has secured the technical collaboration of the well-known W. German firm, Messrs. J. M. Voith.

The essential soundness of the new enterprise is illustrated by the fact that the Industrial Finance Corporation and the Industrial Credit and Investment Corporation of India have, between them, agreed to underwrite Rs. 1 crore, of the Rs. 2-crore issue. Subscription for the balance has been guaranteed by the Managing Agents. The State Bank of India has agreed to guarantee, on behalf of the Company, a sum of Rs. 3.53 crores for covering deferred payments. It may be mentioned here that the present issue covers less than half the cost of the mill project, estimated at Rs. 4.67 crores; the balance will come from other resources of the Company and deferred payments facility.

The trend of prices of the Company's shares shows that the scrip has, on the whole, been a back-bencher, except for the jolt it suffered for a brief interval following the announcement of the rights issue. In Bombay, it was for some time quoted at Rs. 14 (nominal) and was last quoted (on 25th August 1959) at Rs. 16. The scrip touched Rs. 16.50 in Calcutta, reflecting speculative buying. When the terms of the rights issue were announced, it receded to Rs. 12; since then, it has recovered to Rs. 12.62. But it is unlikely that genuine investors have suffered through this decline, for those who know the prospects for paper mill companies would not rush to sell at any modest rise in prices, nor would they be dismayed by temporary declines. The Company has a good dividend record. Besides issuing a bonus share in 1949 in the ratio of one share of Rs. 10 for every such share held, it has consistently paid dividends since 1948—20 per cent. (1948), 10 per cent. (1949), 7½ per cent. (1950), 10 per cent. (1951 and 1952), 5 per cent. (1953 and 1954), 10 per cent. (1955), 12½ per cent. (1956, 1957 and 1958). It is, however, true that, in the context of the large new increase in its capital, it will not be able to maintain this record for some years. But those who can afford to wait may conceivably find that the dividends are worth waiting for. When the paper mill starts production, it will still have a ready market for its products, for, in the foreseeable future, Indian production can never expand faster than the demand for paper.

"Eurofinas"

Economic thinking among West European countries is cutting across national boundaries. While nothing so far has indicated a desire for political integration, there is ample evidence to suggest that there is readiness among these nations to make common cause in the economic field. This may be because there is more to gain from economic co-operation than from political integration. Whatever the reasons, the trend is obvious. Eleven years ago, the Marshall Plan gave the European countries an opportunity and an incentive to tackle their post-war problems in common. The formation of the European Common Market and the move to establish a free trade area of "Seven" are steps towards greater economic cohesion.

The latest instance of this co-operation among West European countries is provided by the relatively new institutions, namely, the hire-purchase finance companies. Thus, the leading hire-purchase finance houses in Austria, Belgium, Britain, Federal Republic of Germany, France, Holland, Sweden and Switzerland have jointly founded an Association of European finance houses called "Eurofinas" at a meeting held in Amsterdam on the 5th inst. "Eurofinas" is primarily intended to serve as an information and documentation centre. Its wider objective is said to be the promotion, protection and co-ordination of members' interests. The secretariat of the Association, to be established in Holland, will collect and disseminate particulars concerning consumer credit in Europe. Documentation will cover the legislative as well as commercial field. The secretariat will collect the balance-sheets and other data of various finance companies for

compiling information. The terms of credit ruling in various countries will also be gathered, collected and made available to members.

Representation of members on an international level is another objective. Experience during the preparatory period is said to have shown that international exchange of staff between member-firms are growing. "Eurofinas" may further stimulate such exchanges.

Preliminary studies have indicated that the total hire-purchase credits outstanding in the eight countries covered by "Eurofinas" was of the order of £500 million as at the end of 1958. More than two-thirds of this was provided by finance houses which have become the founder members of "Eurofinas."

With the founding of "Eurofinas," consumer credit financing across national frontiers may well grow quickly. Already some of the leading hire-purchase finance companies have entered into agreement with some of their confreres in other countries for co-operation in hire-purchase finance. The United Dominions Trust of Britain and the Kundenkreditbank of West Germany, for instance, have agreed to offer hire-purchase facilities for each other's goods sold in the other's country. "Eurofinas" is also a centre for information and co-ordination for finance houses wishing to extend activities abroad. It is noteworthy that members of both the "Six" and the "Seven" are represented in the Association. It is so apparently because the originators of "Eurofinas," the father of the scheme, is a Dutch consumer credit expert—also strong advocates of the wider European economic idea.

U. K. Towards Freer Trade

What may be described as practically the final contribution of Britain to the establishment of a truly multilateral payments system in accordance with the objectives of the International Monetary Fund is its latest bid to remove a large part of the remaining import restrictions. Thus, with effect from the 9th inst., most of the controls on imports from the dollar area, Western Europe and a number of countries other than those in the Communist bloc and Japan have been swept away. The list of items now permitted to be imported freely is too long to be quoted here. The most important ones are motor cars and commercial vehicles, scientific and optical instruments, many types of machinery, electrical equipment, photographic materials, meat, glass, jewellery, textiles and clothing. With this measure, Britain has eliminated dollar discrimination over its entire import trade, excepting 5 per cent. of dollar imports and less than 2½ per cent. of other non-sterling imports. The goods that are still subjected to quota restrictions include coal, dyestuffs, watches, munitions, basketware, seeds, feathers, jute, tobacco and certain foodstuffs (including some kinds of fruit, milk, ham and sugar), pharmaceuticals, aircraft, a few alcoholic beverages, fish, pigmeat and synthetic rubber; the last six items apply only to the dollar area. The continued retention of import control on these goods is, perhaps, due to considerations of defence, protection to certain "sensitive" U.K. industries and safeguarding of Commonwealth interests.

Within 24 hours of the aforesaid action by Britain, the Government of France came out with an announcement lifting all import restrictions on a wide range of goods from the dollar area and the eighteen O.E.E.C. countries. The goods included among others, textiles and clothing, electrical and photographic equipment, agricultural machinery and tractors, Chinaware, electric razors, household heating appliances and buttons.

By taking these measures, both Britain and France have earned for themselves the credit for having boldly implemented the I.M.F.'s earnest plea for an early end of discriminatory restrictions, a plea which was widely echoed at the Tokyo session of the G.A.T.T. The moves of the two countries are certainly commendable and it is to be hoped that they would be followed soon by the other developed countries also. The lumping of Japan with Communist countries, however, strikes a jarring note. Similarly, France has not been fair to the underdeveloped countries in the free world, by confining the relaxation only to the dollar and O.E.E.C. countries. It ought to have extended the facility to all G.A.T.T. members.

The trade liberalisation measure announced by Britain last week is the fourth major step towards the total removal of the war-time restrictions on trade and payments. The three steps preceding this were: (1) non-resident convertibility of the pound sterling towards the close of 1958 (along with thirteen other West European countries), (2) abolition of all restrictions on imports of a wide range of foodstuffs, and consumer goods from the dollar area countries (effective from 8th June 1959) announced on 28th May 1959, and (3) increase in allowance to British tourists abroad from £100 to £250, with assurance of further amounts for genuine foreign travel; this concession was announced towards the close of last month. With these four measures, Britain has almost brought about the *de facto* convertibility of the pound sterling within the meaning of Article VIII of the International Monetary Fund Agreement.

The U.K.'s move towards freer trade, together with the full repayment (with interest) of the \$250-million U.S. Ex-imp Bank loan on 29th October last—the repayment had not been due to be completed until April 1960 or even to begin until October 1960—reflects the growing financial strength of Britain, though it has stemmed partly from the anxiety of this country to help the Administration in its endeavours to maintain the present parity of the dollar. Britain continues to enjoy a high level of industrial production and surpluses in its external payments, the total of the surpluses during the eighteen months ended June 1959 being £121 million on merchandise account

(Continued on page 838)

EQUITIES REACT SHARP FALL IN BELAPURS

(From Our Own Correspondents)

BOMBAY, 12th November

AFTER a week of bullish sentiment, the share market witnessed an erratically lower trend during the week under review. While at times equities displayed a tendency to rise, the higher levels attracted profit-taking, as operators were in no mood to extend their long positions, in view of the forthcoming settlement this week-end. Towards the close, a heavy selling pressure set in to push down equity values in many leading counters to the lowest levels of the week, inspired by the heavy fall in the Ahmedabad market.

Two developments of importance to the market during the week under review were: (1) the announcement of dividend by the Belapur Company, Ltd., for the year ended September 1959 and (2) the increase in retention prices of steel for T.I.S.Co. and I.I.S.Co. Both the news had a bearish effect on the market. The Directors of Belapur Company have recommended a dividend of Rs. 21 per share, subject to deduction of tax, which works out to a net dividend of Rs. 14.70 per share, as against the distribution of Rs. 20 (including a bonus of Rs. 2) per share, free of tax, made for 1957-58. Reflecting the disappointment over the distribution, the shares suffered a sharp fall of Rs. 22 over the week.

The Central Government has increased the retention prices of steel for T.I.S.Co. and I.I.S.Co. by Rs. 5 per ton for the period 1955-56 to 1959-60. This is the third interim increase, pending finalisation of the Tariff Commission's enquiry, granted for the five-year period 1955-56 to 1959-60, bringing the aggregate increase to Rs. 31 per ton. So far as the T.I.S.Co. is concerned, the latest rise does not fully cover the Company's mounting costs. Further, the Company had already taken credit provisionally for about this sum in its 1958-59 accounts and as such the latest increase does not bring any additional benefit to it. Earlier in the week, the Government of India granted an increase in the retention prices of pig iron produced by the two Companies.

Tata Ordinaries moved erratically between Rs. 158.25 and Rs. 155.50 before closing at the latter level. Their rights were done a rupee lower at Rs. 72. Indian Irons were marked up early in the week from Rs. 24.28 to Rs. 24.56 before reacting to Rs. 24.12 yesterday. After improving for a short while to Rs. 24.24, the shares moved down again to Rs. 24.12.

The highlight of the week's trading in textiles was the wide movements in Centurys. After spurring from Rs. 622 to Rs. 635 on Monday this week, the shares gave way to Rs. 624.50. Despite this fall, they showed a gain of Rs. 2.50 over the week. Bomoay Dyeings were marked down from Rs. 69.60 to Rs. 68.10 and Kohinoors from Rs. 325 to Rs. 321. A decline of Rs. 3 to Rs. 110 was recorded in Central Indias. Finlays dropped by Rs. 3.50 to Rs. 302. Gokaks by Rs. 7 to Rs. 197 and Khataus by Rs. 13.75 to Rs. 250. While Morarjees provided one of the exceptions with a rise of Rs. 2 to Rs. 272, Shree Niwas Cottons shed Rs. 3 to Rs. 234 and Svadeshis Rs. 4 to Rs. 260.50.

Bank shares ruled quiet with an all-round drop in prices. Barodas declined by Rs. 4.25 to Rs. 97. Centrals were lower by 75 nP at Rs. 43.25 and Bank of Indias by 50 nP at Rs. 107. Bank of Indias 'A' were done at Rs. 109, which represented a decline of Rs. 3.50 from the previous business done. United Commercials, however, gained 50 nP to Rs. 62.

Sugar shares were weak following the declaration of a lower dividend by Belapurs. Belapurs fell headlong from Rs. 342 to Rs. 317.50 before closing at Rs. 320. Phaltans shed Rs. 6 to Rs. 180 and Walchandnagars Rs. 8.75 to Rs. 320.

Cement shares were fairly steady. Associated Cements moved between Rs. 156.75 and Rs. 153.75 before closing at Rs. 154.50. Digvijays advanced by Rs. 4.75 to Rs. 150. Ashoka Cements by 60 nP to Rs. 9.80 and Dalmia Cements by 40 nP to Rs. 10.48.

Shipping shares were featureless and quiet, Scindias drifting down from Rs. 17.12 to Rs. 16.84 and Great Eastern Shippings from Rs. 19.60 to Rs. 19.44. Automobile shares followed the general trend of the market, with an abatement of buying interest. Premier Automobiles dropped Rs. 5 to Rs. 140.50 and Hindustan Motors 16 nP to Rs. 13.56.

Engineering and mining shares lacked strength, Alcock Ashdowns shedding Rs. 5 to Rs. 250 and Premier Constructors Rs. 6 to Rs. 362. Tata Locomotives receded from Rs. 205.50 to Rs. 200. Larsen and Toubros, however, continued to attract attention and rose by 80 nP to Rs. 25.50. Mahindras lost 16 nP to Rs. 23. Shivrajputs were marked down by Rs. 3 to Rs. 88 and Indian Copers shed 6 nP to Rs. 3.96.

In the miscellaneous section, Bombay Burnahs (old) suffered a reaction from Rs. 547 to Rs. 537.50 and their new shares were lower by Rs. 1.75 at Rs. 183.25. Some hectic movements were noted in National Rayons, which after a recession early in the week from Rs. 384.50 to Rs. 381.75, shot up to Rs. 388 and closed at Rs. 377.50. Gwalior Rayons lost over the week 48 nP to Rs. 24.48. In the face of a general setback of the market, chemicals and dyes continued to gain strength. Alembic Chemicals were marked up by Rs. 5 to Rs. 200. Amar Dyes by Rs. 19 to Rs. 275. Colour Chems (new) by Rs. 2 to Rs. 242 and Indian Dyestuffs by Rs. 40 to Rs. 400. Polychems, however, drifted lower by Rs. 3 to Rs. 182. Dharmal Chemicals by Rs. 11 to Rs. 164 and Tata Chemicals by 52 nP to Rs. 17.58. Tata Oils suffered a loss of Rs. 2.20 to Rs. 61.80. Volcas fell by Rs. 5 to Rs. 177.50, while Hindustan Levers picked up Re. 1.25 to Rs. 33. Khandelwal Ferro Alloys were unchanged at Rs. 83.50.

Madras Stock Exchange

MADRAS, 11th November

Steady conditions prevailed on the Madras Stock Exchange during the major part of the week under review, thanks to fairly good professional and investment buying. There was, however, a distinct setback towards the close of the week, following profit-taking. Nevertheless, today's closing rates for several scrips were higher than those at the end of last week. In contrast to the general trend, textile shares came in for selling, despite encouraging reports from yarn and cloth markets. For it was feared

that the continuously rising production cost might lead to a reduced return from investments in mill shares. Tea scrips were cheerful on hopes of good prospects for tea exports. Coffees and rubbers met with moderate support. Among miscellaneous industrials, cements and chemicals ruled firm, while engineering were somewhat subdued. Sugar scrips were generally steady.

A feature of trading in the sugar section was the increase of Rs. 3 to Rs. 21 recorded by K.C.P.s. Mysore advanced by Re. 1.50 to Rs. 55.50. E.I.D.s rose by a rupee to Rs. 43.75. Andhras were fully maintained at Rs. 23. Travancors at Rs. 11.70 and United Breweries at Rs. 465. Kirlampudis and Cauverys, however, declined by a rupee each to Rs. 77 and Rs. 136, respectively. Deccans were active in the initial sessions on expectations of higher dividend, but it closed lower by 34 nP at Rs. 13.60 following the disappointment of operators at the announcement of a final dividend of 18½ per cent. (taxable), making a total of 25½ per cent. for the year ended May 1959, as against 18 per cent. paid in the previous year.

Among teas, Coonoors were marked up by 35 nP to Rs. 24.35. Parksides were 25 nP higher at Rs. 25.62, following the declaration of a final dividend of 20 per cent. (taxable), making a total of 27½ per cent. for the year ended June 1959, as compared with 25 per cent. for the previous year. Neelamalais put on 23 nP to Rs. 4.88. Kil Kotagiris gathered 5 nP to Rs. 8.95. Periakaramalais and Blue Mountains picked up 3 nP each, the former to Rs. 3.73 and the latter to Rs. 3.33. Ouchterlonyas at Rs. 16.35 and Nelliampathys at Rs. 3.05. Among coffees, Cowoodys improved by 10 nP to Rs. 8.55. Anaparaais were fully steady at Rs. 5.25, as also Balmadies at Rs. 2.95, and Ossoors at Rs. 4.10. Consolidated Coffees were firm at Rs. 25.35 at the beginning of the week but gave way to Rs. 24.59 subsequently. Coffeeands declined by 50 nP to Rs. 25.75. In the rubber section, Cochins Malabars scored a gain of 10 nP to Rs. 7.10. Midlands picked up 3 nP to Rs. 12.40. Kallias gained a like amount to Rs. 4.96.

A setback to values was witnessed in the textile section. Coimbatore Pioneers were marked down by Rs. 5 to Rs. 330. Dhanalakshmis fell by Rs. 3 to Rs. 227. Coimbatore Cottons and Rajalakshmis moved down by Re. 1.50 each to Rs. 162 and Rs. 66.50, respectively. Coimbatore Spinnings eased by a rupee to Rs. 48.50. Rang Vilasas treated by a similar amount to Rs. 46. Loyals lost 75 nP to Rs. 30.25 and Kotharis 25 nP to Rs. 11.60. Cambodias were dull at Rs. 11.10.

Western India Plywoods provided a bright spot in the miscellaneous section, its quotation rising by Rs. 3 to Rs. 243. Mysore Papers put on a rupee to Rs. 24. Among cements, Orissas went up by 48 nP to Rs. 13.88, Dalmias by 45 nP to Rs. 10.40, Travancors by 10 nP to Rs. 10.55, and Indias by 2 nP to Rs. 6.52. Andhra Cements were fully steady at Rs. 9.25. Among chemicals, Mettur Chemicals improved by 17 nP to Rs. 12.62 and F.A.C.T.s by 12 nP to Rs. 9.42. Mysore Chemicals Manufacturings were fancied at Rs. 22.55. Mysore Chemicals and Fertilisers were unchanged at Rs. 10.50. The Company has maintained its dividend for the year ended March 1959 at 5 per cent. Textools, however, suffered a fall of Rs. 6.50 to Rs. 191. Kallias eased by 50 nP to Rs. 87.50 and Spencers by 20 nP to Rs. 19.50. Aluminium Industries shed 15 nP to Rs. 22.50. Ashok Leylands lost 5 nP to Rs. 7.70.

NEWS IN BRIEF

THE outlay on Kerala's third Five-year Plan is tentatively fixed at Rs. 180 crores, as against the second Plan's outlay of Rs. 87 crores.

The Panchet Dam, the last of the four Damodar Valley Corporation dams, is scheduled to be opened by the Prime Minister on 6th December.

Exports of cigarette paper, including filigranated ones, will be licensed freely without any quantitative restrictions up to the end of 1962.

A six-man study team has been sent by the Government of India to study co-operative farming and marketing in Yugoslavia and Israel. The team is likely to take about three months to complete the study.

After completing the consideration of the controversial Kerala Agrarian Relations Bill, the Planning Commission has recommended it to the Union Government with its own recommendations. The Government's decision is expected shortly.

A proposal for the establishment of a large-sized sulphuric acid and superphosphate plant in collaboration with a West German firm has been submitted by a private industrialist to the Madras Government.

Air-India International will be introducing the giant Boeing 707 Intercontinental jet, powered with Rolls Royce Conway engine, early in 1960. It will have five scheduled flights to London a week and one flight to Tokyo commencing from April 1960.

It has been decided to allow import of copra and such chemicals, spare parts, components and machinery as are required for replacement purposes or for improvement of the vanaspati industry to achieve the export target of 10,000 tons of vanaspati or hydrogenated oils annually.

The Union Government proposes to amend the Drugs Act so as to make imprisonment compulsory in case of conviction for the manufacture and sale of spurious drugs. It is also intended further to amend the Act to enable the Union Government to issue directives to State Governments for bringing about uniformity in its implementation.

The Government of Madras proposes to acquire an additional 150 acres of land for expanding the Guindy Industrial Estate during the third Plan period. Work in the Estate is proceeding ahead of schedule. So far, 97 small units have been located in the Estate and the Government has sanctioned the construction of 31 more units.

Rolling of steel ingots in the blooming mill of Bhilai steel factory commenced on the 8th inst. Actual steel production started a month ago. So far, 4,000 tons of steel ingots have been produced. The blooming mill is the first of the four mills to be set up in the factory. The mills are designed to handle in all one million tons of steel ingots annually.

The new 42-mile Chandrapura-Muri railway line on the Eastern Railway has been opened for traffic. The new line is part of a bigger 184-mile broad-gauge line extending from Chandrapura to Ranchi and from there to Bondamunda, which, when completed, will link up the rich coal-belt of South Bihar with the steel plants at Rourkela and Bhilai. The line will also serve the heavy machine building plant and the forge foundry at Hatia, near Ranchi.

The West Bengal Government has urged the Centre to set up a wage board for the jute industry. Disclosing this, Mr. Abdus Sattar, the State's Labour Minister, stated recently that the existing level of emoluments in the jute industry was low. He added that twelve jute mills had been closed down in the State during the past three years owing to rationalisation. The number of persons employed by the industry has fallen from 281,000 in 1951 to 230,000 at present.

The Government of India has decided to constitute an Iron and Steel Advisory Council, with the Union Minister for Steel, Mines and Fuel as Chairman, to advise on all general matters relating to production, distribution, transport, research and trade of iron and steel. The Council will consist of Presidents or their nominees of both the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce of India. The Government will nominate not more than 21 members representing the different industrial and trading interests.

The Government of Bombay has set up a 14-member advisory committee to assist it in the smooth and efficient administration of the sales tax law. In pursuance of the recommendation made by the Sales Tax Enquiry Committee, the advisory committee, of which the Secretary to the Government of Bombay in the Finance Department is the Chairman, will make suggestions generally in regard to the removal of procedural defects and of inconveniences caused to the trade and the public in other ways. It will also assist the Government in devising suitable measures to prevent and minimise the evasion of tax.

With the arrival in Calcutta last week of the first consignment of steel pipes from the U.K., work will shortly begin on the preliminary stages of the 720-mile-long Assam oil pipeline project for Oil India Private Ltd. The first phase of the project is to connect the oilfield in upper Assam by a 16-inch diameter crude oil pipeline to the site of a refinery to be built at Noonmati, near Gauhati, at a distance of about 260 miles. The second phase of the project will be the extension of the pipeline system, using a 14-inch diameter pipe, from a point

PERSONAL

MR. B. Gopala Reddi, Union Minister for Revenue and Civil Expenditure, left New Delhi for Jakarta, Indonesia, to attend the annual ministerial meeting of the Colombo Plan which commenced there on the 11th inst.

Mr. Jef Rens, Deputy Director-General of the International Labour Organisation, has arrived in India on a short visit, as part of his study-tour of Asian countries.

Sir Norman Kipping, Director-General of the Federation of British Industries, has left India for Ceylon, en route to Australia, after his brief study and contact tour.

Mr. L. B. Soman, Sales Manager of Biddle Sawyer & Co., left for New York to explore the possibilities of promoting exports of Indian pharmaceuticals and chemicals abroad. He will also visit Canada, the U.K. and the Continent.

Dr. H. R. Ambler, O.B.E., F.R.I.C., a senior Principal Scientific Officer in the United Kingdom Department of Scientific and Industrial Research, has been appointed to the newly created post of Scientific Adviser to the High Commissioner for the United Kingdom in India. In addition to advising the High Commissioner on scientific matters, he will be responsible for stimulating the exchange of information between Indian scientists and their counterparts in the United Kingdom.

Mr. William Loris Mather, who is to succeed his father next year as Chairman of the Board of Directors of Messrs. Mather and Platt Ltd., of Manchester, has left London on a 32,000-mile world tour which includes India. He will be in Bombay from 20th to 29th November, and in Calcutta from 30th November to 3rd December. Messrs. Mather and Platt are general engineers producing electric, hydraulic, and fire-fighting equipment, and machinery for the food and textile industries.

wool technologists on a three weeks' Australian tour. By 1965, Russia is expected to have at least 200 million sheep, or double the present total and four times the sheep population at the end of the Second World War. The anticipated number, it is said, will be 50 million more than Australia's present sheep population.

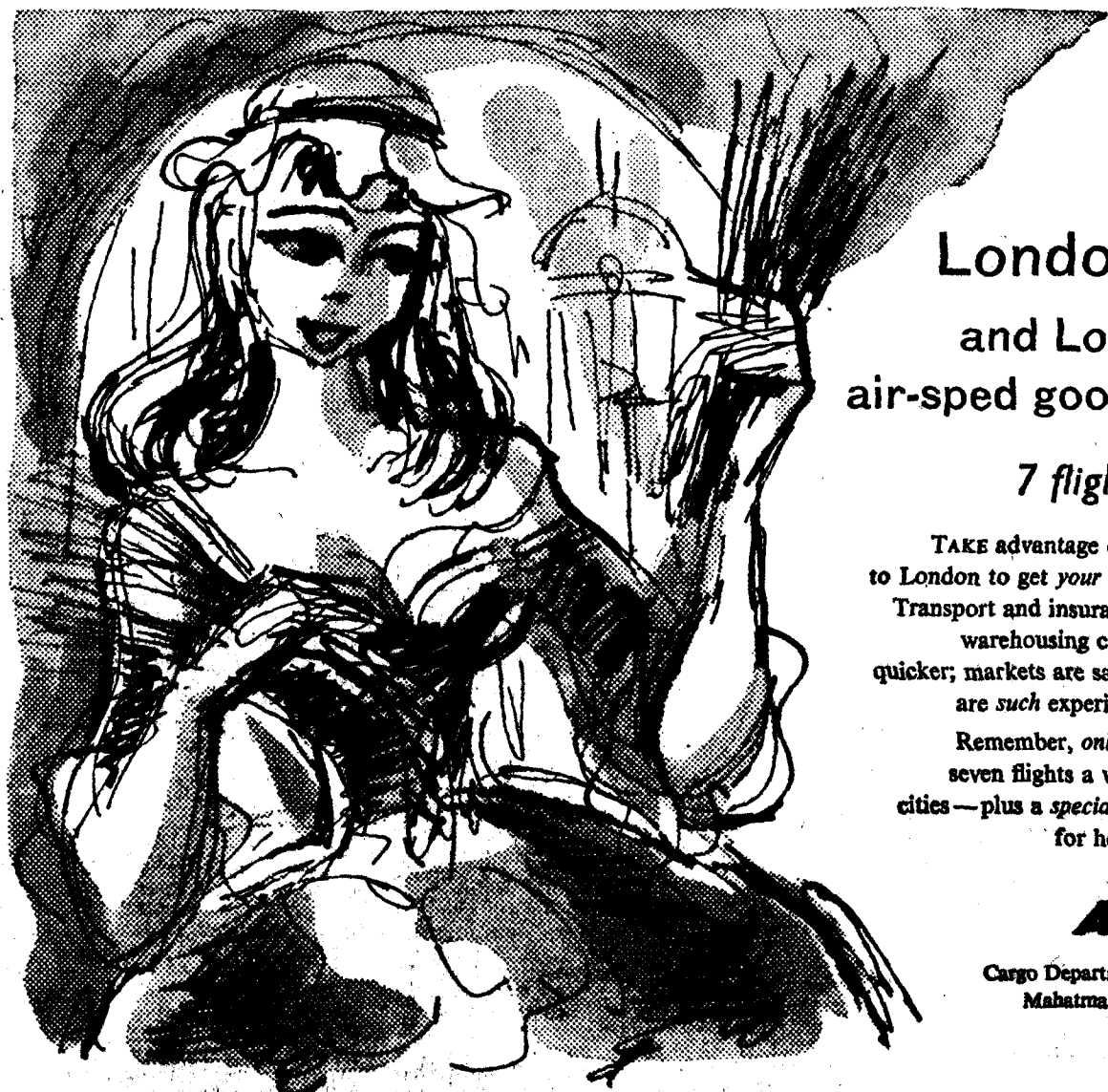
The United Arab Republic and Sudan have signed an agreement for the division of waters of the river Nile between the two countries, following President Nasser's assurance to raise the compensation payable by the U.A.R. to Sudan for its lands which will be submerged when the Aswan High Dam is built on the Nile. This ends the two-year old dispute between the two countries over the question. The two countries have also signed another agreement on customs, trade and payments.

Since the introduction of the West German export credit guarantees scheme ten years ago, payment of a sum of £30.2 million has been made so far, while £15.9 million have been recovered. The outstanding amounting to £13.6 million are expected to be recovered from abroad. During the last ten years, cover aggregating £1,930 million has been given. In other words, about 10 per cent. of the country's exports during this period was given Government insurance. At present, there are export orders under the scheme worth £782.3 million, the major part of which will be shipped to underdeveloped countries.

A leading British hire-purchase company, the United Dominions Trust, and its West German counterpart, Kumdencreditbank of Dusseldorf, have decided to enter into an agreement to co-operate in hire-purchase finance with a view to taking advantage of the growing Anglo-German trade. The former company will offer hire-purchase facilities for West German goods sold in the U.K. and the latter will extend the same facilities to British goods sold in West Germany. The scheme is designed to make possible instalment plan buying of both consumer and capital goods. Similar contracts have been made with hire-purchase houses in the Netherlands and Austria to extend the scheme to those countries.

The pace of economic expansion in Western Europe is exceeding the previous expectations and the prospects for continued development in 1960 are excellent, according to the Economic Policy Committee of the O.E.E.C. which met at Paris last week. In a few countries, however, there are signs of inflationary pressures. There has also been a significant disequilibrium in the international balance of payments. Western Europe's gold and foreign exchange holdings have risen by over \$4,000 million in the last 2½ years. The Committee has urged the West European countries to eliminate discrimination against dollar goods, to facilitate the flow of capital from West Europe to underdeveloped countries, and reduce the heavy protection which they give to home industry and agriculture.

Two British firms are to collaborate in designing and selling small nuclear power stations with a capacity ranging from 1½ to 30 megawatts. Their object is to develop nuclear power systems which will operate economically in such areas of the world as India, Australia, and North America, it was stated in London. The firms are Humphreys and Glasgow Ltd. and Babcock and Wilcox Ltd. The new plants will be initially of the pressurised water-cooled type, in which ordinary water is used to draw the heat from the reactor furnace for power generation. It is planned to design units with a capacity as low as 10 megawatts later on. The reactor units are being designed by Babcock and Wilcox on the basis of adapted versions of the reactor for civil ship propulsion which the firm proposed to the British Admiralty earlier in the year.



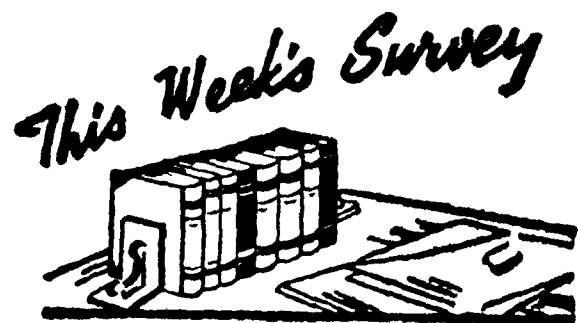
London Cries and London buys air-spiced goods from India!

7 flights each week

TAKE advantage of seven flights a week, to London to get your goods to London fast. Transport and insurance costs are reduced; warehousing charges cut; turnover is quicker; markets are satisfied. And Air-India are such experienced cargo handlers! Remember, only Air-India offers you seven flights a week to London, via 8 cities—plus a special weekly cargo service for heavy and bulky wares.

AIR-INDIA

Cargo Department, Esplanade Mansion
Mahatma Gandhi Road, Bombay 1
Telephone: 259191



BOMBAY PORT TRUST

THE importance of Bombay Port to the Indian economy arises from the fact that it serves as a chief port of entry for a wide range of goods, including plant and machinery, and an outlet for the country's exports, including manufactured goods like textiles. In recent years, the volume of traffic handled by the port has grown sizably. In 1958-59, according to the Administration Report of the Bombay Port Trust, the weight of cargo handled by the docks and bunders in the port aggregated 11.75 million tons, made up of imports of 8.42 million tons and exports of 3.33 million tons. Although this is somewhat lower than the volume handled in the previous year, 1957-58, when it was 13.11 million tons, made up of imports of 9.30 million tons and exports of 3.81 million tons—the decline is to be attributed mainly to the sharp fall in imports reflecting import curbs—it is noteworthy that the volume of traffic now handled is much larger than in the early post-war years when it was about six million tons, or in the pre-war year 1938-39 when it was some five million tons.

The problem which has engaged the attention of the authorities of the Port is the urgent need for improving the port facilities to a level at which the Port can meet effectively the demands that are being made on its services. Clearly, it is a national problem, for if the Port fails to come up to international standards, it will affect adversely India's position in world economy. The Bombay Port Trust authorities, on their part, have no doubt been alive to the problem of improvement of the Port. The scheme for the modernisation of the Prince's and Victoria docks, which has come to be known as the "minimum" scheme, is expected to cost Rs. 20 crores. It is of the utmost importance that at least this minimum scheme should be implemented. But the report records that when a deputation of the Trustees met the Union Minister for Transport and Communications and urged that the Government should meet 50 per cent. of the cost of the minimum scheme, the latter suggested that, inasmuch as the scheme was very expensive, an endeavour should be made to devise "a financially practicable and revenue-earning phased programme and that it was not possible to give a grant for the purpose." The Government's attitude is somewhat disappointing. If the importance of the Bombay Port is recognised and its significance to national economy conceded, the way would be cleared for the allotment of a higher priority for the development of the Port. It will be conceded that the development of Bombay Port is far more important than the bifurcation of the Bombay State on linguistic lines. Yet, the Centre is prepared to find money for the construction of a new capital for Gujarat and put up with the economic waste involved in linguistic reorganisation but not for a revenue yielding and wealth producing scheme like the development of Bombay Port. This makes nonsense of planning and the Centre's conception of economic priority.

OILSEEDS TRADE

The need for special incentives for exports of vegetable oilseeds and oils and measures for increasing the production of oilseeds was stressed by Mr. Ramdas Kilachand, President, the Bombay Oilseeds and Oils Exchange Ltd., in his speech at the annual meeting of the Exchange, held on Wednesday this week. Vegetable oilseeds and oils, as is well known, form an important item of India's exports. Last year, they earned Rs. 7.8 crores, as against Rs. 11.6 crores in 1957. But India could certainly export more oilseeds and oils, if Indian prices could be held at competitive levels. Further, the Government has had to steer clear, on the one hand, of liberal exports, which would reduce domestic supply and push up prices, and excessive restrictions on exports which would reduce the country's foreign exchange earnings, on the other. Clearly, this situation is best remedied by increased production. As Mr. Kilachand pointed out, the "real solution lies in increasing production of oilseeds." He added: "It is heartening that the Government has accepted the need for stimulating and augmenting inter-

nal production in the country and we hope that all steps will be taken by the Government for increasing the production of all oilseeds, especially groundnuts, because it is only increased production which will ultimately help us in increasing exports."

In the context of the continuing urgency for augmenting India's foreign exchange earnings, the specific suggestions which Mr. Kilachand made for increasing exports of vegetable oils and seeds deserve special notice. In the first place, he urged the Government to decide the export policy for a whole season, instead of announcing it for short periods. It is true that the Government has already relaxed or abolished several restrictions which formerly prevailed in the sphere of oilseeds exports. It has, for instance, decided to license freely exports of nigerseed, kardiseed and sesameseed, their oils, salad oil, nigercake, kardicake and other oilcakes (excluding groundnut oilcake). Liberal quotas are being issued for H.P.S. groundnuts, groundnut oil and groundnut oilcake. Nevertheless, the permission for exports is applicable for brief periods at a time. If export policy is determined in advance and announced for the whole season, it will encourage the exporters to plan their trade, ensure prompt delivery to overseas buyers, and also introduce a certain element of stability in their operations. Secondly, Mr. Kilachand stressed the need for some incentives for exports on lines similar to the incentive scheme for exports of textiles. At present, the incentive scheme for groundnut oil exports takes the form of export entitlement for 3½ tons of oilcakes for each ton of groundnut oil exported. He wanted this scheme to be replaced by some scheme which would permit imports of copra, chemicals, etc., against exports of groundnut oil.

In conclusion, Mr. Kilachand referred to the credit restrictions on oilseeds trade, the increase in freight rates and the proposal for State trading. He felt that, since the credit curbs make it difficult for exporters to get finance, at least they should be exempted from such restrictions. Referring to the increases in freights on oilseeds, oils and cakes by the Karmahom Conference, he urged the Government and shipowners to give their attention to the problems created by these increases. "The least that the Government can do," he said, "is to bring pressure on the Conference to do away with the system of deferred rebates." Finally, he pleaded for setting up an export promotion council for oilseed and oils. Surely, the move for entrusting export trade in these commodities to a State-sponsored body, as suggested by the State Trading Corporation, is neither desirable nor practicable.

PROMOTION OF TOURISM

In the thinking on development of tourism, the emphasis should henceforward be on implementing the policies and programmes already adopted rather than on enunciating new policies or fruitless debates on the place that should be assigned to home and foreign tourism. By now, the broad outlines of the country's tourist development policy should have been finalised and agreed upon. The importance of tourism both from the point of view of earning foreign exchange and goodwill for the country has been sufficiently stressed. The advantages of home or "social tourism" for greater understanding among the people and their emotional integration are also obvious. What is lacking, however, is vigorous efforts to make these advantages materialise.

What is not so readily recognised, or even if recognised does not receive sufficient attention, is the basic prerequisite of a vigorous tourist trade. As Mr. Raj Bahadur, Union Minister of State for Transport, pointed out, at the third meeting of the Tourist Development Council held at Trivandrum this week, "publicity" and "facility" are the two pillars on which the whole edifice of tourism stands. Just as home and foreign tourism should develop hand in hand, publicity and facility should move in step. While attempts are being made to publicise the attractions of India for the foreign tourist, and this is reflected in the steady increase in the flow of foreign tourists into the country during the past few years, efforts at building tourist facilities have lagged far behind. Greater emphasis should, therefore, be laid on meeting the requirements of the foreign tourist. To start with, attention should be concentrated on providing for the basic amenities of the tourist such as board and lodge and travel facilities, including good roads. Suitable and sufficient hotel accommodation is still lacking. Even in the big cities, which alone at present have the right type of hotels (though not in sufficient

numbers) that can cater to the needs of foreign tourists, the progress in this respect has been very slow and there has hardly been any improvement in the availability of suitable accommodation. In fact, the situation would appear to have deteriorated.

If the Government's tourist development plans is to make any sense, utmost importance should be given to the hotel industry. The Chaman Lall Committee had rightly emphasised the need for an increase in hotel accommodation throughout India, especially in cities like Calcutta, Bombay, Agra, and Cochin, where the accommodation problem is acute. The fact that hotel accommodation at present is short of requirements is no reflection on the ability of the private sector. It is because sufficient encouragement and facilities have not been given so far and it is high time the question was accorded top priority. If, however, what the private sector can do with Government help and assistance proves insufficient to provide for the expanding tourist traffic, there should be no hesitation in allowing and even encouraging foreign capital to enter the field of hotel industry, alone or in collaboration with indigenous capital. Many international hoteliers will be ready to set up hotels in India if they are permitted to do so. Attempts made in the past by a few leading hoteliers in this direction have met with resistance from the Government, perhaps under pressure from the leaders of the indigenous industry. There should not be any objection to welcoming foreign capital to the hotel industry when domestic capital alone has not been able to cope with the increasing requirements. The loss to the country resulting from transfer of profits out of the country will be more than compensated by the enlarged tourist earnings. The Government decided recently, and rightly, that where there were clear and obvious advantages in permitting foreign collaboration in the setting up of any hotel, such collaboration would be permitted. But the condition attached to the grant of permission, namely, that foreign capital does not ordinarily exceed 49 per cent. of the total capital invested, does militate against the policy of encouraging the flow of foreign capital into this industry.

SOME OBSTACLES TO DEVELOPMENT

It is often said that Kerala is a problem State. This is as much true of its economic conditions as of its politics. For political instability is obviously a source of constant threat to economic development. The business community, in particular, runs a great risk in such a situation. Apart from the burden of taxation and other obstacles to capital formation in the private sector which are true for the country as a whole, business men in Kerala are put to many other difficulties of local origin. The latter include those problems arising from the frequent changes in the various policies of the State Governments decided by political parties of differing, and sometimes conflicting, ideological loyalties. Law and order situation, as also labour relations, are other factors affecting the business community. It was only natural then that Mr. W. E. Northey, M.B.E., Vice-President of the Cochin Chamber of Commerce, should have drawn pointed attention, in his speech at the annual general meeting of the Chamber held at Cochin on the 6th inst., to the political developments during the last one year in the State and "the unfortunate repercussions" they had on normal commercial activities in the State. He was, for understandable reasons, reluctant to dilate on this aspect of the problem. He, however, hoped that Kerala would shortly have a responsible and stable Government, which, among other things, would give proper consideration to the commercial community and consult it before committing itself to legislation on matters of vital importance to established industries or trades.

According to Mr. Northey, there were three major problems of all-India interest affecting members of the Cochin Chamber. These were the increased burden of corporate and personal taxation, consequent on the enforcement of the 1959 Finance Act, the unsatisfactory food supply position and the rising labour costs and their effects on productivity and exports. He disclosed that the Associated Chambers of Commerce of India, of which the Cochin Chamber is a member, was reviewing the position in regard to corporate taxation with the object of securing a reduction in the net incidence and more reasonable treatment in such matters as the rates of tax on income from inter-corporate investment, the differential tax rates paid by foreign companies and accumulated tax credits. Mr. Northey also referred to the difficulties experienced over the interpretation of section

18(3B) of the Income-tax Act and its application to companies with establishments in India but classified as non-resident as a result of the amendment made to Section 4A(C) of the Act. It would appear that the Chamber has already taken up the matter with the Union Ministry of Finance.

Mr. Northey also brought out the difficulties experienced by foreign personnel employed in India, following the withdrawal of the exemption from tax of the first Rs. 4,500 of foreign income in pursuance of the Finance Act 1959. He pertinently pointed out that, if the foreign personnel working in India could not live in conditions which were reasonably acceptable to them, both from the aspect of physical comfort and general amenities and from that of their remuneration after taxation, the situation was in effect a deterrent to investment. Admittedly, this question deserves careful study, since it has a direct bearing on the flow of foreign capital and dissemination of foreign technical know-how in the country.

The difficult food situation in the country poses another serious problem to economic development of Kerala. Mr. Northey observed that this was largely the cause of the steep rise in the cost of living in that part of India. He called for a vigorous approach to the problem of increasing food production and proper arrangements to ensure the free movement of food throughout the country. He also referred to the growing indiscipline among labour and political activities of rival trade unions. There had also been considerable increases in wage rates in almost all industry and, at the same time, employers' expenditure on amenities for workers had risen. He rightly held that higher labour costs, without any proportionate increases in productivity, coupled with heavy internal taxation, were liable to have serious effects on industries which were competing in world markets. Appropriately enough, he suggested the adoption of a general policy of linking wages to productivity.

The business community in Kerala has also had to face difficulties arising from periodic congestion in the Port of Cochin and serious delays in the movement of goods to and from it. In order to solve this problem, Mr. Northey urged (a) the speedy execution of the work on the four new wharfs

the commissioning of which has been delayed by a year, (b) the diversion of foodgrain ships to the ancillary ports in West Coast during fair weather, (c) the development of road and rail communications from the port to the hinterland, (d) the adoption of a more flexible policy regarding the centralisation of customs examination, and (e) the quick movement of Government foodgrains to departmental storage sheds without holding them up in the transit sheds. It is to be hoped that these suggestions will receive the attention they deserve.

"FREEDOM FROM HUNGER"

The keynote of the various speeches made at the plenary session of the tenth biennial conference of the United Nations Food and Agriculture Organisation (F.A.O.) held at Rome this week was that, unless energetic worldwide action is taken to remove hunger from every part, lasting international peace and goodwill cannot be ensured. This aspect was most forcefully brought out by Prof. Arnold Toynbee, the noted English historian, who delivered the first McDougall Memorial Lecture instituted by the F.A.O. in honour of the late Frank L. McDougall, a leading figure in the creation of this body, and by Mr. B. R. Sen, the Director-General. Prof. Toynbee urged the need for a mass educational programme and political action to keep world population growth under control and the people free from the menace of famine, while Mr. Sen proposed the launching of a "Freedom from Hunger" campaign. He said: "The new dimension being added to the food problem by an increasing population is one that must challenge all our intelligence and our energy.... The familiar paradox between surplus production in some countries and hunger in large parts of the world continues."

Mr. Sen's proposal evoked excellent response and unstinted support from practically all the delegates. In the course of his inspiring speech, Mr. S. K. Patil, Union Minister for Food and Agriculture and leader of the Indian delegation to the F.A.O. conference, rightly observed:

"This is, in my view, a basic responsibility from which none can flinch.... It is for the member-countries now to concentrate their efforts on this constructive campaign and to pursue it relentlessly until the scourge of hunger disappears from this planet of ours. Someone very wisely said that poverty anywhere is a menace to pros-

perity everywhere. There can be no real peace or happiness in the so-called surplus countries as long as there is food deficit leading to hunger in any country."

The success of the "Freedom from Hunger" campaign will depend to a considerable extent on the extent of co-operation forthcoming from all the countries, both surplus and deficit. Mr. Patil certainly struck a note of realism when he declared that it was not enough to rush to the help of a needy country where an acute food shortage had occurred; it was equally the responsibility of the surplus countries to take preventive action in time to avoid conditions of scarcity. "This," to quote him, "raised the question of maintaining adequate food reserves in deficit areas until these areas are able to look after themselves."

In the opinion of Mr. Patil, an experiment of a World Food Bank is not only feasible but also essential. The most salutary effect of such a bank, according to him, would be its undoubted impact on food prices. Along with the adequacy of food, precautions must be taken to see that food prices are kept in reasonable check. Conditions of scarcity lead to other evils like hoarding, black-marketing and price fluctuations. These have to be avoided by timely action. Surely, a World Food Bank "can supply an effective answer to all these evils from which millions have to suffer," provided, of course, the scheme envisaging its establishment is a realistic and practical one. To quote Mr. Patil again: "It is not beyond the competence of experts to work out a practical scheme for a World Food Bank which can hold food deposits at places where they can produce immediate results.... It is not mere proximity of food that can drive away hunger; food at a reasonable price is the obvious remedy."

The plea for setting up a World Food Bank is a very timely one and deserves the utmost attention of the F.A.O. Since the implementation of the scheme involves solution of many complicated problems, it will naturally have to be preceded by an expert study of the different aspects of the scheme. Meanwhile, the F.A.O. can consider the suggestion of the Canadian delegate, Mr. D. S. Harkness, for creating a working committee to serve as a clearing house for information, to keep a watch over the world food situation and to facilitate action wherever possible.

REPUTATION
for
Quality, Uniformity, Reliability

CLARETTA

High Rayon Fabrics

# 6040	M/g Habutae
# 6080	Chiffon
# 6280	Silver Crêpe
# 6300	Georgette Crêpe

Rayon Yarn

Filament	Yarn
Spun	Yarn
Twisted	Yarn
Staple	Fibre

Pamphlets available. Please apply to:
KURASHIKI RAYON CO., LTD.
2, Umada, Kinokawa, Osaka, Japan Cable Address: "KURARAY OSAKA"

U.S. ECONOMY IN GOOD SHAPE, DESPITE COSTLIEST STEEL STRIKE PAYROLL LOSSES ALONE EXCEED ONE BILLION DOLLARS

SURVEYING the latest business and economic conditions in the U.S. with particular reference to the impact of the 116-day strike of steel workers on the economy, the November issue of the *Monthly Letter* of the First National City Bank of New York, observes as follows:

The steel strike reached a critical stage by late October. Heavy inventories at the start enabled steel users to keep going through August and September, but, in recent weeks, secondary unemployment has been mounting. Nearly 200,000 persons were put out of work during October by steel shortages. By month-end, an estimated 865,000 persons (including half a million strikers) were without work, because of the steel situation, and many thousands more had been hit by other strikes. Prospects of still greater disruption of production and employment led President Eisenhower on 19th October to request an injunction under the Taft-Hartley Act, calling off the steel strike for 80 days. A Federal Court issued an injunction on 21st October but its effect was stayed until 2nd November to give the union time to appeal to the Supreme Court.*

No matter how soon the strike is halted, the most acute pinch in steel supplies is yet to come. Once a settlement is reached, or an injunction becomes effective, it will take several days for furnaces to be reheated, and several weeks before a balanced flow of finished products is achieved. Steel men fear a shutdown as protracted as this may have caused extensive damage to furnaces and other steelmaking facilities. Unless iron ore shipments on the Great Lakes are resumed soon, some blast furnaces may have to be shut down early next year.

Kaiser Steel has signed a contract with the union at an estimated cost of 22½ cents per hour in wages and fringes spread over two years. The money differences between the union and the other 11 major producers have narrowed, aided by mediation efforts of the President's Board of Inquiry, headed by Dr. George W. Taylor. The industry has raised its offer to 2.6 per cent. of payroll costs—equivalent to the industry's average annual productivity gain. The emphasis in the negotiations has been more in the direction of increased fringes than wages, the men evidently preferring tax-free benefits, though sometimes erroneously construing fringes as without cost to the employer.

A Matter of Principle

The main stumbling block remains the same as before—the issue of local work rules, work schedules, and wildcat strikes. Management's insistence on the right to manage more efficiently has become a deep-set matter of principle, as well as an economic issue. Union proposals for joint committees to study the problem, accepted by Kaiser, have been rejected by the other companies, while employer offers to submit work rule questions to binding arbitration have been rejected by the union.

Dr. Taylor noted in his report to the President that: "The Board cannot point to any single issue of any consequence whatsoever upon which the parties are in agreement." Bargaining has continued during the legal struggle over the injunction, spurred by admonitions by the Board of Inquiry, the President, and the Court. Both parties are well aware that a settlement arrived at through free collective bargaining without outside pressure is far better for their own interests and those of the nation than one dictated by Government. Taft-Hartley offers temporary relief, but does not settle anything. In a way, it may be said that free collective bargaining is on trial.

The President also resorted to a Taft-Hartley injunction in early October to halt the strike of longshoremen on the East and Gulf Coasts. The impact of the steel strike has overshadowed labour unrest in other lines, including meatpacking (now settled), glass containers, copper, and zinc (currently out on strike), and aluminum and railroads (negotiations under way).

*Appeal since rejected. See footnote on the next page.

Not surprisingly, the same matter of principle which has been the critical issue in steel negotiations is at the heart of many of these other disputes. Whether negotiators refer to featherbedding, automation, technological progress, or improved materials handling, the basic issue is the same—the insistence of management on its right to introduce more efficient methods and equipment. At a time when American industry is facing a difficult challenge in maintaining exports, business has become more sensitive to union rules which waste manpower. Excessive labour costs can no longer be easily offset by higher prices, and greater efficiency is management's major weapon in maintaining adequate profits to provide for growth.

When all the losses in wages, profits, and disruption of business are added up, this steel strike has probably been the costliest in the nation's history. Payroll losses of strikers alone are figured to exceed a billion dollars. If the industry settlement, like Kaiser's, boosts wage rates 9½ to 12½ cents an hour in the second year of the contract, the steelworker, with a wife and one child, would need 9 to 11 years of full-time work to make up for the wages he lost during the strike.

Reports received so far from 32 leading steel corporations show a net loss during the third quarter of \$108 million, and fourth quarter prospects worsen every day the shutdown continues. Profits have also been reduced in various metal fabricating companies which have had to pay premium prices or incur extra costs to procure steel or have lost business because of material shortages. Federal, State and Local Governments are sharing the burden in the form of curtailed tax collections, as well as in increased relief outlays for needy strikers and unemployment insurance payments to those suffering secondary layoffs.

Underlying Economic Strength

It is remarkable how well the economy generally withstood the consequence of labour disturbances of this magnitude through September. Industrial production in September was within 5 per cent. of its June record. Overall metal fabricating activity had dropped only 2 per cent. since June, and that was due more to the cut-backs for automobile model changes than to shortages of steel. Despite the heavy layoffs, non-farm employment was estimated as the highest for any September on record. Personal income receded only 1 per cent. from its June record. Retail sales—down 3 per cent. from July through September—might have made a better showing had it not been for unseasonably warm weather and the desire of some prospective auto buyers to wait to see the new "compact" models. Construction activity slipped off 5 per cent. from its record-high second quarter level, reflecting the pinch of tight money on home building and some slowing in the pace of highway construction.

Gross national product receded less than 1 per cent. during the strike-ridden third quarter. Total output of goods and services was estimated at an annual rate of \$481 billion, as compared with the record \$484.5 billion in the second quarter. Consumer spending, business fixed investment, and Government outlays continued to rise; the only major declines were in home building and inventory demand. Overall inventory accumulation was at the annual rate of \$10.4 billion in the second quarter, but dropped to only \$1 billion in the third, when steel inventories fell and automobile dealers were cleaning out 1959 models.

Inventories Need Rebuilding

The economy is in good shape for the upsurge which will inevitably follow the settlement of major labour disputes and the resumption of full-scale steel production. Inventories of steel, automobiles, and many other types of goods will need to be rebuilt. The return to work of strikers and others who were laid off will boost payrolls and purchasing power, while other consumers who held back for fear that spreading layoffs might affect them will be in a mood to spend more freely. Relieved of uncertainties and stimulated by expanding sales, many businessmen may make more optimistic

reappraisals of their capital expenditure programmes.

It is expected that most of the business postponed because of the strike will be pushed forward into early 1960. Because of steel shortages, for example, passenger car output may fall 300,000 or 400,000 short of original fourth-quarter schedules, tending to keep assembly lines busy early in 1960. General expectations are that the initial upsurge in business activity—based largely on the temporary stimulus of recovery from the strike—will give way to a high-level plateau, or more gradual advance, for the rest of 1960.

An Unemployment Problem

The direct and indirect effects of strikes kept more than one million persons off their jobs during October. This involves a large wastage of skilled manpower as well as hardships and deprivations for the people affected. Most of this unemployment will never be reflected in the official unemployment statistics. One of the curiosities of the labour force figures is that strikers (unless seeking other work) are classified as employed, even though most of them are idle and some of them become entitled to unemployment benefits.

There is proof of the financial resources of the workman, as well as of the generous provisions for public assistance, in the fact that so many can make do without gainful employment for so long. Nevertheless, the loss to him and to the nation is very real. The idle moment can never be recaptured and put to work.

Trade unions often have been in the forefront demanding Government actions to reduce unemployment. It was ironic that the Steel Union, opposing Government action to get men back to work and check spreading unemployment, argued that the economic effect of the steel strike was so slight that it did not imperil the national health or safety. A strike intended, according to the Union's advertisements, to add a billion dollars to payrolls has already subtracted more than that.

It is worthwhile recalling the assertion, at the A.F.L.-C.I.O. convention in Puerto Rico last February, that Congressional approval of President Eisenhower's programme for balancing the Federal budget would condemn the United States to a permanent pool of five or six million jobless workers and would bring about national "economic collapse." Then, as well as later in the "march of the unemployed on Washington" rally in early April, the A.F.L.-C.I.O. urged Federal intervention to relieve unemployment, namely, by easy money and increased Government outlays for housing, education, and all sorts of public works. Yet none of these things would have dealt with the present unemployment due to strikes.

The Hat Trick

At the time of the Puerto Rico convention, the official unemployment figure, swollen as usual by the effect of cold winter weather on construction and agricultural work, was reported at 4.7 million. Secretary of Labour, James P. Mitchell, recognising the strong recovery under way in business and job opportunities, predicted that, by October, the unemployment figure would drop to three million, getting down toward a practical minimum in an unregulated peacetime economy. Accused by union officials of "talking through his hat," the Secretary reportedly offered to eat the hat he was accused of talking through if he did not prove right.

The October unemployment figure, due for publication in mid-November, may exceed three million. But every unbiased observer will agree that unemployment could have been below three million if the strike had not arrested steel production. By mid-October, about 280,000 persons in related industries had been laid off because of the steel strike and were counted among the unemployed. Indeed, as far back as April, the A.F.L.-C.I.O.'s *Economic Trends and Outlook* conceded that the Secretary's "prediction will probably prove to be correct, on the basis of present trends." Since he was not talking through any hat, there is none to eat.

A special Senate Committee, appointed as an outgrowth of trade union complaints over lack of job opportunities, is now studying "the problem of unemployment." It is to be hoped that the Committee will note that unemployment has many reasons and facets. It is an expression not only of immobilities, such as those that keep people from leaving depressed areas, but also of treasured freedoms, such as those of people to work part time or intermittently if they prefer, to quit in search of something better, and strength against another valued right—the right of the citizen to protection from continuous wage and price inflation.

AMERICAN LETTER

AGREEMENT TO REMOVE DOUBLE TAXATION COMMENDED DROP IN STEEL MILLS' PROFIT—CONSUMER SPENDING STILL HIGH

From Our Special Correspondent

NEW YORK, 5th November

THE Treasury Department at Washington has finally recommended the adoption by the United States of an income-tax agreement with India, designed to eliminate double taxation and to promote the flow of private investment between the two countries. There are similar agreements in force with 21 other nations, but the proposed convention with India is unique in containing a U.S. credit for tax exemption granted by India.

Under existing U.S. laws, a credit is granted against income-tax only for taxes actually paid to the country where the income is earned. If a foreign country gives tax exemption to encourage new investments, no credit is allowed against U.S. tax liability. The proposed convention with India would allow a credit against U.S. tax, even for the exemption from tax granted by India. It is anticipated here that the credit provision of the convention might be an important stimulus in generating interest in private investment opportunities in India.

The Treasury has transmitted the convention to the State Department with the recommendation that it be signed. The proposed treaty will not become effective until it is signed by both Governments and the Senate gives its consent to ratification. That means that the agreement cannot become effective until early next year when the Congress reconvenes. While the convention may not be the first point on the Senate agenda, it is reasonable to assume that relatively speedy action will be given to the approval, since India has had a good Press here recently, especially *vis-a-vis* Red Chinese aggression.

The solid front of management against labour has finally been broken in the steel strike which has now been running for more than 110 days. Several steel companies headed by Kaiser Steel have made separate agreements with the United Steel Workers of America. As this is being written, the U.S. Supreme Court is taking up possible enforcement of a Government-sponsored injunction which would end the walkout for at least 80 days.*

The break in the solid front has psychological rather than economic implications. Only about 6 per cent. of all steel-making capacity so far is affected by the back-to-work movement. Negotiations between labour and managements of the big steel companies for more than three months have been an exercise in futility.

All things being relative, the following may be of interest. The United States Steel Corporation reported a \$31.1 million loss for the third quarter of 1959 and the first since 1938. The deficit was the Company's largest. Yet, the directors voted the regular quarterly dividend of 75 cents a share. In spite of the third-quarter loss, nine months' earnings were still ahead of the recession year 1958. Net income was equivalent to \$3.80 a common share, as against \$3.56 for the first nine months of last year. This, however, was well below the \$5.77 a share reported for the first nine months of 1957.

Within the last week or so, the U.S. has also been feeling the first strike-caused shortages of copper. About 75 per cent. of this country's copper production has been halted by walkouts of members of the International Union of Mine,

*Since writing, the Supreme Court judges have, by a majority of eight to one, upheld a lower court injunction ordering the 500,000 striking steel workers back to their jobs. The Supreme Court held that the provision of the Taft-Hartley Act to send the strikers back to the mills for an eighty-day cooling-off period was not unconstitutional, as was contended by the United Steel Workers Union, and the Court did not uphold the Union's contention that some steel plants, but not all, should be reopened to meet specific defence needs, on the ground that it had no powers to do so. It felt that the Union's suggestion was tantamount to the Union seeking to impose its wishes on the Government. The President of the Union remarked that, while the Court's order had to be obeyed, the workers might strike again at the end of the 80-day cooling-off period, if no agreement was reached by then.

LONDON LETTER

STILL SET FAIR

U.K.'S PAYMENTS POSITION

(From Our Own Correspondent)

LONDON, 31st October

A STUDY of the detailed figures for Britain's Balance of Payments in the first half of this year gives every hope that, although the favourable balance will not be as high as in 1958, it will nevertheless be substantial and on a scale comparable to the average of the past three years. Further, it indicates that Britain is having a greatly improved balance with the dollar area—the country's main source of external weakness hitherto—and relying for a large amount of its current surplus on this area instead of on the sterling countries; thereby enabling the latter to spend outside the sterling area more freely without weakening the central reserves.

In the first half of this year, imports on f.o.b. basis at £1,727 million were £23 million below exports. Thus, for the second year since the nineteenth century Britain has a surplus on visible account. The surplus, however, was £70 million less than in the first half of 1958, because, while imports rose by £99 million, exports rose only £29 million; but exports were improving this year after their lull last autumn and there is no reason why the surplus should be anything like as diminished for the second half of the year.

The surplus on invisible account was also £25 million lower this half-year at £119 million. Government expenditure cost £10 million more, shipping brought in £8 million more, interest on loans, dividends, etc., brought in £16 million more, but on all the rest of the items (banking services, travel, etc.), we lost £39 million. The combined surplus of £142 million was thus £95 million less than in the first half of 1958.

Capital Movements

It is now possible to see what capital movements took place which, supplementing or reducing the surplus, accounted for the additions to the gold and currency reserves:

	First half	
	1958	1959
Surplus on current account ...	237	142
Capital exports (identified) ...	104	36
Balance remaining to be settled by monetary movements ...	133	106
Unidentified capital inflow ("hot money" balances, etc.) ...	130	31
Miscellaneous money transfers including changes in internationally held sterling ...	24	132
Increase in gold reserves ...	287	269
Less U.K. subscription to I.M.F. ...	...	232
Net increase ...	287	37

The miscellaneous monetary transfers for 1959 include, in the total of £132 million, no less than £107 million increase in the sterling holdings of the I.M.F.—which becomes a contingent liability materialising when the money is spent by any I.M.F. beneficiary. In the meantime, while Britain subscribed to the I.M.F. the sum of £232 million, she only had to find £125 million (£232 million less 107 million) in gold and this sum can, of course, be drawn upon by this country as if it were an international bank deposit in case of dire need. The true comparable position with 1958 is, therefore, that, without the I.M.F. transactions, Britain's gold and dollar reserves would have gone up by £162 million in the half-year against an actual increase the previous year (first half) of £287 million. Not a bad comparable result—most of the difference being due to a less good commercial outturn.

Coming back now to the commercial figures, in the current account, history is again being made with a surplus achieved with the non-sterling area of £50 million in the half-year. This is the most significant item in the whole study. (Last year, there was a six-month deficit of £5 million, but, in earlier years, the deficit had been far larger.) This surplus of £50 million was, oddly enough, compounded of a dollar surplus with North America of no less than £117 million and a deficit with other non-sterling countries of £67 million. The surplus with sterling countries amounted to £92 million, which is less than the surplus with the dollar countries. Will this new pattern continue to develop?—All Rights Reserved.

PATTERN OF INTEREST RATES ON DEPOSITS AND ADVANCES OF BANKS

MARGIN OF PROFIT LOW DUE TO CHEAP CREDIT

IT is common knowledge that the working of Scheduled banks during the calendar year 1958 did not prove to be as remunerative as was warranted by the expansion in their business. In fact, their profits suffered a fall of nearly 25 per cent. during the year and it was for the first time since 1953 that they showed a downward trend. The main contributory factors, it is said, were the large accretion of high-interest-bearing deposits—thanks to the keen competition among banks for attracting deposits by offering higher rates of interest—without a corresponding increase in advances and the rate of interest thereon, and the mounting level of expenses. This resulted in a considerable shrinkage in profit-margin of banks, which had no relation to the expansion in business. In the first half of the current year, the position improved a little, in that some of the banks were able to earn fractionally higher profits, as compared with the corresponding half-year of 1958, and others experienced a slackening in the pace of fall in profits. This was due, to a large extent, to the voluntary ceiling on interest rates on deposits and the slightly higher rates of interest earned on advances as compared with the corresponding periods of 1958 and 1957.

The spread between the rates of interest on deposits and advances is an important factor in determining the profit-margins of banks, inasmuch as a large part of it is taken away by administrative and other expenses. No doubt, banks have other sources of income, such as commission and discount earned on bills, drafts, etc., but these form a relatively small proportion of their total income and even this has tended to decline, thanks to the fall in import bills following the drastic curb on imports and the decline in exports too, owing to increase in competition in overseas markets. The expenses have kept on mounting up, in view of the sharp rise in cost of living, as well as in other items. A study undertaken by the Reserve Bank of India on interest rates on deposits and advances covering the years 1957 and 1958 and the first half of 1959, the results of which are published in the October issue of the *Reserve Bank Bulletin*, shows that the spread between the two sets of interest rates is less than 3.5 per cent. This is due to the low rate of interest at which credit is being made available by banks; this is only a little more than 5½ per cent. which should be considered very low as compared with that in many other Western countries. Even the World Bank does not now lend at less than 6 per cent. per annum and the International Finance Corporation's lending rate is even stiffer at 7 per cent., though these are for long-term credits.

The average rate of interest paid on all classes of deposits by Scheduled banks was 1.751 per cent. in the half-year ended June 1957. This rose to 2.104 per cent. in the following half-year, and further to 2.229 per cent. in the first half of 1958, mainly as a sequel to the keen competition among banks to attract deposits. In the second half of 1958, too, there was a further increase to 2.273 per cent., but the pace of rise was slower. In the six months ended June 1959, however, there was a decline to 2.183 per cent., "reflecting the high liquidity position of banks and the impact of the October (1958) inter-bank agreement on interest rates."

The following comparative table gives the weighted average rates paid/charged on deposits and advances by Scheduled banks for the five half-years under review.

	For the half-year ended				
	June 1957	December 1957	June 1958	December 1958	June 1959
Current deposits ..	0.156	0.151	0.184	0.179	0.184
Savings deposits ..	1.556	1.582	1.582	1.552	1.906
Fixed deposits ..	3.885	3.665	3.611	3.620	3.451
Other deposits ..	3.805	3.678	3.782	3.405	3.417
All deposits ..	1.751	2.104	2.229	2.273	2.183
Loans and advances ..	5.198	5.688	5.505	5.685	5.579
Spread between average rates on deposits and advances ..	3.447	3.584	3.276	3.412	3.396

The variations in interest rates on current deposits are of a nominal nature. The rise in interest rates on savings deposits is mainly accounted for by the progressive stepping up of

the rate by several banks from 1½ per cent. to 2½ per cent. during the two years 1957 and 1958. The slight decline during the half-year ended June 1959 may be attributed to two factors. Explaining them, the Reserve Bank's study says:

"In the first place, as the amount of interest paid on savings deposits is dependent on the lowest balances maintained during a month, it is quite possible that variations in these balances might have affected somewhat the interest paid on the deposits. Secondly, an analysis of information obtained on the usual rates—rate of interest paid on the largest portion of the deposits—of interest paid on savings deposits by the banks shows that the total amounts outstanding with the banks carrying interest at rates higher than 2½ per cent. have steadily declined at important centres, while amounts contracted at rates between 2 per cent. and 2½ per cent. have shown significant increases during the period June 1958-June 1959. At Bombay centre, for instance, the total amount outstanding with Scheduled banks at rates higher than 2½ per cent. declined from Rs. 2.3 lakhs on 30th June 1958 to Rs. 1.8 lakhs on 30th June 1959, while the amount outstanding at 2-2½ per cent. rose during the same period from Rs. 18 crores to Rs. 22 crores."

The hardening of the average rate of interest on fixed deposits during 1957 and 1958 is attributed to the competitive bidding by banks and

the average rate of interest both on deposits and advances. Also, since the average rate of interest on advances of smaller banks is much higher than that charged by big banks, the spread between the advances rate and the deposits rate or the "margin of gross profits" of smaller banks is greater than that in the case of big banks. It must, however, be remembered that the "margin of profit" of smaller banks for the past half-year was the lowest in the last five half-years under review, while it is not so in the case of the other two groups. It will be noted from the table that the average rate of interest allowed on deposits by larger banks showed a decline of 0.093 per cent. in the half-year ended June 1959, as compared with the first half of 1958, while that of medium and small banks recorded an increase of 0.142 per cent. and 0.066 per cent., respectively.

The Reserve Bank's study also covers the earnings of banks from bills and other services. The average rate of interest (discount) earned on inland bills rose successively from 5.550 per cent. in January-June 1957 to 6.432 per cent. in July-December 1958. It, however, dropped to 6.343 per cent. in the first half of 1959. Barring a rise in the half-year ended June 1958, the average rate of interest earned on foreign bills declined successively from 10.766 per cent. in the first half of 1957 to 8.887 per cent. in the corresponding period of this year. A feature of the earnings on foreign bills is that the rate of discount on import bills, on an average, was 3 per cent. more than that charged on export bills.

TABLE I

	Average rates paid/charged by groups of banks					
	Banks with deposits of Rs. 25 crores and above		Banks with deposits between Rs. 5 crores and Rs. 25 crores		Banks with deposits below Rs. 5 crores	
	Rate	Change over the period	Rate	Change over the period	Rate	Change over the period
Total deposits :						
January-June 1957 ..	1.618	..	2.163	..	2.332	..
July-December 1957 ..	2.003	+0.385	2.407	+0.244	2.498	+0.166
January-June 1958 ..	2.132	+0.129	2.466	+0.059	2.757	+0.259
July-December 1958 ..	2.130	+0.002	2.683	+0.217	2.927	+0.170
January-June 1959 ..	2.039	-0.091	2.608	-0.075	2.823	-0.104
Advances :						
January-June 1957 ..	5.016	..	5.678	..	6.048	..
July-December 1957 ..	5.563	+0.547	5.876	+0.197	6.568	+0.518
January-June 1958 ..	5.364	-0.199	5.746	-0.130	6.455	-0.111
July-December 1958 ..	5.488	+0.124	6.078	+0.332	6.639	+0.561
January-June 1959 ..	5.386	-0.102	6.040	-0.038	6.490	-0.349
Spread between average rate of interest on advances and deposits :						
January-June 1957 ..	+3.398	..	+3.515	..	+3.716	..
July-December 1957 ..	+3.560	+0.162	+3.468	-0.047	+4.068	+0.352
January-June 1958 ..	+3.232	-0.328	+3.280	-0.188	+3.698	-0.370
July-December 1958 ..	+3.358	+0.126	+3.395	+0.115	+3.912	+0.214
January-June 1959 ..	+3.347	-0.011	+3.432	+0.087	+3.667	-0.245

the drop in the rate during the first half of the current year to the ceiling on interest rate on fixed deposits of three months and over at 4 per cent. under the inter-bank agreement. This resulted in a considerable decline in outstanding deposits with banks at rates higher than 4 per cent. at important centres. In Bombay, for instance, the amount outstanding in respect of fixed deposits for three months and six months contracted at rates above 4 per cent. declined from Rs. 29 crores and Rs. 15 crores as on 30th June 1958 to Rs. 10 crores at Rs. 4 crores, respectively, on 30th June 1959.

The average rate of interest on advances shows an erratic trend, though it was higher at 5.579 per cent. by 0.388 per cent. in the first six months of the current year than in the corresponding period of 1957. An interesting feature disclosed by the trend of interest rates on advances is that the rate tended to decline in the first half of 1958 and 1959, though one would normally expect it to be higher during this part of the year which normally coincides with the greater part of the busy season. One possible explanation given for this trend is that "a few of the banks might have been charging concessional and lower rates on advances extended to their customers who approach them for seasonal requirements than on credit of a non-seasonal nature."

The spread between the average rates on deposits and advances (which may be deemed as the gross profit-margins of banks), which was 3.442 per cent. in the half-year ended June 1957, widened to 3.584 per cent. in the following half-year. It, however, narrowed down to a low of 3.276 per cent. during January-June 1958, following the decline in advances rate and the rise in deposits rate. It again widened to 3.412 per cent. in the second half of 1958 before declining to 3.396 per cent. in the first half of 1959, on account of the relatively greater fall in the advances rate than that in the deposits rate.

An analysis of the rates of interest on deposits and advances according to the size of the banks, given in Table I, shows that the smaller the size of the banking unit the larger is

The rate of interest (commission) earned on all other services comes to less than one per cent. per annum.

HONGKONG BANK TO TAKE OVER ANOTHER BANK

An agreement has been reached, subject to formal contract, between the Boards of the Hongkong and Shanghai Banking Corporation and the British Bank of the Middle East, under which the former will make an offer to the shareholders of the latter to acquire their shares in exchange for new shares of the Hongkong and Shanghai Banking Corporation, to be issued, credited as fully paid, on the basis of one new share of HK\$125 of the Hongkong and Shanghai Banking Corporation for every fourteen shares of £1 each ex-interim dividend declared on 10th November 1959 of the British Bank of the Middle East. The new shares of the Hongkong and Shanghai Banking Corporation will rank pari passu in all respects with the existing shares and will be registered on the London Register.

The Directors of the British Bank of the Middle East have agreed to recommend to the shareholders this offer for acceptance. Such of those shareholders of the British Bank of the Middle East who do not wish to receive shares of the Hongkong and Shanghai Banking Corporation are to be given the option of taking cash at the rate of 7½ pence per share (ex-interim dividend declared on 10th November 1959). The offer is subject, *inter alia*, to acceptance in respect of 90 per cent. (or such less percentage as the Hongkong and Shanghai Banking Corporation may decide) of the shares of the British Bank of the Middle East and upon permission of the Hongkong and Shanghai Banking Corporation to be issued in exchange being granted by the Council of the Stock Exchange, London.

If the offer is successful, it is the intention of the Hongkong and Shanghai Banking Corporation to retain the separate identity and management of the British Bank of the Middle East operating in accordance with its Royal Charter which provides for its Board meetings to be held in England.

If the above proposal goes through, the British Bank of the Middle East will be the second bank to be taken over by the Hongkong and Shanghai Banking Corporation in recent months. The first was the Mercantile Bank Ltd., which was acquired in March last by exchange of one new share of HK\$125 for every twenty shares of £1 each of the Mercantile Bank. The shareholders of cash their holdings at the rate of 44s. per share ex-div.

CALCUTTA ELECTRIC SUPPLY CORPORATION

GREATER FLEXIBILITY IN GENERATING CAPACITY

SIR HARRY BURN REVIEWS RESULTS AND OPERATIONS

THE Sixty-second Annual General Meeting of the Calcutta Electric Supply Corporation, Ltd., was held on 12th November 1959 at Victoria House, Vernon Place, Bloomsbury Square, London, W.C.

Sir Harry Burn, K.B.E., A.C.A., the Chairman, presided.

The following is his statement, which had been circulated with the report and accounts:—

"It is with deep regret that I have to record the death on 9th February 1959, of Mr. J. H. Waters, who had been a member of the Board since 1952. He had served with the Company in India for 28 years, and was Chief Engineer when he retired from Calcutta. He was a valued colleague, and his experience and knowledge enabled him to give sound opinions and advice on many aspects of the Corporation's activities. We shall greatly miss his kindly presence. For some time prior to his death he had suffered from ill health, but this did not deter him from fulfilling his duties on the Board.

"In April last, Mr. I. A. Macpherson joined the Board. He has been with the Company for 24 years, and retired from Calcutta at the end of last year, after completing six years as our Agent, an office which he filled with outstanding ability. We are happy to welcome Mr. Macpherson as a member of the Board, and thus have available his wide knowledge and experience.

Distribution and Demand

"There is attached to the accounts a map of the Company's area of supply which shows that two important sections of the distribution system have been commissioned during the year. First, a third 33kV feeder from Mulajore to Barrackpore and two 33kV feeders from Barrackpore to Agarpara; this has resulted in greater flexibility of our generating capacity; secondly, two further feeders from Howrah Receiving Station to Fort Gloster in the Bauria Area, thus fortifying our system in that new and important area. I would again emphasize that the high tension industrial load is not confined to Calcutta and Howrah, but covers the whole of the licensed area in which industry continues to expand.

"During the year ended 31st March 1959, there were increased sales of energy to all classes of consumers with the exception of traction, to which reference is made later in this review. For the most part the increased demand was from industrial consumers. The total energy sold increased from 1,501 million units to 1,677 million units, an increase of 176 million units which compares with an increase of 107 million units during the previous year.

Power Sales

"Sales for power purposes are, mainly for industry, but also include public water works and domestic power, such as air-conditioning and refrigeration. Industrial demand covers 80 per cent. of these sales which, with a few small exceptions, have increased with every class of consumer. The principal consumer is the jute industry whose consumption during the year increased by 50 million units to 412 million units. Trading conditions for the jute industry still continue to be difficult, but for the season 1958-59—July to June—the off-take for both export and internal consumption of jute products has improved, the increase in the former being mainly accounted for by hessian. Sales of energy have been helped by a better load factor resulting from the policy of rationalisation and modernisation of mill machinery and by the benefit of a full year's consumption from the mills fed by the Bauria Electrification scheme to which reference was made in my last review. Next in importance are rolling mills and engineering workshops; sales increased by 25 million units to 211 million units. Their consumption should expand further when the steel projects sponsored by the Government of India come into production. Cotton mills, chemical works, and paper mills are also large consumers and it can be said that our high tension power consumers cover almost every type of industry.

"There was again an increased demand for low tension industrial power, sales increasing from 91 million units to 99 million units and the number of consumers increasing by over 1,000 to more than 14,500. Of these consumers, the most important are engineering workshops manufacturing components for the larger concerns and here again their demands have been depressed by the shortage of steel. Public water works and sewage pumping stations consumed 82 million units, an increase of nine million units. Half of this increase came from the Calcutta Corporation and the remainder was equally divided between the Howrah Municipality and the State Government's Sonarpur/Arapanch Drainage Scheme. Domestic power sales showed a further large increase, rising from 50 million units to 56 million units. Much of this is due to air-conditioning units reflecting an improved standard of living of many middle-class families.

"Sales of energy for lights and fans again showed a satisfactory increase of 14 million units, consumption rising from 213 million units to 227 million units. Increased demand is in general due to an improvement in the standard of living resulting in greater use of fans and more plentiful illumination.

"Public lighting consumption increased by two million units; this was almost entirely due to the Calcutta Corporation, which continues to improve its street lighting.

"The Calcutta Tramways Co. Ltd., is the sole consumer for traction purposes. The large decrease in sales is due to the six weeks' strike by tramway employees in August and September, 1958.

"Bulk supplies are given to seven distributing undertakings; sales to these consumers increased by 19 million units from 44 million units to 63 million units. The most important supply is to the North Calcutta Grid of the West Bengal State Electricity Board, which takes more than three-quarters of the total sales under this head.

"Of the sales under special contracts, some 65 per cent. is at our special tariff for owners of large buildings. Sales under that tariff increased by six million units. The remaining consumers under special contracts are the Central and State Governments, the Calcutta Port Commissioners, and the Calcutta Corporation; consumption improved in each case.

Revenue Account

"Reference to the revenue account shows how the growth in demand is reflected in the receipts from the sales of current which rose by nearly £800,000 to over £8,000,000. Miscellaneous receipts declined by £40,000; hire charges for one of our jety cranes unloading steel for the extensions to the Tata Iron and Steel Company, an exceptional item of income, ceased in the early part of the year now under review.

"The cost of generation and distribution and larger purchases of power from the Damodar Valley Corporation by reason of the higher demand on the system are reflected in an increase in expenditure of £776,000 under these heads. Generation and distribution cost over £4 million and of that sum more than £2,250,000 was spent on coal, which cost £315,000 more than in the previous year. This major item of expenditure represents 72 per cent. of the total generating cost. Coal prices and railway freights were further increased though not to the same extent as in the previous year and the average cost of coal per ton delivered to our stations showed an increase of 4 per cent. Additional power purchased accounted for over £200,000. Increases in basic pay and dearness allowances and higher costs in respect of materials and various services affected generation, distribution, and administration expenditure. The depreciation charge also rose by £57,000. Finally, I must mention the wealth tax of £109,000, which was £38,000 greater than for the previous year. I am glad to say that the Government of India has decided to abolish this tax and no charge will arise under this head in the accounts for the year ending 31st March 1960.

"The net revenue, after taking into account the depreciation charge, is £82,000 less than that of the previous year which included the item of £43,000 for the hire of one of our jety cranes to which I have already referred. I am glad to report that sales of energy for the current year show a satisfactory expansion and conform with our forecasts of future demands.

Net Revenue Account

"I will now deal with the net revenue account. In so far as the Indian tax position is concerned considerable progress has very recently been made towards a settlement of the appeals which were pending a year ago and to which I made a reference in the 1958 review. In consequence of this the Board are now enabled to adjust the Indian tax element as it affects the preference dividend for the year ended 31st March 1959, and a payment in the form of a supplementary dividend will shortly be made. This payment will bring the dividend for the year up to 5 per cent. (net) and provision in respect thereof has been made in the net revenue account. In view of the Indian income-tax position, it cannot be assumed that the rate of the preference dividend for the current year will be the same as that now being paid for the year ended 31st March 1959.

"The charge for Indian taxes appearing in the net revenue account covers tax on the items of expense still remaining under appeal and conforms with the provisions of the Electricity (Supply) Act. The charge for United Kingdom tax of £150,068—as affected by double taxation relief—to which I also made a reference in last year's review has also been adjusted to meet the United Kingdom and Indian tax position as it rests at present pending the final outcome of the appeals which I trust may soon be resolved.

"The statutory allocation to development reserve of £11,412 takes into account the current Indian tax position and the reasonable return of 6 per cent. permitted on the capital base.

"The clear profit for the year falls short of the reasonable return to which the Company is entitled by the sum of £106,247, and this has been made good by a transfer from the tariffs and dividends control reserve as permitted by the Electricity (Supply) Act, 1948.

"The allocation for the contingency reserve fund has been made as required by the Act and it is proposed to make the usual contribution to the retiring gratuity fund. Provision has been made for the interest and sinking fund charges in connection with the debentures. In order to conserve our finances for the continued expansion of the Company's operations, the Board have deemed it advisable to appropriate a sum of £525,000 to special appropriations for plant expansion and replacements. Dividends on the preference stock amounting to £68,075 have been paid and, as I have already indicated, a further payment of £29,925 will shortly be made bringing up the dividend to 5 per cent. (actual) for the year. It is proposed to pay a final dividend of 3½ per cent. (actual) on the ordinary stock making 7 per cent. (actual) for the year. The balance left to be carried forward on net revenue account is £122,137.

Balance-sheet

"It will be seen from the balance-sheet that the bank overdraft has been cleared. Capital expenditure during the year amounted to £1,365,000 and was again almost entirely for our distribution system. More than half the expenditure was on mains and service connections. As a provision for capital expenditure during the year, and pending at 31st March 1959, there was available the sum set aside for depreciation of £900,000 and the allocations to special appropriations for plant expansion and replacement and development reserve amounting to £535,000, thus making a total provision of £1,435,000. Between 1st January 1951, and 31st March 1959, capital expenditure amounted to £10,765,000 and the depreciation provision, together with revenue reserves and special appropriations during the same period, amounted to £10,635,000. I give these figures—which follow on those given in the 1958 review—to demonstrate what has been done during recent years within the limits permitted by the reasonable return on the capital base to provide internal finance for the expansion of the Company's undertaking.

"During December and January last I visited Calcutta and went over all sections of

(Continued on page 828)

EXPORT TRADE IN COTTON TEXTILES

PROSPECTS FOR INDIAN CLOTH IN SOME FOREIGN MARKETS EXAMINED

ALTHOUGH export demand for Indian cotton piecegoods has slackened a little of late, trade circles feel that actual exports of cloth during the second half of 1959 will be quite substantial. One estimate of the total for this half-year is 400 million yards, as against 309 million yards in the previous half-year (January-June 1959) and 278 million yards in the corresponding period last year (July-December 1958). The aggregate exports for the whole of 1959 are estimated at 709 million yards, which compare favourably with 581 million yards shipped in 1958 but are nearly 140 million yards lower than the exports in 1957.

The bulk of mill cloth exported by India consists of grey (unbleached) varieties. The quantity of these varieties actually shipped in the first six months of 1959 was 176.52 million yards, representing as much as 58 per cent. of the total shipment amounting to 303.76 million yards. During the same period, India exported 57.65 million yards of white bleached cloth, 35.88 million yards of dyed fabrics, 19.04 million yards of woven coloured goods, and 14.68 million yards of printed goods. The corresponding export figures—in million yards—relating to the different categories for the January-June 1958 period were 175.74, 61.59, 35.54, 22.28 and 10.79, respectively.

Country-wise Exports

The most important customer for Indian mill piecegoods continues to be the United Kingdom. The actual purchases made by this country during January-June 1959 aggregated 63.76 million yards, of which grey (unbleached) cloth alone accounted for more than 61.21 million yards. The other important markets buying cloth from India include Kenya, Zanzibar, Australia, Aden, Ethiopia, Burma, Afghanistan, Singapore, Tanganyika, Canada and Sudan. The following table indicates the trend of exports from India to the different destinations during the first six months of 1959 and 1958, as well as in the whole of 1958 and 1957:

Countries	January-June		Whole of	
	1959	1958	1958	1957
United Kingdom	63.8	49.2	101.6	150.4
Aden	17.2	16.0	34.6	39.1
Burma	14.1	3.2	4.8	39.4
Ceylon	7.7	7.7	16.3	21.3
Singapore	12.0	6.6	18.6	24.7
Nigeria	4.4	4.0	39.4	48.9
Kenya, Zanzibar	20.6	14.3	35.6	43.8
Tanganyika	11.3	8.5	19.4	25.4
Sudan	8.3	48.6	54.9	95.2
Australia	19.1	22.6	47.1	50.2
Saudi Arabia	8.6	5.3	12.4	21.7
Indonesia	5.3	4.3	13.4	51.3
Canada	8.2	6.3	14.8	17.7
Afghanistan	12.2	11.5	19.0	12.9
Ethiopia	17.0	10.4	22.9	41.9
Denmark	2.3	1.4	2.8	4.0
Sweden	0.4	0.5	1.1	0.5
Other countries	80.5	85.5	125.7	157.7
Total	309.0	305.9	581.4	840.0

Aden has been meeting about 75 to 80 per cent. of its cotton goods requirements through imports from India. The imports consist mainly of grey sheetings. It is reported that Japan is rather well placed in printed and dyed piecegoods and in bleached goods like poplin and voiles. If Indian exporters are to retain the Aden market, it is emphasised, due attention must be paid to the study of the tastes and peculiarities of the Aden market. To quote the report: "The people of Aden, as those of the neighbouring countries in the Middle East, are, as in the case of rayon fabrics, fond of bright colours. They would like the designs to be changed from time to time in accordance with changes in fashion. What is popular today, particularly in regard to prints, may easily become out-of-date tomorrow."

East African Market

In the case of cloth exports to the East African market, the Government of India Commercial Representative at Mombasa has urged the Indian exporters to adapt themselves to changing needs. According to him, the Indian textile industry knows that the trend is away from greys towards processed goods, but nothing has been done to place what the African wants within his reach. His assessment of the outlook for Indian textile exports is as follows:

Owing to an increase in local production and a shift in consumer preference to dyed and printed goods, prospects for imports from India of grey cloth are not bright. Since competition from Japanese spun rayon materials is keen, the prospects for coloured piecegoods—coating, bed-

ticking, gablepet, striped and check shirting, lungis, kikyoys, etc.—are likely to be on a diminishing scale. Cotton prints, the largest items in the import of textiles, have virtually gone out of India's hands. Here, again, attractive designs and Japan's colours of fancy prints find favour. However, as discriminating buyers still ask for cottons, this trade may revive. In respect of dyed cottons, except in the case of khaki drill in which the U.K. and the growing local producers are competitors, India continues to be the largest supplier of cotton blankets. Lately, competition has emerged from Japanese cheap and attractive mixed blankets which are becoming increasingly popular. The Indian exporters will do well to take to this line of export."

Exports to Burma

There has been a marked improvement in cloth exports from India to Burma, the total of these exports in the first half of 1959 being over 14.0 million yards. This figure is quite encouraging, considering that purchases of Indian cloth by Burma last year suffered a distinct setback, the total being not more than 4.8 million yards, as against 39.4 million yards in 1957. The prospects for a further rise in exports to Burma are considered to be reassuring as a result of the agreement entered into between Burma and the U.S. for the supply of textiles. Under the P.L.480-104D scheme covered by this agreement, textile exports from India to Burma are financed by the International Co-operation Administration (I.C.A.). The Indian exporter receives payment in rupees from the I.C.A. authorities in New Delhi. Under P.L.480, another part of the agreement, the Government of India receives payment for textiles exported to Burma partly in cotton made available by the U.S. to Burma and partly in sterling to be determined by a formula mutually agreed upon by the countries concerned. The value of textiles exported from India to Burma during the current calendar year

under P.L.480-104D and P.L.480 is estimated at Rs. 4.0 crores.

Australia

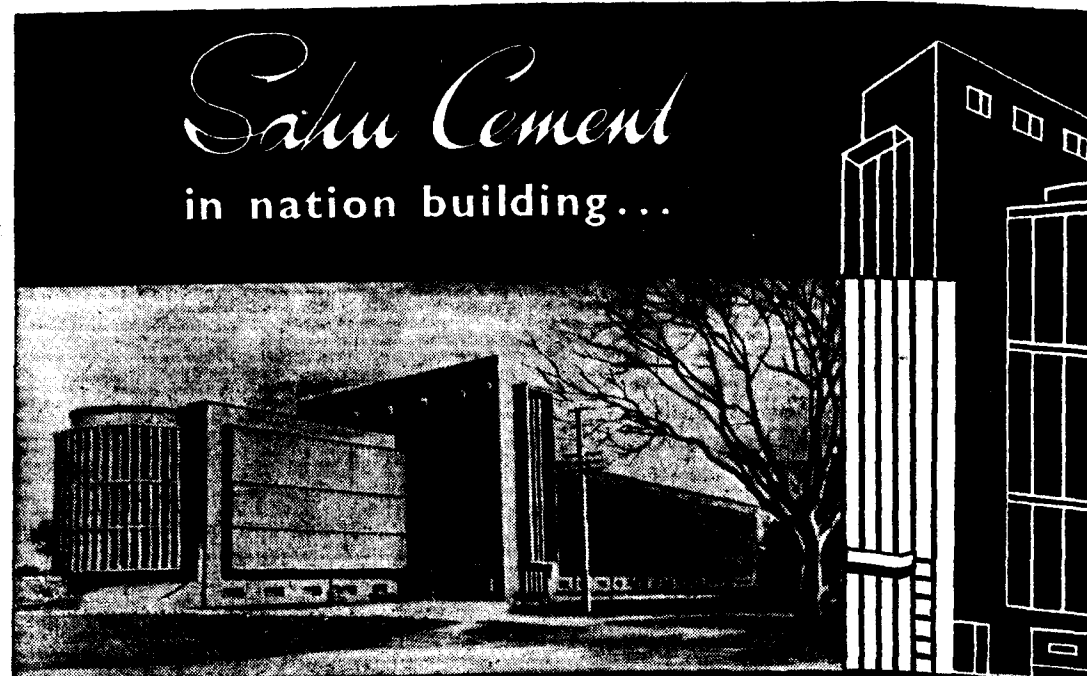
Australia purchases a fairly large quantity of Indian textiles every year. There is stiff competition in this country from Japan, China (which is lately doing better) and the U.K. Indian textiles compete in a limited sector which represents about one-fourth of the total range of cotton piecegoods imported by Australia. India has a very small share of crimped piecegoods, negligible quantity of printed cloth and very little of dyed or coloured fabrics. It has practically no share of the whole range of other cotton textiles such as blanketing, mosquito netting, velvets, velveteen, book-binding cloth, pillow cases, quilts, handkerchiefs and tablecloth. The overall demand of Australia for cotton piecegoods is said to be expanding day by day and Indian exporters should strive to compete more effectively in this country by offering quality cloth at a reasonable price.

The major portion of cotton cloth exported by India to Canada consists of grey (unbleached) sheeting which is used in that country straight or processed into coloured material. While considering the prospects for cotton textiles in the Canadian market, two factors must be taken note of. One, the indigenous industry there is making vigorous efforts, by suggesting tariff protection or other methods, to combat competition from whatever source and maintain its hold on the domestic market. Two, competition from Japan is becoming keener and keener year by year in respect of both price and quality. Despite such competition, there would appear to be still room for Indian textiles in Canada, so long as prices are competitive and terms of business, as well as deliveries, are favourable.

Scandinavian Demand

The Scandinavian countries—Sweden, Denmark and Finland—do not figure prominently among India's customers for cotton textiles. This is due to the stiff competition offered by a number of European countries, as also Japan and

(Continued on page 836)



Sahu Cement
in nation building...

Improvement in the standard of life is a vital need to-day. The building industry is producing tangible evidence of the increasing industrial and commercial life of the nation. In all these nation-building activities CEMENT plays a major role



ROHTAS INDUSTRIES LTD.
Dalmianagar, Bihar

JAIPUR UDYOG LTD.
Sawai Madhopur, Rajasthan

ASHOKA CEMENT LTD.
Dalmianagar, Bihar



ASHOKA MARKETING LTD.
Calcutta, Bombay, New Delhi, Lucknow
Chandigarh, Jaipur & Bhopal

SAHU CEMENT SERVICE
for free technical advice on all problems in the use of cement in construction

COMPENSATION FOR MILL WORKERS

UNION LEADERS URGE A SQUARE DEAL

From Our Special Correspondent

MANCHESTER, 3rd November

IN spite of the more exuberant mood which largely extends over the cotton industry in Lancashire at the moment, there are still "Jeremiahs" who cannot regard the future as anything less than catastrophic. The trade union attitude towards the reorganisation plan has perhaps been coloured by the fact that their leaders were not directly consulted throughout the early negotiations. From comments which are made from time to time, it is clear that this factor rankles. Mr. Ernest Thornton, M.P., in his capacity as Rochdale Weavers' Secretary, has, for example, lately stated: "The prospects of expansion from our low levels of production of recent years are remote. The best we can expect seems to be to hold on to what we have or a substantial slowing down of the rate of contraction of the last few years."

It so happens that, within the past few days, your correspondent has had the opportunity of seeing an example of the type of improvement and modernisation which is going on in many parts of Lancashire. In a well respected and widely known Preston mill, the mule frames are being ripped out and replaced with the most up-to-date ring spinning machinery. Gone are the dingy interiors, the wooden floors and the dark paint of bygone days. In the new spinning rooms, the machinery, electrified and gleaming, is moving swiftly on to the production line, with the engineers setting up new frames day by day. This scene is symptomatic of the trend in many areas of Lancashire today and it will be increasingly found in the mill centres, as the outmoded machines are scrapped and re-equipment gathers momentum. Granted such extensive modernisation schemes require finance, but the forward-looking managements know that only by producing the best goods most efficiently, will they be able to secure a place in world markets and even compete successfully at home.

More Night-shift Working

Lancashire's 94,000 cotton weavers have agreed on a new policy towards shift working which will help the industry to streamline and fight off foreign competition. Up to now, they have refused to allow night shifts, except in weaving mills already working two day shifts—from 6 a.m. to 2 p.m. and from 2 to 10 p.m.

Now, the Northern Counties Textile Trades Federation, representing all seven unions, has decided to allow the introduction of night shifts in weaving mills at present working one shift—but only where it is impossible to recruit enough operatives to work round the clock, or where mill workers refuse to operate two day-time shifts. But the unions lay down strict conditions. Mr. Lewis Wright, General Secretary of the Weavers' Amalgamation, the largest of the unions in the manufacturing section, said that they were ready to allow a 3½-hour night shift, in addition to a single day shift of 45 hours, provided the night workers got a 44 per cent. premium on ordinary piece rates. This would give them the same pay-rates as night workers in mills operating round the clock.

And the weavers are insisting that where firms switched from two shifts to round the clock working, which involves a reduction in working hours of from 38½ hours a week to 37½ hours, it must be done without any cut in pay. Said Mr. Wright: "Cotton weaving unions are anxious to do all in their power to help to rehabilitate the industry, but at the same time, they want a square deal for the workers."

Telling the Workers

Meanwhile, union leaders of all the county's cotton spinning and weaving workers have had a lengthy discussion in Manchester about aspects of the compensation arrangements for workers who become redundant under the reorganisation scheme. Afterwards, it was announced that renewed representations are to be made to the Cotton Board. Alderman Harold Chorlton, President of the United Textile Factory Workers' Association, said: "We are very concerned about the action of some firms in notifying the Cotton Board of their decision to close down, but failing to tell the workers

which have occurred in cotton yarn prices in Lancashire:

	(In d. per lb.)					
	Liverpool futures			Spot American One-inch	American cotton yarns	
	American Oct./Nov.	Mixed Oct./Nov.		16s Cop Twist	36s Ring (Beams)	42s Cop Weft
Jan. 1959						
15	19.90	19.31	23.65	41.61	60.92	57.88
Feb. 2	20.10	20.10	23.80	41.39	60.36	57.05
16	20.05	20.00	23.70	39.90	58.00	54.75
Mar. 2	19.25	19.25	23.20	38.75	57.25	53.75
16	19.65	19.45	22.70	38.25	56.75	53.25
Apr. 1	19.35	19.15	22.45	39.39	56.70	53.87
15	20.20	19.95	22.45	39.39	56.90	54.07
May 1	20.85	20.75	22.65	39.39	56.90	54.07
15	21.50	21.60	22.65	39.93	57.11	54.34
June 1	21.75	22.20	23.10	38.00	55.58	50.11
15	21.35	21.35	23.35	38.00	55.96	50.60
July 1	21.40	22.00	23.35	38.00	55.96	50.35
15	21.35	21.85	23.15	37.75	55.96	50.35
Aug. 4	21.35	21.75	22.90	37.75	55.96	50.35
15	21.40	21.55	22.90	37.75	55.96	50.35
Sept. 1	21.40	21.71	22.90	37.50	55.75	51.95
15	21.80	22.00	22.90	38.25	55.00	53.20
Oct. 1	21.80	22.25	22.90	38.25	55.00	53.20
15	21.85	22.15	22.70	38.75	55.50	53.70
30	21.65	21.95	22.95	38.85	55.50	53.50
Nov. 1	22.20	22.05	22.70	38.85	55.50	53.50

Prices and Supplies

Price factors are an integral part of trading in any commodity; in the past, they have played a vital role in stimulating or depressing the mood of customers interested in cotton goods. Stability in values is a goal towards which many plans have been aimed, but it has never been found possible to reach a satisfactory solution. Even now, there are those who are campaigning for the introduction of an international cotton agreement on the lines of the system established for wheat.

Early estimates of the American cotton crop have often proved unreliable in previous seasons and, because the forecasts so far have indicated a high yield and a probable production of little short of 15 million bales, it does not mean that the final figures will confirm these predictions. Weather conditions, however, have been reasonably favourable and, unless there is a sharp deterioration in the progress of the plants, the crop should be among the highest during the past decade.

The table below offers comparisons between future and spot rates in Liverpool since the beginning of the year, together with the changes

Under the repressive influence of the two-price system in the United States, the functions of futures trading have been almost completely eclipsed. Only isolated transactions have taken place from week to week in Liverpool, no less than in New York and New Orleans. The movements in values have been accentuated by the absence of contracts and have frequently failed to reflect the time-honoured laws of supply and demand. Revisions in yarn prices in Lancashire have been relatively narrow since the sharp adjustment in values which followed the abandonment of the price regulations in the spinning section. Some weeks elapsed before prices were fully stabilised, but, since early May, there has been a much steadier trend.

Examples of weak selling have been recorded from time to time and, some weeks ago, when mills were decided whether or not to close, such developments would not have been unusual. While firms were hanging on in the hope of compensation this trend was to be expected, but the improvement in demand over the past three months has been sufficient to cause a firmer undertone to develop.—All Rights Reserved.

Beginning with only a small machine shop in 1939, NSE expanded rapidly and today it operates three major engineering factories, each engaged in producing vital equipment, covering the gamut of the country's

developmental needs. Through engineering skill and technical knowledge garnered over the past two decades, NSE has earned the confidence of the various industries it serves.

to

NSE

Service to Industries

NEW STANDARD ENGINEERING CO. LTD.

Structural & Mechanical Engineers, Founders, Machine Tool & Industrial Plant Manufacturers
CARROLL ROAD, BOMBAY-13
GRAMS: 'STEELBUILT'
PHONE: 62111/62164-65

EXTRA-LONG STAPLE COTTON SURPLUS SITUATION STILL PERSISTS

EXTRA-LONG staple cotton, that is, cotton having a staple length of over 1½", being in a class by itself and subject to influences different from those affecting other staples, does not necessarily move in step with the general trend in world cotton. This is illustrated by the marked decline in production of this variety of cotton in the 1953-54 season when production of other cottons showed a substantial rise, the failure of extra-long staples to share in the general expansion of cotton consumption in recent years, lower exports in 1956-57 when trade in other staples was at a maximum and the marked rise in prices of extra-long staple varieties in 1956-57 when cotton prices were generally declining. According to the International Cotton Advisory Committee, Washington, these divergent movements between extra-long staples and other cottons reflect differences in supply and demand. But the influencing factors, it feels, may be, to some extent, autonomous by virtue of the greater concentration of production and consumption of extra-long staples in a relatively small number of countries.

Trade with Communist Bloc

The situation in the extra-long staple cotton continues to be one of surplus supplies. Stocks at the beginning of last season, which ended on 31st July last in producing countries represented over seven months' supply. The season, however, turned out to be better than expected earlier. This, according to the International Cotton Advisory Committee, Washington, can be attributed to two main factors, namely, increased trade with communist countries and rising consumption elsewhere. Consequently, total offtake from the producing countries during last season reached 1.8 million bales, as compared with 1.2 million bales in 1957-58. Of these two factors, the increased demand from the communist countries was quantitatively the most important. Exports to communist countries during last season rose to 650,000 bales which was almost double the 1957-58 exports. The main increase occurred in shipments from

Egypt to U.S.S.R. which amounted to no less than a quarter of a million bales, as against only 37,000 bales in the previous season. Total exports from Egypt to communist countries aggregated 585,000 bales, as against 316,000 bales in 1957-58.

Consumption of extra-long staple cotton last season, excluding consumption in communist countries, was around a million bales, representing an increase of about 200,000 bales or 20 per cent. over that of 1957-58. This was in sharp contrast to the decline in consumption in many countries in the previous year when consumption aggregated only 770,000 bales. The increase in consumption last year was fairly widespread, but in some countries at least this did not reflect any noticeable broadening of the demand for fine quality textiles. This indicated that there was some degree of substitution of extra-long staples for other cottons.

Stock Distribution

Though perhaps not as obvious, a third factor, namely, rebuilding of stocks in exporting countries, contributed to the improvement in the extra-long staple cotton situation. This, of course, had no effect on the total stock position. It represented merely a change in the location of stocks, that is, a more even distribution of stocks between exporting and importing countries. Prices fell to bargain levels around March this year and consumers were induced to make heavy purchases during the last four months of the season.

The improvement in the extra-long staple cotton situation that occurred last season was, however, only relative. The tendency for production to exceed disappearance was again in evidence and there was a further addition to total carryover stocks in exporting countries. Thus stocks on 1st August last amounted to 800,000 bales which was 150,000 bales higher than the figure on the corresponding date of the previous season.

The increase occurred entirely in Egypt where stocks are estimated at half a mil-

lion, as against only 305,000 bales a year ago. Stocks in Sudan, however, declined to their lowest levels in many years.

It is as yet too early to make any precise estimate of the prospects for long-staple cotton during the current season, namely, 1959-60. The Committee, however, anticipates that production of extra-long staple cotton during the current season will be slightly lower than in last season. Supplies in producing countries may, however, set new records, thanks to the higher opening stocks. Little could, however, be said now of consumption during the season. Trade prospects would depend primarily on consumption but a further important consideration will be demand from communist countries and here the situation, according to the Committee, is "enigmatic."

COTTON QUALITY

The International Federation of Cotton and Allied Textile Industries, Manchester, has forwarded a resolution on modern harvesting and ginning practices, adopted at its annual meeting held in Vienna from 24th to 25th September, 1959. To Governments and cotton-growing organisations in all cotton-growing and exporting countries. In this resolution, the Federation expresses grave concern over the detrimental effects some of the mechanical harvesting and new ginning methods introduced in the U.S. produce on the spinning properties of the raw cotton fibre. The Federation points out that cotton spinners throughout the world continue to be hampered in their production by the occurrence of foreign matter of all description in raw cotton bales. In order to keep cotton competitive with the man-made fibres it is essential, the Federation emphasises, that the highest standards of quality should be maintained.

The efforts of the U.S. Administration to make American cotton more competitive in world markets might well be adversely affected by the deterioration in the quality of the cotton caused by the irresponsible use of the new equipment. The Federation strongly recommends that measures should be taken, as already indicated by the National Cotton Council of America, to ensure that such equipment is used in such a way as to reduce as much as possible these detrimental effects. Farmers and ginners in all cotton-producing countries should be advised to consider the possibility that any advantages which may be claimed for the new picking and ginning methods may be offset by the decline in the spinning and consequent market value of the cotton. The Federation endorses the recommendations on this matter made by the National Cotton Council of America and is of the opinion that all raw cotton-producing countries would be well advised to take cognizance of them.

WORLD SUGAR STOCKS CONSIDERABLE PRICES CONTINUE TO BE LOW

THE unsold stocks of sugar hanging on the world market continue to be very considerable. The total of these stocks is now believed to be of the order of as much as 11.45 million metric tons (raw value), as compared with 10.1 million tons a year before and 10.30 million tons two years before. The previous record peak level of stocks was 11.80 million tons at the end of the 1953-54 season (that is, 31st August 1954). The persistence of huge surplus of sugar has been due to the marked expansion of 8.77 million tons in production during the past two seasons—the rise being from 41.83 million tons in 1956-57 to 50.60 million tons in 1958-59—or a rise of nearly 21 per cent., whereas sugar consumption has increased by a little over 15 per cent. only, from 41.93 million tons in 1956-57 to 48.47 million tons in 1958-59.

Following the failure of consumption to keep pace with production thus, world prices of sugar have suffered a distinct setback. As against a high of 6.70 cents per lb. in 1956-57, Cuban raw sugar at New York now stands at 3.00 cents per lb. (f.o.b. Cuba). At one time, on 21st July 1959 to be precise, it had gone down to as low a level as 2.55 cents. The quotation had no doubt risen to as high as 3.17 cents during the first week of last month, but this was due to the unexpected purchase of 330,000 tons of Cuban sugar by Soviet Russia and lower ideas of European beet sugar crop for the current season (1959-60) as revealed in the latest estimate of Mr. F. O. Licht. Similarly, spot sugar at London now stands higher at £27½ per ton (Rs. 363)—it was higher still at £28½ (Rs. 383) a month ago—as against the low of £24½ (Rs. 323) on 21st July 1959.

Sugar Supply Position

The following table gives an idea of the world sugar supply position in the past three seasons:

	(In million tons—raw value)		
	1958-59	1957-58	1956-57
Opening stocks	10.10	10.80	10.40
Production ..	50.60	45.19	41.83
Total supply ..	60.70	55.99	52.23
Consumption ..	48.47	45.89	41.93
Closing stocks (at the end of Aug.)	12.23	10.10	10.80

The marked rise in sugar supply position during 1958-59, as noted above, is the result of the appreciable increase in production of 5.41 million tons to 50.66 million tons. The increase was accounted for by both cane sugar and beet sugar. The total world output of cane sugar was 28.96 million tons, as against 26.49 million tons—a rise of 2.47 million tons—that of beet sugar being 21.64 million tons, as against 18.70 million tons or a rise of 2.94 million tons. The improvement in sugar output was witnessed in practically all the major producing countries with the exception of Indonesia and Mauritius. The trend of sugar production in the different countries during the seasons 1956-57, 1957-58 and 1958-59 is indicated in the table appearing in the third column.

Many factors contributed to the sharp rise in sugar production in 1958-59, according to the F.A.O. publication, *The State of Food and Agriculture 1959*. Weather conditions, it is said, were favourable in most of the principal producing areas and probably accounted for about half the increase. The balance of the rise is attributed to economic and technological changes. With the substantial increase in world prices at the end of 1956 and in the first half of 1957 (from 3.70 cents to 6.70 cents per lb.), the prices paid to beet and cane farmers, as well as factory prices, were raised in many countries during 1957 and 1958, leading to larger areas under sugar. Lower prices for some competitive crops also made sugar relatively more profitable. In Western Europe, the beet area rose by 10 per cent. and sugar output by 15 per cent. In many countries, the increase in sugar production for domestic consumption, and to some extent for export, was the consequence of deliberate national policies and programmes designed to promote agricultural and industrial diversification. A part of the increase in sugar production was also due to higher productivity through improved varieties, greater and more widespread use of fertilisers, irrigation, better agricultural practices, and improvements in transport and milling efficiency.

Stabilising Sugar Market

The uncertain political situation in Cuba helped for a time to maintain world sugar prices, but encouraging production prospects in that country suggested that sugar supplies in 1959 would be ample to meet all foreseeable import demand and prices, therefore, weakened. The decision of the International Sugar Council (taken in February 1959) to reduce the free market export quotas by 7.5 per cent. had little effect on the market and, during the first half of 1959, prices remained 5 to 7 per cent. below the Agreement minimum of 3.25 cents per lb.

Prompted by the slump in prices and in its anxiety to strengthen the marketing position of exporting countries, the International Sugar Council announced, on 18th August 1959, its decision to relieve the exporting countries of the obligation to market the entire balance of 1959 quotas before the end of December 1959. This was done not only by exempting countries from penalties but also by allowing them to carry forward into 1960 upto 60 per cent. of their 1959 export tonnages regardless of market conditions.

After the above decision was announced and following large purchases of Cuban sugar by Soviet Russia, the world prices staged a handsome recovery, Cuban raw sugar at New York touching a high of 3.17 cents early last month. Since then, however, the prices have again softened, as mentioned at the outset, the latest available quotation being 3.00 cents. It is true that beet sugar production in the European countries and cane sugar output in Cuba, the world's largest producer and exporter of sugar, are expected to be markedly lower in the current season (1959-60) than in 1958-59, but the chances of any appreciable rise in sugar prices are not bright, because the world surplus of sugar is considerable.

Mr. F. O. Licht's first estimate of the European beet crop for 1959-60 places the total sugar production at no more than 17.00 million tons, as against 18.67 million tons in 1958-59 and 16.00 million tons in 1957-58. Commenting on the estimate, Messrs. Czarnikow & Co. of London recently made the following observations:

"It was well known that a belt of countries stretching from France in the west to Russia in the east had suffered severely from drought this year, and it is not surprising that the six countries in which Licht anticipates crop reductions in excess of ten per cent., namely, France, Belgium, Holland, Denmark and West and East Germany, are all within that group. In Denmark, the area sown has been substantially cut down, which accounts in part for that country's inclusion. Poland is only just outside and is shown with a reduction of almost ten per cent. Russian production is reckoned to be down by 380,000 tons, but that country's output is so high these days that this represents a fall of only about six per cent. on the 1958-59 estimate."

"In all other countries, estimates are within ten per cent. of last season's figures, but the tendency generally within this group is downwards. Also issued by Licht are new estimates of the area devoted to beet in this Continent. There are no remarkable changes from earlier figures, but it is worth noting how completely Russia now dominates the picture. Of a total of 5,832,276 hectares in Europe this year, no less than 48 per cent. is in Russia. The country with the next largest area is Poland with only 6.3 per cent. On the basis of Licht's estimates, if Russia could raise her output of sugar per hectare to the average of the rest of Europe, she would produce more than ten million tons this season, as against the 5,880,000 tons actually forecast."

The trend of world sugar market in the coming months will, however, be influenced not so much by the production performance in Europe as by the sugarcane crop harvested and sugar produced in Cuba. It is too early to assess the exact size of Cuba's 1960 sugar output. But preliminary estimates place the production around 5.5 million tons. Although this is smaller than the actual quantity of 5.95 million tons produced in 1958-59, the aggregate supply of sugar in Cuba is expected to be of the order of 6.70 million tons in 1959-60, as against 6.65 million tons in 1958-59. This quantity, it is said, will be more than adequate to meet the requirements of the U.S., the world market and the domestic market, and also to provide a carryover for shipment early in 1961.

Sugar Output in Different Countries (In thousand tons—raw value)

	1958-59	1957-58	1956-57
Cane Sugar:			
India ..	7,158	6,871	6,361
Cuba ..	5,560	5,778	5,670
Brazil ..	3,223	2,663	2,248
Mexico ..	1,898	1,216	1,126
Philippines ..	1,517	1,250	1,087
Union of S. Africa ..	1,080	871	770
Argentina ..	1,127	780	818
Puerto Rico ..	973	837	898
China ..	940	925	430
Taiwan ..	930	929	866
Hawaii ..	885	694	896
Dominican Republic ..	835	813	806
Indonesia ..	770	828	854
Peru ..	750	708	709
Mauritius ..	526	562	573
Other countries ..	1,129	1,117	698
Total ..	28,956	26,492	25,338
Beet Sugar:			
United States of America ..	4,990	4,778	4,778
Western Germany ..	2,074	1,990	1,775
France ..	1,915	1,684	1,158
Italy ..	1,600	1,572	1,402
Poland ..	1,144	965	872
Great Britain ..	1,211	1,178	862
Other countries ..	819	626	781
Total ..	21,689	18,700	16,496
Grand Total ..	50,645	45,192	41,834

* Based on the official final estimate of sugarcane crop.

BRITAIN'S LEADING JOURNAL FOR ASIA AND AUSTRALASIA

For Public Affairs Industry Business

FAR EAST TRADE

Forward-looking Indian concerns are now considering

'What can Far East Trade do for me?'

Every month FAR EAST TRADE brings news of developments in Asia and Australasia to influential readers in Government, in business, and in industry, throughout this vast area, as well as in Western Europe.

Besides being a unique advertising medium, it maintains an exceptionally wide coverage of events everywhere in the economic, technological, and industrial fields.

Confident that we are contributing to better understanding, we warmly welcome new readers.

Write for specimen copy to: Mr. S. L. Dhillon, Eastern News Service, P. O. B. 333, New Delhi-1, India.

LAURENCE FRENCH PUBLICATIONS, LIMITED, 3, Belsize Crescent, London N.W. 3.

Cable address: Frenpub London

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,

are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

In all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

In all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

TEA PRODUCTION IN INDIA HIGHER EXPORTS, HOWEVER, SHOW A SHARP FALL

TEA prices at the Calcutta and Cochin auctions have started looking down, though the setback is not pronounced. This trend is not surprising, as usually at this time of the year, a decline sets in with the increase in the quantity of offerings and the fall in the standards of quality. Nevertheless, the prices of all varieties are above those which had prevailed at this time last year. Even the C.T.C. varieties, the demand for which had remained dormant for long, are quoted slightly above last year's prices. The average price of all teas fetched at the export auctions in Calcutta during the current season so far (up to 27th October) is, however, lower at Rs. 2.41 per lb. as compared with that of Rs. 2.58 per lb. in the corresponding period of last year. The average price at the sales for domestic consumption also shows a decline from Rs. 2.03 to Rs. 1.99 per lb.

In Cochin, too, despite the setback in prices lately, the current prices are well above those fetched a year ago, but the average price for the season so far (up to the end of October) is, unlike that in Calcutta, a shade higher at Rs. 2.13 per lb. as against Rs. 2.10 a year ago, for export sales and at Re. 1.75, as against Re. 1.53 per lb., for internal consumption.

The drop in average price realised this season for North-East Indian teas is perhaps due to the larger offerings and the poorer quality thereof. Thus, upto 27th October, 902,709 chests have been offered in export auctions at Calcutta, representing an increase of 92,092 chests over the quantity offered in the corresponding period of 1958. The quantity of dust tea sold for internal consumption is also higher at 300,722 chests, as compared with 271,638 tons in the corresponding period of 1958. At the Cochin auctions, sales for exports upto 20th October show a rise from 27.87 million lbs. to 29.74 million lbs., while domestic sales of dusts have declined from 14.37 million lbs. to 12.57 million lbs.

Output Higher

The increase in offerings at the Calcutta auctions is only in consonance with the rise in production of North Indian tea, which, up to the end of September, amounted to 398.9 million lbs., representing an increase of 14.6 million lbs. and 20.9 million lbs. over that in the corresponding periods of 1958 and 1957, respectively. This rise has been offset to a large extent by the drop in South Indian crop from 119.2 million lbs. in the first nine months of 1958 to 107.5 million lbs. in the corresponding period of the current year, so that the total tea production in India up to the end of September amounts to 506.4 million lbs., or 2.9 million lbs. more than that in the corresponding period of last year. Till the end of August, Indian output was running below last year's level, on account of the lower production in South India, but the sharp rise in September production in the South has converted the deficit into a surplus over last year. There has also been an increase in output from Pakistan and British East Africa, but this is more than offset by setback in production in Ceylon and Indonesia, as will be seen from the following table:

(In million lbs.)				
Countries	Period	1959	1958	1957
N. India ..	Apr.-Sept.	398.9	384.3	378.0
S. India ..	Jan.-Sept.	107.5	119.2	104.8
Pakistan ..	Apr.-Sept.	99.8	97.8	81.0
Ceylon ..	Jan.-August	276.6	285.9	288.2
Indonesia ..	Jan.-July	53.9	57.8	58.8
British East Africa*	Jan.-Aug.	47.8	41.7	40.1
Total ..		928.5	926.2	897.4

* Including Nyasaland.

Along with the overall decline in prices fetched, exports of Indian tea have also shrunk, resulting in a fall in foreign exchange earnings. During the first six months of the current year, India exported 146.96 million lbs. of tea valued at Rs. 36.71 crores, as against 190.53 million lbs. of the value of Rs. 47.42 crores in the corresponding six months of 1958. Though the trend of exports in the subsequent months from North India has been very encouraging thus reducing the shortfall in exports from that part of the country, the exports of South Indian tea continue to maintain the downward trend, so that the overall exports of Indian tea are still lower

than those in 1958. India is not, however, the only country, the exports of which have suffered a setback, as will be borne out by the following comparative table:

(In million lbs.)				
Countries	Period	1959	1958	1957
N. India ..	Jan.-Sept.	233.4	236.9	237.2
S. India ..	Jan.-Aug.	49.8	64.9	48.5
Pakistan ..		2.5	4.8	6.2
Ceylon ..	Jan.-July	205.3	226.5	228.1
Indonesia ..	Jan.-May	28.6	31.8	33.8
East Africa ..		43.3	36.1	38.3
Total ..		562.9	601.0	592.1

Exports to U.K.

A common feature of the exports from the main producing countries is the fall in shipments to the U.K. Thus, North Indian exports to Britain, which had fallen from 163.3 million lbs. in the first nine months of 1957 to 145.5 million lbs. in the corresponding period of 1958, have further shrunk to 132.8 million lbs. in January-September 1959. Similarly, South Indian tea exports have declined from 39.2 million lbs. (in January-August 1958) to 27.9 million lbs. in the same period of 1959. This is in distinct contrast to the rise of 8 million lbs. in the first eight months of 1958. Exports from Pakistan, too, have fallen from 4.5 million lbs. to 1.8 million lbs. and those from Ceylon (during January-July) from 95.7 million lbs. to 78.6 million lbs. This shows that imports of tea from all sources into the U.K. have been on a lower scale than in the previous year. Thus, imports upto the end of August into the U.K. amounted to 299.1 million lbs., as compared with 342.2 million lbs. and 408.5 million lbs. in the corresponding periods of 1958 and 1957, respectively.

The fall in exports to the U.K. from India has been made good to a large extent by the rise in shipments of North Indian tea to the following countries:

(In million lbs.)				
Countries	1959	1958	1957	
Europe ..	7.7	4.8	3.9	
U.S.S.R. ..	12.4	9.6	8.4	
Turkey ..	7.1	5.0	5.2	
Persian Gulf and Iraq ..	6.9	4.8	4.4	
Sudan ..	15.7	13.7	3.9	
Egypt ..	16.3	16.4	8.9	

Shipments of South Indian tea to U.S.S.R. during the first eight months have also gone up from 3.2 million lbs. to 4.4 million lbs. The countries where India has lost some ground during the year are Canada, U.S., South American countries and Australia.

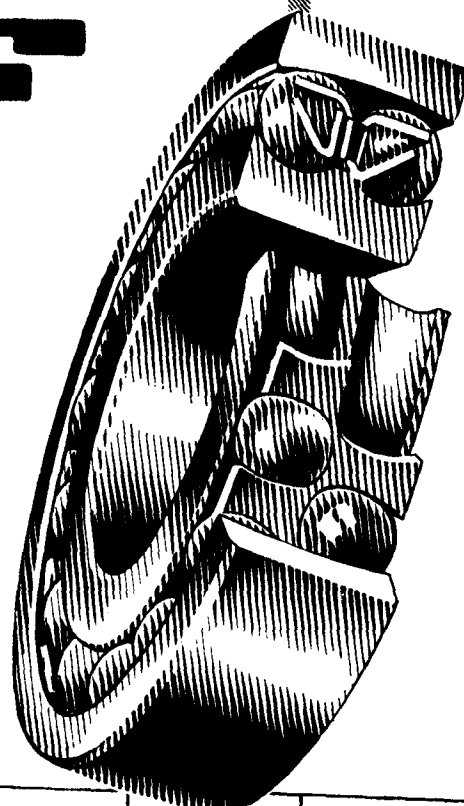
BONUS FOR TEA GARDEN WORKERS

Representatives of the tea industry and workers' organisations have agreed to follow the Delhi agreement of 1956 in regard to payment of bonus to tea garden workers in North India for 1957 and 1958, subject to any modifications that may be mutually agreed upon. This was decided at a meeting of the Bonus Sub-Committee of the Industrial Committee on Plantations, which met in Calcutta a few days ago. The Union Minister for Labour and Employment, Shri Gulzarilal Nanda, presided.

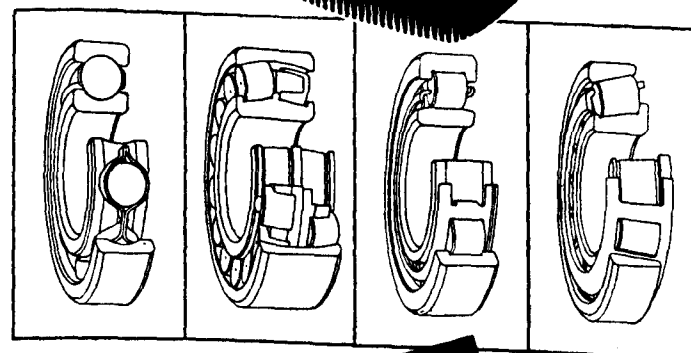
The Delhi agreement signed by employers and workers in January 1956, laid down a formula for payment of bonus to workers for 1953 and 1954. Bonus was paid at the rates specified for different regions in the formula. The same formula was adopted for payment of bonus for 1955 and 1956. As regards bonus for 1957 and 1958 it had been decided to appoint a sub-committee of the Industrial Committee with an equal number of representatives of employers and workers' organisations on it, to determine the quantum of bonus. The Sub-Committee, which has had several meetings, has now decided to follow the formula set out in the Delhi agreement.

SKF

Manufacturing
the most comprehensive range of
ball and roller
bearings...



In every division of India's industry—in heavy steel plants, in large textile mills, and in small workshops—wherever Ball and Roller Bearings can make operations smoother and production cheaper, there you will find SKF. SKF has its own organisation in India with a technical staff always at hand to help you select the most suitable and economical bearing from a range so complete that the correct bearing-type for any application can be supplied and installed.



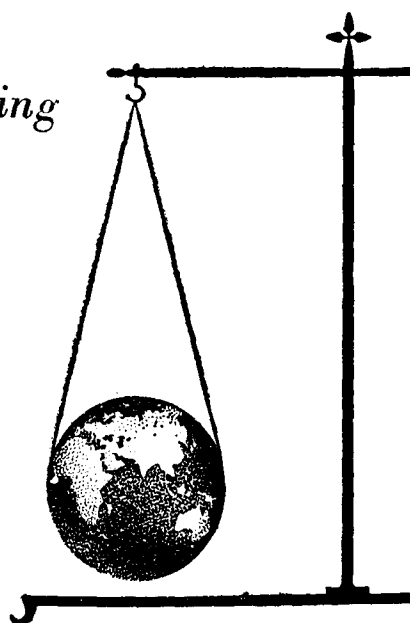
QUALITY BEARINGS FOR LASTING SERVICE

THE SKF BALL BEARING CO. PRIVATE LTD.

Bombay P.O. 71
Calcutta P.O. 598
Madras P.O. 66

A. 28

Weighing
the
world
up...



... even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by the Far East for the Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital - - Rs. 2,00,00,000

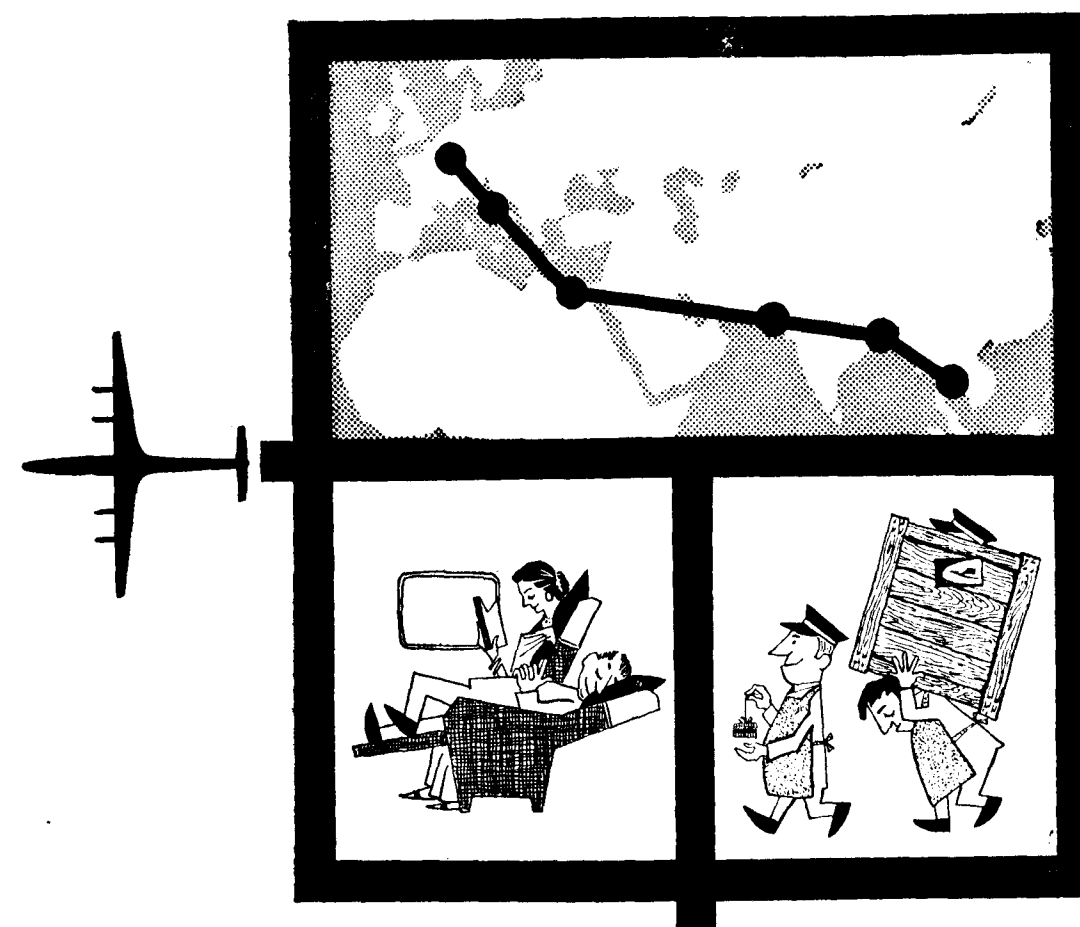
Issued and Subscribed Capital - - Rs. 1,00,00,000

Paid-up Capital - - Rs. 50,00,000

Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.



Twice Weekly —

Wednesdays & Saturdays at 6 p.m.

Fly by LUFTHANSA German Airlines
DIRECT TO GERMANY!

Connecting India with the very heart of Europe, Lufthansa, German Airlines, forges yet another link in its world-wide net-work of routes.

Twice weekly, Lufthansa flies from Calcutta to the main cities of Germany—Frankfurt, Dusseldorf, Hamburg.

Whether you're an industrialist, a businessman, a student, a government official or an educationist—you'll appreciate the traditional, generous German hospitality of Lufthansa, aboard the swift Super-G constellations.

Lufthansa, German Airlines, directly connects Germany with Bangkok, Calcutta, Karachi, Cairo and Rome. Coordinated flight schedules provide convenient connections with Air France and Alitalia.

FIRST CLASS OR TOURIST

For further information, consult your Travel Agent or any Air France or Alitalia office.

LUFTHANSA
GERMAN AIRLINES

PROMOTING INDO-GERMAN RELATIONS

LH-G-5.

INSURANCE EXECUTIVES

When you invest your funds you make sure that you get the best terms. Do you do the same when you order your PRINTING? You will save money if you consult us for all your printing and stationery.

G. CLARIDGE & CO. LTD., POLICY PRINTERS
CAXTON WORKS, FRERE ROAD, FORT, BOMBAY
Telephone : 26-3201 (2 lines)

TRAVANCORE SUGARS AND CHEMICALS LTD.

CHAIRMAN'S SPEECH AT ANNUAL MEETING

FUTURE OF SUGAR INDUSTRY WILL DEPEND ON REASONABLE FREEDOM FROM CONTROL

THE Twenty-second Annual General Meeting of the shareholders of the Travancore Sugars and Chemicals Ltd. was held at Madras on Tuesday, 3rd November 1959. In the absence of the Chairman, Mr. G. N. Noel-Todd, Mr. P. Hadfield presided over the meeting and read the Chairman's speech. In the course of the speech, the Chairman made it clear that the future of any sugar company would depend on reasonable freedom from control and that it was this belief which had prompted the Directors of the Company to sell sugar at prices voluntarily agreed with the Government in the hope that the imposition of control (as introduced in North India in 1958) might be avoided. The two special aspects to which the Chairman drew attention related to the enhanced tax burden and the uncertainty regarding the Government's decision on the cane price-linking formula.

The following is the full text of the Chairman's speech at the annual meeting:

"GENTLEMEN,

"It is, first, my happy duty to welcome you to this, the 22nd annual general meeting of this Company. The accounts and Directors' report for the year ended 30th April 1959 have been in your hands for the statutory period and, with your permission, I shall take them as read.

"The Directors' report has already made a specific reference to the falling off in profit during the year under review, and the principal reasons therefor. I shall, therefore, say no more on this subject, except to illustrate with one or two figures the points made in the Directors' report.

"The increase in taxes per ton of sugar sold in 1958-59 worked out to Rs. 77 and the additional payment for cane purchased in 1957-58 cost, on 1958-59 production, to Rs. 21 per ton of sugar. There were some compensating factors, notably a reduction in manufacturing costs during the year under review as compared with the previous year, owing to the greater tonnage of cane crushed. It is hardly necessary for me to say that constant vigilance is exercised by your Directors and the management staff to ensure that the most economic operation is maintained. On balance, the result was that the trading profit on sugar dropped by Rs. 59 per ton, which, on a turnover of about 10,000 tons, adds up to a substantial figure.

Payment for Cane

"I, myself, personally took part in the early stages of the negotiations with Government regarding the additional gratuitous payment to cane growers for cane purchased during the year 1957-58, and I can remember pointing out on more than one occasion to the then Minister of Industries that, however strongly Government might feel that the cane growers had had, for climatic or other reasons, a bad season and merited some bonus, such bonus would be at the direct expense of both labour and the shareholders, and that I could not see that the Company had prospects of making up in other directions this additional item of expense. The loss to labour arises from a necessary reduction in the quantum of their annual bonus roughly proportionate to the reduction in profits, and the loss to Government is twofold: a reduction in their commission on the profits and a reduction in dividend on their holding of ordinary shares. It is, to my mind, most regrettable that, in a Company of this nature, in which a number of different categories of persons have a direct or indirect interest in the operation of the Company, such as the cane growers, the boatmen who bring the cane to the factory, the employees of all grades, the Government, and the shareholders, an abnormal advantage should ever be given to one of these categories at, inevitably, the expense of others. May I express the hope that any Government that may in future be in power in Kerala will bear these considerations in mind and support your Directors in their policy of distributing the income available as fairly as may be possible between the parties involved, having regard to the role of each?

"You will have observed from the Directors' report that the tonnage of cane and the sugar produced during the year ended 30th April

1959 were both on the whole satisfactory, and came very close to the record figures produced in the 1956-57 season. Since rather more sugar was carried forward in stock at 1st May this year, as compared with 1st May last year, there will be some small benefit to be derived from this during 1959-60, subject, of course, to our operations during this year being maintained at a satisfactory level.

Labour Strike

"In this connection, the crushing season started on 27th September and the results to date are not unsatisfactory. We hope to achieve a total crush of 120,000 tons of cane, with a recovery not substantially worse than last year. The season started unduly late, for the very same reason that has caused a late start in previous years, namely, that, in spite of their assurances to which I made reference in my speech at the 20th annual general meeting in November 1957, that they would enter into negotiations to arrive at a formula under which bonus in future years would be paid, the labour and staff unions had not, up to the projected time for the start of this season, which was the end of August, put forward proposals for such a formula that were in any way acceptable to your Board. Shortly before the proposed starting date of the season, a strike notice was issued by the unions and, in spite of conciliation proceedings presided over by Government, it was not until 24th September that an agreement was finally reached. In the intervening period, an attempt had been made to start the crushing season in the hope that the unions would not implement their strike threat while negotiations were still proceeding. This hope was ill-founded, the strike was called, and some direct loss to the Company was sustained thereby.

"Additionally, there may be some further and more substantial loss due to the adverse effect of the late start on the overall recovery. Losses incurred in this manner are much to be deprecated, but I would like to assure shareholders that every possible effort was made by your Board to reach an agreement on this bonus issue, even though on terms which might not be fully justified in the light of the scale of bonus and the general level of remuneration obtaining in other factories. It was particularly distressing that one effect of the strike was that no sugar could be moved out of the Company's godowns for sale in the State, and this at a time when there was an acute shortage of sugar. One could not wish for a clearer example of the use of coercion on the part of the unions to force an agreement from your Board that would have been extremely onerous on the Company. Unfortunately, Government did not see fit to refer this dispute to adjudication, which might well have had the effect of terminating the strike at an earlier date than it actually finished. However, in the end it was, rather belatedly, possible to reach an agreement which, while definitely favourable to the unions, is of such a nature that the Company should be able to continue to operate with reasonable profits. Moreover, this agreement provides for a formula linked with the profit for the year, for the calculation of bonus due to labour and staff for the years 1959-60 and 1960-61, and it is, therefore, to be hoped that we shall have a breathing space from these vexatious disputes, and thus also have an opportunity to produce the best manufacturing results which is so necessary in view of the current shortage of sugar in the country. I should like to take this opportunity of assuring the labour and staff unions that the Board will spare no pains to implement the agreement reached and, in return, ask for the maximum co-operation on the part of all workers and clerical staff, so that we may go forward in amity and with greater efficiency to our mutual benefit.

Sugar Supply Position

"Those of you who are consumers of sugar as well as shareholders will expect me to say something about the shortage of sugar which must necessarily cause inconvenience. Some of you will perhaps expect to see inflated profits next year, in view of the high prices at which sugar is sold in retail. Your Directors, in common with others in the Parry Group and a

majority of the members of the South Indian Sugar Mills Association, believe that the future of any sugar company depends on reasonable freedom from control, and they have, therefore, sold sugar at prices voluntarily agreed with the Government in the hope that the imposition of control (as introduced in North India in 1958) may be avoided. We have had no share of the black market prices that have been in evidence throughout the State. The prices we have realised for sugar sold in the current year are not inflated but are what your Directors consider fair and reasonable, and we have Government's approval for the line we have taken.

"Before leaving the subject of sugar, I must bring to your notice the fact that the Government of India has not yet announced the final factor in the cane price-linking formula which is to determine the final price of cane to be paid by the Company in respect of purchases made during the year under review. That a Company should, by a policy of Government, be obliged to manufacture a product and sell it before it can know the true cost thereof, and close its books of account still without this knowledge must be a unique circumstance. Since it is possible to know the exact nature of this future liability, if any, it is equally impossible to assess any sum which might be put in reserve against it and, therefore, should the cane price-linking formula result in a further payment having to be made for cane purchased in the year under review, the cost thereof will have to come from the profits of 1959-60.

"This factor itself justifies an attitude of caution on the part of your Directors towards the quantum of dividend to be paid. Apart from this and the lower margin of profit on sugar, you will see from note 4 of the accounts that credit has been taken for Rs. 140,000, resulting from recalculating the taxation equalisation reserve, so as to bring it to a figure sufficient to meet taxes on the Company's profit at 45 per cent. It is much to be hoped that Government will not increase this rate, but you are no doubt aware that they have powers to do so, with retrospective effect.

Pharmaceutical Section

"Before concluding my remarks, I should like to refer briefly to the operations of the pharmaceutical section of your factory. The turnover in the year under review was maintained at nearly the figure of the previous year and the profits, though also small, did not suffer. For this year, in accordance with our revised agreement with Government, we have received Government's order for fifty per cent. of their requirements and, for the balance fifty per cent. we have tendered in open competition, the result of which tender is still awaited. It may be that on considerations of price alone we may not secure any substantial part of the order, but I am sure that shareholders will support the Board's policy of refusing to lower prices by accepting a lower standard of quality. We must await the results of this year before we can decide whether, on the basis of receiving only fifty per cent. of Government's order, the pharmaceutical works can be maintained as a profit-making unit.

"The unusually large figure of Rs. 70,000 appearing in the profit and loss account, as an adjustment of tax relating to previous years, arises from the fact that the Income-tax Department has now refused to permit sugar factories to reserve in one year of account for the expenses that will be incurred in the following year in overhauling machinery. It has previously been argued and accepted by the authorities that such a reserve was legitimate, inasmuch as the overhaul is necessitated by the operation of the machinery in the year of account and, therefore, the cost of the overhaul should appear in the same year of account in the shape of a reserve. This reversal of previous policy which, so far as I know, has been universally applied, must have resulted in a considerable windfall to the tax gatherers in this year, but it will not, of course, be a recurring item.

Dividend

"Finally, may I express the regret of myself and my colleagues that, for the year under review, we are not able to maintain the ordinary dividend at the previous rate of ten per cent. free of tax, but in all the circumstances shown in the accounts and mentioned by me in this speech, I am sure it will be agreed that

(Continued on page 817)

young

Rajendra Kumar

and his

colleagues are

being trained

for Durgapur

steelworks



Twenty-three year old Rajendra Kumar Bhandari is a long way away from his home in

New Delhi. He is in the U.K. at the Abbey Melting Shop of

the Steel Company of Wales, taking drilled samples

of metal from the ladle trunnion and casting.

Rajendra is one of the 300 young trainees

taking specialised courses in various steel factories

in the U.K. Upon completion of their

training, the Indian technicians will come back to

India, fully equipped to shoulder their responsibilities in

the steelworks at Durgapur. In addition to technicians,

ISCON is also helping to train up managerial personnel,

who are given advanced management courses in the

U.K. before they assume their positions at Durgapur.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

FREE-OF-TAX AND LESS-TAX PREFERENCE DIVIDENDS

THE MEANING OF THE 1959 AMENDMENT

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

THE most controversial piece of legislation in the 1959 Finance Act is the section dealing with free-of-tax dividend to preference shareholders. Section 18(3E), as amended, reads as under:

"Where any share held by a shareholder carries as respects dividends a preferential right to be paid a fixed amount or an amount calculated at a fixed rate free of tax, then, notwithstanding such preferential right, tax shall be deductible under sub-section 3D, and for the purposes of such deduction the amount payable to the shareholder as dividend shall be taken to be such amount as would, after deduction of a sum equal to thirty per cent. thereof, be equal to the net amount of dividend receivable by the shareholder free of tax."

Section 18(3D), as amended, reads as follows:

"The principal officer of an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India shall, before making any payment in cash, or before issuing any cheque or warrant in respect of any dividend or before making any distribution or payment to a shareholder of any dividend within the meaning of sub-clause (a) or sub-clause (b) or sub-clause (c) or sub-clause (d) or sub-clause (e) of clause (6A) of Section 2, deduct on the amount of such dividend, income-tax and super-tax at the prescribed rates.

Provided that where, in the case of any shareholder, not being a company, the Income-tax Officer gives a certificate in writing (which certificate he shall give only in accordance with the rules made in this behalf) that to the best of his belief the total income or the total world income of the shareholder will be less than the minimum liable to income-tax, the principal officer responsible for paying any dividend to such shareholder shall, until such certificate is cancelled by the Income-tax Officer, pay the dividend without deduction."

There is a keen controversy now as to the actual connotation of these provisions. Lawyers are also set thinking (or rather scratching their heads) as to what exactly is the scope, effect and purpose of these new sub-sections in the context of the amendment of Section 16(2) which abolishes grossing up of dividend from the assessment year 1960-61.

The issue is what is the effect of the amendment of Sections 18 (3D) and (3E) on the "free-of-tax" and "less-tax" dividends on preference shares.

The above amendments do not affect the agreement of shareholders with the company. In other words, preference shareholders, whether with the right of "free-of-tax" or "less-tax" dividend, will continue to receive the same dividend quantitatively from the company as before the amendment. The difference mainly lies in the process to be applied for deduction of tax under Section 18(3D).

Various Views

Various views have been set afloat. Let us examine a few of these.

One view is that, by the insertion of this sub-section, the Government has provided that, notwithstanding the abolition of grossing up of dividends, the company shall be bound to give to the shareholders an amount by way of dividend which will compensate him for non-grossing. In other words, you assume that the preference shares carried a dividend right of 7 per cent. free of tax. Before the present provision, this dividend of Rs. 7 was entitled to be grossed up with the result that it became Rs. 10. From this, it is argued that the shareholder, under the new set-up, is entitled to Rs. 7 in cash as hitherto and Rs. 3 statutory deduction is also to be borne by the company, to make Rs. 7 free of tax. Therefore 7 per cent. free of tax meant an actual cash dividend of Rs. 10. They read in the section a meaning which would result in compelling the company to declare hereafter Rs. 10—in order to satisfy the agreement of 7 per cent. free of tax. Shareholders receiving free-of-tax preference dividend had, according to the view, earned a right to larger dividend from the company.

Another view propounded is this. Sub-section 3E (as amended) does not affect the agreement of the preference shareholders with the company. The preference shareholder will even after amendment continue to receive Rs. 7 as free-of-tax dividend, but, when the company has to make a deduction under sub-section 3D, the dividend shall be deemed to be increased by Rs. 3 the tax thereon and, instead of deducting 30 per cent. on Rs. 7, the company shall deduct

30 per cent. on Rs. 10, the dividend which the shareholder hitherto received before the amendment by Finance Act, 1959, namely, Rs. 7 cash and Rs. 3 by way of grossing up with the tax thereon. The company is not obliged to declare anything more than what it did prior to the amendment, namely, Rs. 7, but, in order to compute 30 per cent. tax deduction at source 30 per cent. will be based on Rs. 10 (Rs. 7 plus immunity for tax Rs. 3) as dividend, instead of bare Rs. 7 that the shareholder received.

Before the abolition of grossing up of dividends, 7 per cent. less tax meant an actual payment of Rs. 4 (being Rs. 7 dividend and less Rs. 3 tax thereon at company's rate). But the shareholders got grossing up. So that he returned dividend income as Rs. 7 and got credit for Rs. 3. After the amendment, one view is that the company, in the absence of grossing up rights, has no right to deduct Rs. 3. It will, therefore, pay to the shareholder Rs. 4.90, after deducting income-tax at 30 per cent., that is, Rs. 2.10 for payment to Government.

These interpretations do not seem to be correct. Sub-section 3E has nothing to do with the right of the company to continue to declare 7 per cent. free-of-tax dividend to its preference shareholders in pursuance of their agreement. It certainly does not affect, *inter se*, the contract at all. The wordings do not suggest it. Therefore, we must find a logical basis for the meaning and purpose of sub-section 3E. Again, why does sub-section 3E speak of only tax-free preference dividend and leave severely alone similar question affecting less-tax preference dividend? It cannot be the intention of the Government to prefer one class of preference shareholders against another. Any interpretation that raises a question of discrimination between less-tax preference shareholders and free-of-tax preference shareholders must, therefore, be ruled out. The reason for providing a section for tax-free preference dividend and omitting a provision for less-tax dividend must be found and it must be a tenable one. And the only solution that suggests itself to a practical mind is this.

Three Questions

There are three questions involved in this problem. These are:

- (1) What is the exact significance in law of the words "free of tax" and "less tax"?
- (2) Does the amendment of sub-section 18(3E) give a right to shareholders to demand that, in the case of a free-of-tax dividend, the statutory deduction will be borne by the company?
- (3) Does "less tax" and "free of tax" to be so interpreted after the abolition of grossing up of dividends as to mean the same? In other words, is "less-tax" dividend placed on a par with "free-of-tax" dividend?

Let us consider each separately.

What is the exact significance of the words "less tax" and "free of tax"? Does free of tax for instance, mean an indemnity to the shareholder by the company to pay his own tax on dividend or does it mean that, in declaring free-of-tax dividend, the company simply does not pass on its incidence of tax to the shareholder? Where it chooses to pass on its tax incidence to the shareholder, the dividend becomes "less tax." The company's tax is a tax on the profits made by it as an entity. There is no agency between the company and its shareholders. Therefore, the question of the company agreeing to reimburse the shareholder's individual tax liability cannot arise. Such a suggestion in practice would be unworkable indeed. How will the company know the individual rate of tax of each one of its hundreds of shareholders and why should the company so reimburse a person for his personal liability? On the other hand, it is reasonable and perfectly logical to say that, in distributing its profit, the company may either pass on its incidence to the shareholders or it may not. If it does, then the dividend to that extent gets reduced by the company's rate of tax. If it does not, the dividend remains free of such incidence and consequent reduction. "Free of tax" therefore in common parlance means "free of the company's incidence of tax" and "less tax" means after deducting from the dividend the tax incidence of the company. It is the company who either deducts the tax from the shareholder's dividend

tax paid or payable by it, or not. It does not stipulate reimbursement by the company to its shareholders.

The above view is supported by the Calcutta High Court in the case of *Angus Co. Ltd., Calcutta vs. The Commissioner of Income-tax, West Bengal*, 1954, I.T.R., Vol. 25, where his Lordship has observed, on page 437, as under:

"When a dividend is declared tax-free, it does not mean that the dividend is totally immune from tax in relation to the Treasury, but it means that the declared percentage of dividend is paid by the company to the shareholders in full without any deduction therefrom on account of tax. It is tax-free in the sense that, as between the company and the shareholder, it is not diminished by any retention of tax by the company out of it, so that the actual net amount received by the shareholder is the full percentage declared. When, however, a dividend is paid less tax or subject to tax, it means that the company does not pay to the shareholder the declared percentage of the dividend in full, but deducts from it an aliquot part of the tax paid or payable by it on the whole of its profits, so that the shareholder receives the declared percentage, less such deduction. It will be obvious that, when a dividend is declared tax-free, the whole of the divisible fund will be exhausted by the distribution since the full percentage declared is paid out; but, if a dividend of the same percentage is declared less tax, a portion of the fund will remain in the hands of the company. In the first case, the company will have to pay tax on its total profits including in them the divisible fund from other funds in its hands, but in the second case it will be able to apply to such payment a portion of the divisible fund itself. This, however, can happen only when a divisible fund is first created merely on the basis of a certain percentage of the share capital and a dividend of that percentage is declared tax-free in one case and less tax in the other."

Quantum of Dividend

Bearing this in mind we must now approach Section 18(3E). This section provides for determining the quantum of dividend for purpose of deduction under sub-section (3D). Let the person receiving dividend from the company may not argue that 30 per cent. deduction at source must be based on what the company actually gives to the shareholder, the section provides a warrant by creating a fiction of what the tax-free dividend quantitatively is deemed to be in order to measure 30 per cent. deduction under Section 18 (3D). It in no way alters the contract *inter se* between the company and its shareholders. That is to say, notwithstanding this, the company can only be called upon to pay to its shareholders under the agreement the same amount as it did before the abolition of grossing up provision. If 7 per cent. less-tax dividend was satisfied by paying the shareholder Rs. 4 (i.e., Rs. 7 less Rs. 3 tax at company's rate) it shall continue to pay the same amount after 1959 amendment. Similarly, 7 per cent. free of tax meant that Rs. 7 without any deduction of the company's rate of tax. So the shareholder will continue to get from the company the same Rs. 7 as dividend and no more. On the basis of Rs. 4 as dividend in one case and Rs. 7 on the other, the company will make deduction of tax at source on behalf of the shareholder under Section 18(3D) and hand over the proceeds to the Government like tax deducted at source from "salaries."

The enactment of sub-section 3E is necessitated, because, factually, 7 per cent. free-of-tax is a larger dividend than the 7 per cent. less-tax dividend, even after the amendment in 1959, and, therefore, for the purpose of statutory deduction of tax at source, the same must differ. It cannot remain the same and hence a specific provision as to how the free-of-tax dividend is to be grossed up for purpose of statutory deduction under sub-section 3D is made in the Act.

Under the Income Tax Act, before the 1959 Amendment, both "free-of-tax" and "less-tax" dividends were regarded as eligible for grossing up. In other words, "free-of-tax" dividend was regarded as "less tax" with a larger amount of dividend. For example, 7 per cent. less-tax dividend was equivalent to Rs. 7 less Rs. 2.10 tax, i.e., the actual dividend was Rs. 4.90. And it was this Rs. 4.90 which was grossed up. In the case of 7 per cent. free-of-tax dividend, there was no deduction, but it was deemed to be equivalent to 10 per cent. less tax; in other words, the basic dividend, although it was Rs. 7, was regarded as Rs. 10 for the purpose of grossing up. The same scheme is stipulated now under sub-section 18(3E), namely, a base is determined for the purpose of deduction under sub-section 18(3D).

The amended sub-section 3D provides for deduction at 30 per cent. in the case of individual shareholders and 45 per cent. in the case of company shareholders. Whereas the base deduction is furnished in the case of "less-tax" dividend (for it is already determined by the company giving the shareholder dividend after

deducting the company's rate of tax), for the purpose of "free of tax" dividend, there is no such determination. A 7 per cent. free-of-tax dividend under sub-section 3E is to be regarded as equivalent to 10 per cent. less tax. This furnishes a base, namely, 30 per cent. higher than the base for less-tax dividend. The Act computes fictionally, the tax burden not shifted to free-of-tax shareholders at 30 per cent. It is to be noted that 30 per cent. is incorporated into sub-section 3E not as actual rate of company's tax, but as an absolute standard. The company's rate may vary; yet, so long as sub-section 3E is not amended, the "free-of-tax" dividend quantitatively will be regarded as 30 per cent. better off. Sub-section 3E furnishes an artificial base for deduction of tax under sub-section 3D so far as free-of-tax preference dividend is concerned; so far as less-tax dividend is concerned, the base is already furnished by the actual dividend being received after deduction of company's rate of tax. There is an actual shifting of its tax burden on to the shareholders. The problem is only in regard to free-of-tax dividend, for, here, the company does not shift its tax burden to the shareholders, but itself bears the tax. Hence an artificial quantification of this burden is furnished by sub-section 3E.

As a result of the amendment to the Income Tax Act, abolishing grossing up of dividends, there may be a detriment to the shareholder, but this detriment cannot be passed on to the company in contravention of the terms of its agreement which remain inviolable. The relevant section in the Income Tax Act does not say, as it should, if the above argument were right, something to this effect: "Notwithstanding anything to the contrary contained in any agreement, resolution or Articles of the Company." The section does not deliberately refer to such things about the Company's internal management.

Too Absurd A Suggestion

Grossing up has been abolished by an Act of Parliament. Therefore, all shareholders whose dividend was grossed up must put up with the resulting disadvantage, if any, by this abolition. The Government has no intention and constitutionally is prohibited from enacting discriminatory legislation. The sub-section 3E is found necessary because 7 per cent. free-of-tax quantitatively really meant more dividend than 7 per cent. less tax. Seven per cent. free of tax only means that the shareholder gets 7 per cent. net dividend from the company, without any deduction of the company's rate of tax paid by the company on its profits. Seven per cent. less tax, on the other hand, means that the company has agreed to pay the shareholder 7 per cent. dividend on the capital only after deducting the company's rate of tax. In short, in free of tax, the shareholder does not directly bear any incidence of the company's tax. In the less tax, the company passes on the incidence to the shareholders. In the case of company and shareholders, there can be no question of reimbursing the preference shareholder the individual tax on dividend payable by him. Such a suggestion is too absurd to need any elaboration. A company, however, may, by agreement, agree to pass on its own incidence of tax to its shareholders or may not. When it does, the dividend becomes less tax. When it does not, it becomes free of tax.

In the light of the above, the *raison d'être* of sub-section 3E becomes crystal clear, namely,

that, for the purpose of deduction, the amount payable to the shareholder as dividend shall be taken to be such an amount as would, after deduction of a sum equal to 30 per cent. thereof, be equal to the net amount receivable by the shareholder "free of tax." This means that, in computing statutory deduction under sub-section 3D, the net amount of free-of-tax preference dividend shall be taken as not what the shareholder receives after deduction but before deduction of tax. In other words, 30 per cent. shall be of Rs. 10, a figure under sub-section 18(3E), and not of Rs. 7 receivable by him.

A Doubt

Someone may raise a doubt that, if what we say is right, the deduction under sub-section 3E contemplates in all cases deduction of 30 per cent. Whereas in the case of an individual shareholder it is 30 per cent.; in the case of a company being a shareholder of another company, the deduction is 45 per cent., 30 per cent. income-tax plus 15 per cent. super-tax. It may, therefore, be contended that the interpretation fails to convince one of its cogency. At first sight, this seems to be a formidable objection, but, on further thought, it is not, especially when the purpose of sub-section 3D and sub-section 3E is taken into consideration. Sub-section 3E attempts to determine the gross dividend for income-tax purposes only. Sub-section 3D provides the authority to deduct income-tax in the case of an individual and income-tax plus super-tax in the case of a company, the dividend figure determined under sub-section 3E remaining constant for both. Sub-section 3E does not provide for 30 per cent. deduction. That is done by sub-section 3D. What sub-section 3E provides is merely the addition of tax in the actual dividend received by the shareholder after the 30 per cent. statutory deduction of tax at source on behalf of the shareholder.

Further, if Rs. 7 is to be grossed up to Rs. 10 for the purpose of deduction under sub-section 3D, then it leads to this anomaly, namely, why should the Government collect at source more than the maximum rate of tax applicable to the dividend of Rs. 7? One can understand this deduction if the taxable dividend were to be Rs. 10. This it can never be, for grossing up provisions have been repealed. In short, therefore, there is no case for compelling the company taken for example to declare anything more than Rs. 7 in the case of 7 per cent. free-of-tax preference dividend in spite of sub-section 3E. It does not contemplate any addition to the dividend hitherto declared in favour of free-of-tax preference shareholder.

A word about "less-tax" preference shareholder will not be out of place, for the view taken in this article also explains the conundrum raised by some in regard to this class of shareholders. In the example taken above, 7 per cent. less dividend to preference shareholders meant Rs. 7 less company's rate of tax, say, Rs. 3. A preference shareholder before the 1959 amendment received Rs. 4 (i.e., Rs. 7 less Rs. 3 tax thereon). Now every dividend must bear a statutory deduction at 30 per cent. The question is 30 per cent. of what? Is it 30 per cent. of Rs. 4 or is it 30 per cent. of Rs. 7? Those who contend that the latter view is correct, argue that Rs. 4 less tax really means a dividend of Rs. 7, for the shareholder receives a credit of Rs. 3 in income-tax. Now, since this grossing up is abolished, the question of deducting Rs. 3

from Rs. 7 does not arise. Therefore, the company can only deduct 30 per cent. on Rs. 7; that is what it is entitled to do under sub-section 3D.

This contention is, in my opinion, very anomalous, for it places, strangely enough, "less-tax" preference shareholders on a par with free-of-tax preference shareholders which is really absurd. Even after the amendment of Section 16, abolishing grossing up, there is, indeed, a quantity difference between the two dividends, that is, 7 per cent. free of tax and 7 per cent. less tax.

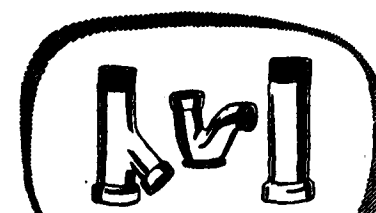
Here the company's tax burden is shifted to the shareholders. And that is not altered by the amendment. It remains the same, namely, the company shall be deemed to have declared 7 per cent. less tax, if it pays the shareholders Rs. 4.90 (i.e., Rs. 7 dividend less Rs. 2.10 tax thereon at the company's rate, assuming the rate of company's tax is 30 per cent. income-tax). Now this dividend is the base for deduction under sub-section 3D and the company, while paying Rs. 4.90 to the shareholder, will still be entitled to deduct, under sub-section 3D, Re. 1.47 as tax, giving him only Rs. 3.43; Re. 1.47 which it has deducted will be given to the Income-tax Department as deduction of tax at source. The tax, namely, Rs. 2.10 that the company has retained will be refundable to the shareholders in the light of Lalitabai's judgment, if the company in that year, eventually pays no tax by reason of its assessable income being nil or there being an actual loss for that year as per computation.

The Only Reasonable Interpretation

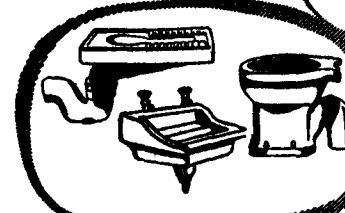
The only reasonable interpretation, therefore, is that where it is 7 per cent. less tax, the company must continue to pay Rs. 4 (i.e., Rs. 7 dividend less Rs. 3 company's incidence of tax) less a further 30 per cent. statutory deduction for the Government. This is one of the terms of agreement with the company, the fulfilment of which is not dependent on the right of grossing up. The company never has or can even contemplate reimbursing the shareholder for his personal tax liability. Free-of-tax dividend, by common usage and practice, has always meant that the company will not deduct anything from the dividend by way of tax payable by it on its profits. "Less tax," on the other hand, clearly stipulates passing on the company's incidence of tax to the shareholders. That being so, even after the 1959 amendment, less tax preference shareholders shall continue to get quantitatively only Rs. 4 and, out of this Rs. 4 payable to the shareholder under the agreement, 30 per cent. or Re. 1.20, shall be deducted, so that they will be given only at the rate of Rs. 2.80. Notwithstanding anything stated in sub-section 3E and sub-section 3D aforesaid, the Company still retains the right to pass on the tax incidence to shareholders in the case of less-tax preference dividend.

The above interpretation leads to no conflict or anomalies, for it harmonises both sub-sections 3D and 3E with deletion of grossing up under Section 16(2), keeping at the same time the contractual agreement with the shareholders untouched, intact and unaffected by reason of this new amendment of the Income Tax Act. Nowhere in sub-section 3E, there is any warrant for altering any existing contract of the company with its preference shareholders as regards payment of dividend.—All Rights Reserved.

Reliability is the Keynote of



STONEWARE PIPES for underground drainage

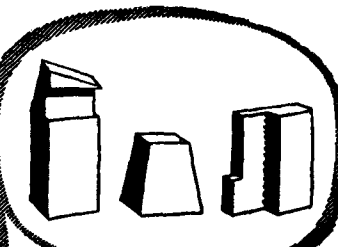


R. C. C. SPUN PIPES for culverts, water supply and drainage

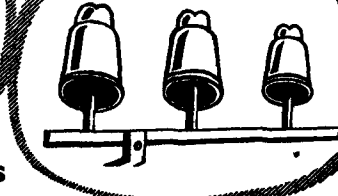
PORCELAIN SANITARY WARES— Indian and European style closets, wash-basins, urinals, etc.

Dalmia

Stoneware and Porcelain Products



REFRACTORIES for all Industrial purposes



INSULATORS and ACID-RESISTANT TILES



DALMIA CEMENT (BHARAT) LTD.
Dalmiapuram (Tiruchinappalli)

NEW PUBLICATIONS

Modern Fishing Gear of the World. Edited by Hilmar Kristjansson. Published by Fishing News (Books) Ltd., Ludgate House, 110, Fleet Street, London, E.C. 4. Pages: 678.

PISCICULTURE plays an important part in world food economy. Fish farms do not require any manuring, nor do they raise difficult land problems. They help augment food output. In many countries, fishing constitutes a major industry, providing a source of livelihood for thousands of families. The U.N. Food and Agricultural Organisation (F.A.O.) has consistently devoted much attention to fishing problems. *Modern Fishing Gear of the World* is a most authoritative and comprehensive publication of its kind. Edited by Mr. Hilmar Kristjansson, Chief, Fishing Gear Section, Fisheries Division of the F.A.O., the book deals with several aspects of fishing industry. It covers net materials, rational gear design, description of fishing gear and its operations, as well as the strategy and tactics of finding and attracting fish.

Modern fishing is a far cry from ancient and unscientific methods of fishing which still prevail in many underdeveloped countries. Dr. D. B. Finn, Director, Fisheries Division of the F.A.O., once declared that progress in fisheries has been greater in the past 30 years than in the previous three thousand years! Three developments have been mainly responsible for technological revolution in fishing. They are: mechanisation in fishing vessels, use of electronic echo-sounding and echo-ranging equipments and the advent of synthetic fibres.

The oceans, seas and other waters cover more than 70 per cent. of the earth's surface. They occupy about 90 million sq. miles but produce less than 10 per cent. of humanity's food. How much food could eventually be taken by man from the sea cannot be assessed. From time to time, estimates are made of how much fish we might expect to catch. Only a few years ago, it was thought that sustained catch would hardly exceed some 25 million metric tons per year. But already, fish production is reaching 30 million metric tons (1957). Biologists and other experts now suggest this catch might be increased to some 60 million tons a year from known stocks, without taking into account the possible discovery of new fisheries. It must, however, be remembered that there is a wide difference between the per capita fish catch in developed countries and that in underdeveloped countries. In more-developed fishing countries, each fisherman produces over 80 tons of fish per year but there are more than two million fishermen in less-developed countries who catch only about one ton of fish per man per year.

The contributors to the book are all experts in some aspect or other of fish industry and pisciculture. Although some of the articles are highly technical, many authors have made a special attempt to explain the fundamental concepts in simple and non-technical language. There is no doubt that the book will for long remain a classic on the subject.

Tax Planning with Precedents. By D. C. Potter and H. H. Monroe. Published by Sweet and Maxwell Ltd., 2 and 3 Chancery Lane, London. Agents in India: N. M. Tripathi Private Ltd., Princess Street, Bombay. Pages: 471. Price: £2 10s.

To Indian readers, the title of this book may not convey an adequate idea of its contents. The book is intended to enable a man to understand the incidence of tax when he makes any disposition of his properties to members of his family. It also provides the legal draftsman with a large number of precedents relating to conveyancing. The topics covered by the book include deed settlement, separation deeds, family settlements, discretionary trusts, marriage settlements, partnerships, pension schemes, and wills. Under each section of the book, a model deed of settlement is given. Written in a manner that must appeal to a layman, the book will be of great value to those who are called upon to deal with the disposition or management of property which bears a heavy burden of tax and estate duty. It will also be of great value to the legal draftsman.

A Comparison of National Output and Productivity of the U.K. and the U.S. By Deborah Paige and Cottfried Bomach. Published by the O.E.E.C., Paris. Pages: 245. Price: 21 shillings.

This is a joint study undertaken by the authors, on behalf of the O.E.E.C. in collaboration with the Department of Economic Affairs

of the University of Cambridge. Its object is to provide statistical comparisons of the national products and productivity per worker of the U.K. and the U.S.A. not only for the two economies in the aggregate but also for the various industries that contribute to total output. It attempts to measure the various industries so that they can be aggregated and made to yield estimates that will reveal the comparative industrial structure of the two countries.

The introductory chapter gives a brief outline of the procedure followed, the second is a comparative study of national products in the two countries and its composition. Chapters three and four deal with the manufacturing and non-manufacturing sectors in both the countries. A comparison of labour productivity in both countries is presented in chapter five. The last three chapters deal with some statistical and theoretical problems of international comparisons of productivity and output. In addition, there are also several appendices on technical methods and literature.

This is a painstaking and scholarly study. It is not a mere exercise in statistics but a purposeful inquiry which has yielded interesting results.

The Agricultural Register (New Series), Changes in the Economic Pattern 1956-57. Published by the Agricultural Economics Research Institute, University of Oxford. Pages: 234. Price: 21s.

Most issues of agricultural policy, as pertinently pointed out in the preface of the book by Mr. Colin Clark, Director of the A.E.R. Institute, are controversial and differing opinions may be held on them. In the book under review, however, the authors have concentrated on presenting a set of "indisputable facts," relating to the developments in the agricultural sector in the U.K. The book might well be called a compendium of developments in the British primary sector in recent years. It gives a description of the recent changes in Britain's rural economic pattern. These include the legislative measures designed to improve upon the system of annual reviews of policy by providing long-term assurances to farmers, and also the renewed emphasis laid on production grants as distinct from price subsidies—two major changes in the agricultural policy of the U.K. The book also deals with a wide range of related topics, such as marketing and prices, foreign trade, labour, land and capital and economics of agricultural production and sales in the U.K.

India—A Reference Annual 1959. Compiled by the Research and Reference Division, Ministry of Information and Broadcasting, Government of India. Published by the Director, Publications Division, Union Ministry of Information and Broadcasting, New Delhi. Pages: 562. Price: Rs. 6.50.

A reference volume, officially brought out every year since 1953, the publication under review has come to be looked upon as an authoritative source of general information on the diverse aspects of India's national life and activities. A fairly detailed account is given in this publication of land and people in India, the economic structure, planning, co-operative movement, agriculture, industries, trade, transport and communication, scientific research, etc. One chapter deals with India's role in such international organisations as the United Nations. Another chapter provides a chronological account of important events that took place in 1958. A fairly exhaustive bibliography is also included at the end of the book. A veritable mine of information on India's economic, social and political life, the book contains much useful data on a wide range of subjects of educational, cultural and scientific interest.

Business Education, A Dossier. Edited by L. R. Dasgupta. Published by Research Board, City College Commerce Department, 13, Surya Sen Street, Calcutta-12. Pages: 270.

In the context of the great strides of progress which Indian trade and industry are making there is need for a wider diffusion of commercial education. *Business Education*, as its editor, L. R. Dasgupta, Professor of Business Organisation, City College Commerce Department, Calcutta, points out, is not a complete treatise on commercial education. Even so, the book covers a wide ground. Among the articles contributed to this book, mention must be made of A. K. Sen's article on "Aims of commerce education," L. R. D. Gupta's on "Experiment in training commerce teachers," and S. R. Sen's on "Reorganisation of commerce education." There are useful appendices which deal with such subjects as the facilities for commerce education

in India, and analysis of concepts and terminology in business education. It is on the whole a readable book on the problems of commercial education which are treated against the background of the progress made in such education in Western countries.

The Cotton Industry in a World Economy. Published by the International Federation of Cotton and Allied Textile Industries, 567, Royal Exchange, Manchester 2, England. Pages: 286.

The book under review comprises papers presented by textile experts at the International Cotton Conference held under the auspices of the International Federation of Cotton and Allied Textile Industries in Italy in September 1957. Of particular interest to Indian readers is a study entitled "The scope of the cotton and allied textile industries in India," prepared by the Millowners' Association, Bombay. Among the other articles of lasting interest, mention may be made of "The cotton and allied textile industries in a world economy" and "A general survey of the cotton and textile industries of the world," contributed by the President and Vice-President, respectively, of the International Federation. The book will be of interest to students of industrial economics and business men concerned with cotton textiles.

The Twelfth Year. Published by The Director, The Publications Division, Ministry of Information and Broadcasting, Old Secretariat, Delhi-8. Pages: 352. Price: Rs. 1.50.

The book under review, succinctly outlines the important achievements attained in the economic, political and social spheres by the Central and State Governments and Union Territories. The period covered in this publication is between April 1958 and March 1959. The book has been divided into three main parts. The first part deals entirely with the activities of the Central Government. The second and third parts take stock of the developments of States and Union Territories, respectively. The publication will serve as a ready reference to developments during 1958-59 though the treatment is necessarily brief.

Britain—An Official Handbook, 1959 Edition. Prepared by the Reference Division, Central Office of Information, the Government of the U.K., London. Published by Her Majesty's Stationery Office, P. O. Box 569, London, S.E. 1. Pages: 538. Price: 10s. 6d. Cloth-bound Edition, 21s.

An established work of reference, *Britain: An Official Handbook, 1959*, seeks to give a factual account of the Government of, and the administration in, the U.K. and of the part played by the Government in the life of the community, thus presenting a continuing picture of the pattern of life in the country and a record of recent developments. The present edition, fully indexed, well illustrated by photographs, maps and diagrams and 81-page bibliography, covers events upto September 1958. This is a very valuable reference volume on Britain's social, economic and political life.

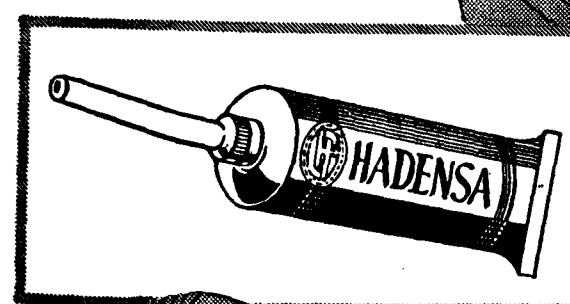
Typical Problems in Statistics. By R. S. Sabnis. Published by A. R. Sheth & Co., Princess Street, Bombay-2. Pages: 228. Price: Rs. 6.00.

The science of statistics, as is well known, cannot be mastered by a student, unless he works out a large number of examples. In the book under review, the author, R. S. Sabnis, has worked out more than 200 typical problems in statistics. He has covered all the portions which are generally included in an elementary course in statistics. Thus, examples have been provided under measures of location and of dispersion, skewness, time series, co-relation, regression, interpolation, index numbers, probability and tests of significance. Each example has been neatly worked out, so that an average student will have no difficulty in understanding the methods of working out the problems. We commend this book to all students of statistics.

Elements of Indian Income-tax. By R. N. Lakhotia. Published by Asha Publishing House, Ahmedabad-14. Pages: 160. Price: Rs. 2.80.

Although the book under review is primarily meant as a text book for B. Com. and LL. students of Indian universities, it is bound to appeal to a wider section of readers who are interested in acquiring for themselves a working knowledge of the subject. By cutting a few details, and giving greater importance to concrete examples, the author, Mr. R. N. Lakhotia, has succeeded in producing a simple and readable book on the subject of income-tax.

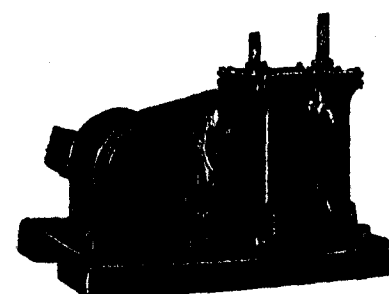
The
difference
between
LAST WEEK



LABORATORY AND INDUSTRIAL VACUUM EQUIPMENT AND MEASURING INSTRUMENTS

by
M/s. ARTHUR PFEIFFER, GERMANY

Manufacturers of High Vacuum Equipment like Vacuum Pumps, Diffusion Pumps, Electric and Mercury Vacuum Gauges, High Vacuum Evapor Plants for Metal Coating, Etc.



Sole Agents:
TOSHNIWAL BROTHERS (PVT.) LTD.
190, Jamshedji Tata Road, Bombay 1

Branches:
AJMER CALCUTTA DELHI MADRAS

STEARIC ACID

(Double Distilled)
Manufactured by:
THE MODI VASAPATI MFG. CO.
Bombay State Distributors:
RAMJILAL LAKHMICHAND
Head Office: 333, Kalbadevi Road, Bombay-2
Phone: 39361
Branch: 695, Ridd Road, Ahmedabad
Phone: 2665
Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

**MOTORS
TRANSFORMERS
L.T. & H.T. SWITCH GEARS
ACSR & ALL ALUMINIUM
CONDUCTORS &
ACCESSORIES
MACHINE TOOLS**
**THE HINDUSTAN
ELECTRIC CO. LTD.**
P.O. BOX 10, CALCUTTA 1

BANK OF BARODA

OFFERS

COMPLETE BANKING SERVICE

Current Accounts • Saving Bank Accounts •
Fixed Deposits • Loan, Overdraft and
Cash Credit Accounts •
Discount of Bills and Hundis • Safe Custody •
Foreign Bills and Letters of Credit •
Travellers Cheques and Cash Certificates •
Demand Drafts • Telegraphic Transfers •
Executor and Trusteeship •
Safe Deposit Lockers

Over 80 offices in India + 6 offices abroad

Correspondent banks in the
principal cities of the world

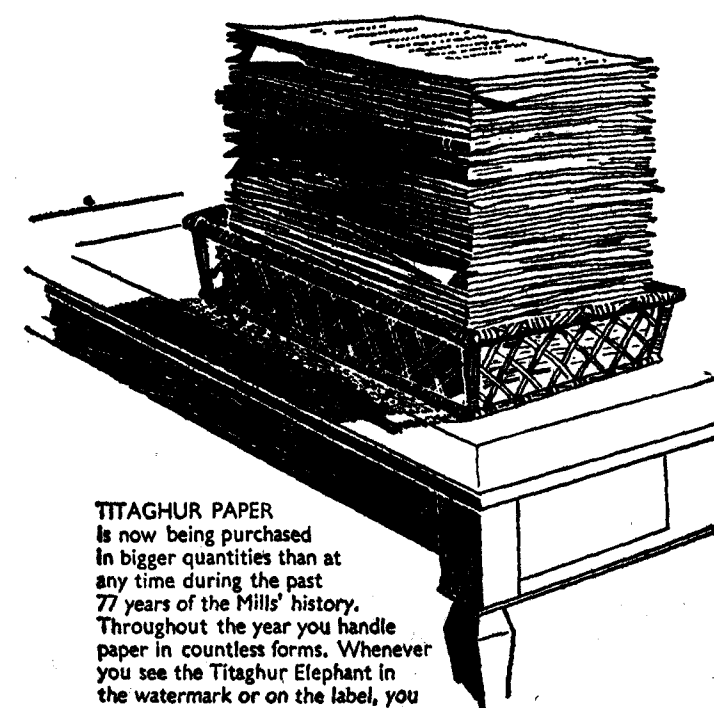
Capital Authorised	Rs 3,50,00,000
Capital Subscribed	Rs 2,50,00,000
Capital Paid-up	Rs 1,25,00,000
Reserve Fund	Rs 1,59,50,000
Deposits	Rs 67,10,39,200
Working Funds	Rs 84,66,52,500

THE BANK OF BARODA LIMITED

(Estd: 1908)

Head Office: Baroda

How much paper
do you use in a year?



TITAGHUR PAPER
is now being purchased
in bigger quantities than at
any time during the past
77 years of the Mills' history.
Throughout the year you handle
paper in countless forms. Whenever
you see the Titaghur Elephant in
the watermark or on the label, you
can be certain that you are handling
a quality paper. Our Mills are
the largest producers of bamboo
pulp and paper in the world.

**THE TITAGHUR PAPER
MILLS CO., LTD.**
CHARTERED BANK BUILDINGS, CALCUTTA 1.



PROGRESS OF BOMBAY STATE ROAD TRANSPORT CORPORATION RISING TREND IN OPERATION COSTS

ESTABLISHED in December 1949 as a statutory body with the Bombay State and the Union Governments as partners, the Bombay State Road Transport Corporation has grown from strength to strength with every passing year. Indeed, it now ranks as the largest nationalised motor transport undertaking in the country. With a capital investment of over Rs. 16.71 crores and a fleet of 2,972 buses, this vast enterprise provides automobile transport for nearly 550,000 passengers a day. A large enterprise of this kind must necessarily face many and intricate problems. But it is a tribute to its management that it has striven hard, and often very successfully, to find solutions for its problems which range from unsatisfactory physical conditions of roads on which the Corporation's vehicles operate to the paucity of spare parts which they need for their being kept in a state of preparedness. In particular, the Corporation has had to face the problem of rising trend in costs of operation which has accompanied the growth of the Corporation.

Traffic

In the course of his interesting and comprehensive speech at the eleventh anniversary of the Corporation, held at Bombay on 28th October, 1959, Mr. R. G. Saraiya, Chairman, observed that the "history of the progress of this organisation is one of rapid expansion from small beginnings and of surmounting formidable difficulties, one by one, as they came up." Besides the problem of rising costs, there are three specific problems to which Mr. Saraiya drew special attention. In the first place, there is an uneven distribution of traffic. Thus, in the summer months, the traffic is at its highest and it requires an all-out effort to cope with the traffic. But in the monsoon months, there is a great fall in traffic, some roads become unmotorable. The overall fall in traffic is 25 per cent., though in some regions it is as high as 70 per cent. A large number of buses has necessarily to remain idle. Secondly, the Corporation is rapidly extending its services to rural areas where roads are particularly bad. Out of a total road mileage of 21,521 on which it operates, 1,220 miles are of cement concrete, 2,991 miles of asphalt and tar, 8,329 miles of water-bound macadam and 8,981 miles of earth roads. It has been computed that 57 per cent. of the road mileage operated by the State Transport is either *katcha* earth roads or roads the surface of which have deteriorated. Thirdly, the Corporation finds it increasingly difficult to procure spare parts, assemblies and equipment needed for the upkeep of the vehicles and workshops. But it is gratifying to note that this is not an entirely unmixed evil, for the authorities are doing their best to encourage the use of indigenous materials and have launched a drive in their workshops for retrieving some of the worn out parts. In this connection, Mr. Saraiya said: "It would be useful if I take this opportunity to impress upon the manufacturers of vehicles in India the need for standardisation of as many parts as possible, and as many assemblies as possible for the various vehicles. This will not only add to the convenience of operators but would also help in making easily available spare parts components and small assemblies and reduce the prices at which they are available." We commend this suggestion to the attention of the automobile manufacturers, in general, and of the Development Council for Automobile Industry, in particular.

Route Mileage

To turn now to developments during 1958-59. The total route mileage at the end of the year was 65,375, as against 54,481 in the previous year. This mileage is served by a fleet of 2,972 buses. The total number of schedules at the end of the year was 2,215. The Corporation carried 202,900,000 passengers, as compared with 184,400,000 passengers in the previous year; the daily average number of passengers increased from 550,000 to 556,000. In view of the bad condition of the roads on which the Corporation operates and the difficulty in procuring adequate equipment, it is hardly surprising that there has been some increase in the rate of breakdowns. Thus, during the year under review, the rate of breakdowns was 1.53 per 10,000 miles, as against 1.28 in the previous year. The rate of accident per 100,000 miles was 1.47 as compared with 1.23 in 1957-58.

It is a pity that the report and accounts for the year 1958-59 have not yet been made available to the public. It would certainly be a good practice to synchronise the publication of accounts with the Chairman's speech. But some figures relating to the working of the Corporation in 1958-59 were mentioned by the Chairman. It would appear that, during 1958-59, the Corporation's receipts aggregated Rs. 12.38 crores, as against Rs. 11.49 crores in the previous year. Working expenses increased from Rs. 8.14 crores to Rs. 9.38 crores. The increase is partly explained by the levy of tax on passenger fares with effect from 15th October 1958 (Rs. 51 lakhs) and additional benefits granted to workers involving a recurring expenditure of Rs. 25 lakhs. After making the usual provision for depreciation, sinking funds, etc. the Corporation is left with a net surplus of Rs. 76.12 lakhs (subject to taxation), the comparable figure for 1957-58 being Rs. 100.90 lakhs. It may be mentioned here that the net surplus is arrived at after payment of interest paid on capital advanced by the participating Governments. Although it is not known how much this item will absorb in 1958-59, it is known from the report and accounts for 1957-58 that it absorbed Rs. 51.6 lakhs. As at the end of that year, the Union Government and the State Government had given Rs. 8.03 crores and Rs. 4.06 crores respectively by way of capital contributions. On this basis, the return on capital contribution works out to about 4 per cent. But, it is not clear whether the Corporation would have been left with sizable net surpluses in the past if, like other corporate enterprises, it had been subject to income taxation. Nor is it clear whether the Central Government's recent decision to subject the Corporation to income-tax will have retrospective effect.

Reserves

The balance-sheet of the Corporation, as on 31st March, 1958, shows that, besides the capital contribution of Rs. 12.09 crores from the Union and the State Governments, to which reference has been made above, it had borrowings to the tune of Rs. 4.01 crores, made up of State Government loan (Rs. 32.85 lakhs), Government of India Canadian aid (Rs. 1.42 crores) and two debenture loans of the total value of Rs. 2.27 crores. It had reserves aggregating Rs. 1.88 crores and a debenture sinking fund of Rs. 80.95 lakhs. Its fixed assets aggregated Rs. 20.87 crores, as against which a depreciation fund of only Rs. 6.05 crores has been built up. The Corporation would have done well to give a separate schedule, setting forth the details of assets. No estimate has been made of the expectation of the life of the existing fleet which would give some idea of the adequacy of depreciation provisions for purposes of replacement.

In the near future, the chief problem for the authorities of the Corporation would be how best they could hold down expenditure. There are a few circumstances which indicate that operating expenses are bound to increase further in the current year (1959-60). In the first place, the Income-tax Department has held that the Corporation is liable to pay income-tax. Secondly, the Corporation paid the tax on passenger fares (imposed by the State Government) only for part of the year 1958-59, whereas the tax will apply for the whole of the current year. It has been computed that of the sum of Rs. 1 to 1.5 crores which the passenger tax may yield in a full year, the Corporation will have to bear some 40 per cent. Thirdly, the recent increase in excise duty on diesel oil and on tyres and tubes will mean an additional expenditure of about Rs. 37 lakhs annually. Fourthly, the State Government has recently converted the loans granted under the Canadian aid into redeemable preference shares; this, in effect, has meant an increase in the rate of interest from 4 to 4½ per cent. These factors will impose a further strain on the Corporation's finances. It is, therefore, of very great importance that the Corporation should not relax its efforts designed to ensure utmost economy in costs of operation and administrative expenses.

GOODS TRAFFIC SURVEY

A survey of goods traffic carried by road in the Union Territory of Delhi, conducted by the Roads Wing of the Union Ministry of Transport and Communications, suggests that there is scope for organising motor goods transport on a co-operative basis. Out of a total of 1,269 owners of

motor vehicles in the Territory, as many as 1,081 own only one vehicle each. The survey, which is a prelude to similar surveys to be conducted in the rest of the country in pursuance of a recommendation of the Inter-Departmental Study Group on Transport Planning, revealed that motor goods vehicles in Delhi remain idle for about 30 per cent. days in a year; 50 per cent. of this idleness is attributed to want of repairs. There is scope for reduction in idleness through better organisation of transport.

As regards agricultural cart, it carries about 90 maunds of goods a week; the average distance over which a maund of goods is carried is about three miles. Paddy and cattle food constitute nearly 33 per cent. of the goods lifted by rural agricultural carts, sugarcane 24.8 per cent. and cereals 18.3 per cent. These carts, it is stated, do not compete with any other form of transport.

The annual quantity of goods lifted by the average agricultural cart is about 1/40th of the average public carrier, though the extent of maund-miles performed by the village cart is nearly 1/20th of that of the public carrier. An agricultural cart has a high idle capacity. For 218 days in a year, the bullock is used for agricultural purposes. With the development of small-scale industries and all-weather rural roads, the survey finds that the huge transport potentialities of these carts could be better utilised.

Dealing with municipal carts, the report states that a good proportion of them are iron-tired and are likely to do considerable damage to the roads. If fitted with rubber tyres, they are likely to reduce maintenance charges on roads appreciably. The quantity of goods lifted by the average municipal bullock-cart is about 1/10th of that carried by the average public carrier but the maund-miles performed by the average cart are about 1/30th of that performed by the average public carrier. Municipal carts act as feeder to the railways and distribute finished products from the railways and markets to near-about localities. Strictly speaking, they do not compete with heavy motor trucks, since trucks cannot profitably be used to lift small quantities on short-distance traffic.

ALL-PURPOSE TRANSPORT PLANE

A Swiss firm manufacturing aircraft, has just presented to the public a new type of all-purpose small transport machine, the "Porter," which is admirably suited to the mountainous terrain of Switzerland and to the manifold uses to which a really rational transport plane can be put, namely, the conveyance of passengers, of sick or injured persons, of goods and also for topographical surveys in both flat and mountainous country, etc. A machine capable of carrying out such diverse tasks has got to possess a large number of various qualities and, what is more, it must be economical in use. Equipped with an engine of 275 or 340 h.p., the "Porter" has not got an aesthetic appearance; it is angular, which makes it possible for it to be built at a very moderate price, and its shell is massive, thus endowing it with a powerful capacity for transportation, whilst the doors are wide enough to allow for the loading of heavy and cumbersome goods. The wings are vast and powerful, whilst the landing gear, which is also provided with a pair of skis, is adapted to any kind of ground. This aircraft can carry six passengers, two of whom lie down, or else 940 pounds of freight, over a distance of 800 kilometres, at a cruising speed of 200 kilometres per hour. It can take-off at 220 yards or even 140 with the more powerful engine; its landing speed is 70 kilometres per hour. Moreover, its servicing costs less than that of a helicopter. The best possible reference for this new machine consists in the fact that the famous glacier pilot, H. Geiger, immediately acquired one.

IBM 1620

A small, transistorised scientific computer which was developed to meet the technological need for a compact computer with the operating capabilities of much larger systems was announced today by I.B.M. World Trade Corporation. The I.B.M. 1620, which can perform more than 100,000 calculations a minute, takes up little more space than the average desk or drafting table and is particularly adaptable to problems such as highway cut and fill and bridge design, oil pipeline transmission and product inventory, petroleum blend evaluation, lens design, and power requirements, analysis for utilities. The system operates under the direction of an internally-stored programme of instructions and can perform complex engineering and scientific computations on a continuous or production basis. With its 20,000-digit core memory, high-speed operation and advance programming systems, the new system, it is claimed, is the most powerful computer in its price class ever offered on a commercial basis.

EUROPE'S LARGEST TURBO-GENERATOR

Europe's first 200,000 kw. steam turbo-generator unit was successfully put into service by the British Central Electricity Generating Board at High Mainham Power Station. This 1,000 m.w. station, when completed, will contain five sets of 200,000 kw. generating equipment manufactured by the English Electric Company, Ltd. The new turbine and alternator are the largest of their kind manufactured by the Company.

With a running speed of 3,000 r.p.m., the 200,000 kw. steam turbine is of the horizontal three-cylinder design having a double casing impulse type high-pressure cylinder. Steam enters the turbine stop valve at 2,350 p.s.i.g., 1,050 deg. Fah.—the highest steam conditions so far attained in any British power station. The steam from high pressure turbine exhaust is taken to the reheater and then returned to the intermediate-pressure cylinder at 475 p.s.i.g. and 1,000 deg. Fah. The intermediate-pressure cylinder is combined with one section of the three-flow low-pressure cylinder and has impulse stages up to the point of exhaust to the low-pressure stages.

Jet there faster
by
BOAC Comet 4!



BY LOW FARE TOURIST CLASS

to
BURMA
THAILAND
MALAYA
SINGAPORE
HONG KONG
JAPAN

See your local BOAC Appointed Travel Agent or BOAC at Bombay, Calcutta, Delhi and Madras.

B.O.A.C.

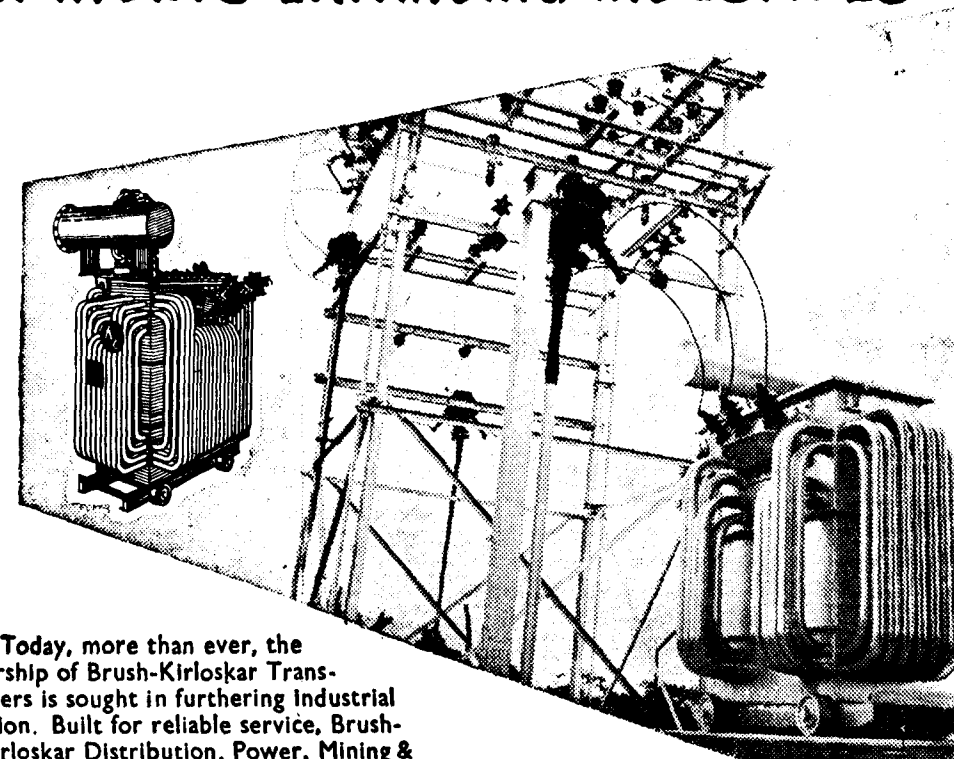
BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH QANTAS, EAA, MBA AND TEAL.



TRANSFORMERS...

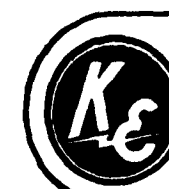
**POWERFUL
PARTNERS**

IN INDIA'S EXPANDING INDUSTRIES



Today, more than ever, the partnership of Brush-Kirloskar Transformers is sought in furthering industrial expansion. Built for reliable service, Brush-Kirloskar Distribution, Power, Mining & Rectifier Transformers are in great demand all over India.

Range: Transformers - from 15 to 3000 kVA, 33 kV, are available from the manufacturers or the selling agents



MANUFACTURED BY:
KIRLOSKAR
ELECTRIC CO. LTD.
BANGALORE-3

Selling Agents:

PARRY & CO.
LIMITED

P. O. Box No. 12, Madras-1
P. O. Box No. 506, Bombay-1
P. O. Box No. 208, Calcutta-1
P. O. Box No. 172, New Delhi

THE INDIAN BANK LIMITED, MADRAS

(Established 1907)

Head Office:

'Indian Bank Buildings', North Beach Road, Madras-1

23 LOCAL OFFICES

BRANCHES COVERING THE WHOLE OF SOUTH INDIA

Branches also at Bombay, Calcutta, New Delhi, Poona, Colombo, Penang, Kuala Lumpur, Malacca and Singapore

	Rs.
Authorised Capital	1,00,00,000
Subscribed Capital	88,60,000
Called and Paid-up Capital	82,98,990
Reserve and other Funds (including share premium)	83,01,884
Deposits as on 30-6-1959	43,77,46,578

All types of banking business including Foreign Exchange transacted

London Agents: WESTMINSTER BANK LIMITED

New York Agents: FIRST NATIONAL CITY BANK OF NEW YORK

D. P. PARTHASARATHY, Secretary

TRENDS IN BRITISH LIFE INSURANCE

HOME-SERVICE SCHEME GETTING INCREASINGLY POPULAR

BRITISH insurance, famed for centuries as the very hub of international business, took one more step in 1958 towards consolidating its pre-eminent position in world insurance. New ordinary life assurance business in 1958 broke all previous records. Premium income for the first time exceeded £100 million to reach £102 million for new assurances and annuities, as compared with £89 million in 1957. Aggregate net premium amounted to £459 million, as against £419 million in 1957. Ordinary life assurance accounted for £302 million of new net personal savings, which together with the £65 million contributed by industrial (home-service) assurance, resulted in new personal net savings through life insurance of £367 million in 1958.

Benefits paid to ordinary life policyholders last year included £53 million on death claims, £99 million on maturing policies and £26 million on annuities, as compared with £46 million, £96 million and £23 million, respectively, in 1957. The amount added to life and annuity funds aggregated £299 million, as against £250 million in 1957.

Benefits Paid

Home-service insurance men, calling on 10 million U.K. households, collected £177.9 million of industrial life premium, as compared with £170.4 million in the previous year. The sum assured by new industrial business reached a new record of £361.6 million. Claims on death under this category aggregated £40.2 million and claims on maturity amounted to about £49 million. The greater part of new industrial branch business written consisted of endowment assurances, reflecting the continuing public appreciation of this type of policy which combines provision for the policyholder's own future with protection for his dependents.

Commenting on this, Mr. Geoffrey Kitchen, Chairman of the Industrial Life Offices' Association, says: "This picture of continued expansion of industrial life business emphasises the practical assistance which the regular and timely visit of the insurance man gives to a wide cross-section of the nation in its efforts to provide for the future. Since the war, the resulting net saving through industrial assurance alone has added over £600 million to the pool of investment capital."

The 1958 figures are clear proof that home-service insurance continues to provide an effective and attractive channel, in many homes, the only channel, for long-term voluntary savings.

Thus, in 1958, life insurance in the U.K. continued to maintain its position as the leading source of new personal savings in the country. Life and annuity funds in the ordinary branch alone reached the record level of nearly £3,400 million, an increase of £300 million as compared with 1957. This is a reflection of the awareness of the public that life assurance provides family security combined with a convenient form of regular savings.

Comparison with America

Although these figures are satisfactory in themselves, they indicate that there is still considerable scope for further expansion. A comparison with the U.S. and Canada shows that the average family in those countries enjoys a much greater degree of insurance protection than the average family in Britain. Premium income in Britain, expressed as a percentage of the national income, is roughly equivalent to the American level, yet, at the same time, a comparison based on the average of sums assured shows that they are twice as large in America as they are in Britain.

One reason for this, according to Mr. J. B. H. Pegler, Chairman of the British Life Offices' Association, is the people's preference for the endowment policy. Over 75 per cent. of new ordinary life assurance policies in Britain are in this form. As a result, a larger proportion of premiums in Britain represents saving for old age than in America where whole life assurance is more popular.

Another interesting trend in life assurance in Britain is that a large part of the new business transacted in 1958 was in occupational pension schemes. These schemes, together with the special contracts for the self-employed under the

provisions of the Finance Act, 1956, have continued to provide a growing proportion (47 per cent.) of all new premium income.

The increase in total invested funds during the year under review, once again, emphasised the important part the life offices play in providing capital for industry and thus aiding economic progress. By their investments, insurance companies are providing an ever-growing flow of new capital for developments all over the world. They finance British and Commonwealth Government projects and a variety of private enterprise schemes and, indeed, they have become the main source of long-term capital in the City. Invested assets of the member companies of the British Insurance Association aggregated £5,500 million at the end of 1958 of which the bulk, namely, £4,500 million, represented life funds made up largely of the savings of millions of policyholders which the insurance companies hold as trustees until the policy matures.

Investments

A substantial proportion of investments of the life offices are in Government and other fixed interest securities but an increasing share has been finding its way of late into equities. Investments at the end of 1958 in ordinary stocks and shares of both ordinary and industrial life funds aggregated £860 million, as compared with £500 million in 1954. There was a net addition during last year alone of £120 million in equity holdings. By the end of 1958, the combined total of debentures, preference shares and ordinary shares amounted to some 40 per cent. of the total invested life funds of over £4,500 (ordinary and industrial combined). The following table indicates the percentage of life funds (both ordinary and industrial) going to the different classes of investments.

Types of Investment	1958	1957
Mortgages	15.5	15.5
Government and Municipal Securities	26.5	28.0
Debentures, Loans, preference and Gilts	21.0	22.0
Ordinary stocks and shares	19.0	17.5
Real property, ground rents, others	18.0	17.0

This enlarged flow into ordinary shares obviously stems from a definite change in the investment policy of many offices. Whatever may be the fluctuations in economic conditions, a well-diversified portfolio of ordinary shares will, it is now recognised, produce an average return significantly higher than that obtainable from fixed-interest investments. Further, in a continuously expanding economy subject to pressures of creeping inflation, the advantages of ordinary shares as an investment and a hedge against inflation may prove substantial indeed.

EXPORT CREDIT GUARANTEE IN BRITAIN

Business declared under the British Export Credit Guarantee Department's commercial insurance facilities during the third quarter of 1959 was

a record for that quarter, although it was slightly below the all-time record of the previous three months. Declarations for the third quarter, at £153.5 million, were 8.6 per cent. higher than those during the corresponding period last year when £141.3 million were declared as shipped. This compared with the record £155.2 million for the second quarter of 1959.

Contracts for an oil refinery plant, a steel works plant, refrigeration plant and for steam turbo sets were included in new medium-term policies which aggregated £17.8 million during the third quarter, as against £34 million in the previous quarter and £26.9 million in July-September 1958.

The face value of short-term policies current remained virtually unchanged at £631.2 million, although the number of short-term policies increased from 4,669 to a new record figure of 4,743.

Among the new short-term policies issued from July to September were three valued at over £1 million each. They were offset, however, by some reductions in face value on renewal of several other large policies. Claims aggregating £1.8 million under "commercial" policies were paid during the quarter.

MOTOR ACCIDENTS CLAIMS TRIBUNAL

The Government of Bombay has constituted, as an experimental measure, a Motor Accidents Claims Tribunal, with jurisdiction over the area comprised within the limits of the Municipal Corporation of Greater Bombay for the purpose of adjudicating upon claims for compensation in respect of accidents involving death of, or bodily injury to, persons arising out of the use of the motor vehicles in that area.

The Tribunal, which consists of Mr. T. P. Ghogale, Judge, City Civil Court, Bombay, will consider claims for compensation in respect of accidents occurring within the Municipal Corporation limits of Greater Bombay.

With the establishment of the Tribunal from 1st December 1959, the civil courts in Greater Bombay will, in view of the provisions of Section 110F of the Motor Vehicles Act, 1939, be barred from entertaining any claim for compensation except in respect of claims, cognizance of which has already been taken by these courts.

An application for compensation has to be made to the Tribunal within sixty days of the occurrence of the accident by the person sustaining the injury or by the legal representatives of the deceased where death has resulted from the accident or by any agent duly authorised by the person injured or the legal representatives of the deceased, as the case may be.

EXPORT RISKS: A CORRECTION

Some inaccuracies have crept into our article on export risks insurance which appeared in Commerce, 24th October 1959. The Export Risks Insurance Corporation was established on 30th July 1957 and not 4th October as was stated therein. In the second year of its working, that is, the twelve-month period ended 30th September 1959, the Corporation issued 222 policies with a maximum liability of Rs. 6.49 crores, as compared with 146 policies with a maximum liability of Rs. 7.50 crores (and not Rs. 1.30 crores, as is wrongly stated in the article) in the previous year.

In regard to jute goods, which are shipped mostly on D.P. (Document against Payment) terms, the risks involved are mostly political risks. Therefore, where the exporters so desire the Corporation has agreed to cover only political risks. This concession is available to exporters of other traditional goods as well.

At the time of writing the article, the amount of claims settlement was not available. Figures made available subsequently show that the Corporation has so far received four claims amounting to Rs. 34,431.45. Three claims of the total value of the fourth claim, which is for Rs. 40,000, is awaiting the receipt of completed papers and the finalisation of other formalities.

ORIENT EXPRESS TRAVEL SERVICE

Through its 3 offices in India and 350 correspondents in all principal cities throughout the world, Orient Express Travel Service places at the disposal of its clients a complete Travel Service.

Air, Rail and Steamer tickets issued at tariff rates, Hotel reservations made anywhere. Advice and assistance given in securing Passports, Visas, Health Certificates and Travellers Cheques.

THE ORIENT EXPRESS CO. PRIVATE LTD.

HEAD OFFICE:

70, JANPATH, NEW DELHI-1.

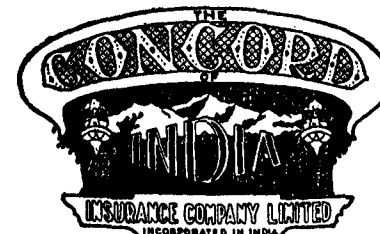
CALCUTTA OFFICE:

NORTON BUILDINGS, 1 & 2, OLD COURT HOUSE CORNER.

BOMBAY OFFICE:

PETIT BUILDING, 135, D. NAORJI ROAD.

S. S. Poddar, Managing Director



For ALL Insurances

**FIRE • TRANSIT • ENGINEERING
ERECTOR • BURGLARY • MOTOR
VEHICLE • FIDELITY GUARANTEE
WORKMEN'S COMPENSATION**

THE CONCORD OF INDIA INSURANCE CO., LTD.

(Incorporated in India)

Head Office:

8, Clive Row, CALCUTTA

Telephone: 22-4315

Telegram: "YULINSURE"

Bombay Branch:

HONGKONG BANK BUILDING

Veer Nariman Road

Telephone: 255561

Telegram: "CONCORDIA"

small packs

Distribute, market or export your products, liquids/solids, in lithographed or plain tin plate containers, in convenient, easy to handle sizes. All containers fully tested.

Manufactured to standard specifications on up to date automatic machinery, we can supply large quantities at competitive rates. Early Deliveries.

Call

POYSHA INDUSTRIAL CO. PRIVATE LTD.

Mazgaon Road, Sewri, Bombay 15 - Phone 7365 Grams "Sancana"



WORKING TOGETHER to help build Durgapur for India

A PARTNERSHIP of Indian and British skills is building a great new steelworks where sparse jungle lay at Durgapur. It is a project that will produce more than a million tons of steel for the nation every year.

Helping to build this giant of concrete and steel are the men of CEMENTATION-PATEL—13,500 Indian and 75 British engineers, technicians and workers. Together they have laid the foundations

for most of this project's buildings and plant. Together they are building one hundred and forty miles of roads, railways and pipelines.

CEMENTATION-PATEL, the project's civil engineers, were first to arrive at Durgapur. In three years, they have moved enough earth and used enough concrete to raise a small city—three years that crown THE CEMENTATION COMPANY'S 30 years of service in India.



P. O. DURGAPUR STEEL PROJECT, DISTRICT BURDWAN, WEST BENGAL
The Cementation Company Limited, P. O. Box 1768, Steelcrete House, Dinshaw Vachha Road, Bombay 1
Patel Engineering Co. Ltd., United India Building, Phirozshah Mehta Road, Bombay 1

CMP. 2-X54

READY FOR SALE

THE MADRAS STOCK EXCHANGE OFFICIAL YEAR BOOK 1958-59

(SEVENTH YEAR OF PUBLICATION)

(Balance Sheet and other Particulars received upto 30th September, 1959, incorporated)

1,034 Pages

(Details of more important Companies listed on various recognised Stock Exchanges in India included)

PRICE: Rs. 10 plus postage Rs. 2.50 extra.

COMPILED BY

MADRAS STOCK EXCHANGE LTD.

322/323, LINGHI CHETTY STREET, MADRAS-1

for COMPREHENSIVE BANKING FACILITIES Insist on

The Bombay State CO-OPERATIVE BANK, LTD.

9, BAKEHOUSE LANE, FORT, BOMBAY 1

TEL 255474-75

ESTD 1911

GRAMS FARMERBANK

Crores

Paid-up Share Capital	-	-	Rs. 1.30
Reserve and other Funds	-	-	" 0.59
Total Deposits	-	-	" 17.20
Working Capital	-	-	" 29.67

Branches and Affiliates at 304 places in Bombay State.

G. M. LAUD,
Managing Director.

INDO-GERMAN TRADE HEAVY IMBALANCE—RESULTS OF LALL MISSION

THE bonds of co-operation between India and West Germany in the economic and commercial fields have of late been steadily strengthening to the mutual benefit of both the countries. W. Germany has been helping the economic development of this country. The Rourkela steel plant is only an instance in point. The other projects undertaken in collaboration with W. Germany include the manufacture of Mercedes-Benz trucks by T.E.L.Co. at Jamshedpur, the production of automobile components in partnership with the Bosch and schemes for producing chemicals, cables, sugar machinery and textile machinery. It is, therefore, natural that India's imports from W. Germany, consisting mainly of capital goods and industrial raw materials, have gone up rapidly during the last six years. India's imports of W. German goods rose every year successively from no more than Rs. 25 crores in 1952 to Rs. 123 crores in 1957. As a result of subsequent restrictions imposed by India to tide over foreign exchange difficulties, these imports fell to Rs. 93 crores in 1958. During the seven months ended July 1959, the imports from W. Germany, however, recovered to over Rs. 72 crores, or a record annual rate of Rs. 124 crores. In contrast to this trend, exports from India to W. Germany have failed to keep pace with imports. In 1958, India's exports to W. Germany were about Rs. 15 crores, or about one-sixth of its imports from that country, as against Rs. 13 crores in 1952, or about 50 per cent. of imports. Consequently, India continues to have an adverse balance of trade with W. Germany, which has rapidly widened from Rs. 12 crores in 1952 to Rs. 107 crores in 1957. It was, however, lower at Rs. 79 crores in 1958; but is likely to touch the 1957 level once again during the current year.

To take an overall picture, India is West Germany's most important buyer, second only to the U.S., while India occupies the eighteenth place among the countries from which W. Germany buys. Again, among the countries exporting to India, West Germany has come to

hold the third place, after the U.K. and the U.S.

The following table shows India's exports to and imports from West Germany during the period 1952 to 1959:

(Value—Rs. lakhs)			
Year	Imports	Exports	Balance of trade
1952	25.15	12.54	— 12.61
1953	29.54	10.46	— 19.08
1954	38.60	14.75	— 23.85
1955	53.06	15.79	— 37.27
1956	81.54	14.54	— 67.00
1957	122.82	16.22	— 106.60
1958	93.95	14.82	— 79.13
1959 (January to July)	72.37	10.11	— 62.26

The main reasons for the large adverse balance of trade with W. Germany were explained by Mr. Satish Chandra, Union Deputy Minister for Commerce, at the third annual meeting of the Indo-German Chamber of Commerce held at Bombay on the 6th inst. India's need for industrial goods, such as plant and machinery, iron and steel, non-ferrous metals, basic chemicals, etc., he said, had been increasing fast. And the post-war economic recovery in W. Germany had made it possible to cater to these requirements. India mainly supplied primary commodities or secondary goods which did not occupy a particularly high place in the import bill of W. Germany. Besides, sufficient contacts between the trading interests in the two countries had not yet been made. Further, quantitative restrictions imposed by W. Germany on the commodities, particularly cotton textiles, jute and coir goods, from India stood in the way of boosting India's exports to that country.

Of late, the Government of India has been trying hard to step up India's exports to W. Germany with a view to reducing the gap. A Trade Centre has also been set up at Frankfurt with the object of studying the specific requirements of the German market and to foster closer contacts between the industrial and commercial organisations in the two countries. Indian exporters have also been encouraged to participate in trade fairs in W. Germany.

An official delegation, led by Mr. K. B. Lall, which visited W. Germany during its tour of Western Europe last month, held some useful discussions with the Government as well as industrial and trade interests there. Giving an account of the progress made by the Lall Mission, Mr. Satish Chandra disclosed that the W. German Government had recognised the need for correcting the imbalance by a better utilisation of the opportunities offered by the German market and affirmed its determination to improve the two-way trade. Some of the specific understandings reached by the Lall Mission, as described by the Deputy Minister, are as follows:

"The W. German Government has agreed that, pending final decision in respect of the programme for liberalisation of trade, facilities will be afforded for the import of specified goods from India. Import of goods other than those specifically agreed upon will be considered by W. Germany with the object of testing the German market. Indian and W. German trading organisations, industrial enterprises and banking institutions will work out mutually beneficial arrangements. Possibilities for setting up projects for more efficient utilisation of the resources available in India, with a view to augmenting Indian export surpluses and sales to W. Germany will be examined. Projects for collaboration between Indian processing industries and W. German finishing industries for extraction and processing of raw materials in India for sale to W. German industry will be considered. The possibilities of collaboration between the Indian mining, ore processing, textiles and tanning industries and the German manufacturers of the corresponding products will be explored. The scope of technical co-operation already existing between the two countries is to be widened. W. Germany will be prepared to assist Indian export promotion organisations by providing technical advice on market intelligence with the aid of German Technical Assistance Funds. The exchange of visits by Indian and German experts and collaboration in industrial undertakings producing goods in India for the export market will be facilitated. In order to manufacture Indian products to suit the tastes of German people, the Federal Republic will promote contacts with best German designers, stylists and fashion experts. Facilities will also be provided for the training of Indian executives in business administration and relative fields of activity."

"A commission consisting of the representatives of the two Governments will endeavour to take such steps as may be necessary and possible to expand trade between the two countries and facilitate the development of fruitful co-operation (Continued on page 827)

ALLAHABAD BANK

LIMITED

ESTABLISHED 1865

Affiliated to

The Chartered Bank

Head Office: CALCUTTA
14, India Exchange Place

Bombay Offices:
39, APOLLO STREET and
232/34, KALBADEVI ROAD

Ahmedabad Office:
MASKATI MARKET

Authorised Capital - - - Rs. 1,00,00,000
Subscribed Capital - - - Rs. 60,00,000
Paid-up Capital - - - Rs. 45,50,000
Reserve Fund - - - Rs. 1,08,00,000

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTION

Branches and Correspondents throughout India and in all principal cities of the world.

M. J. Maclaren,
General Manager.

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorised Capital Rs. 50,00,000
Subscribed Capital " 30,00,750
Paid-up Capital " 15,30,375
Reserve Fund " 29,00,000

Head Office:

1, Prince Yashwantrao Road, Indore City
Bombay Offices: 44, Marnam Street, Fort and
Jal Hind Estate, Bhuleshwar.

Branch Offices: Cloth Market, Stryganj and
Sanyogitaganj (Indore City).

Branches: Anjad, Bhopal, Dhar, Khargone,
Mhow, Ratlam, Sanawad, Shujalpur Mandi,
Tarana and Ujjain.

Pay Office: Jaora and Sandhya (Madhya Pradesh)
Safe Deposit Lockers are available at

Head Office, Stryganj and Cloth Market Indore; Branches at
Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi,
Tarana, Dhar and Pay Office at Jaora and Sandhya on favourable terms.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTIONS
N. D. JOSHI, Manager.

THE YORKSHIRE INSURANCE COMPANY LTD.

(Incorporated in England)

(Established 1824)

(The liability of the members of the Company is Limited)

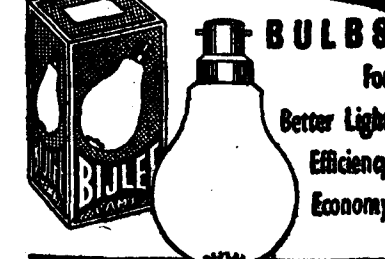
FIRE, ACCIDENT
LIVESTOCK, AVIATION
Etc.

8, Clive Row - CALCUTTA

Telephone: 22-4315

Telegrams: "YULINSURE"

BIJLEE



BIJLEE PRODUCTS (INDIA) LTD.
BYCULLA, BOMBAY 8



From the Statesman and The Friend of India
Monday, October 7, 1878

SHAKESPEARE IN MADRAS

... There was a marvellous and grand dramatic performance of "Merchant of Venice" which was celebrated by the members of the Triplicane Hindu Literary Society on the night of Sunday, the 29th September 1878... the place was over-crowded by very many audience... at every fall of the curtain the applause was great..."

The year 1878 also threw the limelight on another notable introduction—The "Three Castles" cigarettes.

In 1958, they came out in the flip-top 20's packet, changing their looks with the times. The "Three Castles" are as modern today as they were 80 years ago—and as satisfying.

WILLS' The "Three Castles"

famous for over 80 years

Issued by The Imperial Tobacco Company of India Limited



FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAT; BY-PRODUCTS.



FUJI IRON & STEEL CO., LTD.

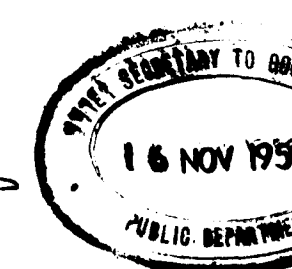
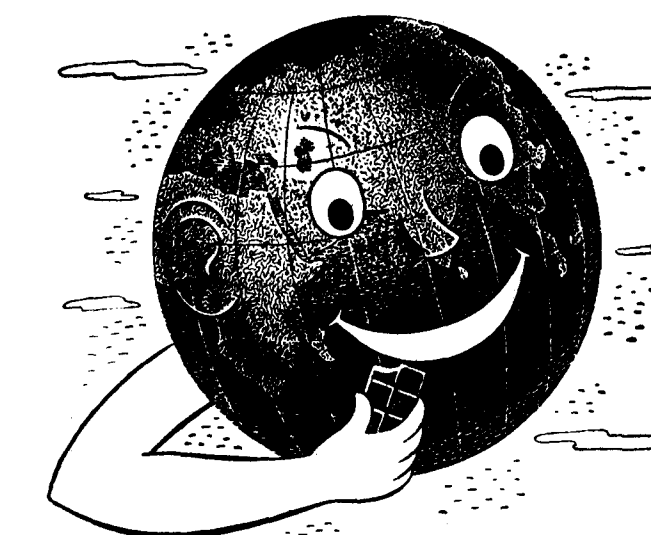
President: Shigeo Nagano

Head Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan

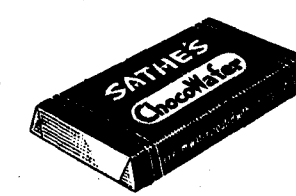
Cable Address: STEELFUJI TOKYO

New York Office: T. Nakano, Room 805, 52 Broadway, New York 4, N. Y., U. S. A. Tel: Bowling Green 9-8675/6

All the world loves
delicious CHOCOLATES...



SATHE'S
make them!



SATHE BISCUIT & CHOCOLATE CO. LTD., POONA-2.
Heros' 108.

BIRD-HEILGERS JUTE COMPANIES SHOW IMPROVED RESULTS

OUTLOOK FOR CURRENT YEAR GOOD

THE financial results of jute companies for the year ended 31st March 1959 published so far indicate that they all had a satisfactory year of training, despite the depression in prices of gunnies and accumulation of stocks, particularly those of sackings due to lower offtake from overseas in the closing months of 1959. Many of the mills were able to earn better profits than in the previous year, as simultaneous business in raw jute and manufactured goods proved to be profitable, thanks to the bumper jute crop. The fall in offtake from overseas countries, which was only due to delayed purchases in anticipation of a decline in prices, was almost offset by the expansion in internal consumption. The corrective measures taken by the I.J.M.A. early in 1959, namely, the withdrawal of minimum prices and the sealing of a part of the looms, went a long way towards improving the position and foreign buyers also stepped into the market to buy as much as possible before prices shot up.

A typical instance of the better performance during the year under review is provided by the Bird-Heilgers group of companies. All of them have earned sizable profits which are either markedly higher than those for the previous year, except in the case of the Union Jute, or in refreshing contrast to the losses suffered in 1957-58. Three of them—Auckland, Kinnison and Union—have stepped up the dividend. Another two, namely, Lawrence and Northbrook, have returned to the dividend list after a break of two or three years. Yet another two, Dalhousie and Lansdowne, have been able to reduce their accumulated losses and pay a part of the arrears of preference dividends. Almost all of them have reduced their drawings from the past reserves; in fact, a few of them like Auckland, Kinnison, Lawrence, Northbrook and Union have even ploughed back sizable sums to the various reserves. In the case of the Union Jute, however, the gross and net profits are lower than those for the previous year, but it has stepped up the dividend, as will be seen from the following comparative table:

	(Amount in lakhs of Rs.)					
	Gross profit (+) or loss (-)	Net profit (+) or loss (-)	Ord. Div.			
	1958-59	1957-58	1958-59	1957-58	1958-59	1957-58
Auckland	+24.23	+15.73	+14.63	+ 6.87	20%	5%
Dalhousie	+13.99	+ 7.75	+ 7.46	8.40		
Kinnison	+59.19	+10.75	+ 9.94	0.30	10%	6%
Lansdowne	+ 7.27	+ 5.10	+ 1.85	0.75		
Lawrence	+19.20	+ 6.50	+13.90	8.82	25%	
Northbrook	+15.56	+ 8.45	+ 8.44	2.58	13%	
Union	+26.08	+35.41	+15.35	+20.53	20%	15%

The Auckland Jute had entered into an agreement with the Lawrence Jute for the utilisation of the loom-hours of the latter. This agreement pertained to 317 looms up to 28th February 1959 and 309 looms thereafter following the sealing of 1½ per cent. of the looms on 2nd March. This agreement is reported to be working smoothly for the benefit of both the Companies. The demand for the Company's carpet backing cloth is said to have improved markedly and, in order to meet this demand, the Company's wide looms operated on triple shift.

The Lawrence Jute Mill was closed in May 1958, because of the uneconomic working of the mill and the persistent labour trouble. Since then, the work of scrapping the old machinery has been completed and arrangements have been entered into with the Government of India, Ministry of Food, to lease the main mill buildings and certain godowns for storage of foodgrains. It also entered into an agreement with the Lansdowne Jute Company, Ltd. for the manufacture of the Company's goods. Thus, the Company derives its income from the sale of loom-hours, hire of machinery and the lease of its premises and this, in fact, proved to be more profitable during the year under review, as is borne out by the table above. The Directors are confident that, with these arrangements, the Company would continue to operate at a regular monthly profit.

The Dalhousie Jute has been operating as a 100 per cent. hessian unit by purchase of loom-hours, with a view to increasing production to an economic level. This arrangement has proved to be satisfactory and has resulted in a considerable reduction in cost.

Under a scheme of arrangement approved by the High Court, the Kinnison Jute Mills Company, Ltd., purchased, on 30th March 1959, the shares of the Standard Jute Company Ltd. (under the same management) and allotted 12,098 ordinary shares to the shareholders of the Standard Jute in the ratio of one ordinary share of Kinnison of Rs. 100 each for every two ordinary shares of Rs. 70 each of the Standard Jute. Thus, the Standard Jute has become a wholly-owned subsidiary of Kinnison. The final dividend of Rs. 5 per share recommended by Kinnison for the year under review is on the increased capital raised by the issue of new shares to the shareholders of Standard Jute. The Company's results would have been far more encouraging but for the none too satisfactory labour situation throughout the year under review. It was only towards the end of August this year that the situation showed signs of reverting to normalcy.

The Lansdowne Jute entered into an agreement with the Lawrence Jute for the purchase of loom-hours of the latter, on similar terms as those of Auckland mentioned above, and this proved beneficial to both the Companies.

The Northbrook Jute introduced a reorganisation scheme in May 1958, under which the mill became an entirely sacking plus speciality fabric unit. This change in the line of production necessitated working the factory 96 hours per week with a reduced loom complement and proved beneficial, inasmuch as a considerable reduction in costs has been achieved. There was a marked improvement in demand for the Company's carpet backing and in order to meet this demand the wide looms of this Company also operated on triple shift.

The outlook for the current year is encouraging, with despatches from mills on a higher scale than in the previous year both for exports and internal consumption. The unexpected entry of China into the market for heavy goods, coupled with a fair business in cornsacks from Australia, had brought about a tightness for goods for delivery up to the end of September 1959. In order to ease the situation, the I.J.M.A. unsealed 2½ per cent. of the looms with effect from 24th August 1959, on top of the release, on 22nd June, of 1½ per cent. of the looms sealed earlier in February. The confidence of investors in the prospects for the industry is reflected in the rise in value of jute shares in recent weeks, as is borne out by the jump in the Reserve Bank of India index number of security prices for jute textiles (base 1952-53=100) from 96.8 in the final week of October 1959 to 99.7 for the week ended 31st October 1959. A year ago, it had stood at 87.5.

(Concluded from next column)

The following comparative table shows the progress of the Company in recent years:

	(In lakhs of rupees)			
	For the year ended 30th April			
	1959	1958	1957	1956
Sale proceeds	180.52	125.58	109.95	58.76
Closing stocks of finished goods and work-in-progress	45.08	37.53	41.87	27.30
Trade debt	31.98	25.52	17.87	10.89
Manufacturing and other expenses	95.39	92.41	78.27	37.89
Gross profit	19.05	16.45	19.57	11.43
Gross profit—Commission	1.04	1.95	1.67	0.77
Provision for depreciation	3.05	2.96	2.78	2.64
Taxation	2.86	7.72	2.85	6.80
Net profit	6.08	15.15	15.27	6.02
To reserves and provisions	2.91	2.10	8.20	3.36
Dividend	1.22			
5% preference	0.781	0.75	0.75	0.75
Ordinary	(7.51)	(10%)	(10%)	(10%)
Carry forward	1.07	1.07	0.77	0.45
Cane crushed (in tons)	139,210	100,844	134,387	87,323
Sugar produced (in tons)	11,057	8,825	11,908	7,981
Sugar recovery	8.50%	8.51%	8.50%	9.07%

† After deduction of tax.

The Rs. 10 fully paid-up shares of the Company were last quoted at Rs. 12.40 cum-div. On an ex-div. basis and at the current rate of dividend, the yield on them works out to 6 per cent. per annum, free of tax. As for the outlook, readers' attention is invited to the Chairman's speech published on page 814 of this issue.

TRAVANCORE SUGARS CUTS DIVIDEND

MARKED FALL IN EARNINGS

FOR the second year in succession, there has been a setback in the financial results of the Travancore Sugars and Chemicals Ltd. (Managing Agents: Parry & Co., Ltd., Tiruvalla, Kerala State). What is more, it is more pronounced in the latest year under review (the one ended 30th April 1959) than in the previous year. Thus, the gross profit, which had dropped from Rs. 19.57 lakhs (in 1956-57) to Rs. 18.48 lakhs in 1957-58, has further declined to Rs. 13.05 lakhs in 1958-59. This steep fall in earnings has occurred under circumstances beyond the control of the management. While the manufacture and sale of molasses, spirit, foreign liquor and pharmaceuticals have been maintained generally at the previous year's levels, "it was the manufacture and sale of sugar," the Directors say, "that has accounted almost entirely for the drop in profit compared to the previous year."

Even in the case of sugar, it is noted, the quantity of cane crushed and sugar produced recorded a distinct improvement and this, in fact, contributed to a reduction in manufacturing charges per ton. The Directors' explanation of the two circumstances which have accounted for the disappointing performance of the year, makes rather disquieting reading. Thus, they say:

"First, the year under review had to bear the full incidence of increases in excise duty that were introduced during the course of the previous year, and the additional cost to the Company occasioned thereby was not fully reflected in the selling price. Secondly, the Government of Kerala insisted on the Company making a gratuitous additional payment, during the year under review, for cane purchased and crushed in the previous year, although all such cane had been fully paid for at the rates previously agreed between the Company and the growers, which rates afforded a premium for good quality cane, and although the average of such payments exceeded the minimum price laid down by the Government of India, this, in spite of the fact that the average recovery of sugar from cane grown in the Company's area is lower than the all-India average recovery, your Directors could see no justification whatsoever for the making of this additional gratuitous payment, but the pressure brought to bear by the Government was such that it was impossible to withhold it."

The net profit is, however, only a shade lower at Rs. 6.08 lakhs, as compared with that of Rs. 6.15 lakhs for 1957-58. The relatively smaller decline in net profit is due to the lower rate of tax under the Finance Act 1959 and the provision of part of it from the taxation equalisation account. In the absence of any announcement as to the rates of income-tax and super tax applicable to companies for the assessment year 1960-61 (which apply to the Company's profits for the year ended 30th April 1959), the Directors have calculated the provision for taxation in respect of the year under review at 45 per cent. as provided under the latest Finance Act for the purpose of advance payments of tax. At this rate the tax liability works out to Rs. 4.55 lakhs and, with the adjustments relating to previous years, it comes to Rs. 5.25 lakhs, of which a sum of Rs. 2.40 lakhs has been drawn from the tax equalisation reserve. This transfer has been done "to compensate income-tax depreciation being lower than book depreciation (Rs. 1 lakh) and in respect of re-calculating the balance of the reserve required at 45 per cent. instead of 51.5 per cent. (Rs. 1.40 lakhs)."

After adding Rs. 16,000 to the capital reserve and Rs. 50,000 to the general reserve as in the previous year, and making a provision of Rs. 1.35 lakhs (as against Rs. 1.44 lakhs) for current repairs, the Directors have recommended a gross dividend of 10 per cent. which is the same as that paid for the previous three years, but, unlike in the previous years, it is subject to deduction of tax at source at the rate of 30 per cent. This works out to a net tax-free distribution of 7 per cent. per annum. The 5 per cent. preference dividend is also subject to tax, but in order to make the distribution free of tax in the hands of the shareholders, the Company has borne this burden.

The Company's financial position is quite satisfactory. The paid-up capital of Rs. 45 lakhs is supplemented by reserves and surplus amounting to Rs. 21.74 lakhs. The gross block of the value of Rs. 67.37 lakhs has been well assets, at Rs. 74.30 lakhs, exceed the current liabilities and provisions (Rs. 44.44 lakhs) by Rs. 29.86 lakhs.

(Continued in previous column)

D.C.M. FARES WELL

NET RETURN TO SHAREHOLDERS IS, HOWEVER, LOWER

A MARKED improvement in financial results is disclosed by the accounts of the Delhi Cloth and General Mills Company, Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co., Private Ltd., New Delhi) for the year ended 30th June, 1959. The gross profit, for instance, shows a rise of Rs. 23.15 lakhs over the year, that is from Rs. 227.39 lakhs (in 1957-58) to Rs. 250.54 lakhs. The net profit, however, is lower by Rs. 7.10 lakhs at Rs. 61.85 lakhs, as a result of the substantial increase in the provision for taxation from Rs. 56.92 lakhs to Rs. 105 lakhs, of which that on Pakistan's account has been raised from Rs. 16 lakhs to Rs. 50 lakhs (including arrears to the extent of Rs. 10 lakhs). This is on account of Pakistan's withdrawal of the rebate granted earlier this year and the consequent increase in taxable income. This, the Directors say, would offset the expected tax refunds, following the successful appeals made by the Company over the income-tax assessments in Pakistan. While the withdrawal of the rebate will be contested by the Company, the Directors have thought fit for the time being to make provision for this liability.

The provision for depreciation has been reduced from Rs. 88.91 lakhs to Rs. 65.53 lakhs. It may be noted, in this connection, that the depreciation in respect of 1957-58 had been calculated in the expectation that additional depreciation allowance would not be discontinued. This hope, however, did not materialise. The excess provision of Rs. 30.03 lakhs has accordingly now been written back. This has been utilised to provide Rs. 10 lakhs towards taxation, Rs. 1.90 lakhs towards managing agents' remuneration and add Rs. 18.13 lakhs to the general reserve. In addition, from the year's profit, a sum of Rs. 11 lakhs has been transferred to the development rebate reserve, which had received Rs. 16.10 lakhs a year before, Rs. 10 lakhs (as against nil) to the debenture redemption reserve and Rs. 16 lakhs to the development reserve (Rs. 20 lakhs). The distribution to ordinary shareholders has been raised from 8 per cent. per annum paid for each of the previous two years to 10 per cent. per annum, thus restoring it to the level for 1955-56. But the proposed distribution for 1958-59 is subject to deduction of tax at the flat rate of 30 per cent., so that the net return to shareholders is actually less at 7 per cent. per annum. In order to maintain the tax-free return on the preference shares, the Directors have utilised a large sum from the profit, as will be seen from the following comparative table:

	(In lakhs of rupees)			
	For the year ended 30th June			
	1959	1958	1957	1956
Sale proceeds	80,08.00	59,41.80	27,94.38	29,61.13
Other income	16.90	15.08	11.90	12.84
Closing stocks of finished goods and work-in-progress	3,91.04	4,68.05	4,84.43	4,64.06
Trade debt	15,94.72	14,69.70	14,57.43	11,64.94
Raw materials consumed	5,85.94	2,78.42	3,11.46	1,70.28
Excise duty, cane tax, etc.	10,81.89	9,70.63	10.58	5,04.85
Other expenses	2,50.54	2,27.39	2,27.00	2,58.28
Gross profit	18.15	12.61	11.62	15.84
Managing Agents' remuneration	68.89	97.18	78.67	78.67
Provision for depreciation	1,00.00	56.08	60.68	62.70
Taxation	61.85	55.95	57.68	94.57
Net profit	30.08	66.10		57.30
Income tax deduction provided	55.15			
To reserves and provisions	0.50		6.00	
Dividend	4.27	2.99	2.99	2.99
5% preference	25.54	27.15	27.15	35.34
Ordinary	0.85	(6%)	(6%)	(10%)
Carried forward	0.85	0.81	0.76	1.36

The aforesaid improvement in results is due to the satisfactory performance of the Company's three sections. The textile units in both India and Pakistan did well during the year, despite the difficult trading conditions. In order, however, to maintain its competitive capacity, the Company will, according to the Directors, have to make large-scale renovations and modernisation of plant during the next few years. In the sugar section, while prices continued to be controlled at the factory level, the supply of cane was affected, as in the previous year, "due to the Government's discriminatory tax and price policy in favour of khandsari and gur." "This situation," the Directors warn, "will persist to the detriment of white sugar industry, so long as no effective change is made in that policy." Programmes of modernisation and expansion are being steadily followed. The chemical section maintained steady progress during the year. The new high pressure water tube boilers and the new superphosphate plant have gone into production. Further plans for increasing production and plant capacity for

other products are under consideration. The *vanaspati* unit worked satisfactorily during the year.

The Company's paid-up capital is unchanged at Rs. 4.11 crores, which is supplemented by reserves and surplus aggregating Rs. 4.12 crores. In addition to the 5½ per cent. (1962-66) mortgage debenture loan of Rs. 1 crore, the borrowings aggregate Rs. 6.12 crores. The other current liabilities and provisions amount to Rs. 3.02 crores. The capital expenditure during the year was of the order of Rs. 73.28 lakhs. This was on top of Rs. 111.48 lakhs spent in the previous year, bringing the gross value of the block account to Rs. 13.51 crores. The book value of the same is Rs. 5.70 crores. The current assets amount to Rs. 12.69 crores, which exceed the borrowings, current liabilities and provisions by Rs. 3.55 crores.

The Rs. 25 fully paid-up shares of the Company are being currently quoted at Rs. 35.31 ex-div., at which rate and on the basis of the latest dividend, they offer a yield of 7 per cent. per annum, subject to deduction of tax, which is equivalent to a tax-free return of 4.95 per cent. per annum.

THE TRAVANCORE SUGARS AND CHEMICALS LTD.

(Concluded from page 814)

a ten per cent. dividend, subject to tax, is the best that can be managed this year.

"May I take this opportunity of thanking the management and staff for their co-operation and hard work during the year under review?"

The report and accounts for the year ended 30th April 1959 were unanimously adopted and dividends for the year ended 30th April 1959 were declared, payable on 4th November 1959, at the rate of 5 per cent., free of income-tax, computed in accordance with Section 18(3)(E) of the Income-tax Act on the preference share capital and at the rate of 10 per cent. (gross) subject to deduction of tax at the rates prescribed in Part III of the First Schedule to the Finance Act, 1959 on the ordinary share capital.

The retiring Directors, Mr. P. Hadfield and Mr. K. A. Sivasankaran, were re-elected and the retiring Auditors of the Company, Messrs. Lovelock and Lewes, were re-appointed on the same remuneration as for the previous year.

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

COMMERCE AND INDUSTRY

(Concluded from page 824)

between trade and industrial organisations on either side. The quotas for the import of Indian cotton textiles, staple fibre fabrics, sewing machines, coil manufactures, vegetable oils, hand-loom and handicraft articles will be discussed in the first meeting of the Commission."

The Lall Mission's discussion with W. German industrial interests brought out the need for ensuring better contacts between exporters in both the countries as well as a greater degree of industrial collaboration to improve the quality of Indian products to find a ready market in that country. It was found that it would be possible for W. German industry to utilise Indian products, such as grey cloth for further processing and final finishing in their country for purposes of internal consumption and re-export to other countries. The question of importing semi-industrial products from India for further processing and re-export back to India was also considered. In order to take necessary steps for arbitration and also to exchange requisite commercial information, it was suggested that the Federation of Indian Chambers of Commerce and Industry and the Central German Chambers of Industry and Commerce should co-operate by entering into a service agreement.

The Indo-German Chamber of Commerce has a distinct role to play in promoting trade and goodwill between the two countries. The Chamber, through its central office in Bombay and its offices in Delhi, Calcutta and also in Frankfurt, has already been doing commendable work in this direction. This is clear from the brief annual report of the Chamber for 1958-59. Mr. Satis Chandra's reference to this subject in his speech showed that the Government of India recognised the useful part played by the Chamber and expected it to do a lot more work for the promotion of Indo-German Chamber of Commerce. This the Chamber can certainly do, provided it has sufficient financial resources. A spokesman of the Chamber suggested that the

COMPANY MEETINGS AND DIVIDENDS

BARNAGORE JUTE FACTORY CO., LTD. Annual General Meeting, London, E.C.3, 17th November 1959. Dividend: 10 per cent. or 10s. per share (less U.K. income-tax of 7s. 9d. per £ sterling). Transfer books remain closed from 4th to 17th November 1959, both days inclusive.

SUPREME INDUSTRIES LTD. Annual General Meeting, Bombay 18th November 1959. Dividend: Rs. 9.00 per share, free of income-tax (includes interim dividend of Rs. 4.00 per share), payable on and after 19th November 1959. Transfer books remain closed from 2nd to 18th November 1959, both days inclusive.

AUCKLAND JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Rs. 20.00 per ordinary share (includes interim dividend of Rs. 5.00 per share). The final dividend is payable on or after 27th November 1959. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

UNION JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Rs. 20.00 per ordinary share (includes interim dividend of Rs. 5.00 per share). The final dividend is payable on or after 27th November 1959. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

NORTHBROOK JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Re. 1.25 per ordinary share, payable on or after 27th November 1959. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

LAWRENCE JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Rs. 2.00 per ordinary share, payable on or after 27th November 1959. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

DALHOUSIE JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Nil. Transfer books will remain closed from 5th to 20th November 1959, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Rs. 5.00 per ordinary share (final), payable on or after 27th November 1959. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

LANSDOWNE JUTE CO., LTD. Annual General Meeting, Calcutta, 20th November 1959. Dividend: Nil. Transfer books remain closed from 5th to 20th November 1959, both days inclusive.

WESTERN BENGAL COALFIELDS LTD. Annual General Meeting, Calcutta, 25th November 1959. Transfer books remain closed from 9th to 25th November 1959, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 25th November 1959. Dividend: Nil. Transfer books remain closed from 6th to 25th November 1959, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 26th November 1959. Dividend: Rs. 5.00 per ordinary share. Transfer books remain closed from 12th to 26th November 1959, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 27th November 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 12th to 27th November 1959, both days inclusive.

NONSUCH TEA ESTATES LTD. Annual General Meeting, Cochin, Kerala State, 28th November 1959. Dividend: 10 cent or Re. 1.00 per share, final (taxable). Transfer books will remain closed from 21st to 30th November 1959, both days inclusive.

INDIAN CABLE CO., LTD. Annual General Meeting, Calcutta, 28th November 1959. Dividend: Re. 1.50 per share, free of tax (includes a cash bonus of Re. 0.25 per share). Transfer books remain closed from 14th to 28th November 1959, both days inclusive.

BOMBAY GAS CO., LTD. Annual General Meeting, Bombay, 7th December 1959.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 10th December 1959. Dividend: Re. 1.05 per ordinary share and Re. 0.525 per new ordinary share, payable on and after 15th December 1959. Transfer books will remain closed from 23rd November to 10th December 1959, both days inclusive.

BLUE MOUNTAIN ESTATES LTD. Annual General Meeting, Madras, 15th December 1959. Dividend: 12½ per cent. (taxable), payable on 16th December 1959. Transfer books will remain closed from 1st to 15th December 1959, both days inclusive.

WATERFALL ESTATES LTD. Annual General Meeting, Madras, 15th December 1959. Dividend: 12½ per cent. (taxable), payable on 16th December 1959. Transfer books will remain closed from 24th November to 15th December 1959, both days inclusive.

ARMEDABAD ADVANCE MILLS LTD. Annual General Meeting, Bombay, 16th December 1959. Dividend: Rs. 4.90 per ordinary share, payable on and after 17th December 1959. Transfer books remain closed from 2nd to 30th November 1959, both days inclusive.

Government should help the Chamber in this respect in the same way as the W. German Government has done. It is, however, not clear how the Government could provide financial assistance to a chamber of commerce which is purely an association of business men.

WIRES

OF ALL KINDS,
OF ALL METALS,
FERROUS, NON FERROUS
SINGLE OR MULTISTRAND

Regd.
Trade Mark

**POWER
CABLES**

MANUFACTURERS
**POWER CABLES
PRIVATE LTD.**

Post Box 4, Kalyan,
Works: Vithalwadi

Notices**THE EAST INDIAN COAL COMPANY LIMITED**

(Incorporated in England with Limited Liability)

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Seventh Annual General Meeting of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Wednesday, the 16th December, 1959, at 11 o'clock a.m., for the following purposes:—

- (1) To receive and consider the audited Accounts for the year ended 30th April, 1959, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
- (2) To declare a Dividend.
- (3) To appoint a Director in place of the one retiring.
- (4) To fix the Auditors' remuneration.

Notice is also given that the Share Transfer Books of the Company will be closed from the 2nd December to the 16th December, 1959, both days inclusive.

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

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

4, CLIVE ROW,
CALCUTTA-1, 23rd October 1959.

THE KARANPURA COLLIERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-first Annual General Meeting of The Karanpura Collieries, Limited, will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Monday, the 30th November, 1959, at 10-30 a.m., for the following purposes:—

1. To consider and approve the Audited Accounts of the Company for the year ended 28th February, 1959, and to receive the Directors' and the Auditors' Reports thereon.
2. To declare the Dividends recommended by the Directors.
3. To appoint a Director in place of a retiring Director.
4. To appoint Auditors and fix their remuneration.

The Share Transfer Registers of the Company will be closed from the 16th to the 30th November, 1959, both days inclusive.

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

CALCUTTA, 29th October, 1959.

Note.—(a) A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

(b) The Dividends, if declared, will be paid on or after 6th December, 1959, to those shareholders so entitled whose names appear in the Company's books on the 30th November, 1959, or to their mandates. No application for Dividend Warrants will be necessary.

THE KARANPURA COLLIERIES LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on Thursday the 29th October, 1959, the following Dividends were recommended to be paid for the year ended 28th February, 1959.

On Preference Shares—At 5½ per cent. per annum, after deduction of Tax payable by the Company.

On Ordinary Shares—At 5 per cent. per annum, without any deduction for Tax payable by the Company.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 29th October, 1959.

THE SOUTH KARANPURA COAL COMPANY, LIMITED**NOTICE OF INTERIM DIVIDEND**

THE BOARD OF DIRECTORS HAS SANCTIONED payment of the following Interim Dividend in respect of the year ended 31st August, 1959.

On Ordinary Shares at 37 naye Paise per Share from which Tax will be deducted in accordance with provisions of The Indian Finance Act, 1959.

The above Dividend will be paid on or after 7th December, 1959, to those shareholders (or their mandates) whose names appear in the Company's Books on 23rd November, 1959, as the registered shareholders of the above shares.

The Share Transfer Register of the Company will be closed from the 13th to 23rd November, 1959.

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

CHARTERED BANK BUILDINGS,
CALCUTTA, 29th October, 1959.

CENTRAL INDIA COALFIELDS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held on Friday the 11th December 1959 at 3.00 p.m. at the Registered Office of the Company, at 8, India Exchange Place, Calcutta, to transact the business as per the Notice dated the 5th November 1959 sent along with the Balance Sheet and Profit and Loss Account to the shareholders of the Company separately.

The Share Transfer Books of the Company shall remain closed from 23rd November 1959 to 11th December 1959 both days inclusive.

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

8, INDIA EXCHANGE PLACE,
CALCUTTA 1. 6th November 1959.

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

(b) If dividend on shares as recommended by the Directors is passed at the meeting, the same will be sent to the Registered shareholders whose names appear in the Company's Register on 11th December 1959 or to their order or to their bankers.

THE AHMEDABAD ADVANCE MILLS LIMITED**NOTICE**

THE FIFTY-SEVENTH ANNUAL GENERAL Meeting of THE AHMEDABAD ADVANCE MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Wednesday, the 16th December, 1959, at 4-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the audited Profit and Loss Account of the Company for the year ended 30th June, 1959, and the audited Balance Sheet as at 30th June, 1959.
2. To declare dividends on Preference and Ordinary shares.

3. To appoint a Director in place of Mr. T. V. Baddeley, C.B.E., who retires by rotation and is eligible for reappointment, and to consider and, if thought fit, to pass the following resolution as a special resolution of which a special notice, as required by Sections 190, 261 and 281 of the Companies Act, 1956, has been received by the Company:—

"RESOLVED, pursuant to the provisions of Sections 261 and 281 and other applicable provisions (if any) of the Companies Act, 1956, that Mr. T. V. Baddeley, C.B.E., a Director of the Company, who retires by rotation and who is also a Director, member, officer and associate of Tata Industries Private Ltd., the Managing Agents of the Company (which Managing Agents are authorised by the Articles of Association and the Managing Agency Agreement to appoint two Directors to the Board), and who has attained the age of 70 years, be and is hereby reappointed a Director of the Company, and it is hereby specifically declared that the age limit for Directors prescribed by section 280 of the said Act shall not apply to him."

The reasons which make this special resolution necessary are that the Managing Agents of the Company are authorised by the Articles of Association of the Company and the Managing Agency Agreement to appoint two Directors to the Board, and as Mr. Baddeley is a Director, member, officer and associate of the Managing Agents and has also attained the age of 70 years, his appointment can only be made by a special resolution of which a special notice has been received by the Company.

4. To appoint a Director in place of Mr. Jal H. Mehta, who retires by rotation and is eligible for reappointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Notes:—(a) The relative Explanatory Statement, pursuant to section 173 of the Companies Act, 1956, in respect of the special business under item No. 3 set out above, is being posted to all Shareholders.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(c) The Transfer Books of the Company will remain closed from Monday, the 2nd November, 1959, to Monday, the 30th November, 1959, both days inclusive.

(d) If dividends on shares, as recommended by the Directors, are passed at the meeting, payment will be made on and after Thursday, the 17th December, 1959, to those members whose names are on the Register of the Company on the 30th November, 1959.

By Order of the Board of Directors,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
D. R. D. TATA,
Director

BOMBAY, 29th October, 1959.

THE CALCUTTA ELECTRIC SUPPLY CORPORATION LIMITED
(Incorporated in England)**DRAWING OF 5% RUPEE DEBENTURE STOCK 1970 FOR REDEMPTION**

HOLDERS OF 5 PER CENT. DEBENTURE Stock (Indian Issue) are hereby advised that a Drawing will be held on Tuesday the 1st December, 1959, at 10-30 a.m.

Notice is hereby given that the India Debenture Register will be closed for a period of 11 days from 21st November to 1st December 1959, both dates inclusive.

By Order of the Board,
D. H. P. HENDERSON,
Agent

VICTORIA HOUSE,
CALCUTTA, 3rd November 1959.

THIS IS ONLY AN ANNOUNCEMENT REGARDING ISSUE OF PROSPECTUS; IT IS NOT A PROSPECTUS

No subscriptions are invited on the basis of this announcement.

Intending subscribers are requested to obtain from the Registered Office of the Company copies of the prospectus to which are attached forms of application. A formal prospectus has been filed with the Registrar of Companies, Calcutta. Some of the particulars contained in the prospectus are set forth hereunder.

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

2. Subscription list will open at the commencement of Banking hours on 16th November, 1959, and will close at the close of Banking hours on 15th December, 1959.

CALCUTTA STEEL COMPANY LTD.

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

AUTHORISED CAPITAL :

Divided into 10,00,000 Equity Shares of Rs. 10 each Rs. 1,00,00,000

PRESENT ISSUE OF :

5,00,000 Equity Shares of Rs. 10 each at par Rs. 50,00,000

It is proposed to issue 5,00,000 Equity Shares of Rs. 10 each at par out of which 3,500 Shares have already been subscribed by the signatories to the Memorandum. These 3,500 Shares will be adjusted against the shares becoming due to be allotted to the signatories in terms of this issue.

SHARES OFFERED AT PAR FOR SUBSCRIPTION

In terms of the scheme hereinafter referred to the entire lot of shares is being offered to the Shareholders of Messrs. Bhartia Electric Steel Company, Ltd., a Public Limited Company as on the date of this issue or their nominees in the proportion of one share in this Company for each share held in Messrs. Bhartia Electric Steel Company, Ltd. Such Shares as are not taken by the Shareholders of Messrs. Bhartia Electric Steel Company, Ltd., or their nominees in terms of the said scheme will be available for allotment by the Directors at their discretion and the same will be offered to the public.

No shares will be issued for consideration other than cash.

DIRECTORS

1. SRI DEBI PRASAD GOENKA, Industrialist, 9, Brabourne Road, Calcutta-1.
2. SRI GOURI SHANKAR NEVATIA, Industrialist, 9, Brabourne Road, Calcutta-1.
3. SRI BHAGWATI PRASAD KHAITAN, Solicitor, 1-B, Old Post Office Street, Calcutta-1.
4. SRI KASHINATH TAPURIAH, Industrialist, 42/1, Strand Road, Calcutta-1.
5. SRI RATANLAL BHARTIA, Industrialist, 4, Old Court House Street, Calcutta-1.

BANKERS

1. STATE BANK OF INDIA, Strand Road, Calcutta.
2. THE CENTRAL BANK OF INDIA LTD., 33, Netaji Subhas Road, Calcutta-1.
3. THE BANK OF INDIA LTD., 23-B, Netaji Subhas Road, Calcutta-1.

AUDITORS

MESSRS. K. PRASAD & CO., Chartered Accountants, 62, Nalini Sett Road, Calcutta-7.

SOLICITORS

MESSRS. KHAITAN & CO., 1-B, Old Post Office Street, Calcutta-1.

REGISTERED OFFICE

4, OLD COURT HOUSE STREET, CALCUTTA-1.

PROSPECTS AND OBJECTS OF THE COMPANY

The Company has been promoted with the object of acquiring fixed assets, lands, buildings, railway siding, machinery, furniture, fixtures, stores and stocks of raw and finished materials, rights, privileges, quota rights, etc., appertaining to the business of steel re-rollers and manufacturers now carried on in their Khardah Works by Messrs. Bhartia Electric Steel Company, Ltd.

As is well known, Bhartia Electric Steel Company, Ltd., is the owner of two Engineering factories, one situate at Ballygunge and the other at Khardah, both in the District of 24-Parganas near Calcutta in the State of West Bengal. The factory at Ballygunge produces steel castings and ingots and the factory at Khardah is a Rolling Mill. The Khardah factory started operation in April, 1955. Both the units are more or less independent of each other. The Khardah factory is situate on land comprising about 24 acres with permanent rights. By a scheme of arrangement sanctioned by the Calcutta High Court on 11th August 1955 the fixed and other assets of Bhartia Electric Steel Company, Ltd., appertaining to and/or located at its Khardah factory, including land, buildings, machinery, furniture and fixtures together with the railway siding, etc., stocks of stores, raw materials and finished or semi-finished goods situated at Khardah and all other rights, privileges, including quota rights and benefits of existing contracts and pro-

perties whatsoever of the Company situated in or appertaining to Khardah Works and the tenancy rights in respect of the Head Office and the furniture and fixtures are to be transferred to and vest in this Company for payment in cash at book value.

The Re-Rolling Mills plant of Messrs. Bhartia Electric Steel Company, Ltd., which is proposed to be acquired by this Company is well equipped and modern. The products of this plant are in great demand and the demand is continuously growing and is also expected to continue to grow for a long time. Increased supply of billets from the major Steel Works will help greater utilisation of the capacity of the plant.

TOTAL OUTLAY AND MINIMUM SUBSCRIPTION

The total outlay required in terms of the said scheme is estimated at about Rs. 70,00,000 as follows:—

	Rs.
1. Land	3,40,000 approximately
2. Building	11,50,000 "
3. Plant and machinery	25,00,000 "
4. Stores, etc.	10,00,000 "
5. Working capital	20,00,000 "
6. Preliminary expenses	10,000 "
	Rs. 70,00,000

In the opinion of the Directors Rs. 30,00,000 is the minimum amount which must be raised by issue of shares hereby offered. The balance amount required will be met out of the balance of the said shares if subscribed and credit facilities from Directors and their friends and from the Company's Bankers.

STATUTORY AND GENERAL INFORMATION**UNDERWRITING AND BROKERAGE**

The shares offered have not been underwritten. The Company will not pay any brokerage on this issue.

MANAGEMENT

The Company has no Managing Agents and will be managed under the supervision of Board of Directors. One or more of Directors may be appointed as Managing Director or Managing Directors at a later date.

CONTRACTS

The Company has not entered into any contract except that this Company will implement the terms of the scheme above referred to sanctioned by the Calcutta High Court.

INTEREST OF THE DIRECTORS

Sri R. L. Bhartia and Sri B. P. Khaitan are also Directors and Shareholders of Messrs. Bhartia Electric Steel Company, Ltd., the proposed vendors of the assets of business. Being Shareholders in Messrs. Bhartia Electric Steel Company, Ltd. they are entitled to allotment of shares in this Company. Sri R. L. Bhartia is also a Managing Director of Messrs. Bhartia Company Ltd. who are entitled to

allotment of shares in this Company as Shareholders in Messrs. Bhartia Electric Steel Company, Ltd. He is also a Director of and a Shareholder in Messrs. Ranken & Co. Private Ltd., landlords of the premises No. 4, Old Court House Street, Calcutta, where the Registered and Head Office of the Company is situated. Sri B. P. Khaitan is also a Partner of Messrs. Khaitan & Co., the Solicitors to the Company.

DIRECTORS' QUALIFICATIONS AND REMUNERATION

The qualification of a Director shall be the holding in his own right Equity Shares of the Company of the nominal value of not less than Rs. 5,000.

Each Director will be paid out of the funds of the Company Rs. 100 for every Board Meeting he attends and shall also be paid his share of 1 per cent. commission on net profits payable every year to all Directors jointly.

EXPENSES

Preliminary expenses payable by the Company inclusive of stamp duty, printing charges, law charges, registration fees, are estimated at Rs. 10,000. Part of this amount has been paid by Messrs. Bhartia Electric Steel Company, Ltd., which is recoverable from this Company.

APPLICATION FOR SHARES

Each application other than an application in terms of the said Scheme must be for a minimum of 100 Equity Shares or in multiples thereof.

The full value of shares applied for is payable with application.

Applications for shares must be made on the application form specified for the purpose and available from the Registered Office of the Company. Applications and money payable with them should be delivered at the Registered Office of the Company. Letters of renunciation (executed in favour of another person, if any) should also, together with the application, be sent to the Registered Office. Cheques and Drafts should be crossed "Account Payee" only and made payable to Messrs. Calcutta Steel Company, Ltd., or order. All cheques and drafts must be payable by a Schedule Bank in Calcutta. Any non-resident persons, firm or company applying for shares must first of all apply for and obtain sanction of the Reserve Bank of India.

If no allotment is made, the full amount received on application and if a partial allotment is made the unutilised balance of the application money will be refunded to the applicant within 2 months of the date of application, through Registered Post at the risk of the applicant and the Company will not pay any interest on the amount so refunded.

INSPECTION

Copies of the Memorandum and Articles of Association of the Company, and the Consent Order of the Controller of Capital Issues and the Scheme sanctioned by the Calcutta High Court may be inspected at the Registered Office of the Company during usual business hours until subscription list has been closed.

Copies of the prospectus and forms of application, etc., can be obtained from the Registered Office of the Company.

MONEY TURNS EASY AGAIN

(From Our Own Correspondent)

BOMBAY, 11th November

The tightness in the short-term money market noted last week has proved to be a short-lived affair and conditions have once again turned comfortable with a surfeit of floating funds. This is duly reflected in the good response to this week's Treasury Bill sales, when offerings amounted to more than double the sum invited and the discount rate recorded a perceptible fall. This sudden change in conditions indicates that the seasonal pressure of demand for bank credit is yet to commence. The inter-bank call money rates have dropped from 2½ per cent. to 1½ per cent. among the Exchange banks and big Indian banks and from 3 per cent. to 2-3 per cent. among the smaller banks. The relatively small decline in the case of smaller banks is due to the persistence of some demand among them. House money at seven days' notice and short-term deposits continue to be bid at 3-3½ per cent. and 3-3½ per cent. respectively.

As stated above, the response to the Treasury Bill sales has been striking, in that the amount offered aggregated Rs. 4.50 crores, as against Rs. 2 crores invited. The average rate of discount has, therefore, declined from 2.420 per cent. to 2.405 per cent. per annum. Tenders for next week are unchanged at Rs. 2 crores. For the second week in succession, there were no sales of Intermediate Treasury Bills during the period 4th to 7th November; nevertheless, their sales have not been suspended.

There has been a further expansion of Rs. 18.07 crores in notes in circulation during the week ended 6th November 1959. This is on top of an increase of Rs. 17.96 crores in the preceding week. A fractional rise is noted in notes held in the Banking Department also and the consequential increase of Rs. 18.19 crores in total notes issued is covered by a rise of Rs. 20.01 crores in *ad hoc* securities and a contraction of Rs. 1.82 crore in rupee coin. While foreign securities are again unchanged, balances held abroad show a further rise of Rs. 1.76 crore. Loans and advances to Governments have gone up by Rs. 4.58 crores, while other loans and advances have dropped by Rs. 2.48 crores; of these, the outstanding advances to banks against usance bills amounting to Rs. 1.70 crore have all been repaid. Investments stand reduced by Rs. 11.08 crores and Government Treasury Bills by Rs. 8.24 crores.

A sharp fall of Rs. 19.04 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 30th October 1959. Time deposits are, however, higher by Rs. 1.84 crore. Inter-bank borrowings have declined by Rs. 4.83 crores, while borrowings from the Reserve Bank show a marked rise of Rs. 10.82 crores and those from the State Bank Rs. 1.54 crore. An increase of Rs. 3.67 crores is noted in advances and of Rs. 5.43 crores in bills purchased and discounted. Investments are lower by Rs. 1.04 crore, cash balances by Rs. 6.18 crores and money at call and short notice by Rs. 3.61 crores.

The gilt-edged market is extremely dull and the volume of business passing is small. Despite the comfortable conditions in the money market, institutional investors are keeping out of the securities market, as the seasonal demand for funds may pick up at any time. There is, however, no selling pressure and the undertone is steady. 3 per cent. 1986 Conversion Loans has, however, recorded a fall of 25 nP to Rs. 74.50. State loans are also featureless.

There has been a hardening of the rupee in terms of the U.S. dollar during the last few days, after an earlier setback in continuation of last week's downward trend. Thus, banks' selling rate for U.S.T.T. after a rise from Rs. 477.50 to Rs. 477.75, has dropped to Rs. 477.25 per \$100 and their buying rate is unchanged over the week at Rs. 474. After going up to Rs. 474.25. This is only in consonance with the trend of sterling abroad. In New York, for instance, spot sterling closed yesterday at 280.40-280.42 cents after a fall from 280.40-280.44 cents to 280.18-280.21 cents early in the week. Three months' forward recovered to 280.96-280.99 cents after reacting from 280.89-280.93 cents to 280.74-280.77 cents.

KIPS WEAKER

(From Our Own Correspondent)

MADRAS, 9th November

The kip market is weaker. Stocks are accumulating and tanners are not happy at the trend of the market, as they are processing in their tanneries high-priced raw stocks bought at peak levels. Importers in the U.K. and the U.S. have not shown interest in booking orders, and the tone continues to be weak. Tanners, however, expect that a decline of 7½ to 10 per cent. on September levels would stimulate importers buying en long.

Tanned goat and sheep skins are also easy and shipment trading has been poor. Tanners are likely to book orders at 6d. to 9d. less than the top prices ruling early in October, but sellers are keeping out of the market anticipating further decline in prices. In the mean time, stocks of middle class sheep are accumulating.

Shipments during October 1959 were: To the U.K.: 3,872 bales tanned cow hides, 242 bales cow calf, 67 bales buff hides, 222 bales buff calf, 799 bales goat and 742 bales sheep; to the Continent: 368 bales cow hides, 81 bales cow calf, 87 bales buff calf, 750 bales goat and 373 bales sheep; to the U.S.: 79 bales buff, 18 bales buff calf and 177 bales goat; to Japan: 75 bales sheep skins.

HEAVIER MARGINS IN BULLION

(From Our Own Correspondent)

BOMBAY, 11th November

An outstanding event in the bullion market this week has been the imposition of heavier margins in both silver and gold with effect from yesterday. The imposition followed the Bombay Government's approval of the decision taken by the Board of the Bullion Association at an emergency meeting held on Saturday. The margins fixed are—silver: Rs. 1,000 per bar in November settlement and Rs. 500 in December settlement on all outstanding purchases exceeding 50 bars; gold: Rs. 10 per tola in November settlement and Rs. 7 in December settlement on all outstanding purchases exceeding 2,500 tolas. This decision was a sequel to the requisitions by certain members of the Board and a memorandum submitted by about 23 members. The requisitionists pointed out that "unhealthy conditions" had persisted in the market owing to content bull squeeze and urged the Board to take steps against unwieldy speculation. Simultaneously with the announcement of the new margin regulations, the President of the Bullion Association warned against any undue speculative tendency and made it clear that the Board would take stricter measures with the help of the Government, if the regulations failed to restore normal conditions in the market.

It is possible that there have been heavy speculative transactions, but the fact cannot be disputed that it takes two to make a deal. None can go long, unless someone is prepared to go short. Further, the supply position in both the precious metals is tending to become tight, while the demand for them from people who want to hedge against inflation is on the increase. Ever since the declaration of Indian currency as illegal tender in Tibet by the Chinese authorities and the Chinese aggression on the north-eastern borders, arrivals of silver coins from Tibet have completely stopped. With regard to gold, there has been a marked fall in arrivals of contraband metal following stricter vigilance exercised by the Customs Department and the issue of special notes for circulation in certain territories outside India. It is not surprising that silver and gold have gone up markedly since the beginning of this year, the former rising from Rs. 192-11 to Rs. 212 per 100 tolas and the latter from Rs. 114-8-6 to Rs. 125-1 per tola.

Be that as it may, the imposition of enhanced margins would appear to have had no perceptible effect on the market, except yesterday when prices tended to decline, owing to some bull liquidation. Today, again, the market ruled bullish, with both silver and gold staging a notable recovery.

In the silver section, November settlement moved up on renewed bull support from Rs. 211-10 on Wednesday last week to Rs. 213-1 on Monday. After declining to Rs. 211-13-6 yesterday following margin considerations, it recovered to Rs. 212-8 today before finishing at Rs. 212-6. December settlement opened at Rs. 212-1, as against Rs. 212-7, and advanced to touch a high of Rs. 213-3 on Monday. It, however, eased to Rs. 211-5-6 subsequently, but rose again to close at Rs. 212-7. January settlement also rose, at Rs. 213-5 today, as against Rs. 213-2 last week-end.

Ready gold was well favoured in the initial sessions, the quotation spurring from Rs. 211-6 early on Thursday to Rs. 212-8 on the 9th inst. After declining to Rs. 211-5-6, it recovered to Rs. 212-1. The closing rate was an anna lower. The daily average arrivals and offtake of silver were 23 bars and 9 bars, respectively. The floating stocks of silver are reported to be in the neighbourhood of 900 bars.

In gold, November settlement advanced from Rs. 125-1-6 to Rs. 125-6 and, after retreating to Rs. 124-8 on Monday, recovered to Rs. 125-2-6 today. It was an anna and a half lower towards the close. December settlement was firm at Rs. 125-11 on the opening day, as against Rs. 125-7-6, but was taken down in the subsequent sessions to Rs. 124-12 on Monday. After recovering to Rs. 125-6 today, it finished a shade easy at Rs. 125-5. Business in January settlement commenced at Rs. 125-4 yesterday. Today's closing rate was Rs. 125-10.

Ready gold began the week at Rs. 124-12 and, after improving to Rs. 125-4, declined to Rs. 124-6 on the 9th inst. It, however, recovered to Rs. 125-2 today before finishing at Rs. 125-1. The daily average arrivals of gold were 3,500 tolas, while the actual offtake was 2,300 tolas. The floating stocks of gold are estimated at 25,000 tolas.

Spot silver in the London bullion market was fully maintained at the last week's level of 80½d. while the forward gained ¼d. to 80½d. Silver in New York continued unchanged at 91.75 cents. Ready gold in London rose from 250s. 2d. to 250s. 2½d. early in the week, but eased to 250s. 1d. yesterday. The latest available world price for gold in London is \$35.05-\$35.07, as against \$35.08-\$35.10 per ounce.

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

	11-11-59	Highest	Lowest	4-11-59
GOLD				
Ready (90 fine Mint)	125 1	125 4	124 6	124 14
Forward*	125 1	125 6	124 8	125 11
SILVER				
Ready (900 fine Mint)	212 0	212 8	211 5	212 10
Forward*	212 6	213 1	211 9	212 4
	10-11-59			8-11-59
London Silver Ready	80½d.	80d.	79½d.	79½d.
London Forward	250s. 1d.	250s. 2½d.	250s. 1d.	250s. 2d.
London Gold	91.75c.	—	—	91.75c.
New York Silver	—	—	—	—

* 17th November settlement.

† 16th November settlement.

COTTON FUTURES RALLY

(From Our Own Correspondent)

BOMBAY, 11th November

The firm trend witnessed at intervals in the cotton futures market last week gathered momentum during the week under review. Re-Punjab, resulting in rains in Berar, Gujarat and quantity of the crop, touched off a wave of buying. Encouraging news from the yarn and cloth markets and firm advices from the spot section where prices hardened further following keen mill buying in the wake of reduced arrivals, imparted further strength to the market. Operators appeared to have discounted the recommendation of the Cotton Advisory Board that an import quota for the current season, including the quota of 140,000 bales issued on 31st August 1959. Under pressure rallied. The Jarilla March contract firmed up from the opening level of Rs. 721.25 on Thursday to Rs. 734.50 on Monday. Profit-taking induced by the high prices and the news that the weather had taken a turn for the better induced a mild easiness today. Nevertheless, the trend gathered momentum. Rs. 11.25 higher than last week-end quotation.

I.C.C. Moglai Jarilla March 1960 commenced the week at Rs. 721.25. After rising to Rs. 734.50, the contract declined to Rs. 730.75 yesterday. Opening at Rs. 732.50 today, it improved fractionally to Rs. 733, before finishing lower at Rs. 730.50.

In the spot section prices ruled firm, thanks to sustained demand. Short staples spinning 10 to 20 counts were becoming increasingly scarce. There were very few sellers for popular short staples like Kalyan, Wagad, Kala, etc. These varieties were not available even at ceiling prices. Staple styles were comparatively less favoured. Varieties like Rajapoleiyam 62, 197/2, etc., evoked mill attention. Mill demand slackened towards the close on account of the high prices. The rise in price consequently halted.

Export interest was subdued. Prices of Bengal Deshi went up early in the week on speculative buying in anticipation of a revival of foreign demand. Towards the close of the week there was a mild reaction in prices induced by the news that the weather had improved. Japan is expected to enter the market as soon as the Japanese Government issues the foreign exchange allocation.

Following rumours that an import quota was in the offing, there was keen demand for East African bad and Southern mills purchased large quantities of East African cotton. This proved to be a favourite. It was done at Rs. 1,045-1,050 per candy. B.P. 52 changed hands at Rs. 1,175. Busoga found buyers at prices ranging from Rs. 1,155 to Rs. 1,560. Towards the close, however, interest subsided. Higher grade Egyptian and Sudan cotton also met with moderate demand.

The Cotton Advisory Board, at its meeting held in Bombay last week, made the following important recommendations in respect of import and export of cotton:

(1) Import quota for 600,000 bales (400 lbs. each) should be issued for the season in the traditional staple categories 1-1/16" and above but below 1-3/16" and 1-3/16" and above. Out of this under P.L. 480 programme.

(2) A special quota of 100,000 bales should be issue for 15/16" to 1-1/16" cotton for import from any area.

(3) An export quota of 75,000 bales of Bengal Deshi should be issued.

The aforesaid import quotas are in addition to the 140,000 bales comprising 115,000 bales of 1-3/16" staple and above and 65,000 bales of 1-1/16" and above but below 1-3/16" released on 31st August 1959. The Committee recommended to permit import of 100,000 bales of 15/16" to 1-1/16" staple cotton is a new departure from traditional staple categories which has been attributed to the expected shortage of these staples.

Contradictory reports that the Cotton Advisory Board recommended for import only a smaller quantity than suggested by the Indian Cotton Mills' Federation, Mr. a. statmath Podar, Press, said that there was no difference between the recommendations of the Federation and the Board in regard to import of foreign cotton and the current season. The Federation was of the view that it was absolutely essential to import a minimum of one million bales, if not more, if a crisis in the cotton supply position was to be avoided. When the Federation considered the matter in October, the estimate of the domestic cotton crop was placed at 4.5 million bales. The revised estimate now was about 4.8 million bales. The Cotton Advisory Board has suggested that 100,000 bales of cotton of stapling between 15/16" and 1-1/16" above should be imported. These imports would be exclusive of 140,000 bales, the import of which was announced on 31st August last and the receipt year," Mr. Podar stated.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 632; Wagad 735; Laxmi: Gadag 905; Dharwar 920; CO2 950; 320 F 940; Kalyan 830. Distinctly firm conditions prevailed in the under review. Values firmed up on export demand and keen mill buying prompted by fears of damage to crop in Punjab. Inquiries from foreign buyers, especially Japan, broadened from foreign January spurred by Rs. 4 to Rs. 68-4. N.T.R.G. contract gained Rs. 3-9 to Rs. 64-10. The Marci section was active. Values hardened.

The Alexandria cotton futures market ruled firm during the week under review. Prices advanced

on good buying support. The medium-staple Ashmouni contracts, in particular, met with sustained buying, thanks to firm spot advice. Export demand was also very well maintained. Export price discount was reduced by ½ per cent. to 21 per cent. on Monday.

The following are the latest available quotations—in talaris per lb.—from Alexandria:

Karnak: November 72.20; January 72.75. Ashmouni: December 63.35; January 62.86.

The prospects of increasing cotton trade between U.K. and Egypt were discussed by a British cotton delegation which recently visited Egypt. Some of the important points considered related to the conditions of sale which are now regulated by the Egyptian Government instead of by the Cotton Exports Association as formerly, and the venue of quality arbitration. The delegation is reported to have expressed the view that Egyptian cotton was too expensive, about 1½ pence per lb. more than what British buyers were paying for equivalent Sudan varieties.

Cotton futures values in Liverpool made small gains during the week. Increased mill buying against forward sale of yarn and cotton was the main influencing factor. Although scattered liquidation provided the contracts early in the week later offerings dried up. Both the American and American type contracts moved higher. Sudan contracts were neglected. Values, however, remained unchanged. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December-January 21.80; March-April 21.90; May 22.20; July 22.10.

American cotton mixed growth contract: December-January 22.50; March-April 22.50; May 22.40; July 21.90.

Sudan: November-December, January-February 29.00; May-June 28.75.

The New York cotton futures market ruled fully steady both before and after the Government crop forecast published on the 9th inst., though the estimate was slightly higher than market expectation. This was because most traders were inclined to think that larger crop meant only that more cotton would move into the Choice "B" programme or into the loan.

The Crop Reporting Board of the U.S. Department of Agriculture, in its November forecast, has estimated the U.S. cotton crop at 14,801,000 bales (of 500 lbs. each). This compares with the 14,892,000 bales estimated a month ago and the 1958-59 harvested crop of 11,512,000 bales and the ten-year (1947-56) average of 14,133,000 bales. The yield per acre is put higher at 474 lbs., as against 470 lbs. estimated last month. Yield per acre last year was only 388 lbs. The ten-year (1947-56) average yield worked out to 317 lbs. per acre.

Ginnings prior to 1st November aggregated 9,718,000 bales, as against 7,316,000 bales during the same period last season.

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

	(In cents per lb.)	10-11-59	2-11-59	27-10-59
Spot				
December	...	32.70	32.70	32.70
March	...	32.64	32.42	32.39
May	...	33.05	32.88	32.85
	...	33.30	33.13	33.14

RAYON YARNS WELL SUPPORTED

(From Our Own Correspondent)

BOMBAY, 11th November

The yarn market ruled firm during the week under review. Rayon yarns were well supported despite advance satisfactory offtake. Traders would appear to feel that demand would soon increase and large business would be put through when the harvesting of the new season's agricultural crops is in full swing. Staple fibre yarns tended to move up, thanks to encouraging reports from consuming centres. It was reported that no forward business worth noting had been put through by any mill either in the north or in the south. Only small lots were being offered and sold by mills from time to time because buyers were not forthcoming at the present high level of prices. It was reported that a section of the trade had arranged to take delivery of yarns against November purchases. It was, therefore, feared that some scarcity in supplies might develop in the next few days. Cotton yarns were dull, transactions put through being on a small scale. The market was closed today on account of Kartik Ekadashi.

Cupressa Bamberg yarn (60 x 2) December contract met with considerable speculative support and forged ahead from Rs. 1,674 to Rs. 1,713. Spot Cupressa recorded a rise of 15 nP, yesterday's closing rate being Rs. 7.59. Among imported yarns, 120 Italy rose by 7 nP to Rs. 5.22. 150 Italy was fully maintained at Rs. 4.87, as also 150 Japan at Rs. 5.15. 120 Japan gained a naya paise to Rs. 5.22. National Rayons 120 bright cones first grade were done at Rs. 4.75, same as last week. 150 bright cones, however, lost 3 nP to Rs. 4.28.

Staple fibre yarn (40 x 2) December contract moved up from Rs. 693 to Rs. 704. Spot Citys were quoted at Rs. 3.76. Robinsons at Rs. 3.71 and Centuria at Rs. 3.76. Among imported yarns (80 x 2), Paramount came in the selling and declined by 6 nP to Rs. 4.81.

In the cotton yarn section, ten counts Podars found buyers at Rs. 14.52, as against Rs. 14.56. Twenty counts Moderns picked up 6 nP to Rs. 19.31. Forty counts Moderns spurred by 31 nP to Rs. 27.31. While Milnaxs eased by 7 nP to Rs. 26.87. Sixty counts Milnaxs were firm at Rs. 61.50, but Nehruvams lost 50 nP to Rs. 54. Eighty counts were unchanged at Rs. 79, as also Finlays at Rs. 81 and Citys at Rs. 64.60.

The following table gives the prices of rayon,

staple fibre and cotton yarns quoted yesterday as compared with those six days before:

	10-11-59	4-11-59
Art silk yarn—		
60/1 Cupressa Bamberg December (100 Kg.)	Rs. 1,713	Rs. 1,674
60/1 Cupressa Bamberg spot (per lb.)	7.59	7.44
120 Japan (per lb.)	5.29	5.28
150 Japan (per lb.)	5.15	5.15
120 Italy (per lb.)	4.87	4.87
150 Italy (per lb.)	4.87	4.87
Staple fibre yarn—		
40 x 2 December (per case of 200 lbs.)	704.00	695.00
40 x 2 Robinson (per lb.)	3.71	3.74
40 x 2 City	3.70	3.72
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.62	14.56
20s Modern	19.31	19.75
40s Milnax	26.87	26.94
60s Finlay	61.50	61.50
80s Mahendra	73.75	73.25

BLACK PEPPER RISES FURTHER

(Messrs. Parekh & Co.)

BOMBAY, 11th November

Malabar black pepper improved further during the week in sympathy with Singapore and New York where spot rose from \$0.31½ to \$0.33, with grinders buying.

Cochin firmed up in both ready and forward under pressure of short covering and fresh buying. Ungarbled at Cochin climbed to Rs. 900 from the last week's price of Rs. 850. Ready garbled rallied from Rs. 147 to Rs. 155. December delivery on the ring made further headway by advancing from Rs. 136-50 to Rs. 145. January rose in sympathy with December and the spread between December and January widened from Re. 1 to Rs. 2½. January delivery is quoted at Rs. 142½.

The Singapore syndicate was able to sell afloat a large parcel of its consignments of Lampong to New York at \$0.31½. This afforded the Syndicate an opportunity to manipulate the prices in Singapore as well as in Djakarta. Singapore speculators are also reported to be buying Malabar black pepper for shipment to New York through their New York agents. This is also likely to have its reflection on the New York dealers and grinders who were all the while apathetic and were buying hand-to-mouth because almost all of them burnt their fingers in pepper trade in the past. The Syndicate is said to be more after pushing up the prices of white pepper as they have no competitors. It is stated that the Syndicate is intending to boost prices of white pepper to a high level of 4s. as against 3½s. per lb. c. and f. London and/or basic Continental ports.

Calicut improved to Rs. 925. Arrival of new pepper has started and, every day, about 100 candies are arriving at the terminal markets of Cochin and Alleppey. Arrivals are sure to expand with the advance of the season.

The prices being too rapid, the trade in general is expecting reaction. Further, it expects a setback in prices when new crop arrivals begin to exert pressure on the market which is very likely unless America is a continuous buyer at sellers' price. The rise at the beginning of the transitional month ending the old season and beginning the new one is always in most cases deceiving, particularly when the crop is expected to be a bigger one.

Ready pepper is nominally quoted at Rs. 110 to Rs. 115 according to quality, but the demand is not up to expectation.

SEEDS STEADY

(From Our Own Correspondent)

BOMBAY, 11th November

The oilseeds market ruled steady during the week under review, thanks to good export demand, particularly for castor oil and groundnut oil. The proposed increase in freight rates on oils and oilcakes announced by the Karmahom Conference Lines—a reference to which was made in these columns last week—however, has caused much disappointment among traders. The Bombay Oilseeds and Oils Exchange, in a communication addressed to the Government of India, has stated that the decision of the Conference Lines is arbitrary and would be extremely prejudicial to India's export trade. It has urged the Government to intervene and see that the decision is revoked. It has also been pointed out in the communications that exporters cannot help feeling that freights have been increased deliberately as the Conference Lines knows that there are large outstanding sales for oils and oilcakes for shipment in January and beyond and that they cannot take advantage of non-Conference competition due to the vicious system of deferred rebates.

The market was closed yesterday on account of general elections. It closed today earlier at 2 p.m. on account of the annual meeting of the exchange. Coming to the trends in the market during the week under review, the groundnuts section presented cheerful conditions. This was induced mainly by the good overseas enquiries for groundnut oil, particularly from the U.K. and Burma. Crushers and *vanaspathi* manufacturers also extended fairly good support. Arrivals were sizable but they were absorbed. Groundnut February 1960 contract, which would up last week at Rs. 175.87, rose to Rs. 179.12 on Monday, but it receded today to Rs. 177.62 on profit-taking. Saurashtra bold improved over the week by Rs. 1.50 to Rs. 38.25, as also Saurashtra quality by Re. 1.25 to Rs. 38.25. Oil ex-mill rose from Rs. 18.37 to Rs. 18.87 on Monday but declined later to Rs. 18.69. Railway receipts picked up 89 nP to Rs. 18.90.

The castorseed section ruled firm. There was revival of hopes of U.S. interest in Indian castor oil. Besides, traders expect that the countries of the communist bloc will sooner or later enter the Indian market for castor oil. Castorseed May 1960, which had finished last week at Rs. 162, improved to Rs. 166.25 on Saturday but came down subsequently to close at Rs. 163.37 today. Ready

Madras was done by 50 nP up to Rs. 31.37. Oil B.S.S. gathered 44 nP to Rs. 16.75.

The linseed section, in contrast, was subdued despite some reports of export enquiries for linseed oil. Linseed May 1960 rose from Rs. 35.37 to Rs. 35.44 on Monday but closed slightly lower at Rs. 35.37. Bold ready lost 37 nP over the week to Rs. 35.25. Linseed oil was lower by 6 nP at Rs. 17.31.

Cottonseeds moved up in sympathy with raw cotton. Cottonseed February 1960 contract improved from Rs. 126.50 to Rs. 129.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	11-11-1959	4-11-1959	28-10-1959
<i>Groundnut</i>	Rs.	Rs.	Rs.
February 1960	177.62	175.87	173.50
Bold ready	37.50	35.75	36.00
Coromandel ready		38.25	
Khandesh quality	38.00	39.25	
Oil ex-mill ready*	19.69	19.37	19.50
Railway receipts*	19.50	19.12	19.25
<i>Castorseed</i>			
May 1960	163.37	162.00	158.75
Ready Madras	31.37	30.87	30.37
Ready Kanpur	29.87	29.50	29.25
Oil B.S.S.†	17.69	17.25	17.00
Oil commercial†	16.75	16.37	16.25
<i>Linseed</i>			
May 1960	85.37	35.40	34.75
Bold ready	35.25	35.62	34.62
Oil ready	17.31	17.37	17.00
<i>Cotton seed</i>			
February 1960	129.25	123.50	124.50
Niger seed	81.75	31.50	81.50
Kardi seed	22.50	22.60	23.00

10 oz. was lower at Rs. 40.55. There was profit-taking at this stage and, over the week-end, B. twills settled around Rs. 103.45 and hessian 40" 10 oz. at Rs. 40.50. Yesterday, on better report from the futures market, ready B. twills advanced to Rs. 103.90 and, following expected U.S. interest, hessian 40" 10 oz. hardened to Rs. 40.72. The higher trend also reflected the rising raw jute market.

In raw jute also, there was bear-covering in futures. Although actual business with mills was small, sellers were reserved, and prices gained. The report of a small decline in output and the official view that there was unlikely to be any excess after meeting demands gave rise to the hardening trend. Northern bottoms at Rs. 23.25 added 50 nP. A similar gain was recorded in Daissee bottoms at Rs. 25. Assam bottoms moved up from Rs. 23.50 to Rs. 23.75. The latest quotations for November-December delivery of the 1959-60 crop are:

	Middles	Bottoms
White:		
Selected Assam	26.50	24.00
Ordinary Assam	26.25	24.00
Northern	26.00	23.50
Desal	24.75	22.25
Cuttack	28.00	25.00
Murshidabad	24.50	22.00
Bihar, Jungli and U.P.	24.25	21.55
Tossa:		
Ordinary Daissee	27.00	25.25
Murshidabad	26.00	23.50
Assam and Agartala	27.50	25.00
Mesta:		
Daissee	25.50	23.00
Jungli	24.50	22.00
Bimbi f.a.q.	Rs. 22.50	
Pucca bales:		
1st Mark	Rs. 175.00	
	per bale ready.	

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 9th November

Sugar prices rule quiet during the week, thanks to better supply position in the market. With the latest release of 175,000 tons for sale, the old stocks of sugar are reported to have been exhausted, but, following new incentive provided for starting crushing season earlier, most of the factories in west U.P. have begun their new production. But cane supplies to khandasari units continue to be very heavy, as manufacturing of gur by crushers is still being found very profitable. The increase in cane prices will not have the desired effect of increasing sugar production unless the conditions in which cane is supplied to factories are very much improved. Apart from reports of weight shortage, the system of cane supplies to factories through co-operative societies is not at all working satisfactorily. The latest prevailing prices of sugar here are Rs. 125 per bag; retail Rs. 1.25 per seer.

Sugar prices at Muzaffarnagar displayed an easy trend during the week, as festival demand for the commodity was over and supply position was easy. Most of the factories in the region have started functioning. Sugar touched a high of Rs. 134 to Rs. 135 per bag, but subsequently eased to be quoted at Rs. 123 to Rs. 124 per bag. In retail, sugar was quoted at Rs. 1.25 per seer.

Sugar prices were quoted lower in the Kanpur market, as demand was reported to be on the decline.

Khandasari ran down sharply by about Rs. 3 to Rs. 4 per maund, as the stockists were anxious to sell old stocks before new production starts by the end of the current month. Prevailing prices were:—Rs. 38 to Rs. 42; superior Rs. 43 to Rs. 46; boora Rs. 46 to Rs. 49 a maund.

Ready gur stayed steady on good support from consuming areas. Daily arrivals were at about 4,000 maunds and are likely to increase next week when the Kartik annual Ganges Fair is finished. Most of the crushers are preparing gur, as they are in a position to buy cane at Re. 1.25 to Re. 1.37 per maund, as against the purchasing prices by factories at Re. 1.50 to Re. 1.62 per maund. Balfi quality of gur is much in demand and is being quoted up to Rs. 3 to Rs. 3.25 per maund higher than the pansera quality. Prevailing prices are:—pansera Rs. 21 to Rs. 22.25; balfi Rs. 25.25; shakker Rs. 23 a maund.

Ready gur also stayed steady in the Muzaffarnagar where demand from consuming areas was fair. Prevailing prices are:—pansera Rs. 23 to Rs. 23.75; khurpapur Rs. 24 to Rs. 24.50; shakker darsa Rs. 25 per maund.

Gur futures registered a strident advance on continued bull support. Opening at Rs. 15.21 last Monday, futures touched a high of Rs. 15.93 on Thursday and, after touching the lowest at Rs. 15.61, is quoted today at Rs. 15.75.

COMMON TEAS DEARER

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

COCHIN, 6th November

Sale No. 42 held on 3rd November 1959 comprised 1,160,000 lbs. The quality of medium and good medium teas offered in this sale was well maintained. There was a useful selection of high grown teas on offer. The market met with a good general demand. Common descriptions and low mediums met a strong enquiry and are quoted fully firm to dearer. There was a useful support for medium and good medium teas which were about steady. Demand for better liquoring teas were rather irregular with broken grades under this category meeting a better support from the buyers than fannings which were distinctly easier. Whole leaf grades were in less demand and were

slightly easier. The following are the quotations:

	1959	1958
Low medium	1.80 to 1.90	1.55 to 1.65
Medium	1.95 to 2.20	1.70 to 1.95
Good medium	2.15 to 2.35	2.10 to 2.40
Quality	2.40 to 4.10	2.90 to 4.75

Dust Sale 'FF'—400,000 lbs. were offered in Dust Sale 'FF' which was held on Thursday, 5th November 1959. A useful selection of dusts were offered in this sale. There was strong general demand and prices were fully firm to dearer for all descriptions. Buyers showed keen interest for colour medium sorts which sold at dearer rates. Black, clean, grainy descriptions continued in demand and sold at higher rates than last. There was a useful enquiry for a small selection of C.T.C. Dusts on offer.

London Market: Sale of 2nd November 1959.—Assams little irregular following quality. Others mostly dearer with Concertina closing further.

Sale of 3rd November 1959.—Good demand at appreciably dearer rates.

Sale of 4th November 1959.—Unchanged.

Colombo Market: Sale of 2nd November 1959.—Strong demand. Highgrown broken irregularly lower following quality. Good mediums steady. Coloury sorts below best dearer. Small leaf bright liquoring lowgrowns slightly dearer. Leafy gulf types slightly lower. Tea for price advanced 5 cents.

Sale of 3rd November 1959.—Active demand. Generally dearer, particularly useful liquoring fannings and dusts.

Export Quota.—A fair amount of business has gone through at 2 nP and at the time of writing there are sellers at 2 nP with probable buyers at this price.

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

"Sale 43—1,200,000 lbs. Very strong general demand, particularly for common and low medium which are 10 nP dearer. Medium and good medium irregularly 15 to 20 nP. Best liquoring highgrown broken irregular and easier."

(From Our Own Correspondent)

CALCUTTA, 10th November

With greater demand a further improvement in prices of quality teas was recorded in the export sale held yesterday, as well as at the internal auctions of last week. However, the trend in common teas was quiet. Shipments to the United Kingdom were again satisfactory, but a feature was the greater interest displayed by Egyptian and other buyers.

It was reported that the U.K. stocks were only 113.65 million lbs. in the week ended 30th October, as against 112.40 million lbs. in the previous week. This is usually the time when the U.K. stocks go up. That this had not happened was a far as taken here as an indication of the likelihood of the London auction trend hardening further.

Meanwhile, India's Consul General in New York has reported that, despite increased consumption in the U.S., Indian tea exports to that country have been failing which has caused concern in trade circles here. He thinks that the Tea Council, in the maintenance of which in the U.S. India has a share, should change its methods of advertising. Costly advertisements should give place, he says, to public relations and publicity. Traders here would suggest to the Council to take to distribution of good made-tea in mobile canteens in industrial areas.

The news of the week was the lifting of price control on tea in Pakistan, according to an announcement made in Dacca on the 7th November by Mr. A. K. Khan, Pakistan Minister for Industries. An export sale was held at Chittagong on the 4th inst. when offerings aggregated 14,740 packages. The hardening trend at the opening petered away as the sale progressed, and prices gave way to reach valuations.

In the internal auctions held here last week, dusts offerings amounted to 21,798 chests. There was good demand, leading to a gain in prices. Leg-cut teas were fully firm and exportable teas were dearer. Orthodox teas were steady. An irregular demand was recorded by medium C.T.C.s which declined by 10 to 15 nP. There was good support to the very best C.T.C. on offer. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.50 to Rs. 2.80; medium Assam C.T.C. Rs. 2.00 to Rs. 2.10; medium Dooars Rs. 1.95 to Rs. 2.02; and medium Assam Rs. 1.94 to Re. 1.98.

Leaf on offer amounted to 894 chests. The rates were irregular.

Offerings during yesterday's export sale, amounting to 72,114 chests, met with strong and general demand. The low medium B.O.P.s were well supported, while, with a definitely better trend in the better liquoring, medium Assam broken and fannings, B.O.P.s showed an added modest gains. However, in an irregular trend in the fannings and plain broken, some of the poorer lots recorded small losses. C.T.C.s reached near-buoyancy. On keen competition, secondary broken grades rose 20 nP above valuations, while best C.T.C.s evoked good interest. Leg-cut teas were in good form on modest support. Darjeelings were firm, and leaf grades tended to be fully steady. The quotations were: best Assam C.T.C. fannings Rs. 2.60 to Rs. 2.80; best Assam C.T.C. B.P. Rs. 2.60 to Rs. 2.80; clean black pekoe Rs. 2.04 to Rs. 2.10; medium fannings Rs. 2.12 to Rs. 2.20; plain fannings Rs. 2.04 to Rs. 2.10; medium B.P. Rs. 1.90 to Rs. 2.08; and plain B.P. Rs. 1.86 to Re. 1.90.

Export quota was quoted by sellers at 2 nP. Buyers offered only 1 nP. No business was done.

"KHARIF" CROP ARRIVALS

(From Our Own Correspondent)

HAPUR, 9th November

Quiet conditions prevailed in the foodgrains market during the week, thanks to pressure of

good kharif crop. The sowings of rabi grains have again been hampered by untimely rains and hail-storm received during the week-end and it is feared that the recent sowings would be adversely affected on that account. As the land vacated from kharif crop and sugarcane is available for rabi sowings, it is hoped that there would be an increase in rabi grains production as compared with last year.

Wheat at Hapur ruled almost stationary during the week to be quoted on Monday at Rs. 17.25 per maund for average quality and up to Rs. 19.50 for farm produce. Daily arrivals were at an average of 50 maunds which were being lifted by local consumers and demand from rural areas was slack. Sales through fair-price shops were being continued. The State Government's purchases under the wheat levy scheme were sparse, as the official purchasing price was unchanged at Rs. 13 to Rs. 15, which is substantially lower than the market prevailing price. Inferior quality eased by about Re. 1 to Rs. 2 per maund during the week under pressure of arrivals of new grains in the market. Despite the damage caused to rice crop by floods in West Bengal and some districts of Orissa, as well as drought conditions in East U.P., it is hoped that the rice crop might not fall short of last year's record crop of just over 30 million tons. The Government has begun purchases of rice at last year's price level and it is reported that response in some States is encouraging. The prevailing prices of rice here were:—basmati Rs. 30 to Rs. 33; mainpuri Rs. 23; ramajwari Rs. 23.50; gadda Rs. 20 a maund.

Gram ruled quiet during the week, as demand was slack and local stock was comfortable. Barley and bejhar were also quiet in the absence of new urges. Maize attracted good consumer demand and bajra arrivals were also increasing. But the price ruled steady and it was feared that an easing tendency had subsided. Jowar and gujar were listless during the week. The prevailing prices on Monday (in rupees per maund) were:—gram 12.75 to 13; barley 12.50; bejhar 11.50; maize 11.12; desi 11.75; jowar 12 to 14; gujar 12 to 13; bajra 13 to 13.25. Stocks (in maunds): Gram 50,000; barley 4,000; bejhar 100; rice 5,000 maunds.

IMPORT LICENCES FOR COPPER

(From Our Own Correspondent)

CALCUTTA, 10th November

The metal market ruled quiet during the week under review. Clear wire scrap was firm at Rs. 232 per cwt. and utensil scrap at Rs. 225. Some supplies of the virgin metal were received during this week. Meanwhile, there was a further increase in the price of copper on the London Metal Exchange. The rate there touched as high as £265 a ton, before declining to £258.

Import licences for copper have now been issued, but market circles are greatly critical of the delay occurred in issuing these licences. For, with the strike in the U.S. and Chilean mines, world supplies have been considerably depleted, and the abnormal rise in prices in London is thus explained. If only the Government of India had issued the licences in time, the country could, it is said, have saved avoidable foreign exchange by the present position when the price was lower. The present position is that there is no knowing whether, with the world supplies bordering on shortage, the country would be able to import all it wants. Market circles wonder if the authorities would take a lesson from this episode and avoid delays in action when once the policy was decided.

On the L.M.E., tin was quoted steady at £793 1/2 per cwt. Locally, there were fresh arrivals, and the price sagged from Rs. 569 to Rs. 587 per cwt. The good demand on world supplies was friction on export placed on the belief that the restriction by the Tin Council would be removed. If this restriction were removed, world supplies would increase by 7,500 tons to 47,500 tons per year. The penning indicates that the U.S. steel strike has not contributed to any lessening of demand. The considerable sales from the Buffer Stock have been on the whole, with the lower offerings by the trade, the Buffer Stock Manager is bound to release in order to keep up the price equilibrium.

Lead was quiet at Rs. 72 per cwt. and the softening tendency was attributed to the receipt of import licences by consumers. Electrolytic zinc was also quiet at Rs. 110 per cwt.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 9th November

A firm tone prevailed in the linseed market throughout the week, but business was very restricted, with both buyers and sellers pausing. Both ready and forward seed prices moved steadily upwards touching Rs. 86.50 and Rs. 28.62 by mid-week, but, with diminished interest from crushers at those rates, the tone eased somewhat towards the close. April-May new crop delivery was transacted at Rs. 24.50.

The oilcake market was dull with little interest from buyers and sellers were generally reserved. There was no change in foreign advices and little business was reported.

The oil market remained very firm. Fresh Australian business was done at £121 and further enquiries were reported. Local prices at Rs. 56 for parity with this level, whilst values in the U.K. market were lower still.

The latest quotations per maund are: Ready Rs. 26.58, November-December Rs. 26.50 and May futures Rs. 24.60.

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India			
Statement of Affairs for the week ended 6th Nov., 1959			
BANKING DEPARTMENT		LIABILITIES	
Capital paid-up	Rs.	5,00,00,000	
Reserve Fund	Rs.	80,00,00,000	
National Agricultural Credit (Long-term Operation) Fund	Rs.	30,00,00,000	
National Agricultural Credit (Stabilisation) Fund	Rs.	4,00,00,000	
Deposits:			
(a) Government—			
(1) Central Government	Rs.	52,84,53,000	
(2) Other Governments	Rs.	13,32,47,000	
(b) Banks	Rs.	73,60,75,000	
(c) Others	Rs.	118,95,30,000	
Bills Payable	Rs.	18,66,35,000	
Other Liabilities	Rs.	21,21,05,000	
	Rupees	418,20,48,000	
ASSETS		LIABILITIES	
Notes	Rs.	10,81,16,000	
Rupee Coin	Rs.	3,42,000	
Subsidiary Coin	Rs.	8,90,000	
Bills Purchased and Discounted—			
(a) Internal	Rs.	15,32,62,000	
(b) External	Rs.	38,94,98,000	
(c) Government Treasury Bills	Rs.	24,32,97,000	
Loans and Advances to Governments**	Rs.	24,32,97,000	
Other Loans and Advances	Rs.	229,56,14,000	
Investments	Rs.	10,61,88,000	
Other Assets	Rs.	418,20,48,000	
	Rupees	418,20,48,000	

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)

	1st Sept. 1958 (pre-war)	30th Oct. 1959	A week ago	A month ago	A year ago
RESERVE BANK					
Notes in circulation	172.37	1086.20	1168.24	1049.25	1634.44
Notes held in Bank	35.05	10.69	30.05	30.00	22.71
Foreign Securities	50.50	163.01	163.01	163.01	164.68
Rupee Securities	87.89	1281.65	1281.65	1281.40	1134.70
Deposits of:					
Government of India	14.89	55.01	67.39	60.06	71.75
Other Governments	10.06	35.10	24.86	15.98	13.75
Balance held abroad	184.36	726.28	749.85	745.57	711.32
Time Liabilities	102.84	1236.55	1235.51	1114.27	1235.10
Borrowings from:					
Reserve Bank	13.85	3.03	7.88	2.26	0.92
State Bank	6.70	5.22	3.68	4.17	2.90
Cash in India	25.17	72.31	74.73	77.63	106.46
Balance with Reserve Bank	15.52	13.46	14.76	18.07	54.12
Extrem over state	13.85	14.76	13.31	13.45	13.45
Money at call and short notice in India	33.13	36.74	38.49	48.87	48.87
Investments (at book value)	105.9	794.10	795.13	790.32	619.30
Advances and bills	105.9	794.10	795.13	790.32	619.30
STATE BANK					
Deposits	87.76	569.98	577.49	574.39	476.29
Investments	51.99	161.30	157.46	157.92	102.08
Cash	14.69	25.79	30.67	34.27	56.83

* Borrowings from Banks excluding the Reserve Bank and the State Bank.

** Figures are provisional.

† Borrowings against unsecured bills and promissory notes.

‡ Borrowings against unsecured bills and promissory notes.

§ Borrowings against unsecured bills and promissory notes.

|| Borrowings against unsecured bills and promissory notes.

¶ Borrowings against unsecured bills and promissory notes.

||| Borrowings against unsecured bills and promissory notes.

|||| Borrowings against unsecured bills and promissory notes.

||||| Borrowings against unsecured bills and promissory notes.

|||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

||||||| Borrowings against unsecured bills and promissory notes.

State Bank of India

Statement of Affairs for the week ended 6th Nov., 1959

CAPITAL AND LIABILITIES		Rs.	Ra.
CAPITAL—			
Authorized Capital—			
20,00,00,000 shares of Rs. 100 each.		20,00,00,000	
Issued, Subscribed and Paid-up:			
5,62,50,000 shares of Rs. 100 each.		5,62,50,000	
Reserve Fund and Other Reserves	.. .. .		5,62,50,000
Deposits and Other Accounts	.. .. .		7,00,00,000
Borrowings from Other Banking Companies, Agents, etc.	.. .. .		571,92,18,000
Bills Payable	.. .. .		10,14,66,000
Bills for Collection being Bills receivable as per contra	.. .. .		1,53,10,000
Acceptances, Endorsements and Other Obligations per contra	.. .. .		1,49,61,000
Other Liabilities (including Inter-Office Adjustments)	.. .. .		13,19,18,000
Total	.. .. .	Rs.	615,41,16,000
PROPERTY AND ASSETS			
Cash in hand and with Reserve Bank	.. .. .		24,22,81,000
Balances with other Banks	.. .. .		2,13,25,000
Money at Call and Short Notice	.. .. .		3,06,67,000
Investments:	.. .. .	Rs.	
Government and other Trusts	.. .. .		
Securities	.. .. .		386,07,14,000
Other Authorized Investments	.. .. .		10,32,29,000
			396,39,43,000
ADVANCES:			
Loans, Cash Credits, Overdrafts, etc.	.. .. .	149,22,73,000	
Bills Discounted and Purchased	.. .. .	12,00,29,000	
			161,23,01,000
Bills Receivable being Bills for Collection as per contra	.. .. .		1,53,10,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. .. .		1,49,61,000
Premises less Depreciation	.. .. .		1,24,53,000
Furniture and Fixtures less Depreciation	.. .. .		1,18,10,000
Other Assets (including Inter-Office Adjustments)	.. .. .		22,85,59,000
Total	.. .. .	Rs.	615,41,16,000

MARKET GOSSIP

(Concluded from page 799)

and £142 million on "invisibles" account. Thanks largely to these surpluses, Britain's reserves of gold and convertible currencies rose by £77 million to £1,173 million in the first nine months of 1959, despite (a) the payment of £58 million in gold to the I.M.F. as part of the additional subscription, (b) the repurchase from it of £71 million with dollars, (c) the repayment of £91 million in dollars to the Ex-imp Bank and (d) the settlement of debts (£4.5 million) outstanding from the European Payments Union.

What exactly will be the effect of Britain's latest move to scrap most of the quota restrictions on dollar and Indo-British trade, in general, and on Indo-British trade, in particular? It is difficult to give a categorical answer to the poser. By and large, however, it may be expected that many countries in the free world, more particularly those in North America, will enlarge their sales in the British market which at present is expanding on a tide of prosperity. So far as India is concerned, the abolition of special dollar quotas on textiles and clothing will not affect exports of its textiles to Britain, for two reasons. One, the bulk of these exports consist of grey varieties in which there is no competition from the U.S. Two, the textiles and clothing imported into Britain from the U.S. are of special varieties—they are either specially produced to cater to the "fashion" market in Britain or woven from a blend of cotton and other synthetic fibres—which do not figure in India's exports to Britain. But in the case of jute goods, their imports into Britain continue to be controlled, though a control in the jute trade feels that some relaxation in control may be announced in the light of the discussions held by the Indian Jute Mills Association delegation with the President of the Board of Trade last week. There is now hardly any justification for continuing this control.

NEW ISSUES

The spate of rights and new issues continues. The Standard Motor Products of India Ltd., Madras, has decided to raise its capital of Rs. 42 lakhs by the issue of 220,000 ordinary shares of Rs. 10 each and 20,000—84 per cent. tax-free cumulative 'B' preference shares of Rs. 100 each. The consent of the Controller of Capital Issues has been obtained for the issue, the proceeds of which will be utilised for financing the Company's expansion programme. Out of the 220,000 ordinary shares to be offered, 25,000 shares have been reserved for the Standard Motor Company, Ltd. of U.K., the Company's collaborators. The balance of 194,000 ordinary shares are to be offered to the existing holders of ordinary and deferred shares in the ratio of seven new ordinary shares for every Rs. 100 worth ordinary and/or deferred shares. The 20,000 'B' preference shares will be offered to the holders of the existing preference, ordinary and deferred shares in the ratio of one 'B' preference share of Rs. 100 for every sum of Rs. 290 paid on the existing ordinary, preference and deferred shares held by them as on the date of offer.

Shri Prithvi Cotton Mills Ltd. has announced the issue of 8,500—7 per cent. tax-free cumulative preference shares of Rs. 100 each. Of these, 3,500 shares have been taken or agreed to be taken by the Directors and their friends and the balance of 5,000 shares is available for public subscription. A sum of Rs. 10 per share is payable on application, Rs. 15 on allotment and the remaining Rs. 75 by such calls as may be determined by the Directors. The issue will be utilised to finance in part the cost of the Company's rehabilitation programme. The Company was incorporated in April 1954 in Broach and purchased the mills of the Broach Fine Counts Spinning and Weaving Mills Ltd.

The Indian Aluminium Company, Ltd., will shortly enter the capital market for a debenture loan of Rs. 3 crores. The debentures, which will carry interest at the rate of 6½ per cent. subject to tax, will be issued at Rs. 102 per cent. They are redeemable within 15 years and the Company will retain the option to redeem them after ten years. The funds will be utilised to finance the Company's expansion programme. The issue is subject to the sanction of the Government.

The Kesoram Cotton Mills proposes to issue 400,000 new ordinary shares of Rs. 10 each to the existing shareholders in the proportion of one new share for every four held. This issue, too, is subject to Government sanction.

TEXTILES

(Concluded from page 808)

China. A recent official review of the conditions obtaining in the Swedish textile market, for instance, makes it clear that there is no prospect of India making headway in this market unless energetic steps are taken in the following directions:

Prices will have to be competitive.

Since Sweden is a very fastidious market, the types of cloth sent to it should conform to the latest fashion in vogue thus regarding designs, colour, finish, texture, etc.

Exporters must adopt the strictest modern business methods to which the Swedish market is accustomed through its dealings mainly with the highly industrialised countries of Europe.

It is absolutely important to make individual studies of the specific requirements of the markets and send only the required patterns and designs. It is said that the ready-made clothing factories

which consume most of the cloth, are always looking for new materials, colours, designs and patterns.

So far as Denmark is concerned, the chances of any considerable improvement in exports of textiles from India are not very bright. The consumption of cloth in this country has tended to decline of late, the consumer preference being more and more for fabrics woven from synthetic fibres. As regards Finland also, the conditions obtaining there are stated to be "so peculiar that they are not propitious for any large-scale attempt to be made to get a share of the market for Indian textiles." In order, however, to cultivate and retain the market, one has to be very vigilant and adaptable to changes in fashion.

NOTICES

THE BRITISH BURMAH PETROLEUM COMPANY LIMITED

(Incorporated in England)

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Annual General Meeting of the Company will be held at Noble Chambers, Parsi Bazar Street, Fort, Bombay, on Thursday the 17th December, 1959, at 4-30 p.m. (S.T.), for the following purposes:—

- To receive the Balance Sheet and Statement of Accounts for the year ended 31st March 1959 together with the Reports of the Directors and Auditors thereon.
- To elect a Director in place of H.H. Sir Jiwajirao M. Scindia, Maharaja of Gwalior, who retires by rotation, and being eligible, offers himself for re-election.
- To elect a Director in place of Mr. Tricundas Dwarkadas, who retires by rotation and being eligible, offers himself for re-election, and if thought fit, to pass the following Resolution as an ordinary Resolution, of which special Notice, as required by Section 185 of the English Companies Act, 1948, has been received by the Company:—

"RESOLVED THAT Mr. Tricundas Dwarkadas, who has attained the age of 72 years and who retires by rotation, be and is hereby re-elected a Director of the Company and it is hereby specifically declared that the age limit for Directors prescribed under Section 185 of the English Companies Act, 1948, shall not apply to him."

(d) To appoint Auditors and fix their remuneration.

(e) To transact any other ordinary business of the Company.

A Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and speak and on a poll vote in his stead. The person so appointed need not be a member of the Company.

By Order of the Board,
THE BRITISH BURMAH PETROLEUM COMPANY LTD.,
F. S. PANTHAKI,
Acting Secretary.

NOBLE CHAMBERS,
PARSI BAZAR STREET, FORT,
BOMBAY, 6th November, 1959.

Transfer Books will be closed from 5th to 12th December 1959 (both days inclusive).

THE BELAPUR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the above Company will be closed from the 23rd day of November, 1959 to the 22nd day of December, 1959, both days inclusive.

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

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

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

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 12th November, 1959.

	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
TEXTILES	Ra.	Ra.	Ra.	Ra.
Ahu. Adv. (100)	172.00	1.30	1.28	172.00
Apollo (2)	69.60	69.30	68.10	69.10
Bombay Dyeing (25)	132.50	132.50	130.00	130.00
Bradbury (50)	113.00	113.00	110.00	110.00
Central India (100)	622.00	635.00	619.00	624.50
Century Mills (100)	220.00	227.50	220.00	227.50
Edwards Textile (200)	37.50	37.50	35.00	36.00
Edinburgh (50)	305.50	306.50	300.00	302.00
Finlay (100)	174.00	174.00	165.00	167.00
Gokul (100)	1.18	1.24	1.18	1.20
Ind. Untd. Dtd. (1)	10.84	11.08	10.70	10.85
Ind. Untd. Ord. (10)	99.00	99.00	98.50	97.00
Indore Malwa (100)	293.75	291.25	280.00	280.00
Khatrau (100)	325.00	329.00	320.00	321.00
Kohinoor (100)	485.00	—	—	485.00
Lakshmi (250)	74.50	—	—	74.50
Minerva Mills (100)	60.00	—	—	60.00
Model Nagpur (250)	270.00	278.50	271.50	272.00
Morari (100)	74.50	—	—	74.50
Myra (50)	384.50	388.00	377.50	380.00
National Rayons (100)	127.00	—	—	127.00
New City (100)	171.50	170.00	170.00	170.00
New Great (100)	146.00	150.50	147.00	148.50
Phoenix (100)	146.00	147.00	145.00	145.50
Podar Mills (100)	19.00	—	—	19.00
Sassoon Silk (10)	49.75	49.75	45.50	45.50
Sassoon Spg. (10)	237.00	240.00	234.00	234.00
Shirtilas (100)	100.00	102.00	100.00	101.00
Standard (100)	647.00	655.00	640.00	647.00
Swadeshi (100)	284.50	287.00	280.00	280.00
Tata Mills (25)	420.00	425.00	417.50	420.00
Tata Mill (25)	47.25	47.25	45.50	46.00
Vishnu (100)	115.00	—	—	115.00
Western India (1,000)	4,475.00	4,475.00	4,225.00	4,225.00

BANKS	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Bank of India (50)	107.50	108.00	107.00	107.00
De. New (60)	112.50	112.50	109.00	109.00
Bank of Baroda (50)	101.25	101.25	99.50	99.50
Central (25)	49.00	49.50	48.00	48.00
Central 'A' (25)	50.00	50.50	49.75	50.30
Deas Bank (50)	58.50	58.50	57.50	58.00
Punjab National (10)	21.00	20.50	20.00	20.50
Union Bank (5)	6.92	6.88	6.80	6.80
United Com. (50)	61.50	62.50	61.50	62.00

ELECTRIC COS.	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Ahmedabad (100)	95.30	96.10	95.30	96.10
Malabar (10)	21.24	—	—	21.24
Andhra Valley (1,000)	1,080.00	1,105.00	1,082.50	1,112.50
Bom. Sub. El. (100)	108.75	104.00	102.75	103.50
El. (100)	109.50	109.50	108.00	108.50
Tata Hydro (100)	113.00	114.00	113.00	113.50
Tata Power (1,000)	1,122.50	1,122.50	1,112.50	1,117.50

INSURANCE COS.	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
British India (10)	14.24	—	—	14.24
Empire of India (100)	300.00	—	—	300.00
Ind. Mercantile (50)	47.50	—	—	47.50
Jindal (15)	4.12	—	—	4.12
New India (15)	67.30	67.30	65.50	65.50
Vulcan (10)	21.52	21.52	21.28	21.28

STEEL COS.	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Ind. Iron (10)	24.28	24.56	24.12	24.12
Mukund Iron (10)	18.10	18.48	17.56	17.50
Tata Steel Ord. (75)	158.00	158.00	155.50	155.50

SUGAR COS.	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Belapur (50)	842.00	842.50	815.00	820.00
Bhopal (10)	24.50	25.00	24.50	25.00
Chandigarh (12.50)	30.50	—	—	30.50
Phalton (50)	186.00	186.50	170.50	180.00
Walehand Ind. (100)	828.75	880.00	818.75	820.00

CEMENT COS.	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Associated Cts. (100)	155.25	156.75	155.75	156.50
Digvijay (100)	146.25	151.50	144.00	150.00

MISCELLANEOUS	Closing quotations 5-11-1959	High	Low	Closing quotations 12-11-1959
Alcock Ashdown (100)	255.00	254.00	249.50	250.00
Bom. Burmah (125)	547.00	548.00	535.25	535.25
De. (New) (50)	180.00	190.00	185.25	185.25
B. & P. (40)	1.44	1.44	1.44	1.44
Br. I. Corp. (5)	4.90	—	—	4.90
Hindustan Lever (10)	31.75	32.00	31.25	31.50
Hindustan Motors (10)	14.00	14.00	13.48	13.50
Indian Copper (2.50)	4.02	4.02	3.96	3.96
Ind. Inv. Tr. (100)	127.00	128.00	127.50	127.50
Kilbuck (100)	25.10	26.00	25.00	25.00
Laxmi & Mahindra (10)	25.10	26.00	25.00	25.00
Polson (100)	140.00	142.44	139.00	139.00
Pre. Automobiles (100)	145.00	145.00	138.75	140.00
Prater Con. (50)	880.00	880.00	867.00	867.00
Selinda (20)	17.12	17.12	16.80	16.84
G. H. Shipping (10)	19.00	19.00	18.40	18.40
Shivrajpur (10)	91.00	91.00	87.50	88.00
Shri. Paper (10)	14.82	14.82	14.00	14.28
Tata Chemicals (10)	18.08	18.08	17.50	17.50
Tata Locomotive (100)	205.50	205.50	200.00	200.00
Tata Oil (25)	84.00	84.00	81.70	81.80
Volta (100)	182.50	183.00	177.50	178.50
W. I. Mats (100)	228.50	229.00	227.00	228.00

Larsen & Toubro (10).	25.10	26.05	24.58	25.90
Mahindra & Mahindra (10) ..	32.18	33.44	32.00	32.00
Polson (10) ..	140.00	142.00	140.00	140.00
Pr. Automobiles (10)	145.50	146.00	138.75	139.00
Premier Cars (20)	398.00	399.50	387.00	389.00
Benfield Co. (50)	17.15	17.12	15.80	16.00
Shirpur Paper (10)	19.10	19.64	18.00	18.94
Shirpur Paper (10)	91.00	91.00	89.00	90.44
Stirrup Paper (10)	14.32	14.64	14.50	14.50
Tata Chemicals (10)	18.08	18.08	17.50	17.50
Tata Locomotives (100)	205.50	205.50	200.00	200.00
Tata Oil (25)	18.00	18.00	17.00	17.00
Tata Steel (10)	182.50	184.00	177.50	177.50
W. I. Metals (10)	228.50	229.00	222.00	222.00

this ancient country to learn from the young United States in regard to soil conservation.

There is a widespread impression not only in this country but also in many parts of the old hemisphere that the U.S.'s agricultural prosperity is due to the fact that most of the land is virgin, having been brought under the plough in less than 100 years. This, to say the least, is an exaggeration, as anyone who tours the U.S. widely can testify. The U.S. farmers had to put in a tremendous amount of effort and capital to win from the land the prosperity they now enjoy and share it with others not only in the U.S. but also in the rest of the world. Even a 50-year-old virgin soil can become unproductive if it is not properly cared for. Likewise, a soil, which was once fertile but had become barren later due to neglect of man, can be brought back to prosperity, as the story of the T.V.A. has amply testified and as India's own river valley projects will prove, if they are wisely implemented and managed. Investments in American farms today aggregate \$200,000 million and most of it are owned assets, in the sense that agricultural indebtedness is no more than \$11 to each \$100 of assets. Apart from the immense growth of farm mechanisation, especially after 1948, the onward march of American agriculture is the result of intelligent handling of the soil, adequate irrigation, cross breeding to produce better species of grain or plant, development of disease-resistant plants and more extensive use of fertilisers which have been greatly improved without price increases.

Another misconception of American farming in this country is that farm holdings are of giant size. Actually, only 2.7 per cent. of farm holdings numbering 4.7 million in 1958 are of the size of 1,000 acres and above, 4 per cent. between 500 and 999 acres, the rest being as follows:

Under 10 acres 10.1 per cent., 10 to 20 acres 14.9 per cent., 20 to 40 acres 10.4 per cent., 40 to 99 acres 18 per cent., 100 to 179 acres 20 per cent., 180 to 259 acres 9.7 per cent., 260 to 499 acres 10.1 per cent.

It will thus be noted that 53.4 per cent. of farm holdings are of the size of less than 100 acres each.

A feature of American agriculture not widely known in India is that much of its spectacular progress took place in a shorter period than is generally realised, in the last two decades to be precise. Today, the American farm worker is able to provide enough food and fibre for himself and 22 others—two of them living in foreign countries. In 1945, he was able to supply for only 13 persons and in 1938 only 11 persons. The farm output per man-hour is more than twice as great as it was 20 years ago and more than three times the level before World War I. In 1958, American farmers produced 60 per cent. more wheat and 35 per cent. more corn than in 1938, though the area of cultivation for both crops had been reduced by more than 25 per cent. For 28 major field and fruit crops, the yield has advanced 40 per cent. in 10 years and 70 per cent. in 20 years. And, what is more, about 75 per cent. of the crop varieties grown in the U.S. today were unknown 20 years ago.

There have been comparable advances in both quality and quantity of livestock production. In the last 10 years, the output of livestock products expanded by 21 per cent. and today two-thirds of farmers' revenue comes from livestock. The output of dairy and poultry products also has increased. In 1958, American dairymen had three million fewer cows than in 1940, but each cow produced about two-thirds of a metric ton more milk, with production per cow exceeding 2,700 kilograms. As a result, today they account for one-third of the world's milk production. In the sphere of poultry, for every two eggs a hen laid in 1940, her descendant today is laying about three, with an annual average of about 200 eggs per hen. All this growth in farming is the result of remarkable technological advances and mechanisation. Between 1950 and 1958, the number of field tractors rose from 3.39 million to 4.68 million, an advance of 48 per cent., motor trucks from 2.20 million to 3.00 million, an increase of 36 per cent., grain combines from 714,000 to 1,040,000, that is, plus 46 per cent., mechanical corn pickers from 458,000 to 745,000, an increase of 63 per cent., and garden tractors from 216,000 to 390,000—a rise of 81 per cent. Great strides have been made in rural electrification; today 95 per cent. of American farms have electricity, whereas 20 years ago only 19 per cent. had it.

Such in brief are the achievements of agriculture under a free enterprise system in a short span of two decades. But all this has

been possible, thanks largely to the active support of the State. It is a moot point whether U.S. agriculture today would have attained the prosperity it has but for the Agricultural Adjustment Act of 1933 and the New Deal of the Roosevelt Administration. The American farmers' performance has helped them to double their expenditure on education and medical care and to increase food and clothing outlay between 50 and 70 per cent. A better picture of the living standards of American farm families can be had from the fact that 52 per cent. of them have telephones, 89 per cent. automobiles, 90 per cent. refrigerators, 39 per cent. home freezers, 84 per cent. power washers, 53 per cent. television and 64 per cent. running water. The high productivity of U.S. farms has enabled America to share its prosperity with other countries. Out of the total of Rs. 944.30 crores of U.S. Government assistance to India, no less than Rs. 665 crores have been in the form of food, fertilisers and technical knowledge useful to agriculture. No other country has helped, or could help, India on such a large scale when its own farms have been unable to feed its growing population.

It is now recognised by the powers-that-be that India can become a strong industrial power only if its agricultural base is substantially widened and strengthened. But the development of agriculture itself requires certain basic industries, including fertilisers and motor vehicles. In other words, the plan for industrialisation must adequately provide for the needs of a modern agriculture. This is a point that does not seem to have received adequate attention at the hands of our planners and policy-makers. If the World Agriculture Fair, in general, and the U.S. exhibition, in particular, open their eyes to the weak points in their approach to agricultural development, they will have more than served their purpose.

MR. G. D. BIRLA LOOKS AHEAD

It is a measure of the man that Mr. G. D. Birla seldom speaks without making people sit up and think. Indeed, it is a pity—or perhaps, it is not—that he does not speak more often. And when he addressed the Indian Chamber of Commerce, Calcutta, last week, he was again at his best. It is rather difficult to assess this doyen of Indian business men. There are apparently two strains in him—the practical industrialist, who has given this country some of its finest industrial enterprises, and the philosopher-statesman who, in a spirit of detachment, can look beyond immediate gains and losses into a somewhat distant future and bring to bear upon economic problems a serenity of outlook that reflects the best in India's traditions. In his Calcutta address, he allowed himself to think aloud. As was only to be expected, he made many thought-provoking observations which merit notice.

Advising business men to develop a broad outlook and look beyond their immediate problems, as any sound business man ought to do, Mr. Birla reminded them that the world was changing so fast that assumptions made yesterday had become out of date today. As an instance, he referred to the implications of Chinese incursions into India's borders to economic development plans. This development had, he said, made some assumptions in the third Plan out of date. The country now needed a plan which would lead to not only prosperity but also security. This discussion led him to consider the basic assumptions of socialism in Indian planning. In a rapid survey of modern economic history, he pointed out how the Russian revolution had served to spread the ideas of socialism. This revolution was followed by a fascist system in Germany and Italy, which was not very different from the Russian system, in that the authority in both systems was centralised. Britain too went socialist after World War II. But the British, a shrewd and prudent people, had given up socialism. One could not help feeling that the "verdict that is being given in foreign countries is against socialism." Russia itself was changing. For one thing, it had become a "bourgeois among the Communist countries." For another, it had not been happy with China. Above all, it was giving increasing importance to consumer goods. Mr. Birla said: "When people have enough to eat, when they have enough clothes to put on, when they have more consumer goods, the ultimate result is that there will be better appreciation of the importance of private initiative."

A great point Mr. Birla made was that underdeveloped countries tend to import not

only discarded goods but also discarded ideas. The U.K. had discarded socialism. The U.S. had achieved a high level of prosperity without it. W. Germany had built up its economy without recourse to socialism. Mr. Birla, however, recognised that, if the idea of socialism was dying, the idea of welfare state was growing. The U.S. today was the greatest welfare state in the world. If these countries had made rapid headway without treading the socialist path, or having travelled it some way, had given it up, the question was whether India should "take a route which is being discarded or may be discarded." At this stage of his argument, Mr. Birla chose to examine the plea, put forward by some Indian leaders, for an entirely different Indian approach. They said: "We have to devise our own methods, our own pattern, our own economics." This line of argument has a certain patriotic ring about it. After all, this ancient country, with its centuries of wisdom, could strike out a different path for itself. But does it work? As Mr. Birla put it, "In actual practice, it is not happening like this. We have put up big plants, including steel plants. . . . We may not admit it, but we are doing the same thing" which the Western countries have done for raising their living standards. The fact is that this country cannot hunt with the hounds of modern machines and also run with the hares of antiquated methods of production. Whether in the realm of ideas or social or economic set-up, a nation cannot be half modern and half prehistoric. This country would be indulging in a strange form of self-hypnotism, if it thought that it could somehow harmonise medieval methods of production with the highly integrated devices of automation. The future pattern of Indian economy, as Mr. Birla rightly said, "is bound to take the route which has been taken by other countries that have become prosperous."

An assessment of economic prospects for this country formed the concluding portion of Mr. Birla's speech. Here, he showed his robust optimism. He felt that the number of public companies, which was now about 30,000, would increase to one million in another five or ten years. He had no apprehensions about the availability of foreign exchange. If the U.S. and the U.S.S.R. cut down their defence expenditure, the money saved thereby would be available for underdeveloped countries. He said: "I have heard from a reliable source that there will be a steady inflow of help to this country, not just for the second Five-year Plan or the third Five-year Plan but a continuous and guaranteed inflow of assistance coming from all countries." He added: "It is upto the people with brains, initiative and enterprise to utilise this opportunity."

The chief difficulty for this country, according to Mr. Birla, will be not foreign exchange, but lack of technical personnel, and even more than that, it will be faulty administration. Explaining the administrative hurdles in the way of rapid pace of industrialisation, Mr. Birla pointed out that, if one wanted to start a new venture, one had to go to nearly 40 departments before one got the application processed and to another 30 departments before it was finalised; it "takes about 8 or 10 months before you are out of the woods." It was not the fault of the officials but of the system. He warned: "With this kind of administration no third, fourth or fifth Five-year Plan can succeed. . . . The whole administration is cracking." These, he it noted, are the remarks of a person who ought to know, for Mr. Birla has had to deal with this administration every day of his long and strenuous industrial career. He is also a staunch supporter of the party in power, so that none can say that these are the criticisms of Opposition levelled against the Government with a political motive. Surely, then, the defects in administration call for immediate attention by the Government. The entire administration should be streamlined. The real test of an administrator is not how many holes he has picked in an application but how many applications for industrial expansion he has processed. The men who deal with industrial blue-prints need more than a mere passion for official routine. They need imagination and foresight and, what goes with it, a helpful constructive attitude. It is true that such men are not trained in a day. But it is also true that, unless a determined and conscious effort is made to end the present system, which flies grow faster than mushrooms, a better one may soon come when the system will end as hopes of rapid industrial progress. Here, Mr. Birla has given something which must reach the Government, in general, and the Union State Ministries which deal with industrial particular, sit up and think.

MARKET GOSSIP

THE trend of the share market has become irregular. But for the slight recovery today, caused by speculative buying by some interested parties, it would have finished on a distinctly weak note. But, unmistakably, the market is wobbling, as the bulls are getting tired. Investment buying has slackened, apparently because the yields are unattractively low even for those who have made easy money in certain sectors of business, such as dyes, chemicals and papers. Rumours of a supplementary budget are rife, but they are unlikely to prove correct. The regular budget day is only 100 days ahead and very soon the budget officials of the Finance Ministry will start gathering data for the 1960-61 budget. Between now and February next, the increase in defence expenditure on account of Chinese aggression will not be so heavy as to necessitate a supplementary sanction from Parliament. Further, informed sources feel that the disposition of defence forces to meet the Chinese threat can be secured in a way without involving any large increase over the current level of expenditure. There is also no need to present a budget either for levying fresh excise duties or for increasing the existing ones. The Government has enough powers to do so, if it so desires.

A more important reason for the fall in equities this week is the reported directive of the President of the Stock Exchange to a few of the speculators, who had accumulated, in his opinion, heavy purchases in shares such as Indian Irons, National Rayons and Centurys, to reduce their commitments to a more reasonable level or face the risk of having to pay heavy margins. It is said that the President of the Exchange is now regularly collecting returns of outstanding business in the leading speculative counters, thereby keeping a close watch satisfactory way of dealing with excessive speculation. The proper thing to do would be to evolve and implement such controls as would automatically restrain, if not prevent, unhealthy speculation. The present system of margins on the Bombay Stock Exchange, as this journal has ere now pointed out, is ineffective, because it is mild and full of loopholes. What is the point in allowing operators to overtrade first and then try to subject them to penalties? A regulation of this nature tantamounts to handing over the bulls, with their tails and feet severely tied, to the bears. A stringent system of margins on daily outstanding business was long overdue.

L. I. C.'s Mode of Investment

It will be recalled that, some four months ago, a brief reference was made in these columns to the resignation of Mr. A. Subbiah from the then Investment Committee of the Life Insurance Corporation. It is regrettable to learn that not much has been done by the Government of India to look into the causes that led to his resignation which we know was not for his personal glory. We have sufficient evidence to believe that he took great pains to ensure that the L.I.C.'s investments were made in an appropriate manner and at appropriate time. It is a great pity that the reforms suggested by him to improve the L.I.C. have been ignored and that the Corporation continues to follow the same old ways. It would be a good thing, therefore, if the Finance Minister were to appoint a small Parliamentary Sub-Committee, consisting of experienced members such as Mr. Mahavir Tyagi, Pandit Kunzru, Mr. P. N. Saprui, Dr. A. Krishnaswami, Mr. M. R. Masani, Mr. Balvansray G. Mehta, and Mr. R. R. Morarka to enquire into the manner in which the L.I.C. is making investments. He can refer the report to him to this Committee as part of the material for enquiry.

The following are some of the defects which Mr. Subbiah is said to have found during his brief (honorary) service for a period of eight months as a member of the Investment Committee:

There is too much uncontrolled concentration of power without responsibility in the hands of top executives.

The Board of the L.I.C. is not in a position to check the abuses in the L.I.C. Nor is the Investment Committee given sufficient time to be effective. Several investments have been made in a slipshod manner. Both bodies are presided over by the same person who plays the dual role of Chairman and Chief Executive of the Corporation.

The Government, which owns the institution, has fettered itself with the policy of non-intervention, more so after the Mundhra episode; apparently, this is a case of once bitten, twice shy. Accordingly, the chief executives have powers of dealing with enormous funds and of patronage on an unprecedented scale.

The policies and procedures actually adopted by the Corporation for investing its funds are contrary to recognised business principles, against all sound canons of insurance investment and weighted heavily in favour of outside interests to the detriment of the interests of policyholders.

The administrative machinery is none too efficient to handle the complicated task of investing the shares of hundreds of companies engaged in a number of different industries.

It would appear that Mr. Subbiah has given in his report to the Finance Minister quite a number of examples to illustrate the points made above, and also supporting evidence to justify his criticisms. His report is a comprehensive one, covering all the investment aspects of the Corpo-

ration, not merely investments in shares of joint-stock companies.

The greatest defect in the procedure for making investments is that the Corporation is liable to be misled by interested parties who want to get rid of their investments at higher prices. This has happened before and that, too, after the Mundhra episode. The Investment Committee meets once in a few weeks for a couple of hours to consider the offers from brokers; invariably these number a couple of hundreds. The executive in charge of the Corporation's investments simply presents the offers without scrutinising them or making any recommendations. He does not even provide the necessary background information pertaining to the scrips included in the offers. The members of the Committee are not given any advance information by the Corporation about these offers, so that before going to the meeting they do not know (unless some of them have been informed earlier by the brokers who have offered the shares) what shares they would be asked to consider and buy. In this way, even the best investment brains cannot take a judicious decision on anything between 150 and 200 offers. It is a wonder, therefore, how the Committee has been passing a verdict on these offers within such a short time.

Further, this procedure means that the Corporation has scores of investment advisers and has no mind of its own. It would be interesting to know whether the Corporation has at any time bought any shares as a result of its own investigations and selection. It does no original thinking of its own in regard to its investments in shares. This was not the way in which insurance companies before nationalisation were investing their funds. If this wrong practice is kept up, the Corporation will be loaded with all sorts of shares and miss some of the right ones. There is, therefore, an urgent need for changing this practice in favour of one under which the Corporation will invest not on the basis of offers to sell but on that of its expert study and selection. In fine, the initiative should come from the Corporation and not from the brokers who decide well in advance what they should sell to the Corporation and manipulate the market to suit their decision.

Denationalisation in Germany

A further step towards "people's capitalism" is likely to be made in W. Germany by the autumn 1960. After long and weary negotiations, a plan has now been shaped partly to denationalise the famous Volkswagen Works. They are one of the largest automobile plants in the world, having reached an annual production of 557,000 cars, and a turnover of 2,720 million DM. last year. Since its beginning, the plant has been Government-owned. It now seems to be agreed that the plant will at least in part be sold to private shareholders, thus making the Volkswagen plant a real "people's plant."

The real value of the enterprise is presently estimated at 1,500 million DM. Its total capitalisation, however, still amounts to a mere nominal 60 million DM. The Government plans to transform the plant into a joint-stock company and then to raise its share capital to between 600 and 750 million DM.

The plan provides that 80 per cent. of the increased share capital will be offered for sale to the public by issuing small shares of 100 DM. nominal value, to be sold at some 200 DM. each. The sale of these shares is, however, at first to be reserved to persons with an annual income of not more than 18,000 DM. Small wage or salary earners, in addition, are likely to be given an attractive "social discount" of 12 to 20 per cent., according to their income and family status, with the condition not to sell their stock within the next two years. The remaining 40 per cent. of the future share capital will equally be divided between the Federal Government and the Lower Saxony State Government, in whose jurisdiction the Volkswagen plant is located. The receipts from the sale of the shares to the public as well as future dividends of the 40 per cent. remaining State property are to be transferred to a Foundation for the promotion of science and research.

People's Capitalism

An impressive increase in the share-owning population from the present 12,500,000 to 20,000,000 in the U.S. in the next decade was forecast by Mr. Keith Funston, President of the New York Stock Exchange, in a speech at Chicago last week. The U.S., which has the largest property-owning population in the world today is likely to expand its national income still further in the years to come. Mr. Funston estimated that in 1970, corporations might be distributing \$20,000 million in dividends, as against last year's \$12,400 million. By the end of the next decade, the U.S. could witness a 35 per cent. increase in dispensable personal income per family, an annual production of 10 million cars and a gross national product of \$700,000 million. The Stock Exchange President stressed that the country was "also up against stupendous stumbling blocks" to future progress. He listed these as inflation, unrealistic tax structure, and an "apparent unwillingness to eliminate feather-bedding and high cost production."

All this increase in national wealth and production would, of course, mean more activity on the stock exchanges in the U.S. Mr. Funston predicted an increase in stock exchange work-force

from the present 67,000 to 100,000. Turning to the technical aspects of the working of the exchange, he said that, because of development of electronic equipment, it might be possible to flash instantaneously the latest prices of stocks to the world of investors from the exchange floor. High-speed computers might also determine the high and low prices of the day and automatically transmit complete data to quotation boards across the country. Transactions also might be handled faster, with orders by voice on one end of a phone wire apt to appear as a printed message on the other.

A Novel Credit Scheme

The well-known British house of travelling agents, Messrs. Thomas Cook and Son Ltd., London, has introduced a novel credit scheme which will facilitate travel by British business men in any part of the world. The scheme provides for the issue of what is called a "Cook's Letter of Authority" to a business man in the U.K. at the request of his company. Any traveller possessing this Letter need not pay individual bills for items like rail, road, sea and air services, hotel accommodation and car hire, the charge for such services being passed back to Britain for payment in sterling by the traveller's company. No extra charge will be levied for the credit facility which can be availed of by all Cooks' account customers. Besides this scheme, Cooks propose to offer shortly individual travellers' cheques in denomination of £50 and to include in cheque books a blank "booster cheque" through which the traveller can obtain further supplies of currency. These new facilities, together with the virtual ending of currency restrictions for British travellers by the U.K. Government, will doubtless go a long way towards ensuring better personal contacts between the U.K. business men and their confreres in other countries.

Two Good Speeches

Investors in equities will be well advised to read the speeches of Dr. A. Ramaswami Mudaliar and Lala Bharat Ram, published elsewhere in this issue. Dr. Ramaswami has clearly brought out the effects of the new system of company taxation on dividends. He has shown that it is more disadvantageous to investors, especially small investors, than the old one with all its obnoxious principles. His remarks are borne out by the dividends of several companies in recent weeks. Even a well-established and financially strong company like Belapur could not maintain its status quo in regard to dividends. Now that there is growing evidence that the assumptions made by the Finance Minister have not been borne out by facts and that the Treasury is taking away much more from tax payers than it gave by abolition of excess dividends tax, and wealth tax and reduction of income-tax, the Government ought to modify the tax system in an equitable manner.

The speech of Lala Bharat Ram is valuable for its frank and correct assessment of the Government's policy in regard to sugar and cotton textile industries. His observations are supported by several other millowners whose speeches we have published in some of our previous issues. The medium and coarse count mills are faced with the problem of dearer cotton. The high levels at which the equities of several leading cotton mills are now standing are giving a misleading picture of the industry's position. Lala Bharat Ram has also brought out the point that sugar mills have not been making the large profits they are alleged to be doing.

No More Sugar Exports

The categorical declaration by Mr. A. M. Thomas, Union Deputy Minister for Food, in the Lok Sabha on Tuesday this week that the Government does not intend to export any more sugar, is an important policy statement. If this wisdom had dawned on it two years ago, the sugar situation would have been a little easier and one of the factors that helped prices to go up would not have existed. It must be noted here that it was not so much the actual quantity of sugar exported that influenced the prices in an upward direction as the Government's intention to export 100,000 tons to 200,000 tons. What is more, the Government insisted on this policy, even when the facts were clear that there was no sugar for export. The virtual abandonment of this policy came only after all possible damage had been done.

From the market point of view, Mr. Thomas's statement is of no practical significance for two reasons. One, it cannot influence the trend of sugar markets in any way, because the commodity has been brought under practically complete official control over distribution and prices. Two, world sugar prices continue to rule depressed in view of a surfeit of supplies, so that the chances of India selling sugar are extremely slender even if it wants to. It will be recalled that, during the season 1958-59, the actual exports of sugar from India aggregated no more than 19,000 tons (as against the original quota of 50,000 tons which was later reduced to 28,000 tons) even after the full remission of excise duty and cane cess, together, amounting to over Rs. 342 per ton, and the subsidy of about Rs. 55 per ton on export sales given in the form of higher internal prices.

The weakness of the world sugar market persists, despite a series of "block sales" reported to have been arranged during the first ten days of this month. Cuban raw sugar at New York now stands at 2.98 cents per lb. (f.o.c. Cuba), that is, 19 points below the best level of 3.17 cents reached early last month. Similarly, spot sugar in London is lower at £274 per ton (Rs. 367), as against the high level of £283 (Rs. 383). Sugar observers are inclined to feel that the prospect of a revival is

(Continued on page 879)

EQUITIES ERRATIC GOOD RECOVERY AT CLOSE

(From Our Own Correspondents)

BOMBAY, 19th November

EQUITIES on the Stock Exchange presented a highly erratic trend during the week under review. Earlier in the week, the market displayed a tendency to regain part of the ground lost in the previous week and the new account which opened on Monday also reflected the revival of sentiment. From Tuesday onwards, however, the enthusiasm was subdued and a reactionary trend set in, due to the postponement of the rights issue of the Century Mills to 1960 and fears of an interim budget and imposition of further tax levies. There were widespread rumours that the heavy military expenditure to guard the Indo-China frontier and the heavy cost of implementation of the Pay Commission's recommendations might necessitate the levy of additional taxation. Reports of the encouraging position in respect of cloth stocks with mills failed to arrest the downward trend. Towards the close, again, there was a recovery on heavy covering by those who had sold short in the past two days. On balance, some of the leading scrips more than made good the earlier losses.

The Century Spinning and Manufacturing Company, Ltd. has announced that it is not possible for it to issue the rights shares during the current year, for want of sufficient time to fulfil the necessary formalities. The Company has, therefore, sought the permission of the Controller of Capital Issues for issuing the shares early in 1960, as required by the C.C.I. in his earlier order sanctioning the issue.

The recent issue of the Baroda Rayon Corporation Ltd. has received an overwhelming response, the number of applications received by it being 53,000 for over 840,000 shares of Rs. 100 each. The amount offered was Rs. 1.59 crore. The Company is said to have drawn lots for the purpose of allotment, in consultation with the Stock Exchange. Details of allotment are not yet known.

The Mukand Iron and Steel Works Ltd. has received permission for increasing substantially its steel-making capacity. The estimated capital investment on this project is Rs. 12 crores, of which Rs. 60 lakhs in the required currency will be provided by the I.C.I.C. as loan to meet the foreign exchange cost. A part of the rupee finance will be raised by the issue of fresh equity capital.

The Amar Dye-Chem is expected to issue right shares early next year to provide part of the rupee finance for its expansion programme, estimated to involve an outlay of Rs. 50 lakhs. The I.C.I.C. has agreed to provide the Company with a loan for financing the foreign exchange cost of the scheme.

To revert to the trend of the market. In the steel section, Tata Ordinaries moved up early in the week from Rs. 155.50 to Rs. 156.75, at which level there was heavy unloading bringing the shares down to Rs. 152.75 yesterday. Today, however, they regained to close at Rs. 154.75. The rights were done at Rs. 2 lower at Rs. 70. Indian Irons finished at Rs. 23.85 with a loss of 24 p to the week; they had touched a low of Rs. 23.68 earlier. After a dip from Rs. 17.60 to Rs. 17.40, Mukand Irons firmed up to Rs. 18.16 on reports of encouraging results for the year ended March 1959 and on news that the Company had received sanction for its expansion programme.

Notwithstanding the setback in the past two days, textile shares made a good show with an all-round rise in prices over the week. Wide fluctuations marked trading in Centurys, which, after firming up from Rs. 624.50 cum-div. to Rs. 630.50 ex-div., staged a retreat to Rs. 610 yesterday. Today, however, the shares gained ground to Rs. 625. Bombay Dyings closed at Rs. 65.60 (as against Rs. 65.10 a week ago) after receding to Rs. 67.70. Kohinoors rallied from Rs. 321 to Rs. 333.50 before giving way to Rs. 323. At the close they regained to Rs. 329. Central Indias gained Rs. 2 to Rs. 112, while Finlays shed Rs. 2 to Rs. 300 and Gokaks Rs. 3 to Rs. 164. At Rs. 2.50 ex-div., Morarjees showed a loss of Rs. 6.95. Shree Niwas Cottons lost Rs. 2 to Rs. 232. In line with the general trend, Simplex recorded a gain of Rs. 7 to Rs. 168 and Standards Rs. 31 to Rs. 678.

Barring a rise of Rs. 9 to Rs. 329 in Belapurs, sugar shares were quiet. Walchandnagars were down by Rs. 5 to Rs. 315, Kesar Sugars by Rs. 3.50 to Rs. 66.50 and Maharashtra Sugars by Rs. 9 to Rs. 255.

Cement shares were featureless with fluctuations confined to a narrow range. Associated Cements were a shade lower on balance at Rs. 154.25. Digvijays lost a rupee to Rs. 149. Orissa Cements were listless at Rs. 13.64, and Jaipur Udyogs at Rs. 10.60.

Fears over dividend prospects brought down Scindias from Rs. 17 (to which level they had risen early in the week from Rs. 16.84) to Rs. 16.72, but in today's rally, they came up to Rs. 16.92. Great Easterns lost over the week 36 p to Rs. 19.08. In the automobile group, Premier Autos were steady at Rs. 141 and Hindustan Motors at Rs. 13.52.

The highlight of the miscellaneous section was provided by Bombay Burmahs. After sharp rise from Rs. 537.50 to Rs. 550.50, the old shares gave way to Rs. 540. The publication of the accounts for the year ended May 1959, which disclosed encouraging results, pushed them up to Rs. 552 today. The Partly-paid gained over the week Rs. 3 to

Rs. 191.25. National Rayons hardened early in the week from Rs. 377.50 to Rs. 385, but fears of an increase in excise duty in case of an interim budget being presented caused a setback to Rs. 363. At the close, however, they recovered partially to Rs. 369. Gwalior Rayons were steady at Rs. 24.52. Barring Amar Dyes, which recorded a further rise of Rs. 15 to Rs. 290, the dyes and chemical shares presented a reactionary trend. Colour Chems lost Rs. 7 to Rs. 235, Indian Dyestuffs Rs. 30 to Rs. 370, Poly Chems Rs. 14 to Rs. 168 and Dhrangadbras Re. 1 to Rs. 158.50. Tata Chemicals were lower by 28 p to Rs. 17.28. Tata Oils shed Re. 1.30 to Rs. 60.50. Coat Tyres Rs. 6.50 to Rs. 164.50 and Khandelwal Ferro Alloys Rs. 850 to Rs. 75. Voltas were Re. 1.50 higher at Rs. 179 and Wameos gained Rs. 3 to Rs. 231.

Calcutta Stock Exchange

CALCUTTA, 18th November

Irregular conditions were in evidence on the Calcutta Stock Exchange during the week under review. Earlier in the week, after a period of hesitancy, fair support was accorded to jutes and teas, which recorded fair gains. A spell of dullness soon overshadowed the market and trading was on a restricted scale. Quiet advices from Bombay had their impact on local sentiment.

The announcement of increased retention prices for pig iron and steel was noted, but this in itself could not lead to an improvement in sentiment in the speculative counters. For this announcement was only anticipated for some time now. Other engineering shares were also quiet, but teas commanded good attention and several features followed. This was due to the steady rise in tea shipments and improvement in local and London auction trends. The low level of tea stocks in the U.K. was also a favourable factor. The decline in the stock of finished goods with mills lent cheer to trading in jutes.

Jutes were earlier steady following the announcement of a sound statistical position of goods, but anxiety following unrest among jute mill workers caused diminishing of interest as the week progressed. Following interested support, Lawrences spurred to Rs. 153 from Rs. 146.50 previously. At Rs. 214, Kinnisons gained 4 points. Nuddas gained to Rs. 62.50 from Rs. 61.75 before closing at Rs. 60. Birlas were taken up to Rs. 26 from Rs. 25.44, to close at Rs. 25.95. At Rs. 6.75, Presidencies were fractionally higher on balance. From Rs. 186 previously, Barnagores receded to Rs. 180.

Tea shares were earlier fully steady, but subsequently there was profit-taking. The details of the more important gains registered over the week are as follows:

	Opening Rs.	Closing Rs.	Gain Rs.
Banarhat	227.00	219.00	8.00
Hoolungoorle	182.00	202.00	20.00
Hantapara	141.00	147.00	6.00
Birpara	162.00	187.00	25.00
New Dooars	206.00	228.00	22.00
Patrakola	170.00	175.00	5.00
Ranicherra	17.25	19.75	2.50
Bedian	28.00	24.02	1.62
Hudibari	22.44	25.12	2.68
Gungaram	148.00	150.00	2.00
Methodi	22.81	23.62	0.81

Among engineering, Indian Irons opened at Rs. 24.18 and, after being better at Rs. 24.28, gave way to close at Rs. 23.85. Texmacos were quiet at Rs. 24.75, while Guest, Keen Williams hardened to Rs. 40.12 from Rs. 39.50. Jessop & Cos. were fractionally higher at Rs. 34, while Braithwaites changed hands at Rs. 26.75, as against Rs. 26.62 previously.

A fair number of features were recorded in the miscellaneous industrial section earlier in the week under review. Angelo Bros., on unsatisfied demand, gained to Rs. 21 from Rs. 19.87 to close at Rs. 20.19 on profit-taking. Despite maintenance of dividend at 10 per cent, India Steamships were quiet at Rs. 13.44. This was attributed to the note of caution as regards prospects in the Directors' report. Hindustan Levys were fractionally higher at Rs. 33.75. Dunlop Rubbers were steady at Rs. 36.25. From Rs. 4, Indian Coppers fell to Rs. 3.92. Orient Papers opened at Rs. 38 and after giving way to Rs. 37.40 closed at Rs. 37.75. Hindustan Motors after being higher at Rs. 13.81 receded to Rs. 13.56. At Rs. 22.81, Indian Aluminiums were higher by a few p, while Indian Cables gave way to Rs. 30.87 from Rs. 31. At Rs. 26.50, Rohtas Industries disclosed a loss of 31 p.

Madras Stock Exchange

MADRAS, 18th November

Barring rubber and tea shares, which elicited good investment support, the Madras Stock Exchange ruled easy during the week under review. The volume of business put through was limited. In particular, textiles suffered a distinct setback owing to persistent profit-taking. Even reports indicating continued high level of offtake had no effect. Coffees also came in for selling. Miscellaneous industrials, too, were subdued, as buyers were scarce. The sugar section ruled irregular. Thus, some shares were subjected to selling pressure and staged a retreat, while a few selected scrips met with support.

Among sugars, Cauverys climbed down from Rs. 136 to Rs. 132.2. Similarly, K.C.P.s fell by

Rs. 3.32 to Rs. 17.68. Travancore shed 10 p to Rs. 11.60. Indias were neglected at Rs. 12.90, as also Kirlampudis at Rs. 77. Mysore at Rs. 53.50. E.I.D.s, however, rose by 80 p to Rs. 44.55. Andhras gathered 50 p to Rs. 23.50. Deccans put on 14 p to Rs. 13.67.

Tea shares tended to move up. Blue Mountains advanced 12 p to Rs. 345. United Nilgiris hardened by 10 p to Rs. 20.40. Chembras and Coonoors improved by 5 p each to Rs. 3.85 and Rs. 24.40, respectively. Periakaramalais were a shade better at Rs. 3.74. Nonsuch Teas were fully steady at Rs. 27. Neelamalais at Rs. 4.88 and Ouchterlons at Rs. 5.50. Nelliampathys and Parkside were firm, the former at Rs. 3.05 and the latter at Rs. 25.60. But Halleyburys sagged by 10 p to Rs. 16.25. K.R. Kottagiris lost 3 p to Rs. 8.92. In the rubber group, Rajagiris spurred by 25 p to Rs. 19.25. Kailasas strengthened by 15 p to Rs. 5.10. Cochin Malabars hardened by 10 p to Rs. 7.20. Midlands improved by a like amount to Rs. 12.50. Pullangodes gained 4 p to Re. 1.82 and Thirumbadis 3 p to Re. 1.92. Malankaras were fully maintained at the last week's level of Rs. 17.65. Travancore Rubbers at Rs. 14.62 and Teakys at Rs. 7.50. Peninsulars were unaltered at Rs. 23. The Directors of the Company have announced a final dividend of 7½ per cent, making a total of 20 per cent, for the year ended February 1959, as against 15 per cent for the previous year. Coffee shares, however, generally drifted lower. Coffeelands lost 65 p to Rs. 25.10. Consolidated Coffees declined by 41 p to Rs. 24.18. Wartyhulls receded by 5 p to Rs. 3.72. Anaparis were dull at Rs. 5.25 and Balmadies at Rs. 2.75.

Textiles as already mentioned, moved downwards. Bangalore Woollens fell by Rs. 7.50 to Rs. 198.50. Buckinghams dropped Rs. 6 to Rs. 200. Coimbatore Pioneers declined by Rs. 5 to Rs. 325. Coimbatore Cottons and Dhanalakshmis receded by Rs. 4 each at Rs. 158 and Rs. 223, respectively. Rajalakshmis eased by Re. 1.50 to Rs. 65. Rang Vilas lost a similar amount to Rs. 44.50. Cambodias shed 20 p to Rs. 10.90. Kotharis 10 p to Rs. 11.50 and Trichinopolys 5 p to Rs. 11.

In the miscellaneous section, Textools were marked down by Rs. 4 to Rs. 187. Rallis lost 50 p to Rs. 87. Orissa Cements eased by 13 p to Rs. 13.75. Spencers and Ashok Leylands were lower by 10 p each at Rs. 19.40 and Rs. 7.60, respectively. Dalmia Cements decreased by 9 p to Rs. 10.31. Mysore Chemicals and Fertilisers shed 7 p to Rs. 10.43. Indian Steel Rollings were quiet at Rs. 13.40. Mettur Chemicals at Rs. 12.62 and Western India Plywoods at Rs. 243. Travancore Chemicals, however, elicited special enquiries and advanced by 38 p to Rs. 16.25. Parrys gained 23 p to Rs. 4.30.

Notice

THE SOUTH MADRAS ELECTRIC SUPPLY CORPORATION LIMITED

(Registered Office:

Power House, Tennur High Road, Tiruchirappalli)

NOTICE

Issue of 1,40,000 Equity Shares of Rs. 10 each at par

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

THE Directors have sanctioned the issue of 1,40,000 Equity shares of Rs. 10 each at par. This issue is offered to the holders of Equity shares registered in the books of the Company as on 26th November 1959 in the proportion of 1 (one) new share for every 4 (four) Equity shares held on that date. Last date for receipt of applications with remittance will be 7th January 1960. Circulars and forms of application are being posted to the shareholders at their respective addresses recorded in the Company's books.

The Equity shareholders are requested to intimate to the Registered Office of the Company in case of non-receipt of circulars and forms of application on or after 2nd December 1959.

First or Second Preference shareholders are not entitled to participate in this issue unless they hold letters of renunciation from Equity shareholders.

The Register of Members and Share Transfer Books of the Company will be closed from 26th November 1959 to 5th December 1959 (both days inclusive).

(By Order of the Board of Directors)

SESHASAYEE BROTHERS (PRIVATE) LIMITED

Managing Agents & Chief Engrs.

TIRUCHIRAPPALLI, 9th November, 1959.

NEWS IN BRIEF

THE final report of the Wage Board for Sugar Industry is expected to be submitted in September 1960.

Imports of dried and fresh fruits, asafetida, cumins seeds and medicinal herbs from Afghanistan have been stopped with effect from the 17th inst.

Negotiations for the supply of one million tons of iron ore from India to Czechoslovakia have been completed, according to Mr. Satish Chandra, Deputy Minister for Commerce and Industry.

The Government of Mysore is currently considering a proposal to set up an aluminium plant and a rayon pulp factory in Belgaum district, according to the State's Chief Minister, Mr. B. D. Jatti.

The Assam Oil Company has announced that two more oil wells, below depths of 10,000 feet, have proved successful at Nahorkatiya. The drilling of one well was completed in the first week of September and the other early last month.

India had an adverse balance of trade to the tune of Rs. 9.12 crores during September 1959. Exports of merchandise (excluding overland trade with Nepal, Tibet, Sikkim and Bhutan) amounted to Rs. 60.11 crores and re-exports Rs. 16 lakhs. Imports aggregated Rs. 69.33 crores.

Walnut, hopea, Indian elm and Himalayan pencil cedar are among the important timber plants dealt with in the fifth volume of the *Wealth of India*, an encyclopaedic work, recently published by the Council of Scientific and Industrial Research.

The Government of India has decided that supplementary licences for import of dates should be granted to established importers on an ad hoc basis during the current half-year. Established importers are already given licences for import of dates on the basis of 7½ per cent. quota.

A three-man technical sales team, representing the Westland Aircraft Ltd., of Yeovil, England—the largest helicopter producers in Europe—has arrived in India for discussions with the Government of India. The purpose of the visit is to show how British helicopters can meet the varied operational requirements of the Indian armed forces.

The Enforcement Directorate in the Union Ministry of Finance adjudicated 36 cases of contraventions under the Foreign Exchange Regulation Act during the months of September and October 1959. An aggregate penalty of Rs. 24,951 was imposed on various parties, including proprietors and partners of firms, companies, etc.

The Leather Export Promotion Council will continue to be the controlling authority for the grant of Essentiality Certificates to the tanning industries located in the Madras State for the period October 1959-March 1960. In the case of other areas, the States' Directors of Industries concerned will continue to certify the requirements of tanning industry.

The Government of India has decided to issue licences for the import of copper and zinc ingots on weight basis against export of brass semis. Registered manufacturers-cum-exporters are required to export within six months of the importation of the licensed articles, finished brass goods equal to one ton in weight for every 1.05 ton of materials licensed under this scheme. Out of this total of 1.05 ton, a maximum of upto 70 per cent. in weight may be permitted for copper ingots and the balance for zinc ingots.

The number of cars produced by the different automobile manufacturers during the first nine months of 1959 was 8,080. The number of jeeps and trucks (including buses) produced was 3,942 and 13,672, respectively. The percentage of indigenous content ranged from 48.4 in the case of Standard 10' car to 83.4 in the case of Hindustan Ambassador car. These percentages are worked out by comparing the c.i.f. price of the imported components with the ex-factory cost of the vehicle in the country.

The Central Warehousing Corporation has tentatively fixed the target for storage capacity in the third Plan at 1.5 million tons, as against the capacity of 200,000 tons expected to be achieved at the end of the current Plan. The fulfilment of this capacity is estimated to entail a total outlay of Rs. 154 crores. Apart from meeting the routine demand for foodgrains from traders and the Government, it is proposed to set up about twenty specialised warehouses for cold storage and for handling products, such as gur and tobacco, in different parts of the country.

Co-ordination between the Central and State Governments for the purpose of having a single system of motor vehicles taxation and regional permits to enable people to travel more freely within the country were stressed by Dr. P. Subbarayan, Union Minister for Transport, while inaugurating the Federation of Indian Automobile Associations at New Delhi on the 12th inst. Meanwhile, it is reported that as suggested by the Centre, most of the State Governments have agreed to the principle of levying a single-point tax in the matter of motor vehicles taxation. The U.P. Government, however, has not accepted the proposal. While the Madras Government has no objection, the levy is allowed on vehicles entering the State. Bombay has agreed to the suggestion, but in regard to public carriers.

The total value of minerals produced during first half of 1959 is estimated at Rs. 72 crores, against Rs. 72.3 crores in the corresponding period of 1958. The decrease of Rs. 20 lakhs was

PERSONAL

MR. B. R. Sen, Director-General of the U.N. Food and Agriculture Organisation, has been re-elected for another term of four years.

Mr. P. Dasgupta, First Secretary, Indian Embassy at Peking, has been re-assigned to the Indian Embassy in Belgrade, Yugoslavia.

Mr. S. Ramachar, General Manager, Hindustan Ideal Insurance Company Ltd., Madras, has returned from a business tour of the U.K. and the Continent.

Mr. H. N. Robinson and Mr. S. N. Banerjee have been elected President and Vice-President, respectively, of the Advertising Agencies Association of India for the ensuing year.

Mr. S. K. Patil, Union Minister for Food and Agriculture, has returned after attending the recent annual session of the Food and Agricultural Organisation held at Rome, Italy.

Dr. Nabagopal Das, Director-General of the Employers' Federation of India, has left for Cologne to attend a meeting of the International Labour Organisation's advisory body on salaried employees and professional workers to be held there on the 23rd inst.

Mr. S. B. Warder, Chief Electrical Engineer, British Transport Commission, will arrive in Bombay on the 27th inst. He has been invited by the Indian Railways to give lectures on the U.K. Railways' electrification techniques. He is scheduled to leave India by the middle of December.

Prof. Norman Hunt, who holds the Chair of Organisation of Industry and Commerce at Edinburgh University in the U.K., will arrive in India at the end of next month for a seven-week study tour at the invitation of the Government of India. He will be a member of an expert committee now being set up by the Government to consider the reorganisation of education for commerce in this country.

The world's first major scientific conference on problems of disposal of radioactive waste was held at Monte Carlo, U.S., from the 16th to 21st inst., under the joint auspices of the International Atomic Energy Agency and the U.N. Educational, Scientific and Cultural Organisation. More than 200 experts from about 30 countries attended the session. They included geologists, oceanographers and fisheries experts, as well as scientists from the I.A.E.A., the U.N.E.S.C.O., the Food and Agriculture Organisation, the World Health Organisation and the World Meteorological Organisation. They discussed the problems of disposal into the sea and land of radioactive waste resulting from the peaceful uses of atomic energy.

The General Electric's research laboratory at New York has evolved a process for manufacturing synthetic diamonds, called synthetic 'sparklers,' on a commercial scale. These diamonds are claimed to be better suited for some industrial uses than natural diamonds, which are pure carbon crystallised in the bowels of the earth under enormous heat and pressure. The laboratory used a molten metal catalyst which acted as a thin film between the carbon and the growing diamond crystal and by employing a new machine capable of producing superpressure (upto 1.8 million lbs. per square inch) and high temperature (upto 4,400° F.). The General Electric Company commenced the production of synthetics in 1957, but actual information was not disclosed until recently, when a Government security ban was lifted.

Several measures designed to stimulate private savings in the Netherlands have been outlined in a White Paper, published by the Government. One of the measures pertains to the grant of tax-free premium of 20 per cent. over a five-year period to be paid from public funds on savings with a maximum of Fls. 400 (about £37) per person per annum. This will be in addition to normal interest. The other measures cover profit-sharing schemes in industry, tax concessions and abolition of stamp duty as well as registration duty for special new investment companies which spread share-owning among the public. Together with the Government savings scheme for young people, already in operation, and the Civil Service savings scheme, now being prepared, the new measures are estimated to cost the Exchequer about Fls. 65 million (£6.1 million).

The World Bank has granted two loans amounting to \$44 million to assist in the modernisation and expansion programme of the two largest steel companies in Japan. The loans have been made to the Japan Development Bank, which will re-lend the proceeds thus: \$24 million to the Fuji Iron and Steel Company, Ltd., and \$20 million to the Yawata Iron and Steel Company, Ltd. Private banks in the United States participated in both the loans without the guarantee of the World Bank. The World Bank loan will cover about 32 per cent. of the total cost of the project which is estimated at the equivalent of \$75.5 million. Both loans are for a term of 15 years and bear interest of 6 per cent. per annum including the 1 per cent. commission which is allowed to the Bank's special reserve. Amortisation of the loans will begin on 15th January 1962. The loans are guaranteed by the Government of Japan. The Bank has now made 18 loans aggregating \$298 million for the development of electric power, agriculture and industry in Japan. Earlier loans for the steel industry amounted to \$100.9 million and financed a portion of the expansion programme of five of the largest companies; among them, the Yawata Company is now borrowing for the second time.

From Abroad

The U.K. is planning to lay a telephone-cum-television cable round the world in co-operation with other Commonwealth countries. A second transatlantic cable to Canada is also proposed to be laid in 1961.

The steel industry in Britain is now working at nearer to capacity—that is, at about 92 per cent.—than at any time in the past eighteen months. Its output went up by 20 per cent. last month, as compared with the corresponding month in 1958.

A private member Bill which seeks to amend the existing Companies Act 1948 so as to protect the small investor by controlling the solicitation of money from the public and other measures has been presented in the British House of Commons.

The British Iron and Steel Board plans to reduce by halfpenny a ton the levies payable on the industry's production. These levies provide the Board with the funds necessary to meet its own expenditure. The new rate will be 2½d. a ton on steel ingots and 2d. a ton on leviable iron.

Pakistan and the U.S. have signed a treaty of friendship and commerce. The treaty is the eighteenth of its type entered into by the U.S. since the last war. It, however, differs from the previous treaties, in that it does not include provisions covering shipping navigation.

The State of Singapore has been unanimously admitted a full member of the Colombo Plan, it was announced from Jogjakarta, Indonesia, where a ministerial conference of the member-nations took place last week. Singapore was proposed as a full member and was accepted by the United Kingdom, and seconded by Indonesia and the Philippines.

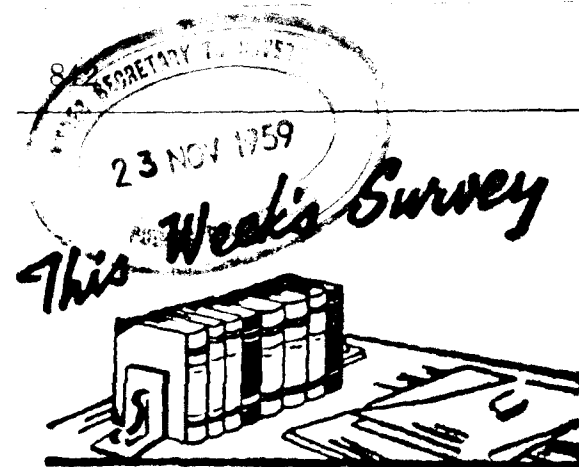
Talks have begun on the proposed Asian Highway linking Saigon and Singapore in the east with Teheran in the west. This was disclosed by Mr. U. Nyum, Executive Secretary of the U.N. Economic Commission for Asia and the Far East, while speaking at the Colombo Plan Conference held at Jogjakarta, this week.

The U.N. Food and Agriculture Organisation has approved of a budget of \$21,536,850 for the year 1960-61, which is 10 per cent. higher, as compared with the budgets for the last two years. Over three quarters of the budget will be contributed by the 88 member-States of the F.A.O., the rest being provided by the U.N. and other sources.

The number of new automobiles sold in the U.S. in the first nine months of 1959 was 4,635,946, which is far greater than that for any similar period since 1935. Of these, Chevrolet sold 1,145,882 cars. Ford was second with sales of 1,104,774. By leading companies, General Motors accounted for 43 per cent. of the market, Ford for 27 per cent. and the Chrysler Corporation for 10 per cent.

The U.S. Agricultural Department has reported that the economic outlook both in the U.S. and abroad is favourable to expand world agricultural trade. It has also predicted that the U.S. agricultural exports in the year ending 30th June next will be about 8 per cent. higher than those in the year ended 30th June, most of them because of heavier exports of raw cotton. Foodgrain exports, which set a new record in 1958-59, may even be higher this year. The movement of rice overseas also is expected to increase. But shipments of wheat flour and tobacco are likely to decline.

The Commonwealth Development Finance Company has announced the establishment of a new investment concern, called the Investment Company of Nigeria Ltd., in Lagos, at the request of the Nigerian Government. The new company, which enjoys the support of the C.D.F.C., the British Colonial Development Corporation and the established Nigerian and U.K. companies, will promote the flow of industrial development capital by mobilising private capital and applying it to schemes in all parts of the country. Its authorised capital is £5 million, of which £1 million is to be issued shortly.



COMMUNITY PROJECTS

IN its report, in which praise is combined with criticism, the U.N. Evaluation Team on Community Projects, after a three-month study, has made a comprehensive and critical assessment of the community development programme in the country. The Team, which consisted of three experts, Mr. M. J. Coldwell (Canada), Prof. R. F. Dumont (France) and Dr. Margaret Reed (U.K.), was asked by the Government of India to evaluate the community development programme, its basic objectives, its impact on the process of general development and of changing attitudes in the villages, its capacity to contribute to the economic advancement of the country and the results so far achieved. While it had nothing but praise for the ideal enshrined in the programme and its potentialities for the social and economic regeneration of India's country-side, the Team was not blind to the defects and shortcomings of the programme and its administration nor to the difficult problems of bringing about a change in the outlook and approach of the villagers. The Team hails the programme as "one of the major experiments of the twentieth century," the results of which are of "world-wide interest" and as an effort of unprecedented magnitude to establish a progressive system of agriculture in a land of impoverished soil and a more democratic social structure in a hierarchical society.

On the credit side, the Team noted that the programme was bringing about a change in the people's attitudes in areas covered by it. The shackles of the age-old bondage of superstition and fatalism were being loosened. Wasteful expenditures on ceremonies like weddings and funerals were being frowned upon and more money was put to improvement of lands. A refreshing feature which struck the Team was that, though the programme was fathered and implemented by the Congress Party, all parties, irrespective of political colour, had accepted it in principle. Criticism was only in respect of its shortcomings and inadequate implementation. It also found that the programme had been integrated with the general administration, taking care not to create a separate administrative machinery or hierarchy. It did not agree with the criticism that the cost of staff was excessive. Block funds spent on staff salaries, it points out, cannot be regarded an overhead administration charge, because most of the staff is not involved in administration but engaged in the programme of assistance and guidance to rural people.

By far the most valuable part of the report relates to criticisms and suggestions. The Team feels that more importance should be given to programmes that can produce an immediate impression on production. Investments made so far have tended more in the direction of building up social capital such as roads, wells, schools, rather than in the direction of agricultural improvements. It recommends that investments on social projects might be delayed and the money and labour channelled to more productive operations. For this purpose, there should be greater concentration of staff and funds in areas where irrigation facilities have been provided, or where new lands have been reclaimed, than in others. The formation of an emergency task force in such areas by increasing the number of village level workers and strengthening the agricultural extension staff by the addition of crop and irrigation experts is also recommended. The task force might be moved from one place to another whenever economic or agricultural conditions warrant such an intensive programme.

The Team noticed that soil conservation had been neglected. From now on, according to it, the main task should be to protect the soil from destruction and to increase its productive capacity. There has also been a total failure to use the additional water made available to grow two or three crops. Little had been done, the Team points out, to educate the farmer to do so. It recommends that this should not be delayed any more and that the staff in such areas should be strengthened to do intensive propaganda. Emphasising the need for efficient and experienced staff, the Team proposes that undesirable

and incompetent persons, who in some States are estimated at 25 per cent. of the total staff, should be weeded out. For the rest, better supervision and more in-service training should be given.

One of the most pertinent points made by the experts is that the concept of village self-sufficiency should be gradually changed and that rural development programmes should be related to the industrial development of the country under the Five-year Plans. Although this line of approach has been accepted by all, to its surprise, the Team did not find many community development projects in the village industries sector with a definite link with the urban markets. In the few that existed, excessive importance was attached to hand industries even where machines were freely available. The Team found that the khadi programme was overstaffed and expensive. It feels that plans and training for small-scale industries in the rural areas should be made in the light of anticipated future developments, especially of new sources of power that may become available in the next few years.

The present grant-in-aid policy is criticised by the Team. This, according to it, very often weighs so heavily on the whole programme that the fulfilment of the targets by Block Development Officers and other staff is measured by the amount of money spent.

The Team found that the project administrators were performing a useful role. More and more villagers were anxious to contact project officials and seek their advice on agricultural co-operation, health services, irrigation, etc. It, however, felt that, at the block level, more specialised technical experts were needed to advise farmers on local agricultural problems.

In short, the Team has made an objective and unbiased assessment of the programme. This adds weight to its findings and recommendations. The suggestion that attention should be concentrated on increasing agricultural production should receive immediate support, considering the urgency of the food problem. It requires a different order of priorities in which the plans for stepping up production should rank, in the order of importance, above the more showy, though not less useful, programmes. The Team's emphasis on slower but more intensive progress is supported by the recommendation of the Estimates Committee that, instead of trying to cover the whole country under the programme by 1961, as is planned at present, the date may well be extended to 1963. A too fast and unrealistic rate of expansion, as the Team rightly points out, can only multiply existing difficulties and cover illusory achievements.

INDUSTRIAL PRODUCTION

Those who heard Mr. Manubhai Shah, Union Minister for Industry, at the meeting of the Standing Committee of the Central Advisory Council of Industries, held at New Delhi on Monday this week, must have felt happy to learn that the current calendar year has witnessed not only a reversal of the steep decline in the rate of increase in industrial production noted in the past two years but a distinct improvement. The index of industrial production (base: 1951=100) for the whole of 1959 is expected to stand markedly higher at 148.0, as against 139.7 in 1958, 137.3 in 1957 and 132.6 in 1956. The percentage increase thus comes to as much as 6, that in the previous two years being 1.8 and 3.6, respectively.

The encouraging overall rate of growth on the industrial front is attributed partly to the substantial expansion in the production of machine tools, industrial machinery and machine building in the engineering sector, as well as in that of chemicals, synthetic fibres, ceramics, cement and pharmaceuticals, and partly to the recovery in some major fields like cotton textiles, steel and automobiles. The following is the assessment of the progress made in specific industries as made by Mr. Shah:

"Production has increased in machine tools, sewing machines, diesel engines, electric motors, electric fans, bicycles, caustic soda, sulphuric acid, paper and paper board and tyres and tubes. The cement industry has recovered from last year's stagnation and the rate of production shows an increase of about 600,000 tons, 10 per cent. over last year's production. The consumer goods industries are also showing better performance all round. Excepting soling items like bleaching powder, refractories, oil pressure lamps, enamelled ware and twist drills, practically all the other industries have shown a rise from mild to a very rapid rate of increase. In the case of sugar, while production has not fully recovered from the loss sustained in the previous year, it is hoped that, with the new measures now being taken, sugar production will catch up with the general trend."

The Minister was confident that the second Plan targets in practically all the industries would be fully reached and even exceeded. In support of this view, he pointed to the present tempo of licensing and import of capital goods. The number of pending applications for licensing industries, we are told, is only 600-700, as a result of the speedy disposals following simplification of procedure. In regard to agreements with foreign firms for technical collaboration, 467 cases have already been finalised and just 90 cases are pending examination at present.

Mr. Shah, however, stated that foreign exchange difficulties, especially in respect of raw materials, components and producer goods imports, were continuing. He recalled, in this connection, that the foreign credits made available in the technical and economic co-operation programmes entered into with foreign countries covered only import of capital goods, machinery and equipment and not expenditure on raw materials and components. In the opinion of Mr. Shah, the only solution to the continuing foreign exchange difficulties lay in the promotion of exports to be undertaken by the manufacturing industries. "The industries should," to quote him, "endeavour to export at least so much as to meet the cost of imports of raw materials and components required by them. Unless this is done, it would be difficult to finance the import of these raw materials out of our traditional exports which do not have a very elastic market abroad."

Few would underrate the importance of export promotion activities on the part of industries. But these activities will not be of any avail so long as the industries are handicapped by the continuously rising production costs. If the industries are to weather the growing competition in world trade, it is imperative that the authorities should moderate deficit financing, reduce tax burdens, relax production controls designed to prop up uneconomic units, relate wages to productivity, and give all possible encouragement to fulfil modernisation and rationalisation programmes.

OUTLOOK FOR WORLD SHIPPING

The outlook for world shipping industry is by no means very bright. It is true that tramp freight rates have moved up slightly in recent weeks. But they are still only 7 per cent. above the depressed level of a year ago. Reflecting the somewhat sombre outlook for the industry is the heavy weight of unemployed tonnage which now aggregates some eight million or about 6 per cent. of world tonnage. The genesis of the trouble in world shipping could be traced to the Suez "boom" which saw shipowners place large orders for new tonnage, induced by over-optimistic appraisal of expansion in world trade. World fleet expanded from 99.4 million g.r.t. at the end of 1956 to 114 million g.r.t. last year. This is regarded as an unprecedented rate of expansion in any peace-time period.

There is bound to be some slowing down in the pace of expansion of world fleet which is now placed at some 9 million g.r.t. per annum. But a mere decline in expansion is not likely to prove sufficiently effective in stemming the tide of depression. In this connection, it is significant that Sir Nicholas Crayzer, President of the U.K. Chamber of Shipping, has made an appeal for world-wide co-operation among shipowners in the scrapping of old tonnage. Addressing the annual meeting of the Chamber, held at London last week, Sir Nicholas deplored that, in contrast to the generally prosperous situation of most industries, shipping was "in the midst of one of the worst depressions in memory." Referring to the decline in Britain's share of world shipping, he said: "At the end of the last century, Great Britain owned half the tonnage of the world. Even 50 years ago, we owned 40 per cent. Now the figure has fallen to 17 per cent. When does this decline stop?" The industry, he said in an obvious reference to flag discrimination, looked to the Government to protect it against "arbitrary action" by other governments. It also expected the Government to do everything in its power to increase world trade. He added: "I have no doubt that the pattern of shipping will change as the country goes on. Some fleets will grow and others wane, but for this country (the U.K.) the mercantile marine and a Royal Navy mean survival."

Sir Nicholas's emphasis on world co-operation in scrapping old tonnage seems to express the considered opinion of the shipping industry in the leading maritime nations of the world. It is generally felt that, until the weight

surplus ships, now laid up for want of cargo, is removed, and there is some international control over it, there can be no hope of early recovery from the continuing depressed conditions in the industry. Most shipowners also feel that the huge volume of war-built tonnage must be eliminated before laid-up tonnage can be reduced to what can be regarded as a reasonable proportion of world tonnage.

There are, however, a few shipowners who seem to have doubts about the practicability of any scheme for scrapping old tonnage. Thus, Mr. J. P. Philipps, Chairman of the Court Line, says, in the course of his statement to shareholders, that a Government-sponsored "scrap and build" scheme is unlikely to be of real benefit, in view of the great disparity in scrap price and new building costs. He expects competition for freight to grow still fiercer in the future, especially as many large new tankers are now being employed to carry grain. From this point of view, the only remedy for the troubles of the U.K. shipping lines, in the opinion of Mr. Philipps, lies in a revision of the taxation policy as it affects shipping industry. This, however, is a problem that is common to shipping industry in all parts of the world, except to that section of the industry which operates under flags of convenience and thereby earns large untaxed profits.

U.S. AID TO INDIA

One more solid indication of the continued co-operation and assistance of the U.S. in India's task of economic development is provided by the latest P.L.480 agreement signed between the two countries at Washington on Friday, 13th inst. The agreement provides for the supply of \$238.8 million (Rs. 113.67 crores) worth of American farm products to India, the payment for it being in rupees. The products include 2.94 million tons (110 million bushels) of wheat or wheat derivatives valued at \$182 million (Rs. 86.63 crores), 100,000 bales of cotton at \$14 million (Rs. 6.64 crores), 104,155 tons (3.9 million bushels) of feed grains at \$4.7 million (Rs. 2.24 crores), and 500,000 lbs. of tobacco at \$500,000 (Rs. 23.80 lakhs). The balance of \$37.6 million (Rs. 17.90 crores) represents partial ocean transportation costs.

The new agreement is the fourth of its kind to be concluded by India with the U.S. under the U.S. Surplus Farm Products Disposal Act, commonly known as Public Law 480 which became effective in 1954. The first agreement was signed in August 1956 and was intended to run for three years, with a total market value of \$362.4 million (Rs. 172.50 crores). This included 3.8 million tons of wheat, 200,000 tons of rice, 247,000 bales of cotton and other agricultural commodities. A supplemental agreement was signed in June 1958, for additional commodities valued at \$57 million (Rs. 27.13 crores). This included 580,000 tons of wheat and 200,000 tons of coarse grains. The agreement followed unexpected food deficits in India. A new Public Law 480 agreement was signed in September 1958 for \$238 million (Rs. 113.67 crores), including 2.8 million tons of wheat and 300,000 tons of coarse grains. A supplemental agreement of \$11.4 million (Rs. 5.43 crores) was signed in October 1959 which provides for an additional 160,000 tons of wheat.

With the latest agreement, the total value of foodgrains, cotton and other surplus agricultural commodities received by India from the U.S. under P.L.480 since the second Five-year Plan began comes to as much as Rs. 432.40 crores (\$908.40 million), covering altogether 10.28 million tons of wheat, 200,000 tons of rice, 600,000 tons of coarse grains, 347,000 bales of cotton and 500,000 lbs. of tobacco. It is claimed that India has been the largest recipient of U.S. farm products under Title I of P.L.480.

The aid given by the U.S. thus has been of immense benefit to India in more than one direction. It has, for instance, enabled the country to meet the growing demand for foodgrains arising from the rising trend of population and purchasing power in the hands of people, to tide over shortages created as a result of droughts and floods, and to augment the country's grain storage capacity; a part of the aid proceeds is utilised for the construction of grain storage and handling facilities. Further, as much as the payment for the farm products applied to India is in rupees, no heavy expenditure of foreign exchange, on which there are already so many demands, is involved. What is, about 80 per cent. of the counterpart is—the local currency which is being generated from the sales of farm products covered

under the P.L.480 agreements—is made available for use in India, one half in the form of grants and the remaining half in the form of loans.

It is, indeed, gratifying to be told by Mr. Benson, U.S. Secretary for Agriculture, that "all of us (the Americans) support the efforts of India in its development plans to improve living standards and use more efficiently its economic and natural resources" and by Mr. Thomas C. Mann, Assistant Secretary of State for Economic Affairs at the Department of Agriculture, that "the U.S. Government has always had a deep, abiding and sincere interest in the independence and territorial integrity of the Indian people and their prosperity and economic progress." While expressing its deep appreciation and gratitude to the U.S. for the very liberal assistance, India is, as Mr. D. N. Chatterjee, India's Charge d'Affaires, stated after signing the latest agreement, "optimistic" in looking forward to continued American co-operation and assistance in achieving the objectives of building up its food reserves and insuring economic progress.

COLOMBO PLAN

The eleventh Colombo Plan Conference, which ended its three-week session at Jogjakarta, Indonesia, on the 14th inst., has decided to extend the period of operation of the Plan for five years beyond 1961. The Plan was initially drawn up in 1950 for a period of six years and was subsequently extended upto 1961. The Colombo Plan has come into being in response to the ever-increasing need for external aid to supplement the limited national resources of South and South-East Asian countries for economic development. As observed in the *communiqué* issued at the closing session of the Plan's Consultative Committee, the countries of this region continue to require external aid and the pressing demand for long-term capital will not be met in full by Government-to-Government arrangements. It also noted that many of the member-countries of the region had been taking positive steps to encourage the flow of foreign private capital.

The South and South-East Asian countries, covering about 750 million people, are engaged in the great task of fighting poverty to raise the standard of living of their peoples. Since poverty anywhere is a danger to prosperity

everywhere, the advanced countries have recognised the need for coming to the aid of the underdeveloped countries of the region. The Colombo Plan has Australia, Canada, Japan, New Zealand, the U.K. and the U.S. as members from outside the region. The members belonging to this region are Burma, Cambodia, Ceylon, the Federation of Malaya, India, Indonesia, Laos, Nepal, North Borneo, Pakistan, Philippines, Sarawak, Singapore, Thailand and Viet-Nam. Since the inception of the Plan, aid amounting to about \$6,000 million (about Rs. 2,880 crores) has been made available to finance the development of these countries. In addition, the International Bank for Reconstruction and Development has extended loans to the tune of \$935 million (about Rs. 445 crores) to countries of this region.

A reference to the encouraging evidence of the quickening pace of economic activity in the countries of the region is made by the *communiqué* issued by the Consultative Committee. It is also observed that large-scale expenditure incurred by these countries has led to considerable increases in internal money supplies and that inflationary conditions persisted. The *communiqué* points out that the Colombo Plan, inaugurated by the British Commonwealth about a decade ago to aid the underdeveloped countries of non-communist Asia, has become a symbol both in and outside its area of the economic aspirations of hundreds of millions of people. It stresses that large population increases in the countries of the region pose a serious problem to economic development and employment. Difficulties arise because of the problem of keeping the rate of increase of gross national production higher than the rate of population growth, as also because the numbers in the age-group seeking employment in many countries are outstripping the increase in employment opportunities.

The task ahead of the Colombo Plan countries remains essentially the same as recognised at the time of the foundation of the scheme. In a chapter entitled "Tasks Ahead," the annual report of the Consultative Committee for 1958-59 observes:

"The goal is to enable free nations of the area to achieve a momentum of economic progress which will make it possible for them to go forward in self-reliant growth. In general, the economies of the countries have been at subsistence level and only now are beginning to move ahead. Immediate demands on their resources are growing and will expand further. In meeting these problems, many countries of the area find it appropriate to consider their problem on a well defined and integrated basis, not only considering economic advance but balancing these with requirements for such matters as health and sanitation, literacy and education, scientific research and social service."

It is a matter for gratification that the representatives of all countries met and discussed the various aspects of the Colombo Plan in an atmosphere of complete goodwill and understanding. The delegations of the donor countries were unanimous in deciding to extend the period of the Plan and to provide further aid to the countries of this region. While such assistance will be much appreciated by the peoples in this region, it is a matter of compelling urgency that equal emphasis should be given to ensuring stability in the prices of agricultural exports from these countries. Most of the countries in the region depend exclusively on the exports of a limited range of industrial raw materials for the major part of their export earnings. Any setback in the prices of such products restricts the pace of economic growth of these countries. A solution to the problem could be found through the sustained co-operation of the industrially advanced nations and the primary producers. While the former can help by maintaining stable economic conditions, the latter have to do a lot more to help themselves by raising the productivity of their agriculture.

The economics of commercial production of ethylene from different starting materials is surveyed in an article in the October 1959 issue of *Research and Industry*. According to the article, the use of ethyl alcohol as the starting material has a few special advantages including lower investment on plant, possibility of having plants of lower capacities, availability of know-how, latitude in the selection of site and high purity of the product. Another advantage is that it would provide a convenient outlet for the increasing amounts of ethyl alcohol being produced by the fermentation industry from molasses. Ethylene is a basic raw material for a variety of organic chemicals. With the implementation of the expansion programmes of existing industries and establishment of new industries envisaged under the Five-year Plans, increasing quantities of ethylene would be required in India in the coming years. By 1965, the demand for ethylene, it is estimated, will be 55 to 60 million pounds.



We are rather proud of ourselves

TODAY, banking is almost a public utility. Its success depends on its ability to give friendly and helpful service.

We modestly believe that our progress shows that our clients, whether they are industrialists, exporters or just men who want to deposit Rs. 5/- in a Savings Bank account, realise that in IOB they have an institution that has made friendly service the basis for all their activities.

THE INDIAN OVERSEAS BANK LIMITED

Central Office: Madras

M. Ch. Muthiah Chairman	C. P. Doraiswami General Manager
----------------------------	-------------------------------------

STIMULATING WORLD-WIDE FLOW OF VENTURE CAPITAL

SUCCESS HERE WILL VITALLY INFLUENCE FATE OF ALL FREE PEOPLE

By G. Keith Funston

PRESIDENT, NEW YORK STOCK EXCHANGE.

THERE is a man from Moscow who toured the United States recently—and the attention of the world was riveted on his visit. Before his arrival, and while problems of protocol were being worked out, President Eisenhower summarised one impression he thought would register on the traveller: "I want him (Premier Khrushchev) to see a happy people. I want him to see a free people, doing exactly as they choose, within the limits that they must not transgress the rights of others." This capsule definition of "democracy" has struck me forcibly.

I would like to discuss here one broad facet of economic growth—a subject we have studied with great interest at the New York Stock Exchange. And I regard it not in a strictly national sense, but rather with an eye towards the further economic development of free nations throughout the world.

At the outset I should say that the ability to move venture capital across national boundaries will undoubtedly have a decisive influence on the fate of all free people. But I must emphasise equally, that I have no easy solutions to the problems that exist. Nor do I have any startling proposals that have not been considered carefully in the past. In preparing these remarks, in fact, I thought of a small sign a friend keeps on his desk for the benefit of his staff. It reads: "Do you come with a solution or are you part of the problem?" I am afraid I am a little of both!

I would start, though, with at least four assumptions with which I think we can agree. The first is that regardless of the outcome of recent discussions in the United States, we are faced over the next several years with a Russian challenge that is nothing short of all-out economic warfare. In most competitions of this kind, a free people generally operate under certain competitive disadvantages, at least at the start. This Russian challenge, moreover, ignores capitalism's enormous contributions for good, and seeks to paint it in the most evil terms possible. And the Russian barrage is aimed primarily at areas of the world that are vital to us both—areas that are engaged in a passionate and justified search for economic progress. So, no matter where we look on the globe, we are bound by the closest moral and economic ties. France's President de Gaulle put this very succinctly a few weeks ago. "The only quarrel worthwhile is that of mankind," he said. "It is mankind that must be saved, made to live and enabled to advance."

Financial Capabilities

The second thing we can agree on is that the financial capabilities of our own and other free Governments are unequal to the world-wide demand for growth money. Thus, if the flow of private international investments can be stepped up, we will be taking one of the most important steps for good that it is within our power to take. And we would agree further that such capital has to be creative in the most literal sense. That is, it must serve to increase productivity, raise living standards and still return a fair profit to investors. These are prerequisites which, perhaps, only a free people can understand.

The third and fourth points which must shape our thinking about the flow of international funds are a great deal more immediate and closer to home.

Most underdeveloped countries are in the midst of ambitious economic development programmes. And having assessed their long-range needs, they want overseas capital to fill an important role. For its part, the United States economy has grown enormously in recent years. Yet with each step forward we have become more dependent on other nations. There are, in fact, American economists who insist that increasingly we are becoming a "have not" country. "Export or die," they say, may never be our slogan. But "export or decline" is not far from the mark. And one of the things we may well be able to export more effectively in the years ahead is private venture capital.

Thus, given these factors—our joint concern over the Russian economic challenge, an appreci-

ation of the effective job that private capital can do, and the needs of our respective economies—there is good reason to hope that the flow of private capital between the U.S. and other countries will play an increasingly important role.

I should mention that, in America today, a new kind of investor stands ready to back his confidence in overseas countries with venture capital. And it is this new investor who mirrors one of the great changes which has taken place in America, and who reflects, also, the brightest promise for the future.

A Quiet Economic Revolution

In America, recently, we have experienced a quiet economic revolution. Stock ownership, once the province of the wealthy few, has broadened to include millions of people from every walk of life. Seven years ago, by way of illustration, only one out of 16 adults was counted among our shareowners. Today, inspired in part by a long-range Stock Exchange educational programme, one out of eight adults owns stock. Most of them are in the middle-income ranges—and most of them are in the market for the long-term. The American people have, in fact, demonstrated a far greater enthusiasm for becoming partners in corporate enterprises than many of the experts had expected. And the results could well make totalitarian Governments ponder the old truth that "democracy is based upon the conviction that there are extraordinary possibilities in ordinary people."

In addition, powerful financial institutions—investment companies, pension funds and banks, which represent the savings of 100 million people—have become potent forces in the securities markets and an important source of venture capital.

The implication of this shareowner growth for both capital exporting and importing countries is clear. As the pool of U.S. capitalists grows, more and more investment dollars will be available to help create the plants and products that free countries are determined to develop.

But recognising this possibility is no guarantee that such a flow of funds will automatically develop. The competition for the investor's dollar is keen. He must be wooed long and hard. He need not be attracted, I might add, by promises of special privilege. He requires only fair treatment, and the recognition that he is, perhaps, undertaking greater than average risks. And it is precisely at this point that the average U.S. investor, as he looks abroad, is often faced by the most baffling and discouraging circumstances.

Let us view this problem for a moment through the eyes of the average investor. He observes, on the other hand, countries like the Philippines, that offer exciting new markets for successful enterprise. He sees, in the face of rising U.S. stock prices, the shares of companies abroad that are plainly "good buys." And if he is adventure-minded he enjoys, although without expressing it, the boldness of a foreign investment.

Another Side

But there is another side to the coin. The U.S. investor looking abroad sometimes finds that he has no corporate vote. Periodic financial reports, complete with balance-sheets for subsidiary as well as parent companies, are often hard to come by. Thus, he lacks the detailed data he has come to expect. This problem was summed up recently by a security analyst who visited Europe and remarked of a particular corporation: "It was a fascinating company. But I would have trouble explaining its balance-sheets to our clients."

One of the reasons American investors regard both their corporate vote and detailed financial reports with such high regard undoubtedly stems from efforts of the New York Stock Exchange. We heartily believe that, if ownership is to expand on a sound basis, the rights of ownership must be protected. As a

(Continued on page 870)

LONDON LETTER

BRITAIN'S PROSPERITY

TOO GOOD TO LAST?

(From Our Own Correspondent)

LONDON, 13th November

ON top of the excellent trade figures that the Government produced for the first half of the year (which not only showed a favourable balance on visible trade account but an overall favourable balance of £142 million), we now have phenomenally good autumn trade figures.

Indeed, in October, exports reached a record level for the year. Their total of £306 million, if used to offset the relatively low September figures, still gives an average for the two months of £276 million, which is nearly as high as the average for the second quarter of this year. Re-exports were also exceptionally high at nearly £15 million and not surprisingly, in view of the current boom in trade, imports were the highest for any month this year at £360 million. All in all, it was a month of record figures.

How do these figures look when translated into balance of payments terms? First of all, the total of exports and re-exports is about £320 million. Secondly, imports, if converted from the c.i.f. basis given above which is the basis on which monthly figures are quoted to an f.o.b. basis, also came down to about £320 million. Thus, in this month of high trade, we find that the country balanced its payments of visible account, so that the income earned on invisibles represents the true payments surplus.

Looking at the picture a little more broadly and seeing how the country has fared in the four months of the second half-year, we find that exports and re-exports totalled £1,140 million and imports (f.o.b.) totalled about £1,200 million. There does seem to be a slight deficit which accumulated over the third quarter of the year but this will have been more than offset by the invisible earnings which are unlikely to run at less than £20 million per month. Overall therefore a conservative estimate of the current balance of payments for the ten months of the year to date must be of the order of £200 million.

Equity Yields

With this active level of trade, there has also been a steady appreciation of stock exchange securities after the sorting out process which followed the election results. The outcome is that the Financial Times ordinary share index has hit a new high level for the year of 303. It is extraordinary to consider that this represents an appreciation of nearly 50 per cent. over the lowest market level early in the new year and a doubling over the general level ruling early in 1958. Together with this steady rise in the ordinary index has come a relatively sharp fall in average yields. At the beginning of the year, the average earnings on ordinary shares was of the order of 5½ per cent. and during the summer it was still between that and 5 per cent. Since that time, the fall in yields has been continuous save only for a brief period preceding the election and now on good class ordinary securities one cannot hope to earn much more than the Bank Rate level of 4 per cent.

Clearly, on this basis, shares are overpriced. There is an active market in them, because investors accept that they will go on "having it good" and they are much more interested on the whole in capital gains than in tax earnings, but it is certainly an odd commentary on the situation that one should be able to get about 4½ per cent. on Government long-term stock and little more than 4 per cent. on industrial equities! It would not take much shaking of confidence to tumble down this structure. On the other hand, there is no reason to anticipate that, should such a shaking of confidence come, it will cause a landslide in share values while the basic economic indices remain as sound as they are.—All Rights Reserved.

The high activity in retail trade in Britain noted in the second quarter was well maintained in the third quarter of this year. The boom in sales by durable goods shops also continued. Retail trade in September recovered from the slight slackening in August and was 5 per cent. above the level a year ago, as compared with an increase of 4 per cent. in August and 5 per cent. in July. Sales in the third quarter were also 5 per cent. higher over a year earlier—an increase similar to that shown in the previous three months. Prices in September (covering retail trade) practically unchanged from those a year earlier so that the increased turnover was wholly attributable to a greater volume of sales.

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED: Rs. 5,00,00,000
CAPITAL PAID-UP: Rs. 3,00,00,000
RESERVE FUND: Rs. 3,10,00,000

Head Office:
MAMATHA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA:
AHMEDABAD, Bhopal, Calcutta, Cochin, Cuttack, Delhi, Dibrugarh, Guwahati, Hyderabad, Kanpur, Kharagpur, Kolkata, Lucknow, Madras, Malabar Hill, Meerut, Mumbai, Nagpur, Patna, Ranchi, Secunderabad, Shimla, Srinagar, Thiruvananthapuram, Varanasi, Visakhapatnam, Warangal, Yashwantrao Chavan Pratishthan, Zaidpur Road.
BRANCHES OUTSIDE INDIA:
LONDON, 17, Moorgate, London, E.C. 2.
ADEN, DAR-E-SALAAM, JINJA, KAMPALA, KARACHI, MOMBASA, NAIROBI, OSAKA, SINGAPORE, TOKYO.

DIRECTORS:
SIR COWASJI JEHANGIR, Baronet,
G.B.E., K.C.I.E., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARABHAI
Mr. RAMJIWAS RAJANARAIN
Mr. BHAGVANDAS C. MEHTA
Mr. KRISHNARAJA M. D. THAKKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETTIGREW
Mr. JUGHAN PRASAD GOENKA
Mr. JAISINH VITHALDAS
Mr. GIRDHARILAL MEHTA

Current Deposit Accounts—Except at certain places interest is allowed on daily balances of Rs. 500 and above at 3 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKALIC BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS
for
Nearly Half a Century
RELIANCE FIREBRICK AND POTTERY
CO., LTD.

4, LYONS RANGE, CALCUTTA 1.
Bombay Branch:
35A, HOSPITAL AVENUE, PAREL.



ATLAS ASSURANCE CO., LTD.

The Liability of Members of the Company is Limited
Incorporated in England

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKKERSEY & CO.

Branch Offices:
Durgam Road, Ballard Estate, Bombay.
Indra Plaza, Connaught Place, Delhi.
4, Clive Row, Calcutta.

RE — MARINE — ACCIDENT

This expert has won the trust of millions in the label 'Sanforized'

Meet our American-trained expert who makes sure that any fabric marked 'Sanforized' won't shrink. Every day, all through the year, he tests fabrics bearing this international label; so that your clothes won't shrink out of fit—even after many, many washings!



Travelling from mill to mill, he takes at random several samples from their godowns as well as off the processing machine. These samples are first measured, and then given a standard wash test.



These tested samples are sent to the New York office for re-checking, and with them goes the expert's detailed report. These documents record the progress and prosperity of each individual mill.

The New York office checks thousands of samples from all over the world. This is your assurance that fabric labelled 'Sanforized' is of a uniformly high standard, and is welcomed everywhere in the world!

Look for



on the label
and your clothes will never
shrink out of fit!

6441 77-1

GUIDE TO COMPANY MANAGEMENT

By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price: Rs. 5/-

EXPRESS PUBLISHERS (PRIVATE) LTD.

33, BROADWAY, MADRAS-1

BRITAIN'S ECONOMY IN A HEALTHY STATE CHANCELLOR WARNS AGAINST RETURN OF INFLATION

THE Lord Mayor's annual dinner to the bankers and merchants of the city of London, familiarly known as the Bankers' Dinner, provides an opportunity to the three main personalities who guide the destinies of the British economy, namely, the Chancellor of the Exchequer, the Governor of the Bank of England and the Stock Exchange Chairman, to take stock of the nation's economy and to express their views on the relevant current problems. Happily this year, the Bankers' Dinner was held (last week) under more propitious circumstances than last year or in 1957 which was a crisis year for Britain. For the state of Britain's economy is, as Mr. Heathcoat Amory, the Chancellor, testified, "healthy, with production and exports rising, unemployment low, prices stable and balance of payments showing a substantial surplus on current account."

Over the last seven months of the current financial year, the net deposits with Britain's clearing banks have risen by about £490 million. There has been an increase of over £190 million in banks' lending to the Government and of about £370 million in bank credit to the private sector. The expansion in bank credit is only in consonance with the revival of the economy. There was an addition of £300 million to the national savings last year and this year the results are expected to be even better. The budgetary position also has improved much more than anticipated by the Chancellor of the Exchequer when he presented the last Budget. He had estimated that Government expenditure "above the line" (that is, in the revenue budget) would be £120 million more than last year and the experience of the first half of the current financial year has shown that it is consistent with the estimate. "Below-the-line" expenditure, too, that is, capital expenditure, is said to be running close to estimates. On the revenue side, the position is actually better and, according to the Chancellor, the financial year is likely to close with an "above-line" (revenue) surplus a little larger than he had estimated.

On the external front, the U.K. had greatly strengthened its monetary position during the first half of 1958. It could not expect then, as the Chancellor put it, that the exceptionally favourable circumstances which it then enjoyed would continue indefinitely; but over the year, that is from the middle of 1958 to the middle of 1959, Britain continued to have a surplus on current account, which matched the net outflow of overseas investment, leaving the balance of reserves and liabilities virtually unchanged. In the second half of 1958, which is seasonally the worst half of the year, the external monetary position worsened by £60 million, but it improved by about £80 million (excluding the sterling part of Britain's increased subscription to the I.M.F.). The Chancellor saw no reason why Britain's balance of payments should not continue to be favourable provided its exports remained competitive in price and delivery in world markets. "As the economy grows, imports will inevitably expand," he added, "but provided that our exports too grow, we have nothing to fear." The growth of the economy, he averred, must be flexible and adaptable, because it had to take place against the background of a rapidly changing world.

Following the improvement in its economy, Britain has taken three important steps in recent months. It has repaid the £250 million debt to the Export-Import Bank. More recently (earlier this month), it decided to remove most of its remaining import restrictions, especially those on imports from dollar sources. Britishers can now not only buy North American goods more freely but also travel freely abroad without any restrictions on foreign exchange. Earlier in the year, Britain and many other countries made their currencies convertible for non-residents. Though some had raised their doubts about the wisdom of this decision, events would appear to have more than justified the move. The third step was the taking over of its full share of the burden of aid to the underdeveloped countries. Besides associating itself with international institutions giving aid to underdeveloped countries, Britain has also acted independently, through Commonwealth Assistance Loans to less developed Commonwealth countries and Exchequer loans to Colonies. Taken all together, Britain's expenditure from its public funds on economic and technical assistance to all overseas countries

and territories rose from £75 million in 1957-58 to about £100 million in 1958-59, an increase of about a third. These figures do not include military assistance, certain emergency expenditure, relief funds, etc., which amount to £30 million per annum. During the current year, 1959-60, a further substantial increase in expenditure on economic and technical assistance is taking place. Britain's private investments in other countries, mostly Commonwealth, have been running at the rate of £300 million per annum gross or £200 million if allowance is made for foreign investments in Britain. To a large extent this flow of funds, private and public, has not been tied to U.K. exports. Commenting on this policy and the future of Britain's aid to underdeveloped countries, Mr. Heathcoat Amory said:

"We believe that this policy, so long as others will follow it, too, is the best policy, both for the recipients of capital who can thus buy in the cheapest market and for the exporting countries who will benefit from free and healthy competition. But if we are to go on playing our part in this way we must see to it that our economy is strong. We cannot lend abroad, unless we meet the call which that makes on our resources and on our balance of payment. To overstrain our resources would merely undermine our capacity to provide help in the future. Goodwill alone is not enough. Our object, therefore, remains to continue our good record of helping the less developed countries within the practical limits of our resources."

Reverting to the domestic field, the Chancellor of the Exchequer drew attention to the fact that expansion had been achieved with stability of prices. He, however, added that the year ahead was going to be a year of challenge. "World trade is expanding and we are well set to take full advantage of it. If we succeed, we will be able to fulfil the obligations to the Commonwealth and our Allies which we are proud to bear as well as to continue with a rising standard of living at home." Enumerating the conditions which will make this possible, Mr. Amory added a note of caution against returning to inflationary conditions. Thus, he observed:

"What are the conditions which will make this possible? First, we must never forget that our national livelihood comes from overseas trade. It must, therefore, be our first concern to see that we are vigorously competitive. We need a high rate of domestic investment to ensure steadily increasing efficiency. We must keep costs low and steady. This is a challenge to every section and every interest in the country."

"If each section seeks only to exploit the present buoyant situation without remembering that a return of inflation is and will remain the greatest threat to the objectives we all desire, then price stability will be in jeopardy and the rate of expansion would have to be curtailed."

"Our expansion must be a safe expansion. If we can achieve it—and I believe that with past experience in our minds we can—then the rewards of success for our country will be great indeed."

The continued strength of sterling was attributed by the Governor of the Bank of England, Mr. C. F. Cobbold, to some extent, "to the convertibility of currency, to a marked and sometimes slightly disquieting boom in equity prices on the stock exchange and to a rapid rise in bank lending." While admitting that the rise in bank credit has been helpful to industry and commerce as far as it has gone, Mr. Cobbold underlined the need for watching if the bank credit should continue much longer at the same pace.

Commending the achievement of stability, domestically and internationally, and the restoration of the freedom of markets, after the distortions and controls of the war and post-war periods, the Governor uttered a note of warning against going back to the old order, in these words:

"But no greater mistake could be made than to suppose, or to hope, that this simply means going back to something which existed before. The shape of the national and the international economy is quite different from before the war. Some industries have fallen away, others have won new prosperity. Some overseas markets have disappeared; some new ones have to come to the fore. Some former methods of financing have gone out of use; others are taking their place. Above all, there has been a great increase in the number of people who are, directly or indirectly, investors and savers."

"The City of London has always prided itself on being forward-looking. Many adjustments have already been made to changes during the post-war period. But with, as I believe, a new shape of things emerging, the City can usefully take a really good look at itself and make sure that it is equipped to do all the business and provide all the services which new conditions offer and require."

The Bank of England Governor welcomed the Government's decision to review the laws governing financial transactions. He, however, added that there was no cause for sudden alarm or for any conclusion that the existing arrangements were all wrong or out of date. He vouchsafed that, in general, they compared very favourably with those in other parts of the world. Nevertheless, he was not against giving a "new look" to them and seeing what more could be done to protect the widening circle of investors and depositors against fraud or mismanagement.

The Governor also accepted the Radcliffe Committee's recommendation that financial institutions, in general, and the Bank of England, in particular, should go further and faster in the compilation, particularly in the publication, of financial information and in explaining to the public what they were about. He admitted the contention that, in modern conditions, the Bank of England should develop research and information as a service to the public. While disclosing that the Bank had already taken steps in this direction, the Governor desired to go ahead a little gradually, preferring quality to quantity of output and avoiding waste of manpower by unnecessary multiplication of statistics.

LOANS TO SMALL-SCALE AND COTTAGE INDUSTRIES

The Government of Bombay has entered into an agreement with the Bombay State Financial Corporation under which the Corporation can sanction and disburse, without reference to the Government, loans from Rs. 10,000 to Rs. 75,000, and in exceptional cases up to Rs. 1 lakh, to individual industrialists and companies under the State Aid to Small Scale and Cottage Industries Rules. An amount of not less than Rs. 5 lakhs will be placed, at a time, at the disposal of the Corporation for the purposes of distribution of loans. The amount would be replenished from time to time subject to the overall provisions made in the budget estimates.

Under the agreement, the Corporation, as an agent of the State Government, will consider all applications for loans, inclusive of applications for additional loans, from small-scale concerns from Rs. 10,000 to Rs. 75,000 and in exceptional cases up to Rs. 1 lakh, and arrange to sanction and disburse them in all the areas without reference to the Government. Though the Corporation would be competent to modify the terms of the loans sanctioned, it would be required to follow the principles and policies adopted by the Government in general in regard to the assistance to small-scale industries.

While considering applications for financial assistance, the Corporation has been asked to fix up the priority on the following basis: (1) loan applications below Rs. 40,000; (2) loan applications from areas outside highly industrialised towns of Greater Bombay and Ahmedabad; (3) loan applications from parties which are relatively needy and short of means; (4) loan applications asking for funds mainly for creating fixed assets; (5) loan applications from parties which will be able to fulfil the stipulated conditions in short time.

The rate of interest chargeable to loanees will be 2 per cent. on loans above Rs. 10,000 and up to Rs. 50,000 and five per cent. on loans above Rs. 50,000 and up to Rs. 1 lakh.

According to the terms of agreement, the work of recovery of the loans is the responsibility of the Corporation, while in most cases the borrowers can make payments of the instalments and interest to Government treasuries and send cheques to the Corporation. In Bombay, the instalments and interest will be recovered by the Corporation. The Corporation will also be entrusted with the work of recovery of loans amounting to Rs. 8,75,000 already disbursed by the Government departmentally and also the recovery of the loans of the value of Rs. 13 lakhs about to be disbursed.

The applications for loans are to be addressed to the Bombay State Financial Corporation, agent of the Government of Bombay.

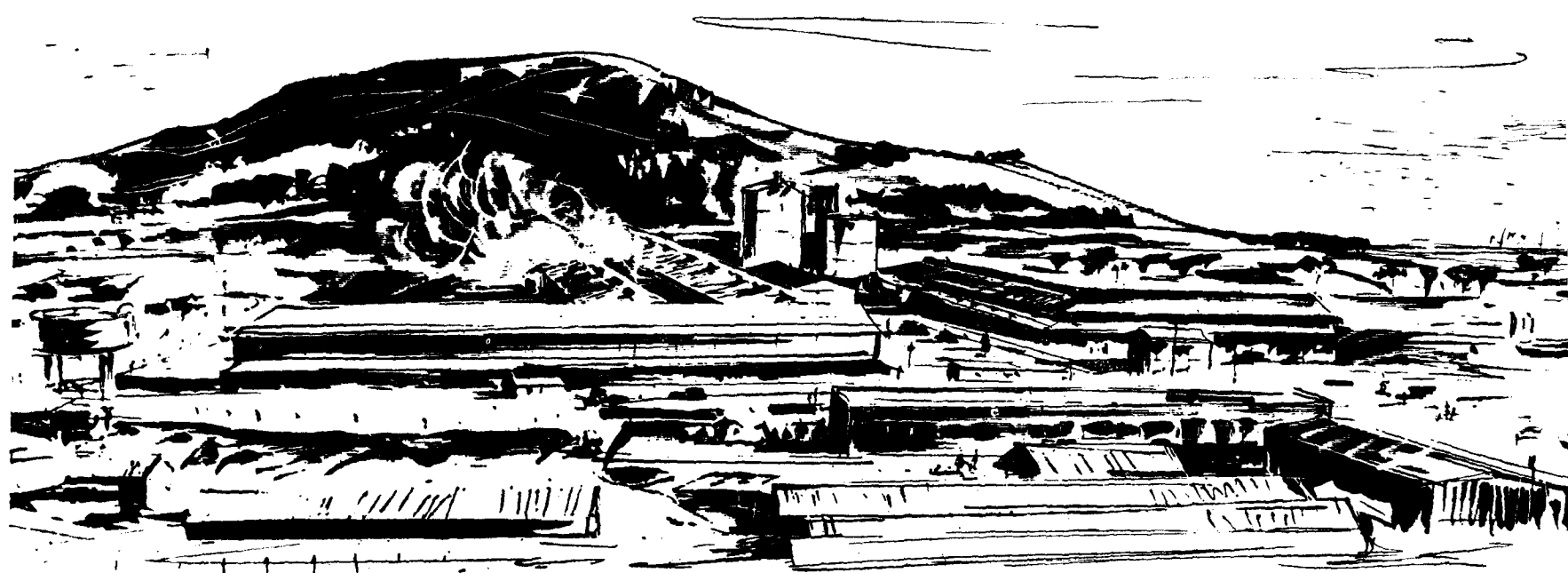
I.F.C. TO INVEST IN PERU

The International Finance Corporation has announced a commitment to invest \$300,000 in Durisol del Peru S. A., a new Peruvian company, being formed to manufacture Durisol, a precast, lightweight building material made of chemically treated vegetable fibre and cement. The enterprise is sponsored by a group of Peruvian industrialists and investors. Durisol, A.G. of Zurich Switzerland, which developed and owns the Durisol process, will be licensor and furnish technical assistance and also be a shareholder in the company.

Construction of the plant is expected to start in the next few months with production to begin by the end of 1960. Capacity will be about 630,000 square meters annually of Durisol products use for walls, partitions, ceilings and roofs. Durisol products have good acoustical and thermal properties, and strong resistance to decay, fire and termites. The density of Durisol material is about one-third that of ordinary clay brick and cement blocks. Durisol material possesses sufficient strength for a wide range of structural applications.

The total cost of the project is estimated approximately \$800,000 of which \$500,000 will be subscribed by the sponsors. The I.F.C.'s investment of \$300,000 will be in U.S. dollar notes maturing by 1969 and bearing interest at 7 per cent. additional interest, payable in Peruvian soles, tinging on earnings. In addition, the I.F.C. receive a right to subscribe to shares of the company. The I.F.C.'s commitment is subject to completion of the necessary legal formalities.

Now—a 55% increase in India's aluminium production



INDALUCO'S Hirakud Smelter—its capacity is being doubled to 20,000 tons

Indian Aluminium announces fully integrated expansion plans

	Today	1962
Ingot	15,600 tons	25,600 tons
Alumina	18,000 tons	54,000 tons
Rolling Mill	9,000 tons	16,500 tons
Extrusions	1,200 tons	3,700 tons

IN EARLY 1960, Indian Aluminium Company proposes to launch the biggest integrated expansion scheme it has yet undertaken. A comprehensive programme to increase production of aluminium ingots by 10,000 tons a year will be initiated... within a year of the opening in February 1959 of the Company's Hirakud Smelter which, at one stroke, more than doubled India's production of aluminium. The 1960 Expansion will increase the country's ingot production by another 55% and make substantial increases in semi-fabricating capacity.

This rapid expansion in a vital sector of the aluminium industry is based on the mounting importance of this metal in modern everyday life. Barely 16 years ago India produced no aluminium, and its consumption was restricted to diffident users of domestic utensils. Ever since Indian Aluminium installed their first aluminium smelter in 1943 at Alwaye, the rise in demand has been little short of phenomenal... today it is estimated at over 50,000 tons a year, or nearly three times the country's present production of 17,500 tons.

NEW EXPANSION IS IN GOOD HANDS

Appropriately enough, the present effort to catch up with demand is being made by India's pioneer in the aluminium industry—Indian Aluminium Company—which has done the most to give the country a reliable and vigorous aluminium industry. Indian Aluminium has extended its facilities almost continuously since it began operations and today produces over 90% of the country's ingot output. It is by far the largest manufacturer of sheets, circles and extrusions.

INDIA MUST PRODUCE MORE ALUMINIUM

India's developing economy warrants a substantial expansion of the aluminium industry—and the country's large bauxite and water power resources makes this a practical proposition. The sanction for Indian Aluminium's 1960 Expansion Scheme is as much an evidence of Government's recognition of the country's needs as it is an expression of faith in the Company's resources and know-how. Indian Aluminium is fully geared to meet the challenge of the years ahead when India will find a position on the world map of major aluminium producers.

Indian Aluminium Company Limited

A CANADIAN-INDIAN ENTERPRISE



RAISING COTTON MILLS' PRODUCTIVITY CENTRE EVOLVING A "LOCK-STOCK-AND-BARREL" MODERNISATION SCHEME

THE increasing emphasis laid by the powers-that-be on the need for a thorough modernisation of the cotton textile industry is a belated realisation of wisdom. The failure to recognise in time the inevitability of modernisation has cost this country dearly. Declaring open the new building of the South Indian branch of the Textile Association of India at Singanailur near Coimbatore on Tuesday the 10th inst., Mr. Manubhai Shah, Union Minister for Industries, disclosed that the Government of India was drawing up plans for modernising the textile industry "lock, stock and barrel." He declared: "If you have to cut down costs, improve production and quality, and meet the external challenge, you have to modernise the industry." During the third Five-year Plan, the textile industry, Mr. Shah said, would have to face the challenge of modernisation squarely and see to it that every unit in the country pulled together and drew up plans for the purpose: the industry had to reach the levels of production claimed by Japan, China, the U.S. and the U.K. And he added: "The engineering industries manufacturing textile machinery must form groups in different areas and offer to the various textile units a 'package deal' for the modernisation of every bit of machinery. We cannot modernise depending on imported machinery."

The continued active interest evinced by Mr. Manubhai Shah in the modernisation of mill industry is commendable. It is due largely to the efforts of Mr. Shah that the Central Government's decision to permit the installation of automatic looms has taken concrete shape. Of the 13,500 automatic looms already allowed, it will be recalled, 6,000 looms are covered under the export promotion scheme (3,000 allowed in October 1958 and the balance in July 1959). The remaining 7,500 looms, or 2,500 looms per annum during the years 1959, 1960 and 1961, are covered under the pilot project announced early in December 1958. No information is yet available as to how many automatic looms have, in fact, been installed. After the installation of all the 13,500 looms permitted, the total number of automatic looms will come to about 27,612. It is not known how long it will take for these additional looms to be installed. We have our own doubts whether this part of the programme will be completed by March 1961—the end of the second Plan period. Even if it is finished, the percentage of automatic looms to the total loomage will be no more than 13.4, whereas the proportion of automatic looms to the total is almost 100 per cent. in the U.S. and 87 per cent. in Japan.

The Handicaps

If the cotton mill industry is to meet adequately the challenge of the world markets and also to give to the Indian consumer cloth at a price which he can afford and which will enable him to increase his standard of consumption, it is imperative, as Lala Bharat Ram, Chairman of the Delhi Cloth and General Mills Company, Ltd., very pertinently pointed out in his speech at the annual meeting of the Company last week, that the industry equips itself with the latest machinery. The capacity of the industry for doing so, however, has gone down considerably, thanks to the heavy incidence of taxation, particularly since 1956 onwards, continuously rising tendency of cotton prices, enhanced wages and dearness allowance, and increase in prices of machinery and spare parts. Since cotton accounts for half of the total production cost of mills, every 2 per cent. rise in its price leads to a rise of 1 per cent. in cost of production. Lala Bharat Ram did well to highlight the fact that the prices of several varieties of cotton had risen by 20 to 22 per cent. as compared with last year, so that not only had the Indian mills lost whatever advantage they once had in the shape of cheaper cotton but they had also come to a position where prices of Indian cotton were completely out of parity with world cotton prices.

To revert to Mr. Manubhai's speech. He made an interesting review of the progress made by the cotton mill industry since independence. The review brings out the following points:

During the past ten years, the production of cloth has increased from 4,000 million yards to 9,200 million yards and that of yarn from 1,200

million lbs. to 1,800 million lbs. Very few countries can claim the same rate of growth in a decade as the Indian industry has done. Qualitatively, the progress is much more phenomenal. More than 30 per cent. of cloth produced in India ranks among the best quality produced in the world. The production of cotton, the basic raw material for the industry, has increased from 2.8 million bales to over 4.5 million bales, including several varieties of long-staple cotton in which, ere long, the country will be self-sufficient. Before independence, India was importing 600-700 million yards of cloth. Today, the country is exporting to the tune of 750 million yards. At this rate, the industry can achieve the very desirable export target of 1,000 million yards, if, of course, it succeeds in combining the manufacture of the highest quality with maximum productivity. In the field of synthetic fibres, the country has made spectacular progress; the actual annual rate of production is expected to rise from 70 million lbs. to 100 million lbs. in a year or two.

Official Controls

The progress of the cotton mill industry as noted above is certainly quite impressive, but it is difficult to agree with Mr. Shah when he says that "the industry is now well poised to meet the challenge not only of internal needs but also of external needs of foreign exchange." For the industry is at present reeling under the serious impact of a cost inflation and an official policy based on ideological considerations. How the textile industry is subjected to a wide range of Government intervention and regulations has been well brought out by Prof. B. R. Shenoy in a paper entitled "A Free Market Economy," read before the annual conference of the Mont Pelerin Society held at Christ College, Oxford, in September last, Prof. Shenoy observes:

"The import goods content of the industry (machinery, accessories and spare parts, dyes, chemicals, cotton, and so on) hangs on the Government's import licensing policy. Calculations of costs, and of availabilities of supplies to maintain a programme of production, may get out of control and eat into profit margins with an adverse turn in the import licensing policy; a tightening of imports may involve a nasty (and costly) search for substitutes. Progress of modernising equipment is conditioned by, in addition to the availability of import licences, the policies on rationalisation and the attitude of trade unions. The introduction of automatic looms beyond a certain quota is condi-

tional on the output being all exported, the failure to do so being subject to penalties.

"Production units, which are below the optimum size for full economy in management and efficient functioning, cannot add to the number of their spindles or looms, in an effort to reach the optimum level, if they are located in the larger textile centres (surplus States). The closing down of inefficient units involves a heavy penalty of compensation to the disengaged workers, at the rate of 15 days' wages for every year of service. This penalty plus trade union pressure stand in the way of retrenchment of surplus labour; it is also one of the difficulties confronting full progress of rationalisation. Governmental resistance to closing down inefficient units has reached the point of the State taking over these units for operation. In the surplus States, the more efficient units are unable to expand production to replace the reduced output ensuing from the closed down inefficient units.

"The production of dhotis and of prints is subject to upper limits; the production of dyed saris is banned; white saris produced by the mills must satisfy specifications of the size of their borders; there are limitations on the counts of the yarn to be used in the warp and the weft and on the quantities in the reed and pick. The disposal of the output of yarn is subject to control."

This is, indeed, an impressive summing up of the whole position. Unless the authorities give more freedom to the cotton textile industry to set its house in order and the labour unions extend their co-operation to the management of mills in the efforts to augment productivity through modernisation of equipment and rationalisation of production methods, Mr. Manubhai Shah's claim that the industry has "turned the corner" is an exaggeration. It is still very much in the woods of Government controls and its basic foundations are weak. There are also no signs that labour has changed its attitude. Only the other day, Mr. S. R. Vasavada, the I.N.T.U.C. leader, said, after a tour of the modern textile mills in the western world, that automatic looms and high speed modern spindles were not suited to Indian conditions.

Synthetic Fibres

Mr. Manubhai Shah's description of the synthetic fibres industry in India is also an exaggeration. India is producing only the traditional type of rayon and not the modern chemical fibres. Even the former is based only on imported pulp, so that there is heavy drain on our foreign exchange. How backward India is in this branch of textile industry must surely be well known to Mr. Shah, for it was only recently he had made a tour of the U.S. and Western Europe. An instance can also be given to illustrate the point. In the western world, rayon cord yarn used in the manufacture of rubber tyres is being fast replaced by nylon cord yarns. But, in this country, a beginning with the manufacture of rayon cord yarn is yet to be made. And, what is more, the Government of India has, we learn, given an assurance to the manufacturer who has come forward to make the rayon cord yarn that, for 10 years, no superior types of synthetic fibre yarn would be allowed to be manufactured in this country. The fact is that India is being beaten hollow by the textile giants of the world in the sphere of synthetic fibres.

Mr. Shah's claim that few countries in the world have made as much progress as India in the last 10 years is, apparently, only rhetoric, meant for the consumption of laymen, for it is not backed by facts. Readers will have noted from an article in our issue of 7th November 1959 that China has made far greater all-round progress than India. Even Pakistan has made tremendous progress in cotton textile industry, though it started from scratch. Mr. Shah will have to show a little more regard for facts if his observations are not to lose their force of authenticity.

HIGHLIGHTS OF COTTON TRADE

In spite of two Five-year Plans and the various efforts made by the State Governments and the Indian Central Cotton Committee to bring more acreage under irrigation and evolve weather-resistant cotton varieties, cotton production in this country continues to depend largely on the vagaries of monsoon for its success. Last year, that is, during the 1958-59 season, cotton output, which was estimated at 5.5 million bales at the start of the season, turned out to be as low as 4.8 million bales which was 200,000 bales more than the aggregate mill consumption of indigenous cotton. During the current season (1959-60), the crop was estimated at as low a figure as 4.5 million bales a month ago, though the estimate has been subsequently revised upwards to 4.8 million bales.

It is, therefore, not surprising that the question of stepping up cotton production received pride of place in the speech of Mr. Madanmohan Ruia, President of the East India Cotton Association, delivered at the thirty-seventh annual general meeting of the Association last week. Mr. Ruia said that the setback in production had caused a

SET-UP OF COTTON INDUSTRY CHANGING MORE RING SPINDLES AND AUTOMATIC LOOMS BEING INSTALLED

From Our Special Correspondent

ALTHOUGH the major tumult and shouting has died in the redundancy schemes affecting spinning, doubling and weaving, it can hardly be expected that substantial repercussions will not be felt within the Lancashire cotton industry during the next few months.

Had it not been for the sharp revival in business which has gathered momentum since the summer, there would probably have been reports week by week of mills shutting their doors and machinery already going under the hammer. By the end of the year, this trend may develop, but, owing to the present size of order lists, many of the closing firms will continue operating until early into 1960.

Some critics, notably in trade union circles, have complained about the secrecy surrounding the intentions of individual firms in closing down their mills. The Cotton Board has been dragged in and blamed for not issuing a full list of those whose decisions have been taken. It should be obvious, however, that the details of the returns received by the Board concerning production and numerous other statistics must remain confidential, as use could easily be made of them by rival mills, if they were widely published.

Diligent Questioning

Diligent questioning of Ministers in the House of Commons is one way of obtaining information and, already in the new Parliament, the cotton trade has had its share of attention. A series of queries from Lancashire M.P.s has provided further background to the progress of the elimination of surplus capacity. It should not be thought, however, that because 500 firms have applied for compensation in their scrapping programmes, the same number of mills will be closed down. In some cases, one firm may be shutting more than one individual unit, but, in others, the compensation will be payable on scrapped machinery in mills which are to continue running with respect or additional plant.

The original proposals stipulating that all machinery registered under the scheme must be physically dismantled by the end of March included an escape clause by which special dispensation could be granted to firms which, for particular reasons, want to run a little longer. Applications to continue working have, it now appears, been submitted in four cases, of which one has been granted and the others are still being considered.

It would not be surprising if the number of such claims was sharply increased early next year when the future position of orders and deliveries becomes clearer. The special committee of the Cotton Board administering the plant has the last say on whether these applications are justified.

Empty cotton mills are being eagerly sought by firms bringing new industry to Lancashire. Seventy firms—making from cigarettes to chocolate biscuits have taken over one-time mills, the Lancashire and Merseyside Industrial Development Association was told in Manchester last week. The inducements include lower costs and the minimum hold-up in production.

Said Mr. G. W. Allen, Director of the Association: "The cost of building a new factory is nearly £3 a square foot. Firms can buy a mill at from 3s. to 15s. a square foot, according to condition. That means, they can spend money on adapting it and still get it cheaper than a new factory." Another advantage is that production can start quickly. "One firm bought a mill in July and were in production in October," said Mr. Allen. "With a new factory there would have been a delay of at least twelve months." Firms moving into cotton areas where mills have closed are also finding a pool of labour available.

Retraining in Transition

Reorganisation in Lancashire is not only a case of cutting out the deadwood among machinery which has long been a burden; it also involves the retraining of operatives in processes to which they are generally unaccustomed. The transfer of work-people from one job to another is a delicate task and the movement of manpower in the months ahead is a problem well in the minds of those responsible for the overall conception of the redundancy schemes.

A lot of loose talk has gone on during the past two or three months about the eventual effect of the plan on the labour force in the industry. It will be quite impossible to give any true assessment of the position until at least the middle of next year when the dust will to some extent have settled on the transformation and the remaining machinery will be in place and, in all probability, working to capacity.

It will then be apparent how many firms intend to introduce shift-working, whether by day, evening or night operation of the plant. Transference of manpower between mill and mill should by then have been completed and individual managements will have drawn up their own systems of efficient labour utilisation.

Throughout these coming months of transition, a vital factor will be the extent to which operatives can be retrained to work on other machinery. Mule spindles are giving place to rings and Lancashire looms to automatics. Many other changes are taking place in the ancillary processes and there will be a constant need for readjustment.

The problem of retraining is already being tackled by the Productivity Centre of the Cotton Board. Recently, a number of mule spinners have been trained to operate rings by analysing the ring spinner's job into small parts. These were practised separately until they could be performed with the rapidity of an expert. Each section was then progressively combined

until the whole task was satisfactorily performed.

The retraining course lasted for five weeks and has satisfied both the managements and men concerned. A similar revision of ideas is needed in the case of automatic machinery in the weaving branch, where both loom overlookers and weavers need new skills and procedures to adapt themselves to the different machinery. In this case, the course lasts three weeks for weavers and up to nine weeks for overlookers.

Harvesting "Pure" Cotton

The urgent need for the elimination of impurities in raw cotton if cotton is to remain competitive with the man-made fibres, is emphasised in a resolution sent to Governments and cotton growing organisations in all the world's cotton growing and exporting countries by the International Federation of Cotton and Allied Textiles Industries. A letter accompanying the resolution points out that cotton spinners throughout the world continue to be hampered in production by foreign matter of all descriptions, such as jute and other fibres, hessian and dirt, in bales of raw cotton. In order to keep cotton competitive with the man-made fibres, says the message, it is essential to maintain the highest standards of quality, and particularly to avoid all impurities.

The resolution expresses the Federation's concern about the "detrimental" effect which some of the mechanical harvesting and new ginning methods introduced in the United States are having on the spinning properties of raw cotton. "The efforts of the United States Administration to make American cotton more competitive in world markets might well be adversely affected by the deterioration in the quality of the cotton caused by the irresponsible use of the new equipment. The Federation strongly recommends that measures should be taken, as already indicated by the National Cotton Council of America, to ensure that such equipment is used in such a way as to reduce as much as possible these detrimental effects. Farmers and ginners in all cotton producing countries should be advised to consider the possibility that any advantages which may be claimed for the new picking and ginning methods may be offset by the decline in the spinning and consequent market value of the cotton."

One of the most likely repercussions of a Socialist victory at the recent general election would have been the re-introduction of an organisation on the lines of the Raw Cotton Commission, to control the importation and distribution of the raw material in this country. This threat to the industry has now been removed and those vitally concerned are breathing freely again, but the raw cotton situation contains few crumbs of comfort for the merchant and broker.

Stagnation, arising from the continued reluctance of Governments in producing countries to lift restrictive regulations from the flow of cotton, has settled the futures markets to an overwhelming degree. From time to time, official complaints are raised about this unsatisfactory state of affairs and the International Cotton Federation has lately urged that the fibre should be freed from its chains.—All Rights Reserved.



Daily to New York?

Yes, from Amsterdam. Now daylight flights also!

Modern planes?

Economy class too?

What's the service like?

Any special attractions?

Sounds good!

NON-STOP DC-70s over the Atlantic!

Sure...or SleepAir...or Plus Class with or without a berth!

Incomparable. Multi-lingual personnel at your service!

Many Tax-Free articles including cars at Amsterdam Airport!

It is—By KLM!



Choose any of the 8 weekly west bound KLM services from Karachi, offering very good connections to Amsterdam to New York. Easy connections from Bombay to Karachi by IAC or PIA.

Dalmia

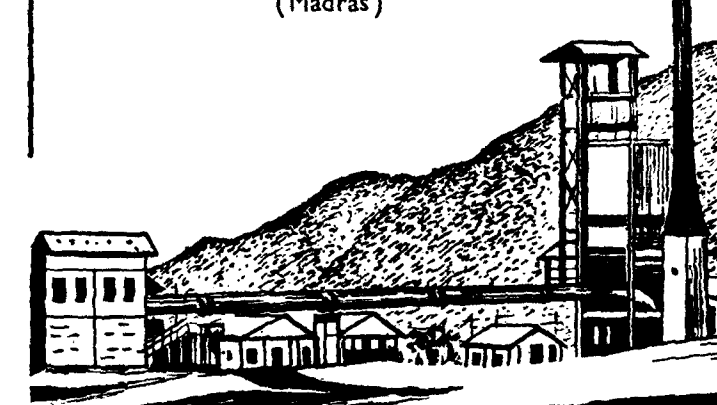
DEADBURNT MAGNESITE FOR BASIC REFRACTORIES

- Magnesite Cement Mortar
- Peas for ramming of Steel Furnace Bottom
- Special Magnesite Ramming Mixture for Lining of Induction Steel Melting Furnaces

For your requirements please write to:

Dalmia MAGNESITE CORPORATION

P. O. Salem (Madras)



POSITION AND PROSPECTS OF INDIAN TEA DANGER OF COMPETITION FROM NEW PRODUCERS REAL—REPLANTING PLAN URGENT

By K. Murti

WITH over three-fourths of undivided India's raw jute production and the best quality of cotton being concentrated in Pakistan, tea now constitutes the most important commodity in India's export list. As an earner of Rs. 137 crores in foreign exchange during 1958 and as an employer of over a million workers, the tea industry has undoubtedly assumed a place of vital importance to the Indian economy.

Since the beginning of the present century, tea acreage in India has increased by nearly 60 per cent, and production has more than doubled. Although production has witnessed a remarkable increase from 394 million lbs. for undivided India in 1935 to 711 million lbs. in 1958 for India alone, the expansion in tea area between these years was negligible. Whatever large-scale expansion occurred in acreage, took place before 1933, when the International Tea Regulation Scheme came into force providing for the regulation of exports from and the control of extensions in India, Ceylon and what was then the Netherlands East Indies, for a period of five years from 1st April 1933. The agreement was extended from time to time till 31st March 1955, after which it was not renewed. The result of the Regulation Scheme is that the acreage in India at present remains at 8 lakhs. While Ceylon also maintains her area at 5.7 lakh acres, the Indonesian tea industry suffered considerable damage in the war years and thereafter. Destruction on plantations was enormous, being estimated at 25 per cent. in Java and 35 per cent. in Sumatra. There are indications, however, that more estates have been rehabilitated. Nevertheless, considering the very heavy damage suffered during the war and due to internal unrest thereafter, it is too optimistic to expect Indonesian tea to reach, in the near future, either in quality or quantity, its pre-war standards.

The disappearance of Indonesian tea from the world market gave a fillip to other tea producing countries to bring in more area under tea. Argentina and Brazil, where no commercial tea was produced in the pre-war period, took to the cultivation in right earnest in the post-war period. Private capital has opened new areas in the British East African territories. *Entrepreneurs* who were formerly operating estates in India and Ceylon have started plantations in Nyasaland and Tanganyika. In the latter, climatic and soil conditions are most favourable and have resulted in the area under tea spurring from about 3,000 acres in 1935 to 13,700 acres in 1957. In Mozambique, both the tea area and production have been on the increase since the end of the war. The expansion of tea area in Mozambique from just over 2,000 acres in 1935 to nearly 35,000 acres at present is spectacular, indeed. Thus, an analysis of the trend of the area under tea in different countries of the world reveals that the decline of about 3 lakh acres in Indonesian tea area has been more than offset by East African and

South American countries and also to some extent by Japan, Iran, Turkey and the U.S.S.R.

Not only has expansion in tea area taken place in many countries except in India, Ceylon and Indonesia, but also intensive cultivation methods have been adopted. China, Japan and Formosa have launched programmes for expanding tea production. In Japan, the yield per acre went up by over 50 per cent., from 905 lbs. to 1,414 lbs. during the decade 1948-58. Likewise, in Kenya and Tanganyika, it increased from 588 lbs. to 758 lbs. and 179 lbs. to 452 lbs., respectively, during the same period. The yield per acre has been progressively rising in Argentina and, in the course of the next ten years or so, the South American countries may be expected to produce 75 million lbs. more than their present output.

Although Indian production and yield per acre show an increase, the economic position of the industry is far from satisfactory. According to the Plantation Inquiry Commission, over 2 lakh acres or 40 per cent. of the tea acreage in India is as old as fifty years requiring replanting without any delay. Of this area, a substantial portion belongs to sterling companies and non-Indian rupee companies. The percentage of tea bushes planted before 1900 is highest in the Darjeeling region, accounting for 80 per cent. of the total area under tea in that region. In regard to replanting also, the progress has been rather tardy. The area replanted totalled only 8 per cent. of the area covered by estates which responded to the Plantation Inquiry Commission's questionnaire. In case the entire area under tea is taken into account, the share of replanting should be much less, as the estates which did not furnish information were marginal ones having no finance to undertake replanting schemes. A constant process of renewal of old plants is absolutely necessary to keep an estate in good condition. With proper selection of improved plant material for replanting, experiments have shown that increasing yields are possible, a factor of considerable importance for the future of the industry.

Further, since the end of the last war, a good number of estates in the ownership of foreign companies and individuals have been purchased by Indians and it has been reported that, in the majority of the estates sold which included also marginal ones, replantings were overdue at the time of sale for which buyers made no provision. The gardens thus purchased by Indians have become uneconomic. Nearly 32,000 acres of land under tea belonging to foreign ownership were purchased by Indian nationals between 1946 and 1954 and if the estates whose ownership or control changed hands thereafter are also taken into account, the acreage of such lands should be considerable. In the case of a few estates where there were changes in ownership or management between 1948-58, it is observed that the yield per acre had declined in respect of half of such gardens while in the other half the increase was only nominal. Indeed, in

respect of a company having a few estates, the disposal of a garden which was obviously uneconomic has resulted in the average annual yield increasing to 984 lbs. per acre from 900 lbs. before the sale was effected. As compared with the acreage which remains more or less constant, the production of Indian tea is increasing every year and the Indian production at 711 million lbs. in 1958 shows that the industry is capable of exceeding the second Plan target of 710 million lbs. without any increase in acreage. The production in 1959 is likely to exceed 1958 production by a few million pounds.

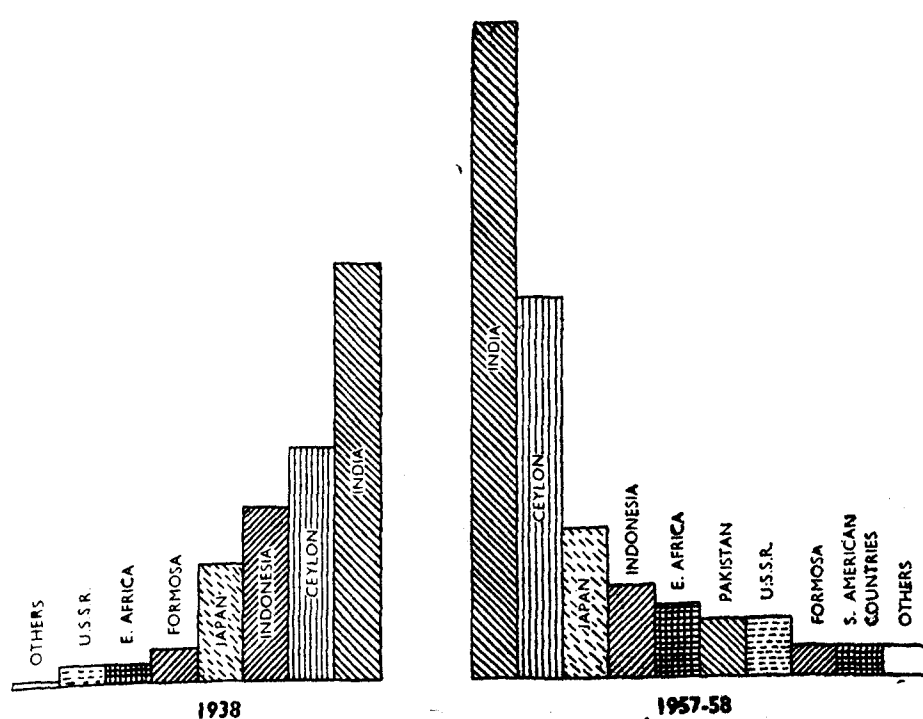
A disquieting feature about the increased production in India, however, is the excessive supplies of common teas. Common teas are low grade teas which fetch low prices in the auctions. It is estimated that about 60 per cent. of the Indian production are common teas. Areas like Cachar, Tripura and Dooars, where the tea estates are in financial distress, produce more of common teas. More than production prospects, what should really worry the tea interests in India is the likelihood of a further fall in quality in case no effort is made to resort to good quality production. As the Union Minister for Commerce and Industry observed some months ago, "the future of our common tea producing areas in a highly competitive world market lies in the success of our effort to convert the greater part of our common tea production into quality tea production." But this is easily said than done.

While the Indian production in 1959 is slightly ahead of last year, the output in other countries is much higher. During 1958, the production by other main producers stood at about 800 million lbs., comprising 56 million lbs. by Pakistan, 413 million lbs. by Ceylon, 102 million lbs. by Indonesia, 80 million lbs. by East African countries and 164 million lbs. by Japan. The figure relating to China is not available. The trend of production during 1959 so far reveals that, in Pakistan, Ceylon and Indonesia, the output may remain either steady at 1958 level, or rise slightly, in East Africa and Japan it will be markedly higher. The following table gives the comparative figures of tea production and yield per acre during 1948 and 1958 in the principal tea producing countries of the world (excluding China) as also in countries where tea cultivation has been introduced in recent years.

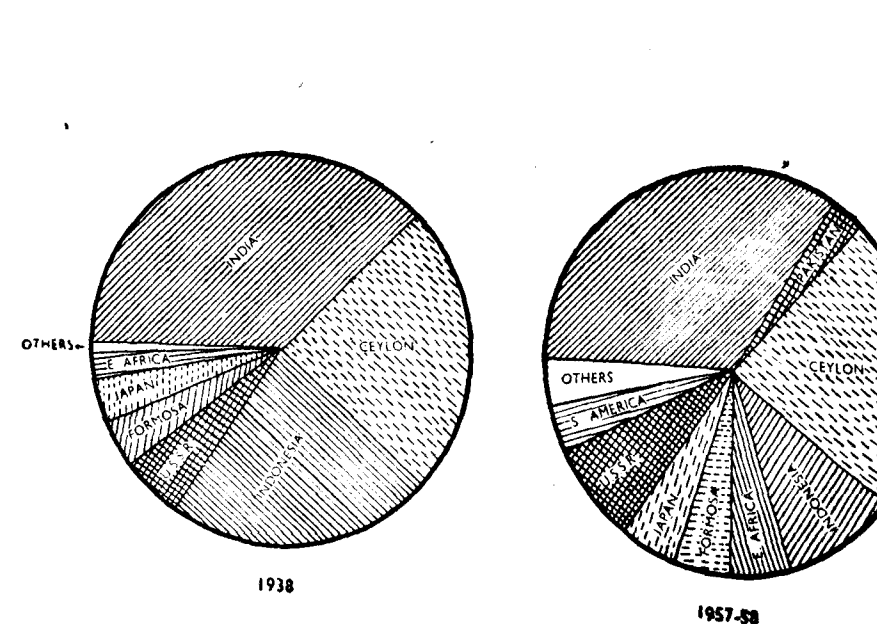
Country.	Production (In million lbs.)			Yield per acre (In lbs.)		
	1948	1958	Change over 1948	1948	1958	Change over 1948
India	568	711	+143	786	884	+148
Pakistan	44	56	+12	600	787	+187
Ceylon	299	413	+114	539	721	+182
Indonesia	15	98	+83	84	500	+416
East Africa (Estates only)	10	25	+15	588	758	+170
Kenya	4	8	+4	671	641	-30
Tanganyika	1	6	+5	179	452	+273
Nyasaland	14	23	+9	681	652	-29
Mozambique	5	18	+13	227	382	+155
Japan	57	164	+107	192	577	+385
Formosa	18	31	+13	905	1,414	+509
Iran	10	19	+9	500	587	+87
Turkey	10	19	+9	45	169	+124
U.S.S.R.	NA	21	+21	60	384	+324
Argentina	1	2	+1	381	180	-201
Brazil	1	2	+1	381	180	-201
Peru	1	2	+1	381	180	-201

N=Negligible. NA=Not available.
*1957 or latest available figure.
†Estimated.
N.B.—The yield per acre figures relating to Uganda and Iran are misleading. Large areas have been recently brought under cultivation in these countries, and have not yet started full yield. The yield per acre worked on total planted area (both bearing & non-bearing) shows a decline. Owing to the same reason, the figure in per acre yield does not reflect the actual increase per acre which must be much larger.

PRODUCTION OF TEA



AREA UNDER TEA



An outstanding feature of the Indian tea plantation economy is that a very large proportion of tea has, from the commencement of the industry, been sold in an international market. Production, therefore, runs in sympathy with export trends. The exports of tea from India has almost doubled since the beginning of the present century. In the pre-war years 1936-38, India's average annual exports amounted to about 330 million lbs. The outbreak of hostilities in the Far East cut off supplies from Indonesia, Japan and Formosa and the system of bulk purchase of tea was introduced by the U.K. Government. This gave a stimulus to Indian exports which went up to 454 million lbs. in 1944. At the beginning of the post-war period, the recovery made by Indonesia and Japan in the rehabilitation of their war devastated tea plantations was rather slow so much so India faced hardly any competition in the world markets. Since the beginning of 1950, however, India's virtual monopoly has been increasingly threatened by the rising tempo of world production. The Indian exports which reached the peak of 526 million lbs. in 1956 declined by 85 million lbs. to 441 million lbs. in the next year. During 1958, there was some recovery, the exports amounting to 503 million lbs. The export trend in 1959, however, causes much concern. The average monthly exports during January-May 1959 were 23 million lbs. only as compared to 33 million lbs. for the same period last year and 42 million lbs. for the whole year (1958). Ceylon, our main competitor in world markets, was steadily increasing her exports. From about 300 million lbs. in 1950 her exports reached 411 million lbs. in 1958. Her average monthly exports during January-May 1959 stood at 31 million lbs. as against 26 million lbs. for the corresponding period in 1958. Likewise, shipments from other countries, particularly East African territories and China, are in the up-trend.

The United Kingdom has always been the best customer of Indian tea. From 272 million lbs. in 1948 her imports of Indian tea increased to 348 million lbs. in 1957. There was some decline in 1958 when her imports from India totalled 326 million lbs. The United States of America augmented her supplies of Indian tea by 3 million lbs. from 27 million lbs. in 1957 to 30 million lbs. in 1958. The year 1954 witnessed the highest recorded supplies of Indian tea to U.S.A., the imports amounting to 40 million lbs. In recent years, the offtake of Indian tea by the U.S.S.R., Iran, Afghanistan, Turkey, Egypt and Sudan has been on the increase. The fall in the imports into Australia and New Zealand portends a bleak future for Indian tea in these markets. Australia is the third largest importer of tea in the world and New Zealand's per capita consumption is higher than any country except the United Kingdom. Yet these countries diverted their source to Ceylonese blacks. In absolute figures, India's exports to these markets show a sharp contraction from 18 million lbs. in 1947-48 to 7 million lbs. in 1958 in respect of Australia and from 1.8 million lbs. in 1947-48

to 1.2 million lbs. in 1958 in respect of New Zealand. Not only proximity of the Island to Australia and New Zealand but also better publicity methods which Ceylon is maintaining are chiefly responsible for the popularity of Ceylonese tea in these countries. The set of statistics in columns 1 and 2 brings into bold relief the position of Indian tea vis-a-vis teas of other important producing countries in some of the principal importing countries.

Quality and price are the two main factors which determine the level of imports into the main tea consuming countries. As stated earlier, a disconcerting factor is that supplies of common tea or low grade tea in India are at present unduly excessive. Perhaps, the overanxiety of tea interests to fulfil the second Plan target of 700 million lbs. is responsible for this state of affairs. If production is to rise, it should not be effected by resorting to coarse plucking or by manufacturing low grades. With such high production of low grade teas, there is little prospect of improvement in the value of common teas. Particularly, the competition in common teas is likely to intensify in the world markets when the tea bushes planted in East Africa begin producing their full yield of nearly 100 million lbs. a year in the course of the next seven to ten years. The landed cost of East African tea is reported to be about 2 shillings a pound which is somewhat below even the cost of production in many estates in India. Tea exports from African territories need not pay any export duty and can be landed in London at a shilling cheaper than Indian tea. This is reflected in the following comparative figures of annual average prices per lb. of tea sold at London during the last few years.

	1957	1958	27-7-1959
North Indian tea	4. 4	4. 4	4. 4
South Indian tea	4. 4	4. 4	4. 4
Ceylonese tea	3. 9	3. 10	3. 3
African tea	4. 10	4. 11	4. 3
Kenya	3. 5	3. 10	
Tanganyika	3. 8	4. 0	
Nyasaland	3. 1	3. 3	2. 11
Mozambique	3. 0	3. 1	

Good quality teas are always sought after. In fact, the discriminating trend in favour of quality teas is now clearly established in foreign markets. Indeed, the latest trade reports indicate that the demand for better qualities have risen sharply in London as it is expected that supplies of good qualities will be much smaller than anticipated. In consequence, their prices are reported to have spurted by a shilling in recent weeks.

Prospects

The rapid expansion taking place both in area and production in other producing countries should be an eye-opener to the Indian tea interests, as also the Government of India, to the fact that the outlook for their tea in the world market is not as rosy as painted by many and that they should not rely too much on exports to traditional markets alone. The Ceylon

Government had recently prepared a seven-year scheme to rehabilitate and develop their tea industry. The scheme, estimated to cost Rs. 100 million, was to be financed by a 4 per cent. cess on every pound of tea exported from Ceylon. The U.S.S.R. has granted 689 million roubles for the development of tea industry which would enable the country to raise its production by 50 per cent. over the present level. Likewise, the East African territories and South American countries, Japan, Formosa and China have all launched programmes for expanding production. Teas from new producing countries like Argentina, Brazil and Iran have already started pouring into the world markets. The additional production envisaged by the East African and South American countries alone may be in the neighbourhood of 100 million lbs.

In the coming years, India will face keen competition in the American markets. The annual consumption of tea in the U.S.A. and Canada amounts to about 150 million lbs., of which India and Ceylon account for 50 million lbs. and 60 million lbs., respectively. When the additional area brought under cultivation in Argentina, Brazil and Peru begins to yield, which is likely to be about 75 million lbs., the South American supplies will lead to a triangular contest in the American market and result in India and Ceylon being priced out of the American Continent, as the South American tea will cost less, particularly owing to the proximity of the source of supply to the U.S.A. and Canada. The young plantations of Africa and South America will have the advantages of lower cost and better quality over Indian tea.

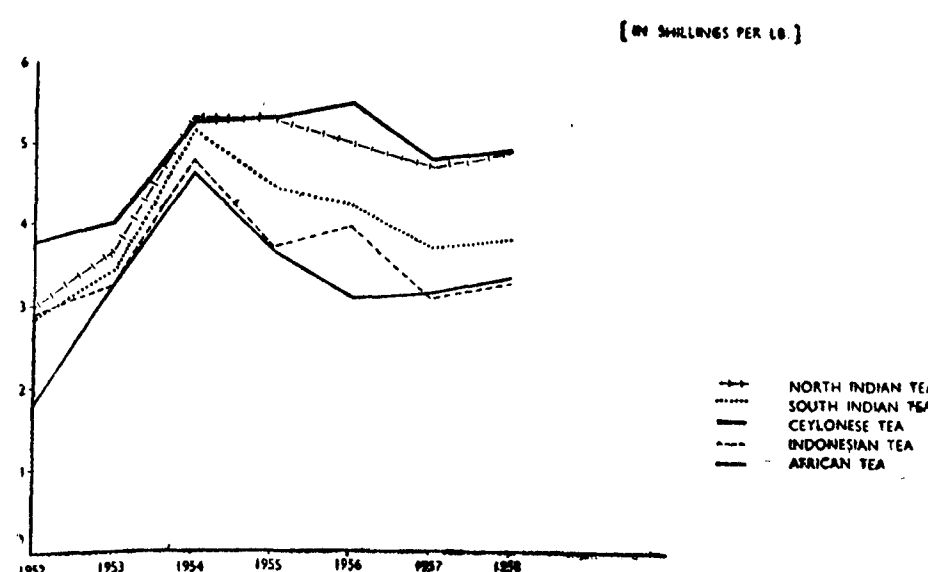
In the context of the above foreboding, the Union Minister for Commerce and Industry's following observations, made some months ago when he addressed the Indian Planters' Association, are most relevant: "To my mind, the most important point which has to be considered is in regard to the vital need for a programme of replanting. This has been neglected in the past. If the backlog in replantation is not made up, it will threaten our pre-eminent position in tea production in the world."

The scheme of replanting is estimated to cost Rs. 60 crores; and, if the work is phased over ten years, the annual cost will come to Rs. 6 crores. A greater rate of progress in replanting would, therefore, appear necessary to prevent the Indian tea industry from gradually running down in vitality and productivity owing to progressive ageing of plants. Any amount incurred on replanting is, therefore, undoubtedly worth the investment. A good portion of the estates which changed hands since the end of the last war are in dire need of replanting and owing to financial stringency could not undertake it. Besides the lack of financial resources, the new owners in many cases are new to the industry and lack knowledge of production and manufacturing methods, with the result that the cost of their products is higher and quality poorer.

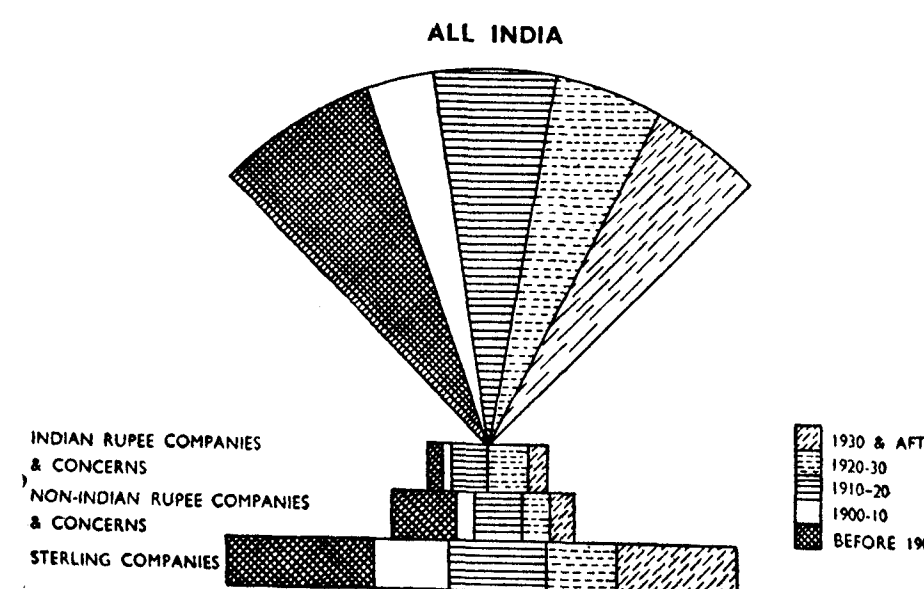
The Union Food and Agricultural Ministry was considering recently the report of the team sponsored by the Ford Foundation for increasing agricultural production by adopting a "package programme." The essence of the scheme is to make available to the farmer in selected districts all his needs in terms of credit supplies, including fertilisers and seeds and extension facilities including demonstration farms. A scheme on somewhat similar lines with an emphasis on supervised credit for the purpose of replanting may be tried under the aegis of the Central and State Governments for the

(Continued on page 879)

ANNUAL AVERAGE PRICES OF TEA SOLD AT LONDON



TEA PLANTS ACCORDING TO AGE-GROUPS



SUGARCANE GROWERS' THREAT IN U.P. DEMANDS UNREALISTIC AND UNJUSTIFIED

IT is indeed a great misfortune that the sugar economy of Uttar Pradesh continues to be subjected to the sway of political opportunism. How else is one to explain the latest threat of the U.P. Sugarcane Growers' Sangh to stop cane supplies to all the seventy mills in the State with effect from 10th December next, if the price of cane delivered at the gate of a factory is not raised from Re. 1.62 to Rs. 2 per maund? At its second session held at Ghughli in Gorakhpur district the other day, the Sangh, which is predominantly controlled by the Socialist Party, called upon the cane growers all over the State to prepare for a strike in case it became inevitable by the obstinacy of mill-owners and the Government. The Sangh also put forward four other demands. First, the cane growers must get a share in the excess profits made by sugar millowners last year (1958-59) by selling sugar at "sky-high" prices. Secondly, all restrictions on *khandsari* production, *kolhus* and power crushers should be removed forthwith. Thirdly, the impositions in the form of licence fee on *kolhus* and excise duty on *khandsari* must be immediately abolished. Fourthly, the revenues derived from sugarcane cess, as well as 25 per cent. of the sugar excise duty proceeds, must be spent on cane development.

Barring the last mentioned demand which is quite reasonable, the rest of the suggestions are all highly unrealistic and unjustified. The plea for a steep rise in cane price from Re. 1.62 to Rs. 2 per maund is particularly retrograde in character. Only four weeks ago, the Central Government conceded the cane growers' plea to a considerable extent by enhancing the minimum price by exactly 12½ per cent., that is, from Re. 1.44 to Re. 1.62 per maund. Although the sugar mills are compensated for this increase by a corresponding upward revision in the ex-factory price of sugar (D29 grade) from Rs. 36 to Rs. 37.85 per maund in the U.P., the cane price of Re. 1.62, together with the cane cess of 19 nP per maund and the co-operative commission of 4.6 nP, accounts for as much as 50 per cent. of the revised ex-factory price of Rs. 37.85 per maund. It will be higher still in the case of canes of less than 10 per cent. sucrose content as is actually the case with the bulk of sugarcane grown in North India. If the demand for a further rise in cane price to Rs. 2 per maund were conceded, the proportion of the cane cost in the total price of sugar will be higher at about 60 per cent.

A Preposterous Suggestion

The U.P. Committee of the Socialist Party is not satisfied even with this plea, for it has urged not only an increase in cane price to Rs. 2 per maund but also a reduction in the price of sugar to Rs. 32 per maund. In other words, the Committee wants the cane cost to account for 70 per cent. of the sugar price! How preposterous is this suggestion will be evident from the following table which gives the breakdown of the different elements constituting the ex-factory price of sugar:

	Existing formula	U.P. Socialist Party's formula
Duration of season (days)	135	135
Recovery (per cent)	9.85	9.85
Cane price (per maund)	Rs. 1.62	Rs. 2.00
Structure of sugar price		
Cane price per maund of sugar	16.38	20.22
Cess at 10 nP per maund of cane	1.94	1.94
Co-operative societies' commission	0.46	0.46
Total cane cost	18.78	22.62
Sugar manufacturing expenses	4.80	4.80
Excise duty	10.00	10.00
Extra interest	0.25	0.25
Wage Board's interim award	0.06	0.06
Extra insurance	0.08	0.08
Total	34.66	38.50
Less for molasses	0.09	0.09
Total cost of production	34.57	38.41
Ex-factory price	37.85	32.00
Profit margin (+) or loss (-)	+3.28	-6.41

* On the basis of the formula adopted by the Government for fixing ex-factory price for the 1957-58 season. The manufacturing expenses have been assumed to remain unchanged.

It will be seen from the above figures that the acceptance of the U.P. Socialist Party's plea would mean a considerable loss to sugar industry, leading to the closing down of a large number of mills and the substantial curtailment of production operations in several others. The repercussions of this development on the country's economy will be serious. Apart from the loss to investors, there will be a fall in employment and production. Lower production would mean higher prices for consumers. While the increase in the price of sugarcane will bring

about a rise in the supply of cane, the demand for it will be adversely affected as a result of decline in mill crushing. This will ultimately hurt the sugarcane producers themselves. Meanwhile, the diversion of land to sugarcane will lead to a drop in production of foodgrains which in turn will impart an upward trend to the prices of foodgrains. Thus, the whole economy will be caught in a spiral of inflation, of which the worst sufferers will be the masses. Is this the way in which the U.P. Socialist Party wants to serve the country?

Other Absurd Proposals

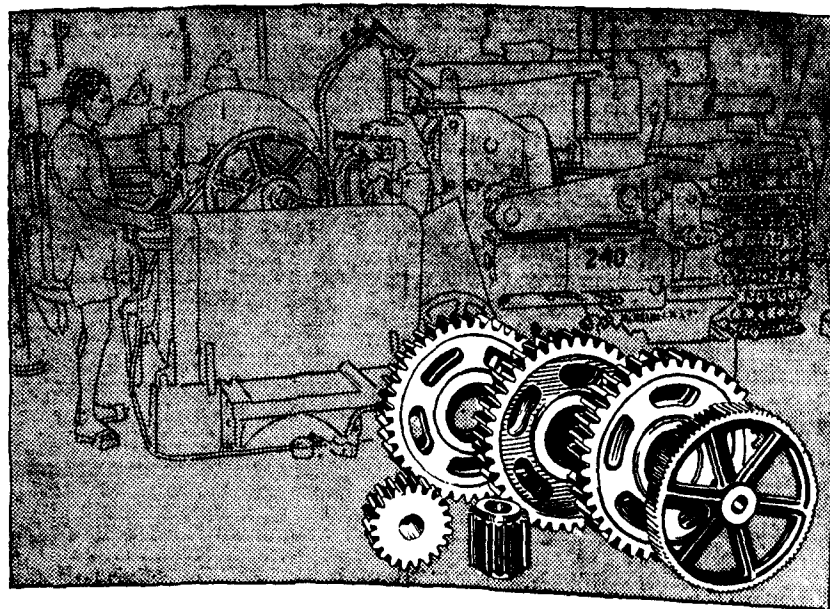
Equally preposterous are the suggestions relating to the abolition of all restrictions and removal of taxes on *khandsari* sugar. As it is, the manufacturers of *khandsari* are offering stiff competition to white sugar mills for the available supplies of cane, in view of the fact that the prices of *khandsari* are ruling very high and that this commodity enjoys a distinct tax advantage over white sugar to the extent of Rs. 8.52 per maund. It must be pointed out in this connection that every hundred tons of cane utilised for producing *khandsari* result in a loss of 3.33 tons of sugar, because the sugar recovered from cane in the form of this brown sugar is nearly a third less than that when the same cane is used for making white sugar. It is thus obvious that, by putting forward the aforesaid suggestion, the Socialist Party is only anxious virtually to starve the sugar mills of cane supplies, an anxiety which has stemmed entirely from political considerations and ignorance of economics.

The U.P. Sugarcane Growers' Sangh was, however, perfectly right in principle when it urged the utilisation of cane cess proceeds and 25 per cent. of excise duty on sugar for cane development work. It is a moot point whether any part of excise duty should be used for this purpose. What is relevant to the point is that

sugarcane development deserves a larger slice of revenue than it has had so far. Our support to this demand of the Sangh is based on this general consideration. It does not necessarily mean that we endorse that demand in detail. The U.P. Government collects every year crores of rupees by way of cess on cane crushed by sugar mills. The total of the collections for the past eight years is of the order of Rs. 35 crores. Since the amount of cess realised continues to be credited to the general revenues of the State, it is difficult to estimate the amount actually spent on cane development. The general complaint by sugar millowners is that a large part of the cess collections is utilised for purposes other than cane development. What is worse, the results of development work have not been satisfactory, as witness the following Press version of the observations made by the U.P. Assembly's Estimates Committee on cane development work.

Considering the considerable sum of money spent on cane development work, the return has been wholly inadequate. There is lack of co-ordination among the various departments. The figures for cane production per acre for the six years ended 1956-57 as supplied by the Cane Development Department and by the Department of Economic Intelligence and Statistics do not at all agree. Thus, while the former has furnished figures which point to a drop in yield from 463 maunds in 1952-53 to 433 maunds in 1956-57, the latter has claimed an improvement from 272.80 maunds to 311.06 maunds.

Whatever may be the exact position, it must be stressed that the Government of Uttar Pradesh, as, indeed, the Governments of all the States, should reorient the sugarcane cess collection and utilisation policy. There are two alternatives: one, to spend the entire proceeds of cess on intensive cane development work so as to bring about a rapid reduction in the cost of cane (or to reduce, as soon as practicable, the rate of cess to a more reasonable figure) and, two, to transfer the responsibility for cane development to the sugar factories themselves. The latter course seems to be more desirable and deserves to be given a trial.



We have manufactured gears for half a century. We cut gears and flame harden teeth to customers' specification up to the undernoted maximum sizes:—

Straight Spur and
Internal Gears
Helical, Double Helical,
and Skew Gears
Bevels
Worm-Wheels

Dia Face
120" 20"
72" 18"
24" 6"
72" 6"

Industry
runs
smoothly
on

BURN

GEARS

& CO. LTD. HOWRAH

Managing Agents: MARTIN BURN LTD.
MARTIN BURN HOUSE
12, Mission Row, Calcutta I
Branches: New Delhi Bombay Kanpur

STATISTICAL POSITION OF JUTE MILLS

RAW JUTE SUPPLY MAY FALL

THE month of October was the second complete month when jute mills worked with 10 per cent. of the looms sealed, following the decision of the I.J.M.A. to unseal 1½ per cent. of the looms with effect from 22nd June last and another 2½ per cent. from 24th August. The latest unsealing, coupled with an increase in the number of hours worked, had resulted in a sharp rise in output during September. The upward trend in production was, however, not maintained during October; even the September level of production was not kept up. On the contrary, there was a drop, on account of the fall in the number of working hours apparently due to *Puja* holidays. Thus, in contrast to the increase of 5,700 tons (to 92,600 tons) during September, the production in October was down by 4,700 tons at 87,900 tons and the number of hours worked by mills was 200.5, as against 209 in the preceding month.

The decline in production was shared by all varieties of goods, hessian accounting for 1,100 tons (at 36,400 tons), sacking for 2,800 tons (at 46,000 tons) and others for 800 tons (at 5,500 tons). It is noteworthy that the drop in production is larger in sacking than in others, notwithstanding the fact that the unsealing of 2½ per cent. of the looms was confined to heavy goods. The decline in hessian has taken the production to the lowest level since November 1958. For the fourth month in succession, production of miscellaneous goods has shrunk, bringing it down from a peak of 9,200 tons in July to 5,500 tons, the lowest since October last.

Over the year, the total production of mills in October shows a rise of 6,100 tons. This is accounted for by the fact that the sealed complement of the looms was lower (at 10 per cent.) than that (12½ per cent.) in October 1958. Also, the number of hours worked last month (at 200.5) was higher than that (192) in October of last year.

The following comparative table shows the trend of production during the last three months, presented against the background of that in October 1958:

Production of Jute Goods
(In tons)

	October 1959	September 1959	August 1959	October 1958
Hessian	36,400	37,500	37,600	33,300
Sacking	46,000	48,800	41,900	43,000
Others	5,500	6,300	7,400	5,500
Total	87,900	92,600	86,900	81,800

Along with the decline of 4,700 tons in production, there has also been a shrinkage in stocks of goods with mills at the end of the month. As the fall in stocks is much more than that in output, offtake from mills must have been encouraging, though less than that in the previous month. The stocks at the end of the month show a drop of 6,200 tons to 72,500 tons, thus maintaining the downward trend since January this year, which takes them to the lowest level since November 1957. Over the year, the stocks show a contraction of 34,900 tons, as will be borne out by the following comparative table:

Stocks of Jute Goods
(In tons)

	As on 31st Oct., 1959	As on 30th Sept., 1959	As on 31st Aug., 1959	As on 31st Oct., 1958
Hessian	29,200	25,500	24,800	17,800
Sacking	32,900	42,700	45,700	77,500
Others	10,400	10,500	10,700	12,100
Total	72,500	78,700	81,200	107,400

It will be noted that the decline in stocks is mainly accounted for by sacking which has gone down by 9,800 tons to a low of 32,900 tons, a level not seen since November 1955. Over the year, stocks of heavy goods show a reduction of 44,600 tons. Last month's sharp fall in this category has been due to good shipments to the Far East, particularly to China, which has been the main buyer of sacking from India almost throughout the current year. The substantial improvement in the statistical position of heavy goods in recent months is well indicated by the fact that their stocks now represent no more than 45.4 per cent. of the total, as against 72.1 per cent. a year before. They also amount to less than three weeks' output, whereas, this

(Continued on page 879)



National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., & Grindlays Bank Ltd.)
Registered in London under the Companies Act of 1862 on the 23rd March, 1866. The liability of members is limited.

Bankers to the Government in Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Authorised Capital £4,562,400
Subscribed and Paid-Up Capital £3,421,875
Reserve Funds £3,000,000

Head Office: 26 BISHOPSGATE, LONDON, E.C.2.

London Branches:

54 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somaliland Protectorate, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

The Bank undertakes the recovery of Income Tax and the preparation of Income Tax returns on behalf of constituents.

Bombay Branches:

90 Mahatma Gandhi Road
Mint Road (Corner of Mint Road and Sir P. M. Road)



How banking helps the COCONUT OIL INDUSTRY

India ranks second among the coconut growing countries of the world. During the Second Five Year Plan, the Coconut Oil Industry, which is almost exclusively South Indian business centres and two in Delhi and New Delhi; and we have correspondents in all important Indian cities. We offer a comprehensive banking service at each office.

Banking has greatly helped in the rapid growth of this industry. The facilities and guidance of a good bank, such as the availability of ready funds when needed, and the collection of dues in any part of the country, are an essential part of good organisation in the industry.

We at Palai are proud that so many leading coconut oil producers of South India employ the complete banking service we offer.

Current Accounts—Demand Drafts—
Telegraphic Transfers—Investments—
Letters of Credit—Bill Collection—
Deposits—Loans and Overdrafts—
Confidential Credit Reports, etc.

Head Office: PALAI, Kerala State.

Branches at: MADRAS, COCHIN, QUILON, TRIVANDRUM, ALLEPEY, MANGALORE, BANGALORE, etc. Also at: DELHI AND NEW DELHI.

PALAI CENTRAL BANK LTD.

A LEADING BANK IN SOUTH INDIA

LABOUR LEGISLATION AND PEACE IMPORTANCE OF HUMAN RELATIONS

THE increasing volume of labour legislation in the country, which is growing in range and complexity year after year, has provoked many to think about the future of collective bargaining. The recent proposal of the Union Ministry of Labour to convert the tripartite wage boards for industries into statutory bodies and make their decisions legally binding on the parties, has brought the issue into the focus of public attention. While the labour unions would appear to welcome the proposal, organisations of employers have stoutly opposed it on the ground that statutory regulation of wages, other than fixation of minimum wage, will cut at the root of collective bargaining. Whatever may be the fate of the proposal, it has attracted the critical attention of those interested in labour problems and set many minds thinking.

The conference on industrial relations, organised by the Indian Institute of Personnel Management at Bombay this week, was, therefore, of some topical interest. The subject of discussion was "The future of collective bargaining in the context of increasing labour legislation and tripartite consultation." A workers' representative, Mr. D. K. Kunte, Vice-President of the Bombay Provincial I.N.T.U.C., an employers' representative, Mr. Murarji Vaidya, a well-known industrialist, and Mr. S. R. Mohandas, a journalist, were called upon to give their views on the subject. On a subject like this it is natural to have wide differences of opinion and the speakers did differ with one another. But all of them were agreed on the following points:

1. The interest of the community was supreme and employers and workers had to look at specific questions at issue not merely from the point of view of their own sectional interest but also from that of the community as a whole.

2. The Government, representing the interests of the community cannot, in the event of a clash between workers and management, remain a passive spectator, taking a ringside seat and enjoying the whole show.

3. Collective bargaining is a desirable thing and, if both parties genuinely believed in it, could be instrumental in promoting healthy labour-management relations and ensuring industrial peace. But it has not sufficiently developed in this country to obviate the necessity of having recourse to adjudication.

Mr. Murarji Vaidya held that political leadership of trade unions and the absence of a stake for trade union leaders in the undertaking were responsible for the lack of a genuine desire for settlement by mutual negotiation and the consequent failure of collective bargaining. Mr. Kunte did not find anything wrong in outsiders leading trade unions, provided trade union work was not made subservient to political activity and workers' interests were kept above those of political parties. In the situation obtaining in the country, he found that political leadership had even some advantages. He believed that, when workers were sufficiently educated and enlightened and became conscious of their rights and responsibilities, they themselves would take over the leadership of unions. This conclusion, according to him, was borne out by the trend currently noted in the case of white-collared workers.

Management Training

All the speakers were agreed that, irrespective of the provisions of law, it was possible to reach mutually satisfactory solution to disputes, provided there were goodwill and understanding between the parties. Such goodwill and understanding could be fostered only through good human relations in industry. It was precisely this point that was repeatedly emphasised by speaker after speaker at a seminar organised jointly by the Tata Institute of Social Sciences, and the British Information Services. The seminar, which was inaugurated by Mr. Shantilal Shah, Bombay's Labour Minister, was aimed at focussing attention on the "lamentable lag" between technological progress and the pace of social skills of human adjustment in the exciting adventure of applying scientific discoveries to the means of production. In his inaugural address, the Minister observed that legislation alone was no answer to the problems of industrial relations. In their approach to labour problems, labour and personnel officers, he said, should lay emphasis not on the enforcement of law but on the mitigation of workers' hardships. Mr. John Marsh, Director, Industries Welfare Society, London, in his remarks on new trends in human relations and labour welfare in industry, emphasised the importance of management edu-

cation and training of personnel and labour officers in creating better labour-management relations. He advised personnel and labour officers that they should frequently attend workers' conferences and try to feel their pulse. Courtesy and politeness in their approach to workers, he pointed out, went a long way towards establishing happy labour relations. Mr. Marsh also averred that such relations could not be fostered through mere legislation. Human relations were a complement of industrial relations and formed a vital aspect of industrial progress.

The importance of human relations in the maintenance of industrial peace was recently emphasised by Sir Alexander Fleck, Chairman of Imperial Chemical Industries, in his address at the annual conference of the British Institute of Directors. In Britain, according to Sir Alexander, industrial relations were not nearly as good as they could be. Where something was wrong with the tone of an organisation the fault was frequently traceable either to a failure at the top or to a failure in the communication from the top downwards. Difficulties at the top arose, because industry had become big, complex and remote and was likely to become more so. Elucidating this point, Sir Alexander said:

"Those of us at the top all too frequently think in terms of monolithic groups, the factory or the trades union, when we should be thinking more of the individual men and women who compose them. My experience firmly convinces me that the solution to the problem lies not in any new subtle conception, but in the well-tried recipe of joint consultation sincerely and wholeheartedly applied. Hard, solid and, above all, persistent cultivation of good relationship at all levels is required all the year round if the effort is not to be wasted."

The approach, he averred must cover both dealings with the factory people direct and with the trade unions. "The most potent factor for success" in his opinion, "is that managers and

trade unionists should know their opposite numbers at all levels. They should know each other not singly as officials in their hierarchy but as individual personalities."

Emphasising the importance of individual contact at all levels, Sir Alexander observed:

"Good relations with the Unions were complementary and not a substitute for direct dealings with the men on the plant. More important than the content of the discussion was the fact of individual contact between the factory people and their local management at works level and the Chairman and Board. . . . In this way, the men get to know what the top management of the company is thinking and, equally, the top management gets to have a very good idea of what the factory people are thinking."

We commend this approach to management in this country which, barring a few exceptions, have yet to show evidence of having realised its importance.

JURISDICTION OF WAGES AUTHORITY

Has the Authority, under the Payment of Wages Act, jurisdiction to decide a worker's claim in respect of deduction from his wages or delay in payment of wages, even though decision of that question involves pronouncing a verdict upon the legality or illegality of a strike or lockout. This question, which very often arises these days of action before a Division Bench of the Bombay High Court in a dispute between the management of Richardson and Cruddas Ltd., and one of its workmen. The fact of the case are as follows:

The petitioner worker had applied to the Authority under the Payment of Wages Act for an order directing the management to pay delayed wages and compensation on the ground that he had been prevented by the employers from working and that he was locked out because it was alleged that he had gone on an illegal strike. The management contended that the Authority had no jurisdiction to entertain the claim for wages because that claim depended on the decision whether the strike or the lockout was illegal, an issue that could not be decided by the Authority but only by the Industrial Tribunal. The Authority agreed with this contention and disclaimed jurisdiction. Thereupon the worker went in appeal to the High Court.

Delivering the judgment, their Lordships observed that exclusive jurisdiction had been (Continued on page 879)



... only **PIA** Viscount service
to Karachi offers these
in-flight luxuries*

Because they are out to enjoy themselves to the full, tourists prefer the plus-values of PIA service and the extra comforts of Topflight Viscount travel. They know that this starts their holiday right—with the maximum in comfort and luxury enjoyment. Fly with us and you'll prefer PIA too!

Get there faster—FLY

PIA

Reservations from your Travel Agent or
PAKISTAN INTERNATIONAL AIRLINES
Bombay: Airlines Hotel, Churchgate
Tel: 245011/2, 245176 Ext. 4
New Delhi: Regal Hotel, 1-Block,
Radial Road, 6 Connaught Circus,
Tel: 41645, 4280.

Topflight VISCOUNT

- *****
- * Full bar service (outside prohibition areas), to complete your enjoyment.
- * Choice of First Class or Tourist.
- * Suit yourself... suit your pocket.
- * More space to relax. 9 feet longer than earlier Viscounts. Much more comfort.
- * 26 enormous windows. (More than on earlier Viscounts). Affords panoramic view.
- * Radar equipped (Not on earlier Viscounts). Enables pilot to avoid bad weather.
- *****

**PAY
BY CHEQUE**

It's
Convenient
It's
Safe

THE
UNITED
COMMERCIAL
BANK LTD.

Head Office: CALCUTTA

G. D. BIRLA
Chairman

SUBSCRIBED CAPITAL Rs. 4,00,00,000
PAID UP CAPITAL Rs. 2,00,00,000
RESERVE FUND Rs. 1,48,00,000

S. T. SADASIVAN
General Manager

INDUSTRIAL AUTOMATIC CONTROL EQUIPMENT

By
MESSRS. FR. SAUTER, SWITZERLAND

- ★
- TIME SWITCHES with/without Astro-nomical Dial
- IMPULSE EMITTERS
- INTERVAL TIMERS
- RELAYS
- CONTACTORS AND LINESTARTERS
- THERMOSTATS OF ALL RANGES
- REFRIGERATION CONTROLS
- PRESSURE SWITCHES
- LEVEL CONTROLS, Etc.

SOLE AGENTS:

TOSHNIWAL BROTHERS (PVT.) LTD.
198, Janshodji Tata Road, BOMBAY-1

BRANCHES:

AJMER - CALCUTTA - NEW DELHI - MADRAS

Looking for
TRADE Contacts
in
Australia, New Zealand
PAPUA AND NEW GUINEA
- FIJI -

Businessmen who are interested in developing trade with these countries are invited to use the complete banking services provided by the Bank of New South Wales.

The services include trade and industrial introductions, economic and market information, and assistance with travel requirements.

Address enquiries to:
John W. McEwen—Manager, International Division,

**BANK OF
NEW SOUTH WALES**

HEAD OFFICE, SYDNEY, AUSTRALIA

Over 1,000 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, and three branches in London.

ESTABLISHED 1817

We always use **WHEEL BRAND** Industrial glycerine
It's guaranteed to contain 98% glycerol



Years of experience have proved to this factory manager that he can rely on WHEEL BRAND Industrial Glycerine — because it is of an unvarying high quality.

It is guaranteed to contain not less than 98% glycerol. What's more, it is backed by the experience and reputation of its makers, HINDUSTAN LEVER LIMITED.

In textiles, dyeing and printing, paints, varnishes and lacquers, plastics, leather, rubber and glass... In these and other industries, WHEEL BRAND GLYCERINE is used, and has been used for years.



Remember, PYRAMID BRAND GLYCERINE P.F. also has many uses in the industry as well as medicinal and domestic uses! Write for

a free leaflet about its various uses in the home to: HINDUSTAN LEVER LTD, P. O. Box No. 409, Bombay 1.

DISTRIBUTORS: Imperial Chemical Industries (India) Private Limited
Bombay, Calcutta, Delhi, Madras

Made by HINDUSTAN LEVER LIMITED, Bombay

WG. 15-XS3

BANKERS

It will pay you to consult us

FOR YOUR

* CHEQUES * SHARE CERTIFICATES

DEMAND DRAFTS * LEDGERS

* PAY-IN SLIP BOOKS * PASS BOOKS

* LETTERHEADS * ENVELOPES

and all other printing you may require

G. CLARIDGE & CO. LTD., SECURITY PRINTERS
GALTON PRESS, FRERE ROAD, BOMBAY. Telephone: 26-3201/2



Sulekha
FOUNTAIN PEN INK

25 YEAR OF SERVICE
TO THE NATION

Special

SULEKHA WORKS LTD. CALCUTTA

HYDRAULIC MACHINES INDUSTRY GREAT HEADWAY MADE IN RECENT YEARS

A NOTABLE feature of industrial progress in recent years is the sizable improvement recorded in the production of hydraulic machines. The importance of these machines to agriculture, irrigation, sanitation and generation of power can hardly be exaggerated. Under the impetus provided by the emphasis on growth-food campaign and the curbs on imports, the hydraulic machines industry, in general, and the manufacture of centrifugal pumps, in particular, have made much headway. The quality of the products too has improved, so that the prejudice against domestic products has now been eliminated.

In the course of his speech at the symposium on hydraulic machines, held at Bangalore last week, under the auspices of the Indian Institute of Science, the Union Minister of Industry, Mr. Manubhai Shah, made a rapid survey of the centrifugal pumps section of the hydraulic machines industry. In India, the organised production of centrifugal pumps commenced in 1925. At that time, the pioneers in the industry had to struggle hard in order to find a place in the domestic market, thanks to competition from pumps of foreign origin. The Second World War and subsequent industrial programmes gave a new fillip to the industry. By 1950, there were eight units with a capacity of 35,000 pumps and the value of their production was placed at Rs. 1 crore. The number of manufacturers rose to 27 by 1956 and installed capacity to 68,000; by the end of 1959, the number of firms is expected to go up still further to 55 and capacity to 130,000 with production valued at Rs. 4 crores per year. Of these firms, five manufacturers are producing deepwell turbine pumps which are required for developing the underground resources in certain areas of the country. The output of power-driven pumps alone in the current year is placed at 85,000, valued at Rs. 2.46 crores.

In the manufacture of pumps, Indian manufacturers have derived considerable benefit from their association with well-known foreign firms such as Fairbanks Morse of the U.S., Johnstons of the U.S., Worthington of the U.K. and Sulzers of Switzerland. India has also been able to export pumps to Middle Eastern and Far Eastern countries. This is an indication of the reasonably high standard of quality achieved by the manufacturers. Pumps for special chemical applications and of large sizes are, however, still being imported by India. In this connection, Mr. Manubhai Shah said: "With the expansion and diversification of the industry, I hope we would achieve not only self-sufficiency in the next two or three years but also export a large number of pumps and hydraulic machines to meet practically the entire requirements of the export markets in the neighbouring countries."

The manufacture of hydraulic machines used for power generation is planned in the Heavy Electrical Project at Bhopal, with a capacity of 0.35 million kw. per year on double-shift basis, and the biggest turbine will be 50 mega watts. A further capacity of 0.3 million kw. is under consideration for turbines between 10,000 and 100,000 kw. in another project. Hydraulic turbines upto 100 kw. capacity are being made by another Indian firm. Gates of all categories, such as sluice and flood penstock, are also under regular production.

In the sphere of hydraulic machines, as, in fact, in that of the engineering industry as a whole, progress depends upon continuous research. Mr. Manubhai Shah, therefore, did well to stress the importance of research. He said:

"While the indigenous manufacture is proceeding satisfactorily very little attention is being paid by most of the manufacturing concerns to research and development which alone can, in the ultimate analysis, make the indigenous industry meet the challenge of their counterparts in other countries. The lead given by the Institute of Science in arranging this symposium on hydraulic machines is, therefore, in the right direction. I hope it will be a forerunner of many such gatherings to be held periodically in different parts of the country so as to stimulate wide interest in the problems that confront the manufacture, operation and maintenance of hydraulic equipment. The industry in our country should bestir itself to more and more research in all these important lines, in addition to the development and research taking place in a national institute such as yours and our national laboratories."

In conclusion, Mr. Shah referred to the target of 10 million tons of steel for the third Five-year Plan, now under consideration. He felt that the apprehensions that consumption of steel might not come up to this level were groundless. He recalled that, during the second

Plan period, the development of all engineering and secondary industries had suffered considerably due to the non-availability of steel, the import of which had been restricted on account of shortage of foreign exchange. Further, industrial production was going up. The index number of production in machine building industries (Base: 1951=100) stood at 433 in the current year, of production in electrical industries at 302, of machine tools industry at 888 and of general engineering industries at 273. Mr. Shah added: "This only demonstrates the capacity and growth of steel consuming industries. If during the second Plan period, iron and steel were more freely available, production in the main steel consuming industries like machine building, machine tools, engineering and structural and secondary industries would have been much greater than even the very happy performance that we are witnessing today." After referring to the fact that engineering industries suffered heavily through non-availability of steel and large amounts of foreign exchange had to be diverted to imports of steel, Mr. Shah said: "Even if there is a risk in planning for a somewhat higher target, I feel it is better to err on the side of a higher practicable target like 10 million tons of crude steel because any shortfall in production of steel in relation to demand would have very wide repercussions on the pace of development of the vital machine building industries, heavy engineering industries, basic industries and vital light engineering consumer goods industries."

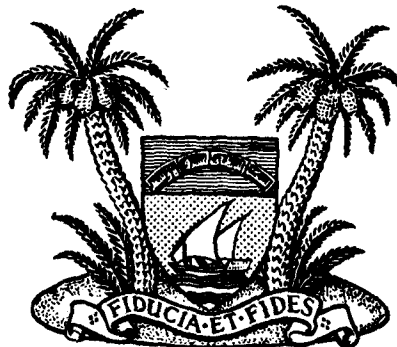
No infallibility, as we have maintained in the past, can be claimed for any particular figure about the demand for steel in the next few years. It will be wrong to underestimate the demand for steel, for experience in the second Plan period suggests that shortage of steel could become a great national handicap.

At the same time, in a capital-intensive industry like the steel industry, it is best that there is a certain element of flexibility in the programme for steel expansion. Above all, what is clearly indicated—irrespective of whether a slightly higher or a slightly lower target is accepted—is that efforts should be made to stimulate the expansion of steel-consuming industries to levels at which they can absorb the steel that may actually be produced. Another vital factor to be taken into consideration is the availability of managerial and technical personnel. These problems deserve all the attention that the Government can give them.

RETENTION PRICES OF T.I.S.CO. AND I.I.S.CO.

An increase of Rs. 5 per ton in the retention prices (for all categories of steel taken together) payable to the Tata Iron and Steel Company, Ltd. (T.I.S.Co.) and Indian Iron and Steel Company, Ltd. (I.I.S.Co.) for the period 1955-56 to 1959-60 was announced by the Government of India last week; the present retention price of the two companies is Rs. 419 per ton, excluding the excise represented to the Government that their costs had risen as a result of increases in wages, freight, coal prices, etc. The cost accounts branch of the Ministry of Finance, which examined the representations, recommended that the average retention prices payable to the companies for the period 1955-56 to 1959-60 should be raised by Rs. 7 per ton, if a negotiated labour settlement were accepted and Rs. 5 per ton if such a settlement were not accepted. It also recommended that the 1954-55 retention price of the I.I.S.Co. should be increased by the same amount and the average amount per ton to be credited by the Company to its development fund during the period 1955-56 to 1959-60 should remain unchanged. As the 1954-55 retention price for T.I.S.Co. had been increased only by Rs. 4 per ton, the average amount to be credited by the Company to its development fund during the period 1955-56 to 1959-60 should be increased by Rs. 3 per ton if negotiated settlement were admitted and by Rupee one if they were not accepted. The Government, it is stated, is examining separately the question of admitting increases in labour costs due to negotiated settlement.

The present increase in the retention price will enable the T.I.S.Co. to increase its contribution to its development fund by Re. 1 to Rs. 50 per ton. It will enable the I.I.S.Co. to maintain its contribution of Rs. 7 per ton.



A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to

1839 and closely associated with the rapid development taking place today.

India, Aden, Dubai and Sharjah and Abu Dhabi, Oman and Muscat, Qatar, Bahrain, Kuwait, Saudi Arabia, Jordan, Iraq, The United Arab Republic (Syrian Region), Lebanon, Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has

intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 with Limited Liability.

HEAD OFFICE: 7 King William Street, London E.C. 4.

BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.

Tel. Add.: BACTRIA.

Telephone: 25-2267.

Capital and published reserves exceed £44 million.

ASSOCIATED WITH:

THE BANK OF IRAN AND THE MIDDLE EAST

Capital Rials 250,000,000

HEAD OFFICE: TEHRAN, IRAN (PERSIA). (P.O. BOX 1880)

NEW PRODUCTS AND PROCESSES

Sodium Street Lamp

WITH an efficiency of 100 lumens a watt, a 200-watt sodium linear lamp produced by the A.E.I. Lamp and Lighting Company will, it is claimed, provide street lighting of twice the intensity with fewer columns at only 38 per cent. greater cost. The lamp has a straight arc tube formed into a crescent section which alternates to either side of the tube over short lengths. Loss of efficiency through the migration of sodium, which clings inside the small radius bends in the horns of the crescent, has thus been reduced. The design also provides a directional output of light a third greater sideways than downwards, making the lamp particularly suited to street lighting. Starting and operating from 320V, the lamp can be controlled with equipment which is no bigger than that required for a 140-watt lamp. The lamp will work in all weathers, since it runs at low pressure, which means that delay in starting while still warm from use is avoided. Designed for use with the new lamp is a perspex lantern, called the Amberline, which gives a medium angle beam that is not cut off and can be mounted at heights between 25 ft. and 35 ft. and spaced at intervals of from 120 ft. to 200 ft. according to the amount of light required. The lantern is totally enclosed with a Perspex canopy and refractor bowl carried on a silicon aluminium die casting, containing a spigot entry. The light is controlled by refractor plates which are sealed on to the inside of the bowl.

Decimal Desk Calculator

A decimal desk calculator known as the Unical from the Swiss firm of Bergmann (Frauenfeld) has recently been made available. It consists of 99 printed tables which can be used for multiplication and division, and certain other calculations, the results of which have been worked out up to a point beyond which it becomes necessary to make additions or subtractions to obtain more complex answers. The tables are prefixed by an index digit from 1 to 99. This index is followed by the same series of figures in every table: from 00 to 95 and intermediates from 1 to 4. Each horizontal column, therefore, runs over the range 00 to 99, in effect, so that page 1, for example, will show all the figures from 1.00 (or 100) up to 1.99 (or 199). The vertical column covers 1 to 99, and its lower portion shows the common fractions as sixths, eighths, twelfths, sixteenths, and thirty-seconds, which can be employed to make up the larger fractions. It is therefore possible to see at the points of intersection all multiplications of the order 1 to 9.99 multiplied by 1 to 99, and 1 to 9.99 by fractions.

Electronic Refrigerator

A new type of refrigerator—an electronic one that operates silently and has no moving parts—has been patented for the Philco Corporation of Philadelphia.

The operation of the refrigerator is based on the principle that an electric current passed through materials known as semi-conductors produces a cooling effect. In one example cited in the patent, waters of germanium, together with small quantities of antimony and indium, are used. The wafers are set in a plate made of a metal such as nickel, which is a good heat conductor. Either direct or alternating electric current may be used. Philco regards the new refrigerator as a potentially useful one, but that further development is said to be required before it can be put into production. Meanwhile, Philco engineers are also working on other techniques of electronic cooling. The company has been making refrigerators of the conventional compressor-evaporator kind since 1938.

Portable Contamination Monitor

A British firm, E.M.I. Electronics Ltd., has produced a new, compact, all-transistor monitor which offers unique facilities for detecting radioactive contamination. The instrument employs a dual phosphor technique, and can be used for monitoring radioactive contamination on benches, clothing, and similar objects. All-transistor circuitry enables the instrument to be battery-operated for long periods. The dual phosphor technique makes possible the monitoring of either Alpha or Beta contamination separately, or both simultaneously. Distinctive separate tones (high-pitched for Alpha, low for Beta) are provided, audible on headphones worn by the operator or through a built-in loudspeaker. The new monitor provides high accuracy over a wide range of temperature (0° to 45°C). Information in the form of counts per second is displayed on a meter covering the range 0-5000. Weight of the unit is approximately 11 lb., and power consumption ½ watt.

Cheap Cast Aluminium

Cheaper cast aluminium stock is said to result from a new continuous casting process developed in the U.S. by Kaiser Aluminium Corporation. Slab aluminium can, by the new process, be rapidly cast in thicknesses from ½ to 2 inches, in widths between 6 and 12 inches, and lengths from 12 to 240 inches in the 1,100 series of alloys and the higher purity grades. The dimensional control available in the system is said to be unique in continuous casting operations. Development work is in progress on casting various alloys and on processes permitting casting of thicknesses down to ¼ inch. The stock produced by the process is known as "K-slab" and is said to be suitable for the manufacture of a wide variety of thin and heavy wall tubes, containers and many electrical, motor-vehicle, aircraft and industrial parts by impact extrusion.

New Traction Battery

By using plastics and "Terylene" Chloride Batteries Ltd., Swinton, Manchester, England, claims to have made the most important advance

in traction battery construction in half-a-century. The new battery is approximately of the same size and weight as its predecessors, but is said to give 35 per cent. more power and a livelier performance. The plastic is responsible for keeping the battery's weight down in relation to its output, and the use of a multi-tubular "gauntlet" of resin-impregnated "Terylene" cloth gives the plates greater durability and longer life. Users of industrial trucks, say the makers, should benefit from the new battery because, with the increased power, trucks can do more work in a shift, or longer shifts. Alternatively, trucks can be worked with the same battery-power as before but have a smaller housing compartment, giving them greater manoeuvrability.

Nylon Postal Envelope

A new type of postal envelope made from lightweight nylon fabric proofed with P.V.C. plastics material is claimed to offer substantial savings in stationery costs. The economies of the envelope introduced by Envelopak of London, are said to be particularly attractive to firms using manilla or similar envelopes of greater than foolscap size. The envelope which is stated to be waterproof, is supplied with a patent seal and zip fastener which are said not to require the use of special tools for opening or closing. It is provided with two "windows," one for a reversible address card and the other for a card bearing stamps or a franking label.

Bonding Plywood

Weatherproof plywood can be successfully bonded at Press temperatures of 230 to 240 degrees Fahrenheit, and will require no further treatment, it is claimed, by the use of a new reactive phenol-formaldehyde aqueous resin-syrup now available. Under such conditions, and using a special filler supplied by the manufacturers of the resin, flat, blister-free boards are said to be obtained. With veneers of low moisture-content, where press temperatures of 275 to 285 degrees Fahrenheit are possible, a filler such as coconut shell flour is said to give excellent results with the resin, which is known as Laxite P.F. 517. The resin bond is strong and unaffected by boiling water, fungi or wood-destroying insects.

Detecting Water in Plane Fuel

A new "pill" method for detecting minute traces of water in jet plane fuels has been developed by the Esso Research and Engineering Company in the United States. The method is said to provide a quick and reliable last-minute check during fuelling at an airport. The method uses a chemical powder that changes colour in the presence of microscopic amounts of water. The powder, in capsule-type pills, has been extensively tested at major international airports.

Quick-drying Paint

A Holden and Sons, of Bordesley Green Road, Birmingham, Britain, has produced a quick-drying primer which is said to be suitable for a variety of metal and other surfaces. It is claimed to dry for handling purposes in ten minutes and to be able to receive an overcoat in an hour. The primer is designed to be applied by spraying, brushing or dipping and to accept as a second coat most industrial finishes including heat-resisting stoving enamels.

RETENTION PRICES FOR PIG IRON

An increase of Rs. 17.23 per ton, with effect from 8th July 1957, for pig iron produced by the Indian Iron and Steel Company, Ltd. (I.I.S.Co.) and of Rs. 12.92 per ton for pig iron produced by the Tata Iron and Steel Company, Ltd. (T.I.S.Co.) for 1958-60 was announced by the Government of India on 6th inst.; the existing retention prices for pig iron produced by the two companies are respectively Rs. 141.5 and Rs. 128 per ton. The Government has further decided that the prices of pig iron manufactured at the Burnpur Works of I.I.S.Co. will provisionally apply to the corresponding grades of pig iron produced by the Hindustan Steel Ltd.

The Tariff Commission had recommended a price increase of Rs. 10.84 per ton on a weighted average basis for the period from 1st August, 1954 to 31st March, 1960 for pig iron produced by the Indian Iron and Steel Company. The Government of India, while accepting the recommendations of the Tariff Commission in regard to the actual increases in costs, does not consider that the increases should be given a weighted average basis. Accordingly, an increase of Rs. 17.23 per ton has been granted from 8th July 1957. Since the pig iron production at Burnpur Works has not been separately costed, the Government has decided that the increase in prices recommended by the Tariff Commission and accepted by the Government should be applied to the Kulti pig iron till the Kulti plant ceases to operate and to the corresponding grades of pig iron produced at the Burnpur Works up to the end of March 1954 finally, and thereafter provisionally, with the intention that the prices of pig iron produced at Burnpur after 1st April 1958 should be examined separately and adjustments based on costings made later.

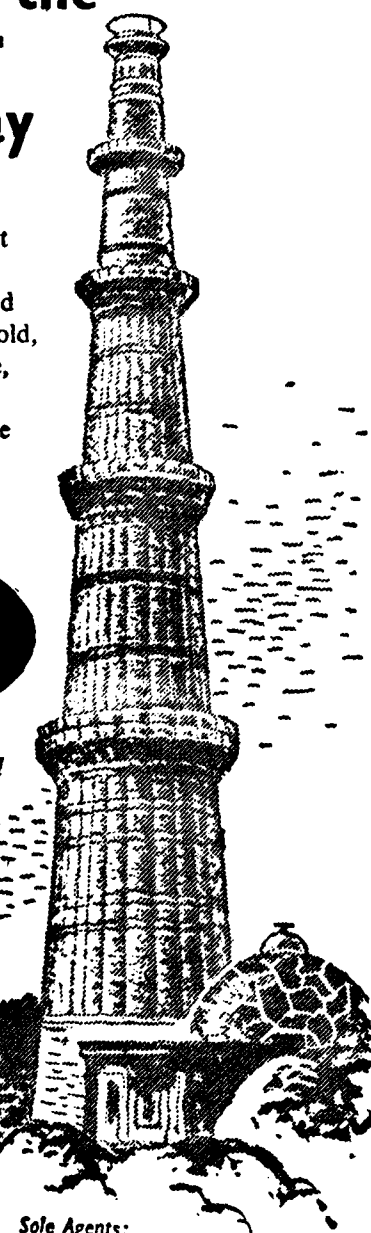
An increase of Rs. 12.92 per ton in the retention price of the pig iron produced by Tatas for the period 1958-60 has been granted by the Government. The T.I.S.Co. had represented to the Government that they were incurring increases in costs in the manufacture of pig iron. The Tariff Commission recommended a price increase on a weighted average basis of Rs. 9.54 per ton for the period 1955-56 to 1959-60. The Government accepted the recommendation on the basis of actual increases instead of on a weighted average basis.

Commands the HIGHEST sales to-day

LOMA is not only a perfect hair darkener, but an excellent hair dresser too! That's why more and more people, young and old, men and women, all alike, go for Loma than any other hair darkener in the length and breadth of India and abroad.



The universally acclaimed
hair darkener.



Sole Agents:
M. M. KHAMBATWALA
Ahmedabad-1
Agents:
C. NAROTAM & CO.
Bombay-2

DELHI CLOTH AND GENERAL MILLS CO., LTD.

CHAIRMAN, LALA BHARAT RAM, URGES IMMEDIATE IMPORT OF FOREIGN COTTON

SPEECH AT ANNUAL GENERAL MEETING

ADDRESSING the shareholders of the Delhi Cloth and General Mills Company, Ltd., at their Annual General Meeting held at Delhi on 12th November 1959, Lala Bharat Ram, Chairman, expressed satisfaction at the improvement in exports of cotton textiles this year. He, however, drew attention to the fact that the mounting prices of cotton held a threat to the export trade. In order, therefore, to make Indian textiles more competitive in the export field and more attractive to domestic consumers, Lala Bharat Ram urged that a quantity of 300,000 to 400,000 bales of cotton of staple length $\frac{7}{8}$ inch to 15/16 inch, over and above the normal quota for import of long-staple cotton, should immediately be licensed to be imported.

The following is the full text of Lala Bharat Ram's speech:

"LADIES AND GENTLEMEN,

"With your permission, I will take the accounts and Directors' report as read.

"As you will notice, the profits of the Company have been better than last year, which is a matter for some satisfaction.

"The cotton mill industry seems to have turned the corner and our textile mills have shared in this general improvement. But even so, the textile situation, as a whole, has some disturbing aspects to which I would like to draw your attention.

Exports Improving

"In the first place, I should refer to the export situation, which as you know, has been showing this year distinct signs of improvement over the preceding year. On the basis of present trends, exports for the whole year are likely to reach 700 million yards. Incidentally, I might mention with some pride that your Company continue to hold their pre-eminent position as the second largest exporter of textiles in the country. I am glad about the revival and the industry has cause to be thankful to the Government for the export incentive schemes which have been an active factor in the increase in exports. But perhaps we should not miss sight of the fact that even at 700 million yards, the exports for 1959 will fall short of the average during 1954-57, namely, 805 million yards. This, in turn, is considerably short, as you will recall, of the second Plan target of 1,000 million yards of export.

"As a matter of fact, even as I speak to you today, a circumstance has appeared which holds a threat to our export trade. The prices of raw cotton have been rising rapidly, and currently in several varieties they are 20 to 22 per cent. more than the prices prevailing this time last year. As a result, Indian cotton mills have not only lost whatever advantage they once had in the shape of cheaper cotton but they have also come to a position where the prices of Indian cotton are completely out of parity with world cotton prices.

"The problem of rising cotton prices has an urgency about it also from another angle. The rise in raw material prices is bound to be reflected, sooner or later, in the prices of cloth paid by consumers in India.

Import of Cotton

"In these circumstances, I feel justified in suggesting to the Government of India to license immediately the import of 3 to 4 lakh bales of cotton of the staple length $\frac{7}{8}$ to 15/16", over and above the normal quota for import of higher staple cotton. Only then we will have a balance between the supply of and the demand for Indian cotton this season at prices which are fair to mills and to the consumers of cloth.

"While I am on the subject of the cotton mill industry, I should like to emphasise the great need of the textile industry to equip itself with the latest machinery. This is inevitable if the industry is to meet adequately the challenge of the world markets, and also to give to the Indian consumer cloth at a price which he can afford and which will enable him to increase his standard of consumption.

"It will not be out of place for me to say a word here about the indigenous manufacture

of textile machinery. I am all in favour of the encouragement and development of machinery manufacture in India. But it is necessary to realise that extensive renovation and modernisation do not mean merely having new machines. It is equally necessary to ensure that the machinery supplied is also of the latest kind, if our textile industry is to stand in world competition.

Renovation Needed

"In this connection, it should be unnecessary to point out that your Company too will have to spend large amounts in the next few years in the renovation and modernisation of their textile mills, both in India and in Lyallpur.

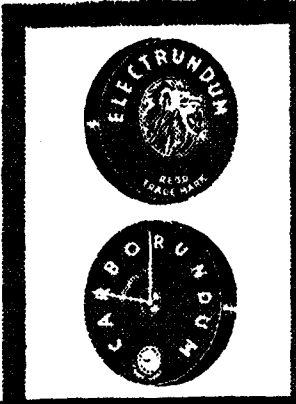
"Speaking to you last year, I had referred at some length to the progress made in our chemical industries. This progress, I am glad to state, has been maintained, and I am sure, we will continue to do so in future years.

"Our sugar factories have shown satisfactory working and results, although the problem of *khandasari*, to which I had made reference last year as well, continues to be a worrying factor. I cannot help reiterating, even at the risk of repetition, that the present policy of the Government is not only unfair to the sugar mill industry but it also amounts to a national waste of food resources since the *khandasari* producer recovers only seven-tenths of the sugar from cane that the sugar mill industry recovers. In addition, the State and Central Governments continue to lose revenue, by way of cane cess and excise, which they would otherwise secure from sugar mills.

"I might also point out in this connection that the scale of these many-sided losses has been expanding rapidly. Up to 1956-57 the production of *khandasari* was stable around a lakh of tons per season. In 1957-58, the latest season for which Government estimates are yet available, *khandasari* production is placed at 225,000 tons, or two and a quarter times as much as the output before 1956-57. This situation has led to the diversion of cane supplies from sugar factories, and it has been at least one factor in the lower output of sugar during 1958-59.

Unjustified Blame

"While I am on this subject, I would like to say that the industry is being unjustifiably blamed for the present state of high sugar prices for the consumer. This charge against the industry is somewhat difficult to understand in an industry where ex-factory prices are fixed by the Government and the releases are entirely controlled by the Government. As a matter of fact, sugar mills have no control over virtually 88 per cent. of the constituents that enter into the ex-factory price of sugar.



best for every grinding job

GRINDWELL ABRASIVES LIMITED
Army & Navy Bldg., Bombay 1.
Branches: New Delhi, Calcutta, Madras & Jamshedpur.
The Pioneers of the Precision Grinding Wheel Industry in India

"Till recently, as you will recall, the ex-factory price of sugar used to be Rs. 36 per maund, with some adjustments for different varieties. Of this price, 43 per cent. went to the cultivator; some 34 per cent. went to the Government for cane cess, excise duty, etc., and 11 per cent. went into the payment of wages. Of the remaining 12 per cent., 9 to 10 per cent. went into other manufacturing expenses, leaving the sugar industry with some 3 per cent. of the price as its share. In the light of these details of the cost structure, I cannot help feeling that criticism directed against the industry looks like an attempt at misguiding the public and diverting the consumer's natural resentment of high prices on to the sugar mill industry.

"At the moment, the coming third Five-year Plan is in the news. Various estimates have been already offered, although the official document on the subject will probably not be available till sometime next year. In any case, I do not want to argue here about the relative merits of the various estimates, but would like to draw your attention to one aspect of all estimates. There cannot be two opinions on the need for quick industrialisation if living standards are to be decisively improved. But I would only like to say that the effectiveness of any planning in our country, which is and will remain for quite some time a predominantly agricultural country, will depend largely on the success we achieve in agriculture. This is so even from the point of view of many sectors of Indian industry which are agriculture-based.

Greatest Failure

"The greatest failure of our planning has hitherto been in the field of agricultural production, in the matter of ensuring adequate agricultural supplies from year to year. The central problem, it will be generally agreed, is not one of adding to the land under cultivation. It is also not a problem solely of absolute levels of production of particular crops. It is more basically the problem of breaking through the stagnation which confines Indian agriculture to the vicious circle of low productivity per acre. As a matter of fact, a study of available data shows that this stagnation is all-pervading in Indian agriculture and covers not merely food crops like wheat, rice, maize and barley, but also other crops like cotton, tobacco, sugarcane and groundnuts.

"As I understand it, only increases in agricultural productivity can provide a socially acceptable solution of the poverty of the Indian peasantry. Only rises in the productivity of their own labour can provide the agricultural masses with increases in income which are not accompanied by self-defeating price rises.

"I also feel that the entire success of our third Plan will depend on our capacity to contain and limit the inevitable pressure on prices when investment becomes very brisk. And there will be little chance of our being able to do so if agricultural productivity does not increase with our growing needs.

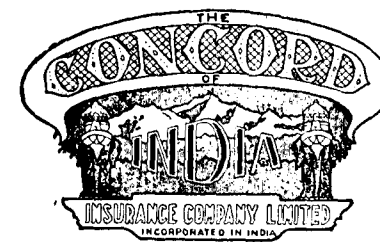
Share Transfer Fee Reduced

"Before I close, I would like to refer to one matter of more domestic concern. At the last annual general meeting, several shareholders expressed a desire that some reduction be made in the fees charged by the Company for the registration of share transfers. Accordingly, the Board of Directors have decided that, from 18th October 1959, the charge per transfer will be reduced to half the existing rate. The rate will thus be 3 nP per transfer, subject to a minimum of 25 nP per share of eight or less number of shares.

"It has also been decided by the Board of Directors that as a further facility to shareholders, our scrips, which are at present in units of 11, will be made into units of 10, so that calculations become easy. It has, therefore, been decided to change the unit of the scrips from 11 to 10, and new scrips in terms of these units will be issued free of charge in the course of this year.

"In the end, ladies and gentlemen, let me convey my thanks to all my colleagues who form a part of this organisation—the D.C.M.—and whose efforts have been responsible for the satisfactory working of the Company."

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



For ALL Insurances
**FIRE • TRANSIT • ENGINEERING
ERECTOR • BURGLARY • MOTOR
VEHICLE • FIDELITY GUARANTEE
WORKMEN'S COMPENSATION**

THE
**CONCORD OF INDIA
INSURANCE CO., LTD.**
(Incorporated in India)

Head Office:
8, Clive Row, CALCUTTA
Telephone: 22-4315 Telegrams: "YULINSURE"
Bombay Branch:
**HONGKONG BANK BUILDING
Veer Nariman Road**
Telephone: 255561 Telegrams: "CONCORDIA"

FORWARD MARKETS BULLETIN (Monthly)

Published by Forward Markets Commission
Government of India, Bombay

REGULAR FEATURES

- A 'General Review' presenting an assessment of trading conditions in the futures markets during the month
 - Special articles on technical aspects of forward trading
 - Extensive information relating to developments in futures markets
 - Detailed commodity market review
 - Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against futures contracts, etc.
 - About 200 pages in print in crown 4 size
 - Attractive get-up
- | | |
|-----------------------|----------------------|
| Annual subscription | Single copy |
| In India .. Rs. 18.00 | In India .. Rs. 2.00 |
| Abroad .. Rs. 30.00 | Abroad .. Rs. 3.00 |

For further particulars please apply to:
**The Secretary, Forward Markets Commission
"Everest" 100, Marine Drive, Bombay-2**

For Service and Security
PANDYAN BANK LTD.
Central Office: MADURAI

THE BANK THAT SERVICE BUILT

The FIRST BANK to introduce DRIVE-IN BANKING in India.
The FIRST BANK registered in Madras to own a BUILDING IN BOMBAY FORT.

Opening Shortly
BOMBAY BRANCH

82 other offices at your service

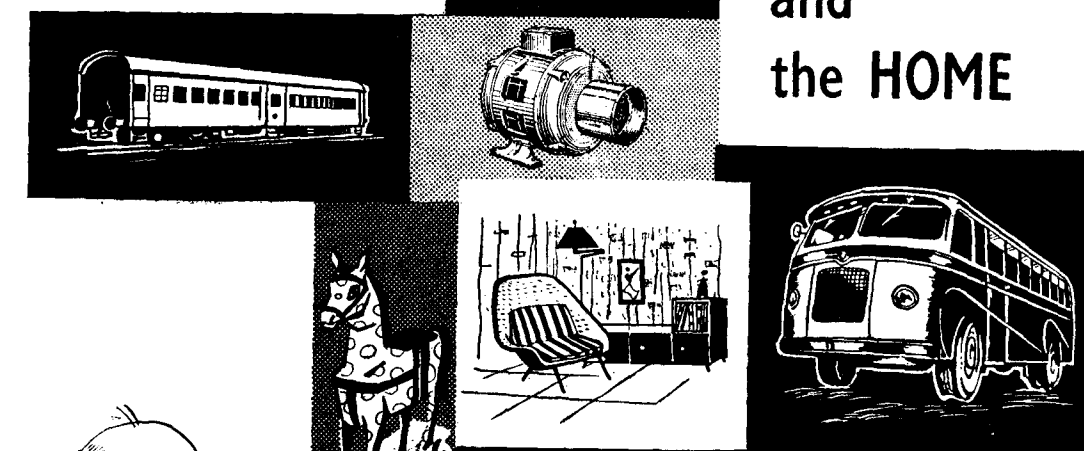
S. N. K. SUNDARAM,
Managing Director.

'BEHAR' the dependable name
in FIRECLAY & SILICA
Refractories

For over 25 years "BEHAR" REFRACTORIES are being used by leading iron and steel works, cement and glass factories, tea industries, sugar and cotton mills and other industries in the country.
Phone: 22-5953
22-3101
Own "BANCO"
THE BEHAR FIREBRICKS & POTTERIES LTD.
22, STRAND ROAD, CALCUTTA-1.

Shalimar
SUPERLAC

the **BRIGHT**
finish for
INDUSTRY
and
the HOME



**SHALIMAR
SUPERLAC**
Synthetic Enamel

...is highly suitable for a wide variety of industrial and

domestic uses: for all types of machinery and equipment, as a transport finish, for outdoor hoardings, on wood and metal articles, furniture, toys, household equipment, etc.

SHALIMAR SUPERLAC is a quick-drying, hard-drying, high-gloss finish of positive durability, for interior and exterior use. Can be brush, spray or dip applied on to almost any surface. Colours intermixable.

SHALIMAR PAINT, COLOUR & VARNISH CO., PRIVATE LTD.
Calcutta • Bombay • Madras • New Delhi • Kanpur

Excellent
cutting
performance



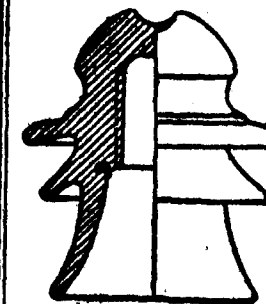
**HACKSAW
BLADES**

Manufactured from high quality steel. They can be used for cutting all types of steel, brass, copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.
17, BRABOURNE ROAD, CALCUTTA-1

Sole Selling Agents:

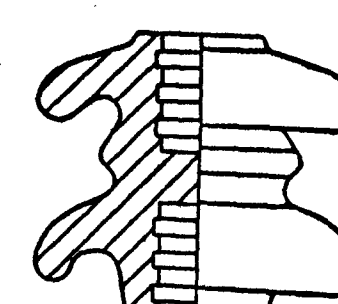
VULCAN TRADING COMPANY (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI



HIGH AND LOW TENSION INSULATORS WITH FITTINGS AND ALL ELECTRIC TRANSMISSION LINE MATERIALS

**ORIENT TEXTILE
ENGINEERS LIMITED**

24, Netaji Subhas Road
CALCUTTA-1



TUBE INVESTMENTS OF INDIA LIMITED

CHAIRMAN, DR. RAMASWAMI MUDALIAR, ON PROGRESS OF NEW SCHEMES

"FUTURE HOLDS GREAT POTENTIALITIES"

THE Tenth Annual General Meeting of the Tube Investments of India Limited was held at Madras on 12th November 1959. Speaking to the shareholders on the occasion, Dr. A. Ramaswami Mudaliar, Chairman, gave a brief history of the Company, formed by the amalgamation of T.I. Cycles of India Ltd. and Tube Products of India Ltd., and reviewed the progress of the various schemes of manufacture and expansion. He also struck an optimistic note about the future of the Company, though he sounded a note of caution that, while expansion was taking place and production was enlarging, there was need for building a reserve as much as possible out of the Company's resources.

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

"LADIES AND GENTLEMEN,

"I have much pleasure in inviting you to this, the tenth annual general meeting of the shareholders of Tube Investments of India Limited. The Directors' report, the balance-sheet and audited accounts have been in your hands for some time and, with your permission, I shall take them as read.

"The year under review has been marked by substantial progress in various directions. Much of this progress has been intimated to you from time to time through the general meeting and extraordinary general meetings that have been held during the period. I shall briefly recount them, so that both the old and the new shareholders will have a conspectus of the directions in which such progress has been made. In my speech at the last annual meeting, I expressed the hope that, with the co-operation of our foreign Directors we might find it possible to open new sections and add to our productive capacity, the manufacture of various parts of the cycle still necessary to produce a complete cycle, as far as is essential in our works. You are aware that tubes were being produced for the cycles by another company whose factory is situated close to the cycle factory, and which fortunately was under common management. The Directors proposed to amalgamate the two Companies and with your approval this amalgamation was carried out after sanction was obtained from the High Court of Judicature, Madras.

Manufacturing Programme Sanctioned

"The programme of manufacturing chains, saddles and bottom brackets and adding a second mill to the tube factory, as well as a cold rolled strip mill, was submitted to the Government for approval. This programme necessarily involved expenditure of a very large amount of foreign exchange. It was obvious to your Directors that under present conditions, the Government of India would not be in a position to sanction the necessary foreign exchange, even if they accepted the programme in principle. The Indian Directors approached Tube Investments of Birmingham with the suggestion that the necessary foreign exchange might be found by them, partly in the form of equity capital and partly in the form of loans. I am happy to state that our British Directors showed a very sympathetic understanding of the problem and were readily forthcoming in finding the necessary foreign resources. With this assurance from our British collaborators we approached the Government of India for the fulfilment of this large programme and I am glad to inform you, as indeed you have heard at the general meeting convened for the purpose, that the Commerce and Industry Ministry, the Finance Ministry and all other concerned departments of the Government of India, showed ready understanding of our scheme and gave full approval to it. We cannot be sufficiently thankful to all the Ministries concerned and, in particular, to the Ministry for Commerce and Industry, for the sanctions that have been given and the licences that have been issued for the import of the necessary plant and machinery. I must also gratefully acknowledge the expeditious manner in which the Secretaries of the various departments and the special officers disposed of our applications.

"The necessary consequence of having this programme sanctioned was to increase the capital of the concerns by finding a certain proportion of foreign capital and supplementing it with local capital for import of plant and machinery and for erecting the necessary buildings to house the expanded units. The first step taken was, therefore, to double the capital of T.I. Cycles of India Limited, that is, raise it from Rs. 70 lakhs to Rs. 140 lakhs. As you are aware, this was approved by you and the rights issue was readily and fully subscribed. Thereafter the scheme of arrangement for amalgamation sanctioned by the High Court, whereby Tube Products of India Limited were merged with T.I. Cycles of India Limited, was taken up and your approval having been equally readily granted, the scheme came into effect from 22nd January 1959. I may also remind you that this merger involved the grant of shares in T.I. Cycles of India Ltd., to the shareholders of Tube Products of India, both to those who had fully paid-up shares and to those who owned partly paid-up shares. The proportion in which T.I. Cycles shares could be given to Tube Products shareholders was suggested by the Directors and the suggestion was approved by you at an extraordinary general meeting.

"After the amalgamation the authorised share capital of the amalgamated Company was, with the approval of the Government of India, raised to Rs. 7 crores and the Directors issued 250,000 of the shares of Rs. 100 each, making the issued capital Rs. 2,50,00,000. One final adjustment had to be made in the accounting year for the convenience both of the Indian shareholders and of the British shareholders. The accounting year has now been changed to 1st August to 31st July inclusive. As the Directors' report points out, the present financial accounts, therefore, represent the period of 13 months from 1st July 1958 to 31st July 1959, in the case of T.I. Cycles of India Limited, and from 22nd January 1959, the date of merger, to 31st July 1959, in the case of Tube Products of India. Finally, it was considered desirable to give the Company a wider and more comprehensive nomenclature and your Directors recommended that the Company might be called Tube Investments of India Limited, which will have separate units functioning as T.I. Cycles of India, Tube Products of India, the Wright Saddles of India, etc.

Progress of Various Schemes

"I would like now to mention the actual progress that has been made in the various schemes and expansions that I have referred to above. The second tube mill is in the process of erection and it will start functioning very shortly. A cold rolled strip mill to convert hot rolled strip into cold rolled strip has been ordered and parts of the machinery will be arriving next year. The chain factory which is essential for our cycles, and which requires great precision in manufacture, is also in the course of being set up. I may mention that the chain factory will produce not only cycle chains but also industrial chains, the production of which will possibly be undertaken for the first time in India by your concern. We have also acquired a site and necessary buildings are being erected to install the plant and machinery, which are necessary for the chain factory.

"The manufacture of saddles for our cycles is also being undertaken and the Wright Saddles, a well-known brand of saddles, will, we hope, be available to our dealers in the next year.

Phillips Cycles to be Produced

"We have begun the manufacture of one of the well-known brands of cycles widely used in India and hitherto imported. You may have seen quite recently a notification in the papers that we are now manufacturing the well-known Phillips bicycles and the equally well-known fittings called 'Brampton' fittings. It was felt by your Directors that, instead of having all the cycles manufactured of a single type, it would help marketing and meet the taste of the consumers better if another well-known brand of cycle was also manufactured by your concern. After prolonged negotiations, we have now been able to acquire the right to manufacture the

Phillips bicycles and we are thankful to all those concerned who have not only agreed to our manufacturing these cycles but have felt so confident in our technical capacity as to allow the name of 'Phillips' bicycles to be used by us. I may say the same of the 'Brampton' fittings, which we shall be manufacturing.

"I would now like to refer briefly to the operating results during the last 13 months. The Directors' report and the balance-sheet show that there has been a falling off in the manufacture of our cycles. This is explained in the report as due to the fact that the factory had practically to close down for a considerable period owing to the non-availability of imported raw materials. This factor is also reflected in the decrease of profit which was further due to the increase of the cost of production, owing to the cost of raw materials and wages having risen. We have kept to our policy enunciated over several years and consistently maintained that the bicycle being the comparatively poor man's necessity, its price should be kept as low as possible and, therefore, in spite of factors which raised the cost of production, the bicycle prices have been kept at the same figure. You will now see from the financial accounts the results of the operations during the 13 months and I trust you will agree with the Directors, who in their report say that the operating results of T.I. Cycles and of Tube Products of India for this period has been fairly satisfactory.

Dividend

"With the caution that has characterised this concern, we have set apart from the surplus profit certain amounts to the general reserve and to the dividend equalisation reserve. After providing for the normal depreciation on a straight line method and for income-tax, we have also set apart a substantial amount as directed by law, as Development Rebate Reserve. The consequence is, that the dividend to the shareholders will be at the same rate as before, namely, Rs. 10 on fully paid-up shares and Rs. 2.50 on partly paid-up shares. This, however, is subject to deduction of tax on dividends, a proposal which was adopted by Parliament in the last Financial Act.

"The actual amount that the shareholders will receive on fully paid-up shares will be Rs. 7. The dividend tax works out at 43 per cent. of the actual amount received by the shareholders. I have expressed my view elsewhere that the new proposal is much more onerous than the previous proposal of a dividend tax paid direct by the Company. The new dividend taxation proposal was stated to be necessitated because of the complexity of grossing up the income earned in this respect before giving relief to the assessee. It was also stated that, in view of the relief given to the Company by reduction of income-tax, this proposal would not in any way seriously affect the payment of dividends nor would it bring additional revenue to the Government. It has now been realised by every company which has had to declare a dividend in a financial year which ended after the 31st March 1959, that these forecasts (the accuracy of which was even then doubted) were completely mistaken. Under the previous law, the declaration of a dividend of 6 per cent. did not attract any tax on the dividend. Under the present law, the declaration of a 6 per cent. dividend will mean that the shareholder will receive only 4.2 per cent. on his shareholding. The refund to an assessee, in the case of the smaller investors, is in most cases an illusory relief. It has been calculated that the Central Revenues get a substantial additional income by the newly proposed dividend tax. But apart from that, I should like to put in a plea for the small shareholders who have, for many years, been dependent on the earnings from dividends on their share capital. A payment of nearly 43 per cent. as tax on the amount received as dividend by them is certainly a very serious imposition on such shareholders. I do trust that the matter will be further examined and that, if the complexity of grossing up the earnings is to be avoided, at least a smaller percentage of tax may be decided upon as fair and just.

Outlook

"As I see it, the future of the Company holds great potentialities. I take an optimistic view regarding its financial prospects, and I feel a certain glow of pride when I consider the expansion that is taking place and the production at a high level of efficiency and techni-

(Continued on page 866)

TREND OF WORLD OIL PRICES IN POST-WAR YEARS

RISE CONSIDERABLY LESS THAN IN GENERAL WHOLESALE PRICES AND COAL

LOOKING back over the course of prices in the recent past, oil marketers would have no hesitation in claiming that their products are cheap. The outsider, however, is entitled to ask the claimant to define his terms. By what criteria is one to judge whether a particular product is cheap or dear? To this question a threefold answer may be suggested. In the first place, cheapness or dearness may be assessed by comparing current prices with those ruling at some date in the past. Secondly—since we live in an inflationary age when the general movement of all prices is upward—one can inquire how the rise in the price of the product in question compares with the increase in others. Finally, one can examine whether the increase in the selling price of the particular product is greater or less than the increase in the prices of the materials, labour, etc., which go to make it.

It is proposed in the present article to examine the claim that oil is cheap from the standpoint of each of these criteria in turn. But it must be pointed out in the beginning that a high degree of precision is not possible in such a study as this. Because of the inadequacies of the available price data, we must, perforce, paint with a broad brush.

Historical Criterion

Beginning with the historical criterion, current prices for the principal products on the U.S. Gulf/Caribbean market—which are still widely accepted as significant indicators for the international oil trade as a whole—may be compared with those ruling in the earlier post-war years. (It goes without saying, of course, that Gulf/Caribbean product prices are now much below the peaks reached during the Suez emergency.) For this purpose, the index numbers published every month by the *Petroleum Press Service* based on the average for 1936-38, provide a ready reckoner. Taking first the annual averages for 1958 (to eliminate seasonal influences) and comparing these with the averages for 1947-49—which is the base period for nearly all U.S. official index numbers—we find that the index for regular trade gasoline has fallen by about 3 per cent. from 183.1 in 1947-49 to 178.1. Our index for kerosene, which averaged 207 last year, was only 7 per cent. above the 1947-49 average of 192.7. Gas/diesel oil, demand for which, in most markets, is rising faster than for any other major product, showed a rise of 20 per cent. over the whole period, from 214.1 to 257.0. Residual fuel oil recorded a rise of 9 per cent., from 261.9 to 285.5.

Over these post-war years, therefore, the movement of product prices on the world market has varied from a fall of 3 per cent. to a rise of 20 per cent. This gives a weighted average (the four prices have been weighted according to the pattern of world consumption in 1958) increase of about 7 per cent. for the major products as a whole, which seems a very moderate advance judged by the inflationary standards of the modern world. Moreover, petroleum products in general are cheaper now than they were a year ago. On the Caribbean market, regular grade motor gasoline is 9.5 cents per U.S. gallon against 9.00 cents last November, but kerosene is 8.875 cents, as against 9.375 cents; gas/diesel oil 48/52 is 8.375 cents, as against 8.875 cents; while bunker "C" fuel oil is unchanged in price at \$2.00 a barrel. On the basis of our first criterion, therefore, it would seem fair to claim that oil is cheap.

Second Test

The second test is to compare the movement of oil prices, with that of wholesale prices in general, or with the prices charged for competing fuels. Rough comparisons of this sort can be made for a number of Western countries for which price indices are available, and the results are broadly similar in all cases. For the U.S., for example, there are the official indices of the Department of Labour. Since the 1947-49 base period, wholesale prices in general have risen 19 per cent. and those of petroleum and its products by 16 per cent. This is a somewhat larger increase in oil prices than that which has occurred on the U.S. Gulf Market, because the official "petroleum" index includes crude oil, prices of which have risen by something like 25 per cent. over the period in question. Thus, an index for

of one kind or another, including tubular goods, most of which have a high steel content, it is clear that steel prices afford one good pointer to the industry's costs. How have these moved since 1947-49? In the U.S., the Department of Labour iron and steel index has risen by 69 per cent; in the U.K., the Board of Trade index has just about doubled, while for Germany the representative prices used by the United Nations have more than doubled since 1948. It is obvious therefore that, in these important producing countries, steel prices have risen much more than oil prices.

For the U.S., a more sophisticated comparison is available. Last May, the Independent Petroleum Association of America published the results of a careful study of the costs of finding, developing and producing oil, based almost entirely on the price indices of the Department of Labour. This showed that the prices of the labour and materials used by the industry had risen as follows since 1947-49:

Average hourly earnings by 65 per cent; steel casing by 91 per cent; special contract services by 24 per cent; rock bits by 34 per cent; general equipment by 54 per cent; drilling mud by 33 per cent.

Combining these figures into a weighted average, the I.P.A.A. concluded that the prices of oil industry labour and materials in general had risen by 57 per cent. in the period under review. This compares with the 16 per cent. increase in petroleum and products as measured by the official index or the rise of roughly 25 per cent. for crude alone. These figures stand out in striking contrast, though it is not claimed that they are necessarily representative for the international petroleum trade as a whole.

Key to the Mystery

How has this relative cheapness of oil been achieved? The key to the mystery is to be found mainly in improvements in overall efficiency. The drive to reduce costs, which is always being pursued, has lately been intensified. Oil companies have economised by improving their techniques of exploration and production; by raising the percentage of oil recovered from the ground; by enlarging the scale of their refineries; by the widespread application of automation and the growing use of electronic computers; by the increased employment of large tankers to cut transport costs; and in many other ways.

As a result of the normal play of competitive forces, the benefit of these improvements in overall efficiency (including the economies made possible by a rapidly growing turnover) are reflected in relatively low prices to the consumer. Recently, indeed, the consumer (in most parts of the world, but not in India—Ed.) has been benefiting from price cuts which go farther than this, because the competitive struggle for markets has been intensified, with the result that company earnings per unit of sales, and the return on investment, have been declining. In view of the abundance of producing and refining capacity in the world today, the consumer seems likely to continue to enjoy the advantage of cheap oil for some time to come.—By arrangement with *Petroleum Press Service*.

A Complete Banking Service

- ★ All the usual banking facilities within convenient reach
- ★ Foreign exchange business of all types, including remittances
- ★ Special Thrift Deposit Plan
- ★ 3-Year and 5-Year Cash Certificates in different denominations at attractive interest rates
- ★ Safe Deposit lockers in many branches

SBH

STATE BANK OF HYDERABAD

H. O. : Hyderabad Dn. (A.P.)

serving you through more than 50 branches in Andhra Pradesh, Bombay City & State, Mysore State and Madras City

INDIA STEAMSHIP FACES ADVERSE WEATHER

DIVIDEND REPEATED BY DRAWING ON RESERVE

THE general recession in international trade which began early in 1958 with its adverse effect on the world freight market both in volume and value would appear to have affected the earnings of Indian shipping companies for that year. If, however, they have been able to enlarge their freight earnings, it is because of the increase in the number of voyages and the consequent rise in the cargo handled. But, at the same time, the increase in the number of voyages has brought with it a sharp rise in port and other expenses, quite out of proportion to that in voyages, and this has reduced the profits of shipping companies appreciably.

A typical instance of this state of affairs is provided by the results of the India Steamship Company, Ltd. (Managing Agents: Messrs. Lionel Edwards Private Ltd., Calcutta) for the year ended 31st March 1959. The Company's freight earnings have gone up from Rs. 7.75 crores in 1957-58 to a record level of Rs. 8.04 crores, but the gross profit has dwindled from a high of Rs. 2.54 crores to Rs. 1.43 crores. This setback in profit is in distinct contrast to the successive improvement noted in previous years, that is, from a low of Rs. 26.87 lakhs earned in 1954-55 to Rs. 253.63 lakhs in 1957-58, or nearly a tenfold rise within three years.

In consonance with the fall in gross profit, the managing agency commission has shrunk from Rs. 19.29 lakhs to Rs. 6.59 lakhs. The provision for depreciation has been raised from Rs. 59.37 lakhs to Rs. 75.56 lakhs, following the substantial additions to the fleet during the year. This leaves a net profit of Rs. 60.67 lakhs, which is only a little more than a third of that (Rs. 174.97 lakhs) for the previous year. There is no tax liability, in view of the large additions to the fleet resulting in heavy accelerated depreciation allowances.

While last year, the Directors had added as much as Rs. 143.58 lakhs to the various reserves (including a sum of Rs. 53.37 lakhs to the development rebate reserve), this year they have been able to plough back no more than Rs. 60.67 lakhs, the whole of the net profit, all to the development rebate reserve. In fact, the development rebate allowable for income-tax purposes is as much as Rs. 153.91 lakhs, but, since the year's net profit falls short of the statutory requirement, the Directors have transferred the entire net profit to this reserve. This leaves no distributable sum, except the surplus of Rs. 8.09 lakhs brought in from 1957-58. The Directors have, therefore, decided to draw Rs. 20 lakhs from the dividend equalisation reserve and this, together with the previous year's surplus, has enabled them to recommend the usual 5 per cent. tax-free preference dividend and a distribution of Re. 1 per share or 10 per cent. on ordinary shares, the same as that paid for 1957-58 on the increased capital raised by the capitalisation of Rs. 22.50 lakhs from the share premium account in 1957-58, as will be borne out by the following comparative table:

(In lakhs of rupees)				
	For the year ended 31st March			
	1959	1958	1957	1956
Freight earned	804.04	775.04	600.17	528.12
Other income	5.97	12.08	4.87	2.22
Port expenses	281.09	209.85	185.82	192.37
Other expenses	390.01	324.19	222.88	244.28
Gross profit	142.92	253.08	187.08	89.14
Managing Agents' commission	6.59	19.29	11.50	8.91
Depreciation	75.56	59.37	105.38	41.50
Net profit	60.67	174.97	169.88	88.73
To reserve	60.67	143.58	81.01	16.00
Transfer from reserve	29.00			
Dividend:				
5 per cent. preference	1.25	1.25	1.25	1.25
Ordinary	24.75	24.75	22.50	22.50
(10%)	(10%)	(10%)	(10%)	(10%)
Carry forward	2.09	8.09	2.71	6.36

* On the increased capital of Rs. 247.50 lakhs raised by the capitalisation of Rs. 22.50 lakhs from the share premium account during 1957-58.

The large sum of development rebate that has been carried forward will tend to restrict the sum available for distribution from the current year's profit as well. The rise of Rs. 29 lakhs in freight earnings during the year under review has been more than offset by the increase of Rs. 71.24 lakhs in port expenses and of Rs. 65.82 lakhs in other expenses. The latter includes a sum of Rs. 14.68 lakhs paid as charter hire, as against nil in the previous year, as a result of the employment of four ships on time charter agreements to maintain the schedules which would otherwise have been disturbed on

the usual routes, owing to the opening of a new route and to the dry-docking of some of the Company's ships for special survey during the year. The other items of expenses which show a marked rise are: (1) cost of insurance by Rs. 6.16 lakhs, (2) stores and victualling by Rs. 7.70 lakhs, (3) miscellaneous expenses by Rs. 2.44 lakhs, (4) freight commissions, brokerage and rebates by Rs. 17.59 lakhs and (5) interest on Government loans by Rs. 4.49 lakhs.

During the year under review, the Company employed 15 vessels in the liner service in the India-U.K.-Continent run and the India-Black Sea route. In addition to employing one vessel in the coastal trade, the Company carried coastal cargo in its overseas vessels. For the first time, the Company entered the liner trade between India and South America serving the River Plate ports in that Continent and employed four ships on time charter agreements for reasons stated above.

In pursuance of its policy of constant expansion of fleet, the Company added two new ships in November and December last and will add three more new ships in the course of the current financial year. This is reflected in the capital expenditure of Rs. 7.50 crores during the year (including cost of ships under construction), on top of a sum of Rs. 5.75 crores spent in 1957-58 bringing the total capital expenditure made so far to Rs. 18.77 crores. The depreciation provided on this amounts to Rs. 4.01 crores, leaving the net block at Rs. 14.76 crores. The current assets aggregate no more than Rs. 4.56 crores; as against these, there are borrowings and other current liabilities and provisions amounting to as much as Rs. 12.98 crores. The paid-up capital of Rs. 2.75 crores is supplemented by reserves and surplus aggregating Rs. 3.59 crores.

The outlook for the current year does not appear to be promising, in view of the fact that the general recession in international trade continues to have its effect on the freight market. Though the Directors do not take an unduly pessimistic view of the freight earnings during the current year, they feel that "conditions still continue to cause some anxiety." This note too encouraging note has depressed the Company's shares (Rs. 10 paid-up) from Rs. 13.76 early this month to Rs. 13.40 cum-div. On an ex-div. basis and at the current rate of dividend, the shares offer a yield of 8 per cent. per annum. Unless the freight earnings go up substantially the chances of the Company even maintaining the dividend at the current level without recourse to the dividend reserve are slender. Moreover, as stated above, there is a large sum of development rebate in arrears to be provided for in the current year's accounts.

MAHINDRA-SINTERED PRODUCTS PRIVATE LTD.
As a result of negotiations, which have been conducted in this country and in England, an agreement was reached early this year between Messrs. Mahindra and Mahindra and a prominent U.K. engineering group represented by Messrs. Birfield Industries Ltd., covering participation in the formation of a new Indian company, to be known as Mahindra-Sintered Products Private Ltd.

The main production objective of the new company, Mahindra-Sintered Products Private Ltd., will be to manufacture a wide range of self-lubricating bearings in a factory, which is to be installed in Pimpri, Poona. According to the Mahindra-Birfield agreement, the British group will supply the necessary machinery, tooling, and technical "know-how" and the U.K. contribution will comprise 49 per cent. of the new company's capital.

The project is of special interest, inasmuch as the production of self-lubricating bearings is representative of advanced manufacturing techniques in Western Europe and these items are utilised by a substantial number of engineering industries in India. Generally speaking, these oil retaining bearings have been evolved for applications under which it is difficult or undesirable to utilise the standard types of externally lubricating bearings. Some typical applications are connected with the manufacture of electric motors, generators, drilling machines, motors, motor cars, motor cycles, cycles, electric fans, tractors, agricultural machinery, aircraft, sewing machines, textile machinery, railway signal equipment, etc.

Approval has been received from the Ministry of Commerce and Industry, Government of India, covering the Mahindra-Birfield collaboration proposals, and licensing the manufacture of the self-lubricating bearings.

The project is now being actively implemented and it is anticipated that manufacture will commence by the latter half of 1960.

G. E. SHIPPING'S PROFIT SHARPLY DOWN

Mr. GHOLAP DIFFERS ON DIVIDEND POLICY

THE Directors of the Great Eastern Shipping Company Ltd. (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co. (Bombay) Private Ltd., Bombay) have recommended a sharp cut in the ordinary dividend for the year ended 30th June 1959 from 18 per cent. paid for 1957-58 to 15 per cent. on fully paid shares as well as on partly paid ones. What is more, this is subject to deduction of tax at 30 per cent., as per the provisions of the Finance Act 1959, so that the net dividend in the hands of individual shareholders will be 10.5 per cent., as against 18 per cent. for the previous year. Even to pay this reduced dividend, the Directors have had to draw a sum of Rs. 15 lakhs from the general reserve, but this proposal of the Directors has, it is stated, not been approved by the Government Director, Mr. L. T. Gholap, who is a whole-time Director representing the Government of India in all private shipping companies, which have taken loans from the Government of India.

The grounds on which the Government Director is opposed to the idea of running down the general reserve for the purpose of paying dividend when circumstances do not otherwise permit it at all are not given in the Directors' report. It may be noted, in this connection, that the proposal of the India Steamship, a competitor of the Company under review, to draw a large sum from the reserves does not seem to have been objected to by Mr. Gholap. This is presumably because in that case the dividend is proposed to be paid out of the specific reserve, namely, the dividend equalisation reserve. The Great Eastern Shipping Company also has a dividend reserve, but it is not more than Rs. 10 lakhs. If the Directors were to confine themselves to drawing on this reserve alone, it would mean a much drastic cut; the dividend would be no more than 11.1 per cent. (subject to deduction of tax).

Be that as it may, the cut in dividend follows the disappointing results of the Company for the year under review. The freight and charter hire earned have dropped from Rs. 3.60 crores to Rs. 2.75 crores and the gross profit has dipped from Rs. 121.66 lakhs in 1957-58 to Rs. 86.49 lakhs. The net profit, too, has declined from Rs. 64.97 lakhs to Rs. 31.58 lakhs. While the provision for depreciation has been raised from Rs. 36.91 lakhs to Rs. 61.32 lakhs, there is no tax liability, in view of the allowance of development rebate on the purchase of ships; for 1957-58, however, a sum of Rs. 10.50 lakhs has been set aside for taxation. Out of the net profit, the Directors have transferred Rs. 29.50 lakhs to the development rebate reserve, as against Rs. 28.65 lakhs in the previous year. No other addition to the reserves has been possible, whereas a year ago, the general reserve was strengthened by Rs. 14 lakhs and the dividend equalisation reserve was created with an allocation of Rs. 10 lakhs.

The following comparative table shows the progress of the Company in recent years:

(In lakhs of rupees)				
	For the year ended 30th June			
	1959	1958	1957	1956
Freight and charter hire earned	275.80	359.68	368.08	222.80
Other income	37.91	15.46	10.28	11.76
Operating expenses	107.50	222.80	262.36	192.01
Other expenses	29.82	22.38	28.47	14.48
Gross profit	66.49	130.06	108.59	48.29
Managing Agents' commission	3.20	9.80	8.61	2.77
Depreciation	61.92	36.91	56.06	18.47
Net profit	31.58	82.95	42.92	24.96
Transfer from reserve and provision	29.50	28.65	28.65	28.65
Capital less expenses	13.38	8.40	3.00	0.22
Under provision for foreign loan	0.02	8.20		
To reserve of previous year	25.90	25.08	27.59	25.40
Dividend:				
15 per cent. preference	1.80	1.80	1.80	1.80
Ordinary	13.50	13.50	11.97	11.97
(10%)	(10%)	(10%)	(10%)	(10%)
Carry forward	2.28	1.74	1.88	0.94

* Subject to deduction of tax.

To those who are familiar with the conditions in the world freight market, the disappointing results of the Company may not have come as a surprise. For, while there was a general slump in the freight market, which brought about lay-up of many a ship in a number of foreign countries, tramp shipping, in which the Company specialises, was hit harder than liner shipping. The year's results would have been worse still but for the receipt of Rs. 25.41 lakhs being an insurance claim which became due

during the year. There has also been a decline of Rs. 32.35 lakhs in operating expenses, which is mainly accounted for by a saving of Rs. 7.48 lakhs on income-tax at foreign ports, of Rs. 6.48 lakhs on repairs and maintenance, Rs. 11.55 lakhs on hire of chartered steamers, Rs. 12.83 lakhs on freight paid to owners of chartered vessels, Rs. 6 lakhs on coal, fuel oil and water and Rs. 3.41 lakhs on commission, brokerage, etc.

During the year under review, the Company received delivery of a large ship of 10,145.90 g.r.t., the largest ship on the Indian registry, and a medium-sized vessel of 3,553.24 g.r.t., the first of a series of medium-sized vessels built by the Hindustan Shipyard. With these additions, the Company's fleet has a strength of 16 with a g.r.t. of 92,490.90. While the cargo lifted on the coastal trade has declined during the year from 592,021 tons to 514,009 tons, that on the overseas trade has gone up from 251,257 tons to 361,148 tons, raising the total cargo to a peak of 875,157 tons.

The Company's paid-up capital of Rs. 1.15 crores is supplemented by reserves and surplus aggregating Rs. 2.08 crores. The total borrowings stand raised from Rs. 3.62 crores to Rs. 4.49 crores. The other current liabilities and provisions amount to Rs. 1.31 crore. The additions to the fleet account for Rs. 2.74 crores and additional capital expenditure on the old fleet for about Rs. 15 lakhs bringing the total capital expenditure on fleet up to the end of the year to Rs. 8.72 crores, on which the depreciation provided so far is Rs. 1.73 crores. The other fixed assets stand written down from Rs. 4.23 lakhs to Rs. 2.61 lakhs. The current assets aggregate Rs. 1.98 crore, which fall very much short of the current liabilities (including loans) and provisions by Rs. 3.82 crores.

The Rs. 10 fully paid-up shares of the Company are being currency quoted at Rs. 19.44 cum-div. On an ex-div. basis, the yield works out to 8.3 per cent. per annum, subject to deduction of tax, and 5.7 per cent. per annum, free of tax.

BARNAGORE JUTE RETURNS TO DIVIDEND LIST

In consonance with the improved trading conditions in jute industry during the past year and over, the Barnagore Jute Factory Company, Ltd., a company incorporated in the U.K. has done exceedingly well during the year ended 31st March 1959. It has earned a trading profit of £287,952, £40,394 in 1957-58 and a loss of £121,539 in 1956-57. In fact, the profit for the year under review is the highest since 1947-48. In addition to the availability of raw jute in adequate quantities and at cheaper prices, an important factor which has contributed to the better results of the Company is the installation of new modern machinery and the concentration of production in East Mill only on a shift basis. Though this entailed an outlay of about £200,000 and that too at a time when the industry as a whole was going through an adverse period and suffering heavy loss, the Company's decision to go ahead with this programme has been well justified by the results of the year under review.

After providing £55,154 (as against £61,676 in 1957-58) for depreciation and adding refunds of U.K. and Indian taxation relating to past years amounting to £54,234 (£750), the Directors have set aside £5,800 for Indian wealth tax and £1,815 for development rebate reserve, wiped out the accumulated debit balance of £175,587 brought in from previous years and paid off the arrears of preference dividends for the three years ended March 1959. The ordinary shares, too, have returned to the dividend list after a lapse of three years. For the Directors have recommended a distribution on these shares of 10 per cent. per annum, less tax, as against the previous dividend of 15 per cent. paid for 1954-55. The dividends absorb £22,969 leaving a surplus of £67,968.

While production was concentrated in the East Mill, the Company had contracted to sell its South Mill for Rs. 29.25 lakhs prior to 30th September 1958 and had received an earnest money of Rs. 2.25 lakhs. Subsequently, however, a dispute arose over the terms of the agreement for sale and the matter is now before the Calcutta High Court.

The Company's financial position is quite satisfactory, as will be seen from the following synopsis of its latest balance-sheet:

LIABILITIES		ASSETS	
£	£	£	£
Capital	475,000	Gross block	1,403,824
Reserves and surplus	694,787	Less—Depreciation	1,028,550
Current liabilities	448,961	Net block	375,274
		Net machinery under installation	13,194
		Investments	16,708
		Current assets	1,013,572
			£1,618,748

Though the industry has turned the corner, the Directors have uttered a note of warning that it is particularly vulnerable to any general recession in international trade. So far as the Company is concerned, the results during the current year so far, they add, are being maintained at as satisfactory a level as last year.

COMPANY MEETINGS AND DIVIDENDS

WESTERN BENGAL COALFIELDS LTD. Annual General Meeting, Calcutta, 25th November 1959. Dividend: 40 nP per share. Transfer books remain closed from 9th to 25th November 1959, both days inclusive.

HINGIR-RAMPUR COAL CO., LTD. Annual General Meeting, Bombay, 25th November 1959. Dividend: Nil. Transfer books remain closed from 6th to 25th November 1959, both days inclusive.

JARDINE HENDERSON LTD. Annual General Meeting, Calcutta, 26th November 1959. Dividend: Rs. 5.00 per ordinary share. Transfer books remain closed from 12th to 26th November 1959, both days inclusive.

INDIA STEAMSHIP CO., LTD. Annual General Meeting, Calcutta, 27th November 1959. Dividend: Re. 1.00 per share. Transfer books remain closed from 12th to 27th November 1959, both days inclusive.

ASSAM PROPER TEA CO., LTD. Annual General Meeting, Calcutta, 27th November 1959. Transfer books remain closed from 11th to 27th November 1959, both days inclusive.

KARAFURA COLLIERIES LTD. Annual General Meeting, Calcutta, 30th November 1959. Dividend: 5 per cent. or Rs. 5.00 per share, payable on or after 6th December 1959. Transfer books remain closed from 16th to 30th November 1959, both days inclusive.

BRITANNIA ENGINEERING CO., LTD. Annual General Meeting, Calcutta, 30th November 1959. Dividend: 6 per cent. or Re. 0.60 per share, payable on or after 15th December 1959. Transfer books remain closed from 16th to 30th November 1959, both days inclusive.

GILLANDERS ARBUTHNOT & CO., LTD. Annual General Meeting, Calcutta, 1st December 1959. Dividend: 10 per cent. or Re. 1.00 per share. Transfer books remain closed from 16th November to 1st December 1959, both days inclusive.

INVESTMENT TRUST OF INDIA LTD. Annual General Meeting, Madras, 2nd December 1959. Dividend: 5 per cent. or Rs. 5.00 per share (taxable), payable on 3rd December 1959. Transfer books remain closed from 21st November to 2nd December 1959, both days inclusive.

MIDLAND RUBBER AND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Kerala State, 7th December 1959. Dividend: 10 per cent. or Re. 1.00 per share, free of tax. Transfer books will remain closed from 25th November to 7th December 1959, both days inclusive.

RAMPUR DISTILLERY AND CHEMICAL CO., LTD. Annual General Meeting, Rampur, U.P. 9th December 1959. Dividend: 3 per cent. or Re. 0.30 per share, payable on or after 26th December 1959. Transfer books will remain closed from 1st to 15th December 1959, both days inclusive.

MUKAND IRON AND STEEL WORKS LTD. Annual General Meeting, Bombay, 10th December 1959. Dividend: Re. 1.00 per share (includes bonus), payable on or after 15th December 1959. Transfer books remain closed from 21st November to 10th December 1959, both days inclusive.

GREAT EASTERN SHIPPING CO., LTD. Annual General Meeting, Bombay, 10th December 1959. Dividend: Re. 1.05 per ordinary share and Re. 0.525 per new ordinary share, payable on and after 15th December 1959. Transfer books will remain closed from 23rd November to 10th December 1959, both days inclusive.

BENGAL ELECTRIC LAMP WORKS LTD. Annual General Meeting, Calcutta, 11th December 1959. Transfer books will remain closed from 27th November to 11th December 1959, both days inclusive.

CENTRAL INDIA COALFIELDS LTD. Annual General Meeting, Calcutta, 11th December 1959. Transfer books will remain closed from 23rd November to 11th December 1959, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 16th December 1959. Dividend: Re. 0.75 per share (final), less income-tax. Transfer books will remain closed from 2nd to 16th December 1959, both days inclusive.

BRITISH BURMAH PETROLEUM CO., LTD. Annual General Meeting, Bombay, 17th December 1959. Dividend: Nil. Transfer books will remain closed from 5th to 12th December 1959, both days inclusive.

BEJAPUR CO., LTD. Dividend of Rs. 21.00 per share less income-tax (this works out to a net dividend of Rs. 14.70 per share) for the year ended 30th September 1959. Transfer books will remain closed from 23rd November to 22nd December 1959, both days inclusive.

SOUTH KARAFURA COAL CO., LTD. Interim dividend of 37 nP per ordinary share (subject to tax), for the year ended 31st August 1959, payable on or after 7th December 1959. Transfer books remain closed from 13th to 23rd November 1959, both days inclusive.

NUDDA MILLS CO., LTD. Interim dividend of 2 per cent. or Re. 1.00 per share for the year ended 31st March 1960, payable on 30th November 1959. Transfer books will remain closed from 23rd to 30th November 1959, both days inclusive.

GOUREPPE CO., LTD. (Jute company) Interim dividend of 10 per cent. or Rs. 10.00 per share, for the year ended 31st March 1960, payable on 30th November 1959. Transfer books will remain closed from 23rd to 30th November 1959, both days inclusive.

CLIVE ROW INVESTMENT HOLDING CO., LTD. Final dividend of 12 nP per share (making a total of 37 nP per share), for the year ended 31st March 1959. The shareholders also received an additional dividend of 46 nP in respect of the two years ended 31st March 1958.

TEXTILES

(Concluded from page 848)

lot of anxiety to the entire cotton trade. The main hope of achieving the third Plan target for cotton, which had been proposed as 7.2 million bales, lay in improved method of cultivation, in bringing more areas under irrigation and increased use of fertilisers. If nature were not unkind, it was possible to reach the target or at least come near it. In view of the likely expansion of textile activity, it was necessary, Mr. Ruia emphasised, that production should be increased substantially.

Welcoming the recommendation recently made by the Cotton Advisory Board to permit import of 100,000 bales of 15/16" to 1-1/16" staple cotton, in addition to the usual import quota of 600,000 bales and the 140,000 bales announced on 1st September against last season's balance quota, Mr. Ruia urged immediate action by the Government in accordance with the recommendation, as, otherwise, according to him, it would lose its value and effect.

Mr. Ruia expressed satisfaction over the behaviour of the futures market which gave cause for no special anxiety during the past year. In the light of the experience gained over a period of years, the hedge schedule has been modified, the important innovation being that the actual stations from which cotton could be tendered against the hedge contract are enumerated instead of the mention of mere areas. The standard and tenderable descriptions had also been shown separately. It is expected that the changes would clarify uncertainties which occasionally arise at the time of tendering of cotton. Some modifications have also been introduced in the by-laws governing the delivery contracts. These contracts can be entered into now for any description of Indian cotton included in the hedge schedule, but certain descriptions, which will be announced in advance and permitted by the Board, will be subject to clearing settlements which are now to be made on weekly, instead of fortnightly, basis.

Certain significant developments took place during the year within the jurisdictional sphere of the Association. They are: (1) the passage of by-laws regarding c.i.f. c. & f. and f.o.b. contracts for foreign cotton and the contracts for cotton imports to arrive and for forward delivery and their approval by the Central Government in January last under the provisions of the Forward Contracts (Regulation) Act, 1952. (2) The East India Cotton Association became a signatory to the Universal Cotton Standards Agreement in pursuance of the agreement between the U.S. Department of Agriculture and the Association in February 1952. Consequently, the Association has to provide machinery for quality arbitration on American cotton under its own auspices. The by-laws referred to above provide for this machinery. There is also a provision made for quality arbitration on other foreign growths imported into India. In course of time, this machinery will also be completed and all procedural details fixed. As India imports quite a substantial quantity of foreign cotton, it was necessary that the Association should provide for imports with arbitration on quality by the Association itself, and these by-laws fill a long-felt need.

Pursuant to the authority conferred by the U.S. Cotton Standards Act and the agreement between the U.S. Department of Agriculture and the Association, all the six sworn surveyors of the Association have been designated as cotton examiners by the Department. These examiners will be constituted as a Board of Examiners in accordance with the by-laws of the Association, with powers to issue final certificates of classification by comparison of samples of imported cotton with types or other samples or as to the grade and colour with the universal standards for United States cotton, replicas of which are furnished to the Association.

Mr. Ruia again drew the attention of the trade to business outside trading hours. Although, by and large, members of the trade were observing the regulation regarding trading hours, the irresponsible activities of a few, according to him, were spoiling the fair name of the trade. The Board of the Association and the Forward Markets Commission were very anxious to see that trading was done within the prescribed hours of trading. He appealed to members to refrain from illegal trading, lest the Board should be forced to take strict action which might be detrimental to the whole trade.

PERUVIAN COTTON

The 1959-60 Peruvian cotton crop is presently estimated at 493,000 bales of 500 lbs. each, as compared with 505,000 bales during last season. The decline in production is attributed mainly to crop damage caused by insects. This, coupled with a smaller carryover at the beginning of the season and a probable increase in domestic consumption, is likely to reduce export availability this season. Exports during 1959-60 are, therefore, expected to be lower than in 1958-59 when they reached a record of 511,000 bales. This was 27 per cent. higher, as compared with 1957-58, when exports amounted to 402,000 bales.

Stocks on 1st August 1959 were estimated at 229,000 bales, as compared with 300,000 bales at the beginning of the previous season. Total supply during the season will, therefore, aggregate 722,000 bales comprising a carryover of 229,000 bales and a crop of 493,000 bales as against 805,000 bales in the previous season.

SYNOPSIS OF COMPANY REPORTS

Britannia Engineering Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. McLeod & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The results of the Works show a profit of Rs. 19,16,511 as compared with Rs. 14,99,220 for the preceding 12 months. After making the usual provisions and adjustments including interest, commission, depreciation, taxation and forfeited dividends and taking into account the amount brought forward from 1957, there remains at the credit of profit and loss account a balance of Rs. 5,05,124 (Rs. 4,85,907); out of which, the following provisions have been made:

To provision for wealth tax Rs. 45,000 (Rs. 43,000), to development rebate reserve Rs. 1,06,000 (nil) and for miscellaneous adjustments Rs. 425 (nil) leaving a balance available for disposal of Rs. 3,53,699 (Rs. 4,42,907).

During the year a further 5,206 preference shares of Rs. 100 each were subscribed and allotted. By a special resolution passed at an extraordinary general meeting of the shareholders held on 30th May 1958, the rate of interest payable on the preference shares was increased from 6 per cent. per annum to 7 per cent. per annum with effect from that date, and the directors now recommend payment of dividend at the appropriate rates on 6,948 preference shares, and on 4,00,000 ordinary shares at 6 per cent. per annum which absorbs Rs. 2,75,647 (Rs. 2,45,197), leaving a balance at credit of profit and loss account of Rs. 78,052 (Rs. 1,97,710), to be carried forward to the next year.

Every effort is being made to increase the scope of the Company's activities. A collaboration agreement with Messrs. Dawson Pyne Elliot Ltd., Olney, England for manufacture of printing machinery in India has been finalised and approved by the Government of India. Planning has already been taken in hand and production is expected to commence in the near future.

Manufacture of Road Rollers, Steel Structural and Railway Signalling Equipment, etc., has been maintained at a satisfactory level. The directors are pleased to report that the plant and equipment for the wagon building factory at Mokameh has arrived and construction of the factory is in progress.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	46,84,800	Gross block	91,44,676
Debitures	20,00,000	Less—Depreciation	42,56,718
Reserves	40,48,365		
Provision for taxation	5,02,217	Net block	48,87,958
Provision for wealth tax	87,280	Stock-in-trade	9,49,340
Liabilities	1,29,56,901	Stores and loose tools	62,66,199
Profit and loss account (surplus)	78,052	Work-in-progress	58,27,106
		Debits, deposits and advances	61,47,422
		Investments	2,300
		Cash	33,516
		Miscellaneous expenditure	2,53,774
	Rs. 2,43,67,615		Rs. 2,43,67,615

Amalgamated Electricity Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. N. C. Javeri & Co. Bombay) submit the audited accounts of the Company for the year ended 31st March 1959.

The gross profit for the year amounts to Rs. 20,85,874 (Rs. 17,59,278). After appropriating Rs. 7,20,027 (Rs. 6,55,767) to depreciation, Rs. 9,415 (Rs. 18,346) to arrears of depreciation, Rs. 51,135 (Rs. 59,513) to Contingencies Reserve, Rs. 1,15,698 (Rs. 1,25,500) to staff retiring gratuity fund, Rs. 2,930 (Rs. 392) to consumers' benefit reserve) each to tariffs and dividends control reserve and consumers benefit, Rs. 28,441 (Rs. 40,398) to development reserve, Rs. 31,315 (Rs. 61,716) to wealth tax, Rs. 1,41,515 (nil) to income-tax and Rs. 4,001 (Rs. 887) to agents' commission for previous year and after writing off Rs. 19,962 (Rs. 19,963), Rs. 3,500 (Rs. 14,750) and Rs. 6,469 (Rs. 9,523) from purchase consideration, electric license expenses, preliminary, amalgamation and new share capital issue expenses respectively and with the addition of Rs. 15,26,326 (Rs. 15,48,223) brought forward from the last account and of Rs. 741 (Rs. 3,690) and Rs. 4,652 (nil) received as refund of tax deducted at source on securities and against purchase of energy respectively, there is a balance of Rs. 24,82,255 (Rs. 23,76,971). Deducting from this ad interim dividend, free of income-tax, of Rs. 2,75 (Rs. 2,75) nP per share on 5½ per cent. preference shares, Rs. 2,50 (Rs. 2,50) nP per share on 5 per cent. preference shares and 45 (43) nP per share on ordinary shares, absorbing Rs. 4,43,447 (Rs. 4,28,948), there is available Rs. 20,38,808 (Rs. 19,48,023) which the directors recommend to appropriate as follows:

To payment of a final dividend, free of income-tax, for the second half year ended 31st March 1959, at the rate of Rs. 2.75 (Rs. 2.75) nP per share on 24,150 preference shares (making 5½ per cent. for the year) absorbing Rs. 66,412 (Rs. 66,412), at the rate of Rs. 2.50 (Rs. 2.50) nP per share on 20,314 preference shares (making 5 per cent. for the year) absorbing Rs. 50,785 (Rs. 50,785) and at the rate of 45 (42) nP per share on 7,25,000 ordinary shares [making 8.5 per cent. for the year] absorbing Rs. 3,26,250 (Rs. 3,04,500), leaving balance to be carried forward of Rs. 15,95,361 (Rs. 15,26,326).

Four of the six used generating sets purchased last year have been put into commission and the remaining two sets of 450 B.H.P. each are under

installation at Malegaon. Further to augment the plant capacity at Malegaon, two used sets of 570 B.H.P. each have been ordered from U.K. and import licence thereof has been very recently received. Transmission lines are being extended to meet the growing demand.

The following table indicates the development of the sale of energy since April 1956:

Year	Units generated and purchased	Total load in kW	Consumers
1956-57	4,04,80,991	26,882	55,772
1957-58	4,35,38,561	28,576	62,455
1958-59	4,95,06,673	31,821	67,450

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	1,16,96,400	Gross block	2,18,23,158
Reserves	17,54,523	Less—Depreciation	52,04,167
Provision for taxation	2,25,276		
Liabilities	55,30,369	Net block	1,66,18,991
Profit and loss account (surplus)	15,95,361	Work-in-progress	3,06,443
		Stores etc.	17,53,177
		Debits, deposits and advances	12,91,651
		Investments	2,17,670
		Cash	2,96,470
		Miscellaneous expenses	3,17,527
	Rs. 2,08,01,929		Rs. 2,08,01,929

Velimalai Rubber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Oopoottil Kurian & Co., Private Ltd. Kottayam, Kerala State) submit the audited accounts of the Company for the year ended 28th February 1959.

The total area under rubber is 1,015.17 acres. The area under tea is 121.84 acres. 40 acres under ordinary rubber have been replanted during the current year with budded rubber under the Rubber Board's Subsidy Scheme.

Crop, Cost and Prices: A rubber crop of 4,16,721 lbs. was harvested at an estate cost of 92.40 nP per lb. against 4,58,328 lbs. at an estate cost of 84.99 nP per lb. for the previous year. The tea crop harvested was 44,698 lbs. at an estate cost of 145.63 nP per lb. against 56,572 lbs. at an estate cost of 117.20 nP per lb. for the previous year. The net average prices realised were 156.03 nP per lb. for rubber and 150.87 nP per lb. for tea, against 153.95 nP per lb. for rubber and 136.44 nP per lb. for tea for the previous year. The maximum controlled price for No. 1 sheet rubber remained at 155.75 nP per lb.

The estimate for the current year is for a crop of 4,10,000 lbs. of rubber at an estate cost of 91.54 nP per lb. and 55,000 lbs. of tea at an estate cost of 114.46 nP per lb.

The net profit for the year is Rs. 1,77,781 (Rs. 2,25,630) after providing for all charges including depreciation and debenture interest but before providing for taxation. The profit has been lower due to a decrease in the crop and an increase in the cost of production. Together with the previous year's balance brought forward of Rs. 21,001 (Rs. 12,871) the amount available for appropriation is Rs. 1,98,782 (Rs. 2,38,501) which the directors propose to appropriate as below:

To reserve for taxation Rs. 75,000 (Rs. 1,00,000), to transfer to debenture redemption fund Rs. 40,000 (Rs. 40,000), to transfer to preference dividend account (dividend already paid) Rs. 17,500 (Rs. 17,500) and to pay a dividend of 10 (10) per cent. on the equity shares absorbing Rs. 60,000 (Rs. 60,000) leaving a balance to be carried forward of Rs. 6,282 (Rs. 21,001).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	8,50,000	Gross block	17,45,808
Debitures	3,97,000	Less—Depreciation	1,02,210
Reserves	4,56,000		
Provision for taxation	1,48,759	Net block	16,43,598
Liabilities	2,36,013	Stock-in-trade	1,90,483
Profit and loss account (surplus)	6,282	Stores etc.	30,802
		Debits, deposits and advances	1,33,137
		Investments	1,000
		Cash	95,034
	Rs. 20,94,054		Rs. 20,94,054

Western Bengal Coal-Fields Ltd.

The directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The profit for the year before charging depreciation and taxation amounts to Rs. 6,40,122 (Rs. 7,54,442). From this amount is to be deducted provision for income-tax Rs. 2,45,000 (Rs. 1,25,000), provision for cess charges Rs. 35,000 (Rs. 1,04,500) and provision for depreciation Rs. 2,78,000 (Rs. 3,06,115) leaving a balance of Rs. 2,82,122 (Rs. 2,18,828). This together with the balance brought forward from last year's account of Rs. 7,951 (Rs. 11,543) makes a total of Rs. 2,90,073 (Rs. 2,30,371). Out of this, after transferring to development reserve Rs. 82,171 (Rs. 22,500) there remains a balance of Rs. 2,07,902 (Rs. 2,07,871). The directors recommend payment of dividend at 40 (40) nP per share, free of tax, absorbing Rs. 1,99,920 (Rs. 1,99,920) leaving a balance to be carried forward to the next year's account of Rs. 7,982 (Rs. 7,951).

Raisings and Workings: Total raisings for the year were 2,54,969 (2,27,205) tons and despatches 2,49,458 (2,14,421) tons; consumption was 9,179 tons. Depillaring operations continued at the Moira Colliery with satisfactory results. Workings

at this colliery of the company were and continue to be satisfactory.

Working at the Samla Manderboni Colliery, however, continued to be difficult, primarily because of various troubles in sand stowing. Pitt No. 4 was reopened and resumed production from early this year. However, the impact of the loss in production due to closure of this mine and cost of its reopening and reclamation was felt during the year under review with its consequent result on the profits.

Immediate alternate arrangements are being made to restart the sand gathering operations; but such arrangements, it will be appreciated, naturally take time and it may not be before December 1959 that full normal working at that colliery can be resumed. The directors regret that this is the third natural catastrophe at the Samla Manderboni Colliery during the past three years and these have new pits which had been sunk at the Samla Manderboni Colliery were commissioned by the roof conditions having been met in this particular seam. It was decided to deepen the pits to a lower and production is expected to commence from these pits Nos. 5 and 6 by the end of this year.

In further development programmes, the directors have included the opening up of the Jambad scheme is satisfactory so far; the progress of this to report that sinking has reached a very advanced stage and they hope that initial production from middle of next year. In view of these developments, in spite of the setback at Samla Manderboni, the directors hope to be able to show similar results this year.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	49,98,000	Gross block	78,61,905
Reserves	1,68,505	Less—Depreciation	29,89,423
Provision for income-tax	4,23,928		
Provision for wealth tax	25,000	Net block	48,62,482
Liabilities	22,22,300	Stores and spare parts	7,09,433
Profit and loss account (surplus)	7,982	Stock of coal	27,701
		Other assets	1,710
		Debits, deposits and advances	20,34,590
		Investments	1,49,956
		Cash	59,834
	Rs. 78,45,715		Rs. 78,45,715

Tycoon Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co. Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1958.

The season's working resulted in a profit, after providing for depreciation, of Rs. 4,38,302 (Rs. 3,91,352) to which must be added adjustment brought forward from 1957 of Rs. 36,844 (Rs. 86,908) making a total of Rs. 5,01,949 (Rs. 4,78,260). From this amount is to be deducted loss on farming Rs. 18,309 (Rs. 13,718) leaving a balance of Rs. 2,98,500 (Rs. 2,42,644) after providing for depreciation in respect of previous year and Rs. 59,581 on adjustment account machinery reserve Rs. 1,50,000 (Rs. 50,000) and to development rebate reserve Rs. 10,000 (nil) leaving an available balance of Rs. 1,38,600 (Rs. 1,92,644). This amount the directors recommend, should be dealt with as follows:—

In payment of a dividend for the year ended 31st December, 1958, at the rate of Re. 1.50 equity shares, absorbing Rs. 78,000 (Rs. 1,56,000) (Rs. 36,844), to be carried forward Rs. 60,600

The saleable crop weighed out at 15,467 (16,082) maunds against the revised estimate of price of Rs. 2.47 (Rs. 2.16) per lb.

The estimate for season 1959 provides for a saleable crop of 17,500 maunds at a total revenue expenditure of Rs. 23,74,093.

The smaller crop made in 1958, as compared with the crop of the preceding year, was due to adverse weather conditions experienced early in the season.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	5,20,000	Gross block	41,57,562
Reserves	23,10,415	Less—Depreciation	14,88,789
Provision for taxation	9,12,310		
Liabilities	12,50,171	Net block	26,68,773
Profit and loss account (surplus)	60,600	Work-in-progress	3,77,679
		Stock of tea	9,08,792
		Stores	5,71,070
		Other stocks	36,650
		Debits, deposits and advances	2,86,823
		Investments	53,070
		Cash	1,50,839
	Rs. 50,53,496		Rs. 50,53,496

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

People just can't help buying things wrapped in TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

TRAYONS

*TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little.
*TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes.

THE TRAVANCORE RAYONS LIMITED

Factory Rayonpuram, P. O., Kerala State
Sales Office: 26, Second Line Beach, Madras-1

Distributor:

R. Sutramdas (India) Private Limited
United India Building, 5th Floor, Sir Pheroze Shah Mehta Road, Bombay 1

THE BANK OF INDORE LIMITED

(Incorporated in India 1920)
Authorised Capital Rs. 50,00,000
Subscribed Capital " 30,60,750
Paid-up Capital " 15,30,375
Reserve Fund " 29,00,000

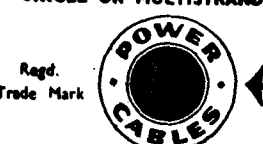
Head Office: 1, Prince Yashwantrao, Indore City
Bombay Office: 44, Hamam Street, Fort and Jai Hind Estate, Bhulashwar.

Branch Office: Cloth Market, Stryaganj and Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.

Pay Office: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at Head Office, Stryaganj and Cloth Market Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi, Tarana, and Pay Office at Jaora and Sandhwa on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

WIRES

OF ALL KINDS,
OF ALL METALS,
FERROUS, NON FERROUS
SINGLE OR MULTISTRAND



MANUFACTURERS
POWER CABLES
PRIVATE LTD.

Post Box 4, Kalyan,
Works: Vichalwadi



TODAY'S DECISION to become a Depositor BRINGS TOMORROW'S INTEREST

5%

SECURITY — The Bank's Capital and Reserves

SAVING — NO Charges, Brokerage, Commission, Fees or Stamp Duties

SAFETY — NO Capital Depreciation—Your funds remain at your disposal

YIELD — The 5 per cent per annum interest is paid half-yearly without deduction of United Kingdom income tax

ASSETS EXCEED £50,000,000

Write today to General Manager for your copy of 'Bank Deposit Account' booklet No. AO91.

LOMBARD BANKING

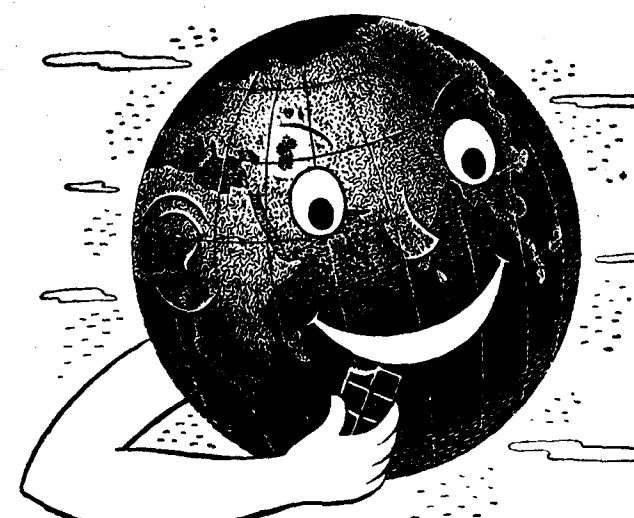
LIMITED
BANKERS

Head Office: LOMBARD HOUSE, CURZON STREET
PARK LANE, LONDON, W.1 GRO 4111 (30 lines)

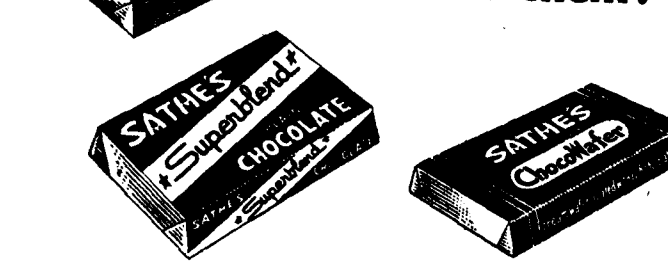
East Africa: MERCANTILE HOUSE, SADLER STREET
P.O. BOX 5669, NAIROBI Tel: NAIROBI 25547 (5 lines)

A World-Wide Banking and Finance Organisation

All the world loves delicious CHOCOLATES...



SATHE'S make them!



SATHE BISCUIT & CHOCOLATE CO. LTD., POONA-2.

Heros' 108.

NEW PUBLICATIONS

Administrative Problems of Public Enterprises in India. By M. C. Shukla. Published by S. Chand & Co., Asaf Ali Road, Delhi. Pages: 232. Price: Rs. 10.

MUCH attention has been devoted in recent years to the problems of administering public enterprises. The growing interest in this subject is due to the fact that the Government, in keeping with its declared aim of enlarging the public sector, continues to set up large public enterprises. The essence of the problem of management of public enterprises is to combine the broad social purposes of nationalisation with private enterprise efficiency which one associates with private enterprise. Among the recent books which have appeared on this subject, M. C. Shukla's treatise deserves a high place indeed. He commences the book with a discussion of the basis of Government ownership and goes on to describe the objectives and scope of public enterprises in India. These chapters are followed by separate chapters on forms of organisation, parliamentary control, ministerial control and board of directors of public enterprises. The task of management is treated in two chapters. The last two chapters of the book are devoted to the policy of public enterprises and training of managers. Each section is complete in itself, and yet leads on to the next section.

The author offers no ready-made solution for the vexed problems connected with the organisation and management of public enterprises, though he indicates, in certain places, how a particular problem could be tackled. He rightly eschews dogmatic statements. For instance, on the important question of the right type of organisation for the management of public enterprise, he says:

"The search for suitable pattern or patterns of organisation is yet in its initial stages in India, although preference is being given to private limited company and public corporation, in the same order as stated. . . . Furthermore, when a Government undertakes an industrial or commercial activity in which it may have to compete with the private sector, it is necessary to establish reliable standards of comparison in order to secure maximum productive and competitive efficiency. This can be secured if the enterprises are managed on commercial lines, adopt commercial forms of accounting and are operated as enterprises in the private sector. The general policy of the Government of India is to confer the largest measure of financial and administrative autonomy on the management. The content of autonomy would, however, vary in different enterprises according to their nature and purposes. Whether there should be formed a new company for each new enterprise or many plants should be administered by one company is still an open question. Trial and experiment will determine the final choice."

No elaborate review of the working of individual State-owned enterprises in the country has been attempted by the author. But he states that he proposes to make such studies. The results of such a study should be a welcome contribution to the literature on India's public enterprises.

The Indian Market. Compiled by Messrs. J. Walter Thompson Company. Published by McGraw Hill Book Company Inc., New York.

This is the latest brochure of the "World Market Series" published by Messrs. J. Walter Thompson Company, the well-known advertisement agents, for the benefit of its present and prospective clients. It is a descriptive and statistical survey of this country, which is inhabited by 400 million people and thereby provides the largest potential free market in the world. J. Walter Thompson have already published similar surveys covering Canada, Western Europe, Latin America, Japan, Philippines, Portugal and Peru. The brochure contains statistical data regarding land, population, agriculture, industry, mining, transport and communication, energy and power, imports and exports, income and standard of living, consumption and investment, etc. The market classification by trading centres, with the population in each centre and consumer market indicators, contained in the publication will give an idea of the location of the prospective customers, their buying power and consumption propensities. This brochure will enable intending advertisers to have a broad statistical picture of the market in which they wish to push and publicise their products.

Advertising Agency Success. By Kenneth Greenback. Published by Harper and Brothers, New York. New York 16. Copies can be had from Messrs. Higginbotham (Private) Ltd., Mount Road, Madras-2. Pages: 259. Price: Rs. 60.

There is a tendency in this country to start an advertising agency with just one or two accounts. Sometimes an advertiser with a large budget himself starts an advertising agency as an allied undertaking to which he extrudes his advertisements. This is by no means a very commendable practice. After all, an advertising agency cannot grow with one or two accounts, however large they may be. It is only an agency which has several accounts to its credit and a large and trained staff that can really deliver the goods. This does not, of course, mean that men with sound ideas and flare for advertisement work should not start new agencies of their own. Only, it is necessary for them to know that they cannot serve their clients well if they do not continuously grow. To such men, as also to all men in the profession, *Advertising Agency Success* will make a special appeal. The author deals with this subject under two main sections—principles and management, and functions and performance. Beginning with a chapter on how to start an advertisement agency, he goes on to describe the management problems and several general issues connected with the running of an advertising agency business. The more technical section is the one which deals with the functions and performance of an advertising agency. There are excellent chapters on copy writing, use of psychology, and marketing and research. There is a very good bibliography on advertising which should satisfy the more specialist readers. If a key sentence must be given in order to sum up what will make for success in advertising business, one cannot do better than quote the author who observes:

"The technique of the advertising agency business is not difficult to learn. Mechanical procedures and sending out materials to the various media, watching the correctness of their appearance, billing the advertiser—these are largely clerical operations. What is not so easily learned is the advertising attitude. Just as a reporter needs a nose for news, so the advertiser must have a keen and readable form what he has learned, so the advertising man or woman must have basically a feel for selling and intensive knowledge of how various promotional devices work in affecting the client's sales."

This sums up, as neatly as it can be summed up, the essential factor that governs success in the increasingly competitive business of advertising.

Trade-Industry in Gujarat, Saurashtra and Kutch. Published by the Gujarat Publicity Bureau, Railwaypura, Ahmedabad 2. Price: Rs. 25.

This is a valuable directory which vividly brings out how prominent is the place occupied by the region of Gujarat, Saurashtra and Kutch in the economic map of Bombay State. It is bound to be read with interest in the context of the impending break-up of the bilingual Bombay State. It contains a wealth of statistical data and information relating to the resources position and the potentialities for developing new industries in the region. Even a cursory glance through the pages of the directory will reveal that the region could become one of the most highly developed regions in India, with its extensive coastline of over 800 miles, abundance of mineral, power and other resources and men with industrial and business acumen.

A special chapter has been devoted to an assessment of the possibilities of starting new industries. The utility of this chapter has been enhanced by the inclusion of (1) the formalities to be complied with for establishing new industries in Bombay State, (2) the appropriate sponsoring authorities for allocation of steel for industrial use, and (3) organisations giving financial assistance to large- and medium-scale industries. Also included in the directory are list giving the names of different factories existing in 1957 and a catalogue of trading firms dealing in various goods and commodities in Gujarat, Saurashtra and Kutch. There is, however, one lacuna in the directory, namely, absence of details regarding rail and road transport facilities, labour, small-scale industries, and the like. It is to be hoped that the publishers will incorporate these details in the next edition of the directory.

In the course of an interesting introduction, the editors and compilers have summed up the geographical and economic position of the region, highlighting, in particular, the immense scope that exists for further economic development. They have urged special attention to the need for diversification of industries in the region, co-ordinated programme of rail-road-sea development, and multipurpose and comprehensive geological survey.

Colour Planning for Business and Industry. By Howard Ketcham. Published by Harper and Brothers, New York. Agents in India: Higginbotham (Private) Ltd., Mount Road, Madras-2. Pages: 274. Price: Rs. 55.

This book by America's leading colour and lighting expert reveals how effective use of colour can contribute to success in business and industry. The author is a pioneer in introducing professional colour planning to American business. "Creative colour engineering," in his own words, "is the ability and art of increasing the impulse and appeal of a product. It is the intangible ingredient which, when well engineered, creates visual value and lasting satisfaction with the merchandise product or environment." In the highly competitive field of modern business, as profit margins decline on older products manufacturers in nearly all industries place more and more reliance on new product colours to increase sales and earnings. Here is a book which tells how a more effective and skilful use of colour can well convert losses into profits.

This is not a treatise on colour theory but a practical guide book for colour planning. It is based on the experience gained by the author during three decades of practical work with colour. Proceeding on the theory that constructive colour planning makes dollars-and-cents sense, for nearly every branch of business and industry, Mr. Ketcham demonstrates that colour has more than an aesthetic value. Used with skill, it has an emotional impact that can enhance the utility as well as the appeal of innumerable products.

Opening with a few prefatory remarks on how colour sells, the book deals, in successive chapters, with uses of colour through the ages, how one can benefit from colour research, colour and lighting in display, factory, colour in men's and women's wear, colour in advertising, in interior decoration, etc.

This book will give the reader some suggestions applicable to his own business problems related to colour. It may also convey a workable idea of what colour engineering means or can mean to business.

Practical Book-keeping. By Nanabhai S. Davar. Published by The Progressive Corporation Private Ltd., 51, Mahatma Gandhi Road, Bombay-1. Pages: 640. Price: Rs. 8.25.

The book under review is in its fourth edition. It has been revised and enlarged, with an addition of new chapters on Packages, Goods on Sale or

Return, Contract Accounts, Hire Purchase Agreements, Instalment System of Payment and Indian System of Book-keeping. This edition completes the whole syllabus in intermediate accountancy of various professional diploma courses and university degrees. Hence it has now been prescribed as a textbook in various university degree colleges, including the Bombay University. Unlike other books on this subject, this book is written in a unique conversational style which relieves students from technical difficulties in understanding the subject proper. The book is a useful guide not only to students of commercial diploma courses and degrees but also to business men and even laymen in this subject.

Recorder Survey: Recording Surfaces and Marketing Methods. By George Keinath, National Bureau of Standards. Published by Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Pages: 41. Price: 30 cents.

This publication surveys and compares the characteristics of continuous traces, dotted traces, and printed characters produced by ink, incision, impression, indentation, deposition, heat, light, electric discharge, electron beam, magnetism, chemical action, or fluid streamlines. Descriptive and reference materials are included on three physical components of the recording system—the reservoir of material or energy, the marking point or the chart surface which preserves the record. Recently to supervise industrial processes and to test of materials and products. This survey was undertaken to bring together available information on the various methods and problems of recording some of the physical principles either currently or potentially available for recording variable material production.

TUBE INVESTMENTS OF INDIA LIMITED

(Concluded from page 866)

cal skill of the products of the factory. It certainly is encouraging for your Directors to find that distinguished visitors and Ministers of the Government have recorded that this Concern is one of the best equipped, and the best run in the country. This is no small credit for a factory situated in the sequestered plains of Madras, away from the hub of industrial activity in other parts of India. For these results, I join with the Directors in paying my tribute to our Associates, Messrs. Tube Investments Limited of the U.K., and other companies in that group, for their wholehearted and unfailing co-operation and for the invaluable help and advice they have given us. I have already expressed our thanks to the Government of India for their advice, support and ready understanding of our problems. I should also like to thank the Government of Madras, who have taken keen interest in this venture and have always guided us with advice and help.

"Whilst I have taken an optimistic view of future prospects and believe that the Company as a whole and the various units which are comprised therein, will grow from strength to strength, I must sound also a note of caution that during the next two years, while the expansion is taking place and production is enlarging, the need for building a reserve of as much of our resources as possible, is great and will be obvious.

Relationship with Employees

"The relationship between us and our employees in all our units has been satisfactory and we, on our part in the management, have tried to look after the welfare of our employees. An industrial welfare housing scheme has been started, on a co-operative basis, and we trust that the full scheme will be implemented in the next few years. Other amenities to help either our staff and workers or their children, have been provided partly by this Company, with the full co-operation of our British Directors and partly by the help given by the A.M.M. Charities Trust, controlled by your Managing Directors. This has resulted in the establishment of a polytechnic, on the site with the financial assistance of the Central and Local Governments. The raising of a primary school in the locality to the status of a higher secondary school under their management, has fulfilled a long-felt want. Lastly, with the co-operation of the State Government, a hospital in the area will, we trust, shortly be established. These are in addition to the amenities provided directly to the workers in the factory.

"Finally, I must emphasise the appreciation the Directors have recorded, of the wholehearted co-operation which the Company has received from the dealers and distributors, and of the good work that has been done by all the employees of the Company both in the factory and in the office."

N.B.—This does not purport to be a report of the proceedings of the annual meeting.

LACK OF DEMAND FOR MONEY

(From Our Own Correspondent)

BOMBAY, 18th November

Conditions in the short-term money market continue to be comfortable. While banks are having a surfeit of funds the seasonal demand for credit is at a low ebb and whatever little demand there is easily met by them from their own resources. Activity in the inter-bank call money section, is, therefore, dull and interest rates are unchanged at last week's levels, that is 1½ per cent. among the Exchange banks and big Indian banks and 2½ to 3 per cent. among the smaller banks. House money at seven days' notice is being maintained at 3-3½ per cent. and short-term deposits at 3-3½ per cent.

A good indication of the state of the money market is provided by the results of this week's Treasury Bill auctions, at which the amount offered was Rs. 5.45 crores, as against an invitation for Rs. 2 crores, the corresponding sum offered last week was Rs. 4.50 crores. Consequent on the large offerings, the average discount also dropped, for the second week in succession, from 2.405 per cent. to 2.388 per cent. per annum. While there were no sales of Intermediate Treasury Bills in the previous week, such amounted to Rs. 1.60 crores in the week under review. Tenders for next week's sale of regular Treasury Bills are unchanged at Rs. 2 crores and sales of Intermediate bills are being continued.

The Reserve Bank of India's statement for the week ended 13th November 1959 shows a contraction of Rs. 8.25 crores in notes in circulation and a rise of Rs. 8.83 crores in notes held in the Banking Department. There is no change in foreign securities, but balances held abroad maintain their upward trend with a rise of Rs. 2.93 crores, so that the total foreign assets now stand at Rs. 202.89 crores, as against Rs. 183 crores a year ago. There has been a fall of Rs. 2.41 crores in deposits of the Central Government and an increase of Rs. 4.92 crores in deposits of other Governments. Deposits of banks are higher by Rs. 12.94 crores. Loans and advances other than those to Governments show a decline of Rs. 8.81 crores, while investments have moved up by Rs. 13.73 crores and holdings of Government Treasury Bills by Rs. 3.69 crores.

A rise of Rs. 8.84 crores in demand deposits of banks is disclosed by the Scheduled banks statement for the week ended 6th November 1959. Time deposits have, however, fallen by Rs. 2.15 crores. Of the net rise of Rs. 6.69 crores, the State Bank of India accounts for Rs. 2.26 crores. Inter-bank borrowings are also higher by Rs. 1.59 crores, mainly due to the borrowings of the State Bank of India to the tune of Rs. 4.50 crores. Borrowings from the State Bank are lower by Rs. 1.09 crores. Advances have declined by Rs. 6.37 crores, the share of the State Bank being no more than Rs. 66 lakhs. Investments have been reduced by Rs. 1.34 crores, while cash balances have swelled by Rs. 3.62 crores, balances with other banks by Rs. 1.41 crores and money at call by Rs. 1.14 crores.

Notwithstanding the persistent comfortable conditions in the short-term money market, the gilt-edged market shows no sign of activity. Barring scattered enquiries for some short-dated issues, the prices of which are well maintained, the market is devoid of any support from institutional investors. 3 per cent. 1986 Conversion Loan has declined by a further 15 p to Rs. 74.35, 3 per cent. 1970-75 by 5 p to Rs. 93.08, 3½ per cent. 1964 by 5 p to Rs. 110.10 and 4 per cent. 1973 by 15 p to Rs. 101.50. State Loans, too, are listless.

In sympathy with the slight weakness of sterling abroad, the rupee has suffered a setback in terms of the U.S. dollar. Thus, the banks' selling rate for U.S.T.T. has gone up from Rs. 47.25 to Rs. 47.75 and their buying rate from Rs. 47.4 to Rs. 47.45 per \$100. In New York, spot sterling has been marked down from 280.40-284.3 cents to 280.23-280.28 cents and three months' forward from 280.96-280.99 cents to 280.83-280.86 cents.

ELECTROLYTIC ZINC BUOYANT

(From Our Own Correspondent)

CALCUTTA, 17th November

The features of trading in the metal market during the week under review were the state of buoyancy in electrolytic zinc on speculative support and the hardening price-trend in tin following higher advices from Penang.

During the week, the price of copper in both London and New York recorded a modest decline. On the London Metal Exchange, early in the week, the price of spot copper hardened to £266½ per ton from £264, due to good offtake by the United States. Selling pressure soon followed as a result of profit-taking which led to a fall in rate to £258½ towards the week-end. Locally, demand for copper scrap abated thanks to issue of permits. Reflecting this, berry quality scrap gave way from Rs. 232 to Rs. 230, but utensil was unchanged at Rs. 220.

Tin here hardened from Rs. 565.50 to Rs. 569 per cwt. in the wake of strong advices from the Far Eastern markets. Demand at the higher level was insignificant, as consumers thought that the upturn was only a passing phase. Contrary to higher reports from overseas markets, in view of good stock position in the western centre. However, any view that Bombay would divert stocks to Calcutta owing to higher price level here was not entertained, as demand here was low. On the L.M.E., the price closed higher at £277 per ton, as against the opening of £274. Buffer stocks were now believed to be as low as 3,000 tons only.

From Rs. 11.25 per cwt., electrolytic zinc gained to Rs. 11.90 here, following keen speculative attention which the offers received. However, consumer demand was insignificant in view of

BULLION EASY

(From Our Own Correspondent)

BOMBAY, 18th November

The bullion market ruled easy during the major part of the week under review. The easiness was due to the imposition of heavier margins with effect from Tuesday, the 10th inst. The aggregate margins deposited till the afternoon of Saturday were Rs. 20 lakhs in silver and Rs. 3 lakhs in gold. The margins led to selling, especially by weak holders, which brought about a fall in values. Some bulls who deposited margins as required under the new provisions were, of course, reluctant to liquidate their holdings. A few even made fresh purchases yesterday in anticipation of a marked rise in demand for both gold and silver. But for these purchases and the bullish fervour fanned by the continued none too happy Indo-Chinese relations, the two precious metals might have suffered a sharper setback.

The Bullion Association has informed the members that, so long as margin money continues to be payable under By-law 33(c) in respect of outstanding transactions in a particular settlement, the operation of By-law 33(F) remains suspended in respect of transactions in that settlement.

In silver, December settlement came in for selling and receded from Rs. 212-7 to Rs. 209-7 on Monday. After recovering to Rs. 211-1 yesterday, it fell again to Rs. 209-15 today before finishing at Rs. 210-2. The net loss over the week was Rs. 2-5. January settlement declined from Rs. 213-5 to Rs. 210-5 and, after improving to Rs. 211-3 today, closed at Rs. 210-4. November settlement ran off the board at Rs. 211-1 yesterday, as against Rs. 212-6 on Wednesday last week. The number to December settlement which was an anna against bulls last week turned in their favour to the extent of As. 3 yesterday, while that for December to January settlement was against bulls throughout the week, though it narrowed down from As. 14 last week to As. today.

Ready silver began the week at Rs. 211-12, that is, As. 5 lower than the previous day's closing rate, and moved down to touch a low of Rs. 209-3 on Monday. At this level, some support was forthcoming and the rate rose to Rs. 210-15 yesterday. Today, however, it eased again to Rs. 209-7 before finishing at Rs. 209-10. The daily average arrivals of silver were 45 bars, while the actual offtake was 12 bars. The floating stocks of silver are estimated at 900 bars.

In the gold section, November settlement went off the board at Rs. 123-13 on Monday, as against the last week's closing rate of Rs. 125-1. The bears in this settlement were obliged to pay a margin at the rate of Rs. 10 per tola, as the carryover charge from this settlement to December settlement widened from As. 6 to As. 8 in their favour. December settlement eased from Rs. 125-5 to Rs. 124-1 and, after recovering to Rs. 125-1-6, declined again to Rs. 126-11-6 today. January settlement suffered a loss of As. 9-6 over the week, today's closing rate being Rs. 125-0-6.

Ready gold was subjected to selling and retreated from Rs. 125-1 to Rs. 123-12 on Monday. After recovering to Rs. 124-13-6 on the following day, it declined again to Rs. 124-6 before finishing at Rs. 124-7-6. The daily average arrivals and offtake of gold were 2,800 tolas and 2,400 tolas, respectively. The floating stocks of gold are reported to be in the neighbourhood of 25,000 tolas.

Both spot and forward silver in the London bullion market were unchanged during the week, the former at 80½d. and the latter at 80½s. Silver in New York was also unaltered at 91.375 cents. Ready gold in London improved from 250s. 1d. to 250s. 3d. The latest available world price for gold in London is \$35.05-\$35.07, as against \$35.08-\$35.10.

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

	18-11-59	Highest	Lowest	11-11-59
GOLD				
Ready (999 fine Mint)	124 7/8	125 2	123 12	125 1
Forward	124 11/16	125 6	124 1	125 5
SILVER				
Ready (999 fine Mint)	209 10	211 7	209 3	212 0
Forward	210 2	212 8	209 7	212 7
London Silver Ready	17-11-59			10-11-59
London Forward	80 1/2			80 1/2
London Gold	250s. 3d.			250s. 3d.
New York Silver	91.375	250s. 3d.	250s.	250s. 12 1/2

* 16th December settlement. † 16th December settlement.

availability of the material through permit system. In London, the price spurted from £254½ to £27 per cwt. Virgin lead here was quiet at Rs. 71 per cwt., as against Rs. 72 earlier in the week. Demand was conspicuous by its absence. The London price closed lower at £71 per ton, as against the opening of £73½.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, 16th November

Although linseed prices were firm, the market was dull, the volume of trading being very limited. Crushers showed meagre interest in seeds and sellers were rather reserved.

The oil market ruled firm, but business was scarce, with buyers showing virtually no interest except at lower prices. Local rates were out of line with foreign markets which were dull.

The latest quotations per maund are: Ready Rs. 26.25; November-December Rs. 26.25 and May Rs. 26.25.

COTTON FUTURES REACT

(From Our Own Correspondent)

BOMBAY, 18th November

The cotton futures market, after ruling firm during the first half of the week under review, turned easy in the second half. The firmness was due to an extension of the buying spree witnessed last week. A slow-down in the arrival of new crop, encouraging offtake of yarn and cloth, declining stocks with mills and trade and the news that mill consumption of cotton during the first month of the current season, namely, September, was substantially higher than in the corresponding month of the previous season strengthened the sentiment of operators. The Jarilla March contract firmed up from the week's opening of Rs. 731.50 to Rs. 738.75 on Saturday. This level, however, could not be sustained for long. Profit-taking and speculative selling prompted by the improved prospects for imports of foreign cotton during the current season, the increased arrival of new crop in upcountry centres and the consequent easing of spot values, resulted in a sharp break in prices on Monday. There were also rumours that a special margin would be imposed on delivery contracts in the spot section which caused considerable nervousness. The downward trend gathered momentum yesterday. It was, however, halted today, thanks to short-covering.

I.C.C. Mogli Jarilla March 1960 opened the week at Rs. 731.50 and, after rising to Rs. 738.75 on Saturday, declined to Rs. 728 yesterday. Commencing at Rs. 730.50, the contract gathered Rs. 2 before finishing lower at Rs. 729.50. The net loss over the week was one rupee.

The spot section was fairly active. There was good demand for both new and old crop cotton. Mills continued to be keen buyers. But prices were a shade easy, thanks to the increased arrivals. Staple styles like Kalyan, Laxmi, Rajapalayam and CO 2 attracted attention. Short staples such as Kalagin, Wagad and Bengal Deshi also found buyers. Rumours of the likelihood of margins being introduced on delivery contracts acted as a restraining influence.

The export front was featureless. The expected revival of demand from Japan has yet to materialise, despite the fact that prices have recorded a sizable drop, following the improvement of the weather situation in the Punjab. Indian prices are still out of parity with those of Pakistan.

Encouraging progress has been made in the utilisation of the share of 67,500 bales allotted for shippers out of the recent quota of 75,000 bales of Bengal Deshi. Sales registered up to 14th inst. amounted to 59,087 bales. Only a small quantity is thus left. In sharp contrast to this, out of 4,800 bales set apart for co-operative societies, not a single bale had been passed for shipment. The Government would do well to bear this performance in mind when making future allocations.

Demand for foreign cotton was well maintained. East African and Sudan varieties attracted attention. Sudanese XGSS was done at Rs. 1,360 and K3S at Rs. 1,460. Mills were interested in new crop Sudan but sellers were hesitant in anticipation of the new marketing policy announcement by the Gezira Board. There was a sharp increase in the price of East African cotton on hectic short-covering and fresh purchases following news of large-scale buying of East African cotton by Japan. B.M.F. 52 spurted to Rs. 1,271 today, a rise of as much as Rs. 101, as compared with the quotation on the 11th inst. Other East African varieties also recorded similar gains in prices.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 640; Berar Jarilla 840; Hubli Laxmi 925; Punjab 216F 990; 320F 940; Vijay 945.

In contrast to last week's strident advance, cotton futures in Karachi market sharply reacted downwards during the week under review. Prices fell a precipitous fall on heavy selling. Selling was prompted partly by encouraging news from the growing regions in the Punjab where the weather, which was adverse of late, took a turn for the better. In the light of the improved crop outlook, last week's rise, it was feared, was too sharp. 'Longs' rushed to get out of their commitments. Part of the selling was also attributed to profit-taking brought about by the previous high level of prices. N.T.R.G. January contract declined from Rs. 88-6 last week-end to Rs. 66-9. The March contract dropped Rs. 1-10 to Rs. 66-9.

A mixed trend was witnessed on the Alexandria Cotton Exchange during the week. While the long-staple Karnak contracts were subdued the medium-staple Ashmouni contracts firmed up on trade and professional buying. Export demand was slack and overseas inquiries few and far between. Over the week, Karnak contract recorded a net decline of 0.05 to 0.15 talars per lb. and the Ashmouni contracts a net rise of 0.65 to 0.75 talars per lb. The export price discount remained unchanged at 2½ per cent. The following are the latest available quotations—in talars per lb.—from Alexandria, the figures in brackets being last week's closing rates:

Karnak: November 72.15 (72.20); January 72.80 (72.75).

Ashmouni: December 64.00 (63.35); February 64.00 (62.86).

Liverpool cotton futures market was active during the week. There was fairly large-scale buying by American interests in Liverpool on expectation of a probable reduction in U.S. cotton export subsidy rate, and a fair volume of mill fixing and trade covering. Demand was on the whole stronger and prices moved up in consequence. The possibility of early arrival of U.S. cotton, which had been delayed for the past two months, acted as a restraining influence. The latest available quotations—in pence per lb.—from Liverpool are as under:

American cotton one inch staple contract: December-January 21.95; March-April 22.15; May 22.50; July 22.40.

American cotton mixed growth contract: December-January 22.75; March-April 22.75; May 22.75; July 22.45.

Sudan: November-December, January-February, May-June 29.00.

Cotton futures values in New York hardened during the week under review. A small volume of scattered liquidation, prompted by fears of a lower support price for the 1960 crop, was partly absorbed in trade buying. Mill buyers also picked up part of the offerings against sale of forward sale of yarn and cloth extending well into the second quarter of next year.

The payment-in-kind export programme is reported to be making encouraging progress. Registrations under the programme up to the 6th inst. covered commitments for shipment abroad of 3,163,585 bales. Actual shipments from the beginning of the season till the 5th inst. aggregated 562,158 bales, as against 657,023 bales during the same period last season.

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

	(In cents per lb.)	17-11-59	10-11-59	2-11-59
Spot	...	32.85	32.70	32.70
December	...	32.75	32.64	32.42
March	...	33.17	33.05	32.88
May	...	33.35	33.30	33.13

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 18th November

Dull conditions prevailed in the yarn market during the week under review. Art silk yarns were generally easy, thanks to poor off-take from consuming centres and declining tendency in prices of nylon yarns. There was also some selling by stockists who had earlier bought in expectations of better demand. In sympathy with art silk yarns and on reports of large stocks with weaving interests, staple fibre yarns also tended to move down. Cotton yarns, however, attracted some support, owing to good enquiries from hand-looms and powerlooms.

Imports of art silk yarn into Bombay port continue to be small. The total of these imports during October 1959 was 1,154,788 lbs., as against 1,665,847 lbs. in the previous month. During the same month, 98,556 lbs. of synthetic yarn, 6,990 lbs. of staple fibre yarn and 26,075 lbs. of cotton yarn were imported. Exports of cotton yarn from Bombay during October amounted to 1,388,563 lbs., as against 1,184,994 lbs. in September.

Cupressa Bamberg yarn (60x2) December contract was subjected to heavy selling pressure and climbed down from Rs. 1,713 to Rs. 1,675. February 1960 delivery was quoted at Rs. 1,700 to-day. Spot Cupressa declined by 3 nP to Rs. 7.56. Among imported yarns, 120 Japan lost a naya paissa to Rs. 5.28. 150 Italy was dull at Rs. 4.87. 150 Japan, however, picked up 8 nP to Rs. 5.23. 120 Italy gathered 3 nP to Rs. 5.25. Among indigenous yarns, National Rayons 150 bright cones first grade shed 3 nP to Rs. 4.25. 120 bright cones first grade were done at Rs. 4.76.

Staple fibre yarns (40x2) December contract dropped Rs. 8 over the week, today's closing rate being Rs. 696. February 1960 delivery changed hands today at Rs. 689. Spot City fell by 1 nP to Rs. 3.59. Kohinoors lost 4 nP to Rs. 3.67 and Centurys 3 nP to Rs. 3.72. Among imported yarns (80x2), Paramounts receded from Rs. 8.81 to Rs. 8.75.

In the cotton yarn section, ten counts Podars improved by 13 nP to Rs. 14.75. Twenty counts Hinds advanced by 50 nP to Rs. 19.75 and Moderns by 19 nP to Rs. 20. Forty counts Minaxis were firm at Rs. 26.87, as also Moderns at Rs. 27.31. Among sixty counts, Raghuvarshis put on 50 nP to Rs. 56.50 while Finlays were fully maintained at Rs. 61.50. Eighty counts Moderns and Finlays were steady at Rs. 79 and Rs. 81, respectively. Cities, however, shed 19 nP to Rs. 64.50 and Mahendras 50 nP to Rs. 73.25.

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

	18-11-59	10-11-59
Art silk yarn—		
60/1 Cupressa Bamberg December (100 Kg.)	1,675	1,713
60/1 Cupressa Bamberg spot (per lb.)	7.56	7.59
120 Japan (per lb.)	5.28	5.25
150 Japan (per lb.)	5.23	5.15
120 Italy (per lb.)	5.25	5.22
150 Italy (per lb.)	4.87	4.87
Staple fibre yarn—		
40x2 December (per case of 200 lbs.)	696.00	704.00
40x2 Kohinoor (per lb.)	3.67	3.71
40x2 City	3.59	3.70
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	14.75	14.82
20s Modern	20.00	19.81
40s Minaxi	26.87	26.87
60s Finlay	61.50	61.50
80s Mahendra	73.25	73.75

CASTOR FIRM

(From Our Own Correspondent)

BOMBAY, 18th November

Active conditions prevailed in the oilseeds market during the week under review. Castor-seed, in particular, moved up as a result of encouraging advices for castor oil from abroad. Groundnut displayed an erratic trend, but the undertone was steady. Linseed and cottonseed were, however, subdued.

A sharp increase in the values of castorseed and oil was a feature of trading in this week. It

is reported that the U.S. and the U.K. and also France are interested in Indian castor oil. Shippers are reported to have booked substantial quantities of castor oil. The revival of U.S. interest in Indian castor oil imparted particular strength. It is believed that Brazil is not in a position to meet the demand of the U.S. buyers. At the close of the week, however, there was some short-covering and the values drifted lower. Under these conditions, castorseed May 1960 contract, which had wound up at Rs. 163.37 last week-end, rose gradually to Rs. 168.62 yesterday, but came down to close today at Rs. 167.75. Ready Madras rose from Rs. 31.37 to Rs. 32.44 yesterday, but declined to close today at Rs. 32.12. Oil B.S.S. improved from Rs. 17.69 to Rs. 18.50.

The groundnut section also put on a cheerful appearance, thanks mainly to reports of good enquiries for groundnut oil, particularly from the U.K. Besides, crushers and vanaspathi manufacturers extended good support. Values in the groundnut section would have gone up further, but for the larger arrivals and also some up-country selling. The declining strength in overseas prices of groundnut oilcake also acted as a damper. Groundnut oilcake 1960 contract, which had wound up at Rs. 177.62 last week-end, rose to Rs. 179 on Saturday. Subsequently, it came down to Rs. 178.12, but recovered to close today higher at Rs. 179.12. Khandesh quality improved by 25 nP to Rs. 38.25. Oil ex-mill, however, lost 7 nP to Rs. 19.62.

There was hardly any encouraging development in the linseed section. Prospects for exports of linseed oil continued to be dull in the face of lower foreign prices and also freight difficulties. Linseed May 1960 contract closed today unchanged at Rs. 35.37, after moving in a narrow range over the week. Bold ready which had finished at Rs. 35.25 last week-end gathered 37 nP to close at Rs. 35.62, after remaining subdued during the major part of the week. Linseed oil gained 13 nP to touch Rs. 17.44.

In sympathy with raw cotton market, cottonseed developed a sagging tendency. Although it improved from Rs. 129.25 to Rs. 130.25 on Saturday, it moved down later to close at Rs. 128.75 today.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	18-11-1959	11-11-1959	4-11-1959
Groundnut			
February 1960	179.12	177.62	175.87
Bold ready	38.25	37.50	36.25
Khandesh quality	38.25	38.00	36.25
Oil ex-mill ready*	19.62	19.09	19.37
Railway receipts*	19.37	19.50	19.12
Castorseed			
May 1960	167.75	163.37	162.00
Ready Madras	32.12	31.37	30.57
Ready Kanpur	31.37	29.87	29.50
Oil B.S.S.	18.50	17.69	17.25
Oil commercial†	17.50	16.75	16.37
Linseed			
May 1960	35.37	35.87	35.40
Bold ready	35.62	35.25	35.62
Oil ready†	17.44	17.31	17.37
Cotton seed			
February 1960	128.75	129.25	126.50
Niger seed	31.75	31.75	31.50
Kandi seed	22.50	22.50	22.60

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for future contracts are in terms of candy, except linseed, which is in cwt. A candy is 560 lbs., except in the case of cotton seed, for which it is 754 lbs. Spot quotations of seeds are for per cwt. and those for oil per quarter.

JUTE GOODS WEAK

(From Our Own Correspondent)

CALCUTTA, 17th November

Earlier in the week under review, fairly steady conditions were in evidence following the announcement of lower stock figures. For the decline in stock was contrary to market expectations. Subsequently, a downward trend in prices set in, following the publication of the output statistics for October and the report of a decline in U.S. consumption of burlap during October. Prices in both heavy goods and hessian sagged. During the week, the demand for shipping space for gunny was poor, and lifting by the U.K., the Argentine and the U.S. was restricted to insignificant quantities. Despite weakness in the goods market, raw jute prices were firm at previous levels. This was attributed to persistent trade reports of a decline in output in this season, which also received official stamping during the week.

It is considered unfortunate that the unrest among jute mills' workers is gaining momentum, and a token strike on 11th December is more than a possibility now. Market circles are gravely concerned about this. For, in the event of mills' working being affected, it is certain that prices would move up. Such increase in prices may be considered by overseas buyers as a case of exploitation in the present phase of increased demand. There is no confirmation of the reports that Pakistani mills might place orders on Indian mills to fulfill the former's commitments in the November-December delivery position. The absence of any further news on this is thought here as being due to an attempt on the part of the Pakistani mills for extension of delivery date. Meanwhile, according to a Dacca report, Pakistani mills would be permitted to increase their loomage from 7,750 to 12,000 in the course of the next five years.

Following the announcement of a decline in stocks of goods, ready B. twills remained fully firm at Rs. 103.90 on Tuesday last. The

price rose above this in the course of the day, but profit-taking intervened to bring it down to the opening level. Ready hessian 40" 10 oz. declined to Rs. 40.48 from Rs. 40.74. At the close of the week, however, there was some short-covering and the values drifted lower. Under these conditions, castorseed May 1960 contract, which had wound up at Rs. 163.37 last week-end, rose gradually to Rs. 168.62 yesterday, but came down to close today at Rs. 167.75. Ready Madras rose from Rs. 31.37 to Rs. 32.44 yesterday, but declined to close today at Rs. 32.12. Oil B.S.S. improved from Rs. 17.69 to Rs. 18.50.

Mills showed only sparse interest in raw jute. However, sellers were offering freely. Despite this, the undertone was steady and the fall in rates, if any, was only fractional. Such a trend was due to reports of lower crop estimate in this season. Thus, daisies bottoms hardened to Rs. 25.50 before closing at Rs. 25.25. However, Assam bottoms declined to Rs. 23.75 from Rs. 24.50.

BLACK PEPPER RISES FURTHER

(Messrs. Parekh and Co.)

BOMBAY, 18th November

Malabar black pepper continued to rise by leaps and bounds during the week, in sympathy pushing up prices every day to more than Rs. 310 for the last two sessions, Lampong black having reached the record price of Rs. 314 and Muntok white at Rs. 3216.

Garbled at Cochin established a new record at Rs. 180. December and January delivery also sky-rocketed to Rs. 165 and Rs. 163, respectively. To forestall the possible payment difficulties following such hectic rise in the forward market, the India Pepper and Spice Trade Association at Cochin called an emergency meeting and unofficially requested the members to square up all outstanding business for December delivery at Rs. 162½ and January delivery at Rs. 160½. Pending payment at these ceilings and squaring of business, the market remained closed. Ready ungarbled at Cochin is quoted at Rs. 1,050. Calicut is quoted at Rs. 1,050.

New York, which was moving sluggishly during the past, became active and spot was done at as high as \$0.39. Grinders who were refusing to follow the advance became nervous and scrambled for ready at advancing limits.

The future of the market depends upon the attitude of Singapore speculators who are now reported to be trying to take control of the New York market, following their successful manoeuvre in Singapore. The rise in the prices being too rapid, the trade is expecting reaction, which is not very likely until the pressure of arrivals in India is felt, and Singapore dealers are coming out to liquidate their holdings of Malabar pepper.

Ready pepper in the local market is nominally quoted at Rs. 125 per Bengal maund.

SUGAR SUPPLY POSITION TIGHT

(From Our Own Correspondent)

HAPUR, 16th November

Sugar prices have improved by about Rs. 2 per bag in the past week, following tight supply position. The incentives provided by the Government have induced most of the sugar factories to start crushing and cane supply to them is reported to be adequate. But it is considered doubtful whether the Government will be able to achieve its aim, as cane at Rs. 1.25 to Rs. 1.37 per maund, as against the enhanced price of Rs. 1.50 to Rs. 1.62. The latest prevailing prices here are: Rs. 126 per bag, retail Rs. 1.25 per seer, as against the controlled price of 97 nP per seer.

A steady tendency prevailed in the sugar market at Muzaffarnagar during the week on brisk demand from consuming areas. Demand for crystal boora was very brisk with the result that prices advanced by Rs. 10 per bag. Stocks of crystal sugar with the trade were meagre. Crushers, too, were buying cane at Rs. 1.12 to Rs. 1.31 per maund and are manufacturing gur. Prevailing prices of sugar here were Rs. 136 to Rs. 137 per bag; retail Rs. 1.25 to Rs. 1.31 per seer.

Sugar was not quoted in the week-end at Kanpur due to lack of supplies.

Kandsari, after an early fall, improved towards the week-end on good demand. The new production would begin in early December and prevailing prices were: inferior Rs. 38 to Rs. 42; superior Rs. 45 to Rs. 48 a maund.

Ready gur ruled steady, due to good demand from consuming areas. Arrivals were fairly heavy at an average of 5,000 maunds daily, which were all being lifted for outside despatch. Baiti quality was much in demand from North Gujarat. Baiti was quoted at a premium of over Rs. 2.50 a maund over pansera. The latest prevailing prices were: pansera Rs. 21 to Rs. 22; baiti Rs. 26; shakker Rs. 24 a maund.

Gur prices at Muzaffarnagar registered all-round advance, owing to brisk demand from consuming areas. Pansera quality was much in demand from Gujarat, Punjab and Madhya Pradesh, while chaku quality was in request from Gujarat side. Ladu quality was being sent to Eastern Uttar Pradesh and Nagpur side. Prevailing prices were: pansera Rs. 23 to Rs. 23.25; chaku Rs. 24

to Rs. 25; Ladu Rs. 23 to Rs. 24; khurpapur Rs. 22 to Rs. 22.50; shakker dala Rs. 25 to Rs. 26; masala Rs. 28 to Rs. 29 a maund.

Future gur prices moved both ways during the week. Fagun opened at Rs. 15.71 last Monday, advanced to be quoted at highest in mid-session at Rs. 15.94 and then eased to Rs. 15.88 and closed at Rs. 15.70 on Saturday.

TEA PRICES HARDEN

(From Our Own Correspondent)

CALCUTTA, 17th November

Tea prices during last week's internal auctions hardened following a further improvement in demand. The exportable types were absorbed at advancing prices. Of the dusts on offer amounting to 29,945 chests during the auctions, which generally met with strong demand, the exportable types were favourites of buyers. Prices of these gained. Other orthodox teas also were firm, but planter liquors were quiet with a fall of 2 nP. Darjeelings were about steady, and Legg-cut teas recorded a rise in prices. In C.T.Cs, the exportable types were taken at higher rates and the very best C.T.Cs were firm, but the mediums eased by 6 to 10 nP. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.50 to Rs. 2.80, medium Assam C.T.C. Rs. 2.00 to Rs. 2.12, medium Assam Re. 1.94 to Rs. 2.00, and medium Doora Re. 1.98 to Rs. 2.04.

Leaf on offer were only 241 chests, which were steady.

A sale for internal consumption was held in Chittagong on the 11th inst., when dusts offered amounted to 3,995 chests including a supplement of 54 chests. Leaf on offer amounted to 13,246 chests. There was good support in both the sections. Prices of dusts advanced by As. 6 to As. 8, plain Syihet quality being quoted at Rs. 2-13 to Rs. 2-13-6.

In the leaf section, the strongest feature was Legg-cut fannings, the price of which recorded an advance of As. 8 to Rs. 3-3 to Rs. 3-4. All other kinds gained As. 5 to As. 8.

Green teas on offer amounted to 1,092 chests which met with keen competition. The polished grades gained As. 4 to As. 5.

RICE DECLINES

(From Our Own Correspondent)

HAPUR, 16th November

A mixed trend prevailed in the foodgrains market during the week. While rice eased following higher production reports and increased arrivals of new grains in the markets, other grains were steady. The last week's rains over a wide area of west U.P. has done more than good to the recently sown rabi grains. There are reports of pests which are eating rabi grains just after germination, with the result that the farmers are engaged in large-scale resowing operations.

Wheat at Hapur was stationary during the week to be quoted on Monday at Rs. 17 a maund for average quality and upto Rs. 18.25 for farm produce. Daily arrivals in the markets were small at 50 maunds. Since the market rates were higher than the Government procurement prices at Rs. 13 to Rs. 15 a maund, no purchases could be made on behalf of the Government.

Rice eased by about Rs. 2 per maund during the week under pressure of heavy arrivals of new paddy and mung in the market and many State Governments have started purchase of rice at last year's price level when coarse rice was quoted at Rs. 15 a maund. Monday's prevailing prices were: sella basmati Rs. 30 to Rs. 32; ranajuwari Rs. 23; mainpuri, Rs. 22; gadda Rs. 19 a maund.

Gram ruled quietly depressed during the week, due to slack demand. The local stock ran down by only 2,000 maunds during the week to 48,000 maunds. Barley and bejar also brought lower levels in the absence of ready demand, but maize and bajra registered a fully steady trend on good seasonal consumer support. Jowar and guwar were listless and prevailing prices on Monday (in rupees per maund) were: gram 12.75; barley 12.25; bejar 11.50; maize 11.12 to 11.50; deshi 11.87; bajra 11.50; jowar 12 to 14; guwar 12 to 13.

In the pulses section, peas and arhar attracted some demand in the form of dal at almost unchanged price level. Arrivals were almost nil and local peas and arhar stock ran down by one khatti each during the week to 39 khatties and 27 khatties, respectively. Other pulses were quiet during the week. Prevailing prices on Monday (in rupees per maund) were: peas dala 10.75; farm white 11.25; peas dal 12.10; arhar 17.25; arhar dal 21 to 22; urd 18 to 19; moong 17 to 19; masoor small 14.25; bold 18.

Germination reports of peas sown recently are quite satisfactory.

KIPS LISTLESS

(From Our Own Correspondent)

MADRAS, 16th November

The kip market ruled listless during the week. Importers kept out of the market, buying occasionally a few bales to satisfy their specific requirements. Arrivals were moderate and clearance slow. Demand for buff hides was poor and stocks were accumulating. Arrivals of cow calf and buff calf were small and prices steady.

There were several inquiries from the Continent for superior goat skins 5½/6 and 8/9 lbs. and a few orders were booked at a shilling below peak levels. Shippers were active buyers of middle class sheep skins, and most of the accumulated stocks in the market were cleared. Semi-prime sheep skins ruled steady. Raw markets were a shade easier.

Notices

THE BOMBAY BURMAH TRADING CORPORATION, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-sixth Annual General Meeting of the Shareholders of the Corporation will be held at Sunderbhai Thackersey Hall, Nathibai Thackersey Road, Bombay 1, on Tuesday, 15th December, 1959, at 4 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and audited accounts for the year ended 31st May, 1959.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who retires by rotation and is eligible for re-election, by passing the following resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Corporation.

"Resolved that Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., who has attained the age of 80 years, and who retires by rotation, be and is hereby re-elected a Director of the Corporation and it is hereby specifically declared that the age limit for Directors prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

4. To elect a Director in place of Mr. E. S. Vernon-Jones who retires by rotation and being eligible offers himself for re-election.
5. To appoint Mr. James Alexander Ewen Macpherson a Director of the Corporation.
6. To appoint Auditors for the period until the next Annual General Meeting of the Corporation and to fix their remuneration.
7. To appoint Branch Auditors at a remuneration to be fixed by the Board.
8. To consider and if thought fit to pass the following ordinary resolution:

"That the Corporation hereby approves of the appointment and consents to the continuance of Messrs. Jacobus F. Frank of 120, Wall Street, New York, U.S.A., as the Sole Selling Agent of the Corporation's Teas in the U.S.A. for a period of one year commencing from 1st October, 1959 and thereafter for such further period or periods as may be deemed fit not exceeding in the aggregate five years from the 1st October, 1959, on a commission of 2 per cent. on the c. & f. value of the Teas sold through them."

By Order of the Board,

WALLACE & CO.,
Secretaries and Treasurers.

BOMBAY, 13th November, 1959.

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

Warrants for the dividend, if declared, will be posted to Shareholders on 4th January, 1960, and will be payable on and from that date.

The Transfer Books of the Corporation will be closed from 23rd November, 1959 to 30th November, 1959, both days inclusive.

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956

1. The Resolution set out under item 3 is required as Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., has attained the age of 80 years and hence cannot be re-appointed a Director except by a resolution in respect of which special notice has been given in accordance with Sections 190 and 281 of the Companies Act, 1956. Special Notice has been received that this Resolution will be proposed.

Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., has been on the Board of the Corporation for over 28 years. In view of his wide and varied experience in the business life of the country and the valuable services he has rendered to the Corporation, it is most desirable that the Board should continue to receive the benefit of his services.

2. Resolution No. 5: Mr. J. A. E. Macpherson is a Manager of Messrs. Wallace & Co., the Secretaries and Treasurers of the Corporation. He has served the Corporation for many years and is thoroughly acquainted with the business of the Corporation. His advice will, therefore, be of great value to the Board.

3. Resolution No. 8: The Corporation, seeking to increase its Tea Sales in the U.S.A., has appointed Messrs. Jacobus F. Frank of New York as its Sole Selling Agent in that country for a trial period of one year, which may be extended if considered desirable. The Companies Act requires the approval of the Corporation for this appointment.

A copy of the relative Letter of Appointment may be inspected during business hours at the registered office of the Corporation in Bombay.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE OF FINAL DIVIDENDS

THE BOARD OF DIRECTORS OF THE above Company has recommended payment of the following Final Dividends in respect of the Company's Financial year ended 31st March, 1959, without any deduction for Income Tax payable by the Company:—

- On 1st Cumulative Preference Shares—8% per annum.
- On 2nd Cumulative Preference Shares—4½% per annum.
- On Preferred Ordinary Shares—10% per annum.
- On 'A' and 'B' Ordinary Shares—Dividend—87 nP. per Share and Bonus—50 nP. per Share.

By Order of the Board,

F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 12th November, 1959.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend on the shares of the above Company of 1½ per cent. for the year ending 31st December, 1959, was declared by the Board of Directors on 13th November, 1959, payable on or after 7th December, 1959, to those members whose names are registered in the Register of Members of the Company on the 7th December, 1959. Dividend Warrants will be despatched to Members and no application to the Company is necessary.

Tax will be deducted from this Dividend in accordance with the provisions of the Finance Act, 1959.

MISCELLANEOUS STATISTICAL INFORMATION—Continued

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

(In thousands)

Cottons (Sain)														
Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufacts.	Raw Jute	Jute Manufacts.	Sugar	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1955-56	12,751	2,120	974	218	111	67	149	29	170	412	41	330	48	148
1956-57	13,586	2,365	1,023	219	108	58	207	24	196	427	30	339	52	180
1957-58	14,314	2,989	1,229	214	105	52	219	25	183	508	39	476	47	194
1958-59	14,366	2,655	1,296	206	95	22	221	23	184	483	36	514	46	196
August 1958	6,823	1,077	581	83	37	15	58	8	77	502	12	200	17	85
September	5,925	1,068	671	95	41	130	75	10	95	541	12	240	17	103
January 1959	11,784	2,228	1,083	186	70	30	180	19	151	394	32	422	43	94
February	13,018	2,431	1,194	168	80	33	201	21	169	433	34	466	43	103
March	14,365	5	1,296	206	92	36	221	23	184	483	36	514	46	113
April	1,285	218	123	23	13	6	12	4	12	4	4	4	4	26
May	2,534	422	262	43	24	6	33	4	33	96	4	33	4	3
June	3,723	618	386	59	42	1	45	6	48	142	11	122	7	88
July	4,945	842	596	72	37	11	8	9	65	185	12	165	12	10
August	6,124	1,070	603	94	32	14	72	6	78	229	28	209	19	48

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

INDUSTRIAL PRODUCTION

	Jan to	Jan to
--	--------	--------

Industries.	1958	Jan. to June 1959*	Jan to June 1958	April 1959*	May 1959*	June 1959*	June 1958
Major industries—							
Coal	.. million tons	45 32	23 79	22 6	3 98	4 01	3 82
Steel (Ingots and Metal for castings)	.. thousand tons	1 813	933†	719†	198	190	135
Yarn	.. million lbs.	8 855	8 184	7 199	140	137	128
Cloth	.. million yds.	4 927	2 445	2 451	407	383	383
Cement	.. million tons	6 07	3 36	3 24	0 60	0 59	0 50
Paper	.. thousand tons	1 062	513	554	84	87	82
Paper for pulp boards	.. thousand tons	193	129	129	19	20	19
Matches	.. thousand cases	628	304	309	48	53	56
Sugar	.. thousand tons	1 967	1 429	1 472	174	32	02
Engineering and Electrical industries—							
Machine tools	Value in lakhs of Rs.	376 01	182 28†	194 40†	22 64	32 15	—
Electric tools	.. millions	30 42	17 26	15 03	3 30	2 83	2 94
Dry cells	.. millions	168 24	78 54	19 85	15 41	15 43	14 91
Power transformers	.. k.v.a.	11 028 000	459 800†	491 500†	90 600	—	—
Electric Motors	.. h.p.	624 000	257 300†	282 700†	56 000	40 600	48 300
Electric fans	.. Nos.	636 000	338 320	314 500	52 290	59 900	57 400
Radio sets	.. Nos.	198 08	79 883†	79 433†	18 180	—	—
Storage batteries	.. Nos.	355 200	211 300	188 200	37 500	39 700	37 200
Copper conductors	.. tons	7 488	2 863†	3 161†	524	827	630
Aluminium conductors	.. tons	2 078	1 570†	1 671†	12 47	12 47	152
Rubber and plastic ins. cables and flexibles	million yds.	128 76	67 04†	44 95†	13 27	12 87	—
Insulators—fl. T.	.. Nos.	751 200	422 500†	208 800†	89 300	80 000	77 600
Insulators—L.T.	.. million Nos.	5 07	1 87†	2 36†	0 43	0 47	0 52
Isolators—Vehicular	.. Nos.	4 280	2 25†	2 19†	753	771	419
Do Stationary	.. Nos.	25 860	12 96†	9 728	2 812	2 589	1 838
Chemical industries—							
Salt	.. million mds.	112 55	60 80	92 23	15 40	18 73	12 69
Caustic soda	.. tons	57 192	29 818	26 003	4 613	4 615	5 144
Soda ash	.. tons	89 438	48 767	45 904	7 712	6 099	8 290
Chlorine liquid	.. tons	20 064	10 565	8 428	1 688	1 657	1 546
Bleaching powder	.. tons	6 504	2 930	2 929	484	484	409
Bichromates	.. tons	3 444	1 563†	1 499†	315	320	218
Sulphuric acid	.. tons	226 534	105 543†	88 890†	20 000	21 000	17 598
Superphosphate	.. tons	169 848	77 894†	78 393†	15 000	15 500	13 843
Non-ferrous Metals—							
Aluminium	.. tns	8 192	6 449†	3 399†	1 280	1 411	75
Antimony	.. tons	227	278	12 575	4 3	75	665
Copper (virgin metal)	.. tons	7 841	3 109†	3 029†	571	673	196
Lead (virgin metal)	.. tons	3 335	1 890†	1 289†	300	372	665
Gold	.. thousand sds.	170	79	83	13	14	13
Miscellaneous (Minor) industries—							
Sewing machines	.. Nos.	205 512	98 99†	85 494†	19 300	21 907	—
Bicycles	.. Nos.	912 500	379 424†	411 347†	75 996	71 405	72 203
Automotives	.. Nos.	58 790	15 654	12 575	2 041	2 598	3 008
Cycle tyres and tubes	.. million Nos.	16 11	9 55	9 63	1 61	1 71	1 85
Motor tyres and tubes	.. million Nos.	1 95	1 04	1 13	0 18	0 16	0 18
Rifles	.. million Nos.	24 000	13 007†	12 570†	2 038	2 598	2 641
Plywood—Tea chests	.. million sq. ft.	87 50	41 81†	37 42†	9 52	7 19	7 98
Plywood—Commercial	.. million sq. ft.	37 68	15 31†	15 19†	3 27	3 15	2 82
Sheet glass	.. million sq. ft.	38 84†	6 84	32 89†	7 37	6 73	3 41
Woolen manufactures	Worsted Yarn .. million lbs.	19 38	8 24	9 04	1 24	1 39	1 38
Woolen manufactures	Worsted Yarn .. million lbs.	29 47	13 99	13 85	2 37	2 56	2 54
Footwear—Western type	.. million pairs	4 28	2 12	2 19	0 39	0 52	0 35
Footwear—Indians type (Leather)	.. million pairs	8 29	2 02	2 05	0 30	0 31	0 20
Alcohol—Industrial	.. million Bulk galls.	9 88	4 89†	4 66†	0 97	0 92	—
Alcohol—Power Absolute	.. million Bulk galls.	8 82	4 01†	5 16†	0 78	0 83	—
Railway Wagons	.. Nos.	15 512	3 108†	7 019†	127	58	—
General Index—(Base 1951 = 100 Revised)							
	139 7	146 12	140 4†	145 7	142 6	—	131 3

* Figures are subject to revision month to month. † Upto May only. § Includes figures for Jammu and Kashmir. —Not Available

INDEX NUMBERS OF WHOLESALE PRICES—IMPORTANT COMMODITIES

(Base: 1952-53=100)

		Average of weeks ended Saturday																		
		Rice	Wheat	Jowar	Bajra	Gram	Tea	Milk	Sugar	Gur	Tobacco	Raw Cotton	Raw Cotton	Raw Jute	Groundnut	Spices and condiments	Coal	Jute man- ufactures	Cotton man- ufactures	Iron & Steel
1954-55	..	82	75	77	78	54	255	94	104	122	90	102	112	112	82	114	100	102	107	110
1955-56	..	78	72	67	84	49	193	94	99	118	99	107	117	117	79	118	100	98	105	112
1956-57	..	97	88	123	122	71	185	104	95	100	80	111	126	111	97	116	116	95	105	119
1957-58	..	105	88	114	126	68	164	109	110	107	92	106	133	108	96	128	95	102	112	114
1958-59	..	105	105	105	126	96	169	113	121	131	93	99	118	117	127	133	87	112	116	145
Aug., 1958..	..	118	101	100	128	90	176	116	121	145	87	99†	125†	126	128	135	90	111	145	145
Sept., ..	..	118	105	108	131	96	177	113	116	144	88	99†	118†	132	130	135	87	112	145	145
Oct., ..	..	115	109	107	127	112	173	116	121	142	99	99†	118†	125	132	134	88	112†	145	145
Nov., ..	..	108	112	105	127	107	173	109	121	132	94	99	110†	140	132	138	88	111	145	145
Dec., ..	..	98	114	104	128	108	160	107	121	121	95	99	110†	105	140	138	86	111†	145	145
Jan., 1959..	..	92	125	107	132	121	163	108	121	130	104	101†	112†	112	137	133	85	110	145	145
Feb., ..	..	92	124	112	133	125	167	100	121	131	105	102	112†	117	142	133	85	110	145	145
Mar., ..	..	92	114	110	131	119	157	111	121	132	100	102	114†	121	138	133	82	111†	145	145
April ..	..	106	108	105	125	105	151	124	121	132	98	102	113	122	144	144	83	111†	145	145
May ..	..	98	92	112	126	78	188	128	121	132	98	102	113	122	144	144	83	111†	145	145
June ..	..	102	93	116	130	76	179	121	121	135	96	105	115	135	145	138	87	111†	145	145
July ..	..	109	95	120	114	76	177	122	121	162	98†	101†	118†	135	143	133	83	113†	145	145
Aug., ..	..	113	98	120	130	72	185	115	121	164	07	102†	118†	129	150	134	90	113†	145	145
Sept., ..	..	111	98	120	117	70	183	113	121	162	07	102†	118†	129	150	134	90	113†	145	145

* Provisional.

RAW COTTON STATISTICS

Description	Quantity	Unit	Value
...	...	...	...

Particulars	Details of Period	(In Lacs of 392 lbs.)	Particulars	From 1st Sept. to 20th Oct., 1959	From 1st Sept. to 20th Oct., 1958
Bombay Island—			From Bombay		
Cotton Receipts	{ Week ended 12th Nov., 1959 13,098.71 { Corresponding week, 1958 9,143.03 { 1st Sept. to 12th Nov., 1959 127,841* { Corresponding period, 1958 142,255*		Cotton Shipments to—		
			United Kingdom	328	932
			Continents	1,021	3,224
			Hongkong	1,307	8,696
			China		6,498
			Japan	19,456	32,965
Cotton Exports	{ Week ended 23rd Oct., 1959 2,182* { Corresponding week, 1958 280† { 1st Sept. to 23rd Oct., 1959 37,400 { Corresponding period, 1958 61,568		U.S.A.	300	153
			Other countries	630	1,153
			Total to all foreign countries	23,052	53,011
Milk Consumption (Estimated)	{ 1st Sept. to 12th Nov., 1959 244,600 { Corresponding period, 1958 237,763		Coastal Ports	12,623(a)	8,297(b)
			Total	35,675	61,303
Block (with exporters, dealers and mills) in Bombay (Estimated).	{ On 12th Nov., 1959 430,101 { Corresponding date, 1958 412,714				
Consumption of Cotton—			Cotton Exports from Bombay (by sea)		(In Lacs of 392 lbs.)
Indian	August 1959	383,336	{ During July 1959		29,371.4
Foreign	{ Twelve months ended June 1958-59 40,781		{ During July 1958		37,476
Foreign	{ 4,616,326		{ 1st Sept. to 31st July, 1959		234,836†
Indian	{ 455,406		{ 1st Sept. to 31st July, 1958		212,184
Foreign	{ Same Period 1957-58 4,433,239		Cotton Pressed in India † (in running bales)	{ Week ended 30th Oct., 1959 2,967 { Corresponding week, 1958 11,035 { 1st Sept. to 31st Aug., 1958-59 4,061,804 { Corresponding period, 1957-58 4,333,252	
Stocks (Mills and Elsewhere)—			Karachi (Pakistan)—		
Indian	As on 31st August 1959	1,279,335	Receipts	{ 1st Sept. to 22nd Oct., 1959 102,996 { Corresponding period, 1958 247,399	
Foreign	{ 160,242		Exports	{ 1st Sept. to 22nd Oct., 1959 29,612 { Corresponding period, 1958 130,291	
Indian	{ 1,136,125				
Foreign	{ 138,229				

(J) By Rail and Sea. R—Revised. † Incomplete. * By Rail, Sea and Road. † Includes Zoda and yellow pickings, etc.
 —Not Received. A—Adjusted. ‡ From 18th to 23rd Oct. (a) For September 1959 (b) For September 1958

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES
(1952-53=100)

Group and Sub-Group	Week ended			
	7th Nov. 1959	14th Nov. 1959	21st Nov. 1959	28th Nov. 1959
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.				
1. Total	101.7	101.7	101.7	100.4
2. Government of India	101.6	101.6	101.6	100.2
3. State Government	102.8	102.8	102.8	101.5
4. Municipal, Port Trust, etc.	99.9	99.9	99.9	99.0
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.				
5. Total	102.0	102.1	102.1	100.4
PREFERENCE SHARES—ALL INDIA.				
6. Total	92.8	92.8	92.8	88.1

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	157.2	156.3	156.4	143.2
8. Agriculture and Allied Activities, Total	152.4	152.4	152.4	149.7
9. Tea Plantations	152.4	152.4	152.4	149.7
10. Coffee Plantations	152.4	152.4	152.4	149.7
11. Rubber Plantations	152.4	152.4	152.4	149.7
12. Mining and Quarrying: Total	142.1	142.4	142.5	145.5
13. Coal	142.1	142.4	142.5	145.5
14. Other Mining	142.1	142.4	142.5	145.5
15. Processing and Manufacturing: Total	164.7	163.8	163.8	141.7
16. Processing and Manufacturing: Textiles, etc.: Total	158.1	157.3	157.3	129.1
17. Sugar	158.1	157.3	157.3	129.1
18. Cotton Textiles	158.1	157.3	157.3	129.1
19. Jute Textiles	158.1	157.3	157.3	129.1
20. Silk and Woolen	158.1	157.3	157.3	129.1
21. Processing and Manufacturing: Chemicals, etc.: Total	180.8	179.8	179.8	182.3
22. Iron and Steel	180.8	179.8	179.8	182.3
23. Transport Equipment	180.8	179.8	179.8	182.3
24. Electrical Machinery	180.8	179.8	179.8	182.3
25. Machinery other than Transport and Electrical	180.8	179.8	179.8	182.3
26. Basic Industrial Chemicals	180.8	179.8	179.8	182.3
27. Processing and Manufacturing: Other	180.8	179.8	179.8	182.3
28. Cement	180.8	179.8	179.8	182.3
29. Paper	180.8	179.8	179.8	182.3
30. Other Industries: Total	114.2	114.2	114.2	113.7
31. Electricity Generation and Supply	114.2	114.2	114.2	113.7
32. Trading	114.2	114.2	114.2	113.7
33. Shipping and Other Transport	114.2	114.2	114.2	113.7
34. Construction	114.2	114.2	114.2	113.7
35. Financial: Total	114.2	114.2	114.2	113.7
36. Banks	114.2	114.2	114.2	113.7
37. Insurance	114.2	114.2	114.2	113.7
38. Investment Trusts	114.2	114.2	114.2	113.7

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—REGIONAL

39. Bombay	150.0	150.0	150.0	145.9
40. Calcutta	148.8	148.8	148.8	140.4
41. Madras	174.0	173.7	173.7	154.9
42. Delhi	188.4	188.0	188.1	166.3
* Including 'Miscellaneous'. † Including 'Edible and Vegetable Oils'.				
IRON AND STEEL PRODUCTION (In Tons)				
Total Iron and Steel Co., Ltd.				
Year ended 31st March, 1957	1,165,000	1,078,000	797,500	
Do. 31st March, 1958	1,098,000	1,108,000	788,000	
Do. 31st March, 1959	1,187,000	1,149,000	884,700	
July 1959	102,500	100,100	68,000	
August	90,500	108,000	70,000	
September	90,500	108,000	70,000	
October	94,200	94,400	75,000	
July 1960	125,000	121,100	95,500	
August	125,000	121,100	95,500	
September	124,500	117,100	91,000	
October	138,200	129,000	104,000	
Indian Iron and Steel Co., Ltd.				
Year ended 31st March, 1957	695,156	632,215	441,482	
Do. 31st March, 1958	735,580	607,580	410,558	
Do. 31st March, 1959	959,983	690,205	496,217	
January to March, 1959	199,889	158,468	104,501	
January to March, 1958	257,708	178,448	155,907	
January to March, 1957	94,105	57,488	49,470	
April	79,796	62,510	47,598	
May	71,411	57,082	42,236	
June	94,830	68,444	52,556	
July	79,515	67,001	49,428	
August	79,589	67,001	49,428	

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957	1,680	6,629,916	7,707,685
1958	1,524	5,981,588	7,707,685
1959	1,156	4,809,809	5,645,999
April	182	100,465	902,367
May	164	102,855	1,559,111
June	154	102,855	1,559,111
July	134	55,079(11)	279,349(11)
August	158	48,458(6)	283,741(6)
September	181	54,750(4)	324,637(4)
October	101	70,559(7)	825,805(7)
November	139	55,121(2)	685,279(2)

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of Rupees (Crores)	Per capita Income (Rs.)
India	1957-58	322.94	10,580	278.6	32.8
Pakistan	1957-58	82.2	1,050	26.2	12.8
Burma	1957-58	20.0	4,500	112.5	22.5
Ceylon	1957-58	9.1	2,858,000	707.0	77.8
Japan	1957-58	91.1	2,858,000	707.0	77.8
Philippines	1957-58	22.0	2,799	699.7	127.1
U.S.A.	1957-58	152.8	2,858,000	707.0	77.8
U.K.	1957-58	51.0	12,500	3,125.0	245.0
U.S.S.R.	1957-58	174.2	17,500	4,375.0	251.0
France	1957-58	52.0	12,500	3,125.0	245.0
Germany	1957-58	62.0	12,500	3,125.0	245.0
Italy	1957-58	45.0	12,500	3,125.0	245.0
Sweden	1957-58	7.0	12,500	3,125.0	245.0
Netherlands	1957-58	11.0	12,500	3,125.0	245.0
Denmark	1957-58	4.0	12,500	3,125.0	245.0
Switzerland	1957-58	5.0	12,500	3,125.0	245.0

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

† Preliminary estimates (at 1949-50 prices) based on the sixth issue of the annual paper on national income issued by the Central Statistical Organisation.

‡ According to budget speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

All-India (1949-100)	Bombay (1949-100)	Calcutta (1949-100)	Madras (1949-100)	Delhi (1949-100)	Ajmer (1949-100)	Gwalior (1949-100)	Jammu (1949-100)	Jodhpur (1949-100)	Varanasi (1949-100)
1952 Average	103	103	103	103	103	103	103	103	103
1953	103	103	103	103	103	103	103	103	103
1954	101	101	101	101	101	101	101	101	101
1955	101	101	101	101	101	101	101	101	101
1956	101	101	101	101	101	101	101	101	101
1957	111	111	111	111	111	111	111	111	111
1958	111	111	111	111	111	111	111	111	111
1959	111	111	111	111	111	111	111	111	111
April 1959	111	111	111	111	111	111	111	111	111
May	111	111	111	111	111	111	111	111	111
June	111	111	111	111	111	111	111	111	111
July	111	111	111	111	111	111	111	111	111
August	111	111	111	111	111	111	111	111	111
September	111	111	111	111	111	111	111	111	111
October	111	111	111	111	111	111	111	111	111
November	111	111	111	111	111	111	111	111	111

SMALL SAVINGS (In lakhs of rupees)

Year Month	5-Year National Savings Certificates	12-Year National Savings Certificates	Post Office Savings Bank Deposits	10-Year National Savings Certificates	Post Office Savings Bank Deposits	10-Year Treasury Savings Deposits	15-Year Annuity Certificates	Total
1954-55	3.00	6.01	183.68	17.97	104.50	25.38	—	235.93
1955-56	2.22	4.73	145.45	71.43	179.86	213.91	—	440.17
1956-57	1.73	3.79	119.11	87.11	152.48	228.92	—	592.77
1957-58	1.80	3.93	122.83	9.07	135.00	14.37	21.01	377.21
1958-59	1.78	3.87	120.95	9.44	143.14	14.39	21.01	377.21
1959-60	1.70	3.72	117.26	6.39	127.33	14.39	21.01	377.21
1960-61	1.68	3.65	115.89	5.71	122.02	14.39	21.01	377.21
1961-62	1.65	3.59	114.16	5.03	117.26	14.39	21.01	377.21
1962-63	1.62	3.50	110.66	6.03	117.26	14.39	21.01	377.21

Note:—Outstandings relate to end of period and do not include Indian Union's share of pre-emption liabilities; repayments, however, include those from pre-emption holdings of Indian Union. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Discontinued from June 1, 1957. D—Discontinued from May 10, 1954 to May 30, 1957. E—Discontinued from August 1, 1957. F—Discontinued from August 1, 1957. G—Discontinued from August 1, 1957. H—Discontinued from August 1, 1957. I—Discontinued from August 1, 1957. J—Discontinued from August 1, 1957. K—Discontinued from August 1, 1957. L—Discontinued from August 1, 1957. M—Discontinued from August 1, 1957. N—Discontinued from August 1, 1957. O—Discontinued from August 1, 1957. P—Discontinued from August 1, 1957. Q—Discontinued from August 1, 1957. R—Discontinued from August 1, 1957. S—Discontinued from August 1, 1957. T—Discontinued from August 1, 1957. U—Discontinued from August 1, 1957. V—Discontinued from August 1, 1957. W—Discontinued from August 1, 1957. X—Discontinued from August 1, 1957. Y—Discontinued from August 1, 1957. Z—Discontinued from August 1, 1957.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation
4% Bond	1952-53	65,80,28,000	1960-70	100.70
4% Loan	1953-54	11,17,48,000	1963-65	98.15
4% Loan	1954-55	30,33,10,000	1964	98.15
4% Loan	1955-56	1,10,11,78,000	1965-68	98.95
4% Loan	1956-57	1,18,08,70,000	1967-70	99.90
4% Loan	1957-58	45,53,07,000	1968	99.90
4% Loan	1958-59	57,00,69,000	1969	99.90
4% Loan	1959-60	14,74,57,000	1970	99.90
4% Loan	1960-61	75,36,72,000	1971	99.90
4% Loan	1961-62	75,36,72,000	1972	99.90
4% Loan	1962-63	75,36,72,000	1973	99.90
4% Loan	1963-64	75,36,72,000	1974	99.90
4% Loan	1964-65	75,36,72,000	1975	99.90
4% Loan	1965-66	75,36,72,000	1976	99.90
4% Loan	1966-67	75,36,72,000	1977	99.90
4% Loan	1967-68	75,36,72,000	1978	99.90
4% Loan	1968-69	75,36,72,000	1979	99.90
4% Loan	1969-70	75,36,72,000	1980	99.90
4% Loan	1970-71	75,36,72,000	1981	99.90
4% Loan	1971-72	75,36,72,000	1982	99.90
4% Loan	1972-73	75,36,72,000	1983	99.90
4% Loan	1973-74	75,36,72,000	1984	99.90
4% Loan	1974-75	75,36,72,000	1985	99.90
4% Loan	1975-76	75,36,72,000	1986	99.90
4% Loan	1976-77	75,36,72,000	1987	99.90
4% Loan	1977-78	75,36,72,000	1988	99.90
4% Loan	1978-79	75,36,72,000	1989	99.90
4% Loan	1979-80	75,36,72,000	1990	99.90
4% Loan	1980-81	75,36,72,000	1991	99.90
4% Loan	1981-82	75,36,72,000	1992	99.90
4% Loan	1982-83	75,36,72,000	1993	99.90
4% Loan	1983-84	75,36,72,000	1994	99.90
4% Loan	1984-85	75,36,72,000	1995	99.90
4% Loan	1985-86	75,36,72,000	1996	99.90
4% Loan	1986-87	75,36,72,000	1997	99.90
4% Loan	1987-88	75,36,72,000	1998	99.90
4% Loan	1988-89	75,36,72,000	1999	99.90
4% Loan	1989-90	75,36,72,000	2000	99.90

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up Share	Dividend per Share				Accounts Closed	Refer- ence
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. p.p.	Rs.	1956	1957	1958	1959	Rs. p.p.	
PAPER														
45,00,000	41,26,666	2,20,82,169	1,83,34,169	54,751	Balmer Lawrie & Co. Ltd.	Bengal Paper Mills	113.00	25	2.50	3.12	5.50	1.00	12	Y.P.T.
63,00,000	65,17,004	2,52,06,988	1,03,23,856	64,751	Andrew Yule & Co. Ltd.	India Paper Mills	23.37	10	1.30-2/5	1.40	1.00	1.00	3	Y.P.
25,00,000	35,79,739	1,52,01,952	96,32,785	43,794	M. D. Shivananjanappa, Esq. (Chairman)	Mysoor Paper Mills	24.12	10	1.00*	1.00*	1.00	1.25*	3	Y.P.
1,46,82,500	2,58,74,724	8,20,01,763	1,87,17,832	120,326	Birla Brothers Private Ltd.	Orient Paper	37.70	10	0.62	1.50	1.50	1.50	12	Y.P.T.
1,25,50,000	86,20,921	1,94,16,899	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	23.37	10	1.25	1.25	1.25	1.25	3	Y.P.
50,00,000	9,19,123	74,75,136	88,88,407	20,483	Bajaria & Co.	Star Paper Mills	12.00	O. 10	1.05	0.60	0.60	0.60	9	Y.P.
1,00,00,000	51,23,786	3,93,85,536	1,10,56,130	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	12.00	A. 10	1.05	0.60	0.60	0.60	9	Y.P.
4,00,00,000	3,85,06,722	6,68,09,634	3,73,82,529	1,16,856	F. W. Heggler & Co. Private Ltd.	Titaghar Paper Mills Co. Ltd.	44.69	B. 10	1.12*	2.38*	2.38*	0.131	3	Y.P.
87,500 P.O.							3.35	P.O. 24	0.12	0.24	0.24	1.131	3	Y.P.
SAW MILLS AND TIMBER														
18,99,998	22,88,839	82,79,430	13,61,671	-4,90,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	3.12	5	Nil	Nil	Nil	Nil	9	Y.
22,25,000	3,44,84,732	5,28,19,225	2,20,41,205	49,888	Wallace & Co.	Bombay-Burmah Trading Corp.	183.25	Old125	40.00	47.50K	22.50	7.501	9	Y.
42,00,000	20,00,992	21,44,638	18,09,639	1,05,996	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	31.25	New50	13.75	19.00K	9.00	8.001	5	Y.
20,00,000	20,60,882	21,44,638	16,69,639	1,05,996					3.00	2.75	2.50	3.00	9	Y.
SUGAR (U.P. and Bihar)														
11,00,000	16,60,406	48,47,528	22,85,804	59,415	M.	Balrampur Sugar	9.75	5	Nil	0.25	0.25	0.25	6	Y.
12,00,000	10,00,000	62,73,828	30,02,829	10,49,000	Narang Bros. & Co. Private Ltd.	Basni Sugar	125.00	A. 100	1.00	1.00	1.00	1.00	6	Y.T.
3,00,00,000	9,25,000	33,56,131	25,76,447	66,892	Bangor Bros. Ltd.	Bangor Sugar	14.94	74	1.00	1.00	1.00	1.00	9	Y.T.
19,49,050	13,09,913	22,66,507	13,89,440	3,957	Cotton Agents Private Ltd.	Bharat Sugar	13.50	10	1.50	1.50	1.50	1.50	9	Y.P.
23,00,000	18,71,234	1,02,01,870	1,02,01,870	11,728	Gilchrist & Co. Ltd.	Carew & Co.	11.94	10	Nil	Nil	Nil	Nil	9	Y.P.
30,00,000	63,02,047	1,64,83,531	98,80,069	-22,24,000	Bergs, Sutherland & Co. Private Ltd.	Cawnpore Sugar	20.31	10	0.75	Nil	Nil	Nil	10	Y.P.
18,00,000	89,41,544	85,45,310	62,25,089	6,853	Bergs, Sutherland & Co. Private Ltd.	Deoria Sugar	9.50	10	0.50	Nil	0.50	0.50	6	Y.P.
18,00,000	89,41,544	85,45,310	62,25,089	6,853	Bergs, Sutherland & Co. Private Ltd.	Deoria Sugar	9.50	10	0.50	Nil	0.50	0.50	6	Y.P.
60,00,000	65,12,000	2,11,44,128	86,21,246	43,549	Bachraj & Co. Private Ltd.	Hindustan Sugar Mills	215.00	100	15.00	15.00	15.00	15.00	6	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,561	62,18,596	74,285	M. T. Lalit & Co. (Chairman)	Kear Sugar	13.90	100	2.50	2.50	2.50	2.50	7	Y.P.
19,00,000	18,01,828	62,28,5												

* Including bonus. (k) Investments.
 † Less income-tax.
 ‡ General Industrial Society Ltd.—The dividends for 1956 and 1957 are on shares of Rs. 200 each which have since been sub-divided into shares of Rs. 10 each.

William Blake.

PRICE : Rs. 2

THERE are doubtless certain encouraging features in Indian economy; at the same time, there are also some disquieting features. Exclusive stress on either set of conditions will give a distorted picture. A balanced view of both is necessary to get a correct picture. This was precisely what Mr. J. D. K. Brown did in his presidential speech at the annual general meeting of the Associated Chambers of Commerce, Calcutta. He drew attention to the increase in both food and industrial production, to the Government's success in stabilising the foreign exchange position and to the welcome signs of improvement in export trade. He acknowledged the fact that, "throughout the current year, things have gone reasonably well" and that "encouraging progress has been made in the mobilisation of resources and production which it is the object of Government policy to achieve." Simultaneously, he also referred to certain weaknesses in the private sector for which a remedy can be found only through a proper adjustment of Government's economic policies. The most disturbing weakness is the inadequacy of profit level of Indian industries, but it is not quite apparent because of the misleading air of prosperity that has pervaded the stock exchanges since the commencement of the year. No wonder, Mr. Morarji Desai, who addressed the aforesaid meeting as the chief guest, sought to silence Mr. Brown's criticism by pointing to the continued buoyancy of equities, despite the fall in yields to unattractively low levels. There are many reasons for the boom in share markets and these are explained on the page following the next, but the points made by Mr. Brown are not irrelevant just because the stock exchanges have chosen to be lively. One of the main factors for the boom in equities is sentiment influenced by a view of the future and market sentiment changes as quickly as the colour of a chameleon.

Corporate profits for 1959 will undoubtedly show an improvement over those for 1957 and 1958, a point conceded by Mr. Brown himself, but it must not be forgotten that the level of profits in recent years was downward; a comparison with the previous years will, therefore, be misleading. The issue whether profit levels are adequate or not has to be determined from the industry's need to compete effectively in world markets, to allow a reasonable return to investors which will sustain their enthusiasm for investing their savings more and more in industrial expansion, and to enable industry to plough back sufficient sums to take care of replacement of their assets with modern equipment. Judged by these criteria, there is no exaggeration in Mr. Brown's contention that profit ratios in most of the Indian industries are inadequate. It gains added strength when it is remembered that borrowings and other debt obligations have been the main source of finance for industrial development during the past five years, if not longer, and that these have to be repaid. This feature of industrial finance is the result of partly shortage of funds for long-term permanent investment and partly defective tax policy. Both the incidence and structure of taxation have been such as to encourage financing of capital expenditure through borrowings instead of equity and preference capital, a trend which is unhealthy both financially and socially. Financially, this development impairs the soundness of industrial concerns and is conducive to laxity and inefficiency in corporate management. Socially, it leads to concentration of economic power, a trend contrary to the Government's declared objective. Indeed, if any one should be anxious to check this unhealthy trend, it is the Government. Unfortunately, however, it is not prepared to recognise the point even when its attention is drawn to it, as witness Mr. Morarji

Apparently, the Finance Minister was anxious not to concede the point, lest his recognition of it should be quoted in support of the demand for relief in taxation. He is, however, very shortsighted in thus stalling the issue. It will be to the ultimate benefit of the country as a whole, including the Exchequer, to encourage internal financing by corporations and equity financing whenever external finance is necessary. While a company has to avoid overcapitalisation, it must also avoid undercapitalisation and excessive reliance on borrowed funds. Borrowing should be resorted to only when conditions for raising equity and/or preference capital are not favourable and should be replaced with additional capital when conditions improve. When more capital is issued, the ownership of the company invariably gets dispersed over a larger number of investors, thereby enhancing the democratic character of the joint-stock company system. Issue of new shares tends to restrain the inflationary impact on equity values. It also contributes to a dispersal of corporate earnings over a wider sector. And it brings larger revenue to the Exchequer in more ways than one. Even from the short-term point of view, it will be advantageous to the Exchequer, in that interest on borrowed funds is a charge on profit, whereas dividends actually yield more tax to the Government. Indeed, when one thinks deeply of the issue of borrowings *versus* equity and/or preference capital, the conclusion that it is the State, rather than business men that ought to be concerned over the recent trends in corporate finance becomes irresistible.

It must, however, be conceded that, in the last two years, the Government has effected certain welcome changes in the fiscal policy pertaining to corporate taxation. Credit for this must be given to Mr. Morarji Desai. The abolition of compulsory deposit system, wealth tax on companies and excess dividend tax, and

LEADING ARTICLES—		PAGES
Profit Level of Industries	...	968
Paper Industry	...	970
MARKET GOSSIP		971
ROUND THE EXCHANGES	...	972
NEWS IN BRIEF	...	973
THIS WEEK'S SURVEY	...	974-975
SPECIAL FEATURES—		
London Letter	...	975
Managing Agency System	...	976
American Letter	...	977
Manchester Letter	...	981
Corporate Taxation	Needs Further	
Reforms	...	1005
MONEY AND BANKING		978
TEXTILES	...	980
COTTON	...	982
SUGAR	...	984
JUTE	...	986
NEW PUBLICATIONS		992
ENGINEERING	...	994
COMMERCE AND INDUSTRY	...	996
COMPANY MATTERS	...	1000-1001
MARKET REPORTS	...	1008-1010
MISCELLANEOUS STATISTICAL INFORMATION		
WEEK'S STOCK EXCHANGE TREND	...	1011

the simplification of income-taxation on corporate profits are moves in the right direction. They have gone a long way towards restoring confidence among investors and enabled several companies to raise additional capital to repay their borrowings or to fund their short-term liabilities into long-term debentures. They have also helped the formation of several new industrial companies. It will be no exaggeration to say that this modest reform has yielded far more gains to the country than seemed possible at one time. But this should not be taken to mean that more has been given away by the Government than was necessary or that nothing more remains to be done. On the contrary, a lot more remains to be done in this direction, as will be seen from pages 1005 and 1006 of this issue, where we have published *in extenso* the suggestions made by Mr. Brown and Mr. N. Dandekar on behalf of the Associated Chambers. It is unnecessary to repeat their arguments here; suffice to say that we fully agree with them. The case for removing the remaining inequities and certain anomalies has been ably stated. The most glaring inequity is provided by the tax on bonus shares. The abolition of this tax is long overdue. Further, it has been found that the Government has sought to simplify the direct taxes on corporations at a heavy price to shareholders. Although it is not the intention of the Government to place any foreign investor at a disadvantage *vis-à-vis* the Indian investor, there is, in actual practice, some discrimination against certain types of foreign-owned companies. The least the Government should do in the forthcoming budget is to rectify these meaningless anomalies and mischievous inequities and thereby pave the way for speedier economic development. We have not the least doubt that the resulting gain to the country, in terms of employment and employable resources will be immense.

Reform in corporate taxation on the lines mentioned above will not by itself bring about an increase in the profit-margin of industries, for the main object of this reform is not to reduce the burden of direct taxation on companies but only to enable the corporate sector to finance development on sound lines, to rectify the lopsidedness that has already taken place and to encourage the flow of foreign private capital. The availability of such capital, particularly in the U.S. and Western Europe, has distinctly improved. Apart from direct participation by foreign capital in both management and control, there is, as Mr. Brown rightly highlighted, a new development in the capital markets abroad which will be quite useful to this country, if an appropriate approach is made. This is what is known as "portfolio investment," that is, funds seeking profitable investment in the shares of sound foreign companies. Explaining the scope for such investment in the shares of companies in India, Mr. Brown observed:

"I believe that the highly developed system of financial and investment institutions centred on London and New York is capable of providing this country with not inconsiderable sums by way of portfolio investment over the next few years. For this to come about, it will be necessary to bring the tax rates payable by foreign companies having minority interests, or at any rate foreign investment companies, roughly into line with the rates payable by Indian companies. All this will involve some departure from the selective approach to foreign investment heretofore adopted by the Government of India. We know that the view has previously been expressed by Government spokesmen that the country must be careful in permitting foreign investment, to see that obligations to repatriate profits annually and, ultimately, the capital itself are not assumed to an extent which would cause difficulty in future years by its subsequent effect on the

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share				Accounts Closed	Reference
						1956	1957	1958	1959		
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. or £	Rs. or £	Rs. or £			
16,00,000			Allahabad Bank	132.00	100	18.00	18.00	18.00		12	Y.P.
14,50,000	1,08,00,000	3,53,958		171.00	50	9.00	9.00	9.00			
1,01,000				100.00	100	8.00	8.00	8.00		6,12	H.
40,78,200	17,56,970	24,205	Andhra Bank	86.00	55	5.59	5.10	5.10	2.50†		
1,00,00,000				96.00	59	7.00	7.00	6.00	2.15†	12	Y.
26,80,000	1,59,50,000	53,03,522	Bank of Baroda	44.50	25	1.50	1.50	1.50			
26,80,000			Bank of Bihar	30.00	25	1.12	1.25	1.25		12	Y.
2,50,00,000	27,00,000	1,880	Bank of Bikaner	107.00	50	8.00	8.00	8.00	2.10†	6,12	R.L.Y.
60,00,000	81,00,000	12,79,476	Bank of India	169.00	100	8.00	8.00	8.00			
16,80,375	29,00,000	47,153	Bank of Indore	63.00N	25	4.00	4.25	4.00		12	Y.
50,00,000	29,50,000	29,356	Bank of Jaipur	41.00	50	2.50	3.00	NH		12	Y.
80,00,000	97,00,618	4,70,233	Bank of Mysore	227.50	100	16.00	16.00	11.50†		12	Y.
25,20,000	51,24,245	7,384	Canara Bank Ltd.	50.00	50	5.00	5.00	5.00		12	Y.P.
7,50,000	14,40,000	6,716	Canara Banktins Corporation Ltd.	72.00	50	5.00†	5.00†	5.00†		12	Y.P.
5,86,580	26,50,000	12,632	Canara Ind. & Bkz. Syndicate Ltd.	160.00	100	15.00	15.00	15.00		12	Y.
2,62,11,875				1.42	100	15%	15%	15%			
5,52,42,375	4,04,68,517	17,92,615	Central Bank of India Ltd.	48.75	25	3.50	3.50	3.50	1.23†	12	R.L.Y.
40,00,000	45,00,000	3,02,015	Devkar Nanjee Banking Co.	50.00	25	5.00	5.00	5.00	1.33†	12	Y.
2,00,00,000	2,00,00,000	10,45,442	Habib Bank (P)	29.12	5	3.00	3.00	3.00	1.30†	12	Y.
1,26,00,000	10,00,000	29,695	Hindustan Commercial Bank	14.50	50	NH	NH	NH		12	Y.
2,00,00,000	2,08,000	12,536	Hindustan Mercantile Bank	18.00	50	NH	NH	NH		12	Y.
22,40,000	93,81,894	60,933	Indian Bank	178.50	100	13.00	15.00	13.00†	7.50†	6,12	R.L.Y.
80,00,000				150.00	80	6.75	12.00†	10.40†	6.00†		
18,75,000				176.00	100	10.00	10.00	10.00		12	Y.
10,00,000	52,36,660	2,03,141	Indian Overseas Bank	145.50	75	5.00	5.00	5.00		12	Y.
10,00,000	10,50,000	30,428	Pandyan Bank Ltd.	34.25	25	1.87	1.87	2.50		12	Y.
1,25,00,000	127,00,000	4,48,600	Punjab National Bank—K	20.25	19	1.00	5.00	2.50	1.00†	12	Y.
5,62,50,000	2,72,00,000	55,73,155	State Bank of India	360.00	100	16.00	16.00	16.00	7.00†	12	Y.
1,00,00,000	1,27,00,000	19,529	Travancore Bank	26.00	25	1.00	1.25	1.25		12	Y.
2,00,00,000	43,00,000	1,45,552	Union Bank of India	2,62,995	50	3.60	3.75	3.75		12	Y.
2,00,00,000	89,00,000	1,81,542	United Commercial Bank	62.00	50	6.30	6.30	6.30		12	R.L.Y.
2,00,00,000			United Bank of India	5.00	10	3.00	3.00	3.00			

\$2,000,000	\$2,100,000	\$174,938	British Bank of the Middle East	\$3-10-0	£1	10†	10†	10†	15†	3	Y.
	\$5,500,000	\$455,019	Chartered Bank	\$2-15-0	£1	15†	15†	15†		12	Y.
W. H. 862,311,375	\$8,000,000	H. K. \$2,085,475	Hongkong and Shanghai Banking Corporation	\$5-0-0	H. K. \$125	5*	3½*	3*	14†	12	Y.
\$34,809,506	\$23,950,000	\$703,010	Lloyds Bank	\$3-4-3	£1	13†	13†	12½†		12	Y.
\$2,910,000	\$2,200,000	\$231,407	Mercantile Bank Ltd.	\$2-4-3	£1	14†	18†	12†		12	Y.
\$2,861,563	\$3,168,579	\$351,349	National and Grindlays Bank	\$1-14-0	sh. 12½	15†	15†	15†		12	Y.

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations* (per hundred) Rs. or £	Principal Repayable
--------------------	----------------------------------	---------------------	---------	------------------	---	---------------------

19,50,000	0	1st December and 1st June	Garew & Co.	1933	96.00	1st June	1933
4,00,000	54	1st March and 18th September	Garew & Co. (2nd mortgage)	1941	92.00	28th February	1940
10,00,000	64	1st August and 1st February	Ravalnagar Sugar	1942	100.25	27th December	1935-36
19,00,000	6	1st May and 1st November	Ravalnagar Sugar (New)	1944	87.00	1st November	1939-40
25,00,000	4	1st May and 1st November	Walchandnagar Industries (New)	1944	95.00	1st November	1939-40

20,00,000	6	30th April and 31st October ..	Bharat Collieries ..	1944	90.00	30th June ..	1954
20,00,000	4	30th June and 31st December ..	Burrakur Coal Co. ..	1947	87.00	30th June ..	1967 (a)
47,86,000	5	15th June and 15th December ..	Equitable Coal Co. ..	1953	100.00	14th December ..	1969 (a)

7,00,000	₹	30th June and 31st December	Basant Cotton Mills Ltd.	1957	85.00	15th November	1966-67
4,00,000	₹	10th May and 10th November	Bengal-Nagpur	1952	100.00	1st March	1972-73
67,94,000	₹	1st April and 1st October	Buckingham and Carnatic	1957	100.50	1st April	1967-72
40,00,000	₹	1st April and 1st October	Gohak Mills	1949	90.00N	1st January	1966-67
18,71,000	₹	30th June and 31st December	Jayshree Textiles	1951	93.25	1st June	1966-71
39,51,000	₹	1st June	Tata Mills				

10.90.000	4	31st March and 30th September	Agra Electric Supply Co., Ltd.	1980	90.00	31st March	1960
10.90.000	4	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1980	98.50	14th June	1976
12.25.000	5	1st April and 1st October	Andhra Valley Power Supply Co.	1940	90.00	31st March	1964 (a)
93.00.000	4	30th June and 31st December	Benares Electric Light and Power Co. Ltd.	1949	90.00	31st December	1970 (a)
12.00.000	4	1st January and 1st July	Bengal Electric Supply Corporation Ltd.	1950	97.75	31st January	1970 (a)
2.52.89.400	4	30th June and 31st December	Calcutta Electric Supply Corporation Ltd.	1945	85.00	31st December	1970 (a)
2.52.89.400	5	30th June and 31st December	Ganapore Electric Supply Co., Ltd.	1981	91.00	30th June	1978 (a)

1,00,000	31	31st April and 3rd October	South Madras Electric Supply	1940	93.50	30th December	1970
1,00,000	31	1st April and 1st October	Tata Power	1940	101.60	1st July	1970
47,78,000	4	1st April and 1st October	Tata Power	..	87.00	15th September	1965-70
2,50,00,000	4	1st April and 1st October	Tata Power	..	..	..	..

ENGINEERING

1,50,00,000	5	30th June and 31st December	Brahmin Engineering	1958	109.00	1st January	1968-7
5,00,00,000	5	1st January and 1st July	Guest, Keen, Williams, Ltd.	1942	98.50	1st July	1967-8
29,18,00,000	5	15th September and 15th March	Indian Rubber Pipe (Bears)	1946	84.00	31st May	1971
10,00,00,000	4	31st May and 30th November	Kumardis Engineering Works Ltd.	1950	99.00	1st October	1960-61
3,00,00,000	5	1st April and 1st October	Tata Locomotive	1950	98.00N	31st December	1960 (a)
40,00,000	6	31st December	Textile Machinery Corporation, Ltd.	1950			

12.00,000	5	1st October and 1st April	Ararapa	1939	82.00	30th June	1960
6.00,000	5	30th June and 31st December	Alexandra	1939	78.00	31st December	1964
15.00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90.00	30th June	1960
10.00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	87.00	31st July	1960
9.00,000	5	31st January and 31st July	Calcutta	1951	88.50	30th June	1966
10.69,000	5	30th June and 31st December	Chittavalan Jute Mills	1954	90.00	31st March	1969

5,880,000	81st March and 80th September	Howarth Mills Co., Ltd.	1955	95.00	31st December	1964
290,000,000	14th November and 31st July	Kinnison Jute Mills Co., Ltd.	1949	90.00	31st March	1967
25,000,000	81th June and 31st December	..	1952	90.00	..	..
25,000,000	81th June and 31st December	Nellmarra Jute Mills Co., Ltd.	1939	92.00	14th May	1964
5,000,000	14th November and 31st July	..	1945	90.00	31st December	1964
20,000,000	31th June and 31st December	Northbrook Jute Co., Ltd.	1948	82.00	31st September	1968
25,000,000	81st March and 30th September	Bellance Jute Mills Co., Ltd.	1937	95.00	31st March	1967
12,000,000	81th June and 31st December	..	1949	90.00	31st July	1968
..	31st January and 31st July	Waverley	1925	80.00	..	..

\$325,280	41	1st January and 1st July	Calcutta Tramways	1900	\$66.10N	At 100% at all times on 6 months' notice or at par after seventh year thereafter
\$167,788	42	1st April and 1st October		1933	\$74.10N	1st October .. 1974
0.50,000	43	30th June and 31st December	Katakhal-Lalabazar Railway	1945	85.00	Any time on six month notice (a)
\$200,000	44	30th June and 31st December	Shahdara-Delhi-Sahanpur Railway	1905	\$64N	1st September .. 1963
4,14,18,000	45	1st March and 1st September	Scindia Steam Navigation Co., A.M.P.M.	1949	99.50	

10,00,000	ST.F.	31st March and 30th September ..	Niliziri Tea	1955	100.00	1st July ..	1950 -
6,00,000	ST.F.	1st January and 1st July ..	Kalina Rubber Co. Ltd.	1955			
MISCELLANEOUS							
10,00,000	4	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	92.00	31st December ..	1965
72,00,000	4	1st January and 1st July ..	Associated Hotels of India ..	1948	85.00	31st December ..	1964 -
				1954	101.50	1st September ..	1964-65

2,00,00,000	1st April and 1st October	Chowdhury Properties	1915	85.00	1st February	1964
51,00,000	1st February and 1st August	Chowdhury Properties	1916	85.00	1st February	1964
18,98,00,000	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1946	72	15th September	1964
20,00,000	16th March and 16th September	Dalhousie Properties	1946	84.00	1st January	1968
1,00,00,000	31st March and 30th September	Dunham Cement (Bihar) Ltd.	1940	108.25	31st January	1973
2,04,55,000	1st January and 1st July	Dunham Cement Co. (India) Ltd.	1940	108.25	31st January	1973
1,00,00,000	1st January and 1st July	Dunham Cement Co. (India) Ltd.	1940	108.25	31st January	1973
14,00,000	2nd January and 2nd July	Indian Cable Co., Ltd.	1949	83.00	30th September	1966
8,89,50,000	31st March and 30th September	Mettur Chemical Industries	1946	650.00	30th September	1976
45,00,000	31st March and 30th September	Marlin Burn Ltd. (Convertible Notes)	1947	410.00	31st December	1972
	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	410.00	30th September	1964
			1951	85.00	1st April	1964

1,50,00,000	₹	30th June and 31st December ..	Ashoka Mills Ltd.	1951	82.00	31st March ..	1951 (a)
1,00,00,000	₹	31st March ..	Orient Paper Mills Ltd.	1946	99.00	31st December ..	1950
1,00,00,000	₹	30th June and 31st December ..	Bhilai Industries Ltd.	1944	85.00	1st July ..	1950
10,00,000	₹	January and July ..	Ganges Gopal Paper Mills Ltd.	1955	102.00	16th February ..	1951(a)
30,00,000	₹	15th Feb. and 16th August ..	Shree Gopal Paper Mills Ltd.	1953	86.00	1st May ..	1953 (a)
4,00,00,000	₹	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1945	98.25		1955-6
		30th Apr.	Tata Chemicals Ltd.				

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium.
 ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. \$ Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1969.
 § Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem debentures at 101 per cent. on 1st May 1968, on six months' notice.
 T-Taxable. T.F-Tax free.
 † Option to repay at par on 6 months' notice, on or after 1st January 1961.

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th November 1959.

	Clothing quotations, 12-11-1959	High	Low	Clothing quotations, 12-11-1959
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	172.00	—	—	172.00
Apollo (2)	1.26	1.26	1.22	1.26
Bombay Dyeing (200)	68.10	68.90	67.70	68.10
Chanderprabha (50)	—	—	—	130.00
Central India (100)	110.00	113.00	110.00	110.00
Century Mills (100)	624.50	630.50	610.00	624.50
Chhatrapati (50)	288.00	298.00	287.50	288.00
Dharmaputra (50)	36.00	328.75	227.50	228.75
Dharmaputra (50)	302.00	310.00	303.00	302.00
Gokul (50)	145.00	150.00	145.00	145.00
Ind. Untd. Dofd. (1)	1.20	108.00	103.50	104.00
Ind. Untd. Ord. (19)	10.88	11.20	10.80	10.88
Ind. Untd. Ord. (100)	115.00	115.00	115.00	115.00
Khatola (100)	250.00	100.00	97.50	98.00
Kohinoor (100)	231.00	238.00	230.00	230.00
Lakshmi (50)	145.00	333.50	322.50	322.50
Minerva Mills (100)	72.00	—	—	48.00
Morari (50)	80.00	—	—	75.00
Myore (50)	74.50	272.00	250.00	250.00
Nandani Mills (100)	317.50	343.50	340.00	340.00
New City (100)	170.00	128.00	127.00	128.00
New Great (100)	150.00	151.25	150.00	150.00
Phoenix (100)	145.00	172.00	168.00	168.00
Podar Mills (100)	150.00	151.25	150.00	150.00
Sassoon Silk (10)	10.00	146.00	145.00	145.00
Sassoon Spc. (10)	42.75	42.75	42.25	42.25
Shrinivas (50)	161.00	236.00	228.00	228.00
Simplex (50)	161.00	168.00	161.00	168.00
Stradellhi (50)	647.00	681.00	655.00	655.00
Swan (100)	420.00	263.50	260.00	260.00
Swan (100)	420.00	415.00	407.50	407.50
Tatani (25)	16.00	45.00	44.00	44.00
Vishnu (10)	16.00	45.00	44.00	44.00
Western India (1,000)	4,225.00	110.00	112.00	110.00

Bank of India (50)	107 00	107 50	106 50	107 00
Do. (New) (50)	107 00	110 00	108 50	107 50
Bank of Baroda (50)	97 00	97 00	96 00	96 00
Central (25)	48 25	49 00	48 00	49 00
Central 'A' (25)	50 30	50 30	49 50	50 00
Uena Bank (50)	53 00	—	—	53 00
Punjab National (10)	20 52	20 60	20 52	20 60
Union Bank (5)	6 80	6 84	6 76	6 80
United Com. (50)	62 06	62 80	—	—

Ahmedabad (100)	96.10	96.10	91.30	91.50
Amalgated (10)	11.24			11.24
Andhra Valley (1,000)	1,102.50	1,100.00	1,092.50	1,095.00
Bom. Sub. El. (100)	103.00	103.75	103.00	103.00
Burai (100)	103.50	104.00	103.00	103.00
Tata Hydro (100)	113.50	113.75	113.00	113.00
Tata Power (1,000)	1,117.50	1,117.50	1,103.00	1,103.00

British India (10) ..	14.24			
Empire of India (100) ..	200.00	14.24	14.16	14.16
Ind. Mercantile (20) ..	47.50	—	—	200.00
Jupiter (15) ..	6.12	—	—	47.50
New India (15) ..	65.50	6.12	5.52	5.52
Vulcan (10) ..	91.00	66.00	65.00	65.00

Ind. Iron (10) ..	24.12	24.28	23.68	23.8
Mukand Iron (10) ..	17.60	18.24	17.40	18.1
Tata Steel Ord. (78) ..	155.50			

Belapur (50)	320.00	320.00	320.00	320.00
Bhepal (10)	25.00	25.10	25.00	25.10
Changdeo (12.50) ..	30.50	30.50	28.00	28.00
Phaltan (50)	180.00	187.00	178.50	181.00
Walchand Ind. (100) ..	320.00	320.00	320.00	320.00

Associated Cts. (100) ..	154.50	155.00	153.00	154.25
Digvijay (100) ..	150.00	150.00	149.00	149.00
MISCELLANEOUS				
Alroch Ashdawn (100)	250.00			

Do. (New) (50)	188.25	500.50	589.00	577.00
Br. B. Petrol (4 sh.)	1.44	191.25	188.25	191.25
Br. I. Corp. (5)	4.90	1.52	1.36	1.40
Hindustan Lever (10)	33.00	—	—	4.90
Hindustan Motors (10)	13.56	37.00	83.25	36.00
Indian Copper (2 sh.)	3.96	13.80	13.24	13.50

Larsen & Toubro (10) ..	126.00	126.00	125.50	80.00
Mahindra & Mahindra (10) ..	25.90	28.25	25.70	125.50
Polson (100) ..	23.00	23.24	23.00	26.90
Pre. Automobiles (100)	140.00	142.00	140.00	23.10
Premier Co. (20)	140.50	145.50	140.00	142.00
	362.00		130.00	141.00

G. N. Shipping (10) ..	19.44	27.00	16.68	16.00
Shivrajpur (10) ..	88.00	19.28	19.04	19.00
Sirpur Paper (10) ..	14.32	89.00	84.00	84.50
Tata Chemicals (10) ..	17.56	14.60	14.04	14.10
Tata Locomotive (100) ..	200.00	17.68	17.08	17.00
Tata Oil (25) ..	61.80	202.00	195.25	197.50
Voltes (100) ..	100.00	83.00		

GOVERNMENT SECURITIES	12-11-59	233.00	228.50	177.00	231.00
	Rs.	Earlier Redemp.	Later Redemp.		

2 1/2 % 1960	99.65	—	3.48
2 1/2 % 1962	97.80	—	3.23
2 1/2 % 1976	83.50	—	3.51
3 % 1964	98.15	—	4.12
3 % 1963-65	98.15	—	3.42
3 % 1966-68	95.95	3.50	3.35
3 % 1970-75 1st Dev.	95.95	3.66	3.25

3 1/2%	1961 N.P. Bonds.	100.15	—	4.02*	74.
3 1/2%	1964 N.P. Loan..	100.15	—	3.40	100.
3 1/2%	1965 N.P. Bonds.	100.05	—	3.43	100.
3 1/2%	1962	99.70	—	3.40	100.
3 1/2%	1967 N.P. Bonds.	99.80	—	3.36	99.
3 1/2%	1974	99.65	—	3.55	99.
3 1/2%	1967 N.P. Bonds.	99.65	—	3.55	99.

31%	1968	99.40	—	3.62	100.
31%	1963 N.P. Bonds	99.65	—	3.57	99.
31%	1968 N.P. Bonds	100.20	—	3.55	99.
4%	1960-70	100.65	—	3.48	100.
4%	1972 Loan	100.75	3.16	3.67	100.
4%	1973 Loan	101.85	—	3.92	100.
4%		101.40	—	3.84	101.

BRITISH GOVERNMENT SECURITIES	
Closing	Closing

2 1/2 % Brit. Consols.	52 1/2	—	—	52 1/2
3 % Savings Bonds 1965-75	78 1/2	—	—	78 1/2
3 % Savings Bond		—	—	

1969-70	84		
4% War Loan	67		
4% Victory Bonds	95		
1976	92		
4% Funding 1940-90			

* Current Income.

overall balance of payments position. While all will support the Government in their unwillingness to assume further foreign exchange obligations, bearing in mind existing commitments covering the next decade, I put it that it is at least arguable that the flow of foreign exchange from such portfolio investment over the next five years would itself go some way to assist in avoiding the very situation which is to be guarded against. . . . Such investment would bring into the country free foreign exchange, available for the import from the cheapest source of capital goods or raw materials as might seem best to Government. It may be argued against this proposal that the field for investment of this sort is very limited. I do not accept this as a valid objection. I have already referred to what I regard as the unhealthy increase in the proportion of development which is being financed by borrowings and to my mind a flow of funds from abroad could undoubtedly help to restore the proportion of equity investment in some of our developing industries or at least arrest the trend."

In the aforesaid quotation, there is not only an account of the scope for attracting portfolio investment, but also a concise description of how and why this country should try to get it. There are also a few other things to be done for inducing portfolio investments into this country and these pertain to the private sector. One of them is modernisation of company managements and practices on lines prevailing in Western countries, particularly in the U.S. Another is reform of stock exchanges. A third is the development of better regard by company managements for the interests of shareholders. It will be a good thing if this country takes the expert advice of the New York, London and some of the Continental Stock Exchanges on the measures necessary for effectively implementing the idea canvassed by Mr. Brown. Consultations with the President of the New York Stock Exchange, in particular, will, perhaps, prove very useful.

To revert to the question of profit ratio of Indian industries. Besides the points discussed thus far, there are two more: one, determination of ex-factory prices of commodities controlled by the Government and, two, cost of production, under which come raw materials and labour. In both respects, there is room for considerable improvement. By withholding timely and adequate increase in the prices payable to manufacturers, the Government is only compelling the investors to bear a part of the cost of inflation. The result is a vicious circle that aggravates inflationary pressures. Inadequate supply of raw materials due to either a shortfall in domestic production or non-availability of imports also reduces the profit ratio. Similarly, if productivity of labour does not keep pace with increase in wages as well as in capital expenditure, the profit ratio is adversely affected. In a partially developed economy such as India, which is trying hard to raise living standards in a few years, it is, of course, easier to state these handicaps than to remedy them. But, if the Government and labour co-operate with industrial managements by giving up their present practice of learning only after seeing and feeling the deleterious effects of their unwise policies, the progress could be speedier and cheaper than it has been hitherto.

PAPER INDUSTRY

THE Government's decision to fix, with effect from 1st January next, prices of paper at levels somewhat lower than those prevailing now will be widely welcomed. Based on the recommendations of the Tariff Commission, which inquired into the fair ex-works and fair selling prices of paper and boards, the Government's decision will bring not a little relief to the vast and growing section of consumers of paper, the chief beneficiary being the Government itself, the single largest consumer of paper. The new schedule of prices will help correct the somewhat disturbing situation, characterised, as it had been, by a significant increase in prices which not even the strident increase which has taken place in the industry's output could arrest. When the Government referred the whole issue of paper prices to the Tariff Commission in September last, there was a general sense of relief that this vexed issue would receive the impartial examination which it called for. Although price control is always an irksome measure to undertake and implement, the report of the Commission, by and large, deals out even-handed justice to all the interests concerned.

The increase in prices of paper could be traced to the fact that supplies have failed to keep pace with the demand. This is to be largely attributed to the cut in imports. The increase in domestic production could not entirely restore the balance. Between 1956 and 1957, the overall supply declined from 266,402 tons (production 190,294 tons and imports 70,108 tons) to 253,214 tons (production 212,830 tons and imports 40,384 tons). Last year, supplies were somewhat larger at 264,862 tons; production touched a record 250,638 tons, but imports were a mere 14,224 tons. The following figures give the quality-wise breakdown of the overall production of paper and paper boards in 1957 and 1958, the figures in brackets representing imports:

(Quantity in tons)

1957: Printing and writing 131,364 (13,638); packing and wrapping 35,112 (15,257); special types 4,770 (6,633); paper boards 41,584 (4,856)—Total 212,830 (40,834).

1958: Printing and writing 157,191 (3,826); packing and wrapping 34,889 (4,647); special types 7,563 (3,978); paper boards 50,995 (1,773)—Total 250,638 (14,224).

The Commission's verdict on the supply position is clear. It avers that the "supply position is at present acute and will be so for some time to come." During the current year, total production is not expected to exceed 300,000 tons. This will be 30,000 tons short of the total demand which is placed at 330,000 tons. Realising that the position can be corrected only by increased production, the authorities have permitted expansion in the existing units and establishment of new ones. The Planning Commission envisaged a target capacity of 450,000 tons by the end of the second Five-year Plan. There are now 22 units with an annual capacity of 329,200 tons. If the scheduled expansions in paper industry materialise, its annual capacity will rise to 359,800 tons next year and to 417,700 tons in 1961 (inclusive of output by a new unit which is expected to go into production by then). It must be remembered that the demand for paper will also go up every year. It is likely to be of the order of 350,000 tons in 1960, 400,000 tons in 1961 and 520,000 tons in 1962. Several new companies have been licensed for the establishment of capacity for the manufacture of paper. They will augment the capacity by 114,060 tons, but will go into production only after 1961.

In planning for paper industry, one must necessarily take into account the demand for different varieties of paper. What is necessary is that not only the overall production should go up but the higher output must be balanced in respect of the kinds of paper which go to make up the total demand. The Commission observes: "We believe that, as a result of increased industrial activity and improvement in the standard of living, there is likely to be a progressively increasing demand not only for larger quantities of paper and paper boards but also for qualitative diversification in both." At present, the total demand for paper is distributed among printing and writing paper (67 per cent.), packing and wrapping paper (14 per cent.), paper boards (16 per cent.) and special types of paper (3 per cent.). The Commission rightly emphasises that, unless the production of indigenous mills is planned in such a way as to ensure that they together produce different varieties of paper in the proportion indicated by the demand pattern, the "present serious imbalance in the supply and demand will be aggravated." Accordingly, it suggests that a technical assessment of the capacity of each unit in terms of the several types of paper and paper boards should be made and measures adopted in order to see that the overall output reflects the pattern of demand for different varieties of paper. The Government will do well to implement this suggestion which will make the task of maintaining prices relatively less difficult.

For purposes of fixation of fair prices, the Commission has classified 24 varieties of paper under four broad groups—printing and writing paper (14 varieties); packing and wrapping paper (4 varieties); blotting paper (1 variety); and paper boards (5 varieties). A notable point made by the Commission is that any attempt on the part of manufacturers to cut across this classification by placing on the market varieties of paper which cannot be brought under these groups should not be encouraged. This advice is based on the experience gained in the past when some manufacturers, under the guise of introducing improved varieties of paper, increased the prices of these varieties; in several cases, it was found that the claims to superior quality or distinctiveness were without substance. In insisting that the classification it has made must be adhered to, the Commission does not, of course, rule out

all possibility of further diversification of varieties in future. Only, it rightly stresses that, at present, it is necessary to "balance the need for conforming to a well-defined and clear-cut price structure against the need for free recourse to diversification." The Commission's emphasis on conformity, rigid as it may appear, must be regarded as the *sine qua non* of price control on paper.

In aiming at the schedule of fair prices for paper, the Commission has taken into account the fact that considerable expansion and fresh investment have to take place in the industry in the course of the next few years. Large expansions have no doubt been made in the past by utilising internal resources. The Commission has recognised that "some measure of this tempo of investment requires to be maintained and incentives provided for." It has arrived at the decision that profit at the rate of 12 per cent. on capital employed will provide the necessary incentive. "Working capital" element in capital employed has been assessed at an amount equivalent to four months' cost of production, less depreciation. A contingency allowance of 5 per cent. has been allowed, in order to provide for possible increases in the costs of raw materials and stores. Depreciation has been calculated at normal income-tax rates. The Commission has also provided for the distinctive feature of the manufacture of paper in which a small percentage of defective or odd sizes of papers and paper boards (known as "retree") has necessarily to be marketed at a discount; one per cent. of works cost has been allowed on this account. Provision has been made for selling expenses at 1.5 nP per lb., for freight allowance at 4 nP per lb., and wholesalers' and distributors' commission at 7½ per cent. on the f.o.r. destination prices; no account has been taken of excise duty and State Government or local levies. It may be mentioned here that, under the existing practice, Government purchases of paper are effected at fair ex-works prices which do not include selling expenses, freight or selling commission. The schedule of prices worked out by the Commission represents a marked reduction from the prices which now prevail in the market. Thus, the Commission has fixed the price of white printing paper at 68 nP per lb., whereas it is now selling at 73.5 nP per lb.

If shortage of paper persists and the demand continues to grow faster than available supplies, it is bound to be difficult to implement the control on prices. It should be remembered too that there is no adequate machinery for the enforcement of controls. Further, it remains to be seen whether the new units that are being set up will be able to produce paper at costs which are within the range envisaged by the Commission and still make a reasonable profit. It is to be hoped that the controls now announced will not stifle the growth of industry which has been particularly encouraging in recent years.

Worthy of notice are two important suggestions made by the Commission for the development of paper industry. In the first place, it has stressed the need for establishing pulp-making units. Pulp production, according to the Commission, should be established in units with as large a capacity as possible and they should be set up at or near sources of supply of raw material. The establishment of pulp-making units, independently of paper mills, will ensure economic utilisation of raw material. This will relieve paper mills of pulp making and allied organisational arrangements connected with maintenance and exploitation of forests. It will also cut down freight charges on the transport of raw materials; transport of pulp to paper mills will cost less than transport of raw materials in bulk. Secondly, the Commission has made a plea for long-term leases of bamboo forests to paper mills. Clearly, the grant of lease rights for brief periods, as the Commission itself points out, deprives the lessees of the initiative required to preserve the forests for continued and scientific exploitation. The Commission has also urged that attention should be paid to the possibility of avoiding frequent increases in royalty rates which have a "disturbing effect on the even development of the paper industry." These suggestions deserve prompt implementation. At the same time, it cannot be too strongly emphasised that, in the context of the great scope for the increase in the demand for paper—per capita consumption in India is 2 lbs., as against 183 lbs. in the U.K. and 412 lbs. in the U.S.—there is urgent need to evolve and carry through appropriate afforestation policies which will ensure that the raw material needs of the industry are adequately met. The use of alternative sources of raw material, such as bagasse, should also be actively encouraged and explored.

MARKET GOSSIP

IN refreshing contrast to the fears about a supplementary budget entertained by the share markets during the past three weeks, there is now optimism that the Central budget for 1960-61 will contain some relief to the corporate sector. This has led to brisk short-covering and fresh bull buying. Speculative support is, however, so selective and confined to a few scrips that it justifies the inference that interested parties are rigging up the market. As the data on the pattern of trading are scanty and as only the President of the Exchange knows about the exact position of each broker in the leading scrips, it is not possible to prove that, in the last budget, the relief given by the Finance Minister has been more than offset by the abolition of grossing and the insistence that companies should deduct tax on dividends before giving them to shareholders. While the new proposals involve a degree of hardship to some and benefits for others, a study made by the Chamber shows that "there are likely to be far more losers than gainers." But all this does not necessarily mean that the Government will concede this point in the next budget. Nevertheless, there are some who feel that Mr. Morarji Desai will not be so heartless as to ignore his own promise.

There is, of course, a good case for further reform in corporate taxation and it has been well argued at the annual meeting of the Associated Chambers of Commerce, Calcutta, this week. Sufficient evidence has been adduced by the Chamber by the Finance Minister has been more than offset by the abolition of grossing and the insistence that companies should deduct tax on dividends before giving them to shareholders. While the new proposals involve a degree of hardship to some and benefits for others, a study made by the Chamber shows that "there are likely to be far more losers than gainers." But all this does not necessarily mean that the Government will concede this point in the next budget. Nevertheless, there are some who feel that Mr. Morarji Desai will not be so heartless as to ignore his own promise.

While the common impression is that Mr. Desai's speech at Calcutta does not warrant any optimistic inference, there is a minority section that does not share this interpretation. In support of its view, the minority section mentions two arguments: one, the whole tenor of the Finance Minister's speech is one of friendliness to investors. He has not said anything adverse to share markets. On the contrary, he has stressed the need for reconciling judiciously the interests of both the exchequer and the investors by remarking that "one has to consider the adequacy of corporate taxation in all its aspects, as much from the point of the growing requirements of the public exchequer as from the point of view of incentives to business and industry." Secondly, the minority section is inclined to take seriously the Finance Minister's remark that he shall "always be prepared to consider these questions (corporate taxation) on merit and to see, to the extent I can, that there is no avoidable hardship or inequity." Since no Finance Minister can say anything worthwhile in advance on matters which have a bearing on the budget, one can only try to understand his mind from the spirit of his pronouncements. A careful reading of the full text of his speech clearly shows no signs of antagonism towards the private sector.

In his attempt to refute some of the contentions of the retiring President of the Associated Chambers of Commerce, Mr. Morarji Desai, however, made certain untenable observations. One of them at least deserves to be exposed, as it may give rise to a misleading conclusion. Replying to Mr. J. D. K. Brown, he said: "You seem to think that the level of profits is unsatisfactory, but when I look at equity prices and the downward trend in yields, I wonder whether the investor feels the same way as you do." This is not the first time that Mr. Desai has tried to read more into the rise in equity values than is justifiable. He did so at least once before, in Madras about four months ago. It will, therefore, be quite pertinent to record the main reasons for the stable appreciation in equity values that has taken place since Mr. Desai became Finance Minister.

Reasons for Boom in Equities

A good part of the rise in prices represents recovery of the ground lost in 1958-59 on account of the adverse pronouncements by the then Finance Minister and the additional taxes imposed by him. This recovery followed an improvement in the psychological atmosphere brought about by the present Finance Minister through abolition of some of the irksome measures, through minor relief in direct taxation on companies and substantial reduction in excise and export duties. Fears of nationalisation, ceiling on incomes, and more restrictions on the private sector have been set at rest by both the Prime Minister and the Finance Minister. There has, of course, been some improvement in the profit margin of such industries as jute, cotton textiles and tea, but it is from practically nil or very low levels to modest levels. Only a part of the rise in share values can be attributed to this improvement. The other causes for the boom in shares are:

Buying by the L.I.C., inflation, uncontrolled speculation, import restrictions and easy money in scarce commodities, shortage of good scrips, capital gains tax, progressive fall in interest rates following P.L. 480 deposits and bank deposits generated by inflation, inspired staging in new issues by interested parties, exaggerated notices about the profits of certain new industries, manipulation by certain powerful interests to create a favourable atmosphere for their new capital issues, non-availability or great scarcity of consumer durables, expenditure tax, high prices of bullion and jewellery, influx of capital belonging to Indians abroad, reduction in managing agency commission, decline in the power of Communists in certain parts of the country, improvement in Indo-Pakistan relations, better prospects for

receiving foreign aid, and defeat for socialism in many parts of the world.

Quite a few of the aforesaid factors may sound unimportant when considered individually, but, collectively, their impact on equity prices has been tremendously bullish.

Cotton Dilemma

Elsewhere in this issue are printed details of the announcement made by the Textile Commissioner introducing fresh controls on purchase by mills of cotton and kapas (unginned cotton). These controls have a twofold objective: to hasten the supply of cotton by early ginning of kapas and to ease the pressure on prices by prohibiting mills from buying cotton in excess of their three months' consumption requirements. Stabilising prices and regulating supplies are at present highly essential. But how are the new measures going to be enforced? Has the Government the requisite machinery? It is significant that the Textile Commissioner has not applied the control to traders. This loophole will permit mills to collude with traders and through them with growers and hold as much cotton as they want. After all, the Government has neither the intention nor the machinery to compel the growers to bring kapas to gins for ginning. The farmers' tendency to withhold the crop is already said to be a major factor inhibiting speedy ginning. These are questions for which answers are yet to be given. The enforcement of the controls is not easy and will surely be a major headache to the Government.

But the official spokesmen are of the view that the steps taken by them are only the thin end of the wedge and that, if they do not have the desired effect, the Government will not hesitate to go to the extent of clamping down full control on distribution of cotton. They are too optimistic and are only postponing the evil day. We have had enough experience to show that partial controls do not serve the purpose; they only aggravate the position by helping those who can command sufficient resources to take advantage of the loopholes. Let the Textile Commissioner study the history of cotton controls, as well as the measures that followed one after another in sugar in the past one year. There is no half-way house between complete control and free market. In any case, it is not clear why futures trading in cotton is still being allowed. Who is using the hedge contract now?

The greatest mistake the Government has made is the delay in taking remedial measures. It has waited too long to make sure that millowners and cotton traders, who had expressed fears of shortage of cotton sufficiently early, were not crying wolf when there was none. Even now, the Government feels that the sharp rise in the price of cotton is only a temporary phenomenon, arising from delay in crop movement and that, "on an overall view of situation of the crop and imports of foreign cotton, supplies would be adequate." In support of this view, it argues thus: The domestic crop will be at least 4.7 million bales. Exports hitherto allowed are only of the order of 150,000 bales plus some varieties of yellow pickings whose exports may amount to just over 50,000 bales. On the other hand, under the textile incentive scheme, imports of not less than 700,000 bales are likely to be linked with the export of cloth as they are now proceeding. In addition to this, about 20,000 bales of medium-staple cotton of 15/16" to 1-1/16" will be imported from Pakistan under a special agreement. Thus imports during the current season will be higher than the last season's figure of 600,000 bales, while exports would be lower. Actually, therefore, there is no shortfall in supplies.

Unfortunately, however, shortages cannot be statistically explained away. Promises of plenty in future cannot make good current deficiency. The crop is not only late but it is also sure to be very much smaller than the last season's. Even the most optimistic estimate now does not put the crop at more than 4.5 million bales; according to some, it will be somewhere between 4.3 million and 4.5 million bales. This is not only not sufficient to meet mill requirements during the season but actually falls short by a wide margin. Consumption of Indian cotton by mills during last season aggregated 4.6 million bales. On the basis of current trends in cloth production, mill consumption is likely to be higher in the 1959-60 season.

Since controls cannot be successfully enforced, it is on prompt imports that reliance has to be placed for ensuring adequate supplies. Government, no doubt, seems to have realised the need for more liberal imports. But the delay in making quota announcements and their improper timing have already cost the country dearly. To take only a recent instance, if the latest import quota had been announced a month earlier, the country could have obtained substantially more foreign cotton with the same foreign exchange allocation. During the one and a half month, prices of East African cotton, a favourite with Indian mills, have gone up by one-third. For every two bales of cotton that is now obtainable, one could have obtained three a month ago for the same amount of money. The result of the delay is higher raw material cost and, consequently, higher price of the finished product, less competitive capacity in foreign markets and, therefore, the possibility of a decline in exports of cloth. Governmental machinery is proverbially slow-moving and, when business planning and execution are made to hinge on bureaucratic decisions, some delay is inevitable. But it can be minimised, if not completely eliminated, if the powers that be are vigilant and care to look beyond their nose. If they do not have sufficient foresight, they should at least have the good sense to be guided by the advice of business men who are better judges. One would like to

know as to what the cotton adviser to the Textile Commissioner was doing all along. Did he go round the cotton tracts to get a firsthand picture of the conditions of crop? Has he any machinery for ascertaining the status of the crop from time to time? Why does not the Government of India learn something from its counterpart in the U.S.?

The cotton mill industry does not share the optimism of the Textile Commissioner that, with the steps already taken, everything will be all right. The Committee of the Indian Cotton Mills' Federation, for instance, has urged the Government to declare straightaway that at least one million bales of cotton would be imported during the current season. It has also asked the Government to announce forthwith the procedural details for the import of cotton. The Committee feels that, unless this is done, much serious impediment will be created in the working of mills, because mills are currently functioning on a hand-to-mouth basis, consuming cotton directly from the gins and presses. It, too, estimates that the Indian crop this season is not likely to exceed 4.5 million bales and that it may possibly be somewhere between 4.3 and 4.5 million bales.

Cloth Scarcity Ahead?

Meanwhile, there are fears is heading for scarcity of cloth. The statement of the Committee of the Mills' Federation is not clear on the relevant para merely reads as follows:

"At its meeting held in Bombay on Wednesday, the 9th inst., the Committee of the Indian Cotton Mills' Federation reviewed the cloth supply position in the country and noted the aggregate monthly rate of production by the mills, the handlooms and the powerlooms in the current year was higher than the average monthly output in 1956 and 1958 and very slightly lower than in 1957. This is borne out by the following average monthly production figures: 1956: 591 million yards; 1957: 605 million yards; 1958: 588 million yards and 1959: 594 million yards. Similarly, the average monthly delivery of mill cloth for civilian consumption during the current year has been much higher than the monthly rate of deliveries since 1956, the relevant figures being: 1956: 348 million yards; 1957: 340 million yards; 1958: 366 million yards; 1959: 373 million yards."

This is too brief a picture to remove the fears referred to above. By lumping the production figures for handlooms and powerlooms with those for the mills, the Committee has only caused confusion. Nor has it explained the significance of delivery figures, which apparently include exports also. Do these deliveries only mean that stocks have only moved from the mills to the dealers or that they reflect increased consumption? What exactly is the position of pipeline? Does the Committee feel that there will be enough mill-made cloth in the coming 12 months to take care of the needs of those who prefer such cloth to that made on handlooms and powerlooms? It is obvious that, if there were not sufficient mill cloth to go round, the history of 1955-56 would repeat itself. In order to avoid misunderstanding in future, the Committee should explain the position fully and take the consumers into confidence. It would also be desirable to have an authoritative picture of the trend of forward sales by mills for both export and domestic consumption.

Interest Rates Abroad

The upward trend in interest rates abroad does not seem to have halted. Following the increase in West German Bank rate on 23rd October last from 3 to 4 per cent., two more countries have stepped up their official discount rates. The Netherlands Bank raised its interest rate on all transactions by ½ per cent. bill discount—3½ per cent., the new rates being: bill discount—3½ per cent., interest on current account advances—4 per cent., discount rate for promissory notes—4 per cent., private loans—5 per cent., and on other loans 4 per cent. This was the first increase in the Dutch Bank rate since 15th August 1957. Between that date and 21st January 1959, it had been reduced in five stages from 5 per cent. to 2½ per cent. Last month's rise was taken as a measure of credit restraint. In view of the vigorous and continued expansion of bank credits over the past few months, the Netherlands Central Bank considered that there were no longer any reasons for maintaining the (then) Bank rate, which was low in comparison with other countries. Even the enhanced rate is much lower than that in many overseas countries.

The Netherlands Bank's action has been followed by the Bank of Japan, which has raised its discount rate from 6.95 to 7.30 per cent. with effect from the 2nd inst. In Japan, it may be noted here, the connotation of discount rate of the Central Bank is not the same as that in India and in many other countries. In fact, the structure of Central Bank lending rates is somewhat complex. The rate varies with the type of loan. Rediscounts of commercial loans and loans secured by import bill are done at a basic rate and it is this rate that is taken as the Bank rate. Rates that are lower by certain specified amounts, irrespective of the level of the basic rate, apply to loans and discounts secured by export bills. Higher rates apply to other loans. The lending rates for each bank varies with the total borrowing by the bank. Each bank has a specific limit within which it can borrow at the basic rates. Borrowings beyond these limits carry fixed surcharges that vary with excess over the limits. Hence, the actual rate at which the Bank of Japan lends varies with the level of the loans given, as well as with the level of its published rates.

There has been a further rise in short-term rates in the U.S. and the U.K. The 91-day Treasury Bill rate in New York rose last week to a new peak of 4.501 per cent. as against 4.279 per cent. in the previous week, 4.022 per cent. a month (Continued on page 1012)

EQUITIES BUOYANT

BURMAHS AND CENTURYS SHOOT UP

(From Our Own Correspondents)

BOMBAY, 10th December

EQUITIES shook off their lethargy and made a strident advance during the week. Activity was brisk and widespread and leading speculative counters, under the leadership of Bombay Burmahs and Centurys, scored handsome gains. The Indo-China problem, which Pandit Nehru described in the Rajya Sabha in the course of his reply to the debate on border policy as "the gravest problem that a country can face," did not seem to scare away the bulls. Nor did the latter appear to be worried over the growing scarcity of raw materials for industries, the rising costs thereof and the consequent effect on cost of production and profits. Those who had looked forward to Mr. Morarji Desai making a statement of policy in regard to taxation at the annual meeting of the Associated Chambers of Commerce and Industry were somewhat disappointed at the Finance Minister's vague and non-committal statement that he would have to be necessarily reticent on these questions which had a clear bearing on the next year's Budget. "This does not, of course, prevent me," he added, "from restating what I had said on various occasions, namely, that I shall be prepared always to consider these questions on merit and to see, to the extent I can, that there is no avoidable hardship or inequity." He, however, reminded the business men that "there are sacrifices to be made by all sectors," in order to help improve an economically weak nation.

The trend of the whole market shows that operators preferred to ignore the fundamentals and to follow merely the prices.

In the steel section, Tata Ordinaries moved up from Rs. 154 to Rs. 157.75 before closing at Rs. 156.25. The Rights were done at Rs. 72, as against Rs. 69.50. Indian Irons advanced from Rs. 23 to Rs. 23.80, but finished a shade lower at Rs. 23.72. Mukand Irons hardened by 84 nP to Rs. 18.96.

Despite the sharp rise in raw cotton prices and the Textile Commissioner's directive to mills not to hold stocks exceeding three months' consumption, textile shares gave a lead to the whole market. Centurys shot up from Rs. 618 to a new high of Rs. 649. Bombay Dyeings were done up to Rs. 70.30, before they closed at Rs. 69.70 which represented a gain of Rs. 2 over the week. Kohlnors were erratic, moving between Rs. 328 and Rs. 320.50, but the closing was done Rs. 5 higher over the week at Rs. 324. Central Indias changed hands Rs. 2 higher at Rs. 109. Finlays gained Rs. 3 to Rs. 296. Indu Ordinaries 24 nP to Rs. 11.08 and Shree Niwas Cottons Rs. 7 to Rs. 232. Simplex were less active and scored a rise of no more than a rupee to Rs. 160. Standards boomed to Rs. 780, an increase of Rs. 83 over the week.

Electricity shares provided an exception to the general trend, with an all-round setback in values. Ahmedabad Electrics shed Rs. 2 to Rs. 88. Bombay Suburbans Rs. 3.50 to Rs. 98.50 and Surat Electrics Re. 1.50 to Rs. 100.50. While Tata Hydros were unchanged at Rs. 109.50, Tata Powers declined by Rs. 5 to Rs. 1,072.50 and Andhra Valleys by Rs. 2.50 to Rs. 1,062.50.

Cements were listless, A.C.C. moving between Rs. 151.25 and Rs. 149.50. Digvijays gained Re. 1.50 to Rs. 146, while Orissa Cements shed 24 nP to Rs. 13.56.

Sugar shares ruled firm, in consonance with the general trend. Belapurs scored a handsome gain of Rs. 7 to Rs. 330. Walchandnagars Rs. 4.75 to Rs. 315 and Mahasistras Re. 1 to Rs. 243.50. Phaltans were steady at Rs. 174.50, following the Director's recommendation of a dividend of Rs. 13.50 (subject to tax) per share for the year ended 30th September 1959, which will mean a net dividend of Rs. 9.45 per share, as against Rs. 10 for the previous year.

The engineering section provided a bright feature, with marked gains in leading counters. Alcoek Ashdowns recorded a rise of Rs. 4 to Rs. 247. Tata Locomotives returned to favour and improved by Rs. 8.25 to Rs. 203. Premier Constructions advanced by Rs. 9 to Rs. 357, while Texmacos were maintained at Rs. 24.44 as also Mahindras at Rs. 26.30. Among minings, Shivrajpurs changed hands Re. 1.50 higher at Rs. 86.50 and Indian Coppers were 4 nP better at Rs. 3.90.

Automobiles were picked up at higher rates. Hindustan Motors at Rs. 15.96, as against Rs. 14.92 a week ago, and Premier Automobiles at Rs. 154.50, as against Rs. 140. Among shipings, Scindias improved by 60 nP to Rs. 17.20, as the dividend for the year ended 30th June 1959, despite the cut, proved to be beyond the market expectations. The Directors have recommended a dividend of Re. 1.30 per share, subject to deduction of tax, which is equivalent to a net distribution of 91 nP per share, as against Re. 1.25 paid for the previous year. Great Easterns gained 28 nP to Rs. 19.52.

The highlight of trading in the miscellaneous section was provided by the hectic rise of Rs. 35.50 to Rs. 584 in Bombay Burmahs (old) and of Rs. 9 to Rs. 199 in their new shares. National Rayons shot up from Rs. 361.50 to Rs. 378 before closing at Rs. 377.50. Gwalior Rayons hardened by Re. 1.20 to Rs. 26. Upward trend in dyes and

chemicals gathered fresh momentum during the week. Amar Dyes picked up Rs. 12 to Rs. 252, Colour Chems Rs. 5 to Rs. 245, and Indian Dye-stuffs Rs. 25 to Rs. 405. While Polychems were down by Re. 1.50 to Rs. 172.50, Tata Chemicals gathered 28 nP to Rs. 16.60. Tata Oils came to the limelight with a rise of Rs. 7.50 to Rs. 67. Wincos were well favoured at Rs. 236, a rise of Rs. 4.50 over the week, while Voltas were marked down by Rs. 3 to Rs. 180.75. Khandelwal Ferro Alloys picked up Re. 1 to Rs. 75 and Hindustan Levers Rs. 2.25 to Rs. 36.25.

Madras Stock Exchange

MADRAS, 9th December

Equities on the Madras Stock Exchange continued to rule steady during the week under review, thanks mainly to investment buying. Tea shares generally moved up following encouraging reports from auction centres. Coffee shares also met with good support induced by prospects of stable prices. Rubbers, too, were fairly active. Despite renewed reports regarding good offtake of yarn and piecegoods for domestic consumption as well as export, the textile section was rather dull, excepting for a few select shares. Operators were a little apprehensive about the tight supply position and high prices of raw cotton. Among miscellaneous industrials, engineering recorded handsome gains.

Buying enquiry in the sugar section was selective. United Breweries were keenly bid, the quotation forging ahead from Rs. 525 to Rs. 575. Mysore advanced by 50 nP to Rs. 56.50. Deccans gathered 10 nP to Rs. 13.90. Kirlapudis and Indias were fully steady, the former at Rs. 77 and the latter at Rs. 12.60. Travancore were maintained at Rs. 11.

Among teas, Peermads spurts by 50 nP to Rs. 19. Parkides hardened by 12 nP to Rs. 25.70. Kil Devasholas picked up 10 nP at Rs. 31.50. Kil Kotagiris put on 7 nP at Rs. 4.75. Oucherionys and Chembrus put on 5 nP to Rs. 5.52 and Rs. 4.05, respectively. Coonoors were fully steady at Rs. 25.25, as also Haileyburias at Rs. 16.25. Nelli-Ras at Rs. 3.03, Highlands at Rs. 14.50. But Nonsuch Teas eased by 20 nP to Rs. 25.60. Peria-karamalais by 3 nP to Rs. 3.63 and Blue Mountains by 2 nP to Rs. 3.47. In the coffee group, Consoli-dated Coffees advanced by 60 nP to Rs. 25.60. Coffee Lands rose by 45 nP to Rs. 18. Cowcoodys strengthened by 20 nP to Rs. 6.50. Wartyhullis gathered 7 nP to Rs. 3.62 and Ossours 2 nP to Rs. 3.70. Balanors were fancied at Rs. 18.75 and Anaparis at Rs. 5.20. Among rubbers, Midlands were marked up by 20 nP at Rs. 12.90 ex-div. Be Bes were steady at Rs. 2.85. The Directors of the Company have maintained the dividend at 5 per cent. for the year ended 31st March 1959.

In the textile section, Premiers advanced by Re. 1.50 to Rs. 202.50. Coimbatore Cottons rose by a rupee to Rs. 164. Metturs, Vasantas and Vijayeswaris gained a like amount to Rs. 408, 239 and Rs. 196, respectively. Rajalakshmis gained 50 nP to Rs. 65. Buckinghams were unchanged at Rs. 197.50. Coimbatore Pioneers at Rs. 322. Dhanalakshmis at Rs. 223. Loyals at Rs. 30.50 and Radhakrishnas at Rs. 28.

A spurt of Rs. 6.25 to Rs. 189.50 in Textools was the feature of trading in the miscellaneous section. Western India Plywoods climbed up by Rs. 6 to Rs. 232. F.A.C.T.s hardened by 35 nP to Rs. 19.50. Spencers improved by 20 nP to Rs. 19.50. Ashok Leylands and Aluminium Industries picked up 5 nP each to Rs. 7.25 and Rs. 22.70, respectively. Dalmia Cements gained a like amount to Rs. 10.35. Orissa Cements came unchanged at Rs. 13.30, as also India Steel Rollings at Rs. 13.40. Mysore Chemical Fertilisers at Rs. 10.63 and Standard Motors at Rs. 13.68. Mysore Papers shed 12 nP to Rs. 23.75.

Calcutta Stock Exchange

CALCUTTA, 9th December

In the absence of fresh incentive, the Calcutta Stock Exchange trod a dull and dreary path during the week under review. However, a late, but slow and fractional, recovery followed in speculative counters, while most other counters gave way on account of offerings. Budget anxieties, as well as fears that the new taxation on dividends for the working period falling in the current financial year would adversely affect the net return to shareholders, largely contributed to the caution exercised by investors and operators. Also, there was a tendency to set apart funds for some of the attractive issues just as Premier Automobiles, Premier Tyres, and Kaiser-Birla Aluminiums, expected to be offered very shortly. The Finance Minister, Mr. Morarjee Desai's statement in the course of his address at the annual meeting of the Associated Chambers of Commerce of India held here last week, that taxation questions would be examined on their merits in order to free them from avoidable hardship or inequity to the assesseees was considered vague; all the same, this statement contributed to prepare the market for increased taxation in the Budget.

The late recovery in Indian Irons followed clarification that the Government would charge interest on its advances to the steel companies from 1960-61 and not effective from this year as

was originally supposed. On behalf of the I.I.S.Co. Ltd. it was stated that the payment of interest would not affect present resources, but that the payment would be made from a special element to be introduced in the retention prices over and above the normal retention prices. The rapid increase in raw cotton and jute fibre prices restrained trading in the respective sections, while the cut in paper prices, as announced by the Government, led operators to think that the recent rise in shares of paper mills had been overdone. The Food Minister's firm denial of any proposal to nationalise the sugar industry as well as the steep increase in the price of the sweet commodity during the week failed to draw any favourable reaction in trading, on account of the general apathy.

Coals, after being quiet, tended to recover slightly. Butrakurs opened at Rs. 17 and after recovering to Rs. 17.31 gave way to close at Rs. 17.08. At Rs. 21.56, East Indias recorded a fractional improvement, while New Beerhrooms were unchanged at Rs. 21.75. Raneeunges recorded a late recovery to Rs. 16.50 from Rs. 16.37 with Bengals at Rs. 296 scoring one point.

Jutes sought lower levels in the absence of support and the volume of business also fell. From the previous rate of Rs. 130 Alliances dropped to Rs. 113. Anglo-Indias, after sagging to Rs. 215 from Rs. 223, closed at Rs. 218.50. Champ-danies were as low as Rs. 127, as against Rs. 130 previously and Gourepores at Rs. 422, as against Rs. 542. Lawrences shaded to Rs. 138 from Rs. 140, deas, at Rs. 57, were fractionally lower, as were Nelli-marlas at Rs. 12.75. Cheviots were hammered Rs. 190 from Rs. 194, and Lansdownes to Rs. 139 from Rs. 145. On a good working report and doubling of dividend to 5 per cent. for the year ended March 1959, Agarparas hardened to Rs. 11.81 from Rs. 11.44.

Engineering, after being easy, staged a recovery. Indian Irons opened at Rs. 23.14 and in the recession that followed lost to Rs. 22.75. A recovery soon set in and the closing was higher on balance at Rs. 23.69. Texmacos opened at Rs. 24 and after hardening to Rs. 24.35 and giving way to Rs. 24.20 closed higher on balance at Rs. 24.40. From Rs. 6.16 Kumardhubis recovered hands at Rs. 6.44, while Indian Standard Wagons changed hands at Rs. 94 against Rs. 95 previously, and Indian Galvanizing at Rs. 20.75 against Rs. 21.81. Shares of paper mills gave way for the reason also indicated. Despite a good working report and increase in dividend to 25 per cent. from 23.4/5 per cent., Titaghurs eased to Rs. 40.25 from Rs. 40.87. Ballarpurs closed lower at Rs. 44.25 after hardening from Rs. 44.37 to Rs. 44.75. India Pulp closed 50 nP lower at Rs. 21.37. Orientis, for which a dividend of 15 per cent. has been maintained, opened at Rs. 36.10, improved to Rs. 36.35 and closed lower on balance at Rs. 35.85.

Teas were quietly steady. The trend of prices in the more popular counters that changed hands this week is indicated below:

	WEEK'S		
	Opening	Closing	Gain or loss
Hantapara	Rs. 150.00	Rs. 151.00	+1.00
East India	24.31	24.31	+0.00
Nandurao	177.00	178.00	+1.00
Dufflachur	37.75	38.12	+0.37
Isimnath	29.81	29.82	+0.01
Brooke Bond	18.69	20.62	+1.93
Pattakola	165.00	167.50	+2.50
Methodal	23.75	23.75	Nil
Durgach	30.56	32.50	+1.94
Tezpur	18.87	18.82	-0.05

Among miscellaneous industrials, Hindustan Motors recorded a high of Rs. 15.07 to give way to Rs. 14.87. Rohtas Industries closed lower at Rs. 24.31 after recovering to Rs. 25.19 from Rs. 24.81. Indian Cables sagged to Rs. 29.87 from Rs. 23.37 returned to Rs. 23.25. Indian Cop-pers were quiet at Rs. 3.88 while Dunlop Rubbers at Rs. 35.19 were better fractionally.

Notice

BALMER LAWRIE & CO. LTD.

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend on the Ordinary Shares of the Company of 5 per cent. for the year ending 31st December, 1959, was declared by the Board of Directors on 7th December, 1959, payable on or after 30th December, 1959, to those Members whose names are registered in the Register of Members of the Company on the 30th December, 1959. Dividend Warrants will be despatched to Members and no application to the Company is necessary.

Tax will be deducted from this Dividend in accordance with the provisions of the Finance Act, 1959.

The Register of Members of the Company will be closed from 17th December, 1959 to 30th December, 1959, both days inclusive.

By Order of the Board,

D. MANSON,

Secretary.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 7th December, 1959.

NEWS IN BRIEF

A PROPOSAL to set up a floating dock at Visakhapatnam is under the consideration of the Central Government.

The Working Group on Co-operative Farming (Chairman: Mr. S. Nijalingappa) has finalised its draft report which is expected to be submitted to the Union Government before the end of this month.

An official Bill seeking to provide for the imposition of a special excise duty on certain varieties of sugar has been introduced in the Lok Sabha. This Bill is intended to replace the Ordinance issued earlier.

As a measure of export promotion, the Centre has decided to allow drawback of customs and central excise duty paid on materials used in the manufacture of gaskets and mixed fabrics containing terylene.

The Government of India has decided to re-allot the total existing printing quotas in such a manner as to enable the granting of limited quotas to some of the needy cotton mills, in pursuance of the recommendation made by the Textile Enquiry Committee (1958).

India and the U.S. have signed an agreement under which the U.S. Government guarantees to American investors dollar compensation for losses in case of expropriation in India. The agreement is a supplement to the convertibility guarantee agreement between the two countries, signed in 1957.

For the first time, lignite from the Nichhama mines in Kashmir State has been used for baking bricks for which purpose firewood was being used hitherto. The use of lignite is expected to result in a saving of about 300,000 maunds of firewood in Srinagar city alone, besides lowering the price of bricks.

The Tariff Commission's recommendation to extend the period of protection to the phenol-formaldehyde moulding powder industry at the existing rate of 35 per cent. ad valorem upto the end of 1962 has been accepted by the Union Government. Plastic buttons industry will, however, be deprotected from next month onwards.

There has been a decline in the level of production at the Calcutta silver refinery owing to certain technical defects, according to Mrs. Tarakeshwari Sinha, Deputy Minister for Finance. Some German experts are trying to remove the defects. If these cannot be set right, the proposal for converting the refinery into a copper refinery will be considered.

Copper, copper sheets, lead sheets for tea chests and lead strips will cease to receive tariff protection after the 31st of this month. The other types of lead sheets, zinc sheets, zinc strips, copper rods (other than electrolytic), brass rods, copper pipes and tubes will, however, continue to enjoy protection for a further period of three years from the beginning of next month, at the existing rate of protective duties.

The Government of India is expected to place a substantial order for helicopters for defence purposes with a British firm, the Westland Aircraft Company. A technical sales team of this company had come to India recently. Westland is the biggest manufacturer of helicopters outside the U.S. producing four main types, namely, Whirlwind, Wessex, Widgeon and Westminster.

The Government of India has decided to set up machinery for close and continuous consultation between the private and public sectors in the fields of refining and distribution of petroleum products. The proposed machinery, consisting of a steering committee and three sub-committees, will examine common problems and evolve solutions in the best interests of the country.

An agreement, covering the establishment of prototype training centre at Howrah in West Bengal with Japanese aid, was signed by the representatives of the Governments of India and Japan at Tokyo on the 7th inst. Japan will give 400 million yen (about Rs. 23 lakhs) for the project, besides supplying the necessary machinery and technical staff. The Government of India will provide the required land and administrative personnel.

The proposals for the manufacture of diesel locomotives put forward by three private firms—the T.E.L.Co.—the National Engineering Company and the Texmaco—have been scrutinised by the Union Ministry of Railways. The question of placing the order, however, is still under consideration. While the T.E.L.Co. proposes to manufacture metre-gauge diesel locomotives, the other two wish to take up broad-gauge locomotives. The foreign exchange component of the scheme will be 80 per cent. in the beginning and 30 per cent. subsequently.

A sulphuric acid plant, the first major chemical plant of the Bhilai steel works, was commissioned on the 5th inst. The plant, one of the biggest and most modern in India, has a capacity of 12,000 tons of acid per annum which may be raised to 18,000 tons in terms of monohydrate. It has a number of automatic devices, with a central control room which can be operated by a single man. The sulphuric acid will be used in the preparation of ammonium sulphate from coke oven gas. Construction of the ammonium sulphate plant has also been completed and is expected to commence production shortly.

The production of the multi-channel V.H.F. equipment, including radio terminals, repeaters and ancillaries, is expected to commence in the Bharat Electronics Factory in about two years, under an agreement reached between the Government of India and the Marconi Telegraph Company. Disclosing this in the Rajya Sabha, the Union Minister for Defence stated that the first stage would be the assembly of the imported parts which would be followed by complete manufacture within the country. The production will initially be for meeting domestic demand and, subsequently, there will be export of manufactured equipment to a number of neighbouring countries.

The Group Laboratories (India) Private Ltd., the makers of such popular products as Brylcreem, Macmans, and Ennos fruit salt, has renamed itself as Beecham (India) Private Ltd., after the parent company, Beecham Group Ltd., an internationally operating British concern. The Beecham Group, which is known the world over for its patent medicines and toiletry products, has recently expanded the range of its manufactures which now embraces, among others, food and food drinks, confectionery, soft drinks and pharmaceuticals. The Indian unit has a modern, well-equipped factory at Mahim, a suburb of Bombay, which has been recently enlarged to increase production and to commence manufacture of new products.

Considerable progress has been made in the manufacture of sugar mill machinery in the country. In terms of value, indigenous production has increased from Rs. 32 lakhs in 1956 to an estimated total of over Rs. 3 crores in 1959. During 1958-59, foreign exchange worth Rs. 64.3 lakhs was released to import component parts for the fabrication of sugar machinery. It is expected that, after 1961-62, by which time the existing manufacturers are expected to achieve full production, the industry will be in a position to supply 14 complete sugar plants per annum. This will meet the needs of the country except in regard to turbo-alternators and mill engines.

The annual rate of iron ore exports from India is expected to go up from about 2 million tons at present to 12 million tons by 1966. Negotiations are in progress with Italy, West Germany and other countries for the export of an additional quantity of 1.5-2.0 million tons of iron ore to Europe per annum from the west coast of India. The Japanese steel mills are already under contract to buy two million tons of iron ore per year for ten years from Kiriburu (near Rourkela) from 1964. Japan is also interested in importing a further 1 million tons per annum for the same period from the Bailadila mines in Bastar, Madhya Pradesh. In connection with the latter proposal, a Japanese delegation is expected to come to India next month.

The Government of India has amended the Non-ferrous Metals Control Order 1958, specifying the principles governing the issue of permits. Accordingly, in issuing permits, the Controller will take into consideration (1) the requirements of the industries for a period of six months based on their consumption of non-ferrous metals in the previous year or years, (2) the requirements of small-scale industries in the States, based on the recommendations of the Development Commissioner, Small-scale Industries, Government of India, or of the Director of Industry of the States, and (3) the quantity of the non-ferrous metal imported and available for distribution. The revision followed the judgment of the Supreme Court delivered on the 3rd inst. to the effect that Clause 4 of the Non-ferrous Metals Control Order 1958 was void and that, in order to make the clause effective, the principles governing the issue of permits under the order should be specified.

From Abroad

The World Bank has granted a loan of \$12.5 million to Pakistan for financing an interim programme of railway reconstruction and development.

Eleven U.S. banks have decided jointly to establish a \$40-million revolving credit for the South African Government. The new credit super-sedes an existing \$20 million loan.

An American company, the Minnesota Mining and Manufacturing Company, has opened a factory in Johannesburg, its first plant in Africa. The present investment in the new factory is £250,000, which is expected to expand further.

The United Arab Republic airline, Misrair, is expected to place an order for three Comet airliners with the British firm, de Havilland Aircraft Company. The payment will be made from the proceeds of Egyptian cotton sales in Britain.

The British Cellophane has developed a series of new polypropylene, nylon, polyvinyl alcohol, polystyrene and plasticised polyvinyl chloride films for packaging which, it is claimed, have many advantages over the existing packaging materials.

The Shell of Singapore proposes to set up a petroleum refinery in Singapore at a cost of about £4.6 million. The refinery is expected to meet Shell's current and future local requirements of petroleum products. Shell has applied for "pioneer status," involving tax concessions from the Government.

The International Tin Council has fixed the total export quotas of producing members at 36,000 tons for the first quarter of 1960, representing over 95 per cent. of the total capacity of the producing members. This compares with the quota of 30,000 tons for the current quarter and 25,000 tons for the last quarter.

PERSONAL

MR. Dwight D. Eisenhower, President of the United States of America, arrived at New Delhi on Wednesday the 9th inst. on a four-day goodwill visit to India.

Mr. P. Das Gupta, until recently First Secretary to the Indian Embassy in Peking, has returned from China. He will shortly take up the post of First Secretary to the Indian Embassy in Belgrade.

Mr. B. N. Adarkar, India's Executive Director on the International Monetary Fund and Economic Minister at the Indian Embassy, Washington, has arrived in India for routine consultations with the Government.

Mr. Chinubhai Kilachand has been re-elected President of the Indian Roads and Transport Development Association. Dr. F. P. Antia and Mr. B. V. Vaughn have also been re-elected Vice-President and Executive Vice-President, respectively.

Mr. J. S. E. Riddle, who for the past three years has been Representative, Calcutta, for The Marconi International Marine Communication Company, Ltd., has now completed his tour of duty there and is returning to the United Kingdom. The opportunity has, therefore, been taken to re-organise the Company's services in India, with a view to centralising contractual and business matters to the benefit of Indian shipowners and others whose vessels trade into Indian ports. Mr. P. W. Webster, at present Representative, Bombay, now becomes Representative, India, and, in addition to having charge of the Bombay depot, will also take over general responsibility for the Calcutta service depot. Under the new arrangement, the day-to-day running of the Calcutta service depot, with responsibility for its technical service to shipping, will now be in the hands of Mr. John Lumsden, who is promoted to the post of Calcutta Service Manager.

The U.S. Monsanto Chemical Company has been allowed to participate on a fifty-fifty basis in a new Spanish chemical concern, the Aceorgon, to be formed under the new Spanish foreign investment law. The participation will be in the form of subscription to the 10-million pesetas new company. The Monsanto will grant a credit of \$1.8 million to the Company.

A new "highway code" has been formulated by the British Ministry of Transport with the object of reducing the number of accidents. It is estimated that 6,000 people die in the U.K. annually by road accidents. The Code contains a new section on motor driving and also fresh rules for lane discipline, use of headlights in fog, and "double white line" system.

Industrial output in the U.K. touched a new peak during the month of October, 7.8 per cent. higher than at the beginning of the year and 9 per cent. more than in the corresponding month last year. The rise in output has been over a wider front throughout the economy than in the first half of the year, being particularly marked in heavy industry sections.

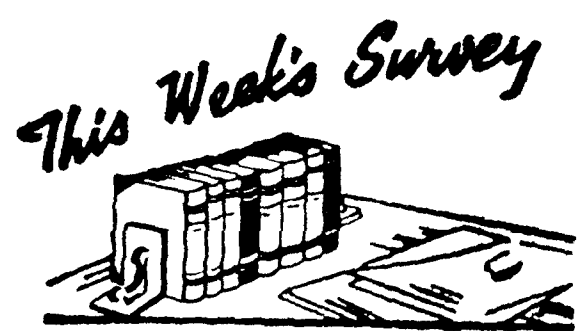
An official Bill has been introduced in the Cambodian National Assembly to nationalise insurance business in the country. The present plan is to establish a joint-venture corporation which will handle all insurance and will invest its profits in building and other activities which help the economic development of the country.

The Italian Government has decided to introduce anti-trust legislation, as required by the Common Market Treaty. The proposed legislation seeks to ban all agreements, written or verbal, among business concerns or trade associations which may hinder or limit competition on the internal markets and provides for the setting up of a special committee to investigate restrictive practices.

It is reported that attempts are being made in Kuwait to replace the Indian rupee now in circulation by a local currency. Three companies (American, British and Pakistan) have offered to undertake the minting of Kuwait's coins and printing of its bank notes. The offers have not yet been accepted. Kuwait is the richest of Persian Gulf sheikhdoms, with oil royalties amounting to over £100 million annually.

The French Government has decided to remove half of its remaining quantitative restrictions on imports from next month onwards. The percentage of liberalisation will thus be increased from 81 (on the basis of all imports in 1957) to 90 (on the basis of all current imports). Even after the proposed liberalisation, France will still be more protective than the other members of the Common Market. France proposes to catch up with them by regular six-monthly measures of liberalisation.

World steel production in 1959 will probably break the record of 293 million tons set up in 1957, according to estimates prepared by the West German Industrial Institute. Production of steel in Japan rose by 33 per cent. to 11.9 million tons during the first three quarters of the current year, as compared with the corresponding period in 1958. Even in the U.S., despite labour strike, crude steel production was 27 per cent. higher. Production in Russia is put at 44.4 million tons and that in the European Coal and Steel Community at 45 million tons.



FOREIGN AID

TWO hours of precious time were wasted in the Rajya Sabha on Thursday the 3rd inst. on account of Mr. Bupesh Gupta, a Communist member, who initiated a discussion on the Union Finance Minister's statement regarding his tour of Europe, the U.S. and Japan. There was no need for the discussion at all, for the statement was placed in the House merely to appraise the members about the country's latest foreign exchange resources position and the prospects for external aid. What is more, the statement did not contain any controversial points such as would evoke criticism. The only consideration which prompted Mr. Gupta to initiate a debate on the statement was, perhaps, the unhappiness over the fact that the countries visited by the Minister are free and friendly with India. "He (that is, Mr. Gupta) would like to see," as the Minister said, "that they (the Western countries) are not friendly and that only Communist countries are friendly." Mr. Gupta miserably failed to prove his objections to the Minister's statement, as witnessed the following extracts from his speech as reported in the daily Press:

"The Finance Minister is adding to the liabilities or preparing the ground for the accretion of such liabilities... India is the only country whose Finance Minister is annually touring, seeking economic assistance in the western world. In Mr. B. K. Nehru, we have a roving financial ambassador wooing the Western capitalists almost the year round... Every time the country is in financial difficulties, we rush to Washington. This does not speak well of the state of affairs in India's economic field... the Finance Minister must arrest the process of drain on the country's resources resulting from foreign private investment. Foreign investment in India has gone up from Rs. 288 crores in 1948 to over Rs. 558 crores now. The total profits in 1954-57 amounted to Rs. 164 crores, out of which just Rs. 52 crores were ploughed back in the industries and the balance taken out of the country. This is a drain on our resources... My charge against the Finance Minister is that he is throwing the doors wide open to foreign private investors to exploit India's resources and strengthen their stranglehold."

There is little logic in this criticism. At the very outset, it must be emphasised that India need not at all be apologetic about seeking the financial assistance of friendly countries, irrespective of whether they are in the free world or the Communist bloc. Considering the woeful shortage of internal capital resources, no underdeveloped country, like India, can make rapid progress by its own effort. This aspect was impressively brought out by Mr. Morarji Desai. He rightly pointed out that not only democracies but even dictatorships obtained help from other countries. In the earlier days, Russia had to rely mostly on the help of the Americans. China is developing rapidly, because the Soviet Union is helping it liberally. The U.S. could not have come up, if capital had not flowed from England and other countries. Yet none of these countries has become dependent on account of the help they have taken.

The debate, though it was unwarranted, at least provided another opportunity to the Finance Minister to put India's attitude towards foreign aid in its correct perspective. He emphatically declared that India would not become dependent just because it took loans and aid from other countries which had given out of friendliness and regard for its needs without attaching any strings. Mr. Desai made it clear that India did not want aid with strings and observed: "I must say to the credit of the friendly countries that they have shown no inclinations to attach any strings to aid. We have to acknowledge this attitude frankly." Elaborating his viewpoint, the Finance Minister said:

"... It will not be possible for the country to depend only on the earnings from exports and not seek loans. We are trying to change the pattern of exports, so that we can increase them and make up for some retrogression in some of the fields, and we have every hope that exports will go on increasing. But, until we reach the stage of a self-generating economy, it will be necessary for us to import more and more capital goods and even raw materials. Until then, it is necessary to have loans. If they are not given, it is not as if we are down and out. It will only mean that our progress will be slower. Private foreign invest-

ment does not make the country dependent. It is only that capital which will be useful to us and which will be helpful to our development that will come. We will allow only such foreign investment as fits into our plan. I cannot also make a distinction between Indian and foreign capital in regard to profits. Profits cannot be cut down to an extent where the industry cannot work."

This is, indeed, a realistic assessment of the whole issue pertaining to foreign loans and private investments. It is gratifying that, barring Mr. Bhupesh Gupta, all the other members who participated in the debate expressed themselves in favour of seeking foreign aid for India's development.

AIRLINES' PACT

The agreement between three leading international airlines, namely, Air-India, B.O.A.C. and Qantas, for pooling revenues and co-ordination of operations, announced last week-end, is in keeping with the trend observed in international air transportation. The advent of the jet age has no doubt made air travel a pleasant experience. But the heavy capital investment involved in acquiring and operating jet aircrafts has imposed so severe a financial strain even on giant airline companies that they have been compelled to explore the possibilities of fuller utilisation of the enlarged passenger haulage capacity. In a bid to attract larger traffic, a number of European and American airlines have already effected reduction in fares.

The object of the agreement between Air-India, B.O.A.C. and Qantas is to expand their collective share in international air traffic in the jet age. Both B.O.A.C. and Qantas have already jet fleets in operation. Air-India will introduce its Boeing jets in April 1960. Together, they have a network of routes, extending from London eastward to India, Australia, Hong Kong, and Japan and westward to New York, thus covering the major part of the world's air transport system.

The agreement was signed in Bombay by Mr. B. R. Patel, Vice-Chairman and General Manager, Air-India International Corporation, Mr. Basil Smallpeice, Managing Director, B.O.A.C., and Mr. C. O. Turner, General Manager, Qantas Empire Airways, Ltd. The details of the agreement have to be ratified by the respective Boards and Governments of the three airlines. The pact provides for the joint planning of operations and co-ordination of reservation systems. The sales staff will work as though they belonged to one airline. Tickets of the three airlines will be freely interchangeable and each will sell the services of the others. At the same time, each will retain its own identity and individuality and will be free to develop itself along independent lines. They will also continue to exercise their right to choose the kind of aircraft they will put into operation.

The executive heads of the three airlines believe that the agreement is "one of the most historically significant developments in commercial aviation." There is no doubt that the travelling public stands to gain from the agreement, as it will provide them an unrivalled airline service through the great travel centres of the world.

INDIAN SHIPPING

It will require much national, and not inconsiderable international, effort before Indian shipping comes into its own. Indian ships now carry less than 9 per cent. of the country's overseas trade, a far cry from the 50 per cent. level envisaged by the Government in 1947. There are many obstacles to a rapid increase in the proportion of foreign trade that is carried in Indian bottoms. The chief of them is, of course, the lack of adequate tonnage. But even if the country acquired it, there might well be other obstacles to the achievement of a reasonable share in overseas trade. To one such difficulty Mr. A. Ramaswami Mudaliar, Chairman of the India Steamship Company, Ltd., drew the pointed attention of the shareholders in the course of his speech at the annual meeting of the Company, held at Calcutta last week. He revealed that the Company had not been allowed by the Conference lines to call at the wayside ports on the direct route from India to the U.K. and the Continent. He added: "On the other hand, quite recently, while we were calling occasionally at other ports in Ceylon like Trincomalee and Galle, the Colombo Conference extended its sphere to all the ports in Ceylon and announced that, as the Indian lines were not members of that conference, they could not call at any of the ports of Ceylon, a supreme example of the freedom of the seas and

non-discrimination of flags which some of the lines constantly speak of!" This is the kind of attitude which Indian shipping has to contend with in its efforts to build up a mercantile marine which can acquire for itself a reasonably larger share of the country's foreign trade. The countries, the ships of which have established themselves in carrying world trade, should realise that an aggressively partisan attitude on their part is not calculated to further the cause of economic development of the free world.

Nearer home, there are a quite few obstacles to the development of Indian shipping. The first obstacle is financial. Tentative targets for the third Plan envisage a tonnage of 1.6 million, as against the target of 900,000 tons fixed under the second Plan. It is now confidently predicted that the second Plan target will be reached. The achievement of the target under the third Plan will imply an investment of about Rs. 100 crores. It is necessary that while the Government should continue its present policy of generous aid to shipping, the shipping companies should be enabled to increase their internal resources. Further, facilities should be provided for the profitable operation of ships. In this connection, two notable suggestions were made by Mr. A. H. Bhiwandiwalla, Chairman of the Great Eastern Shipping Company, Ltd., in the course of his speech at the annual meeting of the Company, held this week in Bombay. In the first place, Mr. Bhiwandiwalla suggested that, inasmuch as the coastal movement of coal by ships was cheaper than transport of the commodity by rail, the railways should not encroach upon this field. It may be recalled that the Rail-Sea Co-ordination Committee recommended reservation of movement of coastal coal for Indian shipping. The Government will do well to accept this recommendation in principle, though it may make such modifications in its policy as will ensure that the railways are not denied all access to coal. A similar policy should also be pursued in respect of certain other cargo—salt, for instance—but care must be taken to ensure that shipowners do not exploit the monopoly given to them by such reservation. If necessary, the Government may even hold an enquiry into the efficient working of shipping companies before granting this demand, an enquiry in which manufacturers and the railways may be given an opportunity to state their points of view. Secondly, the Government should co-ordinate effectively the cargoes belonging to itself and ensure that they are generally carried in Indian ships.

EXPORTS OF MANGANESE ORE

In recent years, exports of manganese ore have declined greatly. They aggregated only 700,000 tons in the first ten months of 1959, as against 900,000 tons in the corresponding period of 1958 and 1.6 million tons in the whole of 1956. Although the fall in export trade has synchronised with the entry of the State Trading Corporation (S.T.C.) into it, it may be unfair to establish any casual connection between the two developments. For the decline in export trade must be attributed to the fact that several countries, which have recently developed their manganese ore mines, are geographically in a more convenient position to supply the requirements of importing countries. But this criticism does not in any way invalidate the criticism made by private traders that the S.T.C. is trying to secure an unfair advantage at their expense and it hinders, rather than helps, India's export trade. This, in fact, was the substance of the criticism made by Mr. S. J. Kajaria, President of the Western India Minerals Association, in the course of his speech at the annual meeting of the Association, held last week in Bombay.

It seems correct to say that the S.T.C.'s actual performance on the export trade front is disproportionately small as compared with the role assigned to it by the Government. In this connection, Mr. Kajaria pointed out how, out of the reported commitments of 1.12 million tons of manganese ore for 1959-60 by the S.T.C., only 75,000 tons were sold by it; the balance represents export transactions concluded by private exporters and barter deals and routed through the S.T.C. It may be mentioned here that no private exporter is allowed to conclude bulk deals with foreign buyers for deliveries extending upto three to five years, unless he first agrees to become an associate of the S.T.C. Commenting on this arrangement, Mr. Kajaria rightly wondered in what way the interests of the country's manganese ore trade would be better served through the stipulation that export deals should be finalised in the name of the S.T.C. only. On the contrary, he feared that such a procedure would increase the

cost of Indian manganese ore to foreign buyers. He went on to state that it had been reported that "before one could become an associate of the S.T.C., he should agree to pay a certain amount of commission to this organisation, despite the fact that this organisation renders no service whatsoever other than that of transferring its quota."

Inscrutable are the ways of the Government and the S.T.C. Apparently, the Government's aim is to make the S.T.C. a grand trade Mughal who, having acquired a monopoly or near-monopoly in certain commercial lines, will dispense favours to its business associates and frown upon those who like to carry on trade on their own. Only, it is not clear how all this will serve the country's export trade. Already, there is a growing feeling that the S.T.C.'s business profits constitute not only unearned income but invisible taxation. If it must engage itself in trade, whether internal or foreign, the least that should be done is to ensure that it does not compete on unequal terms with private traders. By utilising its privileged position to beat down its rivals, the S.T.C. may cover itself with glory. But it will be a Pyrrhic victory.

POSTS AND TELEGRAPHS BOARD

A notable step towards toning up 'the administration of the Posts and Telegraphs Department has been taken with the Government's decision to set up a new body, similar to, if not identical with, the Railway Board. The Posts and Telegraphs Board is scheduled to be inaugurated early next week. One of the oldest and the biggest State undertakings in India, next only to the Railways, the Posts and Telegraphs account for a capital outlay of Rs. 111 crores and employ over 300,000 persons. No doubt, the Department has an impressive record of growth and expansion. Postal facilities are being extended to rural areas, thereby expanding the already vast network of communication system. Nevertheless, there is a growing public impression that the Department has become somewhat lethargic and slow. There have been many complaints of delay in the delivery of letters, telegrams and postal packages. This has caused much public concern. The new Board, it is to be hoped, will bring about speed, efficiency and, above all, economy in administration. It is true that a mere organisational change at the apex will not necessarily ensure better administration. Much will depend on the way the new body utilises its powers and how the rank and file in the Department respond to its call.

An outline of the Board's functions was given by Dr. P. Subbaroyan, Union Minister for Transport and Communication, in the Lok Sabha last week. He observed that the proposed Board would have some autonomy. It could not, however, be put on the same basis as the Railway Board, at least for the time being. Unlike the Railway Board, the P. and T. Board would have no separate budget. It would, however, be a policy-making body and its decisions would be subject to the approval of the Minister. The Director of the Board would act through the Minister in some cases. Dr. Subbaroyan announced that he would not interfere in the day-to-day work of the Board. The policy decisions of the Board would be conveyed to the Minister through the Secretary. Alluding to the functions of the Financial Commissioner, he observed that the Finance Department did not unreasonably interfere with the work of other departments. The Minister did not accept the suggestion for having the Chairman of the Board as the Secretary to the Ministry, as in the case of the Railway Board.

It would appear that the Minister would like to make changes in the constitution of the Board, after watching the functioning of the Board for five or six months. For the present, it looks as though a nominal change has been made in the administrative set-up without making an earnest effort to leave the necessary initiative and power of decision-making with the Board. The autonomy of the Board will not be statutorily recognised, though it may well acquire an independent status by convention in course of time, if it functions well. The working of the Board will be watched with interest.

Replying to the allegation that the Posts and Telegraphs were running at a loss, Dr. Subbaroyan pointed out that this was not quite correct. Last year, the Posts made a profit of Rs. 130 lakhs and Telephones as much as Rs. 523 lakhs. The Telegraphs, however, suffered a loss of Rs. 6 lakhs and Radios Rs. 5.5 lakhs. The Board will do well to run these essential services on commercial lines and strengthen their

LONDON LETTER

CRISIS AND THE LABOUR PARTY

MR. BEVAN'S TELLING ARGUMENT

(From Our Own Correspondent)

LONDON, 2nd December

NO one who attended the historic conference at Blackpool of the defeated British Labour Party could have failed to be moved by the high priority given in the consideration of future policy to the needs of the underdeveloped countries. There were two great issues at this inquest which the Party held after its own defeat. Firstly was the part that might have been played by Labour policy over nationalisation, or rather the part played by the misrepresentation in the course of the election of what Labour's nationalisation policy was, and, secondly, the moral issue that, just as the Labour Party had been formed to look after the interests of the underdog, the unemployed, the underpaid, the aged, so, now that these domestic problems have been largely resolved, it was the duty of the Party to carry its contributions and its material help to this country's neighbours overseas. The Indians, the Africans and the Indonesians were cited time and time again as the peoples the problem of whose welfare had replaced the old-time problems of the unfortunates at home.

But the crisis which the Labour Party faced after its third successive defeat was exactly how it was to translate into terms of policy, readily understood by the electorate, the actions which it considered necessary to achieve its aims—those aims, of course, being the achievement of power in order to carry out the developments at home and abroad considered necessary. But so committed is the party now on the question of overseas development that, should it be returned to power in five years' time, it will, indeed, have to give the topmost priority to this matter.

Nationalisation

The conference has been widely reported as revealing deep divergence of views between a Right Wing, which wanted to play down the issue of nationalisation, and a Left Wing, which wanted to keep public ownership in the forefront of the programme; but, of course, the issue was not as simple as that. The Right Wing does not want to drop nationalisation altogether; it is simply saying that, through a combination of apparent inefficiency on the part of some of the nationalised industries and the propaganda of the Party's opponents, the public have had the wrong idea of where the Party stands. So the Right Wing does not want to talk about nationalisation now but to concentrate on other matters and simply reserve the right to turn its attention to industries which might be failing the country.

Nor does the Left Wing want to nationalise everything. Indeed, the word nationalise is itself misleading. They want public ownership to embrace the "summits of economic power." That public ownership might be in the form of State control, in the form of public boards, or in the form of co-operative or municipal undertakings; but, if the industry affected the livelihood of a large number of people, then it should be amenable to public control. However, even this is to understate the problem, because the Left Wing does not believe that it will be practicable to have a society conforming to socialist principles in which greed takes a big place, as they claim it would if private enterprise remains the dominant force in industry.

But both Right and Left used their attitude towards "nationalisation" to indicate the fate of the country's neighbours overseas under one or the other policy. Thus, one had those who said that, if the Party continued to follow doctrinaire socialism, they would remain out of power, and the consequences would be the suffering of people at home but "the slavery of Africans and the starvation of Indians and Indonesians." This proved a very popular line of approach, but it was countered by the Deputy Leader of the Labour Party, Mr. Bevan, in his masterly conclusion to the debate with the words that, unless the Party held the "summits of economic power," unless they were able to impose their own priorities on the economy, they would not be able to help India and Indonesia or the peoples of Africa. And his argument was the more telling, in that he said that

(Continued in previous column)

(Concluded from next column)

the challenge to Britain's external economic position would not come from America or from the other Western countries, but would come from Russia and it would be Russia, which year by year, as a result of its own internal economic planning, would be the country called upon to assist the development of the more backward territories. If Britain wanted to play her part, therefore, she had to meet that challenge, and do it by gaining power in a society organised to give the right priorities not only for Britain's domestic economy but for the economy of the whole world.—All Rights Reserved.

Agreement has been reached between the Leeson Corporation of America and George Hattersley and Sons of Keighley, for Leeson's Unifil loom winder to be built in to the Hattersley filament rayon loom. The work, which entails close co-operation between the American and British engineers, is expected to be completed in the spring. This is the first application of the Unifil loom winder to a filament rayon loom in the United Kingdom. The Unifil winds weft yarn on to pirns at the loom, from large package cones, thus eliminating the need for a separate pirn winding department. Demand for Unifil loom winders in the United Kingdom is so heavy that delivery dates in 1961 are now being quoted for new orders.

The Bombay Company Private Limited, Madras-1 • R. C. Abrol & Company (Private) Limited, New Delhi-1

WORLD BANK TO BORROW IN LONDON

TERMS OF ISSUE YET TO BE SETTLED

THE International Bank for Reconstruction and Development will shortly be entering the capital market in London to borrow "more" money. This was disclosed by Mr. Eugene Black, President of the Bank, in the course of an address to the Institute of Bankers, London, last week. He did not, however, commit himself regarding the amount to be borrowed and the date of borrowing; he merely said that the Bank hoped to return to the London market for more money "as soon as circumstances are favourable." The raising of new issues by the World Bank in London requires, as in the case of other overseas borrowers, the permission of the Capital Issues Committee and the timing and other terms have to be approved by the Bank of England.

The World Bank has so far made two issues in the London market, but they were small ones, each for no more than £5 million (\$14 million) in twenty-year stocks carrying interest at the rate of 3½ per cent. per annum. The first issue was made in 1951 and the second in 1954. In fact, when the first issue was made, the U.K. was the first country outside the U.S. to open its market to a public issue by the World Bank. Till then, the Bank had been borrowing only in the U.S., not by design but by expediency. While the U.S. was then the chief market for the Bank's bonds, the Bank, nevertheless, had explored the possibilities of raising funds elsewhere also. This was because the Bank had from its inception felt that, as an international lender with a long-term need for capital, it would need as broad a market as possible. That this principle has been followed by the Bank as far as circumstances permitted is evident from the following statement of funded debt outstanding as on 30th June 1959:

Payable in	Rate of Interest	Maturity	Amount (in million U.S. \$)
United States Dollars ..	2 to 4½%	1 to 30 years	1,591.24
Belgium Francs ..	5%	10 to 15 "	10.00
Canadian Dollars ..	3½ to 4½%	10 to 15 "	34.69
Deutsche Marks ..	3 to 5%	5 to 15 "	22.41
Netherlands Guilders ..	3½%	15 to 20 "	21.05
Pounds Sterling ..	3½%	20 "	28.25
Swiss Francs ..	3½ to 4%	5 to 20 "	159.92
Total ..			1,905.16

Since the close of the last fiscal year, the Bank privately placed two issues aggregating \$130 million, and after taking into account the maturities and the increase in debts under delayed delivery arrangements, the outstanding funded debt of the Bank stood raised to \$1,963 million as on 30th September 1959.

The World Bank President availed himself of the opportunity offered by the Institute of Bankers to refer, in great detail, to the contribution made by the Commonwealth countries as a whole and by Britain, in particular, to the Bank's resources and the benefits these countries had received from the Bank. "An important element of Commonwealthship," he declared, "is the ability to obtain large loans from the World Bank." In this respect, according to Mr. Black, the Commonwealth countries have been successful. The total Commonwealth borrowing from the Bank so far is £530 million, which represents nearly one-third of the total loans made by the Bank. Of this, £460 million have been granted to the self-governing countries, such as Australia, India, Malaya, Pakistan and South Africa.

Mr. Black also referred to the indirect benefit received by Britain out of the World Bank loans. According to him, British companies have received orders worth £140 million from the projects financed by the Bank. This sum represents 50 per cent. more than the British Government's own contribution to the Bank's capital. "As you know," Mr. Black added, "the Bank encourages international competitive bidding and British industry has been increasingly successful in the past few years in obtaining orders from our borrowers—and many of these orders were paid for in dollars."

Adverting to Britain's own contribution to the World Bank's resources, Mr. Black said that, besides the two small market issues in 1951 and 1954, the U.K.'s official contribution came to about £93 million, including the gold and dollar subscription. In addition, the Bank expected to receive another £60 million or so from the self-governing members of the Commonwealth. "With the exception of Canada,"

the World Bank President said, "we had to wait a very long time before we could use the local currency component which made up most of that total." Indeed, in the case of some Commonwealth countries, the Bank was still waiting. In this connection, Mr. Black was very critical of the provisions of the Bank's constitution, according to which 18 per cent. of its original nominal capital—by far the largest part of the available Government funds—was paid in local currencies and could only be used with the consent of the member-country concerned. He cited the instance of the U.K., where the Bank had to wait for thirteen years after the end of World War II before being able to use all of the paid-in subscriptions from the Bank's second largest member-country. This feature of the Bank's capital structure has not commanded Mr. Black's admiration.

Mr. Black also discussed at length the difficulties experienced by many underdeveloped countries in attracting overseas capital, especially the new independent countries which had lost the credit of the "mother country." Unfortunately, the present difficulties in the U.S. balance of payments, as Mr. Black reminded his audience, have come to coincide with, and therefore aggravate, the world-wide shortage of capital which has come about as a result of the unprecedented economic growth throughout the world during the last fifteen years. Mr. Black's statement implies that Britain and other European countries have to take the burden of development of the underdeveloped countries and one way of doing so is to lend to the World Bank. It is, however, pointed out by a spokesman of Britain that its lending for Commonwealth development since the war has been "pushed to the limit of financial prudence and sometimes beyond it." But the fact that the World Bank looks forward to raise "more" money in London seems to suggest that, in Mr. Black's view, Britain's capacity as a big supplier of capital has not been fully used up.

There is considerable speculation in London about the proposed borrowing by the World Bank. While one's guess is as good as another's, the general impression is that it will be much more than on the last occasion. The real problem of borrowing in London will centre round the rate of interest. It is pointed out by some that the Bank will have to pay a little more than the current yields on gilt-edged. This will mean borrowing at the rate of 5½ to 5½ per cent. The point is whether the World Bank can afford to borrow at this rate when its lending rate is 6 per cent. It may be noted in this connection that, earlier this year, the Bank had borrowed in Belgium and West Germany at 5 per cent. per annum. As it has secured the bulk of its resources at much lower rates of interest, it will not be a great hardship for the Bank to pay a fraction more than 5 per cent., if the sum sought to be raised is only modest, say, £25 to £50 million. In any case, with interest rates in the U.S. remaining high and with international hunger for capital growing, it seems clear that the cost of borrowing from the World Bank will tend to be higher than hitherto. This is a point which the planners in this country will do well to bear in mind.

I.M.F. HELPS ARGENTINA

The Government of Argentina has entered into a one-year \$100 million stand-by arrangement with the International Monetary Fund as a means of carrying forward its programme of economic stabilisation. The arrangement with the Fund is to be supplemented by additional credits which the Argentine Government is negotiating in other quarters.

Argentina recently paid \$32.5 million in gold to the Fund in fulfilling conditions for an increase in its Fund quota from \$150 million to \$280 million. As the new stand-by arrangement goes into effect, Argentina's outstanding drawings from the Fund total \$117.5 million, of which \$75 million was drawn in 1957 and \$42.5 million under a stand-by arrangement announced in December 1958. These drawings were made in United States dollars. The Argentine Government has indicated that, if any drawings are made under the new arrangement, it will request approximately 50 per cent. of the amounts drawn be made available in U.S. dollars and the rest in European currencies.

Since the beginning of this year, the Argentine Government has succeeded in reducing inflationary pressures and in strengthening the country's reserve position. To accomplish this, it removed subsidies and price controls, reduced Government spending, adopted a single fluctuating

exchange rate in place of a complex multiple rate structure, and took steps to encourage foreign investment and the revival of the local capital market. This programme will be continued in 1960 and will be accompanied by a greater liberalisation of the country's foreign trade and payments. The stand-by arrangement with the Fund will provide general balance of payments support and will help the Government to maintain an orderly foreign exchange system.

JAPAN RAISES BANK RATE

The Bank of Japan has stepped up its official discount rate by 0.365 per cent. to 7.30 per cent., with effect from 2nd December 1959, thus restoring it to the level which prevailed prior to 19th February when it was last lowered to 6.935 per cent. Since 1950, Japan has altered its Bank rate eight times, as will be seen from the following table:

Date of change	Rate Per cent.	Date of change	Rate Per cent.
5th July 1942 ..	5.11	8th May 1957 ..	8.395
1st Oct. 1951 ..	5.84	18th June 1958 ..	7.665
10th Aug. 1955 ..	7.20	5th Sept. 1958 ..	7.30
20th March 1957 ..	7.065	19th Oct. 1959 ..	6.935
		2nd Dec. 1959 ..	7.30

The latest rise in the Japanese Bank rate has been taken as a "hedge against a possible revival of inflationary tendencies." The recent steady rise in commodity prices, the increase in the demand for funds from industry and the growth of the number of bank notes in circulation appeared to indicate, according to a spokesman of the Bank of Japan, that the present favourable equilibrium in economic development might be endangered unless precautionary measures were taken in time. The Finance Minister of Japan said in an interview that he hoped the commercial banks would operate by raising their own interest rates and restricting loans.

STERLING AREA'S RESERVES DECLINE

The sterling area's gold and convertible currency reserves suffered a decline of £18 million during November to £1,082 million. This is on top of a drop of £93 million which occurred in October, but due to different factors. The October decline was mainly the result of the accelerated repayment of the U.S. Export-Import Bank loan by Britain and small special payments to European institutions. There were no such special factors in November. The fall in that month is mainly attributable to normal commercial and financial transactions. This is the first time in the last two years and over that a decline in reserves has occurred on account of normal transactions.

The fall was not unexpected and is, therefore, not considered as "unhealthy." It mainly arises from the flight of short-term funds, which had earlier been attracted to London by higher interest rates. These funds have now moved to other centres as a result of the hardening of the interest rates there. Such movements of funds are a normal feature of international capital markets, which are now freed from almost all exchange controls, and are, therefore, not unusual.

U.N. COMMISSION FOR INDUSTRIAL DEVELOPMENT

The United Nations General Assembly has unanimously recommended the establishment of a United Nations Commission for industrial development. The resolution was among the twelve passed by the Economic Committee aimed at accelerating economic development in "poorer" countries, expanding international trade and helping to stabilise commodity markets. Brazil, which initiated the move, said, in the Committee stage, that the Commission should decide the priority for industrial projects being assisted by the U.N. in underdeveloped countries and ensure continuity. The resolution, which called on member-states to reappraise their positions with regard to a working capital fund, was supported by 87 countries, while 15 of the more highly developed countries, including the U.S., Canada, Australia, France, Belgium, Italy, Portugal, Spain and Sweden, abstained from voting. These countries contended mature to establish another fund to channel capital machinery could not meet its financial targets and especially now that a new affiliate of the World Bank, the International Development Association, had been established in principle.

VALUE OF RUPEE IN HONGKONG

The Government of India does not consider it necessary to take any steps to arrest the fall in the value of the rupee in the Hongkong market. This was stated by Mr. Morarjee Desai, Union Finance Minister, in reply to a question in the Lok Sabha last week-end. Mr. Desai told the members that the enormous volume of authorised foreign currency transactions was in no way affected by the decline in the unofficial rate. The fall in the official value was due to measures taken by the Government to prevent leakage of foreign exchange for the purpose of smuggling out of Indian commodities overseas and smuggling into the country. The official value of the rupee, which was HK \$120 per Rs. 100, remained unchanged all authorised transactions. It was only in the free market value of Indian rupee notes used for unauthorised transactions that had declined since June last, Mr. Desai added. On 23rd November HK\$80 per Rs. 100.



At the end of a journey, another begins. Where the road ends at the foot of a rugged mountain, the muleteer takes over, transporting to scattered homesteads the products that will satisfy newly awakened needs. Some day, a road will be built, perhaps over the very track which has been beaten by his faithful beast. As new roads are laid, more and more vehicles are rolling into the interior, bringing remote villages closer to the twentieth century. Helping to keep the wheels moving are some 90 million tyres produced by Dunlop in India since their Sahaganj factory was opened in 1936. Many more are needed and Dunlop have established a second tyre factory at Ambattur, while greatly expanding production capacity at Sahaganj.

DUNLOP

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,

are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

In all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

In all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

WORLD COTTON SPINNING CAPACITY CONTINUES TO EXPAND LOOMAGE, HOWEVER, SHRINKS

THE cotton spinning capacity of the world continues to expand, in spite of reductions taking place in individual countries. The pace of this expansion accelerated considerably during the five months ended December 1958. The actual addition of spindles was of the order of 4,453,000, which was more than double the addition of 2,222,000 spindles recorded in the two-year period from August 1956 to July 1958. The total number of spindles (with a reed space of 16" and above) as on 31st December 1958 was 134,546,000, as against 130,093,000 at the end of July 1958 and 128,871,000 on 31st July 1956, according to the International Federation of Cotton and Allied Textile Industries, Manchester.

The Federation, it may be noted here, is the only organisation to collect and compile world statistics on machinery and raw material consumption in the cotton industries; these statistics are officially recognised by the United Nations Organisation. The Federation, which has been publishing data relating to world cotton spindles (since 1905) and looms (since 1930) in the different countries, has endeavoured to improve the method of compilation and publication. Thus, the surveys for the spinning and weaving sections are published at the same time, instead of at different times. Again, the data for spindles, looms and raw material consumption are collected for the calendar year, and not for the U.S. cotton crop year (August-July) as was the case before. Further, the quantity of cotton consumed in mills is expressed by weight, that is, in metric tons (of 2,205 lbs. each), instead of in running bales. Additional data have been collected from weaving firms showing the consumption of the various yarns. The number of spindles and looms at any time during the calendar year is shown in addition to those in place in the mills.

The increase in the number of spindles noted in 1958 would have been more marked but for the scrapping of over 1.30 million mule spindles, of which the European countries alone accounted for 1,194,000 mule spindles. This scrapping was more than counterbalanced by a sharp rise of nearly 5.76 million in ring spindles, the actual number of which increased from 118.47 million on 31st July 1958 to 124.23 million five months later. Consequently, the percentage share of ring spindles in the world total improved from 91.0 to 92.3, whereas that of mule spindles receded from 9.0 to 7.7. The following table indicates the Continent-wise variations:

Continent	(In thousands)		
	July 1958	December 1958	Increase or decrease
Asia	35,540	40,070	+4,530
Europe	64,006	64,099	+ 93
South America	5,810	5,730	- 80
North America	29,330	29,183	- 147
Africa	1,607	1,484	- 123
Total	130,093	134,546	+4,453

The above figures show that the major portion of the rise in spindles—4.53 million—took place in Asia. The increase in the number of spindles in Europe may seem somewhat surprising. It took place in several countries in both Western and Eastern Europe. The expansion in Western Europe is attributed mainly to re-equipment and modernisation after the scrapping of obsolete spindles in some countries.

Contrary to the trend in the spinning section, the number of cotton looms in place in the world continues to decline; the number at the end of last year stood at 2,589,917, as against

2,640,876 on 31st January 1958, or a net drop of 50,959 looms over eleven months. The drop was accounted for by both ordinary looms and looms with automatic attachments which decreased from 1,579,541 and 67,683 to 1,531,716 and 60,525, respectively. The number of automatic looms, however, rose by 4,024 to 997,676.

The table at the end of the article shows the distribution of spindles and looms—in place and active—in the world's largest cotton goods producing countries as on 31st December 1958. The number of spindles in the world known to have been idle throughout the year 1958 was 13.53 million, representing as much as 10.06 per cent. of the total spindleage. Many countries, it is said, did not submit figures showing idle spindles, so that it is considered quite probable that this figure should be higher. The number of mule spindles not in work was 2,114,000, out of the 10,315,000 in place, the idle capacity being thus of the order of 20.49 per cent. The ring spindles lying idle numbered 11,415,000, accounting for 9.19 per cent. of the 124,231,000 in existence.

Ten per cent. of ordinary looms were idle during the whole of 1958. The utilisation of the capacity of automatic looms, however, was higher, the share of idle looms being only 6 per cent.

An idea of the consumption of raw materials and hours worked per spindle and loom in the world's eleven biggest textile producing countries during 1958 can be had from the table given below:

Countries	Raw cotton (metric tons)	Man-made fibres (metric tons)	Average hours worked per active spindle	Average hours worked per active loom
India	892,847	34,549	6,756	5,338
Japan	402,703	290,192	4,851	5,294
U. S. A.	288,937	35,801	4,771	5,218
U. S. S. R.	1,841,896	206,203	5,546	5,947
W. Germany	293,732	76,075	3,488	3,102
France	280,638	35,004	3,309	3,102
Belgium	77,948	9,147	3,796	N.A.
Italy	184,050	34,071	3,681	3,133
Netherlands	236,638	5,409	4,029	4,090
U. S. S. R.	1,259,701	35,000	N.A.	N.A.
China	1,517,712	—	N.A.	N.A.
World total	9,232,191	837,912	5,015	4,602

N.A.—Not available.

The active spindles worked an average of 5,015 hours during the calendar year 1958. But here again, a number of countries did not reply to the question asking for the number of spindle-hours. The hours worked by active looms in the cotton weaving sections were considerably fewer than those worked in the spinning section of every Continent.

The table below indicates the trend of cotton yarn and cloth production in the nine major producing countries in the free world:

Countries	Cotton yarn (in million lbs.)		Cotton cloth (in million yds.)	
	1958	1957	1958	1957
India	1,658	1,780	7,056	7,300
Japan	986	1,039	3,039	3,705
United Kingdom	681	727	1,425	1,827
U. S. A.	3,217	3,489	10,147	10,979
U. S. S. R.	721	784	2,424	2,508
W. Germany	675	582	2,071	1,895
France	178	223	604	761
Belgium	263	377	1,030	1,050
Italy	162	160	589	604
Netherlands	—	—	—	—
Total	8,508	9,170	28,388	29,733

No complete world's total of cotton yarn consumption has been given, since several countries do not yet collect these figures. The total quantity of all yarns consumed by weaving mills in the reporting countries in 1958

amounted to 5,033,041 metric tons. The bulk of this, 4,351,223 tons, or 86 per cent. of the aggregate, were accounted for by cotton yarns. During the same year, the mills consumed a total of 334,889 tons of staple fibre yarn (7 per cent. of the total), 149,466 tons of man-made filament yarn (3 per cent.) and 197,463 tons of other yarns (4 per cent.).

COTTON TEXTILE EXPORTS

How serious has been the impairment of the strength and resiliency of cotton textile and other export industries resulting from heavy taxation and increasing labour costs was well brought out in the course of a resolution adopted by the Associated Chambers of Commerce of India at its annual meeting held at Calcutta this week. Supporting the resolution, the representative of the Bombay Chamber of Commerce and Industry made the following interesting observations:

"... As far as the textile industry is concerned, it can surely be claimed that, following the introduction of the textiles export incentive scheme, sponsored by the Indian Cotton Mills Federation and accepted by Government, promise for export figures and bookings indicate that, after a fall from 839 million yards in 1957 to 582 million yards in 1958, the export performance for which 60 per cent. would be in the second six months. This heartening trend, however, has been widely commended, they should not be allowed to obscure certain fundamental disadvantages from which our industry suffers and which may threaten the increase or even the maintenance of the present level of exports.

"In the first place, competition not only from Japan and Hongkong but also such relative newcomers as Pakistan and China has increased of modern machinery and an initially rationalised labour force to operate it. The need, therefore, installation of modern machinery was never greater than it is at present. There is, however, no machinery, if, at the same time, mills are not allowed to reduce production costs by the introduction of rationalised workloads and, in this respect, it is regrettable that the co-operation received from labour so far has been sadly lacking. While this Chamber has been sadly lacking in favour of fair wages, it has always been that the Indian textile industry pays higher wages than those paid by its counterparts abroad, if account is taken of the comparative workloads, that is to say, the density of labour relative to against overseas competition, therefore, there is a strong case not only for arresting the continuing rise in wage costs but actually for lowering them, not by effecting cuts in existing wages but by inducing the productivity of labour and thereby reducing the overall wage-bill.

"Government, moreover, must also play its part and share the burden, for if mills are to re-align the ability to do so must be there, and Government's policy in regard to depreciation allowance must be on a liberal scale. It is no coincidence that much talk is devoted to loans from official and semi-official agencies to the textile industry, but the same result could be achieved more simply by allowing conditions under which it could provide for its own rehabilitation.

"Secondly, another serious obstacle to the expansion of the export trade in textiles is the inability to keep Indian cotton prices at reasonable levels. At one time, India had practically a world monopoly of cheap medium-staple cotton, but this is no longer the case. Pakistan cotton at present levels is considerably cheaper than Indian equivalents and the acreage under cotton in India is increasing every year. And, while there has been a considerable drop in world cotton prices generally last year, there has been no similar reduction in the prices of Indian cotton. Unless, therefore, something can be done to bring down the price of Indian cotton to a level at least comparable with world parity, there is every likelihood that India's export trade will be further affected. Under the second Five-year Plan, the production target for cotton for the season 1960-61 was set at 65 lakh bales, but, due to circumstances, some beyond the control of the authorities and some not, last season by some 16.50 lakh bales. In order to achieve the necessary figure and stabilise internal prices, age under cotton or yield per acre, and until such Government should adopt a liberal policy regarding import of cotton from other countries.

"Thirdly and last, it is a truism of any country essential prerequisite to a satisfactory export trade. In spite of an excise duty of some severity, borne for practical purposes by the industry and not the consumer, in spite of an unchecked increase in unauthorised powerlooms which avoid any contribution to the national exchequer, the Indian mills have succeeded in supplying the home customer with goods of which the price has remained notably constant amid general inflation. It is placed on the industry as a whole, particularly as it is the less specialised, and, therefore, least profitable units that are contributing the most, and port performance."

DIFFICULTIES OF COTTON INDUSTRY MR. WINTERBOTTOM'S LUCID ANALYSIS

From Our Special Correspondent

MANCHESTER, 1st December

IN spite of the response by firms wishing to discard machinery under the reorganisation scheme for the Lancashire cotton industry, the scrapping programme is not big enough, Mr. William T. Winterbottom, Chairman of Fins Spinners and Doublers, the giant spinning combine, told a meeting of the Manchester section of the Textile Institute

MANCHESTER LETTER

last week. More spindles would have to disappear, he said, before the spinning industry reached the right size.

After scrapping and before re-equipment, a total of 8,601,000 ring equivalent spindles would remain. This was 70 per cent. of the number actually running in April this year. Mr. Winterbottom's estimate was that six million ring spindles, working two shifts of 38½ hours, were sufficient to meet all foreseeable demands on the industry. He observed: "The required single yarn output could be obtained from the 8,601,000 ring equivalents which remain, if only two and a half million of them worked double-day shifts of 38½ hours, with the rest on single shifts of 45 hours. If half of them worked the two shifts and the other half single shifts, production would be about 14 per cent. greater than the foreseeable demand."

No ring spindles installed before the war, Mr. Winterbottom said, would match up to modern requirements. A considerable amount of re-equipment would, therefore, be necessary, with further scrapping of obsolete plant before the ideal of a modern, compact and fully competitive spinning industry in Lancashire was arrived at. In the weaving section, the position was basically similar. About 100,000 looms were needed to meet all foreseeable demands on a two-shift system, against the 154,000 which would be left when scrapping was completed.

The Labour Facts

Mr. Winterbottom pointed to the fall in manpower, from 98,750 in spinning at the end of 1957 to 79,210 at the end of October this year, and from just over 100,000 in weaving to 82,880. To quote him: "In the long run, when the transition period is over, this decline will have to be arrested. Although there is to be substantial reduction in machinery, there will be no reduction in the volume of production. If anything more, not fewer, operatives will be required because of the shorter working week on a shift system. I do not think the industry has any grounds for apprehension about this. Any shortage of workers in the future will be either local and temporary, or due to the failure of individual firms to maintain themselves in line with the latest ideas."

Weakness of Price Fixing

The adverse verdict on the Yarn Spinners' Agreement, on mature consideration, was not altogether surprising. Mr. Winterbottom referred to the greatest weakness of the system, saying: "It reflected a pre-war mentality and obscured the real obstacles to progress." The pressure on prices was so great that it became a price-fixing rather than a minimum-margin scheme and so a high degree of artificiality crept in.

In contrast with the outcry which arose early this year when the system was abrogated, Mr. Winterbottom now looks back and says of the judgment: "It was fair, accurately assessing the faults of the scheme, and more important, pointing out a better approach to the industry's problems." The verdict, it will be remembered, expressed the opinion that excess capacity would not be eliminated unless the scheme was abandoned. The view that the industry ought to be made smaller and more compact has now been almost universally accepted.

The third contributory factor to the difficulties of the cotton industry, according to Mr. Winterbottom, was the lack of significant technological development since the beginning of the century. Machines then installed were still capable of turning out good yarn and cloth in the 1930's, and many of them were still in operation today. But the position changed quite suddenly at about the beginning of the last war,

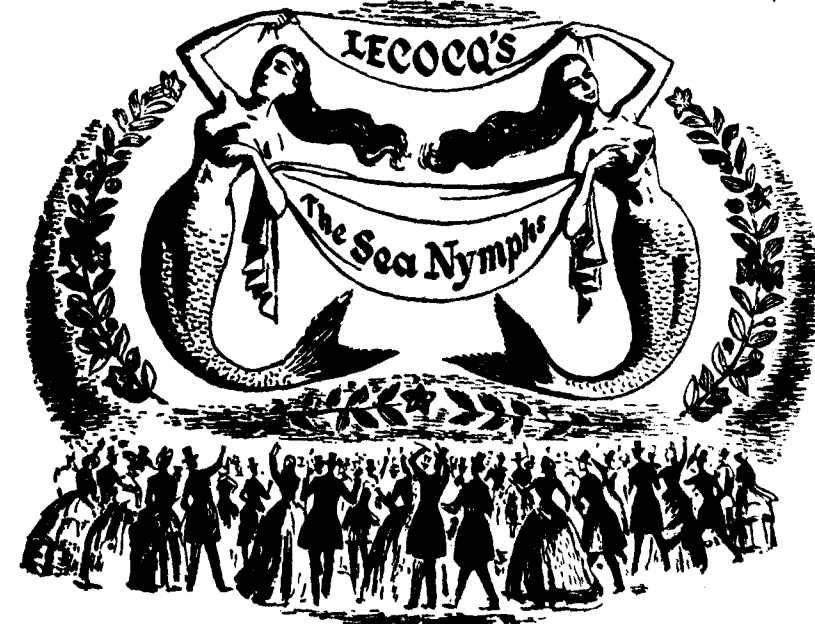
down, the pressure on those remaining to maintain production and meet supply needs, is going to be pretty terrific. They are going to need all the labour they can get." A problem, however, may be that, while there are vacancies in some areas, there may be unemployment in others because of the impracticability of workers travelling long distances to alternative jobs because of family and other commitments.

Synthetic Yarn Output

Fresh records for the month of September were established by the British man-made fibres industry. Output during the month was 43,450,000 lbs., as against 39,660,000 lbs. in August and 31,910,000 lbs. in September 1958. The breakdown into continuous filament yarn and staple shows filament yarn at 19,630,000 lbs. and staple at 23,820,000 lbs., as compared with 18,190,000 lbs. and 21,470,000 lbs., respectively, in August and 14,480,000 lbs. filament and 17,430,000 lbs. staple in September last year. Because of the increasing output of staple, the combined figure was clearly a record for the month of September, the previous record having been established in September 1955, when the total was 41,200,000 lbs., though, in that month, filament production slightly exceeded that for September 1959.

After the comparatively poor statistical showing of the early months of the year, the cumulative total is gradually catching up to the pre-1958 depression levels. The nine months figures for 1959 for yarn and staple aggregated 368,750,000 lbs., as compared with 308,030,000 lbs. in the corresponding period of 1958, and 378,250,000 lbs. in the first nine months of 1957.

The healthy increase in output in September is reflected by widespread activity among woven, knitgoods and carpet manufacturers. In the Lancashire weaving trade, for example, which is the largest outlet for man-made fibres of all types, many firms have long order books now extending into the second quarter of 1960 and activity among users of man-made fibres in Yorkshire, the Midlands and Northern Ireland is at a strikingly more active level than it was earlier in the year.—All Rights Reserved.



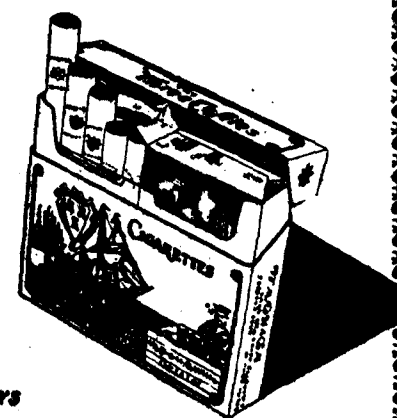
From the Statesman and The Friend of India
January 5, 1878

"We notice that a new theatre is about to be opened at Bombay on the Esplanade near the Crawford Markets. Madame Tasca's Company appears there this evening in LEGOCQ'S new piece entitled THE SEA NYMPHS"

While the first-nighters crowded to the theatre to see Madame Tasca's "Sea Nymphs" the year was marked by a notable world event—the introduction of the famous "Three Castles" cigarettes.

In 1958, they came out in the flip-top 20's packet, changing their looks with the times. The "Three Castles" are as modern today as they were 80 years ago—and as satisfying.

WILLS' The "Three Castles"
famous for over 80 years



Issued by The Imperial Tobacco Company of India Limited

U.S. COTTON EXPORTS RISING WILL SUBSIDY BE CUT?

PRESENT indications are that cotton exports from the U.S. during the current season, namely, 1959-60, may well amount to almost double the volume shipped last season. Exports by other countries, too, may increase appreciably. Most of the factors affecting U.S. cotton exports, according to a study made by the Foreign Agricultural Service of the U.S. Department of Agriculture, are favourable. In the first place, the trend of cotton consumption abroad is upward, especially in the importing countries as a result of the recovery in textile activity and the improvement in economic conditions. Secondly, cotton prices are maintaining a steady trend at lower levels, reflecting confidence in the trend of markets. Thirdly, cotton's competitive position vis-a-vis man-made fibres has strengthened, price-wise. Fourthly, stocks of cotton outside the United States are lower than those a year ago in both exporting and importing countries. Finally, production in the free world outside the U.S. is expected to show a slight decline to about 17 million bales (of 478 lbs. each), as compared with 17.3 million bales during the last season. The possibilities, therefore, are that the U.S. share in world trade during the season may increase substantially to 5.5 million bales, as compared with 2.8 million bales in 1958-59.

This conclusion is already borne out by the increasing export demand for U.S. cotton. The payment-in-kind sales registrations have of late been increasing at a rate of nearly 200,000 bales a week. Registrations began in early May 1959 for export after 1st August 1959. Under the payment-in-kind programme, the U.S. exporter obtains the subsidy in the form of dollar credits which can be used to purchase cotton from the C.C.C. stocks. The payment-in-kind rate currently in effect is 8 cents per lb., as compared with 6½ cents last season. Total registrations by mid-November aggregated 3.34 million bales. At the current rate, sales registered by the end of December may amount to 4.5 million bales, these are only half a million bales below the minimum level of 5 million bales and the desired level of 5.5 to 6 million bales for the season.

The U.S.'s traditional customers are expected to account for the largest share of its exports during 1959-60. Thus, Japan and Western Europe will again be major destinations of U.S. cotton shipments. Among Asian countries, the shares of India, Hongkong, Korea and the Philippines are expected to rise. Financing under special U.S. Government programmes will continue to be of substantial aid to exports in 1959-60. At the beginning of November, funds available under the various programmes were sufficient to finance sale of about 700,000 bales for foreign currencies under Title I of P.L.480, 200,000 bales under P.L.605, 300,000 bales under Export-Import Bank loans and a small quantity in the International Co-operation Administration's relief shipments under Title II of P.L.480, aggregating in all over 1.2 million bales during the fiscal year 1959-60. It may be noted that funds allocated thus far in the current fiscal year are less than those at the same time last year and, consequently, total exports financed under these programmes may be lower. Additional funds, however, would probably be made available under the assistance programmes during the remainder of the year. Exports under these programmes are part of, and not in addition to, exports under the payment-in-kind programme. In addition to the above, some cotton may also be exported under the C.C.C. barter programme, although indications are that the volume may be smaller than in recent years. Barter contracts for export of cotton in the 1958-59 fiscal year amounted to 396,000 bales, as compared with 405,000 bales in 1957-58 and 970,000 bales in 1956-57.

Since, in all probability, U.S. cotton exports during this season will reach, or even exceed, the 5-million-bale mark, traders are wondering whether the current payment-in-kind export subsidy rate of 8 cents per lb. will be cut or whether it will be maintained throughout the season. The consensus of opinion is that a reduction in duty is likely. A prominent U.S. shipper expressed a commonly held view, when he said:

"It is true that the Department of Agriculture would like to maintain the present subsidy throughout the season, making an adjustment with the start of the new season, in order to maintain stability of price not only this season but also next

But the final determination will not be made by the Agriculture Department alone. Other producer nations have made vigorous and persistent protests against the size of the subsidy, while agreeing, grudgingly, that the United States should have a fair share of the world market. Domestic mills have protested that the 8-cent subsidy gives foreign mills an unfair advantage in domestic markets. The Federal Tariff Commission is holding studies at the moment to determine if some special tariff should be placed against cotton imports to offset the price advantage of raw cotton. The pressure both at home and abroad is mounting to a point that cannot be resisted for long. Agriculture must yield to the insistence of the State Department that other producing countries be aided and to the demands by the Commerce Department that the pressures on the domestic mills be eased somewhat. We obviously cannot forestall the future, but it seems to us this mounting pressure must be recognised."

He, therefore, visualised the possibility of a cut in subsidy rate when the payment-in-kind export sales registrations reached the 4.5-million-bale level. Beyond that, according to him, "one might look for possibly an additional 50-point reduction with each additional registration of 500,000 bales."

FRESH CONTROLS ON COTTON

In a determined bid to curb the rising price of raw cotton, the Textile Commissioner has issued orders for controlling mill buying of cotton and kapas (unginned cotton) and speeding up ginning of kapas. By one order, mills have been prohibited from buying or possessing stocks of cotton exceeding the quantity equal to their three months' consumption. Mills which might have already purchased or have in possession cotton in excess of this quantity have been allowed to retain it. But they are prohibited from adding to them by further purchases except when they can do so within the prescribed limit. By another order, mills have been prohibited from purchasing or otherwise acquiring kapas. But, if a mill is the owner or lessee of a cotton ginning factory, the Textile Commissioner may permit it, subject to

such conditions as he may specify, to purchase such quantity of kapas as is capable of being ginned at that factory. By a third order, cotton in the States of the Punjab, Rajasthan and Uttar Pradesh is required to be ginned on or before 15th February 1960 and in the Maharashtra areas of Bombay State and certain districts of Madhya Pradesh by 31st March 1960.

Giving reasons for taking these measures, a statement issued by the Textile Commissioner says:

"These measures have become necessary, as in the immediate short-term period, prices of Indian cotton have risen abnormally. On an overall view of the situation of the Indian crop and imports of foreign cotton, supplies of cotton to the textile industry would be adequate. Even taking the local crop at 4.7 million bales, exports hitherto allowed are only of the order of 150,000 bales plus some varieties like yellow pickings, etc., whose exports may amount to just over 50,000 bales. On the other hand, under the Export Incentive Scheme (already declared to continue till 30th September 1960), imports of not less than 700,000 bales are likely to be linked with the exports of cloth as they are now proceeding. The Government of India has also under consideration imports of cotton below 1.1/16" in staple and an agreement with Pakistan to cover part of such imports has already been reached."

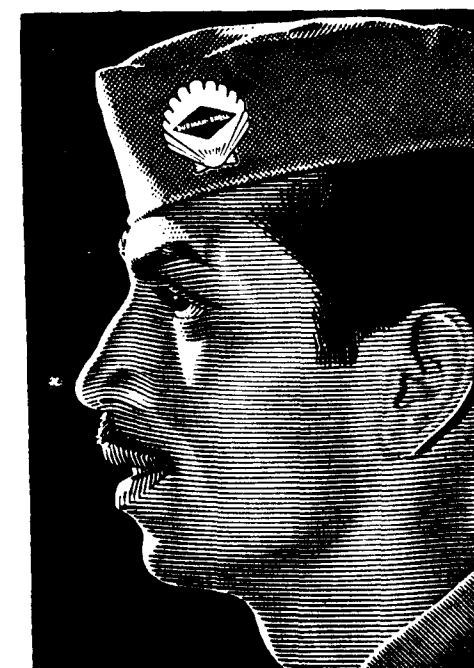
Explaining why cotton prices have spurted, the statement observes:

"The situation of short-supply of Indian cotton is mainly due to the season having been late this year. Unfortunately, unhealthy practices have been introduced in the cotton trade with a view to circumventing the orders regarding ceiling prices for Indian cottons. Cotton of one variety is apparently passed under another name and invoices of kapas are made at higher prices, when, in fact, the lint cotton prices would be higher than the ceiling prices. It is under these circumstances that the orders have been issued, in order to assist the industry and trade to stabilise the position. On the one hand, the supplies of cotton will be hastened by the order requiring early ginning and, on the other, the pressure of mills for purchasing would be reduced."

These measures, announced late on Saturday the 5th inst., have not so far made any impression on cotton prices. Spot prices are as firm as ever and the demand for popular varieties keen. They, however, have affected upcountry markets, where the volume of business is reported to have dwindled considerably. Buyers are said to be hesitant to make fresh purchases.



that's Burmah-Shell Service!



We know, that nine times out of ten you're in a hurry and the petrol stop must be a quick one. That's why our Dealer's staff is trained to attend to your car and its needs in a quiet, speedy and systematic manner. And, of course, our friendly courteous attendant will make you feel a welcome and valued customer whenever you come to a Burmah-Shell Station.

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

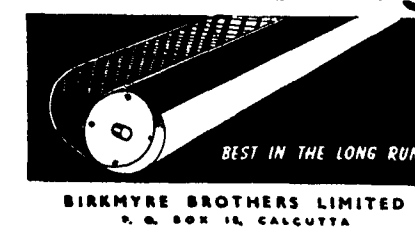
Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253505

Hastings Belling



RAISING SUGAR OUTPUT IN U.P. AND BIHAR

MR. K. K. BIRLA URGES DECONTROL

IT is not far from truth to say that, when controls over any commodity exist, the scope for anti-social trading practices like hoarding and black-marketing is always very wide. This is especially so in the case of an essential item of consumption such as sugar. How else is one to explain the soaring prices of sugar prevailing in many parts of the country, particularly in Uttar Pradesh and Bihar? According to one report, sugar is being sold in some places at as high as Re. 150 per seer, as against the controlled rate of 97 nP. The high level of prices is bound to persist, until adequate supplies are made available to consumers. Such supplies can be ensured only if sugar production is increased. But how will this be possible when the industry has no control whatever on the supply of sugarcane, when it is not allowed to compete effectively with gur and khand-sari manufacturers who are not subject to price control and when its cost structure has tended to become very rigid, thanks to the heavy incidence of raw materials, taxes, wages and other manufacturing expenses?

Certainly, Mr. K. K. Birla was quite correct when he declared, in the course of his speech at a conference of the representatives of sugar factories and cane growers held at Patna a few days ago, that control on sugar had stifled production in the past and rendered no benefit to the industrialists, the cane growers and the consumers. Mr. Birla urged the authorities to remove the controls on sugar industry in Uttar Pradesh and Bihar, for he said: "When the industry in other parts of the country can function without any control, there is no justification for imposing control over the factories in U.P. and North Bihar." And he was fully confident that, if control was lifted, "the production of sugar would increase, resulting in the smashing of the black markets where sugar is selling at prices ranging between Rs. 60 and Rs. 100 per maund."

Tax Burden Heavy

While decontrol of sugar will give an incentive to mills to step up output, there is also the urgent need for reducing the heavy tax burden on the industry. Out of the ex-factory price of Rs. 37.85 per maund fixed for Uttar Pradesh and North Bihar sugar, the share of taxes alone comes to more than Rs. 13, or as much as 34 per cent. of the total price. Equally urgent is the need for alleviating some of the difficulties confronting the sugar industry. It is here that Mr. Birla threw the pertinent suggestion for the establishment of a Development Council at State level, under the chairmanship of the Industries Minister, consisting of cane growers and millowners. He did well to

stress that the proposed Council should enjoy autonomy in the matter of its administration and budget so as to render maximum assistance in the shortest time. Instances are not wanting to prove that several bodies, though the purpose for which they are set up are laudable, have not been of any utility merely because of undue official interference in their working.

It is, however, not so much on the aforesaid factors as on the availability of plentiful cane supplies at reasonable prices that will depend the prospects for increasing sugar production. Indeed, the sheet-anchor of the development programme for sugar industry in the coming years should consist of energetic measures designed to secure the highest possible yield of cane with maximum sucrose-content from each unit area devoted to the crop. How disquieting has been the progress achieved so far in this direction was indicated in these columns only two weeks ago, so that it is unnecessary to refer to it now. Alluding to this subject, Mr. Birla asserted that the sugar industry in Bihar was doing its best for the development of cane and that it was no less anxious than the Government, but, unfortunately, it was handicapped by paucity of funds. He revealed that in order to encourage the growers to plant more cane, the sugar factories were making large advances to cultivators to the extent of Rs. 125 to Rs. 150 lakhs every year.

Mr. Birla made special reference to the purchase of cane through co-operative societies and said: "The societies might have been necessary to safeguard the interests of growers when the industry was born in Bihar over two decades ago. But, under the existing conditions, they are unnecessary and only add to the cost of production." He went on to add that the Bihar Sugar Factories Act was functioning properly, a minimum cane price was guaranteed to growers, and a thorough check over cane weight was being maintained. Where, then, is the need for a separate body for marketing sugarcane such as the co-operative societies?

Co-operative Societies' Commission

The co-operative societies in both Uttar Pradesh and Bihar, it will be recalled, collect every year lakhs of rupees by way of commission on sugarcane supplied by them to the mills. The average commission is 4.6 nP per maund of cane, which works out to 46 nP or 1.33 per cent. of the cost of manufacturing one maund of sugar. Over the past nine years (1950-51 to 1958-59), the sugar mills have paid as co-operative societies commission a total of over Rs. 10 crores in Uttar Pradesh and Rs. 1.30 crore in Bihar. Surely, one would like to know how

such colossal sums of money have actually been spent. Since in no State other than these two are sugar mills required to pay this Commission to co-operative societies, there is no reason why the mills in the two States alone should be required to pay. Moreover, since the main function of the co-operative societies is development and marketing of cane, which is also largely the business of the Government Cane Development Departments, the funds required by these societies for cane development should be provided out of the money raised from cane cess. It, therefore, follows that no separate commission for the co-operatives must be charged from the mills.

Although this was one of the specific recommendations made by the former Tariff Board as far back as January 1950, it is regrettable that it has still not been implemented by the Governments of Uttar Pradesh and Bihar. Instead of allowing the societies to continue to charge commission on cane supplied through them, the Government will do well to transfer that part of the cane development work which the societies are doing at present to the sugar mills themselves. There is no doubt that the mills can do this job better than the co-operative societies have cared to do.

SUGAR RELEASE

The Government of India has released 175,000 tons of sugar. There will be no release for free sale from the factories in Uttar Pradesh, North Bihar and the Punjab, except a small quantity which will be released to each factory for sale to its employees.

Allotments of sugar to the States of Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, Orissa, Madras, Kerala, Bombay, Himachal Pradesh, Assam, Manipur and Tripura from factories in the controlled region will be made only to nominees of State Governments. In the case of the Punjab and Jammu and Kashmir, allotments will be made direct to State Governments or to their nominees, while in respect of West Bengal, allotments in the districts will be made to nominees of State Governments. As regards Calcutta, applications for allotment will be considered by the Directorate of Sugar and Vanaspathi on the existing system or according to the arrangements which may be indicated by the State Government. Allotments to Delhi will continue to be made on the existing basis.

Allotments will be made at prices fixed on 25th October 1959. The controlled ex-factory price for U.P. and North Bihar factories is Rs. 37.85 per maund and for factories in Punjab Rs. 38.35 per maund for ISS D-29 grade with the prescribed price differentials for other grades. The fixed f.o.r. destination prices in respect of allotments made to Kanpur and Calcutta will be Rs. 38.60 and Rs. 39.85 per maund, respectively, for sugar of ISS D-29 grade.

SUGAR PRODUCTION AND STOCKS

The total sugar production during the season 1958-59 was 1,917,000 tons, as against 2,028,000 tons in the previous season. The total offtake of sugar from factories, including despatches for export, was 2,105,000 tons, as against 2,075,000 tons. The closing stocks of sugar with factories as on 31st October 1959 aggregated 150,000 tons, as against 329,000 tons on the same date last season. This, however, does not include the new season's sugar produced prior to November 1959.

ASP/UCAS-12A

Second Valuation Soon

The second valuation of the Life Insurance Corporation will be made as at 31st December 1959. All eligible with-profits policies in force on the valuation date will be entitled to participate in profits disclosed as a result of that valuation.

The first valuation of the Corporation made as at 31st December 1957 disclosed a surplus large enough to support bonuses at the following rates on with-profits policies issued by the Corporation:-

Endowment Assurances: Rs. 14 per thousand sum assured per annum

Whole Life Assurances: Rs. 17½ per thousand sum assured per annum

Important: Policies which are converted into reduced paid-up policies or lapsed before 31st December 1959 will not qualify for bonus.

Preserve your policy, keep it up-to-date by regular payment of premiums and make sure that your policy qualifies for bonus to be declared as a result of the second valuation.

Remember 1959 is the Bonus Year



LIFE INSURANCE

—the day you insure you are secure

ALLAHABAD BANK

LIMITED

Established 1865

Affiliated to the Chartered Bank

Head Office:

14, India Exchange Place
CALCUTTA

Bombay Offices:

39, Apollo Street
and
232/34, Kalbadevi Road

Ahmedabad Office:
Maskati Market

FOREIGN EXCHANGE BUSINESS TRANSACTION

M. J. Maclaren
General Manager.

A. D. 13.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India

(Established 1934)

FIRE, MARINE, ACCIDENT AND MISCELLANEOUS INSURANCE BUSINESS

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

STEARIC ACID

(Double Distilled)

Manufactured by:

THE MODI VANASPATHI MFG. CO.

Bombay State Distributors:

RAMJILAL LAKHMICHAND

Head Office: 333, Kalbadevi Road, Bombay-2

Phone: 39361

Branch: 695, Rold Road, Ahmedabad

Phone: 2663

Importers, Stockists and Suppliers of:
ALL INDUSTRIAL CHEMICALS

FOR
PAPER CLIPS
& PINS

X-KEYS

EXCEL INDUSTRIES
CELEBRATED HOUSEHOLD BRAND
SOLE DISTRIBUTORS
SIGMAN & CO.
12, RAJIV GANDHI ROAD, BOMBAY

TELEGRAM FOR YOU ON THE 'PHONE



TELEGRAMS ARE DELIVERED QUICKER BY TELEPHONE

Send your telegrams addressed to the TELEPHONE NUMBER* of the addressee.

BANNERJEE
*TF 31670
NEW DELHI

The message will be telephoned to him as soon as it reaches the telegraph office. It will save all the delay involved in manual delivery.

It may also be cheaper—the telephone number, including the prefix 'TF,' is charged for as only one word.

This facility is available wherever there is a local phone service.

A copy of the message will be sent the same day by the first postal delivery.

RECEIVE YOUR TELEGRAM BY 'PHONE

In some cities you can get telegrams by 'phone even if the sender has not given your 'phone number. Register your 'phone number with the telegraph office. Thereafter all telegrams for you will be delivered by 'phone, followed by a copy. This service is available at Agra, Ahmedabad, Allahabad, Amritsar, Bangalore, Bombay, Calcutta, Coimbatore, Delhi, Indore, Kanpur, Madras, Nagpur, New Delhi, Salem and Secunderabad.

HELP US SERVE YOU BETTER

POSTS & TELEGRAPHS DEPARTMENT

DA-59/192

Stephens Ink claims its importance as far back as 1886 and there are authorities enough to prove that STEPHENS INK was used for all important documents.

Stephens Ink is known for its fluidity because it does not clog. Old and new pens 'feel' better and behave better. Use STEPHENS INK and your pen will never fail you.

Every batch manufactured is not bottled until it is tested in the laboratories in England.

The ink that doesn't clog



INK

Manufactured by
TOA PRIVATE LTD.
MADRAS

SOLE DISTRIBUTORS
SPENCER & CO. LTD.
MADRAS BOMBAY, CALCUTTA, DELHI AND BRANCHES



RAW JUTE PRICES HARDEN ARRIVALS DWINDLE—EXPORT PROSPECTS DIM

THE raw jute market is ruling firm and prices have hardened considerably in recent weeks. Thus, Assam Bottoms (December delivery) have gone up from Rs. 24.20 per maund in the middle of November to Rs. 26.76 yesterday and March delivery from Rs. 25.64 to Rs. 28.70 per maund, the highest levels touched so far this year. Such a sharp rise within a span of three weeks has occurred, despite the fact that mills have generally been reserved, with only a few of them being keen buyers. At the same time, sellers also are somewhat reluctant to do business in anticipation of still higher prices. All this has been due to the heavy fall in arrivals of fibre in upcountry centres and at Cossipore.

Although there was an increase in receipts during October, as compared with those in the previous month, the total arrivals of raw jute during the first four months of the current season are said to be not only lower than those in the corresponding period of the previous season but also very much short of the mills' consumption. Thus, the total arrivals during July-October this year aggregated 1,530,300 bales, as compared with 1,768,850 bales in the corresponding four months of 1958, while consumption during this period amounted to 1,977,800 bales, as against 1,956,000 bales. It will also be noted that the shortfall in arrivals as compared with consumption is higher, at 447,500 bales, than that in the previous year when it was only 187,150 bales. Since most of the current year's crop has already been sold by farmers, it is quite possible that the pace of arrivals may pick up during the coming months, as is usually the case, and the deficit may be more than made good.

There is, however, one difficulty, which has, in fact, been one of the factors responsible for the slow pace of arrivals. This is the wagon shortage, following the railway authorities' decision to divert a large portion of the wagons available for carrying essential goods such as coal. The mills' reluctance to increase their purchases is attributed to two factors: (1) the present prices are too high and (2) there is paucity of storage space.

The fall in arrivals has also strengthened the general belief that there will be a sharp fall in the current year's jute crop. Estimates of the extent of decline differ widely, and the official estimate is still not available. The first estimate of the area under jute, however, shows a decline from 1,633,000 acres to 1,546,000 acres. The decrease of 87,000 acres has been shared mainly by Bihar and West Bengal and is attributed to diversion of land to other crops in view of the low prices fetched by jute in the last season. A shortage of mesta is certain, as a result of the lower acreage sown in 1959, so that the total output of fibre will be very much below that in the previous season. But it must be remembered that production last year was unusually high, necessitating adoption of special measures for supporting prices. Usually, a bumper crop is followed by a lean one. The drop in the current year's production is, however, compensated by a large surplus, amounting to 2.17 million bales, brought in from the previous season. Exports have been small, being no more than 158,000 bales up to the end of October 1959. In spite of all this, some are said to be doubtful whether the supplies available this season will be sufficient to meet the requirements of mills and also leave a surplus sufficient for building up reasonable stocks. On the face of it, this doubt appears to be the work of speculators who want to take advantage of the present situation. The authorities must study the position carefully and, if they find that there is unhealthy speculation in raw jute, take prompt measures to curb it.

It is interesting to find, in this connection, that a less pessimistic assessment of raw jute supply position during the current season is made by Mr. Tulsidas Kanoria, Chairman of the Jute Balers' Association, Calcutta. In his presidential address on the occasion of the Association's golden jubilee celebrations held at Calcutta last week, he examined the position at some length. According to him, the carry-over of the 1958-59 crop was 2.4 million bales and about 300,000 bales would be imported from Pakistan. This, together with the current year's crop (Mr. Kanoria did not give the estimate of the crop), would make available much more than 8 million bales during the current season. He estimated the mills' requirements at 6 million bales and other domestic requirements (consumption in villages) at 500,000 bales. If

the mills keep a stock of two months' requirements, namely, 1 million bales, he said, there would still be a surplus of more than 500,000 bales.

Mr. Kanoria's figure of stocks brought forward from 1958-59 is rather on the high side, for after allowing for exports of 116,000 bales since the close of the 1958-59 season, the previous season's surplus is only 2 million bales. His estimates of internal requirements are conservative, as the previous year's total consumption by mills and at villages had aggregated 6.7 million bales. If, therefore, the private estimate of a crop of 5.1 million bales (including mesta) proves correct, it is doubtful whether there will be any surplus at all after allowing for carry-over stocks, unless the final crop turns out to be beyond expectations.

Mr. Kanoria welcomed the recent announcement in Parliament by the Minister of Commerce that a reasonable quantity of raw jute must be exported after studying the requirements of the jute industry. The exports of raw jute, it may be noted, remain suspended since the end of October. Despite the Minister's aforesaid clarification, the Government has not yet announced the quantity to be exported and the time when this will be allowed. Mr. Kanoria, however, requested Mr. Nityanand Kanungo, who inaugurated the jubilee celebrations of the Association, that the Government's policy in regard to exports should be announced well in advance, so that the balers could make arrangements on that basis. He also submitted that exports of raw jute through the State Trading Corporation caused unnecessary hardship to the balers. He, however, added that export of raw jute might be regulated in various ways and under these regulations free trade in this commodity should be allowed. In view of the tight

supply position for the current season, as explained above, it is doubtful whether export of raw jute in any quantity will at all be possible, unless it be against more liberal imports from Pakistan.

MODERNISATION OF JUTE MILLS

The ad hoc Committee appointed by the Government of India to assess the requirements of modern jute mill machinery and spare parts and the manufacturing capacity for them has recommended that the jute industry should take up modernisation of the weaving section also, including the installation of shuttleless looms from the commencement of the third Five-year Plan period. For all practical purposes the present programme of modernisation, which is mainly confined to the spinning section, will be over by the end of the second Plan. The Committee's report, now being considered by the Government of India, also envisages a gradual unsealing of the looms, now sealed under the Working Time Agreement.

The industry is said to have spent Rs. 15 crores on modernisation during the last ten years, of which the expenditure on modernisation of the spinning section alone is Rs. 10 crores. The so far granted Rs. 4.55 crores as loans to 22 mills for modernisation upto the spinning stage. Of this, a sum of Rs. 2.64 crores has already been paid to 15 mills. The N.I.D.C. has also approved a scheme of short-term loans to jute mills for purchase of indigenous machinery upto a limit of Rs. 5 lakhs. No loan has, however, been sanctioned so far under this scheme. It is claimed that the mills which have modernised their machinery have shown better results than before.

The Government of India has, it may be noted, provided Rs. 2.3 crores of foreign exchange for import of jute machinery during 1959-60, as against Rs. 2.5 crores in 1958-59.

Imports of raw jute into Dundee during the first nine months of 1959 amounted to 562,095 bales costing £9.75 million, as compared with 451,210 bales (£7.83 million) in the corresponding period last year; imports of jute yarns amounted to 43,246 cwts. and 20,778 cwts., respectively; jute fabrics 142,297,000 sq. yards and 103,291,000 sq. yards and new jute sacks and bags 315,451 cwts. and 285,206 cwts. Exports of jute fabrics for the nine months to 30th September from U.K. were 18,196,000 sq. yards, (£1.31 million), as against 16,402,000 sq. yards (£1.15 million) same time last year.

"Dressing up a scarecrow, Mrs Banerjee?"

This isn't a scarecrow. It's my husband.

"A thousand apologies. But it is obvious your husband has not heard of BINNY'S cloth. BINNY'S Quality Control" their production you know...

"Quality Control? Never heard of it! What does it do?"

"Modern machines process yarn and cloth so fast that often defects, invisible to the naked eye, creep into the cloth. Quality Control is laboratory testing to root out defects at every stage of production. That's why BINNY'S suitings stay smart so long."

"That's wonderful news. We shall dash to the nearest BINNY'S shop the moment I can fix this tie and my husband is able to breathe again."

BINNY - a great name in textiles

THE BUCKINGHAM & CARNATIC COMPANY LIMITED
THE BANGALORE WOOLLEN, COTTON & SILK MILLS COMPANY LIMITED
Managing Agents: **BINNY & CO. (MADRAS) LTD.**

*** Testing the effective staple length of cotton**

This apparatus measures the length and variation of all cottons that go into BINNY'S cloth. The quality of the cloth depends largely on the cotton used. Only specially selected cotton goes into BINNY'S fabrics. That's why they last so long.

BINNY'S manufacture nearly 90 million yards of cloth every year. Here are some of the varieties they make:

Shirtings - Khaki Drills - Bleached and Dyed Drills - Towels - Anticrease Suitings - Tussorees - Union Fabrics - Silk Sarees - Rugs etc. etc.

lights the nation's highways

Manufactured to international standards
Modern in design

Trade enquiries solicited

HINDCO LIGHTING INDUSTRIES PRIVATE LTD.
29 New Queen's Road, Bombay-4.

ORIENT EXPRESS TRAVEL SERVICE

Through its 3 offices in India and 350 correspondents in all principal cities throughout the world, Orient Express Travel Service places at the disposal of its clients a complete Travel Service.

Air, Rail and Steamer tickets issued at tariff rates. Hotel reservations made anywhere. Advice and assistance given in securing Passports, Visas, Health Certificates and Travellers Cheques.

THE ORIENT EXPRESS CO. PRIVATE LTD.

HEAD OFFICE:
70, JANPATH, NEW DELHI-1.

CALCUTTA OFFICE:
NORTON BUILDINGS,
1 & 2, OLD COURT HOUSE CORNER.

BOMBAY OFFICE:
PETIT BUILDING,
159, D. NAOROJI ROAD.

S. S. Poddar,
Managing Director

INSURE
against Loss or Damage by
FIRE AND RIOT
THE BRITISH EQUITABLE ASSURANCE CO. LTD.
(Incorporated in England)
(The Liability of the members of the Company is Limited)

8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

*The hard iron lay dead in slumber deep
And we stirred it to life, ho !
In the dark depths of a million years it lay hid
And we stirred it to life, ho !
Tamed by our strong hands
It sings to the tune we call.
Its silence of long years have we broken, ho !
The dead doth stir with new life today
And rushes forth the wide world to conquer.
Fearless with our two hands today
Its reins we hold strong, ho !*

—a translation of a song from
Rabindranath Tagore's
"ACHALAYATAN"

INDIAN IRON & STEEL

THE INDIAN IRON & STEEL CO. LTD.
Works: Burnpur and Kulti
Head Office: 12 Mission Row, Calcutta.

GUIDE TO COMPANY MANAGEMENT
By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price: Rs. 5/-

EXPRESS PUBLISHERS (PRIVATE) LTD.
33, BROADWAY, MADRAS-1

THE ANDHRA BANK LIMITED
Estd. 1923 Head Office: MASULIPATAM

Offers complete Banking Service including Foreign Exchange. A network of Offices in Andhra Pradesh. Offices also at Madras, Tiruppur, Coimbatore, Salem (Madras State), Bellary (Mysore State) and at Berhampur (Orissa State).

ANDHRA BANK CASH CERTIFICATES ARE AN IDEAL INVESTMENT

For every initial investment of Rs. 88.75, you will get Rs. 100/- at the end of 3 years fetching an interest @ 4 per cent. compound.

For every initial investment of Rs. 81/-, you will get Rs. 100/- at the end of 5 years fetching an interest of 4 per cent. compound.

Shortly opening our Office at BANGALORE.

TADEPALLY SRIRAMULU,
Managing Director.

T. R. BHAGAVAT
General Manager.

INDIA STEAMSHIP COMPANY LIMITED

HIGHER FREIGHT EARNINGS—MORE VESSELS PUT INTO SERVICE

DR. A. RAMASWAMI MUDALIAR PLEADS FOR IMPROVEMENT OF CALCUTTA PORT

THE Annual General Meeting of the India Steamship Company Limited was held at Calcutta on 27th November 1959. Addressing the shareholders on the occasion, Dr. A. Ramaswami Mudaliar, Chairman of the Company, referred to the deterioration of the conditions in the Port of Calcutta, inasmuch as draft restrictions were much more serious during the year ended 31st March 1959 than in the previous year. He added that, since Calcutta was the most important port in India, it was necessary to take measures to improve the port expeditiously.

Before taking up the agenda, the Chairman referred to the irreparable loss that the Company has sustained in the untimely demise of one of its Directors, Mr. Gopi Krishna Khemka. Mr. Khemka was virtually the originator and the promoter of the India Steamship Company. It was during the last war that he floated this Company and the robustness of his optimism, his courage and the spirit of indomitable adventure could be realised from the fact that he intended from the outset that the ships of the Company should be utilised for overseas trade. It was an act of great faith that at a time of intense competition, when even coastal shipping was not reserved for national lines, Mr. Khemka should have decided on this great venture. During the last fifteen years, he devoted himself wholeheartedly to the service of the Company and his advice and co-operation was of immense value to the Chairman and other Directors of the Company. He promoted various other industries, some of them pioneering industry so far as Indian venture was concerned, like the cable factory. But his memory will ever be associated with the progress that Indian shipping has made in the wide seas of the world during the past decade. The Chairman then moved a resolution of condolence to be communicated to his wife and other members of the family. The motion was adopted, all members standing. The Chairman then resumed consideration of the agenda and in moving the adoption of the Directors' report, the audited accounts and the balance-sheet, made the following speech:

Audited Accounts

"The audited accounts and Directors' report for the period ended 31st March 1959 have been in your possession for some time. With your permission I shall take them as read.

"The Directors' report shows that the freight earned during the year was Rs. 8,04,04,160, as against Rs. 7,75,04,245 in the previous year and Rs. 6,00,17,168 in 1956-57. The total number of liner voyages during the year was 39, as compared to 30.5 in the previous year. Though the amount of freight earned was the highest so far, the figure does not reflect a comparable net profit for the Company. The increased earning was partly due to the number of ships in service, but there are other factors which continue to increase the expenditure side and to reduce the net profit of the Company.

"The net profit earned by the Company after deducting all charges and setting apart a sum of Rs. 75,55,777 towards depreciation, amounted to Rs. 60,66,726. Though, in comparison with last year's figures, these results may not appear striking, I venture to state that having regard to the conditions prevailing in the shipping industry during the period, the results are not unsatisfactory.

Freight Rates

"I stated last year that it is the experience of all shipping companies that, while boom periods are comparatively rare, lean years, when the quantity of freight falls and the rates are brought down sharply, are more common. International shipping is peculiarly susceptible to world conditions, economic or political. These anticipations were unfortunately literally fulfilled during the year. Freight rates were sharply cut down to meet the competition of tramps and the over-tonnage of some of the shipping companies has led to unhealthy conditions and further reduction in freights in some of the important commodities. The declining trade has also contributed to some extent to the fall

in the profits earned. The ships had to call at many more ports both for loading and for unloading cargo than in the previous year, owing to scarcity of cargo—the ports called at during the year being 768, as against 496 in the previous year.

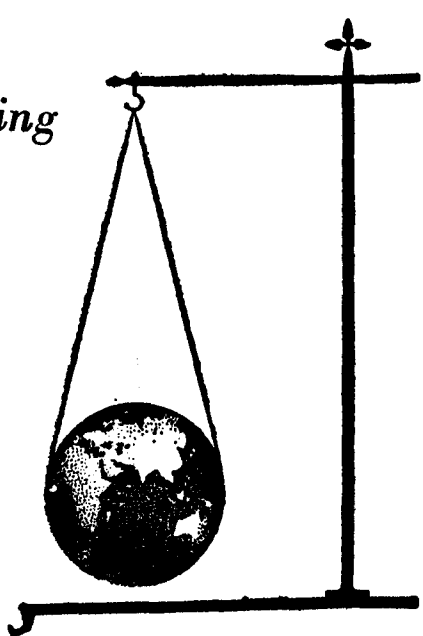
Port Conditions

"The conditions in the port of Calcutta further deteriorated, inasmuch as draft restrictions were much more serious during the year than in the previous period. The obvious effect of such restrictions is that less cargo can be loaded at the port of Calcutta and very often ships have to remain for long periods waiting for favourable drafts. I have emphasised on more than one occasion that the port of Calcutta is the most important port in India from the point of view of the volume of traffic both inwards and outwards. It is also the port, through which the largest amount of foreign exchange can be earned by the export cargo available at the port. On its functioning satisfactorily depends in the main the economic life of West Bengal. I trust that these factors have been fully realised and measures will be taken by the Government expeditiously and the assistance that the World Bank is giving for the reconstruction and proper navigability of the river will enable a more rapid improvement of the port.

Progress

"During the year under review, two more ships, the *Indian Success* and the *Indian Strength* were added to your fleet; and three ships were under order, one at the Visakhapatnam Shipyard and two at the German shipyard of Messrs. Howaldtswerke. During the current year, the *Indian Industry*, built at Visakhapatnam, was delivered and is now on her maiden voyage to the United Kingdom and the Continent. Two more ships, the *Indian Tradition* and the *Indian Trust*, have been launched and their delivery is expected, the first, in the last days of the year and the second early in February. With these additions, your fleet will consist of 18 ocean-

Weighing
the
world
up...



...even just from a financial point of view, is a pretty big operation. It requires a very extensive knowledge and understanding of business conditions. It requires an organisation like The Hongkong and Shanghai Banking Corporation. The biggest bank established by Banking Corporation. The Far East provides a banking service not only in South and East Asia—which is our primary concern—but has offices in Europe and America as well, surveying the whole of the business world, considering, weighing up.

THE
HONGKONG AND SHANGHAI
BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY — CALCUTTA

Offices in Europe and the United States and throughout the Far East

going vessels including the *Indian Industry* and one coastal vessel, the *Indian Commerce*. All these vessels, as I stated at the last annual meeting, have been ordered on the basis of immediate foreign exchange payment which the Government of India allotted in 1956 when this programme was approved and for which one cannot be sufficiently grateful to the Government. One more ship has been ordered from the German shipyard on the basis of deferred payment, the necessary foreign exchange being found over a period of years. The system of deferred payment has not proved attractive as it involves a larger capital outlay for a ship which, after all, has to compete in international waters with shipping of other companies which are not handicapped in the same way. It is hoped that by the combined efforts of shipping companies and of the Governments, both Indian and foreign, at whose yards ships are built, a fairer and a more natural solution of the foreign exchange problem may be found shortly.

New Routes

"I referred last year to the new routes that have been opened up by the ships of your Company to facilitate the export and import trade of the country and to establish connections with shippers in other parts of the world. The establishment of these new routes enables your Company to get the support of more shippers not only for the freight which will be carried by the new routes but also for freight which has to be carried by the old established route. Shippers, especially those who have connections in several parts of the world, desire to have facilities to ship to different places and will seek companies which are in a position to carry freight not to one destination only but to more than one destination. We have now opened our shipping to trade with the ports in the Black Sea and along the Levantine Coast of the Mediterranean. We have also opened a direct service to the Eastern ports of South America and our ships are calling regularly at the ports of Argentine and Brazil. These services call for a larger number of ships, while the existing routes also require a fair number of ships to keep regularity of service and thereby satisfy our regular shippers. These are the considerations which weighed with your Directors in increasing the fleet—an increase which was planned and programmed as early as 1956.

Dividend

"I have already referred to the fact that, after providing over Rs. 75 lakhs towards depreciation, the net profit earned by the Company amounted to over Rs. 65 lakhs. The whole of this amount has been set apart as 'development rebate reserve' in accordance with the law promulgated on the subject. I would, however, like to mention that this development rebate reserve, which with the present addition amounts to Rs. 1,14,00,000 is not available for the payment of dividends, but is available for such expenditure as payment of interest and instalments due on loans from the Government. While we have received loan from the Government for the construction of ships, your Directors have had constantly under review the financial resources of the Company for repayment of these loans. You will, therefore, find from the balance-sheet that in addition to payment of over Rs. 19 lakhs as interest on these loans, the Company has also paid the instalments on the loans due. I may finally state that, as the financial year under review ended on 31st March 1959, the new dividend tax is not applicable to the dividend that is now paid and, therefore, the shareholders will receive the same amount as in the previous years.

Dividend Tax

"I have expressed my view elsewhere that the new proposal of a dividend tax is much more onerous than the previous proposal of a tax on dividend paid direct by the Company. The new dividend taxation proposal was stated to be necessitated because of the complexity of grossing up the income earned in this respect before giving relief to the assessee. It was also stated that in view of the relief given to the Company by reduction of income-tax and abolition of wealth tax, this proposal would not in any way seriously affect the payment of dividends nor would it bring additional revenue to the Government. That these forecasts, whose accuracy was even then doubted, were mis-taken, has been realised by every company

which had to declare a dividend in a financial year which ended after 31st March 1959. Under the previous law, the declaration of a dividend of 6 per cent. did not attract any dividend tax. Under the present law, the declaration of a 6 per cent. dividend will mean that the shareholder will receive only 4.2 per cent. on his shareholding. The relief by way of refund to such an assessee is in most cases illusory. I would put in a plea for the small shareholders who have, for many years, been dependent on the earnings from dividends on their share capital. A payment of nearly 43 per cent. as tax on the amount actually received as dividend is certainly a very serious imposition on such shareholders. I do trust that the matter will be further examined and that, if the complexity of grossing up the earnings is to be avoided, at least a smaller percentage of tax may be declared as fair and just.

Foreign Companies and Restrictive Practices

"It is no pleasure to me to once more draw your attention to the fact that we have made no progress by negotiation and argument in the claim that we have advanced, that Indian shipping should be allowed into the Conferences at least of the way-side ports on the direct route from India to the U.K. and the Continent. We have not been allowed even to participate in the freight from Colombo to the U.K. and back. On the other hand, quite recently, while we were calling occasionally at other ports in Ceylon like Trincomalee and Galle, the Colombo Conference extended its sphere to all the ports in Ceylon and announced that as the Indian Lines were not members of that Conference, they could not call at any of the ports in Ceylon; a supreme example of the freedom of the seas and non-discrimination of flags which some of the lines constantly speak of! This communication was considered by the two Indian Lines as adding insult to injury and they have now both definitely declared that they will call at all the Ceylon ports including Colombo as necessity demands and that they will not be bound by any rules of that Conference except that, in the first instance and in the absence of any other action by the Conference, they would observe the freight rates laid down by the Conference. I must confess that the decisions of

the Conference, even in the India-U.K. Continent trade, have surprised Indian Lines and, with all the desire to co-operate with the Conference, they have found it difficult to see eye to eye with some of the members of the Conference. These decisions have been sometimes wanting in logic and sometimes clearly aimed at Indian Lines. Matters have come to a head, and unless a reasonable attitude is taken, the Conference system itself is likely to be endangered. I may mention that recently, during my last visit to England, I have had frank and full discussion with the two Chairmen of the Conferences of which we are members, and I hope that there will be a better understanding of the position of the Indian Lines and their requirements very soon.

Shipping Board

"During the year under review, a National Shipping Board has been constituted to look after the promotion and development of Indian shipping, with Mr. G. L. Mehta, who has long been associated with Indian shipping and who has held the high position of Ambassador in the United States, as its Chairman. I trust that the activities of the National Shipping Board will help in fostering the growth and development of Indian shipping, the need for which is more apparent today than ever before. The Ministry of Transport has a new Head in my esteemed friend, Dr. P. Subbarayan. The Minister of State, Mr. Raj Bahadur, continues to be in direct charge of Shipping. We are thankful to both of them for the interest they have taken in the expansion of Indian shipping and in the development of Indian ports. We have had throughout the period, consistent and valuable help, assistance and advice from the Director-General of Shipping and his Deputies and from the Secretary to the Ministry of Transport. The Departments of Government, who are placing large orders for the import of various kinds of commodities, plant and machinery from abroad, are, I am glad to state, realising the important part that Indian shipping can play in the economy of the country and we are also thankful to them for this increased awareness of the position.

Tribute

"As I have already stated, the financial year has been a year of great difficulty in a falling freight market and it required the wholehearted and devoted services of all its officers afloat and ashore, and all its employees of every rank to enable the Company to achieve the results that it did. I must also convey the thanks of the Board and of the shareholders to the shippers who have given their firm support to us and to the brokers and forwarding agents who have shown confidence in us and in the excellence of our shipping services. Your fleet is one of the fastest in cargo service from India to the U.K. and the Continent and, taken as a whole, I venture to state that it is the fastest existing. It has established a record for its reliability and for the reasonably careful handling of the cargo entrusted to it. Every year brings new problems to the shipping world and your Company is determined to keep in step with all the progress that has been made either in regard to shipping itself, or in regard to the services which are ancillary to carrying freight by your ships.

"Over ten years have now passed since I took direct interest in your Company as its Chairman. More than a decade of strenuous and sustained work has been possible by the enthusiastic co-operation of my colleagues and of all the staff in the service of the Company, and by the generous support which you, as shareholders, have given. I trust I may have your continued confidence in the full hope that whatever the results may be, there will be nothing lacking in thought, in attention and in devotion to the affairs of your Company. I hope also that the Government will realise that a shipping company such as yours is more than a mere commercial organisation and that with your encouragement, it will play its part not merely to earn profits but to be of the foremost service to the economic and political life of the country."

N.B.—The above statement is not a report of the proceedings of the annual general meeting referred to.

FUJI'S

Quality Products

PIG IRON; BILLET, SLAB, SHEET BAR;
BAR, SHAPE, WIRE ROD, RAIL, HOOP,
PLATE, HOT ROLLED SHEET, COLD
ROLLED SHEET, GALVANIZED SHEET,
TIN PLATE, LIGHT GAUGE STEEL AND
PANZERMAT; BY-PRODUCTS.



FUJI IRON & STEEL CO., LTD.

Head-Office: Nihonbashi-Edobashi, Chuo-ku, Tokyo, Japan
Cable Address: STEELFUJI TOKYO
New York Office: T. Nakano, Room 805, 52 Broadway, New York 4, N. Y., U. S. A.
President: Shigeo Nagano
Tel.: Bowling Green 9-8675/6

THIS IS ONLY AN ANNOUNCEMENT AND NOT A PROSPECTUS

No subscriptions are invited on the basis of this announcement. Intending subscribers should obtain from the Registered Office or the Calcutta Office of the Company or any one of the Bankers or Brokers referred to hereunder, copies of the PROSPECTUS to which are attached the Forms of Application.

A copy of the PROSPECTUS having attached thereto the necessary documents has been duly filed with the Registrar of Companies, Madhya Pradesh, as required by Section 60(2) of the Companies Act, 1956. Some of the particulars contained in the PROSPECTUS are set forth hereunder.

Consent of the Central Government has been obtained to this issue by an Order of which a complete copy is open to public inspection at the Registered Office of the Company at Chola Road, Bhopal. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

A licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the correctness of any of the statements made or opinions expressed in regard to it.

The existing Equity (Ordinary) Shares are quoted on Calcutta, Bombay and Delhi Stock Exchanges. Applications will be made to these Stock Exchanges for permission to deal in the shares offered hereunder and for quotation of the Preference shares now being offered.

The Subscription List will open at the commencement of Banking hours on the 21st December, 1959, and will close at the close of Banking hours on the 30th December, 1959, unless closed earlier at the discretion of the Directors but not before the 28th December, 1959.

STRAW PRODUCTS LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

(J. K. PAPER MILLS)

SHARE CAPITAL

AUTHORISED CAPITAL

2,00,000 7% Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each	Rs. 2,00,00,000
30,00,000 Equity (Ordinary) Shares of Rs. 10 each	Rs. 3,00,00,000
	Rs. 5,00,00,000

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

1,50,000 Equity (Ordinary) Shares of Rs. 10 each fully paid-up	Rs. 15,00,000
--	---------------

PRESENT ISSUE

75,000 7% Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each	Rs. 75,00,000
12,50,000 Equity (Ordinary) Shares of Rs. 10 each	Rs. 1,25,00,000
	Rs. 2,00,00,000

The shares now being issued are available for subscription at par payable as follows :

	Preference Shares	Equity (Ordinary) Shares
On Application	Rs. 50 per Share	Rs. 5 per Share

The balance due on the shares will be called up at the discretion of the Directors not earlier than six months from the date of allotment.

All the shares under the present issue have been offered in the first instance to existing shareholders on the basis of ONE 7% Tax-free Redeemable Cumulative Preference Share of Rs. 100 for every two Equity (Ordinary) Shares of Rs. 10 each and TWENTY-FIVE new Equity (Ordinary) Shares of Rs. 10 each for every three Equity (Ordinary) Shares of Rs. 10 each held by them, ignoring fractions, if any, with liberty to renounce in favour of any other person. Shareholders may also apply for additional shares which will be allotted at the discretion of the Directors. If acceptance is not received by the Company on or before 23rd December, 1959, the offer shall be deemed to have been declined.

Applications from the public will be considered by the Directors for such number of shares only as may be available in consequence of the existing shareholders declining to take them.

UNDERWRITING

All the shares forming the present issue have been either underwritten or the subscription thereof is guaranteed by the Managing Agents and three of the Directors.

The details of the shares that have been underwritten from out of the present issue and the names of the underwriters are as stated below :

	7% Tax-free Redeemable Cumulative Preference Shares of Rs. 100 each.	Equity (Ordinary) Shares of Rs. 10 each.	Total Value
Industrial Finance Corporation of India	50,000	..	Rs. 50,00,000
The Industrial Credit and Investment Corporation of India Limited	25,000	2,50,000	Rs. 50,00,000
	75,000	2,50,000	Rs. 1,00,00,000

In the opinion of the Directors, the resources of the said underwriters are sufficient to discharge the underwriting obligation.

10,00,000 Equity (Ordinary) Shares of Rs. 10 each that are not being underwritten or so many thereof as are not subscribed have been guaranteed to be subscribed by the Managing Agents and Sir Padampat Singhania, Kt.,

Shri Lakshmi Pat Singhania and Shri Hari Shankar Singhania, three of the Directors. In the opinion of the Directors, the joint resources of the Managing Agents and Directors are sufficient to discharge this obligation.

RIGHTS OF PREFERENCE SHARES

The Redeemable Preference Shares confer the right to a fixed Cumulative Preferential Dividend at the rate of 7% per annum free of Income-tax and the right in a winding-up to be paid all arrears of Preferential Dividend earned whether declared or not, down to the commencement of the winding-up and to be repaid the amount of capital paid up or credited as paid up in priority to any payment in respect of Ordinary Shares but no other rights to participate in surplus profits or assets.

REDEMPTION OF PREFERENCE SHARES

The shares are redeemable on the expiry of not less than five nor more than twelve years from the date of allotment and if not all redeemed at one time those to be redeemed shall be determined by drawings.

RIGHTS ATTACHED TO THE NEW EQUITY (ORDINARY) SHARES

The new Equity (Ordinary) Shares shall rank *pari passu* with the existing Equity (Ordinary) Shares of the Company except that they shall not confer any right to dividend declared in respect of the year ending 31st December, 1959.

DIRECTORS

Sir PADAMPAT SINGHANIA, Kt., Industrialist, Kamla Tower, Kanpur.
 Shri LAKSHMI PAT SINGHANIA, Industrialist, 12, Ali-pore Road, Calcutta.
 Shri SALAMUDDIN KHAN, Ex-Minister of Commerce and Industry, State of Bhopal and Ex-Chief Justice, Bhopal State.
 Shri BALKRISHNALAL PODDAR, Merchant and Banker, 51, Southern Avenue, Calcutta.
 Shri MADANLAL KHEMKA, Solicitor, 4, Bhawani Dutt Lane, Calcutta.
 Shri HARI SHANKAR SINGHANIA, Industrialist, 12, Ali-pore Road, Calcutta.

MANAGING AGENTS

J. K. AGENTS PRIVATE LTD., Chola Road, Bhopal.

BANKERS

THE BANK OF INDIA
 THE CENTRAL BANK OF INDIA LTD.
 THE BANK OF BARODA LTD.
 THE HINDUSTAN COMMERCIAL BANK LTD.

SOLICITORS

To the Company :

Messrs. KHAITAN & CO., 1B, Old Post Office Street, Calcutta.

To the Issue :

Messrs. ORR DIGNAM & CO., 29, Netaji Subhas Road, Calcutta.

AUDITORS

MESSRS. LODHA & CO., Chartered Accountants, 1B, Old Post Office Street, Calcutta.

REGISTERED OFFICE

CHOLA ROAD, BHOPAL.

CALCUTTA OFFICE

2 MANGOE LANE, CALCUTTA-1.

PROJECT ENGINEERS

J. M. VOITH, G.M.B.H., Heidenheim Brenz, West Germany.

UNDERWRITERS

INDUSTRIAL FINANCE CORPORATION OF INDIA, Reserve Bank Building, Parliament Street, New Delhi.

THE INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD., Union Bank Building, Apollo Street, Fort, Bombay.

MANAGING BROKERS

PLACE, SIDDONS & GOUGH (PRIVATE) LTD., 6, Lyons Range, Calcutta.

BROKERS

MESSRS. G. M. PYNE, Allahabad Bank Buildings, 14, India Exchange Place, Calcutta-1.

MESSRS. MAHADEVIA BROTHERS, Stock Exchange Old Building, Dalal Street, Fort, Bombay.

MESSRS. DEVKARAN NANJI & CO., 17, Horniman Circle, Bombay.

MESSRS. PATERSON & CO., 22, Errabalu Chetty Street, Madras.

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

MESSRS. BATLIWALA & KARANI, Union Bank Building, Dalal Street, Fort, Bombay.

MESSRS. D. S. PURBHODAS & CO., Stock Exchange New Building, Apollo Street, Fort, Bombay.

MESSRS. MACONOCHE & CO., Mercantile Bank Buildings, First Line Beach, Madras-1.

MESSRS. HARBANS SINGH MEHTA & CO., 33, Regal Buildings, Parliament Street, New Delhi.

OBJECTS

The Company was incorporated on the 6th August, 1938 with the objects mentioned in its Memorandum of Association and in particular with a view to set up a Straw Board Industry and to own Paper Mills, etc.

PRESENT BUSINESS

The Company has been carrying on the business of manufacturing Strawboard from Straw and Grass and marketing the products since its inception. By adding a new Cylinder Mould Machine the Company has recently extended its activities to other types of Boards such as Simplex, Duplex and Triplex Boards and Straw Paper for corrugation. Due to this extension the capacity of the factory has been increased from 4,500 tons to 10,500 tons per annum.

NEW PROJECT

The Company has been granted a licence under the Industries (Development and Regulation) Act, 1951, for the establishment of a new Paper Mill at Singhpur Road, Orissa, with a manufacturing capacity of 18,000 tons per annum of high grade Writing and Printing Paper.

LOCATION OF PAPER MILL

A site in the vicinity of Singhpur Road Railway Station (near Rayagada) in the State of Orissa has been selected.

RAW MATERIALS

Bamboo, the raw material for manufacture of pulp and paper, is available in abundance from the forests adjoining the mill. The Government of Orissa has already allotted forests to the Company which will yield enough bamboos. Some forest development work has already been undertaken for the last three years and recovered bamboos are being marketed.

LAND

An agreement for the acquisition of adequate land for the Paper Mill has been entered into with

the Government of Orissa and the required land is expected to be handed over to the Company at an early date.

WATER SUPPLY

Water for the Mill will be taken from the River Nagavali on which the Mill site is situated. This is a perennial river and will supply the required amount of water.

ELECTRICITY

The Government of Orissa will supply necessary electrical power from the Machkund Grid. Power necessary for erection will be made available to the Company by March, 1960 and thereafter power necessary for operation of the Mill as required.

TRANSPORT FACILITIES

Singhpur Road is situated on Raipur-Vishakhapatnam Broad-Gauge Railway Line and is also connected by road directly with the Vishakhapatnam seaport which is an additional advantage for the transportation of goods by sea route. Suitable road transport facilities also exist with other important commercial towns. The distance by rail from Singhpur Road to Vishakhapatnam and Calcutta is 123 and 593 miles respectively.

PLANT AND MACHINERY

The Company has entered into an agreement for supply of pulp and paper mill machinery with J. M. Voith, G.M.B.H., of Heidenheim Brenz, West Germany. Machineries other than pulp and paper mill machinery have also been arranged through Messrs. J. M. Voith to be supplied from renowned manufacturers in West Germany, such as Siemens for Electrical equipments, Steinmuller for Boilers and Recovery Furnace, Dorr-Oliver for Recaulsticising plant, etc., etc. Messrs. Voith are manufacturers of pulp and paper mill machinery and enjoy a world-wide reputation in this line. They are also well known in India and have supplied pulp and paper mill machinery to various paper mills in India, specially based on bamboo as raw material, which have been found very satisfactory in working. Messrs. Voith are also engaged as Engineers for the complete Project. They will be responsible for erection and bringing into operation of the Mills and the training of the Company's personnel.

GUARANTEE FOR DEFERRED PAYMENTS

The State Bank of India have agreed to give necessary guarantee to the foreign suppliers for the deferred payment of the plant and machinery amounting to Rs. 3,00,00,000 with interest amounting to approximately Rs. 53,50,000 thereon. The Company will create security by way of mortgage of its complete assets in favour of the State Bank of India in consideration of the guarantee and the Managing Agents and Sir Padampat Singhania, Kt., Shri Lakshmi Pat Singhania and Shri Hari Shankar Singhania, three of their Directors, will also execute personal guarantees in favour of the Bank.

CAPITAL REQUIREMENT

The total cost of the project is estimated as under:

	Rs.
1. Land and Building	60,00,000
2. Plant and Machinery, including freight and duty	3,20,00,000
3. Erection, Preliminary and Miscellaneous expenses	34,00,000
4. Interest on Deferred Payments	53,50,000
Total Rs.	4,67,50,000

SOURCE OF FUNDS

The total sum will be provided as under:

	Rs.
1. New Issue of Capital	2,00,00,000
2. Other Resources including those of the Company	80,00,000
3. Deferred payments balance	2,67,50,000
Total Rs.	5,47,50,000

The excess provision will be available as a contingency margin and for meeting a part of the working capital requirements, the balance of which will be arranged through Banks by hypothecation of stocks and stores.

PROSPECTS

The production of Paper in the country is not sufficient to meet even the present demand which, in view of the rapid industrialisation of the country and increase in literacy and general standard of living envisaged in the Five-Year Plans, is bound to rise considerably in the coming years. In consequence, the demand of paper will be in excess of supply for some decades to come so that the Company's prospects in this line are bright.

PROFITS

The Paper Industry in India has shown a reasonably high potentiality for profit earning. The Mill will be equipped with up-to-date plant and machinery incorporating latest methods of production. The Company has reasonable scope for earning profits.

FINANCIAL INFORMATION

The following is condensation of the Auditors' Report by the Company's Auditors, Messrs. Lodha & Co., as published in the Prospectus:

STRAW PRODUCTS LIMITED			
Year ended 31st December	Sales	Profit before Depreciation and Taxation	Net Profits after Depreciation and Taxation
	Rs.	Rs.	Rs.
1954	19,52,719	2,73,315	48,708
1955	22,86,124	5,15,616	2,73,078
1956	32,84,197	9,78,901	4,43,607
1957	35,89,482	11,61,266	1,08,306
1958	65,46,013	11,16,275	89,208

Assets and Liabilities as at 31st December, 1958 :

Fixed Assets (at original cost less depreciation), Capital expenditure and Investments at cost	Rs. 1,01,02,382
Current Assets	46,49,365
Total Assets	Rs. 1,47,51,747
Less Liabilities	Rs. 37,80,777
Net Assets as at 31st December, 1958	Rs. 1,09,70,970

Dividends on Paid-up Capital :

Dividends paid by the Company in respect of the five years ended 31st December, 1958, were as follows:

Year ended	Rate of Dividend Per cent.
1954	5
1955	10
1956	12½
1957	12½
1958	12½

MINIMUM SUBSCRIPTION

In the opinion of the Directors it is not necessary to fix any minimum amount of subscription.

EXPENSES OF THE ISSUE

The expenses of the issue including underwriting commission and brokerage are estimated not to exceed Rs. 5 lacs and are payable and will be defrayed by the Company.

UNDERWRITING COMMISSION

Underwriting commission at the rate of 1½% and 2½% on the nominal value of the Equity (Ordinary) and Preference Shares respectively underwritten will be paid to the underwriters.

BROKERAGE

Brokerage will be paid at the following rates on allotments made in respect of applications for Preference or Equity (Ordinary) Shares bearing the stamp of the underwriters, any bank, or any brokers of a recognised stock exchange.

On Preference Shares—Brokerage will be paid at the rate of 1%.

On Equity (Ordinary) Shares—Brokerage will be paid at the rate of 15 nP per share.

The Managing Brokers will be paid an additional brokerage of 5 nP per share on Equity (Ordinary) Shares not exceeding 2,50,000. No Managing brokerage will, however, be paid on the Equity (Ordinary) Shares allotted to The Industrial Credit and Investment Corporation of India Ltd. or against the applications bearing their stamps on which The Industrial Credit and Investment Corporation of India Ltd. will be entitled to 5 nP per Equity (Ordinary) Share in addition.

INSPECTION

Copies of the Memorandum and Articles of Association of the Company, audited Balance Sheet and Profit and Loss Account for the last five years and the Auditors' Report, the original consent order of the Controller of Capital Issues, Licences issued by the Government of India for establishment of new Industrial Undertaking and copies of contracts, can be inspected at any time during the usual office hours at the Registered Office of the Company for a period of fourteen days from the date of publication of the PROSPECTUS or until the Subscription List closes whichever is earlier.

APPLICATION FOR AND ALLOTMENT OF SHARES

Applications for Preference and Equity (Ordinary) shares must be made on the Form accompanying the PROSPECTUS, copies of which may be obtained from the Registered Office and Calcutta Office of the Company, from the Brokers and from the Offices of the Bankers mentioned hereinabove.

The Form of Applications accompanied by the necessary remittance being Rs. 5 per Equity (Ordinary) Share and Rs. 50 per Preference Share, should be delivered to any of the following addresses on or before the date of closing of the Subscription List. Cheques drawn on banks at places other than those mentioned hereunder must include bank charges at the rate of 1/8% with a minimum of 75 nP.

Cheques or drafts should be made payable to "STRAW PRODUCTS LTD. — Share Application A/c" and should be crossed "Account Payee only." A separate cheque or draft should accompany each application form.

1. Straw Products Ltd., Chola Road, Bhopal.
2. Straw Products Ltd., 2, Mango Lane, Calcutta.
3. State Bank of India, Bombay, Calcutta, Madras, Delhi, Bhopal, Bangalore, Cuttack, Indore, Nagpur and Patna.
4. The Central Bank of India Ltd., Bhopal, Bombay and Calcutta.
5. The Bank of Baroda Ltd., Calcutta and Bombay.
6. The Hindustan Commercial Bank Ltd., Calcutta, Kanpur, Bombay, Amritsar, Jaipur, Delhi and Ahmedabad.

Where no allotment is made the deposit will be returned in full and where a partial allotment is made, the unutilised balance will be returned, without any interest by a cheque on the Bombay branch of the Company's Bankers. The Directors reserve the right to refuse any application wholly or in part without assigning any reasons.

The shares when issued shall be subject to the Memorandum and Articles of Association of the Company. The Share Certificates will be issued within six months of the date of allotment.

NEW PUBLICATIONS

Tenth International Conference of Agricultural Economists—Studies in Indian Agricultural Economics. Edited by Dr. J. P. Bhattacharjee. The Indian Society of Agricultural Economics, Bombay. Price: Rs. 18.00. Pages: 326.

THE book is a souvenir volume brought out on the occasion of the tenth International conference of Agricultural Economists held at Bangalore from 24th August to 3rd September last year. The volume comprises nine research studies relating to some of the important branches of India's rural economy. Consisting as it does of contributions from the distinguished centres of study and research in social sciences in India, this volume broadly represents the current level of thinking on some of the vital problems confronting the primary sector in the country's economy. The methodology adopted here is in general historical-cum-analytical, with particular reference to the current problems of, and trends in, terms of trade, output, prices, marketing, employment, food consumption and investment and finance in Indian agriculture. Among the many interesting articles in the volume, mention may be made of "Prices, Trade and Marketing of Agricultural Commodities in India" by Dr. R. N. Podaval and Mr. Prayakar Sen (Directorate of Economics and Statistics, Union Ministry of Food and Agriculture). Against the background of the changing position of agriculture in the national economy, the authors seek to provide a detailed analysis of the movement of prices, terms of trade between the agricultural and industrial sectors of the economy, of the pattern of foreign trade and the structure of marketing of agricultural commodities. The analysis has been supplemented by data obtained from farm management investigations which throw light on the role of economic calculation and strength of economic incentives in the organisation and management of agricultural enterprises.

Another article, "Investment in Agriculture in the Two Plans," contributed jointly by Dr. D. T. Lakdawala, Dr. M. B. Desai, Mr. V. S. Vyas and Mr. S. H. Deshpande (Department of Economics, University of Bombay), serves to bring out a comparative assessment of the nature and adequacy of the investment in agriculture in the first and the second Plans. The paper on "India's Rural Economy and Its Institutional Framework: A Re-examination," prepared by Mr. Tarlok Singh, Planning Commission, evaluates the changing economic and social ethos in the rural economy, in the wake of community development projects, land reforms, co-operation and industrialisation, particularly in the context of the emphasis given to cottage and small-scale industries. In the course of a paper on "Progress in Research in Agricultural Economics in India," Prof. M. L. Dantwala makes a retrospective survey of the growth of re-

search in agricultural economics as an academic discipline in India, which, of course, is of comparatively recent origin in this country. The volume will be genuinely welcomed by students of advanced agricultural economics.

Formation of Private Companies. By Douglas Barker and A. P. Halberstam. Published by Sweet and Maxwell Ltd., 2 and 3 Chancery Lane, London. Sole Agents in India: N. M. Tripathi Private Ltd., Princess Street, Bombay-2. Pages: 236. Price: £1 15s.

Company formation is now a specialised job. It requires not only a good knowledge of the Companies Act and regulations but also many other statutes like income-tax, profits tax, wealth tax and estate duty. Only a person conversant with these vast subjects will be in a position to advise and help in the formation of companies. Douglas Barker and Halberstam have made the job of persons desirous of forming companies easy to a certain extent. Businessmen and lawyers in the company field will find this book a good guide. The authors have briefly discussed in Part I the various statutes affecting companies, the different types of companies, the advantages and disadvantages of their incorporation. The second part of the book contains a detailed account of the formation of companies and their registration. Part III deals with the conversion of a private company into a public company. Though the book is essentially meant for the formation of private companies in England, it is quite useful in India too as the Indian Companies Act is based on the English statute. It will, however, serve only as a broad guide.

A Grammar of Indian Planning. By S. Ambirajan. Published by the Popular Book Depot, Lamington Road, Bombay, 7. Pages 185. Price: Rs. 5.00.

The author, S. Ambirajan, has discussed in this book the growth and development of planning in India in its proper perspective. While he has recognised the merits of democratic planning, he has also pointed out its limitations. The book also contains an analytical study of the basic framework of India's first and second Plans. Commenting on the prospects for the third Plan, the author has warned that the second Plan had certain advantages which the third will not have, for instance, the cushion of foreign exchange reserves and the optimistic outlook for food supply at the end of the first Plan. The need for repayment of foreign loans will also tell upon the resources position of the next Plan. On the question of mobilising internal resources, the author says that, if anything, there is need to give tax concessions rather than impose fresh tax burdens. He has, therefore, called for a realistic approach towards planning. Written in simple and non-technical language, the book will be read with interest by general readers and students.

A Foredoomed Committee and Fuss, Sham and Intrigue in the Income-Tax. By N. Nandini. Published by the Author, 127, Bananani Naskar Road, Behala, Calcutta-34. Pages: 146. Price: Rs. 5.00.

The first phrase of the intriguing and provocative title of the book refers to the author's verdict on the Direct Taxes Administration Enquiry Committee. Here is a good case for improvement of the income-tax administrative machinery presented by one who has himself worked in the Department for a number of years. The author, N. Nandini, has utilised his knowledge and experience in laying bare some of the chief defects of the income-tax administration. There are also a number of suggestions for reform, many of which emerge more by implication than by direct statement. Thus, the author deprecates the inadequate training given to income-tax officers. Perhaps, by a too liberal use of overworked adjectives, he spoils a really good case for reform. There is also much repetition and adoption of such unimpressive devices of attracting readers' attention as black letters. The author, however, seems to have a missionary zeal in the reform of the Department.

Industrial Relations in India. By T. N. Rastogi, 33, Havelock Road, Lucknow. Pages: 24. Price: 50 nP.

But for the words printed in brackets under the title, there is nothing in this booklet to bear out the author's claim that it is an advanced, critical study of industrial relations in India. At best, it is a loosely knit essay with a dozen quotations grafted on to it for no other reason than the author's love for quotation. After a perusal of the booklet, one is still left in doubt as to what is "fresh and rational" in it and in what way the author's "methodological approach" is different from that of other students of labour economics. Nevertheless, in view of the fact that there are even today numerous industrial managements who are too short-sighted to understand the essence of sound industrial relations, the author's emphasis on the essentially "human" aspect of these relations is to be welcomed.

Economics and Economy. By Kenneth Rivett. Published by Harold Laski Institute of Political Science, Ahmedabad. Pages: 61. Price: Rs. 2.00.

This booklet contains three lectures delivered by Dr. Kenneth Rivett of Melbourne University, at the Harold Laski Institute of Political Science, Ahmedabad. Their main theme is the scope and philosophy. The first lecture deals with the scope and definition of economics, the second with the logical methods of economics and the third with the relation between economics and ethics. All the three lectures are eminently readable in print, thanks to the informal style and sparkling contents.

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

NEW STANDARD ENGINEERING CO. LTD.

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913)

AUTHORISED CAPITAL:

1,00,000 Shares of Rs. 100 each	Rs. 1,00,00,000
---------------------------------	-----------------

CAPITAL ALREADY ISSUED, SUBSCRIBED AND PAID UP:

22,277 Equity Shares of Rs. 100 each fully paid up otherwise than in cash	Rs. 22,27,700
---	---------------

NOW BEING ISSUED:

27,723 Equity Shares of Rs. 100 each	Rs. 27,72,300
and	
25,000 6.3% (Tax-free) Cumulative Redeemable Preference shares of Rs. 100 each	Rs. 25,00,000
Total	Rs. 52,72,300

OUT OF THE SHARES NOW BEING ISSUED:
The Directors and their friends have agreed to take up 3,223 Equity shares of the nominal value of Rs. 100.

BOARD OF DIRECTORS

SRI RAMANLAL G. SARAIYA (Chairman), Businessman, Navsari Chambers, Outram Road, Fort, Bombay-1.

SRI PRATAP BHOGILAL, Businessman, Forbes Street, Bombay-1.

SRI SHYAMLAL H. BHAGWATI, Businessman, 43, Forbes Street, Bombay-1.

SRI VISHNU NIMBKAR, Consulting Engineer, "The Amerind", 15th Road, Khar, Bombay-21.

SRI JETHABHAI V. PATEL, Managing Director of the Company, Carroll Road, Bombay-13.

SRI AMBALAL V. PATEL, Engineer of the Company, Sharda Sadan, French Bridge, Chowpaty, Bombay-7.

SRI SUMANT J. PATEL, Engineer of the Company, A-5, Mayfair Gardens, Little Gibbs Road, Bombay-6.

BANKERS

THE BANK OF INDIA LTD., Mahatma Gandhi Road, Fort, Bombay-1.

DEVKARAN NANJEE BANKING CO., LTD., Horniman Circle, Fort, Bombay-1.

AUDITORS

Messrs. SHAH & CO., Chartered Accountants, 107, Mahatma Gandhi Road, Fort, Bombay-1, and 418, Kalbadevi Road, Bombay-2.

BROKERS

1. **Messrs. DHIRAJLAL MAGANLAL PURSHO-TAMDAS,** Old Share Bazar, Dalal Street, Bombay.

2. **SRI G. R. AMIN,** 94, Stock Exchange Building, Bombay-1.

3. **Messrs. GORDHANDAS BHAGWANDAS,** 20-C, Dalal Street, Bombay-1.

4. **Messrs. HARKISONDAS LUKHMIDAS,** 5, Hamam Street, Bombay-1.

5. **Messrs. JAMNADAS KHUSHALDAS & CO.,** 11-13, Mint Road, Fort, Bombay-1.

6. **Messrs. R. R. NABAR & CO.,** 31, Dalal Street, Bombay-1.

7. **Messrs. RASIKLAL MANEKLAL & CO.,** 1, Old Stock Exchange Building, Bombay-1.

SOLICITORS

Messrs. CHIMANLAL SHAH & CO., 36, Dalal Street, Fort, Bombay-1.

Messrs. AMIN AND DESAI, Hamam House, Hamam Street, Bombay-1.

REGISTERED OFFICE

CARROLL ROAD, (Opp. Elphinstone Road Railway Station), Bombay-13.

BROKERAGE

Brokerage will be paid by the Company to Banks and underwriters at the rate of 1 per cent. Shares allotted in respect of applications bearing their stamps.

UNDER-WRITING COMMISSION

Under-writing commission at 2½ per cent. is payable to under-writers on 25,000 Preference shares and 10,000 Equity shares.

The Subscription List would be open at the commencement of the Banking hours on the 17th December 1959, and will close at the close of Banking hours on the 30th December 1959, unless closed earlier at the discretion of the Directors but before the 23rd December 1959.

Let there faster
by
BOAC Comet 4!



BY LOW FARE TOURIST CLASS

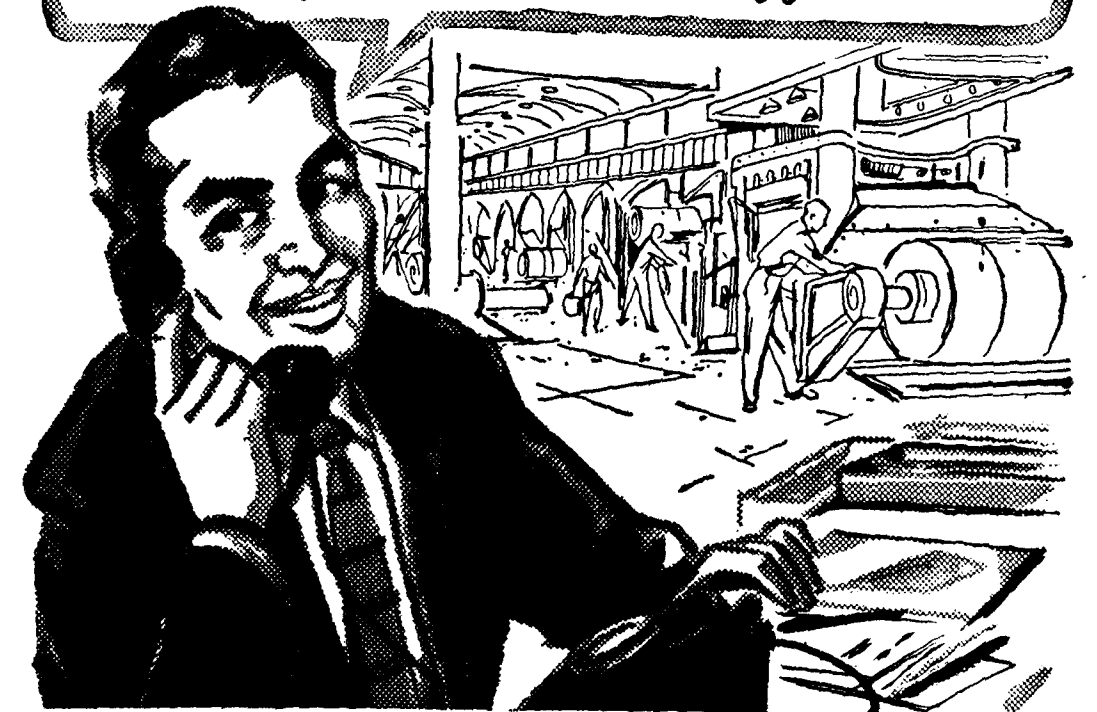
**BURMA
THAILAND
MALAYA
SINGAPORE
HONG KONG
JAPAN**

See your local BOAC Appointed Travel Agent or BOAC at Bombay, Calcutta, Delhi and Madras.

B.O.A.C.

BRITISH OVERSEAS AIRWAYS CORPORATION
IN ASSOCIATION WITH QANTAS, BAA, MSA AND TEAL.

We always use **WHEEL BRAND** Industrial glycerine
It's guaranteed to contain 98% glycerol



Years of experience have proved to this factory manager that he can rely on **WHEEL BRAND** Industrial Glycerine — because it is of an unvarying high quality.

It is guaranteed to contain not less than 98% glycerol. What's more, it is backed by the experience and reputation of its makers, **HINDUSTAN LEVER LIMITED**.

In textiles, dyeing and printing, paints, varnishes and lacquers, plastics, leather, rubber and glass... in these and other industries, **WHEEL BRAND GLYCERINE** is used, and has been used for years.



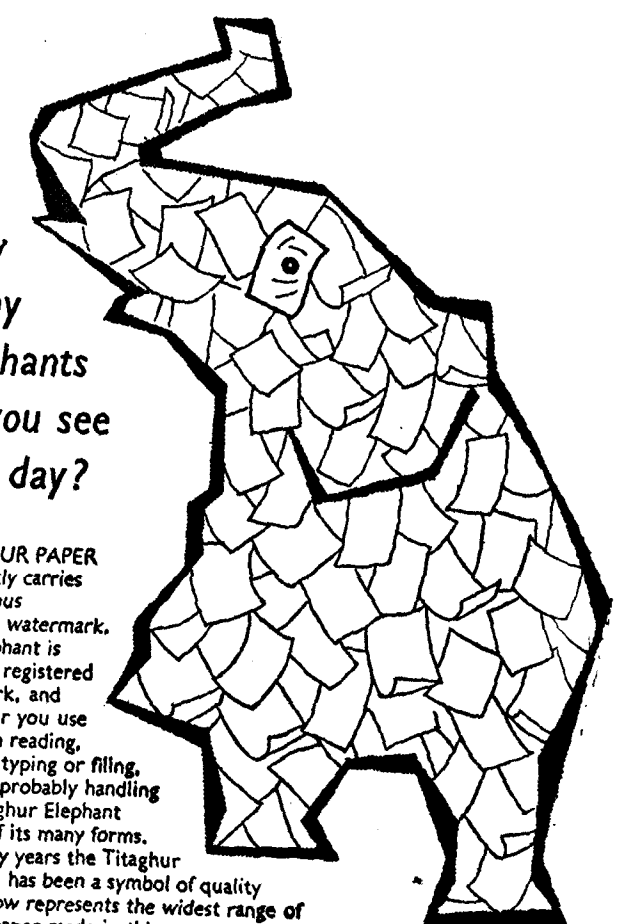
Remember, **WHEEL BRAND GLYCERINE** is also has many uses in the industry as well as medicinal and domestic uses! Write for a free leaflet about its various uses in the home to: **HINDUSTAN LEVER LTD., P. O. Box No. 409, Bombay 1.**

DISTRIBUTORS: Imperial Chemical Industries (India) Private Limited
Bombay • Calcutta • Delhi • Madras

Made by **HINDUSTAN LEVER LIMITED, Bombay**

WG. 15-X52

How many elephants do you see in a day?



TITAGUR PAPER frequently carries the famous Elephant watermark. The Elephant is also our registered trademark, and whenever you use paper, in reading, writing, typing or filing, you are probably handling the Titagur Elephant in one of its many forms. For many years the Titagur Elephant has been a symbol of quality and it now represents the widest range of quality paper made in this country. Today, the Titagur Mills produce more bamboo pulp and paper than any other mills in the world.

THE TITAGUR PAPER MILLS CO., LTD.
CHARTERED BANK BUILDINGS, CALCUTTA 1.



PROTECTION FOR AUTOMOBILE LEAF SPRINGS WITHDRAWN

FURTHER CUT IN PRICES URGED

THE automobile leaf springs industry, which has been enjoying protection for the last four years with a protective duty of 50 per cent., will lose this shelter from 1st January 1960, for the Government of India has accepted the recommendation of the Tariff Commission that protection to the industry need not be continued beyond 31st December 1959. The Commission, after a thorough inquiry into the progress of automobile leaf spring manufacture, is satisfied that the industry has reached a stage where it is no longer in need of tariff protection to overcome the competition in price offered by foreign products. This, however, does not mean that the industry will have to face stiff competition from foreign manufacturers, as imports are greatly restricted.

The Commission has noted that, in the last four years, the industry has made considerable progress and has consolidated its position in the domestic market. The major units in the organised sector have installed modern machinery and have acquired equipment for testing raw materials and finished products. The estimated fair ex-works prices are in each case lower than the landed costs (ex-duty) of corresponding imported springs and main leaves. The industry produces a wide range of springs, including the heavy types required for commercial vehicles. The quality of the product is satisfactory and compares favourably with that of imported springs.

The present capacity of the industry, together with the additional capacity already sanctioned, is adequate to meet the requirements of leaf springs and loose leaves both for original equipment as well as for replacement. The Commission is, therefore, of the view that, even if the demand for automobile springs of any type were to increase in the next two or three years, the industry should be in a position to supply them at reasonable prices. What it needs most, according to the Commission, is adequate supply of raw material, namely, spring steel flats. For a couple of years more, the industry will have to depend mainly on imports, but the position is likely to improve thereafter when spring steel from indigenous sources becomes available in a progressively increasing volume.

The Commission has also recommended that the manufacturers of leaf springs and spring leaves should immediately effect a further reduction in their selling prices and maintain their prices in fair relation to the cost of production. From an estimation of the fair ex-works prices, the Commission concludes that, in the case of springs, the price advantage of indigenous products vis-a-vis the imported ones ranges from 17.19 per cent. to 30.08 per cent. in the case of springs and from 43.30 per cent. to 69.97 per cent. in respect of main leaves, although it is likely that, in the case of a number of items not taken for the purpose of price computation, the advantage enjoyed by the domestic industry may not be as high, and in some cases, there may even be a positive disadvantage. On the whole, the Commission feels that there is a strong case for a reduction in selling price. The Government has drawn the attention of the manufacturers to this recommendation.

Rated Capacity

The present rated capacity of the industry, on single shift basis, is 9,530 tons, as compared with 8,000 tons in 1957 and 5,200 tons in 1954. The Development Wing of the Ministry of Commerce and Industry has, however, put the present rated capacity at only 7,450 tons. When the schemes of expansion, now under contemplation, materialise, the annual rated capacity of the industry will increase from the present 7,450 tons (Development Wing's estimate) to 17,395 tons per single shift. The aggregate annual capacity of 28 small-scale units is estimated at 11,824 tons on single shift. Actual production by the six major units in the industry aggregated 7,047 tons in 1958, as against 5,945 tons in 1957.

In its 1957 report, the Commission estimated the then demand for leaf springs at 406,450 Nos., exclusive of the requirements of Defence Services. On the basis of 30 springs per ton, the demand for leaf springs, in terms of tonnage, worked out to 13,550 tons. As regards the future demand, the Commission had expected it to increase by about 15 per cent. in the subsequent two years. This estimate seems to hold good even now. The estimates of demand received in

connection with the present inquiry from the main producers and the Development Commissioner, Small-scale Industries, however, showed wide variations. They ranged from 16,123 to 34,477 tons for 1959 and from 21,173 to 42,200 tons for 1961.

Present Demand

The present demand for leaf springs for original equipment is 24,000 for passenger cars, 22,000 for jeeps and 70,600 for commercial vehicles, making a total of 116,600 springs. The demand for replacement is normally both for complete springs as well as for loose leaves but the overall demand is expressed in terms of complete springs. The current replacement demand works out to 5,954 springs for passenger cars, including jeeps, and 314,428 springs for commercial vehicles making a total of 320,382 springs. The total current demand for springs, exclusive of the Defence requirements, both for original equipment and replacement, is thus estimated at 436,982 springs. On the basis of a conversion rate of 30 springs to a ton, the current demand for leaf springs, in terms of weight, works out to about 14,550 tons, as compared with 13,550 tons in 1957. Imports of leaf springs and spring leaves in 1958 were of the order of 562.5 tons valued at Rs. 5.30 lakhs.

Raw Material

The main bottleneck in increasing production is short supply of basic raw material, namely, spring steel. The other materials required are mild steel flat bars or strips and plates, phosphoric bronze bushes, tubes for bushes, centre bolts, clip bolts, nuts and rivets. Apart from spring steel, all other raw materials are available from indigenous sources and manufacturers experience little difficulty in obtaining their requirements. With regard to spring steel, there was no material improvement in the supply from indigenous sources in the past two years. The bulk of the requirements for the manufacture of leaf springs was, therefore, met from imported spring steel flats. Guest, Keen, Williams Ltd., which alone has the capacity to manufacture spring steel in the country, supplied a small quantity of 690 tons in 1957 and 806 tons in 1958 to automobile leaf spring manufacturers. It was unable to supply additional quantities, because, on the one hand, there was acute shortage of silico manganese steel in the form of billets and, on the other, it had to meet priority orders from railways and other important projects. Its new rolling mills are expected to come into operation early next year and, provided sufficient quantity of spring steel billets is available, it would be in a position to roll 4,000/5,000 tons of spring steel bars in 1960 and 6,000/8,000 tons in 1961 for automobile leaf spring manufacturers. The company expects to provide from its two electric furnaces approximately 3,600 tons of special spring steel billets per year.

A new 12-ton electric furnace is under installation in the Metal and Steel Factory, Ishapore, which could supply 4,000/6,000 tons of spring steel billets per year from the middle of 1960. T.E.L.Co. can also produce silico manganese steel to meet its own demand. Thus, there is a likelihood of an improvement in the supply of spring steel from indigenous sources in future. Manufacturers in the organised sector of the industry obtained in 1957 a supply of steel both from indigenous sources and imports to the

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital	-	-	Rs. 2,00,00,000
Issued and Subscribed Capital	-	-	Rs. 1,00,00,000
Paid-up Capital	-	-	Rs. 50,00,000
Reserve and other Funds	-	-	Rs. 25,00,000

Complete Banking Services inclusive of Foreign Exchange

S. L. KOTHARI,
General Manager.

extent of 7,916 tons against their production of 5,945 tons of leaf springs and leaves. Supplies were thus adequate. But, in 1958, total supplies aggregated only 4,925 tons, as against their production of 7,047 tons. The position was, however, better in the first half of 1959.

Small-scale Units

Referring to the plea that liberal supplies of imported spring steel should be ensured to small-scale units, the Commission states:

"The quality of springs manufactured by small-scale units is poor, on account of inferior materials used and the poor technique of manufacture adopted by them. The products are mostly good for replacement of loose leaves, but complete springs produced by such units do not have the right degree of elasticity or finish. We have given this matter our careful consideration and feel that, at present and have to be largely imported, their distribution should be governed by a proper sense of priorities. The manufacture and assembly of leaf springs for the automobile industry involve a highly technical process in which hardening, tempering and shotpeening are of considerable importance. The precautions that have to be taken in employed require technical skill and competence of a degree that is not normally available in small-scale units. Automobile springs are functionally in the front suspension of a vehicle, especially in disastrous consequences both to life and we are of the view that, in order to ensure proper utilisation of scarce raw material, spring steel flats units as have the necessary equipment for manufacturing leaf springs and loose leaves in accordance with the specifications laid down by the I.S.I."

This is doubtless the right attitude to take. The consensus of opinion among the consumers was that the quality of the indigenous leaf springs had shown further improvement and was comparable to that of imported ones. The manufacturers had taken steps to improve quality by the installation of modern equipment and maintenance of quality control, including testing of finished products and raw materials.

Price Comparison

For estimating the fair ex-works prices for comparison with the c.i.f. prices and landed cost (ex-duty) of imported products, the Commission examined the cost of production of leaf springs and leaves manufactured by Metropolitan Springs Private Ltd. All the relevant factors were taken into account in estimating the fair ex-works price. Production was estimated at 1,000 tons per annum. Cost of raw materials was calculated on the basis of the latest prices of imported raw material. Increase in dearness allowance and basic wages, cost of power, stores, repairs, maintenance, etc., were taken into account in computing manufacturing charges. Depreciation was provided for at the normal income-tax rate and the return on capital employed was fixed at 10 per cent.

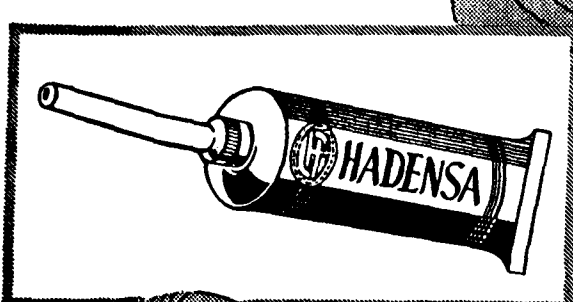
On this basis, the Commission found that the estimated fair ex-works price was in each case lower than the landed cost (ex-duty) of corresponding imported springs and main springs. While in the case of springs the advantage in favour of the industry ranges from 17.19 per cent. to 30.08 per cent., in the case of main leaves, it ranges from 43.30 per cent. to as high as 67.97 per cent.

In pursuance of the Commission's recommendation in 1957, all units in the organised sector effected a reduction in their prices. These reductions, however, applied only to leaf springs and spring leaves so'd for replacement and not to those supplied for original equipment. The Commission examined the selling prices of major producers in relation to the fair ex-works prices of leaf springs and spring leaves estimated by it at the time of the last inquiry and has found that the wholesale prices are higher levels ranging from 1 per cent. to 49 per cent. in the case of leaf springs and 11 per cent. to 104 per cent. in the case of main leaves. The prices in the retail market are much higher. In contrast to this, since 1957, prices of imported spring steel flats, En-45, which are mainly used as raw material by the automobile leaf spring manufacturers, have shown a persistent downward tendency which continued in the first quarter of 1959. The Commission, therefore, feels the reduction which reflects only partially the decline in raw material prices and that the prices charged by some units are still excessive. It is of the view that, as imports have been curtailed to a bare minimum, the industry has taken full advantage of a sheltered market. There is, according to the Commission, scope for further reduction in the prices of leaf springs and spring leaves both for original equipment and for replacement. It has, therefore, recommended a cut in prices, so as to

(Continued on page 1012)

The difference between

LAST WEEK



and

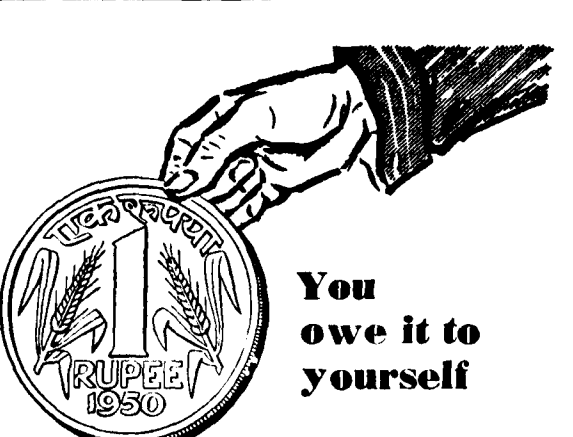
THIS WEEK

is

Amazing

HADENSA for PILES

AVAILABLE AT ALL CHEMISTS



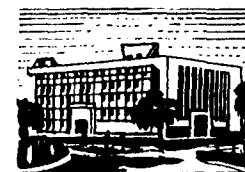
You owe it to yourself

Make it a habit to put away that Extra Rupee—regularly—and soon you will find a substantial amount at your credit. You can then confidently plan your future.

Working funds exceed Rs. 168 Crores.
Deposits exceed Rs. 135 Crores.

THE PUNJAB NATIONAL BANK LTD.

(ESTABLISHED 1895)
HEAD OFFICE: NEW DELHI

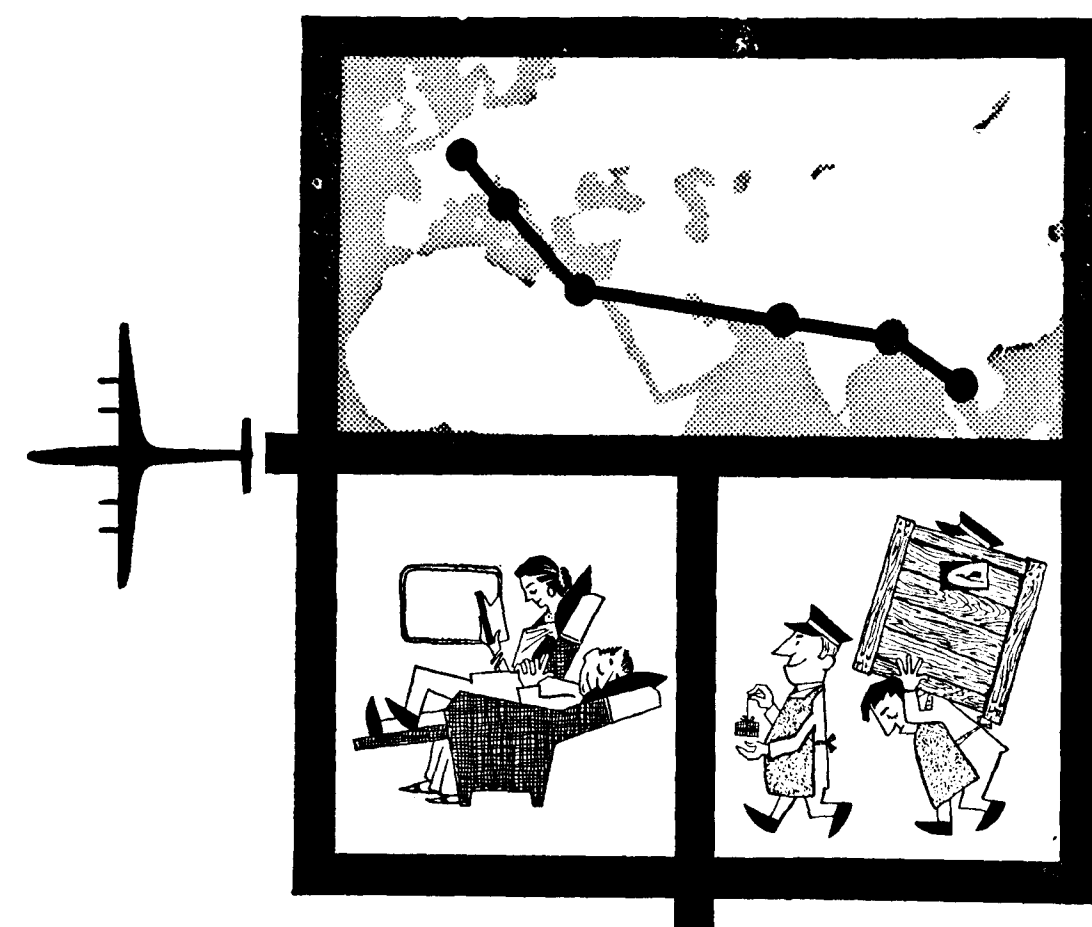


THE BANK OF INDORE LIMITED

(Incorporated in India 1920)

Authorised Capital	Rs. 50,00,000
Subscribed Capital	30,60,750
Paid-up Capital	15,30,375
Reserve Fund	29,00,000

Head Office:
1, Prince Yashwant Road, Indore City
Branches: 44, Hamam Street, Fort and Jal Hind Estate, Bhulashwar.
Branch Offices: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujapur Mandi, Tarana and Ujjain.
Pay Office: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at Head Office, Siyaganj and Cloth Market, Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujapur Mandi, Tarana, Dhar and Pay Office at Jaora and Sandhwa on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.



Twice Weekly—

Wednesdays & Saturdays at 6 p.m.

Fly by LUFTHANSA German Airlines
DIRECT TO GERMANY!

Connecting India with the very heart of Europe, Lufthansa, German Airlines, forges yet another link in its world-wide net-work of routes.

Twice weekly, Lufthansa flies from Calcutta to the main cities of Germany—Frankfurt, Dusseldorf, Hamburg. Whether you're an industrialist, a businessman, a student, a government official or an educationist—you'll appreciate the traditional, generous German hospitality of Lufthansa, aboard the swift Super-G constellations.

Lufthansa, German Airlines, directly connects Germany with Bangkok, Calcutta, Karachi, Cairo and Rome. Coordinated flight schedules provide convenient connections with Air France and Alitalia.

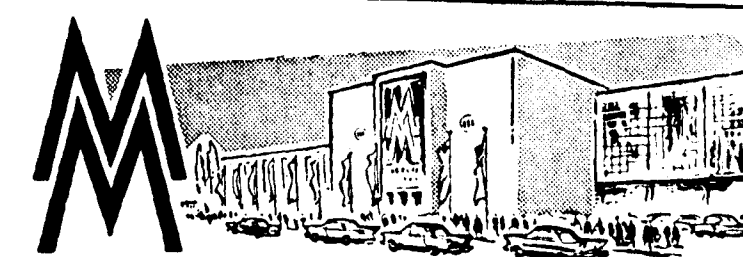
FIRST CLASS OR TOURIST

For further information, consult your Travel Agent or any Air France or Alitalia office.

LUFTHANSA
GERMAN AIRLINES

PROMOTING INDO-GERMAN RELATIONS

LN-672



28th FEBRUARY
to
8th MARCH 1960

LEIPZIG TRADE FAIR

TECHNICAL FAIR AND SAMPLE FAIR

The Leading Centre of East-West Trade

A mirror of Technical Progress

9500 Exhibitors from 50 Countries

Direct flights—Reduced fares by train over the Continent.
Literature from all leading travel agencies

For details contact: LEIPZIG FAIR AGENCY, P. O. Box No. 1993, Bombay 1.
D-17, Nizamuddin East, New Delhi 13. 34-A, Brabourne Road, Calcutta 1.
"Lomond", 46, Harrington Rd., Madras 31.

Further information and free advice on sources of supply from

LEIPZIGER MESSEAMT - HAINSTRASSE 18a - LEIPZIG G1
GERMAN DEMOCRATIC REPUBLIC

- * Full bar service (outside prohibition areas), to complete your enjoyment.
- * Choice of First Class or Tourist. Suit yourself...suit your pocket.
- * More space to relax. 9 feet longer than earlier Viscounts. Much more comfort.
- * 26 enormous windows. (More than on earlier Viscounts). Affecting panoramic view.
- * Radar equipped (Not on earlier Viscounts). Enables pilot avoid bad weather.

Rs. 88.75
Will get you a
THREE-YEAR CASH CERTIFICATE
for
Rs. 100

*These certificates are readily
available at the Head Office of*

THE INDIAN BANK LTD
and its
23 LOCAL OFFICES AND 115 BRANCHES
*N. B. The yield on this investment
works out at 4.06% compound interest*

COTTON AND HAIR BELTING DEPROTECTED SCOPE FOR EXPANSION LIMITED

IN pursuance of the recommendation of the Tariff Commission, the Government of India has decided to discontinue protection to the cotton and hair belting industry, with effect from 1st January 1960. It has, however, been decided to continue to extend the customs duty concession to hair and woollen yarn used exclusively for the manufacture of hair belting. The industry, it may be recalled, has been enjoying protection since 1948. The Tariff Commission has now felt that there is no longer any case for protection to this industry because the price of the indigenous products compares very favourably with that of the foreign products. The landed costs ex-duty of imported cotton beltings are higher by 35 per cent. and that of hair beltings by 6 per cent., as compared with ex-works prices of domestic products. Besides, the industry has a virtually protected market in view of the severe restriction on imports. It is, however, disconcerting to note that production by this protected industry is declining. In fact, it would appear that the industry has accepted the position that bituminous cotton belting has no future. But it is felt that good quality hair belting will be in demand for another 15 to 20 years. In its report, the Tariff Commission has pointed out that the technological changes which are taking place in advanced countries and are slowly penetrating into this country, are not conducive to the development of flat woven beltings.

Installed Capacity

The installed capacity of the industry is considerably in excess of indigenous demand. There are at present nine units engaged in the manufacture of cotton and hair beltings. Of these, eight units are located in Calcutta, all of which manufacture bituminised belting. The other unit, Fenner, Cockill Ltd., Madurai, Madras, manufactures rubber impregnated cotton and hair beltings in accordance with a process patented by its principals in the U.K. The overall production of cotton and hair beltings has improved from 713 tons in 1957 to 777 tons in 1958, largely due to a rise in production of cotton beltings by Fenner, Cockill Ltd. The production had, however, been gradually declining since 1954, when it touched 868 tons. Again, during January-June 1959, the total production was no more than 329 tons, or an annual rate of 658 tons. The industry, as a whole, did not work to full capacity even on a single-shift basis. Its output represented no more than 62.5 per cent. in 1957 and 68 per cent. in 1958 of its present capacity on a single-shift basis. The following table shows the capacity and production of the various units in 1957 and 1958:

Name of Manufacturer	Capacity	Production	
		1957	1958
Asia Belting and Spinning Mills Ltd.	86	78.50	81.31
Bengal Belting Works Ltd.	102	140.71	102.44
Birkmire Bros. Ltd.	180	44.68	54.36
Eastern Belting and Cotton Mills Ltd.	84	81.21	85.94
Fenner, Cockill Ltd.	96	66.02	112.17
Hindustan Belting and Spinning Mills	240	114.94	141.70
India Belting and Cotton Mills	264	67.58	91.71
Lachminarayan Jute Manufacturing Co., Ltd.	21	N.A.	N.A.
Serampore Belting Works Ltd.	57	118.95	107.49
Total	1,140	712.59	777.32

The setback in the industry is evident from the gradual slackening of sales and increase in unsold stock. According to the Tariff Commission, bituminised cotton beltings have no chance of survival against competition from cheaper rubber ply beltings. As regards hair belting, it is said that, though for pulleys of small diameter, rubber ply belting is preferred, hair beltings had specific advantages in factories where drives involve arduous duties under hot, steaming, wet or oily conditions, horsepower in excess of 200 or very heavy shock loads. The decline in the off-take of hair belting is said to have resulted from the low quality of indigenous yarn and also because of a shift in demand from flat belts to V-belts, following the conversion of group driving system in some of the big industries to individual driving system. As a consequence of this trend, the units in W. Bengal have a large number of idle looms. In contrast, Fenner, Cockill Ltd. is making good progress, according to the Tariff Commission. The Company is of the view that rubber ply belting has no technological superio-

rity over rubber-impregnated solid woven beltings in view of the inherent tendency of the former type to come apart between the plies. It claims to have arrested the tendency to change over to rubber ply beltings by producing good quality solid woven beltings within the limits of its production capacity. This unit is also optimistic about exporting its products to neighbouring countries, provided it is allowed to import from abroad its entire requirements of hair belting yarn containing 75 per cent. long-staple wool and 25 per cent. animal fibre other than wool.

Domestic Demand

In 1957, the Tariff Commission had estimated the domestic demand at 350 tons for cotton beltings and 650 tons for hair beltings for the next three years. The total consumption of cotton belting in 1958, however, was lower than this estimate at 302 tons, as against 254 tons in 1957 and 289 in 1956. The consumption of hair belting was 451 tons in 1958, as compared with 483 tons in 1957 and 575 tons in 1956. The demand for V-belts is expected to increase in future. Solid woven beltings, cotton or hair, and rubber ply beltings are flat belts used in those industries operated on the shaft driving principle. And since modern equipment with individual drives is prepared in new undertakings on the ground that it saves factory space and power, the demand for V-belts for power transmission will increase. The Commission has pointed out that this is a development which has already taken place in Europe and the U.S. and will take place in India as industrialisation goes on. Again, as already pointed out, there is no future for bituminised cotton beltings, which are hard and not sufficiently flexible. There are, however, good prospects for rubber-impregnated cotton belting. Taking all these factors into consideration, the Tariff Commission has estimated that the annual domestic demand during the next three years will not exceed 200 tons for cotton beltings and 450 tons for hair belting.

The principal raw materials required by the industry are cotton and hair yarns. Good quality cotton yarn is available indigenously in adequate quantities. There have been complaints from the belting industry as regards the quality of indigenous yarn and the supply position of both imported and indigenous yarn. The Commission has recommended that Jay Shree Textiles Ltd. should bring down the price of its yarn and that import of hair yarn should be liberalised. It has also asked this unit to supply the belting industry with only properly conditioned belting yarn spun on its modern spindles. On the question of quality,

the Commission is of the view that it is satisfactory in the case of indigenous solid woven, rubber-impregnated cotton and hair beltings. As regards bituminised beltings, both standard and sub-standard products are manufactured in the country and the sales of sub-standard products have created considerable prejudice against indigenous products. The cotton and hair belting industry has necessarily to devote its utmost attention to the quality of its products without which it will not be able to stand on its own and compete effectively with its substitutes.

STEARIC AND OLEIC ACID

The stearic and oleic acid industry has been making fairly steady progress under the shelter of protection it has been given since 1948. Production has gone up. The industry has now plans to diversify its production by producing different types of derivatives. Besides, it has been making every effort to improve the quality. Though the quality of the domestic product has improved much remains to be done to enable it to produce cosmetic grade of stearic acid. The Government has now decided to extend the tariff protection granted to the industry beyond the current year for a further period of three years. The rate of protective duty will be maintained at the existing level of 35 per cent. ad valorem or 50 NP per lb., whichever is higher. The Tariff Commission, while recommending protection to the industry, has called upon the manufacturers to desist from charging excessive prices and also to bring their selling prices in fair relation to their cost of manufacture.

In all, there are seven important manufacturers of stearic and oleic acids. The total installed capacity of these units for stearic acid has gone up by 70 per cent. to 6,494 tons, as compared with 1957. This expansion is mainly due to the increased capacity of the Navsari Oil Products from 600 tons to 3,120 tons. At the same time, the capacity for producing oleic acid, has increased by 28 per cent. to 1,142 tons. This improvement was also contributed mainly by the Navsari unit. Production, however, has remained substantially below its capacity, thanks to restricted demand. In this connection, the Commission has observed that it is not desirable to set up new units in this industry. The total output of stearic acid went up from 1,828 tons in 1957 to 1,980 tons in 1958 and that of oleic acid from 189 tons in 1958 and 215 tons in 1958, as compared with 121 tons in the previous year. This is, however, much below the present installed capacity for stearates estimated at 425 tons.

The domestic demand for stearic acid in 1959 is estimated by the Commission at about 1,900 tons, as against 1,600 tons in 1957. The demand for oleic acid is placed at 250 tons, as against 240 tons in 1959. The current demand for stearates is estimated at 150 tons. The demand for stearic acid, oleic acid and stearates is expected to go up to 2,700 tons, 600 tons and 250 tons, respectively, by 1962.

INDIA'S FOREIGN TRADE IN SEPTEMBER

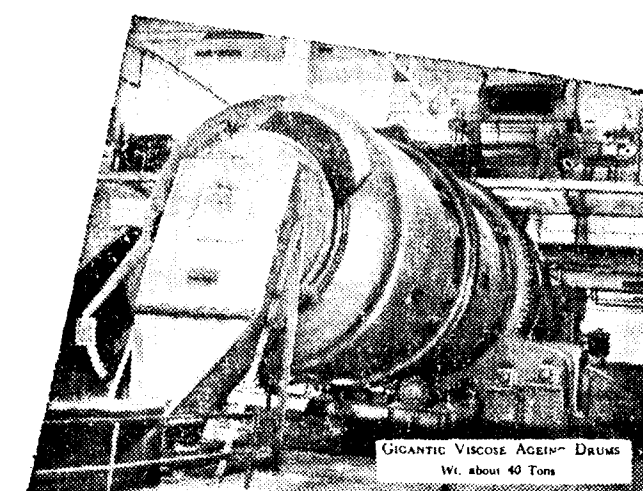
India had an adverse balance of trade in merchandise of Rs. 9.06 crores in the month of September 1959, in distinct contrast to a favourable balance of Rs. 15 lakhs and Rs. 42 lakhs in the previous month and the corresponding month of 1958, respectively. Exports were Rs. 60.27 crores, as against Rs. 58.52 crores in August 1959 and Rs. 59.02 crores in September 1958, and were the highest to be seen in any month in the past two years. But imports, too, rose sharply, from Rs. 58.37 crores in August 1959 and Rs. 58.60 crores in September 1958 to Rs. 69.33 crores.

During the first three quarters of the current year, India had a total adverse balance of trade to the tune of Rs. 200.55 crores, a gap bigger by as much as Rs. 54.42 crores, as compared with the corresponding period in 1958. A major contributory factor for the widening of the trade gap was the increase in imports, by over 11 per cent. to Rs. 636.72 crores. Exports, too, moved up, but at a slower pace than imports, that is, by about 2 per cent. to Rs. 436 crores.

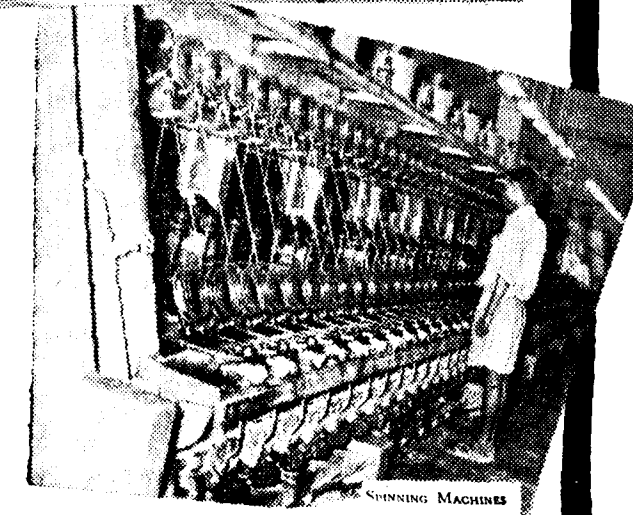
The following table shows the trend of merchandise trade, month by month, during the nine months ended September 1959, as compared with that in the corresponding period of 1958:

(In crores of rupees)			
	Imports	Exports (including re-exports)	Balance of trade
1958			
January	58.58	45.34	-13.24
February	59.79	42.90	-16.89
March	65.60	47.03	-18.57
April	59.98	41.73	-18.25
May	66.12	44.49	-21.63
June	77.18	43.54	-33.64
July	62.94	51.46	-11.48
August	58.37	58.52	+0.15
September	69.33	60.27	-9.06
Total*	636.72	436.17	-200.55
1959			
January	66.05	54.77	-11.28
February	66.21	41.93	-24.28
March	70.54	40.08	-30.46
April	59.98	41.73	-18.25
May	63.29	44.71	-18.58
June	63.29	28.12	-35.17
July	66.79	54.31	-12.48
August	55.02	49.91	-5.11
September	59.60	59.02	+0.58
Total*	571.37	425.24	-146.13

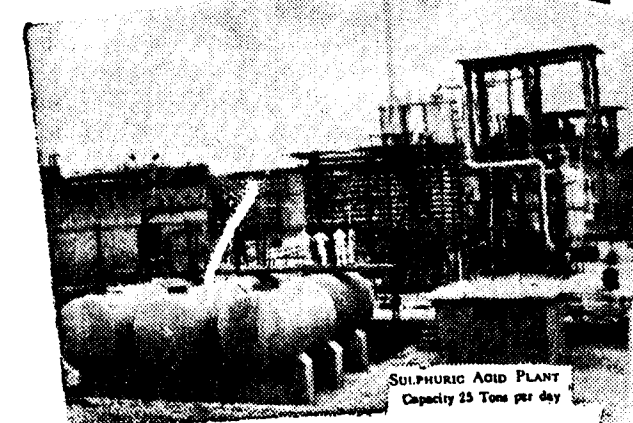
* The total does not tally with the aggregate of monthly figures. The total incorporates periodic corrections reported by the Customs authorities.



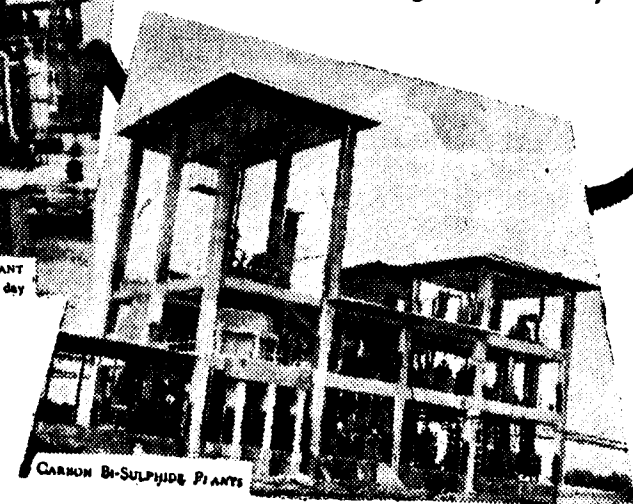
GIGANTIC VISCOSE AGENT DRUMS
Wt. about 40 Tons



SPINNING MACHINES



SULPHURIC ACID PLANT
Capacity 25 Tons per day



CARBON DIOXIDE PLANTS

It bids to --

SAVE FOREIGN EXCHANGE TO THE
TUNE OF Rs. 1.2 CRORES PER YEAR
at its present production.

J. K. RAYON

PROPRIETORS: JUGGILAL KAMLAPAT COTTON SPG. & WVG. MILLS CO. LTD., KANPUR

The First
CONTINUOUS RAYON PLANT
IN INDIA

ALL INDIA BUSINESSMEN'S CONVENTION

(Organised by the Federation of Indian Chambers of Commerce and Industry)

NEW DELHI

Sunday, the 24th and Monday, the 25th January, 1960

ALL BUSINESSMEN ARE INVITED TO ATTEND AS:

Member Reception Committee on payment of a fee of Rs. 1,000 or Rs. 500 or Rs. 100
Delegate on payment of a fee of Rs. 5
Visitor on payment of a fee of Rs. 2

For further particulars please contact:

THE SECRETARY, ALL INDIA BUSINESSMEN'S CONVENTION, FEDERATION HOUSE, NEW DELHI-1

Space Donated by: DALMIA CEMENT (Bharat) LIMITED

**PAY
BY CHEQUE**
It acts as a
RECEIPT

THE
UNITED
COMMERCIAL
BANK LTD.

Head Office: CALCUTTA

G. D. BIRLA
Chairman

SUBSCRIBED CAPITAL Rs. 4,00,00,000
PAID UP CAPITAL Rs. 2,00,00,000
RESERVE FUND Rs. 1,48,00,000

S. T. SADASIVAN
General Manager

BOMBAY SUBURBAN ELECTRIC SUPPLY LTD. A
interim dividend of Rs. 3.00 per share (subject
deduction of income-tax), for the half-year ended
30th September 1959, payable on and after 22nd
January 1960. Transfer books will remain closed
from 4th to 16th January 1960, both days inclusive.

SYNOPSIS OF COMPANY REPORTS

Apollo Mills Ltd.

The directors of the above Company [Managing Agents: The Rajputana Textiles (Agencies) Private Ltd., Bombay] submit the audited accounts of the Company for the year ended 31st December 1958.

After meeting all working expenses for the year, the result of this year's working shows a loss of Rs. 21,94,602 (Rs. 16,33,137) to which should be added a sum of Rs. 1,74,201 (nil) paid towards compensation to weavers for the past years and Rs. 1,10,462 (Rs. 1,06,045) being amount of provision made for payment of bonus to workers and staff for the year 1957, making a debit balance of Rs. 24,79,265 (Rs. 17,39,182). To this is added the debit balance brought forward from last year of Rs. 12,80,327 leaving a total debit balance of Rs. 37,59,592 after adjusting credits for the previous years of Rs. 4,136 (nil) to be carried forward.

The directors extremely regret the huge loss incurred by the Company during the year under review as compared to last year.

The prices continued to be most unremunerative particularly as far as grey qualities are concerned, which form the bulk of the production of the mills. Excise duties hit hard the lower and cheaper varieties of cloth and the quantum of excise duty paid comes to nearly Rs. 34 lakhs. Besides, there were other factors which have played no minor role in enhancing the cost of production, viz., higher cost of raw materials, stores, heavy incidence of D.F.A. and certain compensations which the Company had to pay during the year consequent upon some awards. A substantial amount towards compensation and gratuity had to be borne by the Company during the year under report.

The directors consider that the particular reason for the loss is lack of processing facilities with the Company, to obtain the same efforts are being made. Since people's choice has been shifting to fancy varieties and since the mills manufacture only grey medium cloth, the Company has been more particularly adversely affected.

Due to the financial stringency, payments relating to recoveries from workers and staff Co-operative Society and Employees' Provident Fund Scheme could not be made to the respective institutions in time. However, certain arrangements have been fixed in order to liquidate the same and the directors hope to discharge these liabilities according to the arrangements. In view of the arrangement arrived at, there is no contravention of Section 418 of the Companies Act.

The income-tax assessments of the Company are over upto the assessment year 1954-55 but the appeals are pending for the assessment years 1953-54 and 1954-55.

In view of the trading lots, depreciation for the years 1957 and 1958 has not been provided and also the development rebate reserve has not been created for the year 1958 for the same reason.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	50,00,000	Gross block	1,47,32,620
Provision for taxation	1,472	Less—Depreciation	44,03,340
Liabilities	1,09,67,182		
		Balance	1,03,29,280
		Less—Assets lost in fire	33,77,226
		Net block	69,52,054
		Stock-in-trade	34,33,425
		Stores, etc.	5,71,293
		Other assets	1,397
		Debits, deposits and advances	8,62,364
		Investments	9,31,921
		Cash	13,244
		Profit and loss account (deficit)	32,02,956
	Rs. 1,59,68,654		Rs. 1,59,68,654

Bengal Luxmi Cotton Mills Ltd.

The directors of the above Company (Managing Director: Mr. D. N. Bhattacharjee, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

As in the previous year, the Company could not make any profit during the year under report also which shows a net loss of Rs. 3,97,014 (Rs. 8,50,605). Providing Rs. 37,000 (Rs. 13,200) for development rebate reserve and accounting for Rs. 4,38,296 (nil) being compensation from ex-managing agents for loss of assets by fire in 1949, transferring Rs. 2,43,005 (Rs. 6,56,935) from general reserve and making some adjustments of bad debts out of reserves set aside for this purpose in earlier years the profit and loss account of the Company shows at the end of the year a debit balance of Rs. 1,68,477 (credit balance of Rs. 48,319 from which a dividend of 5 per cent. on the preference shares was paid absorbing Rs. 26,176 leaving a credit balance of Rs. 22,143 to be carried forward) against reserve of Rs. 1,56,980, not available for distribution. In view of the adverse results as aforesaid the directors very much regret that they are unable to pay any dividend on ordinary as well as preference shares. Dividend on the preference shares for the year will, however, accumulate and will be paid from the future profits prior to any distribution on ordinary shares.

In addition to the full impact of the duty on electricity mentioned in the last report the Company had to meet with a heavy increase in wages and other amenities to the workers as a result of the Tribunal Award with effect from the 10th July

1958. The prices of Cotton became higher with the progress of the year due to poor crop and the prices of colours, chemicals and some items of stores also grew higher due to import restrictions. While the cost of production was higher due to these factors and also to old machinery the sale prices of medium and coarse varieties of cloth, which form the bulk of the Mill's production, continued to remain unsatisfactory as in the previous year. In order to improve the condition the directors have replaced some of the machineries with a view to bring down the cost of production, but the steps taken so far with the limited resources of the Company are not enough to meet the situation.

The directors feel that modernisation of the plant and machinery of the Mills is a very urgent necessity. The Company have, therefore, prepared a scheme of modernisation and effective steps have already been taken to secure financial assistance for implementing the scheme from the National Industrial Development Corporation Private Ltd., a Government of India undertaking. The directors hope to get this loan within the next two or three months' time.

The Company have also begun for the first time to export cloth with a view to avail of the advantages of the export incentive scheme for cloth recently formulated by the Government of India.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	15,35,450	Gross block	85,52,765
Reserves	1,56,980	Less—Depreciation	62,49,897
Liabilities	57,67,017		
		Net block	23,02,868
		Stock-in-trade	35,08,499
		Stores and spares	5,72,947
		Debits, deposits and advances	8,72,032
		Investments	20,144
		Cash	14,480
		Profit and loss account (deficit)	1,68,477
	Rs. 74,59,447		Rs. 74,59,447

Ranegunge Coal Association, Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias and Co., Private Ltd., Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

	Year ended 31-3-57	Year ended 31-3-58	Year ended 31-3-59
Raisings	4,31,402	4,53,767	4,59,649
Despatches	4,09,316	4,10,888	5,06,436
Stocks	43,127	86,006	39,219

Raisings increased by 5,882 tons and despatches increased by 95,548 tons.

Coke Manufacture: The Company manufactured during the year under review 6,272 tons of hard coke. 6,085 tons were despatched and 1,342 tons remained in stock.

Development and Prospects: Development in all sections of the collieries is progressing favourably. Relationship between the management and labour has been very satisfactory.

The Company's profit for the year ended 31st March 1959 after inclusion of Rs. 3,803 (Rs. 29,060) brought forward is Rs. 15,41,938 (Rs. 11,06,950). And after making provision for taxation of Rs. 9,00,000 (Rs. 5,50,000) there remains a balance of Rs. 6,41,938 (Rs. 5,56,950). From this balance the directors have placed to machinery replacement and development reserve Rs. 2,90,000 (Rs. 1,70,000) and to development rebate reserve Rs. 1,06,499 (Rs. 1,43,197). The directors now recommended the payment of 80th dividend at Rs. 1.00 (Rs. 1.00) per share absorbing Rs. 2,39,950 (Rs. 2,39,950) leaving a balance to be carried forward of Rs. 5,489 (Rs. 3,803).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	23,99,500	Gross block	1,47,24,692
Reserves	32,78,097	Less—Depreciation	1,01,33,389
Provision for taxation	4,98,427		
Liabilities	33,64,869	Net block	45,91,303
Profit and loss account (surplus)	5,489	Stock of coal	6,31,548
		Stores	9,19,185
		Debits, deposits and advances	33,47,613
		Investments	16,224
		Cash	39,109
	Rs. 95,44,982		Rs. 95,44,982

Hingir-Rampur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th June 1959.

Output:—The year's output of 124,475 tons, i.e. an average monthly output of about 10,370 tons, was won entirely from No. 9 Pit. The output for the preceding year was only 70,653 tons, during 7 months of production, as the lockout declared on 17th June 1957 was lifted on 31st October 1957 and production recommenced on 20th November 1957, i.e., an average monthly output (for 7 months' production) of about 10,090 tons per month.

Sales:—The total sales for the year amounted to 115,895 tons (averaging about 9,660 tons monthly), as compared with 53,424 tons for the preceding year (averaging about 9,080 tons monthly, during 7 months of production). Despatches in the previous year only started on 25th November 1957, after the lifting of the lockout.

Coal Prices:—The Coal Price Revision Committee appointed by the Government of India to examine and report on the cost of production of

coal has duly submitted its report to Government, and while an increase of Re. 0.50 per ton has been granted for coal from the Bengal and Bihar Fields from 25th August 1959, no increase has been granted for the outlying fields including the one in which the Company's Colliery is situated. However, grading of coal from the latter fields is to be undertaken by the Coal Board, after which it is hoped that the Government would sanction an increase for these areas also. In the meantime the controlled prices for the Company's steam and slack coals continue to be Rs. 21.58 and Rs. 20.56 per ton respectively.

Development Work:—About 4th August 1958, the Colliery Steam Generating Station was shut down and since then electrical energy has been supplied from the Hirakud Grid. Consequent on this changeover, 2 Lancashire Boilers, being part of the Generating Station, have now been dismantled and erected at a site adjacent to Pits 9 and 11 thus effecting a much needed improvement in the system of raising and lowering of men and material at these 2 pits.

It is also the Company's intention to modify the Colliery siding so as to make it capable of handling about 40 wagons per day (instead of the present capacity of 25 wagons daily), in which connection an application has been submitted to the South Eastern Railway authorities in Calcutta for sanction.

The results of the year's working, after setting aside Rs. 1,83,603 (Rs. 1,35,483) for depreciation and amortisation and Rs. 36,130 (nil) in respect of development rebate reserve (as required under the income-tax Act), show a profit of Rs. 17,155 (loss of Rs. 6,34,206 (Rs. 4,391) brought forward from the previous year and deducting from the balance Rs. 49,874 (nil), credited back in respect of excess provision made for taxation for the years ended 30th June 1955 and 1956, there is left a balance of Rs. 5,70,177 (Rs. 6,34,206) which is carried forward. Consequently, the directors consider that no provision for taxation is necessary for the year under review.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	20,00,000	Gross block	43,53,854
Reserves	1,01,130	Less—Depreciation	27,66,116
Liabilities	15,06,987		
		Net block	15,87,738
		Work-in-progress	1,00,588
		Stock of coal	35,400
		Stores and spares	6,65,524
		Debits, deposits and advances	6,60,577
		Investments	2,915
		Cash	42,198
		Profit and loss account (deficit)	5,13,177
	Rs. 36,08,117		Rs. 36,08,117

Rajagiri Rubber and Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Kerala State) present the audited accounts of the Company for the year ended 30th June 1959.

The total estimated crop for the year under report was 5,70,000 lbs. rubber from Rajagiri and 8,00,000 lbs. from Shallicary (total 13,70,000 lbs.) to be produced at an average cost of 80 nP per pound. The actual crop harvested was 14,34,881 (14,10,177) lbs., viz., 6,34,700 lbs. on Rajagiri estate cost of 78 (77) nP per pound. The average sale price realised was Rs. 1.50 per pound as compared to Rs. 1.81 for the previous year.

After providing Rs. 4,30,000 (Rs. 4,50,000) for taxation and after adjusting Rs. 4,35,600 (Rs. 1,35,600) towards the dividend of 6 per cent. on preference shares for the year, there is left a balance of Rs. 2,74,280 (Rs. 2,03,080). This together with the carry forward of Rs. 40,666 (Rs. 40,666) transferred from reserve for Kuthalam pattam land amounts to Rs. 3,14,946 (Rs. 3,25,664) which the directors recommend be disposed of a under:—

To pay a dividend of 20 (20) per cent. on equity shares, subject to deduction of tax, absorbing Rs. 2,70,000 (Rs. 2,70,000) and to carry forward Rs. 44,946 (Rs. 40,664) after providing Rs. 15,000 for the rehabilitation reserve).

The directors have paid the preference dividend for the year 1958-59 after deducting tax in accordance with Section 18(3)(d) which would appear to them to be the proper procedure to be adopted.

A total crop of 13,80,000 pounds of rubber (Shallicary) is estimated to be harvested during 1959-60 season at an average cost of 83 nP per pound. The capital expenditure for the year 1959-60 is Rs. 1,37,702.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	36,10,000	Gross block	47,74,37
Reserves	8,49,874	Less—Depreciation	4,48,80
Provision for taxation	8,71,108		
Liabilities	6,47,816	Net block	43,25,56
Profit and loss account (surplus)	44,924	Work-in-progress	71,63
		Stock-in-trade	1,96,08
		Stores etc.	81,01
		Nurseries	6,18
		Debits, deposits and advances	1,12,73
		Cash	12,30,50
	Rs. 60,23,722		Rs. 60,23,72

Sijua (Jherriah) Electric Supply Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird and Co. (Private) Ltd., Calcutta] present the audited accounts of the Company for the year ended 31st March 1959.

The profit and loss account, after providing for all charges and making provisions of Rs. 1,55,000 (Rs. 1,60,000) for taxation on income, Rs. 13,500 (Rs. 14,000) for wealth tax and Rs. 1,44,956 (Rs. 1,35,726) for depreciation and writing back provisions in respect of previous years of Rs. 18,655 (nil) for taxation, shows a profit of Rs. 1,74,556 (Rs. 2,68,634). To this amount is added the balance brought forward from the last account of Rs. 717 (Rs. 2,346) and the amount transferred from tariffs and dividend control reserve Rs. 55,795 (nil) making a total of Rs. 2,31,068 (Rs. 2,70,930). The directors have transferred to reserve for contingencies Rs. 36,866 (Rs. 35,872), to general reserve—forefeited dividends Rs. 1,040 (Rs. 934), to debenture redemption reserve Rs. 60,000 (Rs. 60,000) and to reserve for doubtful debts Rs. 200 (nil) leaving a balance of Rs. 1,32,962 (Rs. 1,14,957) after transferring Rs. 2,000 to capital reserve. Rs. 11,435 to tariffs and dividend control reserve. Rs. 11,435 to provision for rebate to consumers and Rs. 34,347 to development rebate reserve. The directors propose to dispose of this amount as follows:—

By payment of a dividend on the ordinary shares for the year ended 31st March 1959, at the rate of 75 (68) naye Paise per share without any deduction for income-tax payable by the Company, absorbing Rs. 1,26,000 (Rs. 1,14,240) and by carrying forward Rs. 6,962 (Rs. 717).

General.—The Undertaking operated satisfactorily during the year under review. Total units sold during the year amounted to 106.7 million compared with 103.8 million in the previous financial year. The Undertaking generated 79.3 million units, the same figure as in the previous year, while 35.6 million units were purchased from the D.V.C. against 31.7 million units purchased in the previous year.

Labour continued to be restive during the year under review. A number of disputes were referred to Conciliation and Arbitration and a major dispute concerning the method of calculating certain allowances was eventually referred to Arbitration, the results of which are still awaited.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	16,80,000	Gross block	81,60,958
Debentures	11,40,000	Less—Depreciation	51,64,237
Reserves	12,03,832		
Provision for taxation	45,991	Net block	29,96,721
Provision for wealth tax	13,718	Less—Consumers' contribution	6,79,371
Liabilities	13,23,978		
Profit and loss account (surplus)	6,962	Net block	23,17,350
		Jobs-in-progress	2,69,843
		Stores, etc.	11,50,790
		Debits, deposits and advances	9,22,630
		Investments	3,14,942
		Cash	3,88,697
		Miscellaneous expenditure	52,229
	Rs. 54,14,481		Rs. 54,14,481

Blue Mountain Estates Ltd.

The directors of the above Company [Managing Agents: Messrs. Kothari and Sons (Agencies) Private Ltd., Madras] present the audited accounts of the Company for the year ended 30th June 1959.

The result of the Company's working for the period under review after providing a sum of Rs. 1,40,564 (Rs. 1,32,498) for depreciation and Rs. 21,071 (Rs. 47,000) for development rebate is a profit of Rs. 7,45,658 (Rs. 18,47,026) to which is added the amount brought forward from last year of Rs. 2,79,391 (Rs. 88,615) making a total of Rs. 10,25,049 (Rs. 19,35,641). Out of this amount the directors have provided for taxation Rs. 1,80,000 (Rs. 4,00,000) leaving a balance of Rs. 8,35,049 (Rs. 15,35,641). The directors recommend to dispose of this amount as follows:—

To pay a dividend of 12½ (12½) per cent. on the equity share capital absorbing Rs. 6,56,250 (Rs. 6,56,250) leaving a balance of Rs. 1,78,799 (Rs. 2,79,391 after transferring Rs. 6,00,000 to general reserve) to be carried forward to next year.

Ten: There has been a decrease in tea crop, particularly in Glendale Estate, due to the severe drought conditions which prevailed during the latter part of the year.

The tea crop for the year 1958-59 amounts to 12,76,814 (18,15,095) pounds which includes 2,47,264 pounds manufactured out of purchased leaf. The all-in cost per pound works out to Re. 1.81 (Re. 1.62). Net price realised per pound was Re. 1.95 (Re. 1.93). The yield per acre comes to 781 (1,020) pounds.

Coffee: The Company has harvested a crop of 5,78,508 (7,26,643) Kilos or 11,388 (14,301) cwt. which is more than the estimate of 5,74,000 Kilos or 11,300 cwt. The all-in cost per cwt. comes to Rs. 143 (Rs. 113) or Rs. 2.85 (Rs. 2.50) per Kilo. 1 cwt.—50.8 Kilos.

Coffee Pool Payment Received During the Year: 1954-55 Crop: A bonus payment of 2 nP per point amounting to Rs. 6,731 was received, which is credited in this year's account. 1956-57 Crop: A further payment of Rs. 30,041 was received and credited to this year's account. 1957-58 Crop: The Company has received during the year, 18 nP per point over and above Rs. 2.12 per point valued on this year's crop and an amount of Rs. 1,98,609 is credited in this year's account. The

final payment of 21 nP per point announced in June, making a total payment of Rs. 2.51 per point was received in July 1959. 1958-59 Crop: This year's crop, as usual, has been valued at Rs. 2.12 per point or Rs. 167 per cwt. or Rs. 3.28 per Kilo though a higher return is expected as in previous years.

The tea crop, excluding purchase leaf, has been estimated at 13 lakhs lbs. to be manufactured at an all-in cost of Re. 1.65 per lb.

A crop of 6,73,600 Kilos or 13,260 cwt. of coffee at an all-in cost of Rs. 2.40 per Kilo or Rs. 122 per cwt. has been estimated for this year.

Labour and Staff Agreements: By an Industry-Wide agreement, the Maistry System was abolished during the year by paying them compensation.

Under the good offices of the Ministry of Labour and Industries, an agreement has been reached settling the labour bonus for each of the years 1957 and 1958 at 81 per cent. for Tea and 64 per cent. for Coffee on an ad hoc basis in Madras State. A similar agreement has been reached in the Mysore State settling the labour bonus for each of the years 1957-58 and 1958-59 at 7½ per cent.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital	52,50,000	Gross block	75,86,425
Reserves	21,68,071	Less—Depreciation	12,17,718
Provision for taxation	9,31,089		
Liabilities	12,34,994	Net block	63,68,707
Profit and loss account (surplus)	1,78,799	Stock of tea...	2,03,402
		Stores	2,13,803
		Debits, deposits and advances	16,99,194
		Investments	12,773
		Cash	12,65,084
	Rs. 97,62,963		Rs. 97,62,963

Indian Plastics Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Gwalior Private Ltd., Gwalior) present the audited accounts of the Company for the year ended 31st March 1959.

The profit for the year including the amount brought forward from the last year, but before charging depreciation, development rebate and wealth tax amounts to Rs. 2,87,670 (Rs. 2,92,490) deducting therefrom depreciation amounting to Rs. 1,49,775 (Rs. 1,50,283), transfer to development

rebate reserve Rs. 15,468 (Rs. 3,824), provision for wealth tax Rs. 24,304 (Rs. 49,722) and provision for income-tax Rs. 10,841 (nil) there remains a balance of Rs. 87,282 (Rs. 88,661). The directors propose to appropriate this amount as under:—

To pay a dividend at 5½ per cent. (less tax) on 22,500 preference shares of Rs. 100 each for the year ended 31st March 1959 absorbing Rs. 84,825 (Rs. 84,825) and to carry forward a sum of Rs. 2,457 (Rs. 3,836).

The directors regret to report that the working result for the year under review was not satisfactory for want of import licences for radio components and raw materials. The prices of raw materials have been showing an upward trend while the prices of plastic goods showed a downward trend due to heavy competition.

The development work is going on satisfactorily. Production of Urea powder has already started, though on a small scale which has been sold in the market to the full satisfaction of the customers. Arrangements are under way to increase the production to a large extent keeping pace with the requirements. Production of phenol formaldehyde moulding powder could not be increased substantially for want of enough licence for raw materials such as phenol and formalin. However, licence has been given for a little higher quantity for raw materials in the

GREAT EASTERN SHIPPING COMPANY LIMITED

FRESH EXPANSION PLANS SUBMITTED TO THE GOVERNMENT

MR. A. H. BHIWANDIWALLA'S SPEECH AT ANNUAL MEETING

ADDRESSING the shareholders of the Great Eastern Shipping Company, Ltd., at their Eleventh Annual General Meeting held in Bombay on 10th December 1959, Mr. A. H. Bhiwandiwalla, Chairman of the Company, disclosed that the Company had submitted proposals to the Government of India for expansion of its fleet by 70,000 to 80,000 g.r.t. during the third Plan period at a cost of Rs. 14 crores. He, however, added that these proposals could materialise only if the general and special problems, to which he made an extensive reference in his speech, were solved satisfactorily.

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

"GENTLEMEN,

"At the outset, I would like to refer to the great loss sustained by the Company in the death of the founders of the Company, viz., Mr. Maneklal Ujamshi and Mr. Jagjiwan Ujamshi Mulji. These two brothers were men of courage and foresight and your Company owes its present position and status, in great measure, to their business acumen. They lived a full life and blazed many a trail in the industrial and commercial life of the country. Although they passed away at ripe old age, your Company has become the poorer by their demise. You will no doubt wish me to record our deep sense of sorrow at the death of these two stalwarts.

"We are most fortunate in having our Board strengthened with three new Directors. Mr. L. T. Gholap joins as a Government nominee. We have all known Mr. Gholap for many years. Mr. Gholap has had varied experience as an outstanding administrator, and joins us after very close experience in the Indian shipping field, both as Controller of Indian Shipping and as Chairman of the Bombay Port Trust. You all also know Mr. Mohamed Hussein Hasham Premji, past President of the Rice Merchants' Association and Indian Merchants' Chamber. Mr. Madanmohan Mangaldas, who comes from Ahmedabad, has also very wide business and industrial interests. He was President of the Ahmedabad Mill-owners' Association. On your behalf I welcome all these gentlemen and have no doubt that they will contribute significantly in the future deliberations of the Board and vital decisions that your Company will take from time to time.

"The Directors' report and the audited accounts have been in your hands for some time now and, with your permission, I shall take them as read.

Brief Review of Results

"Last year, I had referred to the crisis faced by tramp shipping. The freight rates continued to be low during the year under review and a considerable part of the tramp and tanker tonnage in the world was laid up. It is no wonder, therefore, that, in spite of larger tonnage under operation and higher liftings of cargo at 8,77,000 tons, as compared with 8,43,278 tons lifted during the previous year, the freight and charter hire earnings fell from Rs. 3.59 crores in 1957-58 to Rs. 2.75 crores in the year under review. The fall in the net profit is, therefore, attributable, among other things, to the depression in the freight market, and higher depreciation provision.

"In order to maintain a steady and stable rate of dividend at 15 per cent. to equity shareholders, your Directors decided to transfer an amount of Rs. 15 lakhs from the general reserves of the Company to the profit and loss appropriation account. The necessity for drawing on the general reserves of the Company for purposes of payment of stable dividends to shareholders arose because of the statutory requirement that out of the profits of the year an amount equivalent to 75 per cent. of the development rebate on ships to be claimed for tax purposes must be earmarked and set aside as development rebate reserve. An amount of Rs. 29.50 lakhs has been set aside out of the profits as development rebate reserve. Therefore, in spite of the depletion of the general reserves by Rs. 15 lakhs, the total reserves of the Company have gone up from

Rs. 1.91 crores in 1957-58 to Rs. 2.08 crores in the year under review. The development rebate reserve will be frozen for a period of 10 years and thereafter could either be merged with the general reserves or utilised freely in any way deemed fit by your Directors.

Tankers

"Although your Company was the first to acquire and operate an Indian-owned commercial tanker, it is a matter of regret that the National Shipping Board has recommended reservation of the tanker trade for public sector Corporations. The main incentive underlying our acquisition of the first tanker was serving of national interests. I am convinced that in the tremendous task of building an adequate and balanced merchant navy, active co-operation and participation of all Corporations, whether public or private, are essential and restrictive policies are least desirable.

"The tonnage moved on the coast in 1958 was about 1.5 million tons. It is expected that an upward trend in the coastal traffic of oil products would continue at least until the establishment of the Gauhati and Barauni refineries in the public sector. Although one cannot forecast accurately as to how this movement will be affected after 1962 when the two public sector refineries go into production, it has been estimated by the Government that even for catering to the total coastal movement of 1.5 million tons we would require about 12 tankers aggregating about 120,000 to 144,000 d.w.t. It is, therefore, quite certain that the present fleet of two Indian tankers on the coast will have to be stepped up at least to eight, if not twelve, tankers. I am, therefore, not able to follow the oil companies' statement that three coastal tankers will cover the entire oil movement on the coast. I would request the oil companies to reassess correctly the coastal tanker requirements, with a view to ensuring self-sufficiency of Indian tankers on the coast by 1962. The goal of self-sufficiency in Indian coastal tankers is legitimate and the responsibility for achieving this goal rests squarely on the shoulders of the Fuel and Oil, Transport and Finance Ministries and oil companies and shipowners. Each of them has to discharge their part of responsibilities, so that the blame of continuous foreign exchange drain after 1962, at least for domestic oil movement, is not attributable to any of them.

Coastal Dry Cargo Trade

"A very disquieting feature for coastal dry-cargo trade is the policy pursued by the Indian railways in respect of carriage of coal on the coast. The Government should broadly demarcate fields for various modes of domestic transportation as a national policy. About 40 per cent. of the total movement of dry cargo on the coast consists of coal, and for coastal movement of coal sea transport is definitely cheaper than rail transport in actual cost. The railway freight rates on coal have been artificially kept down. The Rail-Sea Co-ordination Committee, consisting of high officials of only the railways and the Government, recommended reservation of movement of coastal coal for Indian shipping. However, the Railway Ministry have not complied with this recommendation, and are endeavouring to divert part of the coastal coal movement to railways, because of their spare wagon capacity. It is high time that the Government, who are so keenly desirous of developing Indian shipping, will stop the encroachment of the railways upon the legitimate field of shipping, and ensure the acceptance and implementation of the Rail-Sea Co-ordination Committee's recommendation.

Last Year's Expansion Proposals

"In my speech last year I had referred to your Company's rupee four-and-a-half-crore expansion plan under which four overseas dry-cargo ships were to be built. The continued deterioration in the freight market and the frittering away of Government cargoes by Government Ministries and autonomous organisations, such as the State Trading Corporation, in foreign ships, in spite of the accepted Gov-

ernment policy of patronising Indian ships on a preferential basis, made your Board of Directors drop that expansion plan.

Co-ordination of Government Cargoes

"It is a matter of gratification that a historic decision has been taken by the Government to co-ordinate effectively the Government cargoes belonging to various Ministries and Government organisations and achieve a saving in their total freight bill and the foreign exchange element of it. This decision will have a far-reaching effect on the development of Indian shipping after the scheme is put into effective working and will enable the shipowners to embark on expansion with an element of security. The Indian shipowners will also have the figures and statistics of cargoes readily available. It is a general feeling that the decision has been taken by the Government at a very propitious time. I am sure the Indian shipowners will reciprocate fully and extend their co-operation in achieving the national objective. It is hoped that a Chartering Committee or Corporation would soon be formed by the Indian shipowners, who will make available their expert knowledge in the fixing of Government cargoes in Indian ships as well as foreign ships.

Future

"Since the Middle of 1957 the freight market has been declining continuously. In view of the considerable excess tonnage, no one could foresee any improvement in the freight market. However, since October this year we have seen resistance and, in fact, a slight improvement in the international freight market has been registered. The laid-up war-built tonnage is getting older and some shipowners are mustering courage to foresee a brighter future by end 1960-61. It is reasonable to expect an improvement.

"The gross freight and charter earnings for the five months ended 30th November 1959 are expected to be about Rs. 1.60 crores, as against Rs. 1.12 crores during the first five months of the year under review. In view of the increased tonnage owned by your Company and its more active operation, the freight earnings in the current year, seven months of which are still to go, may, in the absence of unforeseen circumstances, well exceed Rs. 3.00 crores, as compared with Rs. 2.75 crores during the year under review.

Third Five-year Plan

"The National Shipping Board has recommended a target of 16 lakhs g.r.t. to be achieved by the end of the third Five-year Plan. It also appears likely that the Government will include shipping in the core of the third Five-year Plan. The problem, however, bristles with the difficulty of finding gainful employment for expanded Indian shipping. The problem can be solved if the Government accept and implement the recommendations of the Rail-Sea Co-ordination Committee and take the other necessary steps for making increased quantities of coal, salt and other cargoes available for carriage by sea on the coast and arrange channeling of all Government cargoes in the overseas trade through the proposed Chartering Committee. Besides these general problems, your Company has the special problems of operation and development of tramp tonnage and entry in the India-U.K.-Continent Liner trade.

"Last year, I dealt at considerable length with the question of freedom of operation to tramp operators and the urgent need for enunciation of a suitable and dynamic policy with regard to the operation of the tramp wing of shipping. I am glad that there is better understanding and appreciation in Government quarters of the special problems of tramp shipping. Permissions and licences required by us for voyage and time charters are being freely given from time to time. However, it is essential for the Government to enunciate and announce their policy in order that operators of tramp shipping are certain about the Government policy and proper climate for the expansion of tramp shipping is created. It is also hoped that the Government and the two Indian Liner Companies in the India-U.K.-Continent Liner trades will actively support our entry in the India-U.K.-Continent Liner Conference and secure our participation in this liner trade. In view of the progressive execution of our country's economic plans and consequent expansion in trade, there is scope as well as necessity for another Indian participant in this liner trade. If these general and special problems are solved, your Company will be able to add, inclusive of

requirements for scrapping and replacement of old units, 10 to 11 ships of a total tonnage of 70,000 to 80,000 g.r.t. on the Indian Register during the third Plan period, at an approximate cost of Rs. 14 crores. It is assumed that the Government will grant loans to meet the usual 85 per cent. cost of new buildings or acquisitions and the 15 per cent. balance fund will be found out of our own resources. We have already submitted these expansion proposals to the Government and have made clear to them that these expansion proposals can materialise only if the general and special problems mentioned above are solved satisfactorily.

Fresh Capital Issue

"Very broadly speaking, considering our Company's role and responsibility during the third Plan period, this very large expansion will have to be equally well shouldered by you by way of subscription to further capital, let us hope, at the beneficial par basis. I know, in the meantime, partly-paid shareholders have been wondering why the call of Rs. 30 lakhs has not been made. I may state the reasons:

"First, we have over Rs. 1.4 crores in liquid resources and funds are actually unrequired since our second Plan target has already been achieved long ago.

"Second, the depressed condition is still continuing in the freight market. Therefore, it appears unwise to load the Company with greater dividend liability.

"I can assure you a very close watch will be maintained and at the earliest opportunity my colleagues and I will consider the question of making the call.

"Shipping industry has been fortunate in having popular, fine and highly respected political leaders as their Union Minister almost all of whom are continuing in the Cabinet. Are we not, therefore, placed in the envious position of being understood better than many other industries?

"We welcome Dr. P. Subbarayan, an elder statesman from Madras with very quick grasp and charming manners. He has fast been assessing the challenges that are faced by the transport system as a whole. We wish him all good luck and assure our closest co-operation in achieving the common objective, that is, speedy growth of Indian merchant marine.

"I express our sincere appreciation and thanks to the Minister for Shipping, the Transport Secretary, the Director-General of Shipping and the Senior Deputy Director-General of Shipping and their officers and staff for their active assistance and encouragement. I must also pay our sincere tributes to our valued shippers for their ever-growing support and to our staff ashore as well as afloat and agents at the various ports for efficiently shouldering their heavy responsibilities.

"I now move for the adoption of the audited accounts and the Directors' report."

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

Notices

THE KELVIN JUTE COMPANY LIMITED

ANNUAL GENERAL MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Register of the Company will be closed from the 24th December, 1959 to the 6th January, 1960, both days inclusive.

By Order of the Board,
McLeod & Co., Ltd.,
C. HOCKLEY,
Secretary,
Managing Agents.

CALCUTTA, 3rd December, 1959.

STATE BANK OF INDIA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Principal Register and the Branch Registers of the State Bank of India will be closed for transfer of shares from Saturday, the 2nd January 1960 to Saturday, the 23rd January 1960, both days inclusive.

B. P. PATEL,
Managing Director.

BOMBAY, 26th November 1959.

CORPORATE TAXATION NEEDS FURTHER REFORM

ASSOCIATED CHAMBERS' PLEA FOR REMOVAL OF INEQUITIES AND ANOMALIES

AT the annual general meeting of the Associated Chambers of Commerce held at Calcutta this week, the subject of corporate taxation figured prominently. In his presidential speech, Mr. J. D. K. Brown observed that, while the new system of taxation, announced in the last budget was welcome, the rate of taxation at 45 per cent. was still high and should be brought down to 40 per cent. Urging that further consideration be given to the position regarding taxation of dividends on inter-corporate holdings, he observed:

"One of the most significant trends in this country since Independence has been the growth, halting at first, of institutional financing methods to supplement the efforts of the managing agencies and to some extent supplant them, and I submit that, for these new institutions to be enabled to fulfil adequately their purpose in the industrialisation of the country, their own efforts must be supplemented as far as possible by the free flow of corporate funds. I know there is, in some quarters, a prejudice against all inter-corporate investment, but I think that to seek to limit its scope and extent by taxation measures is the wrong way to cure any undesirable practices in this field. And so we would urge that taxation of inter-corporate dividends should be on the lines of American practice, whereby, I understand, a very substantial tax rebate is allowed in respect of dividends received by one company from another."

Another point made by Mr. Brown related to the effect of the new system on foreign companies holding minority interests in Indian companies. In their case, the impact of the new system is more severe, unless the dividends which they receive rank for relief under Section 56A of the Income-tax Act. Mr. Brown thought that the time had come, in the altered circumstances obtaining today, when the whole question of the justification for differential rates of tax on the profits of foreign companies should be re-examined. The abolition of differential rates would, he believed, be regarded abroad as a real earnest of India's desire to attract and retain the foreign capital which the country so badly needed.

Bonus Tax

Commenting on the continued retention of bonus tax and its extension to cover issues made out of premium account balances, Mr. Brown remarked:

"We have tried to see the justification for such taxation, but I confess we seem to have failed. We are, however, in good company, since such august and authoritative interpreters of the canons of taxation as the Taxation Enquiry Commission in India, the Royal Commission on Taxation of Profits and Income in the United Kingdom, and, indeed, Professor Nicholas Kaldor himself seem also to be opposed to the levy of this tax. At the present time, when so much industrial expansion is being financed out of borrowed funds, which can only ultimately be repaid out of retained profits, it is clear that every inducement must be given to companies and their shareholders to plough back profits into their businesses. Now that we have the position where tax at 30 per cent. has to be deducted from a dividend payable to an individual shareholder, whereas the same percentage has to be paid by the company on eventual capitalisation, it seems to me that shareholders are going to question more frequently the wisdom of placing large sums to reserve out of profits on the grounds that they can themselves make just as good use of the money which they would receive as additional dividends under deduction of tax."

Clarifying the object of his pleas, Mr. Brown added:

"... this is not a plea for a reduction in taxation. What we seek is the removal of what appear to us to be certain anomalies and inequities, so that the system is rendered more adequate for its purpose. The additional contribution to the country's resources which can come from increased rates of tax on the corporate sector cannot be more than marginal at best; on the other hand, we believe that there is considerable scope for progressively increasing yields from that source, arising from its natural expansion, given a favourable investment climate. I am sure that, in this field, as in others, positive incentives will produce more rapid and beneficial results than will follow from measures based on penalties for failure to conform to policies of restriction. The revised structure now being introduced is some recognition of the validity of this view; our plea is for further progress along the same road."

Resolution

The resolution on this subject adopted at the meeting urged that "in the interests of accelerating capital formation, Government should so adjust the rates of tax payable as to ensure that the overall burden of taxation on companies and their shareholders will not be in excess of what it was prior to the coming into force

of the Finance Act of 1959." It also submitted that, having regard to the urgent need to implement without delay the country's development plans, it is particularly necessary that action should be taken on the following lines, namely: (1) the rates of tax on income from inter-corporate investment holdings should be effectively reduced by the grant of an adequate rebate in respect of such income; (2) in the interest of attracting further foreign investment, foreign companies should henceforth be assessed at the same rates as Indian companies; (3) the taxation of bonus share issues, whether out of accumulated past profits or from share premiums, should be abolished."

Mr. Dandekar's Arguments

The aforesaid resolution was moved by Mr. N. Dandekar, President of the Bombay Chamber of Commerce. In his speech on the occasion, Mr. Dandekar observed as follows:

"The structure of our corporate taxation has been considerably simplified. The imposition of taxes on companies is now at a uniform rate, without surcharges, and that cumbersome system of corporation tax rebates, or withdrawals of reliefs, has gone. The theory that income-tax paid by the company was deemed to be paid by the shareholder, with the consequent system of grossing-up dividends with an equivalent tax credit to shareholders, has been replaced by the theory that the company does not pay tax on behalf of anybody but itself, with the consequence that, far from getting any credit for any tax paid at source, the tax payable by the shareholder on dividends is now to be deducted by the paying company at source and paid over to Government on behalf of the shareholder. This arrangement is not without its difficulties, to two of which I shall refer later; but, generally speaking, the trend towards simplicity in calculation and procedure is very much in the right direction. For all this we must, in an ungrateful world, be truly grateful. From the point of view of those who spend much of their time on either side of the tax officers' tables, the new structure of corporate taxation envisaged by the Finance Act 1959 is the most workmanlike we have had in many a year.

"These alterations in the structure of corporate taxation were so far-reaching that comparison between the net total of the taxes payable by companies before and after these changes was a matter of the utmost complexity needing careful calculation. In place of different rates of corporation tax effective in varying circumstances, an income-tax coupled with a surcharge, the wealth tax and the excess dividend tax, we now have revised rates of income-tax and super-tax and a new system of tax deduction at source in the case of dividend payments. Inevitably, the incidence of total taxation on individual concerns under the new system was likely to vary when compared with the net amount of tax retained by the Government before these readjustments. It was this fact which induced the Chambers to embark on an unusual and ambitious statistical experiment, the purpose of which was to obtain by a study of representative data a comparative estimate of the effect of the new tax measures on the corporate sector.

Treasury Takes Away More

"We found, without surprise, that the Central Board of Revenue had endeavoured to ensure that when the Finance Minister, in the last budget speech, had said that 'the overall tax rate is to be applicable to Indian companies will be as fixed that the yield will be equal to the present annual gross yield, less the annual credit now given to the shareholders,' he was well and truly covered by the advance tax rates at 20 per cent. for income-tax and 25 per cent. for super-tax. There was, in fact, a clear margin in favour of revenue which would ensure that the gross yield would be slightly higher rather than any lower. Out of 187 companies we examined, the tax liability of 43 would be reduced by more than 2 per cent.; but in by far the majority of cases—89 to be exact—the net tax liability would be increased by 2 per cent. or more. It was also significant that the total taxable profits of these 88 amounted to 60 per cent. of the total taxable profits of all the companies included in the analysis.

"It was at once clear that the simplification of the structure had thus resulted in an increase in the net burden of tax on corporations in the majority of cases; and our pleasure at the sight of the simplification of the structure, the uniform rate of corporation tax, and the departure of wealth tax and excess dividend tax, had to be qualified by the fact that most of us would have to dig deeper into profits for the payment of taxes, and even deeper still, if the growing demands from shareholders (whose position I shall consider later), were to be met even to the minimum extent of maintaining the rates of tax-free dividends. This might not have been so serious if the profits of our members today were generally up to the level of those for the accounting year relevant to the assessment year 1957-58. It is this assessment year which, if we were to obtain a true picture, we had to consider as the base year (for our statistical study) for a number of technical reasons, which it is unnecessary to elaborate. But the fact is that

since that accounting year, many of us have had cause to endorse the statistics published by the Reserve Bank of India with regard to the profits in the subsequent year of 1,001 companies. The findings of the Reserve Bank are worth quoting:

"With the slowing down of the rate of increase in industrial production and with slackness in certain sectors of industry, notably cotton textiles, the rate of increase in sales also slowed down and profits before tax recorded a steep fall, for the first time since the post-Korean recession in 1952, from Rs. 129 crores in 1956 to Rs. 104 crores in 1957; the largest decline of Rs. 20 crores occurred under cotton textiles. The amount distributed, however, was maintained around the previous year's level, partly by substantial cuts in appropriations to reserves, and partly through withdrawal from reserves."

"This means that the average net tax retention by Government, over 1957 and 1958 taken together, may well be only about 40 per cent. of the taxable profits or even less, calculated according to the structure of taxation as it existed before the 1959 Finance Act."

What is Needed

"It was, and I believe it still remains, the express wish of the Finance Minister not to increase the overall net rate of tax from the corporate sector. If so, our conclusion on the data available must be that, under the new structure of corporate taxation, the overall rate of corporate taxation on Indian companies, which would correctly interpret that wish, would not exceed 40 per cent. of the taxable profits. In other words, 40 per cent. and not 45 per cent., is the aggregate rate of income-tax and corporation tax which we consider would be fair and accurate if our burden and the burden of the shareholder—in terms of overall rate of gross yield of tax from the corporate sector—are not to be increased. In moving this resolution, therefore, we seek to urge upon the Finance Minister, when he will be concerned with legislating the rates of tax on companies for the assessment year 1960-61, the necessity to make comparison of the future tax incidence on the corporate sector, with the incidence for the 1957-58 assessment year, only if the figures for that year are appropriately qualified and modified by the decline in profit trends since that year up to the present time. Thus, we entirely support the Finance Minister's decision not to increase (or decrease) the overall net yield from the corporate sector under the new system, as compared with what it would be under the old system and at the old rates. We are merely trying to see that it is exactly this decision which will be reflected in the rates of the tax prescribed for companies in the Finance Act 1960."

Grossing

"I will now deal with the two major difficulties to which I referred earlier. One of these relates to the abolition of grossing up and the consequent withdrawal of the tax credit to shareholders when dividends are distributed out of past accumulated profits, even where these are shared profits. Many prudent companies, by following a very conservative policy in past years, have ploughed back large amounts of taxed profits to reserves with a view to augmenting their financial resources for utilisation in their future rehabilitation and expansion programmes, instead of distributing all the available profits to their shareholders as dividends. By adopting such a policy, these companies have not merely strengthened their own positions but have also made substantial contributions to the economy of the country as a whole by increasing their productivity and productive capacity. But with what results now, in the new context? The Finance Act 1959 has virtually confiscated the benefits which should have accrued to shareholders of these companies years before, but which were voluntarily withheld from them for the time being. To say the least, this is inequitable and unfair to the shareholders for they had hoped very legitimately that the policy of ploughing back profits would not only lead to higher returns in future years, but they had always believed that the tax credit due to them would be available whenever the reserves were distributed."

Double Taxation

"Government's action in withdrawing this tax credit will inevitably result in double taxation—for the amounts distributed to shareholders hereafter out of past accumulations of taxed profits will already have borne income-tax once in the hands of the distributing company at a time when such tax was deemed to have been paid by the shareholder, and they will be taxed again in the hands of the recipients at the time of distribution. This will mean discrimination in favour of the shareholders of companies who had followed a conservative policy in dividend distribution. We therefore feel very strongly that, in equity and justice, the whole question should be given serious consideration at the time of framing the financial policy of Government for the next year's budget, and that adequate provision should be made therein for appropriate relief. Omission to do this will, quite apart from any question of equity, be a matter of some concern to the managements of those concerns who have followed sound conservative financial policies in the past."

Inter-corporate Holdings

"I turn now to the second major problem, namely, the incidence of the new structure and rates of corporate taxation on inter-corporate holdings. I may say at once that, in our opinion, the heavier burden now placed on those receiving income from inter-corporate investments needs special consideration. The provisional aggregate net rate of 45 per cent. which has been decided upon for the taxation of companies in 1960-61 and which is, indeed, already in force for deduction of tax at source from dividends paid to companies, is plainly excessive so far as the taxation of inter-corporate holdings is concerned, particularly because, in addition to a net basic rate which is in itself so high, there is involved the loss of credit for income-tax that was hitherto available at every stage of the taxation of dividends from

inter-corporate holdings. I refer to the credit for income-tax to which the investing company was entitled in respect of the dividends received by it out of the taxed profits of the operating company and to the further tax credit to which the shareholder of the investing company was also entitled in respect of the dividends received by him out of the taxed profits of the investing company, both of which tax credits have now been lost under the new procedure."

"For the convenient consideration of this important problem, inter-corporate holdings can be divided into four categories:

- (1) Holdings by Indian or foreign companies in Indian operating companies to which Section 56-A of the Income-tax Act applies;
- (2) Holdings by Indian or foreign companies in Indian operating companies to which Section 56-A does not apply, but which are subsidiaries of the holding companies;
- (3) Holdings by Indian companies in Indian operating companies to which Section 56-A does not apply and which are not subsidiaries of the holding companies;
- (4) Holdings by foreign companies in Indian operating companies to which Section 56-A does not apply and which are not subsidiaries of the holding companies.

"It is true that, so far as the investing companies themselves are concerned, no substantial hardship is likely to occur under the new system in regard to the first three categories of companies, because the net income (after tax) remaining with the investing company in such cases out of the dividends received by it from out of the taxed profits of the operating company will be somewhat, but not appreciably, lower than under the old system. But the shareholders of such investing companies will, however, encounter very serious hardship, because there will occur a substantial reduction in their gross dividend income from the investing companies. In other words, the loss to the shareholders of investing companies resulting directly from the loss of tax credit at two stages will be substantial; and there is, therefore, a strong case for some specific relief to ease the burden in such cases."

"The type of inter-corporate holdings which, however, will be the worst affected under the new system is that described in category (4) above, namely, minority holdings by foreign companies in Indian companies to which Section 56-A of the Income-Tax Act does not apply. This is a serious matter, because, in our view, foreign companies, whether operating in India directly or through other companies, have always been rather more heavily taxed than was warranted by a proper appreciation of all the facts and circumstances; and the position will now be further aggravated under the new system. This is a subject of a considerable importance, both directly as well as in the unfortunate effect it could have upon the future volume of investment (and disinvestment) in India by foreign companies."

Notices

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Share Transfer Books will be closed from the 18th to the 31st December, 1959 (both days inclusive), for the preparation of Dividend Warrants in respect of the Final Dividend of 2½ per cent. less Income-tax payable on the 1st January, 1960, on account of the profits for the year ending 31st December, 1959.

By Order of the Board,
R. W. TURNBULL,
Agent.

P4, MISSION ROW EXTENSION,
CALCUTTA 1, 7th December, 1959.

APPLICATIONS ARE INVITED BY THE

Andhra Bank Ltd. for the posts of Assistant Managers with a minimum of ten years of Banking experience in Development, Foreign Exchange and General Administration. Persons with First Class academic career, impressive personality and specialised knowledge of the working of the various departments of banking business only need apply before 31st December 1959, giving particulars of age, qualifications, experience and remuneration expected.

Applications may be addressed to:—

THE GENERAL MANAGER,
ANDHRA BANK LTD.,
MASULIPATAM

ASHOKA CEMENT LIMITED

NOTICE

THE FOURTH ANNUAL GENERAL MEETING of the Shareholders of Ashoka Cement Ltd. will be held at the Registered Office of the Company at Dalmianagar on Wednesday, the 30th December 1959 at 11-30 a.m., to receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st March, 1959, to declare final dividend of 1½ per cent. on the Equity Shares, to elect Director in place of the retiring Director and to appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from 19th December to 30th December, 1959, both days inclusive.

By Order of the Board,
B. MUKHERJEE,
Secretary.

CALCUTTA, 2nd December, 1959.

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

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of New Central Jute Mills Company Ltd., have recommended to the forthcoming Annual General Meeting of the Company the dividends of 7 per cent. on Preference Shares and 15 per cent. on Ordinary Shares. Shareholders whose names appear registered in the books of the Company on 31st December, 1959, will be entitled to receive dividends when sanctioned. The Share Transfer Books of the Company will remain closed from 21st December to 31st December, 1959, both days inclusive.

By Order of the Board,
FOR NEW CENTRAL JUTE MILLS CO. LTD.,
FOR SAHU JAIN LIMITED,
A. K. JAIN,
Managing Director,
Managing Agents.

CALCUTTA, 5th December, 1959.

GANNON DUNKERLEY AND COMPANY, LIMITED

NOTICE

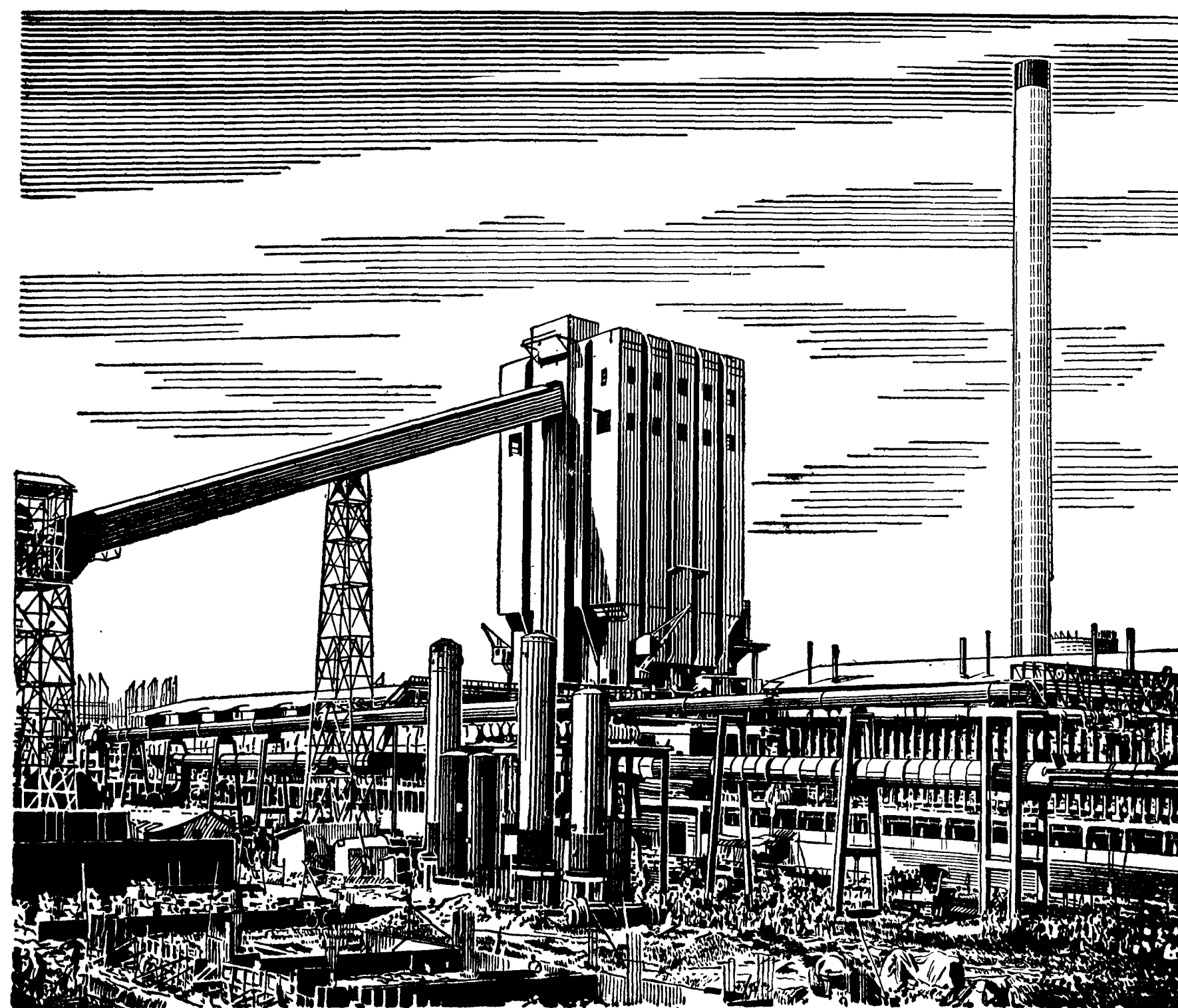
THE 36TH ANNUAL GENERAL MEETING of the Company will be held at its Registered Office, Chartered Bank Building, Fort, Bombay, on Wednesday, the 30th December, 1959 at 4.00 p.m., to transact the following business:

1. To receive and adopt the Directors' Report for the year ended 31st March 1959 together with the audited statement of accounts for the period.
2. To declare a Dividend.
3. To elect a Director in place of Mr. M. R. Morarka, who retires by rotation but being eligible offers himself for re-election.
4. To elect a Director in place of Mr. Ramgopal Gupta, who retires by rotation but being eligible offers himself for re-election.
5. To appoint Auditors for the financial year ending 31st March, 1960.
6. To transact any other business permitted by the Chairman.

By Order of the Board,
R. MORARKA,
Governing Director.
BOMBAY, 4th December 1959.

Note.—1. The Share Transfer Books of the Company will be closed from 16th December 1959 to 30th December 1959, both days inclusive.

2. Members may attend the Meeting in person or by proxy. They may appoint one or more proxies and the proxy need not be a member of the Company. Forms appointing proxies must be filed with the Company at its Registered Office.



The lighting-up of the Coke Oven battery No.1 marks a new stage in the progress of the Durgapur steelworks

With the lighting-up of the Coke Oven battery No. 1 on 24th August, the Durgapur steelworks of Hindustan Steel Limited enters a new stage. ISCON is proud

to announce that work on this battery has been completed nearly ten weeks ahead of schedule.

When the process of gradually heating up the battery to operating temperature is completed, the Coke Ovens will be ready to supply coke for the first blast furnace to produce Durgapur's first pig iron.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Simon-Carves Ltd. Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. The Woffman Smith Owen Eng. Corp. Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Dorman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. The Cementation Company Ltd. Iscon Cable Group (Sloaner Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

INTEREST RATES HARDEN

(From Our Own Correspondent)

BOMBAY, 9th December

The stringency in the short-term money market continues. The growing pace of demand for bank credit has brought more banks to the market, which is bereft of funds. Consequently, there has been a further hardening of interest rates in the inter-bank call money section from 2 per cent. to 3 per cent. among the Exchange banks and big Indian banks, though the bulk of the business is being done at 2½ per cent. The corresponding rate among the smaller banks has gone up from 3 per cent. to 3½ per cent.

In tune with the market trend, the Treasury Bill discount rate also has hardened from 2.338 per cent. to 2.370 per cent. this week. Even the response to the tenders has not been encouraging and shows that the Bills have been taken up by special quarters. For the amount offered at Rs. 2 crores is no more than that invited. Nevertheless, the authorities have invited tenders for a similar sum for next week. The sales of Intermediate Bills during the period 2nd to 5th December were also poor at Rs. 5 lakhs, as against Rs. 2.20 crores in the previous week. Sales of these bills are, however, being continued this week at Rs. 99.426 per cent., giving a slightly higher discount rate of 2.298 per cent., as against 2.276 per cent. last week.

There is no change in term money rates. House money at seven days' notice is fetching 3 to 3½ per cent. and short-term deposits 3 to 3½ per cent. for one to six months.

After a break of three weeks, during which period there was an aggregate contraction of Rs. 25.05 crores in notes in circulation, there has been an expansion of Rs. 31.05 crores in active notes during the week ended 4th December 1959. Notes held in the Banking Department of the Reserve Bank have declined by Rs. 13.35 crores. The net rise of Rs. 17.70 crores in total notes issued is covered by an increase of Rs. 20 crores in rupee securities and a fall of Rs. 2.30 crores in rupee coin. The Central Government's deposits are higher by Rs. 3.43 crores, while deposits of other Governments and banks have dwindled by Rs. 12.55 crores and Rs. 3.19 crores, respectively. There has been no change in external assets which stand at Rs. 204.20 crores. Loans and advances to Governments have risen by Rs. 3.71 crores and other loans and advances by Rs. 5.42 crores. Investments are lower by Rs. 5.74 crores and Treasury Bill holdings by Rs. 2.38 crores.

The Scheduled Banks' statement for the week ended 27th November 1959 shows a rise of Rs. 3.93 crores in time deposits, while demand deposits are almost unchanged. Inter-bank borrowings are up by Rs. 1.58 crores. A decline of Rs. 2.87 crores is noted in advances, while bills purchased and discounts show a rise of Rs. 1.24 crores. Investments have gone up by Rs. 6.18 crores. While cash balances have dwindled by Rs. 4.50 crores, money at call and short notice is higher by Rs. 4.22 crores.

The gilt-edged market has again turned dull. Though there has been a rise in a few counters over the week, the demand from institutional investors has slackened, on account of the stringency in the money market. 3 per cent. 1986 Conversion Loan continues to rule weak, with a further drop of 25 nP during the week to Rs. 73.60. 3 per cent. 1963-65 shows a rise of 5 nP to Rs. 98.20 and 3 per cent. 1966-68 has gained 10 nP to Rs. 95.10. 3 per cent. 1970-75 has moved up by 5 nP to Rs. 93.15, while 3½ per cent. 1981 has shed 5 nP to Rs. 100.20. State loans, too, are dull and some of the 4 per cent. 1971 loans have been slightly marked down.

The downward trend in £ sterling noted for some time past persisted during the earlier part of the week under review, when the spot rate in New York dropped from 279.96-280.00 to a low of 279.62-279.65 cents on Thursday last. Since then, it has staged a recovery to 279.97-280.00 cents yesterday. The three months' forward rate closed yesterday at 280.51-280.54 cents after having fallen earlier from 280.53-280.57 cents to 280.14-280.17 cents. In consonance with this trend, the rupee also recovered its earlier loss. Banks' selling rate for U.S. T.T. (ready) closed at Rs. 478 per \$100, after rising from Rs. 478 to Rs. 478.50. Their buying rate rose from Rs. 474.50 to Rs. 475.25 before declining to Rs. 474.75 per \$100.

ACUTE SHORTAGE OF COPPER SCRAP SUPPLIES

(From Our Own Correspondent)

CALCUTTA, 8th December

A further gain in price was recorded by electrolytic zinc in the metal market during the week under review. From Rs. 128, the quotation moved up to as high as Rs. 137.50, which was incidentally the highest level touched so far this year. Towards the week-end, a recessionary tendency was in evidence and the closing rate stood at Rs. 135. Demand was good and a few bigger consumers, having found their supplies against actual user licences which were lower than their requirements, turned to the market for meeting their further needs. The supply position became tighter. On the London Metal Exchange, the price hardened from £95½ to £95¾ per ton, following a widening in backwardation. Subsequently, the price eased to £94½.

There was an acute shortage in copper scrap and, although the ingot supply position improved due to the availability of the metal against permits, copper clean wire scrap rose by a rupee to Rs. 234. In London, spot copper advanced from £235½ to £250 per ton, thanks to the recession of the possibility of an imminent strike in the U.S. Japan, West Germany and the Continent displayed greater interest. For the same reason, the price in New York rose to as high as \$32.26 cents per lb. from 31.90 cents earlier.

BEARS PAY MARGIN ON SILVER AND GOLD

(From Our Own Correspondent)

BOMBAY, 9th December

The bullion market ruled distinctly easy during the week under review, on account of reports that floating stocks in the local market had increased, the latest estimates being 36,000 tolas of gold and 1,650 bars of silver. There were, besides, rumours of some contra-bank arrivals. At the same time, the demand for both the metals was poor. The daily average offtake of silver was just 7 bars, while arrivals were 13 bars. The offtake of gold, too, was low, averaging 2,800 tolas per day, as against the average daily arrivals of 3,600 tolas.

The rise in the carryforward charges also adversely affected the sentiment of the market. The rate for transferring commitments in silver from December to January settlement, which was against bulls throughout, widened from As. 15 early in the week to Re. 1 on Saturday, so that the bears were obliged to pay a margin of Rs. 1,000 per bar. Notwithstanding the margin, the rate widened further to Re. 1-3 on Monday and Re. 1-4 yesterday and today. The carryforward rate for December settlement in gold stood at As. 8 on Monday against bulls, as against As. 7 in the earlier sessions, and a margin at the rate of Rs. 10 per tola became operative on bears. Yesterday, however, the rate reverted to As. 7 only to widen again today to As. 11, with the result that the margin became operative again.

Bullion traders have noted the interesting judgment, given by the Bombay High Court on Monday, to the effect that the offence of smuggling is completed when the gold crosses the customs barrier, and whatever is done with reference to the gold after the offence of smuggling is completed cannot be considered as an act of importation into India contrary to the prohibition and restriction.

In the silver section, December settlement encountered selling and moved down in the course of the week from Rs. 211-1 to Rs. 207-1 today. At lower levels, there was some support and the closing rate was better at Rs. 208. January settlement receded from Rs. 212 to Rs. 208-4 before finishing at Rs. 209-4.

Ready silver began the week As. 8 lower at Rs. 209-10 and drifted lower to touch a low of Rs. 206-10 today. Towards the close, it evoked support and recovered to Rs. 207-10.

In gold, December settlement, which stood at Rs. 125-2 on Wednesday last week, retreated to Rs. 123-8-6 at one time today. It, however, finished higher at Rs. 123-14. January settlement fluctuated between Rs. 125-13 and Rs. 124-4-6 before closing at Rs. 124-9.

Ready gold came in for selling, the quotation declining from Rs. 124-13 to Rs. 123-9-6 today. At this level, it elicited enquiries and recovered to Rs. 123-14. The rate was on a par with that for the December settlement, whereas the spot was quoted at a discount of As. 5 last week-end.

Both spot and forward silver in the London bullion market were unchanged during the week under review also, yesterday's quotations being 80½d. and 80½d., respectively. Silver in New York, too, was unaltered at 91.375 cents. Ready gold in London firmed up from 250s. 3½d. to 250s. 8½d. on the 4th inst., on account of the persistent easiness of the pound sterling vis-a-vis the dollar. Subsequently, however, it eased to 250s. 7½d., following recovery in pound sterling. The latest available world price for gold in London is \$35.04-\$35.06 per ounce, as against \$35.04-\$35.06 last week.

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

	9-12-59	Highest	Lowest	2-12-59
Gold	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (99 fine Mint)	123 14	125 01	123 01	124 13
Forward	123 14	125 01	123 01	125 2
Sovereign	81 0	—	—	81 0
Silver				
Ready (999 fine Mint)	207 10	211 9	206 10	210 2
Forward	208 1	210 8	207 1	211 2
London Silver Ready	80½d.	—	—	80½d.
London Forward	80½d.	—	—	80½d.
London Gold	250s. 7½d.	250s. 7½d.	250s. 8½d.	250s. 3½d.
New York Silver	91.375c.	—	—	91.375c.

* 16th December settlement. † 16th December settlement.

LINSEED EASY

(Messrs. A. Bradley and Co.)

CALCUTTA, 7th December

Owing to the poor demand, linseed and linseed oil ruled easy during the week. Availability was still scarce and, with only limited enquiries from local crushers, business was negligible. In the oil market, with no appreciable stock held by either manufacturers or dealers, prices did not show much decline. The tendency, however, was quiet.

The latest available quotations per maund are: Ready-December Rs. 24.75, January Rs. 25 and May futures Rs. 23.94.

In London, tin eased from £792 to £790 a ton. Locally, the price gave way from Rs. 564 to Rs. 562 per cwt. However, the quotation in Bombay was as low as Rs. 550 per cwt. Consequently, Calcutta orders were diverted to that end. Lead eased from Rs. 73.50 to Rs. 72.25 per cwt. Demand fell much below what was offered. In London, however, a firmer tendency developed on account of greater consumer demand. Reflecting this, the price closed better at £71½ per ton as against the opening of £70½.

COTTON FUTURES FIRMLY STEADY

(From Our Own Correspondent)

BOMBAY, 9th December

The imposition by the Forward Markets Commission of heavy margins in the futures section on the purchase and introduction of fresh controls on the purchase of cotton and kapas (unginned cotton) by mills in the spot market announced by the Textile Commissioner this week failed to have any perceptible, adverse effect on the cotton futures market. Although the Jarilla March 1960 contract declined immediately after the announcement on Saturday to Rs. 751.50 in kerb trading from the day's official closing of Rs. 757.75, it recovered in subsequent sessions to quote at Rs. 759.60 yesterday. Operators were inclined to think that, in view of the reduction in crop estimate to 4.5 million bales, the keen demand for cotton and the persistent firm trend of spot prices, the outlook for cotton futures was bullish. Even after the recent steep rise in price, futures were considered cheap vis-a-vis spot cotton. But the prohibitive margin of Rs. 75 per bale that becomes payable when the contract price rises to Rs. 770 even ready to pay the heavy margin and, if necessary, accept delivery against the contract. But not the contract fluctuated between Rs. 750 and Rs. 760.

A section of the trade is strongly critical of the heavy margin which, according to it, is unwarranted in view of the scarcity of ready cotton. This section points out that, normally, the trade covers its sales to mills by purchasing forward hedge contract. If this legitimate cover is denied to them by the imposition of deterrent margins, normal function of pre-season sales to mills and, therefore, strongly urged that genuine hedging, that is, purchases of forward contract against sales to mills, should be exempted from the payment of the enhanced margin. They point out that the Forward Markets Commission has granted such exemption in the case of other commodities like groundnut.

I.C.C. Moglai Jarilla March 1960 opened the week at Rs. 754.50 and after having improved to Rs. 758.50 on Saturday receded to Rs. 752.50 on Monday. The contract rose to Rs. 759.75 yesterday, improved fractionally to Rs. 758.50 today, the contract at Rs. 757.25.

In the spot section, after the announcement of fresh controls, mills showed a cautious buying policy. Needy mills, however, purchased sizable quantities of CO2, Rajapala, Laxmi, Kalyan, had begun stocktaking with a view to assessing their stock position. The Textile Commissioner's indication that, on an overall view of the situation of the Indian crop and imports of foreign cotton, adequate, failed to impress the trade, although his assurance that the Government would see to it that no scarcity of cotton occurred was welcomed. Some traders thought that the Government might put of fresh purchases. There were also fears that and that the Government might and of the wedge induce distribution control in respect of at least such varieties of cotton as are in short supply.

In the export section, Bengal Deshi evoked good inquiries. Prices hardened further. Export of 75,000 bales of Bengal Deshi up to export quota aggregated 4,850 bales. The payments agreement concluded between India and Pakistan was officially announced on the 4th inst. Under this stand of 15/16" to 1-1/16" staple. An announcement permitting import of this cotton is expected soon.

Prices of all foreign cotton hardened further. Consequently, turnover was limited. At the auction held at Kampala yesterday, East African cotton fetched still higher prices. The following are the prices—in rupees per candy—of some select East African cottons:

B.P. 52 1,527; Busoga 1,480; Jinja 1,405. These prices are up by Re. 60, as compared with those prevailing a week ago.

The purchase authorisation favouring India for 100,000 bales of U.S. cotton under P.L. 480 has been issued. The contracting period for import of this cotton is between 15th December 1959 and 31st May 1960. The shipment period extends up to 30th June 1960. The following are the latest available quotations—in rupees per candy of 784 lb.—from Sewri:

Bengal Deshi 670; Berar Jarilla 840; Punjab 216F 1,020; Vijay 940; Hubli Jaydhar 950.

Fully firm conditions prevailed in the Karachi cotton futures market during the week under review. Keen local demand and good export enquiries pushed up prices. N.T.R.C. January firmed up from Rs. 69-1 last week-end to Rs. 71-1. The March position improved from Rs. 68-12 to Rs. 70-10 yesterday. The market was closed early yesterday under an emergency order. The spot section too was active. Prices ruled firm.

Cotton futures values in Alexandria hardened further during the week under review. Good demand from overseas countries and firm advice from values, consequently, moved up. Export price discount was reduced further from 20.5 per cent. to 20 per cent. for the week which commenced on Monday last. Spot market was active and premium of almost all varieties advanced further.

Shipments from Egypt from the beginning of this season till 25th November aggregated 157,526 bales (720 lbs. each), as against 145,818 bales priced 17,418 bales of Karnak, 66,839 bales of Menoufi, 12,984 bales of Giza 30, 9,502 bales of Dendera, 48,282 bales of Ashmouni and 2,501 bales

of other varieties. The following are the latest available quotations—in tallaris per lb.—from Alexandria:—

Karnak: January 76.50; March 76.55.

Ashmouni: December 67.55; February 66.62.

Modest gains were recorded by cotton futures in Liverpool during the week under review. Operators were inclined to await the September crop report of the U.S. Department of Agriculture. Scattered selling by American interest in Liverpool were absorbed in mill fixation and local trade covering. The bullish tone of the yarn and piece-goods market prompted further buying which found offerings limited. Values consequently moved up. Sudan contracts were firm on higher Khartoum advices. The following are the latest available quotations—in pence per lb.—from Liverpool, the figures in brackets being the last week-end closings:

American cotton one inch staple contract: December-January 22.90 (22.70); March-April 23.25 (22.90); May 23.55 (23.05); July 23.50 (22.90).

American cotton mixed growth contract: December-January 23.65 (23.45); March-April 23.75 (23.40); May 23.80 (23.45); July 23.55 (23.95).

Sudan: January-February 31.75 (30.65); May-June 31.25 (30.15); July-August 31.15 (30.15).

In anticipation of the Government's crop forecast on the 8th inst., trading in the New York cotton futures market was slow early in the week. The report, published on the 8th inst., estimated the crop at 14.70 million bales, as compared with last month's estimate of 14.80 million bales and the last season's final output of 11.51 million bales and the 10-year (1947-56) average of 14.14 million bales. The yield per acre was estimated at 465 lbs., 9 lbs. down, as compared with last month's estimate of 474 lbs. and last season's final yield of 466 lbs. The crop report had little or no effect on the market as an estimate lower than last month's was generally expected. Activity continued to be slow even after the announcement, but prices ruled steady.

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

	8-12-59	1-12-59	24-11-59
Spot	32.85	32.85	32.85
December	32.63	32.68	32.82
March	33.00	33.08	33.28
May	33.26	33.27	33.43

IMPORTS OF ART SILK YARN LARGE

(From Our Own Correspondent)

BOMBAY, 9th December

Barring coarse and medium counts cotton yarns which were somewhat well supported, the yarn market presented a quiet trend during the week under review. Art silk yarns were subdued, owing to slackness in demand from consuming centres. Offtake of art silk cloth was no doubt good, but this did not have any effect on yarns, because the weaving mills were making purchases only on a restricted scale, in view of lower profit margin as a result of the allegedly high yarn prices. There would indeed have been a sharp fall in art silk yarn prices but for reports of scarcity in floating stocks, due to the fact that the indigenous producers of yarn were not supplying yarn in sufficient quantities against quotas in the hands of dealers and customers. Staple fibre yarns were depressed. Enquiries for important markets like Bhagalpur, Calcutta and Delhi were not encouraging. In the cotton yarn section, coarse and medium counts, as stated at the outset, ruled firm. The firmness was engendered by the spurt in raw cotton prices and the tendency among several spinning mills to hold on to their stocks and some were quoting higher prices.

Imports of art silk yarn into the Bombay port have increased of late. The total of these imports during November 1959 was 3,02,926 bales, as against 1,154,788 bales in the previous month. During the same month, 96,934 lbs. of synthetic yarn, 3,025 bales of staple fibre yarn and 38,231 lbs. of cotton yarn were imported. Export of cotton yarn from Bombay during November amounted to 1,324,385 lbs., as against 1,388,563 lbs. in September.

In the course of a communication addressed to the Government of Bombay, the Yarn Merchants Association and Exchange Ltd. has pleaded for the postponement of the enforcement date for the new Sales Tax Act from 1st January 1960 to 1st April 1960. Such a postponement, it is pointed out, will avoid the unnecessary hardship caused to yarn traders who will otherwise have to apply for registration licences twice a year to the present State Government and subsequently, that is, after the break-up of the bilingual State, to the new Governments of Maharashtra and Gujarat as the case may be.

Cupressa Bamberg yarn (80 x 2) December contract climbed down from Rs. 1,672 to Rs. 1,658. February contract fell by Rs. 9 to Rs. 1,700. Spot Cupressa was neglected at Rs. 7.50. 150 Italy declined by 3 nP to Rs. 4.97. 120 Italy was dull at Rs. 5.31, as also 120 Japan at Rs. 5.50. 150 Japan, however, gained 3 nP to Rs. 5.65. Among indigenous yarns, National Rayons 150 bright cones first grade eased from Rs. 4.37 to Rs. 4.34. 120 bright cones first grade was quiet at Rs. 4.91.

Staple fibre yarn (40 x 2) December delivery receded by Rs. 4 to Rs. 694. February position was dull at Rs. 691. Spot Kohnors was shed 3 nP to Rs. 3.69. Citys and Centrys were unchanged at Rs. 3.59 and Rs. 3.69, respectively. Among imported yarns (80 x 2), Paramounts were in keen demand and rose by 14 nP to Rs. 9.20.

Ten counts cotton yarns met with excellent buying support. Citys jumped up by 87 nP to Rs. 15.62. Podars spurred by 50 nP to Rs. 15.50. Twenty counts Moderns improved by 6 nP to

Rs. 20. Hinds were firm at Rs. 19.50. Among forty counts, Minaxis advanced by 19 nP to Rs. 27.44. Moderns were fully maintained at Rs. 27.37. Sixty counts Moderns were steady at Rs. 66.50, while Raghuvarmshis eased by 75 nP to Rs. 68.75. Eighty counts Moderns were firm at Rs. 79 and Finlays at Rs. 81. Mahendras, however, shed 25 nP to Rs. 73 and Citys 19 nP to Rs. 64.50.

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

	9-12-59	2-12-59
Art silk yarn—		
60/1 Cupressa Bamberg December (100 Kg.)	Rs. 1,658	Rs. 1,672
February	1,700	1,700
60/1 Cupressa Bamberg spot (per lb.)	7.50	7.50
120 Japan (per lb.)	5.50	5.50
150 Japan (per lb.)	5.65	5.62
120 Italy (per lb.)	5.31	5.31
150 Italy (per lb.)	4.97	5.00
Staple fibre yarn—		
40 x 2 December (per case of 200 lbs.)	694.00	698.00
40 x 2 February	691.00	691.00
40 x 2 Kohnors (per lb.)	3.69	3.72
40 x 2 City	3.59	3.59
Cotton yarn (per bundle of 10 lbs.)—		
10s Yodas	15.50	15.00
20s Modern	31.50	31.50
40s Minaxi	27.44	27.25
60s Finlay	60.75	61.50
80s Mahendra	73.00	73.25

BLACK PEPPER ERRATIC

(Messrs. Parekh & Co.)

BOMBAY, 9th December

Movements in Malabar black pepper during the fortnight were erratic, the highest and the lowest being Rs. 1,400 and Rs. 1,000, respectively. Bears at Singapore having been squeezed, the market there reacted from Str.\$279 to Str.\$231 for white and from Str.\$200 to Str.\$155 for black.

New York spot, after touching the highest at \$0.59, slowly came down to \$0.45, as grinders refused to follow. Arrivals of new crop having augmented, the selling pressure of Malabar black at lower prices had a salutary effect on both New York and Singapore. Daily arrivals in the primary markets at Cochin and Alleppey are now averaging 500 candelas. With the advance of the season in Alleppey area and with the commencement of harvesting in Tellicherry area, arrivals are likely to expand still further. At that time, if foreign inquiries fail to keep pace with arrivals, the market is likely to go down. Singapore speculators have played their game and now is the turn of Indian dealers who should cushion the impact of heavy arrivals by making purchases at every decline. If they want to keep up the morale of New York dealers and grinders who are accustomed to buy in the upsurge, they should be steady at Str.\$185 for black and at Str.\$236 for white. News of increase in export duty by the Sarawak Government by Str.\$13 per picul proved a stabilising factor.

The important news of the fortnight is the resumption of forward business in black pepper at Cochin, which was effected from the 8th inst. Forward trading remained closed since 18th November 1959, owing to sudden rise in the future prices consequent on heavy fluctuations. The Forward Markets Commission has permitted the Association at Cochin to reopen the futures market in pepper with the additional safeguards—a daily clearance and a deposit of Rs. 25 on the transaction of every cwt. of pepper.

Ungarbled and garbled at Cochin are moving irregularly according to the inquiries or otherwise from overseas. Ungarbled, after touching Rs. 1,000, is now hovering round Rs. 1,100 on news that offers for December shipments are accepted at \$0.42.

Ready pepper in the local market is quoted at Rs. 145 per Bengal maund.

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 9th December

Buoyant conditions prevailed in the oilseed market during the week under review. Groundnuts made an impressive rally, following the release of export quota for 20,000 tons of H.P.S. groundnuts, referred to in these columns last week. At the close, however, groundnuts were a little subdued, partly owing to the decision of the Government to postpone the validity of the export quota from the end of March till the end of June 1960. Of particular importance to the market is the decision of the Board of Directors of the local Exchange to commence futures business in groundnut oil, for the first time. Another development of importance is the enhancement of rebate of central excise duty on non-essential oils. The Government of India has decided that the rate of rebate of Central excise duty in respect of vegetable non-essential oils, other than cottonseed oil, used in the manufacture of vegetable product, exported out of India will be Rs. 110 per ton of such vegetable product, as against Rs. 105.60 per ton admissible hitherto, with effect from the 5th inst.

The groundnut section ruled distinctly firm, thanks to good export demand and pronounced strength in the spot section. Offerings were relatively small. Sizable support was extended by local crushers and varaspathi manufacturers. Shippers covered against their previous commitments. Export outlook, too, was good, particularly in the case of groundnut oilcakes, which were keenly sought after by countries in the Continent. Groundnut February 1960, which had wound up last week at Rs. 183.87, rose sharply to Rs. 190.75 by Tuesday. It, however, receded to close today at Rs. 189.87. Nizam bold spurred by Rs. 2 to

Rs. 38.75. Coromandal advanced by Re. 1.75 to Rs. 39.

Cheerful conditions were in evidence in the castorseed section. This was due mainly to the reports of sustained U.S. interest in Indian castor oil. Castorseed May 1960 contract, which had finished at Rs. 171.12 last Wednesday, improved to close today at Rs. 172.12, after fluctuating over the week between Rs. 170 and Rs. 173. Ready Madras hardened from Rs. 32.37 to Rs. 33. Oil B.S.S. closed higher at Rs. 18.87 today, as against Rs. 18.50 last week-end.

The linseed section was quietly steady. While it derived some strength from the other seeds and oils, operators were somewhat unnerved by the reports that the U.S. Commercial Credit Corporation would release a substantial quantity of linseed oil. Linseed May 1960 contract improved from Rs. 34.62 to Rs. 35, after moving in a narrow range over the week. Bold ready closed steady at Rs. 34.50, as against Rs. 34.12 last week-end. Linseed oil gathered 13 nP to Rs. 17.

Firm conditions prevailed in the cottonseed section, partly because of speculative support and partly because of the pronounced strength in the raw cotton market. Cottonseed February 1960 contract was marked up by Rs. 6.25 at Rs. 144.50.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	9-12-1959	2-12-1959	25-11-1959
<i>Groundnut</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
February 1960	189.87	183.87	177.87
Karad bold	38.75	38.37	35.50
Khandesh new	39.25	37.62	37.50
Khandesh quality	39.25	37.87	37.25
Oil ex-mill ready*	20.75	20.00	19.50
Railway receipts*	20.60	19.09	19.31
<i>Castorseed</i>			
May 1960	172.12	171.12	166.12
Ready Madras	38.00	32.87	32.00
Ready Kanpur	31.50	30.87	30.75
Oil U.S.S.†	18.87	18.50	18.12
Oil commercial	17.87	17.50	17.25
<i>Linseed</i>			
May 1960	35.00	34.82	34.75
Bold ready	34.50	34.12	34.50
Oil ready*	17.00	16.87	17.12
<i>Cotton seed</i>			
February 1960	144.50	138.25	131.50
.. .. .	31.00	31.25	31.25
<i>Niger seed</i>			
Kardi seed	23.00	22.50	22.50

22nd Nov., 1956	October 1956	October 1968	Percentage of Increase (+) or Decrease (-) in Oct., 1968 as compared with Oct., 1956	Financial year Average	1960-61	1957-58
116.5	154.8	151.2	+ 3.6	116.5	150.4	150.4
108.7	100.5	113.6	- 8.6	108.2	108.2	108.2
113.6	94.3	209.2	- 23.6	108.7	108.7	113.4
106.7	126.7	152.6	+ 3.3	117.0	117.0	123.4
106.6	120.8	100.7	- 10.1	113.1	113.1	113.1
122.8	119.6	131.3	+ 1.3	124.5	124.5	126.0
109.3	122.6	109.7	- 1.0	106.4	106.4	106.0
120.2	121.6	107.7	- 1.3	107.0	107.0	107.0
159.6	174.3	159.0	+ 0.6	151.1	151.1	154.9
97.0	99.4	83.9	+ 0.6	96.4	96.4	98.1
108.8	110.7	108.8	+ 0.4	108.8	108.8	108.8
114.5	114.6	115.4	+ 0.4	114.5	114.5	114.5
112.8	122.8	116.0	+ 4.9	115.8	115.8	116.0
101.8	109.2	104.5	+ 4.5	100.9	100.9	101.0
125.6	101.8	105.7	- 7.7	127.0	127.0	127.0
107.3	98.1	105.2*	- 0.1	109.3	109.3	109.3
108.4	125.6	106.9	+ 12.5	108.4	108.4	108.4
108.8	106.9	106.9	+ 1.5	108.8	108.8	108.8
108.8	114.4	110.3	+ 3.7	110.3	110.3	110.3
108.7	116.8	108.5	+ 1.9	108.6	108.6	108.6
111.2	106.1	106.6	+ 2.4	108.3	108.3	107.3
102.3	111.5	106.7	+ 3.7	110.3	110.3	110.3
89.0	90.0	87.5	+ 2.0	107.9	107.9	112.4
106.9	104.0*	109.6	+ 1.6	105.6	105.6	105.6
90.2*	91.8*	95.6*	- 3.9	90.2	90.2	90.2
143.1	144.5	145.3	+ 0.8	143.1	143.1	143.1
110.9	107.1	107.4	- 0.3	108.0	108.0	114.8
143.9	140.3	141.7	+ 5.4	126.0	126.0	126.0
118.6	118.6	118.9	+ 2.3	108.3	108.3	101.7
			+ 0.3	113.7	113.7	110.0
113.2		116.1	+ 2.8	112.8	112.8	108.4

publicised traditions of Indian hospitality. Indian scriptures, the most ancient of their kind, insist that the guest, along with parents and preceptor, is a "god." But popular expressions of goodwill are not governed by scriptural injunctions. Nor is the reason to be found in diplomatic propriety which determines how the head of a great State should be honoured. As Mr. Nehru, addressing Mr. Eisenhower, said: "You are a great person in your own right. You are leader of a great nation.... But there is something greater than the head of a State or even a great man. That something is that which appeals to the heart of man and not merely to the mind." This describes, rather than explains, India's attitude towards the great guest. Perhaps the reason why Mr. Eisenhower was so joyously welcomed by this country should be sought apart from the personal eminence of the American President—in certain associations, in the massive moral support which the U.S. lent India in the hour of its struggle for political emancipation, and in the fact that, after the achievement of this objective, the U.S. has been the most distinguished supporter of India's economic development. But, above all, notwithstanding the unkind criticisms by a small band of detractors, there is the thought that the U.S. interest in this country stems from no desire to dominate, or determine, its political or social life. Some of these unconscious promptings in the people lie at the root of the incredibly spontaneous and warm reception which Mr. Eisenhower received. As Mr. Nehru put it, the "hearts of two big countries were opened to each other."

There is no doubt that Mr. Eisenhower himself was greatly impressed by what he saw of this country and of its attempt at economic improvement. With singular appropriateness, he quoted from Gandhi; he said: "One of the clearest voices of all time, proclaiming the priority and supremacy of freedom, is your own sainted Mahatma Gandhi. Speaking of freedom, Mahatma Gandhi said: 'freedom is the gift of God—the right of every nation.' And to his words, America replies: so also we believe." He added: "Between the largest democracy on earth, India, and the second largest, America, lie ten thousand miles of land and ocean. But in our fundamental ideas and convictions about democracy, we are close neighbours. We ought to be closer." Mr. Eisenhower's visit has served precisely this purpose. It is to be hoped, that the two nations have really been drawn to each other more closely than before and that impressive evidence of this understanding will be forthcoming in the coming years. In any case, Mr. Eisenhower's visit to India will go down as a major development in post-war history.

It is now widely realised both in this country and other parts of the free world that freedom will come to have a meaning for the common man, only if it means something more tangible than mere absence of dictatorship or foreign domination. It ought to mean the acquisition of a larger share of the good things of life. Even those who acknowledge that liberty is too heavy a price to pay for material prosperity will concede that any prolonged failure to achieve economic well-being constitutes a threat to freedom itself. As Mr. Eisenhower put it: "A free society of nations can continue to exist only as it meets the rightful demands of people for security, progress and increasing opportunity for the betterment of themselves and their children." After describing what an economically strong India could contribute to world progress, he rightly stressed that India could not achieve its "full potential without acquisition of more capital." He added: "The best means for a nation, determined to maintain its independence, are private investment from outside, governmental loans from others, and where necessary, grants from other free and friendly nations."

Clearly, there is a wide field for mutually profitable association between India and the U.S. It is gratifying to note that Mr. Eisenhower has agreed to throw the weight of his great personality on the side of beneficial partnership between the two countries. He declared: "One thing I assure you, from now on, I shall be quick to assert on every possible occasion that India is becoming one of the greatest investment opportunities of our time—an investment in the strengthening of freedom, and in the prosperity of the world." It is undeniable that a reasonably prolonged period of association between the two countries will, besides making a marked difference to the pace of India's economic progress, advance the cause of democratic way of life to which the entire free world is pledged.

DEVELOPMENT OF PORTS

THE opinion is gaining ground in the country that, as compared with the resources devoted to industrial and agricultural programmes, the allocations to development of ports are inadequate. It is true that the authorities realise that, in the absence of well-developed ports, India's foreign trade will receive a severe setback, which, in its turn, will retard the pace of progress of several development projects. Despite this realisation, which has found expression in ministerial pronouncements, the fact remains that work even on major ports continues to be less brisk than what one would expect on a front where speed of execution is of the very essence of development and progress. Appropriately enough, the Associated Chambers of Commerce, in the course of a resolution adopted by it at its annual meeting held at Calcutta last week, while commending the action so far taken by the Government, regretted that the "results so far achieved have not been commensurate with the requirement of the situation." It urged the need for vigorous and resolute action with special emphasis on the improvement and modernisation of equipment and amenities at ports, including road and rail communications and river training, development of ancillary ports, rationalisation of dock and stevedoring labour arrangements, and improvement in customs procedure.

Moving the resolution, Mr. M. R. Das recalled how committee after committee had examined the problems of ports in the past; yet nothing had been done to implement the recommendations of these expert bodies. He deplored that the "carefully considered recommendations made by these bodies have, largely

postpone the disappearance of Calcutta as a port for ocean-going vessels, unless steps are taken immediately to institute a long-term solution." Finally, he insisted that, unless the existing marshalling yards were modernised, delays and misdeliveries could not be avoided.

The case for the improvement of the Bombay port was ably put forward by Mr. C. H. Campbell, who recalled that it had been recognised for a long time now that the berthage of the port should be increased. The 70-year-old Prince's and Victoria docks were, "to put it bluntly, quite obsolete." It may be mentioned here that the delay in carrying out what has come to be known as the "minimum scheme" for the modernisation of these docks has increased the original cost of the scheme (Rs. 44 crores) by 100 per cent. It is imperative that the implementation of the scheme should not be delayed any longer. Kandla also should receive urgent attention. The two disabilities of this port are lack of adequate rail connection with the hinterland and the damage caused by steady silting of the entrance channel.

The development of Madras port too has suffered through inordinate delay in the execution of plans. Although development work has been taken in hand, the work on the coal and ore berths, according to Mr. E. F. G. Hunter, has been "painfully slow." Mr. Hunter expressed the hope that the construction of the new wet dock in Madras port would be carried out without delay. As for the Vishakapatnam port, he admitted that much had been done by way of port development, but "it is considered that the harbour administration is taking an unrealistic view of representations that are being made by the trade for more economic charges."

The problems of the Cochin port were dealt with by Mr. P. Hadfield, who said that the port, which was still in the process of development, would not reach its full capacity before 1960-61. Developments in the next 18 months would greatly increase the port's handling capacity. Although a large part of the traffic handled at the port would move to the interior by the extensive backwaters which serve the area, the problem of rail and road traffic would remain acute. The factors which militate against the proper functioning of the port, according to Mr. Hadfield, are the provision of only one broad-gauge track to the north and of only one rail connection (a metre-gauge track) to the south. There is no road outlet at all to the north and little progress has been made in the construction of bridges on the northern outlet. It would appear that the National Highway, which these bridges serve, is "inadequate and poorly maintained, and, in the event of the bridges materialising in the near future, the increase in heavy traffic that will ensue will require that the highest priority be given to the improvement and maintenance of this highway."

It now appears certain that the target of increasing port capacity to 40 million tons, set in the second Plan, will not be achieved, thanks to the slow pace of implementation of development programmes. During the first three years of the Plan, actual expenditure on port development aggregated only Rs. 24 crores out of a total provision of Rs. 78 crores. As a yardstick for measuring the progress of any development project, the amount of expenditure incurred is, of course, unsatisfactory; invariably, it will show much greater progress than is actually the case in terms of physical achievement. But even on the basis of this defective measure, the progress made in the sphere of port development has been poor. It is also clear that there will be a substantial carry-over of port development projects from the second to the third Plan.

The authorities will do well to accord the highest possible priority to improvement, expansion and modernisation of ports in the third Plan so that port facilities are augmented to a level at which they are adequate for purposes of meeting the anticipated increase in India's foreign trade. In any case, inadequate port facilities are themselves a form of invisible taxation on ships and will retard the growth of a day's delay in ports will mean unearned depreciation which, in respect of a modern cargo vessel, will aggregate Rs. 2,500 per day; to this loss must be added the cost of manning, provisioning and working the vessel. In considering the question of financial allocation for ports, the authorities, as Mr. Campbell stressed, will do well to bear in mind that it is wrong in principle to regard port development as a commercial venture. After all, good ports are part of the basic structure of national economy. To stint expenditure on it on the ground that it may not yield immediate returns is to practise unwise economy.

MARKET GOSSIP

BULLISH fervour in share markets continues to be strong and most of the equities have registered further gains. A feature of this week's trading is the attention given by speculators to select scrips such as Hindustan Motors, T.E.L. Cos., Gwalior Rayons, India Dyestuffs, Colour Cos., and Standard Mills. Some of these have gone up too rapidly and to unexpected levels. Even blue chips, considered as having been fully priced, G.K.Ws and Indian Oxygens, to mention two instances, have moved up appreciably. Only steel, sugar and cement shares have been relatively neglected. The bulls are not paying much attention to them, apparently because the dividend prospects for these are, it is now fairly clear, not very promising. Whether or not the increases in the values of the aforesaid equities are justified is a question on which it is possible to have two opinions. But every rise that now takes place only adds to the possibility of a landslide at a later date, should any unpleasant developments take place.

President Eisenhower's remarks at New Delhi early this week supporting foreign investment in India have strengthened the earlier hopes that substantial aid would be forthcoming to implement the third Plan. This has given rise to the further hope that the Government of India would not be forced by circumstances to tax further the already heavily taxed people of this country. The U.S. President's emphasis on the importance of private capital may have given rise to the feeling that the private sector in this country will be encouraged and that individuals and corporations will not be asked to pay more direct taxes than they are doing now. This inference may or may not turn out to be true. But it would turn out to be mere wishful thinking, if the suggestions contained in the Working Paper prepared by the Planning Commission on raising resources for the third Plan were to be accepted and implemented by the Government. Very shortly, a panel of senior economists will be meeting at New Delhi for considering the Working Paper and also come up with the paper on resources which will also come up for discussion. The suggestions are believed to be drastic, aiming as they do to raise an additional sum of Rs. 500 crores by way of new direct taxation. It is understood that they fully reflect the thesis of Dr. Raj that the upper middle class, that is, those in the income range from Rs. 1,000 to Rs. 4,000 per month, is not paying as much as they ought to for the economic development of the country. They are also said to reflect the contention of some that even corporations should be taxed at higher rates, though their requirements of resources for development and modernisation may be met by allowing suitable rebates.

Apparently, New Delhi has not yet given up fanciful ideas of raising resources for the Plan. The Planning Commission is still very much dominated by leftist elements. It is, therefore, premature to think that the sweet reasonings of the private sector for relief in direct taxation will be listened to by the powers-that-be or that there will be no more taxation shocks.

India To Make Bemberg Yarn

While the traditional varieties of rayon yarns manufactured under viscose process are losing ground elsewhere in the world to the more later varieties of man-made fibres, in India they are still popular. If the short-term fluctuations in production and consumption of rayon are excluded, there seen that the basic trend has been upward in India for at least four reasons for which the trend by which is being contrary to the world trend. One of the reasons is the trend in the developed countries of the West. One of the main reasons for the newer man-made fibres (collectively termed as polyfibres) is very much higher than that of the older rayon fibres, they are beyond the reach of the vast majority of the people of this country. They are, therefore, unlikely to find a very large market in India for several years to come and the older fibres continue to be competitive. Two, the older fibres are more suited to ladies' wear in India than the newer ones. The great bulk of rayon yarn goes into the manufacture of material for saris and blouses. If the quality of rayon yarns now being made in India is improved and their cost brought down, they will certainly be able to retain their hold over consumers of textile fibres. Three, the habits and mode of dress in India are still far different from Western countries. In the latter countries, nylon, for instance, is used in considerable quantities for ladies' underwear. The climate in India, excepting in some of the hill stations, is hardly suitable for using nylon underwear. And four, in the furnishing of a large and growing carpeting and furniture market, these outlets are of a very limited nature in this country, being confined chiefly to big cities.

The time is gone when rayon industry (both spinning and weaving) can be considered as a producer of luxury goods. In view of the growing volume of purchasing power, rayon goods, together with cotton textiles, are serving the purpose of essential consumer goods. They thus perform an anti-inflationary function. It can, of course, be argued that they are not as essential as cotton goods and that they should, therefore, be given a low priority or no priority at all over other vital industries. But consumers' tastes have changed and only in a totalitarian economy can this factor be completely ignored. Again, the art silk weaving mills, the powerlooms and the handlooms have all been providing sizable employment, and their requirements of raw material have to be taken care of. Manufacture of rayon yarns in the country even out of imported pulp is certainly preferable

to the import of finished yarn, in that it will provide more employment opportunities, technical experience in chemicals and chemical fibres, and some saving at least in foreign exchange. Thirdly, the creation of manufacturing facilities for rayon yarn will encourage the growth of chemical and pulp industries. And, fourthly, some of the developed countries are now willing to collaborate with Indian entrepreneurs in the establishment of rayon spinning units. In fine, this branch of textile industry offers scope for speedy establishment of additional employment opportunities and also for ensuring existing employment in the weaving section. The indigenous investors, too, are in a good mood to spare their savings for this industry. In view of all this, the Government is, therefore, right in not curbing the enthusiasm of entrepreneurs to put up new units for spinning the various types of rayon yarns in large demand, as well as to expand the existing ones.

The current calendar year saw the flotation of three new rayon spinning units: the South India Viscose, the Indian Rayon and the Baroda Rayon. It also witnessed the coming into full production of the rayon spinning sections of the Century and Kesoram Cotton Mills belonging to the Birla Group. The growth of rayon spinning has thus been in the form of both exclusively rayon companies and extension of the activities of existing cotton mills. There is already a firm indication that the new year, 1960, will see the coming into existence of at least one more rayon spinning unit. It is reliably understood that the Sirur Group has been given a licence to establish a factory near Mysore City for manufacturing Bemberg (cuprammonium) rayon yarn. This type of yarn is not being manufactured by any of the existing units; nor is it scheduled to be manufactured by the new units that have been licensed and are being set up. The initial capacity of the Bemberg unit of the Sirur Group will be 7½ tons per day, or five million lbs. per annum, on 60 denier basis. The present estimate of the investment on this project is Rs. 2.50 crores. It is further understood that the promoters have been assured of foreign technical collaboration as well as of the requisite foreign exchange. Both the I.C.I.C. and the I.F.C. are willing to underwrite equity capital and provide loan finance.

It is said that, of the total imports of about 34 million lbs. of rayon yarn in 1958, Bemberg yarn accounted for about 8 million lbs. The Sirur project, when it fructifies, will, therefore, account for a very substantial portion of the domestic requirements of this type of rayon yarn which is said to be very popular with weavers in Mysore and Madras, as it is very much like natural silk and, therefore, serves as a real substitute for silk.

Since the proposed Bemberg yarn is of cuprammonium type, the capital investment required will be somewhat less than that for putting up a continuous filament viscose plant of identical capacity. Further, the principal raw materials are cotton linters, ammonia and a small quantity of copper which is recoverable. The first two will be readily available near the proposed factory by the time it commences production. As quite a few cotton oil extracting units are coming up in the country, adequate supply of cotton linters is expected. Ammonia will be made available by the Mysore Chemicals and Fertilisers. Thus, from the point of view of both raw materials and the demand for the finished yarn, the Sirur project seems to be well placed.

Control on Paper Prices

The absence of any vocal reaction to the recommendations of the Tariff Commission on fair prices for paper and the Government's decisions thereon in either the paper industry or the trade is, indeed, surprising. There is no dearth of organisations representing both the sides to voice their feelings. Yet none of them has to our knowledge issued any communication, either welcoming the decisions or criticising them. This silence may be due to a fatalistic resignation to what has happened or a sense of satisfaction. But neither seems likely; probably the interests concerned are still studying the report.

The main features of the Tariff Commission's report were analysed in our last issue. The Commission has no doubt done a commendable job. It has fixed the prices and thereby carried out the task assigned to it. But neither the Commission nor the Government has cared to bestow thought on the question whether the price control could be effectively enforced. As the largest consumer of paper, the Government can, of course, get its requirements at the prices fixed by the Commission. But what about the other consumers? Not all of them are in a position successfully to insist on getting their needs at the controlled prices. The Commission itself has received complaints that some quantities in excess of their requirements, corner the stocks and sell them at premium prices. It has also recognised the existence of scope for creation of artificial scarcity of paper through collusion between printers, publishers and distributors. It has, however, offered no remedy, beyond saying that the provocation for complaints of exploitation should be eliminated.

Reports from paper markets received after the Government's decisions on the Commission's report suggest that the free or grey markets have now become black markets. Since it will be next to impossible to eradicate them, the Government must think of a more effective solution than mere paper controls. The present system only penalises the honest manufacturers and traders, in that it brings discredit to the whole industry and the

trade. The Government, too, is losing valuable revenue and the shareholders in paper mills which are not scrupulous are also losing their share of profit, as the difference between the controlled price and the black market price is pocketed by the managements. Some experienced persons in paper trade feel that the more realistic thing to do would be to let the industry charge what the traffic can bear and to mop up the difference between the fair ex-mill price, as fixed by the Tariff Commission, and the ruling market price by stepping up the excise duty. This will bring in a sizable revenue to the Exchequer and greatly minimise the scope for making money by paper mills and merchants, money on which no tax is paid and which is not given to shareholders. There is a lot of force in this suggestion and it is to be hoped that it will receive the prompt attention of Mr. Morarji Desai who must now be busy thinking of ways and means of finding additional revenue. But an important prerequisite for implementing this proposal is Government's readiness to reduce the excise duty promptly, as and when the supply of paper increases, and to abolish altogether the additional excise duty when supply becomes adequate to meet the demand.

Night Allowance

In our issue dated 5th September 1959, we published a letter from Mr. S. N. Mubayi, Central Provident Fund Commissioner, clarifying the position regarding the inclusion of night allowance in the wages of workers for the purpose of deduction of provident fund contributions. He had pointed out in the letter that night allowance formed part of the "basic wage" as defined in the Employees' Provident Fund Act, 1952, by virtue of the Government's decision on the question of night allowance paid by the Western India Match Company, Ltd., Ambar Nath, referred to it in 1957. The Government had directed that the decision should be made applicable to all factories with effect from 4th December 1957. But this date was later changed to 31st August 1959.

In another letter addressed to us this week, the Provident Fund Commissioner intimates us that this decision has now been revoked, as, on reconsideration, the Government of India has decided that night allowance does not form part of the "basic wage" for the purpose of provident fund deduction.

This decision would surely be welcomed by employers, as it will save them much unproductive paper work involved in the computation of night allowance which is neither a regular nor a permanent payment to workers. The Government deserves to be complimented for having realised the practical difficulties which its earlier decision would have imposed on employers and allowed wiser counsels to prevail. But one could not help asking why the Government took a hasty decision earlier without considering all aspects of the question. It is needless to add that, if the authorities care to develop a habit of prior consultation with competent persons before making up their mind, such things can be avoided in future. Incidentally, it must be said, in fairness to Mr. S. N. Mubayi, Provident Fund Commissioner, that he was ever alert and responsive to the representations made in this regard and was always willing to clarify promptly the Government's stand.

World Bank Loan in London

In a little over a fortnight after the World Bank President disclosed the Bank's intention to borrow in the London market "as soon as circumstances are favourable," the Bank completed its borrowing programme. The list was opened on Wednesday this week and closed on the same day. The terms of the issue were: amount: £10 million in sterling stocks; interest: 5 per cent; issue price: £96½ per cent, of which 25 per cent. was payable on application, another 25 per cent. on 17th February and the balance of 46½ per cent. on 12th April; maturity: at par in 1977-82.

A consortium of six leading banking firms in London, headed by Baring Brothers & Co. Ltd., acquired the entire stock and offered it for sale to the public.

This is the World Bank's third loan in the London market. The first one was in May 1951 when £5 million of 3½ per cent. stock, 1966-71, was offered at 97 per cent. The second was in July 1954, when a like amount was issued in 3½ per cent. stock, 1969-74, but at a higher price of 98 per cent.

The terms of the latest issue are thus dearer from the point of view of the Bank, but they are more or less in line with the current yield pattern on British Government securities of like maturity. For, at the issue price of £96½ per cent., the World Bank stocks give a gross flat yield of 25 3/8 % and gross redemption yield, at later maturity, of 25 5/8 % dd. There are also additional advantages attached to the issue. It is a relatively small amount for the London market. Interest is payable gross, without deduction of British income tax, which is a natural attraction to non-resident investors. Another favourable factor is that an annual sinking fund of £278,000 will be created starting from the year ending 15th August 1965. This will enable the Bank to redeem at least 50 per cent. of the stock by the date of final maturity in 1982. The Bank has, however, the option to redeem the stock or any part thereof at any time after 15th August 1977.

This is the seventh open market loan to be issued by the World Bank during 1959 so far. All the other six loans raised earlier this year do not, however, require any sinking fund to be created. The highest rate of interest offered on loans other than the latest one in London was 5 per cent. on the 10-year bonds issued in Belgian francs for £10 million and on the 6-15 year bonds issued in Deutsche marks for £47.62 million.

EQUITIES STEADY

STANDARD MILLS SHOOT UP

(From Our Own Correspondents)

BOMBAY, 17th December

THANKS to the keen interest in selected counters on the forward list and in the cash section, which soared to new high levels, the general undertone of the Bombay share market remained very steady during the week under review. There was, however, a hesitancy on the part of operators to follow last week's rise in several counters, despite the fact that there were no adverse factors to affect the general sentiment. On the contrary, President Eisenhower's visit to India was generally interpreted in bullish light as it was expected to pave the way for a greater flow of American capital to this country.

Trading during the week under review was highlighted by sharp rises in Standards (in the textile section), engineering scrips, automobile shares, rayons and dyes and chemicals. Steel shares were docile. Tata Ordinaries after an initial rise from Rs. 159.25 to Rs. 157.50, gave way to Rs. 155.75. Indian Irons moved down to a low of Rs. 23.08 from Rs. 23.72, but gained some ground to Rs. 23.28 at the close.

In the textile section, Standards soared to a new high of Rs. 896 from last week's closing of Rs. 780, on renewed hopes of a new issue, and finished at Rs. 888. Centurys were listed ex-right in the new account on Monday and from the ex-right high of Rs. 468 they drifted lower to Rs. 458.50 today. Bombay Dyeings moved narrowly between Rs. 70.20 and Rs. 69.20 before closing at Rs. 69.80. Kohinoors, however, gained Rs. 3.50 to Rs. 327.50 and Khataus looked up by Rs. 16.25 to Rs. 261.25, while Simplex shed Rs. 3 to Rs. 157.

Cement and sugar shares were featureless. A.C.C.s were done between Rs. 149.75 and Rs. 148. Digvijays were lower by a rupee at Rs. 145. Belapurs drifted down from Rs. 330 to Rs. 326 before recovering to Rs. 331 at the close. Phaltans were marked down by Re. 1.50 to Rs. 173, while Walchandnagars rose by Rs. 2.50 to Rs. 317.50.

Alocks provided a bright feature in the engineering group with a jump from Rs. 247 to Rs. 280. Premier Construction added Rs. 10.50 to Rs. 367.50. Larsen and Toubros hardened by Re. 1.10 to Rs. 27.40 and Mahindras by Re. 1.76 to Rs. 24.76. Automobile shares were in keen demand, on expectations of good outlook for the industry. Hindustan Motors advanced by Re. 1.52 to a new high of Rs. 17.48. Premier Automobiles gathered Rs. 6 to Rs. 160.50 and Tata Locomotives advanced from Rs. 203 to Rs. 214 before closing at Rs. 212.

In the miscellaneous group, Bombay Burmahs (old) staged a spurt in the earlier part of the week from Rs. 584 to Rs. 599, but subsequently gave way to Rs. 574, on pessimistic interpretation of the Chairman's statement that the Company had no plans for the time being, to expand its activities in this country. National Rayons were erratic moving between Rs. 385 and Rs. 374.50 before they closed at Rs. 379, a rise of Rs. 1.50 over the week. Their new shares shot up by Rs. 16 to Rs. 367. Gwalior Rayons picked up Rs. 3 to Rs. 29. Tata Oils suffered a setback from Rs. 67 to Rs. 65 and Wimcos from Rs. 268 to Rs. 252. Dyes and chemicals were again in the forefront. Amar Dyes shot up by Rs. 20 to Rs. 272, Colour Chems by Rs. 75 to Rs. 320, Dharamsi Chemicals by Rs. 33 to Rs. 155 and Indian Dyestuffs by Rs. 91.25 to Rs. 496.25,

while Polychems provided an exception with a drop of Rs. 2.50 to Rs. 170. Anil Hardboards put on Rs. 30 to Rs. 370 and Ceat Tyres Rs. 20 to Rs. 185.

An indecisive trend was noted on the Calcutta Stock Exchange during the week. The steep rise in raw jute prices and the one-day token strike by jute mill workers on Monday last restrained activity in jute shares, which after an initial rise reacted. Thus, Howrah's hardened from Rs. 23.87 to Rs. 24 before closing lower at Rs. 23.25. Kelvins finished at Rs. 136 after improving from Rs. 157 to Rs. 161. Tea shares were steady on reports that the North India crop for the current season might turn out to be lower than in the last season. In the engineering section, Indian Irons finished lower on balance at Rs. 23.04, after moving up from Rs. 23.59 to Rs. 23.82. Texmacos gained from Rs. 24 to Rs. 24.60 before closing at Rs. 24.05. Jessops improved from Rs. 22.75 to Rs. 28, but finished lower at Rs. 26.12.

The Madras Stock Exchange presented a mixed show. Plantation shares were generally firm, with selected coffee, tea and rubber shares coming in for good attention. Profit-taking in some of the counters in the forward list marked trading in an otherwise steady textile section. Madras were quiet at Rs. 29.75. Lakshmi Mills moved down from Rs. 151 to Rs. 144. The main feature was provided by sugar shares which ruled distinctly easy. Travancore Sugars were marked down from Rs. 47.75 to Rs. 45.75. Kirilampudis declined from Rs. 79 to Rs. 75. Miscellaneous shares attracted very little interest. F.A.C.T.s had sellers at Rs. 10.10 and India Cements at Rs. 6.25. Aluminium Industries were steady at Rs. 22.30.

GANNON DUNKERLEY REPEATS DIVIDEND

The Directors of Gannon Dunkerley and Company, Ltd. (Chairman, Board of Directors: Mr. Mahaviprasad R. Morarka, Bombay) have recommended a dividend of 6 per cent. per annum for the year ended 31st March 1959. This is the third year in succession for which the dividend is to be repeated, after it had been raised to this level from 4½ per cent. paid for 1955-56. The performance of the Company as a whole during the year under review has been fairly satisfactory, in that the gross profit has been nearly maintained at the previous year's level, such having amounted to Rs. 7.35 lakhs, as against Rs. 8.25 lakhs for 1957-58. The provision for depreciation has been raised from Rs. 90,679 to Rs. 1.26 lakhs, while that for taxation is lower at Rs. 2.20 lakhs, as compared with Rs. 4.75 lakhs set aside last year. These essential provisions leave a net profit of Rs. 3.89 lakhs, which compares very favourably with Rs. 2.60 lakhs for the previous year. A sum of Rs. 2.66 lakhs has been added to the development rebate reserve, which had received Rs. 38,350 last year. The larger absorption by way of development rebate reserve, bonus to employees and depreciation have, however, necessitated the withdrawal of Rs. 55,000 from the dividend reserve (which was created last year with an allocation of Rs. 72,000) to maintain the dividend as stated above.

The profit would have been higher but for the setback in turnover in the general departments on account of the stringent import restrictions. The civil and mechanical engineering departments have, however, maintained their turnover and have, in fact, a "reasonable volume of contracts still to be completed." The engineering workshop for the manufacture of liquefied petroleum cylinders went into production in December 1958. The full impact of its working will, therefore, be reflected only in the current year's results.

Referring to the outlook for the Company, the Directors observe:

"Our trading departments have a difficult time to face, in view of the present import policy of the country and the prospects cannot be considered to be too bright. The change-over to civil and mechanical engineering and the establishment of leum cylinders are factors on which the Company is putting a great reliance and your Directors feel confident that we shall be able to maintain our progress in years to come."

The Company's balance-sheet as on 31st March reserves considerably. For they amount to no more than Rs. 5.70 lakhs, including the development rebate reserve of Rs. 3.05 lakhs, as against a other current liabilities aggregate Rs. 76.66 lakhs, which are more than adequately covered by curramge of expansion, the Company has made a capital expenditure of Rs. 19.16 lakhs during the year under review. The gross block of the value of Rs. 37.74 lakhs stands written down to Rs. 29.07 lakhs.

Notice

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

Submission of Coupons in respect of "A" Second Preference shares and New Ordinary shares

NOTICE IS HEREBY GIVEN THAT THE last date for submission of coupons in respect of the "A" Second Preference shares and the new Ordinary shares in terms of the Company's Circular dated the 12th October 1959 expires on the 15th December, 1959. However, for the convenience of the shareholders, the Directors have resolved that the Company's bankers be authorised to receive applications on and after 16th December 1959 upto but not later than the 15th January 1960 in respect of such coupons Provided that along with each such application with the required coupons and the moneys to be received with such application interest at the rate of 9 per cent. per annum thereon (which the Directors have decided to charge) from the 16th day of December 1959 until payment shall be paid to the Company's bankers. No application in respect of coupons received on and after the 16th December 1959 will be entertained by the Directors unless interest is paid as aforesaid. No application will be entertained after the 15th January, 1960.

Dated at Bombay this 15th day of December, 1959.

By Order of the Board,
TATA INDUSTRIES PRIVATE LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

ASPLACAS-12A

NEWS IN BRIEF

THE Government of India is currently considering a proposal submitted by a foreign firm to produce ovaline in India.

The Government of India has announced a further export quota of 2,000 tons of rice bran of West Bengal origin and 4,000 tons of Andhra origin for shipment upto March 1960.

India is among the twenty-five countries elected to the new Council of the International Telecommunications Union, which will direct the organisation until the next conference, due to be held at Geneva in 1965.

A fisheries research institute, the first of its kind in South-East Asia, is expected to be established in Cochin by the Government of India. The State Government has already been asked to make available five acres of land for the purpose.

The sales tax authorities in Andhra Pradesh will be vested with powers to verify the cash held by dealers in their business premises, in addition to the existing powers to enter and search offices, shops and places of business and inspect accounts, registers and documents.

The Lok Sabha has passed the Mines (Amendment) Bill with some minor amendments. The Bill seeks to tighten up certain safety regulations, liberalise provisions relating to overtime and leave with wages for workers, and enhance penalties for the contravention of the provisions of the Mines Act.

A representative of the Associated Electrical Industries Ltd. in the U.K., which is collaborating with the Government in setting up the heavy electrical equipment plant project in the public sector at Bhopal, is expected to arrive in India next month in order to discuss the possibility of expanding the capacity of the project.

Production of pig iron in the Bhilai steel plant reached 300,000 tons by the middle of this month. The blast furnace of the plant, commissioned on 4th February last, is now producing about 1,000 tons of pig iron a day. So far, over 246,000 tons of pig iron have been despatched from Bhilai, including 20,000 tons exported to Japan.

The Union Ministry of Commerce and Industry has prepared a project report on the fertiliser plant to be set up in Assam. The proposed plant is expected to produce 50,000 tons each of ammonium sulphate and urea per year. The Ministry is also preparing another project report on a power plant with a capacity of 30,000 kw. to be located in the State.

A six-member delegation from the U.S.S.R., led by Mr. Skachkov, Chairman of the Study Committee for Soviet Economic Affairs, has come to India for discussions with the Central Government on economic and trade matters of mutual interest. It is expected that the delegation will have talks with the Planning Commission and the Union Ministries regarding the third Plan.

A small quantity of radio-active material has been collected from the uranium deposits in Salem district, Madras. Disclosing this in the Lok Sabha, Mr. Sadath Ali Khan, Parliamentary Secretary for External Affairs, stated that some prospecting work by trenching at the deposits had recently been carried out, in addition to exploratory drilling work already in progress.

The metric system will be adopted in four more industries, namely, vanaspati, paint, biscuits, and soap, with effect from 1st April next. The transition period, that is, when the new system will be in operation side by side with the old, will be six months in the case of the vanaspati and soap industries, one year in respect of the paint industry and two years as regards the biscuit industry. Eighteen industries, including jute, cotton and cotton textiles, iron and steel, non-ferrous metals, engineering, heavy chemicals, cement, salt, paper and coal have already adopted the metric system. Metric system will be adopted in the levy and collection of customs duties from August 1960.

The Posts and Telegraphs Board was inaugurated by Dr. P. Subbarayan, the Union Minister for Transport and Communications, on the 14th inst. The Board is expected to ensure administrative flexibility, with the object of implementing expeditiously the various schemes for improving the posts and telegraphs services. Mr. V. Shankar, Director-General of Posts and Telegraphs, is the Chairman of the Board. The Board will be an autonomous body, having all the administrative powers of a Ministry, though its policy decisions will be subject to the approval of the Minister. The Financial Commissioner, who is a member of the Board, will enjoy large powers, including the right to refer important decisions, involving financial implications, to the Ministries of Finance and of Transport and Communications.

There are about 305 factories, including those in the public sector, which can manufacture metric weights and measures. The State Governments of Andhra Pradesh, Bombay, Kerala, Madras, Mysore, the Punjab and the Union Territory of Delhi have so far licensed 108 factories for the manufacture of metric commercial weights. The other State Governments and Union Territories are expected to grant licences to factories in their jurisdictions shortly. According to a survey conducted by the National Sample Survey, there are 54 million weights and one million measures in use in the country. These will have to be replaced by an equal number of metric weights and measures in the next two or three years. Weights and measures

will be produced by manufacturers licensed by the State Governments and sold to the public through licensed dealers. There is enough capacity in the country to meet the demand.

The recent acquisition of the m.v. *Statensingel* of 8,355 tons by the Eastern Shipping Corporation Ltd. brings the total number of ships acquired by Indian shipping companies since the beginning of 1959 to 21, with a total gross tonnage of about 104,000 and 150,000 dw. tons. Of these, seven ships, aggregating 47,000 tons, are new ships and five aggregating 36,000 tons, near-new (under five-years old). All these twelve ships are motor vessels. With the acquisition of these vessels, Indian tonnage has now reached the figure of 739,000 gross tons. In addition, the Indian shipping companies have about 80,000 gross tons of shipping under construction or on order in India and abroad expected to be delivered before the end of the second Plan period. Besides, they are negotiating for the purchase of nine second-hand vessels aggregating about 20,000 gross tons. When all these vessels are delivered, the Indian tonnage will go up to 839,000 gross tons, leaving some 61,000 tons to be acquired for attaining the second Plan tonnage target of 900,000 (excluding replacements).

From Abroad

Steel production in the U.K. in November was running at a record rate of 458,000 tons per week, as compared with 441,400 tons in October and 351,900 tons in November 1958. The steel industry is thus working to 95 per cent. of its installed capacity, thanks to a rise in demand from almost all types of consumers.

China has moved up from the twenty-second to the eleventh place among the world's trading nations between 1950 and 1958, according to the December issue of *China Trade and Economic Newsletter*, just published in London. The total value of China's foreign trade during this period rose by more than three times.

The U.S.S.R. is understood to have tentatively offered a \$25 million credit to Turkey for a new water-supply project in Ankara. A new glass works is also being built near Istanbul with Soviet assistance. Turkey has, however, turned down many other Soviet credit offers, including the one for \$25 million worth of road-building equipment.

A 70,365-ton tanker, called the *Oriental Giant*, the biggest ship ever built in Japan, has been handed over to the Liberian-registered company, the Tanker Services. Built by Sasebo Ship Industry Company, the tanker has a bar and a swimming pool for the crew and air-conditioned accommodation.

The London County Council has organised a three-month course on trade with the U.S.S.R. Besides teaching Russian languages along with its social, political and economic life, the course seeks to provide instruction on Russian industry and commerce, as also its procedures concerned with trade.

The Chairman of the International Tin Council has announced that the Council's buffer stock will consist of 10,000 tons or more by the end of 1959. He claims that the tin producers are now near freedom, since the 36,000 tons allowed in 4½ years export quotas for the first quarter of 1960 are near the quarterly production rate of 38,350 tons before control.

Soft drinks continue to win customers in West Germany. The total consumption in 1959 is expected to pass the 176 million-gallon mark, 22 million gallons more than in 1957. Beer, however, still sells some six times better. In 1958, the total beer sales amounted to more than 1,000 million gallons, a rise of 5 per cent. as compared with 1957.

Diamond output in Soviet Russia is expected to increase sixteenfold by 1965, as compared with 1958. Two major diamond centres will be developed in East Siberia, one around mir pipe and the other around *Udachnaya*. The mir deposits are already yielding industrial stones in large quantities. The other pipe will be completed only by 1970.

The British concern of Jardines has put into operation in Hong Kong one of the largest and most modern dyeing and finishing mills in the Far East. Highly mechanised with £400,000 worth of latest British plant and machinery, it will employ only 220 workers when it goes into full operation. The mill has an initial capacity to produce 3 million square yards of cloth per month, which will be raised to 4 million later on.

Under a set of new foreign trade rules for regulation announced by the Government of Turkey, payments for foreign-trade transactions with the dollar area will be effected in U.S. dollars and in countries outside that area in currencies convertible into dollars. Exports other than those payable in dollars or convertible currency are subject to licensing under definite quotas. Barter deals in any form are banned.

Atomic Energy of Canada has announced that construction of the first Canadian nuclear-electric generating station has reached the halfway mark. This \$32-million project is to begin delivery of power to the Ontario Hydro-Commission by the middle of 1961. The reactor will use natural uranium as a fuel and heavy water as a coolant and moderator. It will be contained in a concrete vault 50 feet below ground.

The first major order for a passenger liner to be placed with a British shipyard for over two

PERSONAL

MR. Dwight D. Eisenhower, President of the U.S., left New Delhi on Monday the 14th inst., after a historic visit to this country lasting 4½ days.

Mr. Sevantalil M. Seth and Mr. Jagdishraj Seth have been elected Chairman and Vice-Chairman, respectively, of the Western India Minerals Association, Bombay.

Mr. K. P. S. Menon, India's Ambassador in Moscow, who will also be India's first Ambassador to Hungary, presented his credentials to the President of the Presidium of the Hungarian Peoples' Republic in Budapest last week.

Mr. Leonard J. Saccio, Deputy Director of the International Co-operation Administration, has arrived in India to take part in the five-day annual conference of the U.S. Technical Co-operation Mission in India, which commenced on the 15th inst.

Mr. Bertil Fredriksson of the Sandvik Steel Works in Sweden will serve as an instructor at the School of Forestry, Dehra Dun, during the next six months. The assignment forms part of the F.A.O. programme for technical assistance to less developed countries. Mr. Fredriksson will conduct the theoretical and practical training of Indian forestry instructors in the handling of saw equipment.

years has been won by Vickers-Armstrongs. It is for the construction of a 22,000 gross ton vessel for the Shaw Savill Line, to be used on its round-the-world service. The vessel, which will be built at a cost of about £6 million, is expected to be delivered in 1962. It will carry 1,400 passengers.

West German exports to the U.S. rose by 45 per cent. during the first nine months of the current year due mainly to larger supplies of steel products to meet the shortage caused by the U.S. steel strike, and bigger sales of cars, while its imports from the U.S. were lower by 10 per cent. Nevertheless, the balance of trade continued to be in favour of the U.S., German imports from the U.S. being \$674 million and exports \$635 million.

Group Developments, the wholly owned subsidiary of Courtaulds of Britain, has signed a know-how agreement with the Glidden Company of Cleveland, U.S., with a view to expanding its paint manufacturing section. The agreement, which is on a royalty basis, gives Group Developments and its subsidiaries the exclusive right to use the U.S. company's development and manufacturing technology and its paint formulations in the U.K.

A Soviet trade delegation is currently negotiating with the Japanese Government and industry the question of replacing the existing one-year trade agreement by a three-year agreement. The U.S.S.R. is interested in exporting such items as coal, oil, iron ore and timber to Japan in exchange for ships, mining machinery, machine tools and textiles. The Soviet delegation is also seeking for deferred payment arrangements with regard to machinery imports.

A new portable taperecorder, claimed to be the smallest of its kind in the world, has been completed and put on sale in Japan by the Kowa-Koki Company of Nagoya. The transistor taperecorder weighs only 780 grams, including battery. It is 143 millimetres in length, 95 mm. wide and 33 mm. thick. It is able to record continuously for 30 minutes. The operation of the recorder has been simplified and its microphone is extremely small. The price of the recorder is ¥58,500 for a regular set and ¥85,000 for a deluxe model.

Vickers and Bookers Ltd. of Britain has secured a £500,000 contract for the supply of sugar-beet factory equipment to Russia. Vickers and Bookers is a joint company, formed by Vickers-Armstrongs (Engineers) Ltd. and Bookers Engineering Holdings Ltd., for developing the sales and supply of machinery for sugar-beet factories to the U.S.S.R., Eastern European countries and China. Duncan Stewart & Co. Ltd., of Glasgow, Scotland, a member-company of the Bookers group, will act as technical co-ordinators for the contract.

Direct West German private investments abroad amounted to 120.6 million DM in the third quarter of 1959. The Americas received total investments of DM68.2 million, of which Canada accounted for DM28.8 million, the U.S. for DM5.0 million, Central America for DM1.5 million and South-American countries for DM35.9 million (Brazil DM31.1 million and Argentina DM3.6 million). Private investments amounted to DM6.0 million in Africa, DM4.9 million in Asia and DM4.2 million in Australia. The balance of DM37.3 million was spent in the European countries.

A scheme for abolishing restrictions on capital movements inside the European Common Market will be taken up for consideration by the Common Market Commission next month. The scheme provides for internal freedom but lays down different types of capital transfers. It is learned that first priority will be given to direct investment transfer, including purchase of real estate. Meantime, the O.E.E.C. Council has approved of a code designed to liberalise capital movements. This is the first time such a code has been prepared and accepted by member-countries. The new code seeks to establish rules for controlling the formalities relating to capital movements. It contains lists of specified capital transactions that member-countries have undertaken to liberalise.

1959
BONUS YEARPurchase a
with-profits
policy now

LIFE INSURANCE

— the day you insure you are secure

Second Valuation Soon

The second valuation of the Life Insurance Corporation will be made as at 31st December 1959. All eligible with-profits policies in force on the valuation date will be entitled to participate in profits disclosed as a result of that valuation.

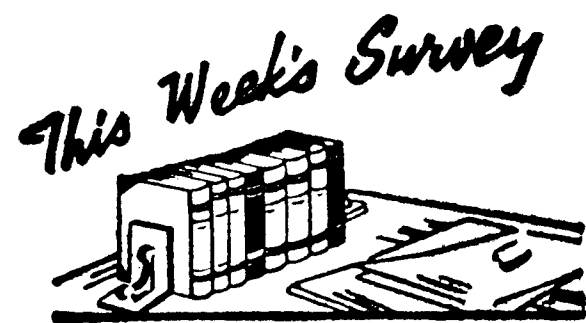
The first valuation of the Corporation made as at 31st December 1957 disclosed a surplus large enough to support bonuses at the following rates on with-profits policies issued by the Corporation:-

Endowment Assurances: Rs. 14 per thousand sum assured per annum
Whole Life Assurances: Rs. 17½ per thousand sum assured per annum

Important: Policies which are converted into reduced paid-up policies or lapsed before 31st December 1959 will not qualify for bonus.

Preserve your policy, keep it up-to-date by regular payment of premiums and make sure that your policy qualifies for bonus to be declared as a result of the second valuation.

Remember 1959 is the Bonus Year



WORLD AGRICULTURE FAIR

AGAINST the background of the primitive agricultural practices still followed in India, the progress made by agricultural science and technology in the advanced countries of the West, as revealed at the World Agriculture Fair, New Delhi, presents a remarkable study in contrast. For those of us to whom the sight of a peasant, moving behind a wooden plough drawn by a pair of famished bullocks, much as his forefathers did through the centuries, is familiar, the array of farm machinery displayed at the U.S. and U.S.S.R. pavilions is at once a source of pride and disappointment; pride because of the spectacular advance agriculture has made in other parts of the world from which we too can benefit, and disappointment because tractors and harvester combines are a far cry from the wooden plough.

But India and the Indian farmer can learn much from the experience of other countries. This precisely is one of the principal objectives of the Fair. It is true that the number of participants is small—there are only fourteen countries and two international organisations—but the Fair is said to be unique, in that it is the first time that an exclusive international fair of agriculture is held in this country. The U.S. pavilion, a star attraction of the Fair, presents a picture of the American system of family farming. It shows how science and technology have combined to make U.S. agriculture one of the most productive in the world. The impressive U.S.S.R. pavilion presents a snapshot of Soviet agriculture in which mechanisation and collective farming play an important role.

While neither of the methods and practices followed in these countries lend themselves to wholesale adoption in India, both have many lessons for the Indian farmer. Particularly impressive is the role research has played in boosting agricultural yields in the U.S. Research studies have revealed ways of making soils more productive. In the past 20 years, U.S. farmers are said to have almost tripled their use of chemical fertilisers. The role of minor plant nutrients like zinc, cobalt, and copper has been established in the U.S. and more light has been thrown on the use of crop rotation, legumes and green manures in maintaining soil fertility. Hybrid maize is said to have raised output by 25 per cent. Hybrid cottons are said to possess 50 to 75 per cent. more fibre strength. Pesticides of great effectiveness have been developed and applied on wide area, thus minimising the incidence of crop-killing infections. Breeding, feeding and management of dairy and poultry have been developed into a science and an art.

The Indian farmer who visits the Fair will ask himself as to when he will be in a position to put science and technology to his service the way his American, British or Russian confreres do. He can himself do little in the matter. What does the Government propose to do in popularising the techniques and adapting some of the machines on display to suit Indian conditions? The answer of course rests with the Government and industrialists and on them depend whether the vision of a prosperous agriculture which the Fair might have inspired in the minds of many Indian farmers will ever be realised.

POWER SUPPLY

More than one State is now apprehensive that power deficiency will be with them for a long time to come, unless effective measures are taken to step up power production. This is not a groundless fear considering that, in the past, industrial establishments have had to work under serious handicaps arising from power cuts. To rely on massive hydro-electric projects as a solution for the power problem is not altogether safe, in view of the fact that the working of these projects in tropical countries, like India, is dependent upon the proverbially unpredictable monsoon. Clearly, there is need for not only augmenting power supply but striking a balance as between the two sources of power—hydro-electric and thermal. The

resolution adopted by the Associated Chambers of Commerce, at its last annual meeting, rightly stressed the "necessity of proper planning and speedy implementation of plans, so as to ensure that the availability of electrical power is in excess and remains in advance of requirements and a proper balance between thermal and hydro-electric stations to ensure uninterrupted supplies."

The fact that power shortage continues to be a major bottleneck in regional economic development is now widely recognised. Indeed, Mr. F. C. Badhwar of the Punjab and Delhi Chamber of Commerce, estimated that there is acute shortage of power in over 80 per cent. of the country. A suggestion, which he made and deserves the immediate attention of the authorities, is that medium capacity thermal power plants within the 10,000-30,000 kw. range should be set up in India; they could be conveniently standardised and speedily erected. If this suggestion were implemented, there would be greater sense of security among industrial managements who could plan their progress on the assurance that power supply would continue to be available. At present, industrial concerns suffer from memories of grievous power shortage. Among the States which have suffered such cuts in power supply, the Madras State deserves special mention. Last year, many industries in the State had to cut their power consumption by 75 per cent. It is not likely to be out of the power woods, though the outlook this year is good. For, as Mr. P. Hadfield pointed out, even with the advent of the Periyar and Kundah projects and those foreshadowed, the State "will remain sadly deficit and sadly out of balance as between hydro-electric and thermal power, inadequate provisions having been made for new projects and expansions." The authorities will do well to plan well ahead in anticipation of demand for power, for, as Mr. Hadfield himself pointed out, it takes about five years to translate a blue-print into a project.

Exclusive reliance on hydro-electric power will certainly increase the uncertainties in the supply of power. Apart from the hardship arising from any possible failure of the monsoon, there is the additional difficulty of arranging for transmission over long distances. This point was made by Mr. H. Mackay Tallack of the Bengal Chamber of Commerce. Referring to the problems of supply of power from the multi-purpose projects in the Bengal-Bihar region, he said: "We have had some experience of reliance on power from these projects and have already been involved in power stoppages that have dangerously affected the continuity of pro-

duction. Apart from the uncertainties of the monsoon, there is the great danger in planning to distribute large volumes of electric power by overhead transmission systems in an area where wind forces and climatic conditions are as extreme as in any part of the world." This consideration underlines the need for supplementing hydro-electric by thermal power. Finally, since industrial consumers and electricity undertakings alone are in a position to help arrive at correct decisions on power development, they should be increasingly associated with policy-making bodies, such as State Electricity Boards. In the past, the country has often had to pay heavily for ignoring the advice given by these interests. It would be wrong to deny them opportunities for participating in the deliberations of bodies or institutions which are charged with the responsibility of assessing the power requirements of the country and of devising the means by which they could be met.

FOOD SITUATION

It was with refreshing candour that Mr. S. K. Patil, Union Minister for Food and Agriculture, replied to the debate on food situation in Rajya Sabha on Monday this week. If the same candour had been exhibited by his deputy, Mr. A. M. Thomas, who initiated the debate, the tenor of the debate would, perhaps, have been quite different. Mr. Thomas merely claimed that the food situation had registered an "all-round improvement" and highlighted some of the measures taken in the sphere of foodgrains distribution, but did not explain adequately what exactly were the steps the authorities were taking to boost food production. Even in his references to the distribution aspect, he was rather vacillating. It was not surprising, therefore, that some members, not excluding those belonging to the Congress Party, regretted that the food situation was still in the same state of chaos as it was two or three years ago. declared: "This half-hearted zonal system and quarter-hearted State trading and the slogan for going to give us food or bring down the prices." Dr. H. N. Kunzru (Independent) pointed out million tons—in 1958-59 was due more to good weather than to any special effort by the Agriculture Departments of the Government of India or the States. He could not agree that he said: "As in previous years, the prices may come down for the present, but they would go up again after a few months."

The general consensus of opinion of members who participated in the debate would appear to be that, if the consumer is to be assured of adequate supplies of foodgrains at reasonable prices, the powers-that-be should reorient the food policy on rational lines free from ideological considerations. Four notable suggestions were thrown by members in the course of the debate. One, the Government must give up State trading in foodgrains. For even if it has full control over State trading, it will not be able to supply quickly the needs of millions of people as private traders are able to do at present. Two, if the Centre and the States can pool their efforts so as to take care of the food required by a deficit State, then it will not be necessary to form these zones. Three, there must be one uniform food policy applicable to the whole country and price stabilisation should apply to all commodities—foodgrains and other non-food crops. Four, greater emphasis must be laid on the need for ensuring adequate irrigation facilities, supply of good seeds, and chemical and non-chemical manures. There is, of course, nothing new in these suggestions, inasmuch as they have been repeatedly stressed ere now. But, by drawing attention to them again, the Rajya Sabha members have indicated that the measures are being implemented by the authorities in a haphazard way.

In his reply, Mr. Patil made a categorical declaration that the proposed five-million-ton foodgrains buffer stock (mostly of wheat and rice) would be built up "in less than a year." He disclosed that the friendly surplus countries had given "good assurances" of help and administered properly, will help stabilise foodgrains prices at economic levels. Apart from its psychological impact, the operation of the buffer stock will control foodgrains markets effectively, since it will involve selling grains at reasonable prices when prices tend to rise and purchasing grains whenever prices tend to fall. The buffer stock will thus create, as Mr. Patil rightly said, a salutary effect on the

people, the farmers and especially those merchants who are prone to take advantage of temporary shortages or regional scarcities.

The Food and Agriculture Minister made special reference to his proposal for reorganising the zonal system. He stated that, for the present, he was aiming at linking deficit with surplus States, in order to create more or less balanced zones, but stressed that his ultimate objective was to achieve a single zone for the entire country. The Minister hoped that Orissa and West Bengal would shortly unite into one zone. He also proposed the formation of "an absolutely natural zone" consisting of Madhya Pradesh and Bombay. He expressed his readiness to give all safeguards desired by the Madhya Pradesh Government, including the responsibility to cordon off Bombay City from the proposed zone and feed it out of the Central stocks.

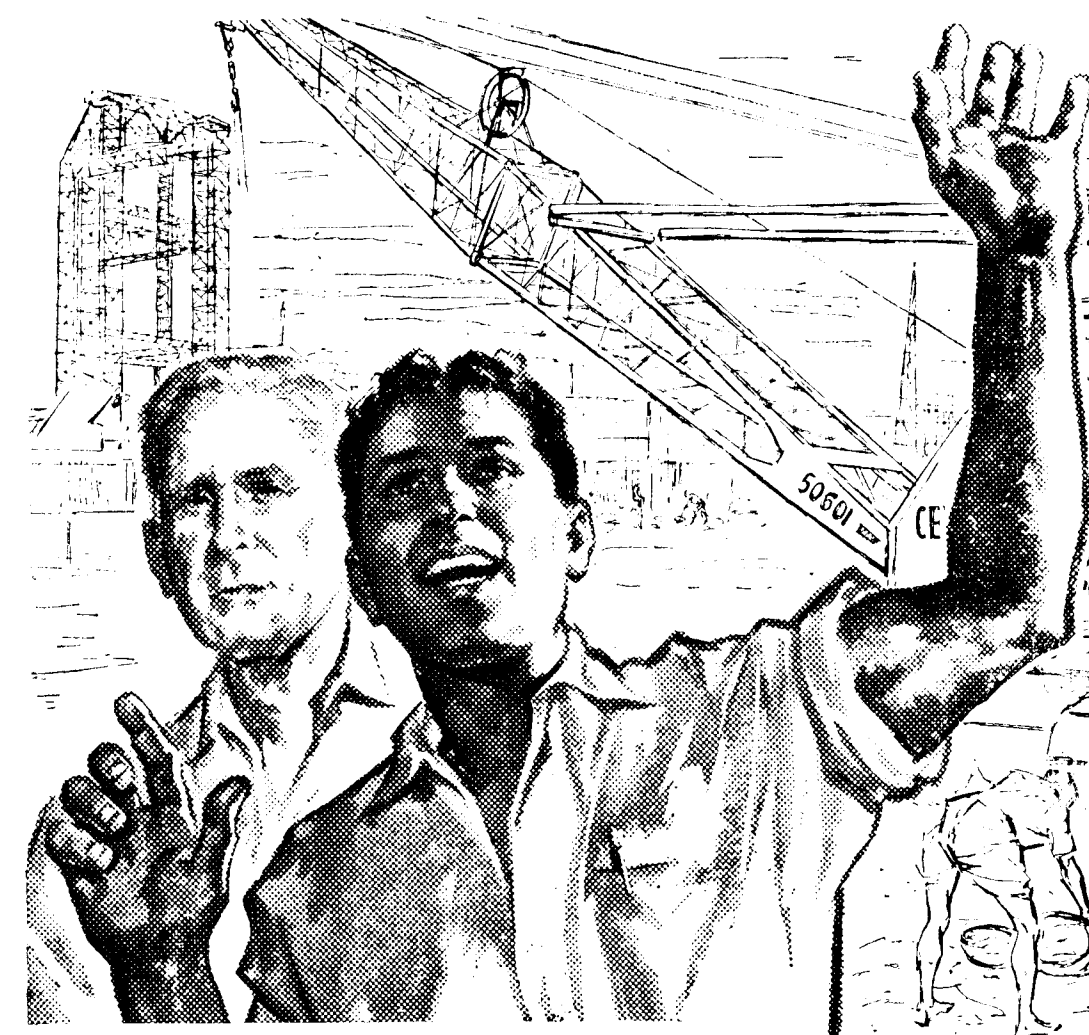
While the establishment of a buffer stock and reorganisation of the zonal system will impart stability to foodgrains trade, the permanent solution to the food problem lies in maintaining a rate of output which is commensurate with the population growth. It is indeed gratifying to note that Mr. Patil devoted the major part of his speech to the question of augmenting production. Reiterating that his main task would be food production rather than food distribution, he observed:

"I am very optimistic about prospects in the field of production. I do not agree that last year's output of 73.5 million tons was in the nature of a record or even a bumper crop. In view of our poor yield which, at an average of 1.5 ton per acre, compares badly with 2 to 6 tons elsewhere, there are vast possibilities of increased production. Factors in favour of this are our large cultivable area and equally large irrigation resources. What is needed is the application of modern scientific methods to agriculture, including fertilisers, improved seeds, plant protection measures, credit and other service facilities. I am addressing myself to all these, as well as to the need for co-ordinating the efforts of the various agencies at the Centre and in the States, including the Union Irrigation and Power and the Community Development Ministries."

This is certainly a realistic approach to the whole problem of foodgrains production. Equally realistic is Mr. Patil's approach to the question of co-operatives and joint-farming which differs considerably from that advocated by the die-hard socialists (or communists?) of the Congress Party. None would dispute the statement of Mr. Patil: "I am in favour of the system adopted in France, West Germany, and America itself, under which cultivators pool their land for specific purposes like ploughing, plant protection and land improvement, retaining intact the ownership of their land; service co-operatives for this and other purposes will be needed." The setting up of such co-operatives will doubtless remove one of the most serious handicaps to scientific farming, namely, smallness of holdings.

Mr. Patil made a reassuring statement when he declared that food and agriculture would be given predominance in the third Five-year Plan and that the instances of the past would not be allowed to be repeated in future. In particular, Mr. Patil stressed the importance of chemical fertilisers which, in his opinion, represented a better investment in foreign exchange than food imports. He said: "I am, therefore, fighting for larger imports of fertilisers and am hopeful that the total availability in the current year would be of the order of 1.5 million tons, or nearly equal to the likely demand." In this connection, he revealed that the Government was planning to provide one fertiliser factory for each State, though the new plants would be smaller than that at Sindri or Nangal, the cost being about Rs. 5 crores, as against Rs. 25 crores for the existing factories and those already approved.

That the provision of adequate and timely supply of fertilisers to farmers is of the utmost urgency cannot be emphasised too strongly. The existing level of productivity from land compares very unfavourably with that in several other countries. This is due to the negligible quantities of fertilisers used per acre of land which, on an average, come to no more than 1.1 lb., as against 193.26 lbs. in Japan, 177.45 lbs. in Belgium and 174.90 lbs. in the Netherlands. The use of fertilisers, as was mentioned in these columns only two weeks ago, is a quick and sure method of increasing food production, but an essential condition for the use of fertiliser in a tropical country like India is an assured supply of water. Irrigation, too, therefore requires to be given high priority. If Mr. Patil were to succeed in ensuring the continued availability of both water and fertilisers to farmers, he would have rendered a signal service to agriculture.



TEAM SPIRIT helping to build Durgapur for India

A partnership of 30,000 Indian and British people is completing a jigsaw of concrete and steel at Durgapur—building a vast new steelworks for the nation.

By their team spirit, the men of CEMENTATION-PATEL are helping this partnership—and the plan to make over a million tons of steel every year for India.

Together, they work on a site the size of a small city: 13,500 Indian and 75 British engineers, technicians and workers.

Together, they have built foundations for the greater part of the project's seven square miles of buildings and plant. Together, they are laying a network of roads, railways and pipelines.

CEMENTATION-PATEL, Durgapur's civil engineers, were first to get to work at Durgapur. In three years, they have moved mountains of earth and concrete to a strict schedule—three years that crown THE CEMENTATION COMPANY'S 30 years of service in India.

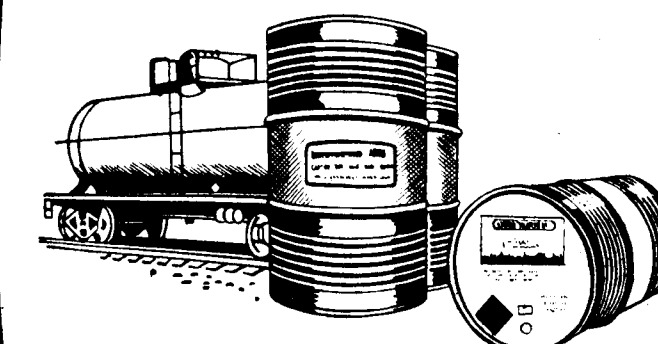


P. O. DURGAPUR STEEL PROJECT, DISTRICT BURDWAN, WEST BENGAL
The Cementation Company Limited, P.O. Box 1768, Steelcrete House, Dinshaw Vachha Road, Bombay 1
Patel Engineering Co. Ltd., United India Building, Phirozshah Mehta Road, Bombay 1

A MEMBER OF THE ISCON CONSORTIUM

CMP. 5-X54

Organic Chemicals



Alcohols	Ketones
Amines	Plasticisers
Anhydrides	Phenols
Aromatic Hydrocarbons	Nitrogen Compounds
Chlorine Compounds	Polyalkylene Glycols
Synthetic Lubricants	Rubber Auxiliaries
Glycols	Esters
Glycol-Ethers	Silicones
Wetting and Emulsifying Agents	

INDUSTRIAL PRODUCTS DIVISION
NATIONAL CARBON COMPANY (INDIA) LTD.
BOMBAY • CALCUTTA • DELHI • MADRAS

NCC 2009

TRENDS IN WESTERN EUROPE

THREE MAJOR CHALLENGES

DISCUSSING the long-term problems of growth facing Western Europe, which has had a remarkable recovery in the current year, the Chase Manhattan Bank's Economic Research Department observes, in its latest *Report on Western Europe*, as follows:

Now that business activity is moving ahead again, concern in Western Europe is shifting away from the problems of dealing with recessions to the longer-range problems of maintaining sound and rapid economic growth.

Industrial output is up sharply in Germany, Holland and Italy, reflecting increases in nearly all industries. The advance is only slightly less marked in Britain. Even in France (where the 1958 recession arrived late) and in Belgium (where heavy coal stocks are still a burden) production is starting to show moderate gains over 1958.

In the Common Market as a whole, the rate of expansion has picked up momentum throughout 1959. Official forecasts are that industrial production in the fourth quarter will run some 7 per cent. above fourth quarter 1958. This compares with an increase in the first three months of this year of only 1.8 per cent.

Throughout Europe, the pattern is more or less the same. Exports for the first half of the year were strong, particularly to the United States. Last year's laggards in industrial production (steel and textiles) are sharing in the recovery. Inventories are being rebuilt.

Finally—and this is perhaps the most significant development of recent months—capital investment is picking up in most European countries.

So far, then, it has been a normal recovery. All signs point to resumption of substantial economic growth in Western Europe that could carry over well into 1960 at least. And this will direct attention to some fundamental problems—including the long-term problems of growth—which will come into sharper focus as the European economy moves ahead.

The Challenges

The major challenge facing Western Europe is to achieve a rapid rate of growth without inflation. As in the U.S., this calls for effective use of monetary and fiscal policies. It means keeping wage increases in line with gains in output per worker. It means resisting the temptation to encourage short-run gains in consumption, at the expense of long-term growth.

A second challenge for Europe is to expand rather than contract the scope of international trade. There is always the danger that the current differences between the Common Market "Six" and the emerging Little Free Trade Area could evolve into a permanent split. The simple fact is that, until the movement towards freer trade embraces the whole of Europe, the framework for maximum economic growth is lacking.

Thirdly, there is the new problem of aid to underdeveloped countries. This involves assistance not only for the overseas territories of European countries, but for Europe's more immediate neighbours. As it now stands, the Continent is ringed by countries in an earlier stage of economic development: Iceland, Ireland, Spain, Portugal, Morocco, Algeria, Libya, Turkey and Greece. Growth and stability within the developed areas depends on encouraging economic expansion in these peripheral countries. In this regard, recent developments—Spain's membership in O.E.E.C., the proposal of Greece and Turkey to join the Common Market as associate members, the discovery of oil in North Africa—take on special significance.

In addition, the European nations may have to shoulder a larger share of the burden of aid to other less developed areas of the world—a burden that until now has been carried mostly by the United States.

These are major challenges that will confront Europe for some time, for they reflect the long-term growth problems of the area. However, not all countries are likely to have the same difficulty in moving ahead rapidly. Germany, France, Italy, and Holland, for instance, have come far toward a solution, with high levels of investment relative to income. On the other hand, Belgium and the U.K. have yet to gain rapid economic momentum.

Labour Shortage

For the first time since the end of World War II, Germany has more jobs being offered than workers seeking employment. The immediate cause is the building boom along with the general pick-up in economic activity. More important is the slow-down in the flow of refugees from the East, which in the past has added some 12 million to Germany's post-war population. The tight labour market may have two important results:

First, German industry may draw on the labour surplus in other countries. In 1959, more than 220,000 Italian workers moved into Germany, and the number could increase substantially in future years.

Second, labour costs relative to other costs are likely to rise. Wages have been rising in Germany, but they might well have risen faster had it not been for the pool of unemployed—mainly refugees—ready and able to step in at existing wage rates.

A rise in German wage costs on this account could reduce somewhat the extremely favourable foreign trade position of German exporters.

France has had a chronically tight labour market for several years. While some labour migration into France has taken place—and may be expected to continue—there is another source of industrial labour in the less efficient and highly subsidised branches of the French economy. The best example of this is in agriculture. Workers are being drawn from farms into the cities, as indicated by the reduction in farm labour from 36 per cent. of the total labour force in 1946 to 26 per cent. in 1957. The drop in farm subsidies starting in 1959 could accelerate this movement.

Need for Capital

Holland's major problem is that she is a small country with large capital requirements. The Common Market stresses the need for further industrialisation. There is the added pressure of population growth, which is the fastest in Western Europe. On top of this, there are the old programmes to reclaim land from the sea and the new transportation programmes, most important of which is to develop Amsterdam's port facilities to accommodate Common Market trade. It is not surprising that the Dutch, perhaps more than their Common Market partners, have been so receptive to foreign capital.

In Italy, the major problem is to use existing capital more effectively and get a larger number of business men to invest in the underdeveloped South. As it now stands, the Mezzogiorno accounts for almost 40 per cent. of Italy's total population, some 20 per cent. of national income, and less than 10 per cent. of electric power consumption. This last figure has become particularly important in 1959. In June of this year substantial deposits of natural gas were discovered at Matera. It is hoped that development of a natural gas industry can offset the lack of resources and high power costs in the centrally located region of the South.

Lack of Expansion

The problem in Belgium is how to modernise a small, but heavily industrialised economy. In the past, the Belgians have offset the disadvantages of stable population, lack of natural resources and relatively high cost labour by strengthening export industries. These industries are now serving Belgium less well than in the immediate post-war years.

To compete more efficiently in the Common Market, Belgium needs greater diversification into such growth fields as chemicals, metal-working and engineering. The Belgians have taken three steps in 1959 to solve this problem. They have started to rationalise their high cost coal industry, they have just announced new incentives for foreign investors, and they have made it easier—by exempting receipts from the sale of assets that are reinvested from the capital gains tax—to shift capital from Belgium's stagnant industries into more promising fields.

As with Belgium, the problem in the U.K. is the lack of long-term growth. Actually, the record in 1959 has been more favourable. If Britain could sustain the current rate of industrial expansion now estimated at 5.6 per cent.—she would come close to matching her Continental competitors.

To do this, however, Britain needs a higher rate of investment than she has had in the past. In 1958, for example, capital formation in the U.K. was only 16 per cent. of G.N.P.—compared to over 20 per cent. in Germany, Holland and Italy. The most sobering aspect of the current pick-up in Britain is that it is heavily weighted with consumption, and lightly weighted with capital investment.

(Concluded from next column)

should not assume that the general terms of commerce are not stiffening against the U.K. one ought not to be led by all the current fluctuations around to assume that Britain's honeymoon is over.—All Rights Reserved.

CORRIGENDUM STRAW PRODUCTS LIMITED

(J. K. Paper Mills)

IN THE ANNOUNCEMENT OF THE aforesaid Company, pertaining to issue of additional capital, published on pages 990 and 991 of *Commerce* dated 12th December 1959, the name "Bank of India" was erroneously mentioned under the subtitle "Bankers". It should have been the "State Bank of India".

It may also be noted by the applicants to the new capital issue under reference that cheques and drafts should be made payable to "Straw Products Ltd.—Share Application A/c" and should be crossed, "Account Payee only." A separate cheque or draft should accompany each application form.

LONDON LETTER

TAKING THE SHORT VIEW

(From Our Own Correspondent)

LONDON, 12th December

AFTER ten months of steadily improving trade, it came as a shock to find that, in November, the trade gap had widened substantially. In October, the excess of imports over exports plus re-exports was about £40 million and in November it was about £50 million. This comparison must be taken as it stands, because the language in which the Board of Trade issues these figures is always confusing: that is, imports for this purpose is on a c.i.f. basis, while exports and re-exports are on an f.o.b. basis. If allowance is made for insurance and freight on the imports, then the gap is dramatically narrowed. On the other hand, if the comparison is made on what the Board of Trade term a "seasonably adjusted" basis, it appears to be even wider. The idea of the "seasonably adjusted" basis is novel, but is designed to iron out purely seasonal movements and no doubt gives a much clearer picture, once the public, to whom the picture is addressed, knows what it is about.

For the rest of the assessment in this letter the "seasonal adjustments" will be ignored, as they are not so far sufficiently familiar. Before abandoning them more completely, however, one should comment that the "seasonably adjusted" average of exports in the first eleven months of this year was 4½ per cent. greater than the average for the whole of 1958, and the "seasonably adjusted" exports for the last three months September-November were 6 per cent. more than in the preceding three months. On the same basis, "seasonably adjusted" imports were 7 per cent. more in September-November than in June-August and the average for the first eleven months for this year was 6 per cent. more than the average for the whole of last year. If anyone is able to make any better sense out of that than out of the ordinary export-import figures, their views should be attended to with interest.

Coming back to the actual recorded values of trade, we find that, while, in the first quarter of the year, the gap on the usual c.i.f. and f.o.b. basis was £39.1 million per month, in the second quarter it was £35.3 million per month; in the third quarter it had worsened to £54.8 million per month. In October, it was £39.4 million and in November it was £49.3 million. For the year as a whole, the average monthly "gap" has been just over £43 million.

Thus, the worsening in November set in perspective without any "seasonal adjustments" is not worse than it should be and one can sympathise with the London brokers, who, in order to stop their clients selling, are reported as circulating a report that Britain is sailing her "barque upon a placid lake on which everything looks lovely." They do go on to say that, should anyone do anything obvious, the placidity might be rudely disturbed and, indeed, the sort of stone which could ruffle the surface might be a disequilibrium between short-term rates at home and abroad.

Not that the brokers have very much need to worry. After history had been made in the middle of November, when the *Financial Times* equity index had risen to over 311, it is true there was a recess. But the index at the end of this week is up again to over 312. Nothing seems able to keep down the ebullience of investors—not even the optimism of their brokers!

But even the more sober commentators have to attempt that, if this country persists in running along indefinitely with short-term money rates way above those ruling in the United States, then the intended result is bound to happen: hot money and gold will flow from the low rate countries such as the U.K. and Germany to the high rate countries. After all, the difference between the U.S. bill rate and the British Treasury rate is now more than 1 per cent. and a drop of £18 million in the gold reserve is a very modest figure in the circumstances. Similarly, the slight cheapness of sterling against the dollar (even so, the cross rate is only one-eighth of a cent below parity) is also no more than one should expect. The lesson of all this is that, while one

(Continued in previous column)



A spark has become the flame which will give light and warmth to her humble home. So it is with ideas. A glimpse enlarges into a vision: a development in the laboratory is translated into a benefit for millions... The search for ideas is constant in the fifty laboratories of the Dunlop Research Centre in the U.K. Its staff of scientists and technologists press into service the resources of modern science to deepen our knowledge of rubber—knowledge that is used by Dunlop factories the world over, including those at Sahaganj and Ambattur in India, to make things better for everyone.

DUNLOP

DC-57



Dalmia

DEADBURNT MAGNESITE
FOR BASIC REFRACTORIES

- Magnesite Cement Mortar
- Peas for ramming of Steel Furnace Bottom
- Special Magnesite Ramming Mixture for Lining of Induction Steel Melting Furnaces

For your requirements
please write to:

Dalmia MAGNESITE CORPORATION

P. O. Salem
(Madras)



OUTLOOK FOR U.S. ECONOMY BRIGHT INFLATION STILL IN EVIDENCE—INTEREST RATES HARDENING

By Our American Correspondent

THE beginning of a new decade, this time the 1960s, is always a milestone. The United States population now at about 179 million is growing steadily and at an unexpected high rate. By 1970, there will be 12 million more families than there are today, barring national or international disasters.

This means many things to many people. There will be need for more housing, for more schools, for transportation, for more furniture and appliances, for virtually everything one can think of. The explosion of the American population at this juncture began after the end of the last war. The baby crop of that era is about to become of marriageable age, at least in the ensuing decade.

Nearly everybody is quite optimistic for 1960, particularly the first half of the year. There is no unanimity about the second half of the year. The year 1960 is a Presidential election year which is always a period of uncertainty. In other words, there is apt to be a certain hesitation in business spending and expansion which is traditional.

Buying Spree

In the meantime, one of the biggest retail buying sprees during the current holiday season is in process. It usually lasts until after New Year. It could be the biggest season in history in terms of current dollars. For it must not be forgotten that, despite all efforts to stem inflation, price rises are a continual feature of the U.S. economy. So far, they have been small enough to elicit no articulate popular protest, although Washington has voiced official concern.

There has been considerable pressure to settle the steel wage-labour dispute on a non-inflationary basis. In effect, all this is wishful thinking. Inflation has been the bedfellow of all large nations and empires, as they were forced to engage in social services of all sorts. The trend of rising wages and prices is still very much in evidence. They will keep on climbing in 1960. In a recent survey, the U.S. Department of Labour found that at least 6 million workers in major industries are in line for wage boosts in 1960.

The Administration is not against wage increases *per se*, but it is opposed to raises which would outstrip productivity gains and force companies to raise prices. This is not very realistic; it is pure guesswork. Forecasts at this point are that wage increases in 1960 will hit close to the wage pattern in the steel industry. Federal economists claim the economy can absorb this without price boosts. It is highly doubtful to me and everyone else outside of the circle of "Federal economists."

Productivity

Productivity gain is a big word. The U.S. has always prided herself of her great industrial capacity and growth, but the fact of the matter is, as Allan W. Dulles, Head of the Central Intelligence Agency, told Congress the other day, that the American growth rate in the last years has been between 3 and 4 per cent., while the Russian productivity has grown 8 per cent. and more a year. Thus, the boast of Soviet Premier Nikita Khrushchev that his country would overtake the U.S. in industrial production might become a reality, even though Russian production today is just about half that of America.

Productivity contains many input and output factors. Labour costs are a major item on the input side. In the U.S., they are going up constantly as in no other country in the world. While there has been an increase in efficiency of production, it has not been sufficient to compensate for the incessant demands for a higher standard of living.

An Illusion

Much of this higher standard of living is an illusion, of course. New gadgets and appliances require repairs in not too infrequent intervals which causes anxiety and frustration. No matter how automated an operation is or becomes, there is always a chance of errors. Not only human errors, but electronics tubes may

blow and cheques supposed to read \$4.59 may read \$4,590,000. It has happened many times and it is a subject manufacturers of automation machinery do not like to talk about, except those who recognise that there is no perfection in humans.

The immediate outlook for the first quarter of 1960 is that both industrial sales and profits will exceed the levels of the comparative 1959 period. Business men's expectations are that the January to March volume will be ahead of last year. At least 65 per cent. of them think so, according to a recent survey. About 30 per cent. see no change from last year, while the remaining 5 per cent. expect a decline.

A bare majority of 51 per cent. believe that net profits in the first quarter will be higher than in the first three months of 1959. This is not too optimistic and is unadjusted for inflation, but it is, nevertheless, significant, since the views expressed seem to have been judicious and not as buoyant as previously.

Soaring Sixties Or Sad Sixties?

In retrospect, it may be interesting to note that the editors of the U.S. United Press International news service considered the following events as the top 1959 news stories:

Included in the list was the movement of Communist Chinese troops into Tibet, President Eisenhower's visit to India, Africa and Europe, the Soviet moon hit with a rocket, as well as Premier Khrushchev's tour of the U.S. in September, and Queen Elizabeth's visit to Canada, during which she formally opened the St. Lawrence Seaway together with President Eisenhower.

Looking ahead, there is talk of the "soaring sixties," of the "surging sixties" and the President of American Motors Corporation referred to the period ahead as the "sensible sixties." There are others who call it the "sad sixties."

The latter are the sceptics among the economists who have a clear recollection of what happened in the late 1920s when the American economy was in a previous boom. Although there are significant differences such as built-in stabilisers, unemployment insurance and others, there are also similarities and one of them is the complacency of the public mood.

The pessimists warn of the "sad sixties," unless inflation is not better controlled, unless global spending is reduced realistically, unless the U.S. Federal Budget is balanced on a real basis. Moreover, the U.S. industry, they suggest, must hold costs down and keep increasing its production if American products are to maintain their world markets. There has been a considerable loss of markets to overseas competition recently. For example, in the last ten years, the import of foreign automobiles has increased ten times.

The Farm Problem

The Washington Government spends 1.5 million dollars every day just to store surplus grain which has been abundant for years in the plains of this country. It is one of the greatest anomalies which must be understood overseas.

When the farm support programme started, the American farmer was one of the underdogs. The farm vote was a considerable factor in national election. It still is to a certain extent, except that many members of farm families work in nearby towns and can no longer be regarded as farmers.

The surplus wheat, purchased by Washington as part of the farm price-support programme, would fill a train 5,335 miles long. About 65 per cent. of America's farm population is almost completely excluded from farm price supports. The large commercial farmers, representing only 27 per cent. of the farm total, get nearly 80 per cent. of crop-price benefits.

About 87 per cent. of the farmers polled in a nation-wide survey wanted less Government farm support and fewer crop controls. As a matter of fact, 83 per cent. of U.S. cotton farmers derive no substantial benefit from the price-support programme. This cotton price-

support programme guarantees a loss to the Government of up to \$15 on every bale purchased.

This is one of the reasons why most of the cotton future traders have been driven out of business, because the Government has a permanent "corner" on the cotton market. When there is a fixed price, there is not much need for trading.

Wheat Surplus = 470 Loaves Per Person

The farm price-support programme and the payments to farmers under it will take at least 20 cents out of every tax dollar collected by Washington for non-defence purposes this year. It is an anomaly which is difficult to understand here and abroad. The problem can be grasped only by remembering that the whole support plan was born of a national emergency—the great depression of the early 1930s.

It was never changed, because a very large number of voters and taxpayers were benefited and no politician had the courage to take these benefits away or temper them as the depression turned into periods of inflationary boom. Farm price supports will cost every American, man, woman and child about \$30 in 1959.

There is enough wheat surplus stored in taxpayer-supported Government warehouses to provide 470 loaves of bread for every inhabitant. That is approximately a four-and-a-half-year supply at present living standards here. It is a sad commentary of human reasoning that such conditions are permitted to exist in the face of millions of people in other parts of the world suffering from undernourishment.

Unless the wheat price-support programme is changed—and there is no indication that it will—surpluses will continue to pile up at the rate of 200 million bushels a year. Said Secretary of Agriculture Benson, "this could end in a disaster such as we have not seen before in American agriculture." And the cotton situation is almost as serious. One of the most incongruous aspects of the U.S. farm programme is that people are paid for not growing things in order to alleviate surpluses. This is generally regarded as an illogical approach.

Tighter Money in Sight

The U.S. Treasury bill rate is a very sensitive barometer. It mounted this month to 4.5 per cent. and it may go higher before this appears in print. Interest rates have been on the upgrade since September. There was a temporary slackening in the demand for money, owing to the steel strike, but this has given way to a new boom psychology.

If the steel mills do not shut down again after the Supreme Court injunction runs out in January, the chances are that inventory accumulations will accelerate. Automobile sales are likely to increase. Spending on new plant and equipment which is badly required might increase and the gross national product might move into new high ground.

All this may mean peak demands for money. Corporations will be borrowing more and so will Governments on all levels. Construction is still a bit of a question mark, but volume in 1960 is certainly going to be as large as in 1959. Residential building may even be higher.

The big problem is the adequacy of savings and the money supply available from commercial banks, mutual savings banks, savings and loan associations and insurance companies. Authoritative estimates are that supply of funds will fall short of the demand. This means a higher premium for money. Commercial banks have been hit by the Treasury issue of 5 per cent. notes, due in 1964. This compares with interest in various types of savings accounts of between 3½ and 4 per cent.

Overall Forecast

For the past eight years, remarkably accurate economic forecasts have been made by Prudential Insurance Company of America under the tutelage of Dr. Gordon W. McKinley. It may, therefore, be of interest to summarise them for the benefit of Indian readers.

The gross national product is likely to break through the \$500,000 million mark. Employment will be rising. Unemployment should be less than 4 per cent. of the working force, "well within a practical definition of full employment."

(Continued on page 1063)

DECCAN SUGAR AND ABKHARI COMPANY LTD.

MR. C. R. SRINIVASAN'S ANALYSIS OF SUGAR POSITION IN SOUTHERN REGION

"DEFICIT COULD BE MET BY EXPANSION OF EXISTING UNITS IN MADRAS STATE"

THE Sixty-third Annual General Meeting of the Deccan Sugar and Abkhari Company Ltd. was held at Madras on 18th December 1959. Addressing the shareholders on the occasion, Mr. C. R. Srinivasan, Chairman, said that the anticipated deficit of 15,000 tons of sugar in the southern region could be more than met by expansion of the existing units in the deficit Madras State at a cost much lower than that of new and independent units. If, however, new factories had to be set up, he pleaded, they should be located at such places as would prevent them from encroaching on the cane areas developed by existing factories.

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

"GENTLEMEN,

"The report of the Directors and the statement of accounts for the year ended 31st May 1959 have been in your hands for sometime and I hope you have found them interesting. I propose, with your permission, to take them as read.

"I am glad to say that the results of the financial year have enabled your Directors to propose payment of dividends on the Company's ordinary share capital totalling 25½ per cent. gross for the year equivalent to 18 per cent. after deduction of income-tax at the rate applicable to resident individuals.

Taxation

"Reference has been made in the Directors' report and in note 7 on page 14 of the printed accounts to the provision for taxation and the tax deducted or deductible from dividends, but there are two further points relating to taxation upon which I should like to comment briefly.

"The first relates to the unusually large figure of Rs. 2,62,500 included in the provision for taxation in the profit and loss account under the description 'adjustments relating to previous years.' It has been the practice of the Company to reserve in one year of account for the expenses that will be incurred in the following year in overhauling the machinery, because the overhaul is necessitated by the operation of the machinery in the year of account and, therefore, the cost of the overhaul should appear in the same year. Such reserves have hitherto been allowed as a deductible expense for income-tax purposes in each of the years in which they have been set up, but the Income-tax Department are now seeking to revise past assessments of the Company, so as to postpone the allowance of the reserves from the years in which they were set up to each of the following years when the expenditure was actually incurred.

"The matter is under reference to the Income-tax Appellate Tribunal and, pending its disposal, it is obviously necessary that we should provide for the tax involved, should the decision go against us and this is the Rs. 2,62,500. It will be appreciated from what I have said that this additional tax provision required out of the profit of the Company's year 1958-59 is not for tax which ought to have been provided for in earlier years, but is to antedate by one year payment of tax on a reserve for expenditure which will be allowed for tax purposes in the following year.

"The second point is the practical doubling of the advance payment of income-tax and super-tax shown under note 10 of the accounts at Rs. 14,50,643, as against the corresponding figure last year of Rs. 7,31,630. The reason is that the income-tax officer's demand for advance payment of tax during a particular accounting year is based upon the tax actually paid by the Company against its last completed assessment which, in the case of this Company, generally relates to the profits of the accounting year two years ago. Thus, the advance tax of Rs. 7,31,630 paid during our year ended 31st May 1958 was based on the assessable profits for the year ended 31st May 1956 which were relatively low, because we were able to set off against the book profit

of the proposal. Meantime, we have asked Mr. Parkes, who is now Technical Adviser to the Managing Agents, to examine the possibility of a still larger expansion. I hope that when I address you next year I shall have something favourable to report on this matter.

"Shareholders may remember what I said last year, that the minimum price for cane will in future be merely an advance payment and that the final price will represent a percentage—as yet unpublished—of the price realised for sugar after adjustment of a number of factors. In the context of this price linking formula, which is more far-reaching in its consequences than the well-known S.I.S.M.A. formula, we can no longer confidently count on benefiting from the upward trend in sugar prices. There will be virtually a fixed margin for manufacture between costs and profit. It is in this context, apart from contributing to sugar production in the country, that we have to consider seriously our expansion plans with the aim of bringing down costs.

"The Samalkot factory crushed in the 1958-59 season 95,617 tons of cane, as against 111,567 tons in the previous season, and produced 9,134 tons sugar. The shortfall was due to lower yields and diversion of some contracted cane for jaggery. The recovery was, however, better at 9.55 per cent., as against 8.98 per cent. in the previous season. The net shortfall in production over 1957-58 was 881 tons sugar.

"At Pugalur, production during the 1958-59 season and 1958-59 main seasons was 18,359 tons of sugar on a crush of 193,044 tons of cane, the relative figure for the 1957 special and 1957-58 main seasons being 20,888 tons of sugar on a crush of 227,207 tons cane. Here again the recovery was better than in 1957-58, though cane which ordinarily would have come to the factory was diverted by growers to jaggery.

The all-India production in 1958-59 was 19.17 lakh tons, compared with 19.76 lakh tons in 1957-58.

Sugar Scarcity

"You will doubtless want me to dwell on the present sugar situation, the more dramatic developments of which occurred after the close of the year under review. It was not so long ago that the country decided on export of sugar on the ground that there was a sizable surplus after meeting the internal demand. What has happened in the interval to affect production to the point that exports ceased and supplies failed to meet the internal demand? It seems to me that the answer is twofold. Undoubtedly, there has been a spurt in consumption. In an expanding economy with progressive inflationary pressure, not easy to control, food is the first item of the family budget to absorb part of the increased money income. It was generally hoped that with a carryover of 3.59 lakh tons at 31st October 1958 and a production of about 20 lakh tons in 1958-59 the country would be wise to build up an export market after meeting the internal demand, estimated at 21 lakh tons. As the season progressed, however, it was clear that production would not exceed 19.25 lakh tons. In actual fact, the production in 1958-59 was about 60,000 tons less than in the previous season whereas consumption showed a distinct rising trend. Speculative elements were not slow in taking advantage of the indications that the carryover into 1959-60 would only be about half the normal quantity and there was no prospect of any substantial increase in production in 1959-60.

"The reasons for production not rising to the level of consumption are not far to seek. The Finance Act of 1957 had done considerable damage earlier, with the doubling of duty on vacuum pan sugar, on the one hand, and no taxation whatever on jaggery or *khandasari*, on the other. The consequences followed as speedily and to as great an extent as they were obvious and predictable. Jaggery and *khandasari* manufacturers invaded factory areas and bought cane which would otherwise have gone to factories, at prices the factories could not afford to pay at the controlled price of sugar. There are no exact statistics, but it is generally accepted that the manufacture of *khandasari*, which up to the 1956-57 season had been steady at 1 lakh tons, increased by 250 per cent. in the cold weather of 1957-58 and has been maintained at this level.

"In the 1959 Budget an attempt was made to correct the imbalance. A tax of Rs. 126 per ton was proposed on all *khandasari* compared with Rs. 291.20 on factory sugar, but in April (Continued on page 1050)

Pugalur Factory

"In Pugalur, we have the best cane that is milled in the group of sugar factories under the management of Parry and Company Limited, only five factories in the Southern group having a better recovery. In contrast to Samalkot, we work at Pugalur 250 days in the year, while the all-India average is 141 days and the Southern Zone average 153 days. It is obvious that, within reasonable bounds, money spent on the expansion of Pugalur will show a better return. It is incumbent upon us to examine all possibilities.

"The balancing of certain sections of the Pugalur factory was completed in July 1959 at a cost of Rs. 8 lakhs. The factory is currently crushing at the rate of 1,000 tons per working day. You will probably recall that a few months ago the Government of India invited applications for expansion of existing units and for establishing new factories in the context of requirements of sugar at the end of the third Plan. We have sought permission of the Government to increase Pugalur's capacity to 1,250 tons. With the sugar policy for the third Plan still not formulated, the Government has presumably not seen its way to sanction individual applications, but we can confidently expect approval

TRADING IN OPTIONS THE CASE FOR AND AGAINST IT

COMMENTING on the suggestion made by Mr. Madanmohan Ruia, President of the East India Cotton Association, in the course of his address to the annual general meeting of the Association, in November 1958, that *teji-mandi* or option business should be legalised and regulated, we had pointed out that Mr. Ruia, despite the fact that his plea was based on practical grounds, was treading on controversial ground. Nine months after Mr. Ruia made the suggestion, the *Forward Markets Bulletin*, issued by the Forward Markets Commission, carried an article by Mr. G. W. Kshirsagar containing a discussion of the nature and implications of option business and its merits and demerits. His conclusion was that, though permitting options in normal conditions might not involve any excessive risk, conditions in India today were not suitable for the revival of option business. At a time when the country was experiencing the stresses and strains of development, he argued, a revival of options might make the commodity markets more vulnerable to speculative pressure and that legalising options might not make the problem of their regulation any simpler.

Writing in the December 1959 issue of the *Forward Markets Bulletin* in his personal capacity, Mr. C. M. Parikh, the veteran Secretary of the East India Cotton Association, Bombay, has made a realistic examination of the question whether options should be legalised or not. The core of his argument for legalising options is that, in certain circumstances, options not recognised and controlled, can prove to be a great menace to the trade than otherwise, whereas, if properly regulated, they can be a source of strength to the trade and yield larger revenues to the Government.

It is common knowledge that an option, known as *teji-mandi* in India, is a right to buy or sell a specified quantity of goods on a certain specified future date at a price agreed upon when the bargain is struck. To acquire this right, the buyer of the option (the option applier) has to pay the seller of the option (option eater) a cash consideration known as premium. A *teji* or a call option is the right to buy and a *mandi* or put option is the right to sell, while a *teji-mandi*, or double option, gives the buyer the right to sell or buy as the market suits him.

The advantages attributed to options are: (1) they afford protection by limiting losses due to variations in the price of futures contracts; (2) they make possible speculation in futures on very little capital; (3) option prices serve an economic purpose as indicators of future price level; and (4) they have a stabilising influence on the price of futures.

The disadvantages are: (a) They are waging transactions; (b) they have a distorting influence on futures prices; and (c) options develop an unsound market. Mr. Kshirsagar points out that, while in the U.S., option business of any kind is banned both in the commodity and stock markets, in the U.K. there is no statutory prohibition on option trading in commodities. There is no legislative enactment in the U.K. to regulate and control forward trading either. The question of permitting or not permitting option trading is, therefore, a matter for the commodity exchanges themselves to decide. While some of the exchanges have framed elaborate rules to control option trading, the principal commodity market, namely, the Liverpool Cotton Exchange, does not officially recognise option transactions, although they are not prohibited. The ban on option business on the London Stock Exchange introduced during the war was lifted in October 1958. But option business in bank shares is still prohibited.

Mr. Parikh, in his article mentioned above, points out that, if the different aspects of option business discussed by Mr. Kshirsagar, especially its disadvantages, were seen in their true perspective, one would come to a positive conclusion in favour of permitting options even on merits. But the instinct and desire for doing options are so deep-rooted among those business men who participate in futures trading and help make the futures markets in this country that it has not been possible to eradicate it even under the penal provisions of legislation. In spite of warnings by the Forward Markets Commission and the East India Cotton Association, option business still continues, though

stealthily, which shows that legislation is not the proper remedy to stop this so-called evil. Strict measures may, perhaps, drive options underground for some time, but its existence cannot be suppressed for all times. Mr. Parikh, therefore, contends that "it is upto all concerned to forget the phases this question has passed through in the past and to consider it with an open mind," so as to bring such business under regulation and thereby prevent the wastage of money and energy involved in attempting to root it out by force. This has so far had only the effect of driving such business to other forms of illegal activities which have lately cropped up throughout the country and have already assumed dangerous proportions.

The advantages of options, Mr. Parikh points out, are ignored while so much is said about its disadvantages. These advantages are summed up by him thus:

"1. Option dealers have developed a form of price insurance market. In fact, option business is a kind of stop-loss business for the buyer. The premium charged is extremely reasonable and cheapest in the world. In normal circumstances, it might be called ridiculously cheap, but for the fact that, in spite of the low premium they charge, failures amongst option dealers have been rare. These low premia are rendered possible due to the recognised intelligence of the operators in working options. Option premia, like insurance premia, depend upon the nature of the risk just as war-risk insurance in times of war.

"2. In options, as in all other transactions, there are buyers as well as sellers. The possible loss to the seller (eater) in the event of the market going against his calculations is unlimited. Options have this advantage that the buyer knows when he starts the transaction that his loss is limited.

"3. The cotton trader has found that options provide a peculiarly useful cover. Cotton is mar-

keted in about five months by the growers, while its use and sales are distributed over the entire year. The main use of the hedge contract is to relieve the pressure and consequent forced depression during the marketing period by growers and help to hold and carry the cotton to later months, so that the pressure may be distributed evenly throughout the year. *Teji-mandi* business helps this holding and carrying of cotton by bringing into the cotton trade the resources of traders and merchants and the mass selling or buying acts as a brake to prevent violent fluctuations in the cotton prices. Even the exporters find it advantageous to utilise the medium of option for their long-range commitments.

"4. The option business has worked well in normal times and its popularity and gradual enlargement proves its usefulness to the trade. Option rates are on the whole cheap because of the peculiar genius of the few operators who eat *teji-mandi* and if *teji-mandi* operations are not to be brought under regulation, the specialised knowledge which only a few possess and which has proved a valuable asset to the cotton trade would not only be lost but may lead to dabbling in unauthorised business which may be more harmful to the trade.

"5. *Teji-mandi* operations help to augment the supply of the contracts so that thousands of bales can be bought and sold with minor fluctuations. This helps to reduce brokerage charges also and large-scale operations are possible at minimum rates and the reduction of these charges reflect in a better price to the grower."

It is clear from what has been stated so far that, if a balance-sheet of the pros and cons of options is drawn up, the credit and debit sides are equal. Whether the former outweighs the latter can only be said from actual experience. In any case, law has not been able to suppress options and option business continues to be done illegally. Such flagrant violations of law, have a very demoralising effect on the trade in general. What then is the way out of this that suggested by Mr. Parikh and Mr. Ruia, namely, regulating option business through enactment of suitable by-laws. It is true that control of options by law is difficult. But the

(Continued on page 1026)

INSIDE FACTS REVEAL

Why ORIENT INDUSTRIAL MOTORS are a source of DEPENDABLE POWER

ORIENT GENERAL INDUSTRIES LTD. 6, Chere Bibi Lane, Calcutta

Distributors for Greater Bombay, Bombay State and Madhya Pradesh: Messrs. OPTIMUM CORPORATION 18, Hamam Street, Fort, BOMBAY

GRAM: "OPTI"

CHANGING STRUCTURE OF COTTON INDUSTRY

WAGES AND WORK CONDITIONS NEED REVISION

From Our Special Correspondent

MANCHESTER, 8th December

STILL the dominant topic in the market as a whole, and one which is likely to remain so for some months at least, is the effect of the redundancy schemes on supplies and distribution of Lancashire cotton goods in the interim period, while mills are closing up to the end of March. Already the anomalies seem to be multiplying, as different aspects

MANCHESTER LETTER

of the plan affect individual firms and sections in different ways. It will be difficult to escape more of this confusion in the weeks to come.

The lengthy statement made by Mr. W. T. Winterbottom, to which attention was drawn in considerable detail last week, included a section devoted to the outlook. After the end of March, Mr. Winterbottom predicted an erratic pattern of output which might cause temporary shortages of certain types of goods. Commitments running too far forward should be avoided at this stage, he warned. A firm finding itself in the early months of 1960 with an order book solid up to the end of the year will have no manoeuvrability and will not be able to play its part in the readjustment of channels of supply which will be necessary.

Unless a fair return on the capital employed and fair wages for those who work in the industry can be guaranteed, no amount of re-equipment will do any good in the long run, Mr. Winterbottom continued. "Modernisation, streamlining, redeployment, are not going to be of the slightest use unless the minds of our managements and salesmen are also changed to the realisation that we simply cannot afford to accept prices which do not cover all the factors of production."

The Trade Cycle

One of the main handicaps which has invariably hampered the textile trade, particularly in its ability to retain an adequate labour force and attract new workpeople, has been the violent fluctuations which have characterised the industry, particularly in recent years. This trade cycle is not a post-war phenomenon, as Mr. Winterbottom pointed out, but it does appear to have become rather more severe since the war.

The progressive stocking and de-stocking movement is "amplified" as it passes down the train of production from the retail shop to the spinner. The way this is magnified by a small reduction in demand from the consumer to the original producer is illustrated in Mr. Winterbottom's statement, in which he observed that, in 1952, a reduction of over 60 per cent. in spinners' activity occurred when the final offtake fell by only 5 per cent. The process is reversed when demand revives as a result of severe pressure on all stages of production culminating in the spinner, who is pressed to give

quick deliveries at a time when his labour force has been seriously reduced.

While it may be true, as Mr. Winterbottom suggests, that an adjustment from a horizontal to a vertical structure in the trade would ease this situation, such a development on any scale can only be achieved by slow degrees. A more practical line of approach, he says, is the wider dissemination among the industry of detailed knowledge of what is happening in the way of changes in demand, changes in stocks at various stages of the production chain and the state of order books. In the field of synthetic fibres, such statistics have already proved a useful guide to producers, thereby influencing many traders in their stock programmes and encouraging them to refrain from price-cutting at times of bad trade. Mr. Winterbottom said:

"I believe the same kind of work can be done with advantage in cotton and, given a willingness on the part of all sections to provide the necessary information in the first place and to give intelligent attention to the results of the analysis, a useful contribution to this stock cycle problem can be made. With the industry poised at the right size and efficiency for the markets it has to supply following the redundancy and re-equipment schemes, it would be a tragedy, if everything were to be wrecked by a continuation of these morale-destroying alternations between slump and boom."

Filling the Gaps

Articles and commentaries on the present highly complicated stage of development in the Lancashire cotton industry follow thick and fast. In the latest issue of the *District Bank Review*, Mr. W. G. Pilkington, whose daily commercial column is widely read by all connected with cotton trading, makes some forecasts as to the changed structure of the industry, with particular reference to the part which re-equipment will play after the scrapping has been completed. "It is as well," he says, "that managements have been given an appreciable period in which to decide what they will do. It may well prove that the haphazard scrapping has left some unexpected gaps in productive capacity which it will be considered desirable to fill. It may be that demand will evolve a new pattern which offers opportunities for machinery of particular types, the need for which is perhaps not yet apparent."

Mr. Pilkington joins the ranks of those who believe that labour problems will centre not on unemployment but on the provision of adequate manpower to staff the remaining machinery. "Some assessments of the prospects for labour are being distorted by emotion," he observes. Proceeding, he says:

"Attention must be given to such matters as union restrictions on the movement of workers from one job to another and from type of job to another—the whole basis of wages and hours for shift-working—and the appropriateness in present circumstances of the Cotton Manufacturing Commission list for weaving and the Evershed and Aronson lists for spinning. Unless there is a realistic revision of the whole hotch-potch of agreements on wages and conditions of work, the incentive to re-equip on a large scale will be lessened and the benefits from such re-equipment as is

carried out may prove to be trivial and transitory."

Importance of Marketing
The importance of marketing the goods supplied by Lancashire firms is being increasingly realised. Producers, according to Mr. Pilkington, are anxious to ensure that demand comes forward to the mills in a form and at a rate which helps them to maintain their maximum economy and efficiency.

The owners believe that their heavy capital investment entitles them to have a hand in directing their output into the most satisfactory channels. They also contend that they should have a voice in the discussion where decisions are reached about the quantities and qualities which shall be bought and about the times when the orders shall be placed. On this assumption, it is likely that vertically integrated forms of organisation will be more widely adopted, but such a development cannot be expected overnight.

Selling the Goods

Increased promotional work by the Cotton Board in British Commonwealth markets to follow up the current campaign to sell British cottons is likely to be undertaken by the Cotton Board. On his return from an eight-week tour of Australia and South Africa to survey the progress and results of the existing programme, Mr. Donald Tomlinson, Director of the Board's Colour Design and Style Centre, said in Manchester that the response had been encouraging. He referred to the growing importance of the maker-up of garments, particularly in Australia. He believed that it would be well worthwhile for Lancashire firms to "court" the garment makers in the Commonwealth in order to stimulate the use of British cloths in the manufacture of dresses, shirts and other made-up goods. Whereas the big retail stores still dominated the major cities in Australia, smaller shops were now making a greater impact and offered opportunities for exporters of Lancashire fabrics.

The public in Australia, said Mr. Tomlinson, was very well informed on fashion trends, mainly because they were able to scan the fashion magazines arriving from Europe and America before their own season started. He believed that there was scope for bigger trade in Lancashire shirts to Australia, if men in that country could be "educated" to wear better and more stylish shirts.

In South Africa and Rhodesia, he found much goodwill for British products. In particular, traditional British furnishings were much in demand, but people there seemed to be quite unaware of contemporary patterns and there was clearly an opportunity to increase business in that field.

No important development took place in the Manchester market, although yarn and cloth sales were again on an extensive scale. Pressure for supplies was unabated and the length of delivery terms did not deter customers from operating freely. Most of the orders under review were in speciality constructions and the movement of standard cloths was hampered by the ability of overseas producers to offer comparable fabrics at highly competitive rates. Export buying was negligible, but further replacement lines were put through in fashion styles and heavy industrial goods for home distribution. More yarn contracts were arranged, especially in the finer qualities, while prices generally were well maintained.—All Rights Reserved.

ORISSA CEMENT LIMITED

P. O. RAJGANGPUR (Dist. Sundergarh, Orissa State)

Managing Agents: DALMIA AGENCIES PRIVATE LTD.,

are now ready to serve your needs with all types of high class

"DALMIA REFRACTORIES"

for

IRON, STEEL & METALLURGICAL WORKS, CEMENT KILNS, CERAMIC & OTHER INDUSTRIES

in all qualities of

Fireclay, Silica, Magnesite, Chromite, Chrome Magnesite and Insulating

in all sizes and intricate shapes with different types of

MORTARS

Manufactured in collaboration and under guidance of

Dr. C. OTTO & COMP. G.M.B.H., BOCHUM-DAHLHAUSEN, WEST GERMANY

WORLD TEXTILE FIBRES CONSUMPTION MAN-MADE FIBRES MAKE MUCH HEADWAY

MAN-MADE fibres are becoming increasingly popular as a raw material in the textile industry the world over. Out of every ten pounds of all fibres that go into the manufacture of clothing goods now, more than two pounds consist of man-made fibres. Over the past decade, the percentage share of man-made fibres in the total world production of all fibres has gone up perceptibly, from 14.8 in 1949 to as high as 20.5 in 1958; it was higher still at 21.4 in 1957. As a result of the marked incursion of man-made fibres, the percentage share of natural fibres, that is, cotton and wool, has suffered a distinct setback; cotton from 72.7 to 70.1 (68.8 in 1957) and wool from 12.5 to 9.4.

Quantitatively, the aggregate world consumption of man-made fibres has recorded an appreciable increase; it was 12.56 million bales (1 bale: 478 lbs.) in 1958, as against 5.98 million bales in 1948, representing a rise of over 110 per cent. over ten years. The consumption of cotton and wool has also gone up, but the extent of rise is not so appreciable. Thus, world consumption of cotton in 1958 stood at 43.15 million bales, as against 29.40 million bales in 1948, or a rise of 47 per cent., and that of wool amounted to 5.80 million bales, as against 5.07 million bales, a rise of just 14 per cent.

Polyfibres

The marked improvement in world consumption of man-made fibres in the past decade is accounted for by all the sub-groups, namely, rayon, staple fibre and the newer man-made fibres, also called polyfibres (nylons, acrylics, polyesters, and fibres based on vinylidene chloride, polyethylene and other chemicals). The improvement is particularly marked in the case of the latter two groups, so marked that they have, to some extent, replaced rayon as the raw material, as the following table shows:

(In million bales of 478 lbs. each)

Fibres	1958	1957	1956	1949
Natural:				
Cotton	43.15 (70.1)	43.40 (68.8)	41.80 (69.3)	29.40 (72.7)
Wool	5.80 (9.4)	6.17 (9.8)	6.00 (9.9)	5.07 (12.5)
Man-made:				
Rayon	4.26 (8.9)	4.77 (7.5)	4.65 (7.7)	3.44 (8.5)
Staple	6.06 (9.9)	6.40 (10.5)	6.10 (10.4)	2.31 (5.7)
Other man-made ..	2.25 (20.5)	2.12 (21.4)	1.62 (20.8)	0.23 (14.8)
Man-made fibres (total)	12.56 (100.0)	13.49 (100.0)	12.36 (100.0)	6.98 (100.0)
Total	61.51 (100.0)	63.06 (100.0)	60.38 (100.0)	40.45 (100.0)

Note:—Figures in brackets relate to percentage proportion to the total consumption.

It will be seen from the above table that, over the period 1949 to 1958, the proportion of staple fibre in the total world consumption of all fibres has advanced from 5.7 to 9.9 per cent and newer man-made fibres from 0.6 to 3.7 per cent., while that of rayon has actually declined from 8.5 to 6.9 per cent. That more and more interest is centering on the newer man-made fibres is evident from a recent estimate which places the present aggregate world capacity of this sector at 3.4 million bales, as against 2.5 million bales in March 1958, with most of the expansion having taken place in the U.S., Japan and the U.K. It is said that hardly any new capacity for producing rayon is being added in most non-communist areas. Some additions have been reported in Spain, Japan, India and the U.S.S.R., but the rayon industry is reported to be generally operating below existing capacity in most of the developed countries. The statement at the foot of the page indicates the consumption of different fibres in the largest textile producing countries in the free world and of the communist bloc as a whole during the year 1958, as compared with that in 1949.

While the newer man-made fibres (polyfibres) have made a distinct inroad into the world textile fibres markets thus, there is a section of opinion which is somewhat sceptical about the aforesaid pace of progress being maintained in the coming years. To this section belongs Mr. J. L. Martin of Sales Divisions, Textiles Fibres Department, E.I. du Pont de Nemours and Co., Inc., U.S.A. In the course of an interesting review and forecast of textile fibres markets made before the Chemical Market Research Association at Williamsburg, Virginia, recently, Mr. Martin indicated how natural fibres and cellulose fibres were lately offering increased resistance, resulting in slower growth in polyfibres. He was no doubt confident that further progress would be made in polyfibres, but stressed that "it is the kind of progress achieved by keen organisations working hard and focussed on clear objectives."

The review made by Mr. Martin reveals that the use of polyfibres in the U.S. mills is still not large relative to the total fibre consumption; in 1958, they accounted for slightly less than 8 per cent. of the total consumption of all fibres. This is, perhaps, because of the high prices of these fibres. Very little of these fibres, we are told, sells for less than a dollar (Rs. 4.76) per lb. and much of it sells for prices in excess of \$2 (Rs. 9.52) per lb. Only small quantities of silk and some wools have sold for prices such as these. The popularity of polyfibres despite such high prices is, therefore, attributed to the markedly different characteristics offered by them. Thus far, the difference in characteristics has been most evident in aspects pertaining to the physical performance of the fibre but, now, aesthetic aspects of superiority are beginning to emerge and, naturally, the future of these fibres will depend increasingly upon improving their aesthetic qualities.

Blends and Combinations

A significant factor in the growth of newer fibres has been the development of many blends and combinations. The percentage of these fibres in the total value of products at retail in the U.S. during the first half of 1959 was 75 or more in women's hosiery and slips, 50 to 75 in women's sweaters, gowns and pyjamas, comforters and curtains, 75 to 50 in men's suits, sweaters, slacks, socks, knit sport shirts, intimate apparel, ex-slips, girls' sweaters, children's snowsuits, bed pillows, blankets, and replacement passenger tyres, 10 to 25 in carpets and rugs, women's blouses, ladies' dresses, and men's outer jackets, and 6 to 10 in men's dress shirts and blouses.

An idea of the expansion in the production capacity of non-cellulosic man-made fibres now taking place in the U.S. can be had from the figures cited below:

Yarn:	November 1950	November 1958
Nylon	426	402
Others	82	59
Staple:		
Nylon	50	44
Acrylic	221	186
Others	117	66
Grand total ..	886	757

Consumption of Different Fibres
(In thousand bales of 478 lbs. each)

Countries	Cotton		Wool		Rayon yarn		Staple fibre		Other man-made fibres	
	1949	1958	1949	1958	1949	1958	1949	1958	1949	1958
India	3,535	4,293	42	55	7	151	107	110	4*	5
Japan	845	2,307	27	339	104	350	124	1,100	28	171
U. K.	2,035	1,326	1,029	929	314	340	226	428	0	165
U. S. A. ..	7,873	8,034	1,069	725	1,837	1,347	129	966	194	1,210
France ..	1,063	1,319	549	540	189	279	192	198	3	93
W. Germany ..	750	1,392	190	299	224	270	306	445	38	95
Italy	941	849	249	320	145	150	149	245	1	75
Spain	358	485	71	90	31	77	55	150	1	7
Pakistan ..	112	940	4	130	1	12*	..	..	..	..
Belgium ..	405	344	148	169	29	18	20	49	28	17
Canada ..	384	333	71	36	92	95*	34	84*	118	57*
Others countries ..	3,899	6,228	1,018	887	522	643	195	951	..	..
Total	22,200	27,850	4,467	3,295	3,732	1,869	4,726	229	2,100	150
Communist bloc ..	7,200	15,300	600	1,400	140	525	440	1,320	5	..
Grand total ..	29,400	43,150	5,067	5,802	3,435	4,257	2,309	6,046	234	2,250

* For 1957. † For 1956. ‡ For 1955. a. For 1956.

The end-1960 capacity figures plus the live extensions, Mr. Martin says, "are realistic measures of future business and eventually will be saleable, although not as rapidly as the capacity itself is being created." This view is based on the following four grounds:

1. The industry will be operating in a total situation not quite as restricted as some have thought. The broader range of garments offered via newer fibres replaces older fibres used in some other form. The new fibre producers can take business somewhat on their own terms other than by directly meeting the economics or performance of existing fibres. What is more, the newer fibres have changing population, consumer preference and habit working for them. Again, business volume in polyfibres is being floated upward by rising consumer incomes.

2. The massive technology which brought these new fibres into being continues to operate on improvements having real market consequences. Mention is made of the contribution of tri-acetate, colour-sealed product and manipulated yarn forms (textured yarn development) to the acetate business.

3. The fibre producers are rapidly learning the importance of how things are presented in contrast merely to what they are. They are getting that follow-through to consumer acceptance which is the vital consequence of good product engineering and merchandising effort.

4. There are many specific markets in which continued progress is substantially assured. Nylon will, in the next few years, make further and substantial inroads against rayon in the important tyre market. The carpet market is swinging very strongly to these newer fibres. There is an excellent possibility that all of the suit and slack business will follow in the paths charted by newer fibres in lighter weight, summer fabrics. These probably are the big ones, but there are many smaller ones as well. There are also many gleams in-the-eye potentials, such as synthetic fibre papers, on which much work is being done.

As against all these favourable factors, Mr. Martin points to the possibility of an upward trend in the prices of polyfibres. He observes:

"Whereas there can be no argument with the generality that increasing production usually brings lower costs, it is quite possible to have higher costs with increased production, if capacity is increasing at a faster rate than production—and this is precisely what is and has been going on in polyfibres. Furthermore, new capacity comes in at steadily increased construction costs, which increases may or may not be offset by technology. These increasing construction costs are just one aspect of the inflationary economy in which we must do business under the pressure of persistently rising costs of practically every variety. Finally, let me point out also that mounting marketing costs also must be covered in some way. But, perhaps, we can gain more insight by looking at the price question in a different way—apart from specific cost considerations—and think in terms of the incentives for and consequences of price reduction. Obviously, if significantly more business could be had over time at reasonably lower prices, it might be worth a temporary sacrifice in profit to achieve a larger volume for the future."

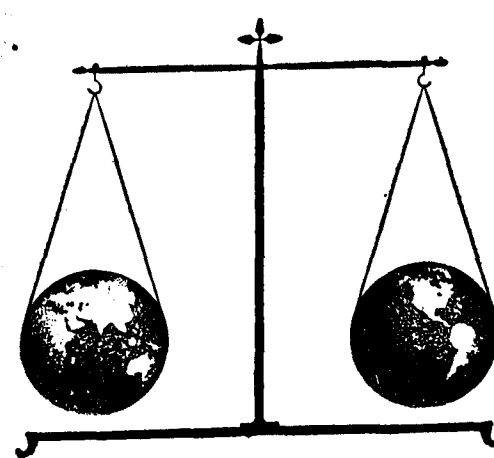
In the opinion of Mr. Martin, a reduction in the prices of polyfibres may encourage enhanced consumption, but there are some indications that the substitution of polyfibre-rayon blends is already occurring at a pretty rapid rate. It is in cotton-type fabrics that polyfibres today suffer the greatest price handicap. Mr. Martin, therefore, emphasises the need for greater and sound marketing effort in cotton-type fabrics in order to encourage blends.

COTTON

(Concluded from page 1024)

way in which it is going on at present puts an honest trader at a disadvantage vis-à-vis one who does not observe the law. Another consideration is that prohibition of options has led to other forms of illegal business which are more pernicious in effects and which are even more difficult to control.

There is no harm in trying to find out through experiment whether option business can be harnessed to the benefit of the trade. Mr. Parikh's observation to the effect that, with so many restrictions on the futures market and so many watchful authorities having full powers over the markets, including even the power to close them, there is little risk in starting this experiment, sounds attractive on the face of it. But it is a moot point whether the experiment should be initiated in cotton futures this season, as the crop situation is not comfortable enough to permit the continuation of even the present attenuated form of hedge contract. The supply and demand position in regard to other commodities also is not conducive to this form of speculation. In fine, the present time is not propitious for successfully experimenting with cotton business in commodity markets.



In both hemispheres . . .

... there are businessmen, and in both hemispheres there are banks. This is all very well as far as it goes, but contact between east and west is a different matter, and one of great and growing importance. That is where The Hongkong and Shanghai Banking Corporation comes in. Providing a complete banking service throughout south and east Asia, we also enable the businessman in that half of the world to contact his opposite number in the other. In both hemispheres you will receive excellent service from the biggest bank established by the Far East for the Far East.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

HEAD OFFICE: HONG KONG

BRANCHES IN INDIA

BOMBAY CALCUTTA

Offices in Europe and the United States and throughout the Far East.

ASK

RELIANCE

FOR

- ACID-PROOF BRICKS & CEMENT
- SEMI-VITRIFIED BRICKS & CEMENT
- INSULATING BRICKS & MORTAR
- ALKALIC BRICKS & CEMENT
- FIREBRICKS, FIRECLAYS AND CEMENT

Manufacturers of
FIRST CLASS BRICKS

for
Nearly Half a Century

RELIANCE FIREBRICK AND POTTERY
CO., LTD.

4, LYONS RANGE, CALCUTTA 1.

Bombay Branch:

35A, HOSPITAL AVENUE, PAREL.



Businessmen who are interested in developing trade with these countries are invited to use the complete banking services provided by the Bank of New South Wales.

The services include trade and industrial introductions, economic and market information, and assistance with travel requirements.

Address enquiries to:
John W. McEwen—Manager, International Division

BANK OF NEW SOUTH WALES

HEAD OFFICE, SYDNEY, AUSTRALIA

Over 1,000 branches and agencies throughout Australia, New Zealand, Fiji, Papua and New Guinea, and other branches in London.

ESTABLISHED 1817



Smooth sailing for your business with Japan

We don't believe that there are any tricky or perilous waters left in international trade these days... especially where the Japanese market is concerned.

But we've been in business a long time as Japan's largest commercial bank, and our accumulated experience assures every transaction of smooth sailing. That much we guarantee. You'll find us at Mookerjee House, 17 Brabourne Road, Calcutta-1.



THE FUJI BANK, LTD.

TOKYO, JAPAN

Founded in 1880

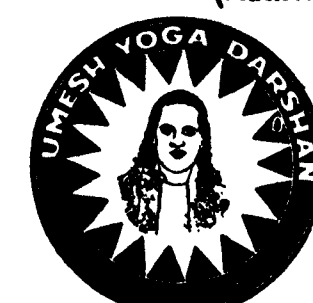
187 branches throughout Japan

Overseas Offices in New York, London and Calcutta

"UMESH YOGA DARSHAN"

(FIRST PART)

In Four Languages: English, Hindi, Gujarati and Marathi.
(Author: SHRI YOGIRAJ UMESHCHANDRAJI)



An excellent treatise on the true meaning of Yoga, which explains to you how to control your digestive, nervous, respiratory, urinary and other body systems. The book is fully illustrated with 108 real Asana Photographs and explains to you about their efficacy in attaining complete remedy of various ailments or disorders through the medium of Yoga, Naturopathy, Chromopathy, Psycho-Therapy, etc.

Useful for men and women alike, young or old, healthy or unhealthy. Deserves a rightful place in every home, hospital and library.

PRICE : Rs. 15/- Plus Postage Rs. 2/- extra. No V.P.P. sent.

RAMTIRTH BRAHMI OIL

Special No. 1 Registered.

An invaluable hair tonic for the prevention of dandruff and falling hair, RAMTIRTH BRAHMI OIL is manufactured scientifically with many precious ingredients, which cools brain, improves system, and brings sound sleep. Most ideal for body massage. It is useful to every one in all seasons. Prices : Rs. 4/- for big bottle and Rs. 2/- for small. Available everywhere.

YOGASANA CHART

A Chart printed on Artglazed Paper and fully illustrated with attractive pictures is also available here. You can perform the Asanas shown therein at your home, which will keep you fit and healthy. Price : Rs. 2.50 including Postage, to be sent by M.O. only.

YOGIC CLASSES are also regularly conducted in the morning and evening at Shri Ramtirth Yogashram. Special classes for Ladies are also conducted. Lady teachers instruct Ladies.

SHREE RAMTIRTH YOGASHRAM

Dadar, Central Railway, Bombay-14

Telephone: 62899

NOTES FROM WEST GERMANY

WORKERS TO GET MORE HOLIDAYS WITH PAY

INVESTMENT CONVENTION WITH PAKISTAN

From Our Special Correspondent

COLOGNE, 12th December

LONGER vacations with pay are claimed by W. German trade unions at present, and a Bill has been prepared to raise the legal vacation minimum for wage and salary earners from twelve to eighteen days a year. The whole problem is under discussion by representatives of employers and workers.

According to I.L.O. figures, the W. German legal minimum of two weeks per year, or of one working day per month, is the same as that for Australia, Canada, Austria, and Holland, and double the length in Switzerland, Portugal, Belgium, and the United States. Paid vacations of up to 18 days and more, however, are provided in the Federal Republic by some 80 per cent. of all collective agreements. Such "fringe holidays" are individually scaled by seniority and by age. About 85 per cent. of the collective agreements in force tie them to seniority, and about 45 per cent. to age, one often overlapping the other. Although detailed figures are not available at present, the maximum vacation is officially estimated to be reached at a seniority of not more than fifteen years or at an age not higher than forty. The Labour Ministry estimates that 40 per cent. of all male and 25 per cent. of all female production workers are already enjoying 18 vacation days per year.

It is interesting to note that, last year, about one-third of Germany's vacation travellers were production workers, and that every other holiday-maker was a wage and salary earner. Also, the average household's expenditure for travel and recreation is constantly rising. This indicates that the workers are benefiting to an increasing extent from the results of higher productivity. Longer paid vacations, in fact, must be seen as a special "pay-out" of rising productivity. They reflect the growing share of workers in the new ways of life developing within the modern "affluent societies" in highly industrialised countries. But the "pay-out" of working time reduction in the form of extended vacations does not lend itself to generalised and uniform solutions by law. In the interest of mutually acceptable solutions, the extension of paid vacations should basically remain a matter of collective bargaining. The same line of thought applies to further cuts of the working week. The proper place for working out new time schedules in this field should be the round table rather than Parliament.

German employers want to improve the living standard of all workers without endangering currency stability and without weakening the purchasing power of money. To attain that goal requires, however, the unrestricted autonomy and independence of the partners of collective bargaining. Only they can discern and decide what further progress can be made in view of the development of productivity which is the source of all and any improvement in the closely interrelated fields of straight wages, fringe benefits and working time.

Convention With Pakistan

A bilateral "convention to protect and promote foreign capital investments" has just been agreed between Pakistan and the Federal Republic of Germany and is awaiting ratification by the Parliaments of both the countries. The convention stipulates on a reciprocal basis the protection of all capital invested in either country since September 1954, for 20 years to come. It grants the free transfer of profits and protects the capital against expropriation without compensation.

The private property of Mr. Smith in Germany is linked with his inalienable right to enjoy it. Private investments abroad, one might think, follow that same line of thought. But, unfortunately, violations of private foreign investments have been experienced by many capital-exporting countries both in highly and less developed countries in the past as well as in the present. Sudden nationalisation moves, restrictions in the transfer or re-investment of profits from foreign capital, refusal of import

licences, excessive taxation or limits in foreign financial participations in national industries are but some of the notorious measures to infringe upon foreign capital and, hence, make investments abroad rather unattractive.

The bilateral convention with Pakistan, the first of its kind, is an important step to promote mutual trust in international economic relations. It meets a W. German Government's requirement of mid-1959, that W. German private capital exporters can have their outlays abroad covered by a Government guarantee against political risks only if the capital-receiving country agrees to a convention of the type now signed with Pakistan. Without such a convention, eventual losses would have to be covered by the W. German tax payer. He would have to pay for unlawful measures of countries unwilling to recognise the rights and interests of foreigners who provide means and funds to promote the economy of that country.

International Convention

International law, as well as the constitutions and trade agreements of many countries, embodies the principle that foreign property cannot be seized or otherwise infringed upon without prompt and fair compensation. The same principles are embodied in an International Convention for the Mutual Protection of Private Property Rights drafted by the Society to Advance the Protection of Foreign Investments in 1957. This draft was thought as pilot-scheme to international agreements.

Some countries even with good intentions may belittle the "mania" of private investors to look for protection. But from the capital exporters' point of view, some of the developing countries still have to convince them of their due respect for foreign property rights. These considerations are not confined to the Federal Republic. Some time ago, a proposal had been advanced in the U.S. Senate to exclude all countries from further American foreign assistance, which seize American property without due compensation.

The Pakistan example is the very first convincing move towards a closer financial and economic co-operation. It is hoped to set the pace for such agreements with other capital receiving nations. Investments from abroad are attractive, as seen from receiving countries. Investments abroad should be attracted by showing respect for foreign property rights. If attractive funds are attracted by legally sanctioned rights, more money will flow to the nations who need it.

COMPANY INFORMATION IN W. GERMANY

Company reporting and accounting in West Germany has an excellent standing by international standards. This is the conclusion of a detailed study on international company reporting issued by the Institute for Finance and Taxation (Institut Finanzen und Steuern) in Bonn. The study reveals that company reporting by a combination of profit and loss accounts, reports on explanatory statements to the accounts of West German joint-stock companies "is in no country possible, in Austria. The strictness of West German laws governing company reporting is matched only by the legal provisions in Austria.

Although U.S. companies publish their accounts more often, the Institute says, the Federal Republic's industry releases as much information conferences and by the right of shareholders to demand information.

Paint makers

to the
HOMES and
INDUSTRIES
of
India
since

1902

be
BRIGHT-
say



SHALIMAR PAINT, COLOUR & VARNISH CO., PRIVATE LTD.
Calcutta • Bombay • Madras • New Delhi • Kanpur

Over 57 years' practical experience of paint production in India is behind each one of the finishes that make up the comprehensive Shalimar Paint range. That experience, together with our ability to keep ahead of the times, has made 'Shalimar' a word synonymous with 'Paint' in the homes and industries of India since 1902.

Top quality paint finishes of utmost durability, for every paint application, are available to meet both decorative and protective needs.

So, for your next painting job, be 'Bright', say Shalimar Paint.

People just can't help
buying things wrapped in

TRAYOPHANE



TRAYOPHANE production will soon be doubled and we will be able to meet the growing demand for this miracle wrapping material.

*TRAYOPHANE is more transparent than any other wrapping material. It protects your goods from moisture, dust and careless handling and yet costs so little.
*TRAYOPHANE is available in rolls and sheets. A ream costs Rs. 44.00 plus taxes.

THE TRAVANCORE RAYONS LIMITED
Factory Rayonpuram P. O., Kerala State
Sales Office: 216, Second Line Beach, Madras-1

THE BANK OF INDORE LIMITED
(Incorporated in India (1920))
Authorized Capital Rs. 50,00,000
Subscribed Capital 30,60,750
Paid-up Capital 15,30,375
Reserve Fund 29,00,000
Head Office:
1, Prince Yashwant Road, Indore City
Bombay Office: 44, 'Hamam' Street, Fort and Jai Hind Estate, Bhuleshwar.
Branch Office: Cloth Market, Siyaganj and Sanyogitaganj (Indore City).
Branches: Anjad, Bhopal, Dhar, Khargone, Mhow, Ratlam, Sanawad, Shujalpur Mandi, Tarana and Ujjain.
Pay Office: Jaora and Sandhwa (Madhya Pradesh)
Safe Deposit Lockers are available at
Head Office, Siyaganj and Cloth Market Indore; Branches at Mhow, Ujjain, Ratlam, Sanawad, Sanyogitaganj, Shujalpur Mandi, Tarana, Dhar and Pay Office at Jaora and Sandhwa on favourable terms.
BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED
N. D. JOSHI, Manager.

INSURE
against Loss or Damage by
FIRE AND RIOT
THE BRITISH EQUITABLE
ASSURANCE CO. LTD.
(Incorporated in England)
(The Liability of the members of the Company is Limited)
8, Clive Row - CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

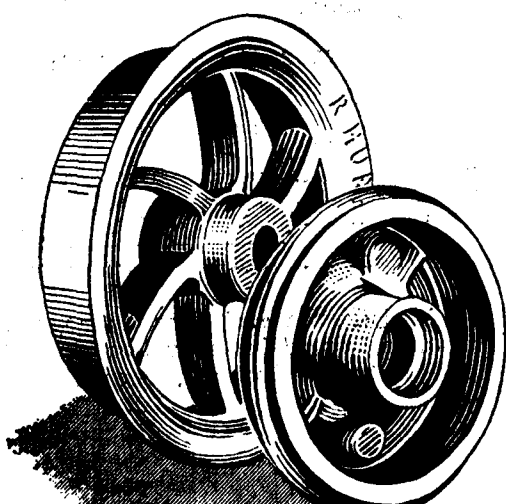
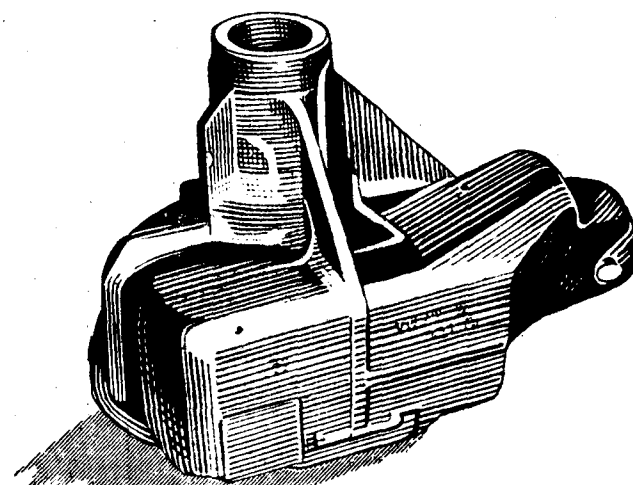
The Ductile Cast Iron
S. G. IRON
(Spheroidal Graphite Iron)

Completely new
type of cast Iron:
27/35 ton tensile—
12/2% elongation.

Combines
advantages of
cast iron with
strength and
toughness
of steel.

Range of
application can be further widened by heat treatment.

Excellent substitute for malleable cast iron, cast
non-ferrous alloys, steel castings and steel forgings.



Manufactured by
BURN
& CO. LTD. HOWRAH

Managing Agents:
MARTIN BURN LIMITED
MARTIN BURN HOUSE
12, Mission Row, Calcutta 1
Branches: New Delhi Bombay Kanpur

The FIRST
NATIONAL CITY BANK
of New York

(Inc. with Limited Liability in the U.S.A.)

First in
World Wide
Banking

Serving India Since 1903 at Bombay and Calcutta

MARGINS IMPOSED ON JUTE CONTRACTS FALL IN GUNNY STOCKS PUSHES UP PRICES

THE bullish activity in raw jute and gunnies has gathered fresh momentum during the past one week and the spurt in prices has been somewhat very sharp. The reimposition of margins by the East India Jute and Hessian Exchange on the 10th inst. and the subsequent enhancement thereof on the 12th inst. on all outstanding purchases if the closing price of the hedge contract was at or above a specified level, do not seem to have checked the rise in prices. For, at the time of writing, prices are far above the levels at which the margins become operative.

The margin system, it may be recalled, was first introduced in September 1958 after the East India Jute and Hessian Exchange was recognised as the official agency for futures trading in raw jute and jute goods. At that time, this step was taken to arrest the depression in raw jute and gunnies. Margins were imposed on all outstanding sales when prices tended to fall below certain fixed minimum levels. In December of that year, the margin amounts were raised and this was followed by increasing the "floor" prices for jute goods for attracting margins. In February this year, however, the margins on sales were withdrawn. Within a period of ten months, the complexion of the market has so changed that it has now been found necessary to impose margins on outstanding purchases of both raw jute and finished goods when their prices exceeded a specified level. The following are the margins introduced last week and subsequently raised and the levels at which they come into operation:

	Price at or above which margins operate	Margin	
		First fixed on 10-12-59	Then raised on 12-12-59
	Ra.	Ra.	Ra.
Raw jute (per maund) ..	29.00	2.00	7.00
Hessian cloth (per 100 yards) ..	41.00	2.50	3.00
Sacking (B. Twills) (per 100 bags) ..	105.50	5.00	6.00

The step was taken by the E.I.J.H. Exchange with a view to curbing the "excessive speculative activities" in futures trading. It also suspended trading in all hedge contracts for a day, on the 11th inst. Finding that the imposition of margin and the suspension of trading failed to check the upward trend in prices, the Exchange raised the margins on Saturday. This also has not had the desired effect, as will be seen from the following comparative table of prices:

	14-12-59	9-12-59	30-11-59	14-12-58
	Ra.	Ra.	Ra.	Ra.
Assam bottom (per maund) ..	31.00	28.50	26.60	21.50
Hessian (40" x 10 oz.) (per 100 yds) ..	42.60	41.45	40.25	40.15
B. twills (per 100 bags) ..	110.25	107.00	105.50	94.80

Stocks Move Down

Although the current bullish trend originated in raw jute, for reasons outlined in these columns last week, it soon spread to the jute goods, too. The rise in prices of the latter gathered fresh momentum last week from the announcement of lower stock figures as at the end of November. It had generally been expected that the stocks of gunnies with mills would show a decline, but the actual shrinkage was surprisingly larger than anticipated. The total stocks have fallen by 6,800 tons to 65,200 tons, the lowest level seen since December 1955. This is the tenth month in succession for which the stocks have shown a downward trend, having fallen from 113,800 tons at the end of January this year to 65,200 tons—a drop of 48,600 tons. The decline has been shared by all the three main groups of jute goods, as will be seen from the following comparative table:

Stocks of Jute Goods (In tons)

	As on 30th Nov., 1959	As on 31st Oct., 1959	As on 30th Sept., 1959	As on 30th Nov., 1958
Hessian ..	28,800	29,100	25,500	17,800
Sacking ..	28,700	32,500	42,700	75,500
Others ..	9,900	10,400	10,500	12,600
Total ..	65,200	72,000	78,700	105,400

Heavy goods account for the largest share, with a fall of 3,800 tons to 28,700 tons, a new low since December 1949. At this level, they represent only two and a half weeks' output and form 44 per cent. of the total stocks, as against 71.6 per cent. a year ago. Such a low level of

stocks in heavy goods has been brought about, despite the transfer of a part of the mills' looms to this variety and the unsealing of 2½ per cent. of the looms in August last which was mainly confined to heavy goods. The unsealing of the looms was resorted to in order to meet the rising demand for sacking and the then level of stocks with mills and the pace of production was considered inadequate for this. But, since then, there has been a further substantial drop in stocks of these varieties. In the circumstances, it is considered highly unlikely that the 2½ per cent. of the looms would be resealed on 2nd January 1960, as was originally intended.

The stocks of hessian, too, have declined by 2,500 tons to 26,600 tons, at which level they constitute 40.8 per cent. of the total stocks, as against 16.4 per cent. a year ago, and represent less than three weeks' production. The downward trend in stocks of "other varieties" noted since April last has been maintained, with a further reduction of 500 tons to 9,900 tons during the month under review.

The sizable reduction in stocks of gunnies during November is not due to any setback in production. For the output, at 88,000 tons, has been well maintained at the previous month's level, as will be seen from the following comparative table:

Production of Jute Goods (In tons)

	November 1959	October 1959	September 1959	November 1958
Hessian ..	36,800	36,400	37,500	35,800
Sacking ..	45,700	46,000	48,800	44,900
Others ..	5,700	5,500	6,300	6,300
Total ..	88,000	87,900	92,600	87,000

Variety-wise variations are negligible. The downward trend in production of hessian since July last has, however, been arrested. The

same is the case with "miscellaneous varieties." But, for the second month in succession, sacking output has declined.

WAGE BOARD FOR JUTE INDUSTRY

The Industrial Committee on Jute has decided to recommend to the Government of India the immediate establishment of a wage board for the jute industry. The decision was taken at a meeting of the Committee held in Calcutta on the 11th inst., and presided over by Mr. Gulzarilal Nanda, Union Minister for Planning, Labour and Employment. The wage board will consider the wage structure in the jute industry and all other questions on lines similar to other wage boards set up for different industries so far.

RISE IN U.S. BURLAP CONSUMPTION

Burlap consumption in the U.S. during November 1959 rose to 79.6 million yards, as compared with 69 million in October and 64.5 million in November 1958, according to the Textile Bag Manufacturers Association and the Burlap Council of the Indian Jute Mill Association. United States end-November stocks aggregated 287 million yards, comprising 146.6 million spot stocks and 120.4 million yards afloat. End-November 1958 stocks were 253.8 million yards and end-November 1958 stocks 222.9 million yards.

PLANTING BRIEFS

The total receipts of coffee into the Pool in respect of 1958-59 crop up to the end of November 1959 amounted to 48,200 metric tons, as compared with 44,046 metric tons in the corresponding period of last year. These consisted of 17,822 tons of Arabica Cherry and 20,913 tons (14,557 tons) of Robusta.

The Pool release to the internal market during the first eleven months of 1959 aggregated 27,640 metric tons, representing an increase of about 11 per cent. over that (24,924 metric tons) in the corresponding period of 1958.

A total quantity of 15,047 metric tons has been sold for export out of the 1958-59 crop till the end of November, comprising 8,168 tons of Plantation, 3,100 tons of Arabica Cherry and 3,779 tons of Robusta. Out of the balance to be sold against the allocation of 17,000 metric tons for export, 894 tons are covered by tenders due this week and 235 tons by offers made to Italy, Sweden and Nepal.

Arrivals of 1959-60 crop, mainly of the Pulneys, have started and up to the end of November, 199 metric tons (as against 295 metric tons) have been received. The smaller receipts as compared with last year are attributed to heavy rains during the last two or three months.

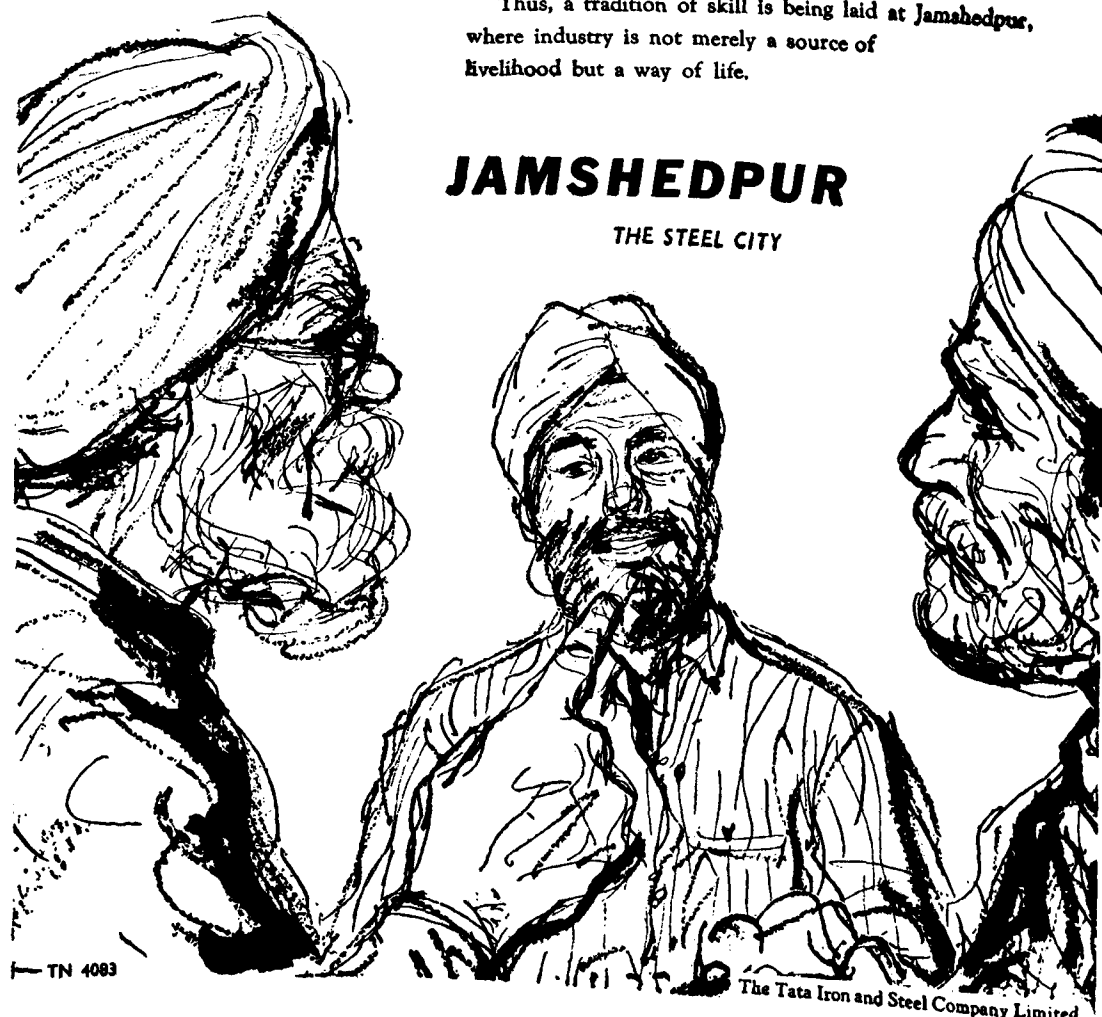
FIFTY YEARS AGO, Sardar Pratap Singh Bhumra, now 87, was assembling cranes and electrical equipment as India's first steel works was taking shape in the wilderness of Chhotanagpur.

His son, Jwala Singh, joined the steel works his father helped to build. Drawing upon his mature technical skill, he suggested an improvement to soaking pit cranes which won him a reward from Management and appreciation from the American manufacturers.

Hari Singh, Jwala Singh's son, imbibed the family tradition early in life. A young electrician in Tata Steel's Skelp Mill, he was recently sent to Japan to study advanced crane maintenance.

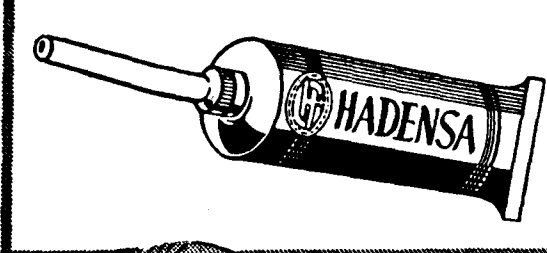
Thus, a tradition of skill is being laid at Jamshedpur, where industry is not merely a source of livelihood but a way of life.

JAMSHEDPUR THE STEEL CITY



The Tata Iron and Steel Company Limited

The difference between
LAST WEEK

and
THIS WEEK

is
Amazing

HADENSA
for PILES

AVAILABLE
AT ALL CHEMISTS

ATLAS
ASSURANCE
CO., LTD.

The Liability of Members of the Company is Limited

Incorporated in England

Bombay Agents:
N. SIRUR & CO. PRIVATE LTD.
TULSIDAS KHAMJI
MACKINNON MACKENZIE & CO.
PRIVATE LTD.
GEORGE OAKES PRIVATE LTD.
LALLJI THAKERSEY & CO.

Branch Offices:
Doodhli Road, Ballard Estate, Bombay.
Indra Palace, Connaught Place, Delhi.
4, Clive Row, Calcutta.

FIRE — MARINE — ACCIDENT

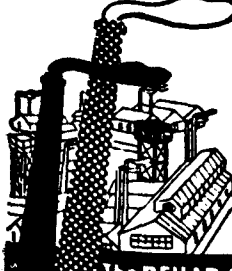
for PAPER CLIPS & PINS

X-KEYS

MANUFACTURED BY
EXCEL INDUSTRIES
41, HALDIPATI HOSE, PALTAN ROAD, BOMBAY.

SOLE DISTRIBUTORS
SIGMAN & CO.
12, PALTAN ROAD, BOMBAY.

'BEHAR' the dependable name
in FIRECLAY & SILICA
Refractories



For over 35 years "BEHAR" REFRACTORIES are being used by leading Iron and Steel Works, Cement and Glass factories, Tanneries, Sugar and Cotton Mills and other industries in the country.

Phone 22-5952
22-3101
Gram "BANCO"

The BEHAR FIREBRICKS & POTTERIES LTD.
22, STRAND ROAD, CALCUTTA-1.



TODAY'S DECISION
to become a Depositor
BRINGS TOMORROW'S INTEREST

5%

SECURITY — The Bank's Capital and Reserves
SAVING — NO Charges, Brokerage, Commission, Fees or Stamp Duties
SAFETY — NO Capital Depreciation—Your funds remain at your disposal
YIELD — The 5 per cent per annum interest is paid half-yearly without deduction of United Kingdom income tax

ASSETS EXCEED £50,000,000

Write today to General Manager for your copy of 'Bank Deposit Account' booklet No. AO91.

LOMBARD BANKING
LIMITED
BANKERS

Head Office: LOMBARD HOUSE, CURZON STREET
PARK LANE, LONDON, W.1 GRO 4111 (30 lines)
East Africa: MERCANTILE HOUSE, SADLER STREET
P.O. BOX 5669, NAIROBI Tel: NAIROBI 25547 (5 lines)
A World-Wide Banking and Finance Organisation

GUIDE TO COMPANY MANAGEMENT

By Messrs. JOHN & ROW

An indispensable Guide to all persons concerned with Company Management, including Managing Agents, Directors, Secretaries, Auditors.

Price: Rs. 5/-

EXPRESS PUBLISHERS (PRIVATE) LTD.
33, BROADWAY, MADRAS-1

THE BRITISH INDIA GENERAL INSURANCE COMPANY, LIMITED

(INCORPORATED IN INDIA)

TRANSACTS
FIRE — MARINE — MOTOR

HEAD OFFICE
MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairman: JAL H. MEHTA

General Manager: M. S. DASTUR

AMERICAN LETTER

NEW TRADE AREAS IN WESTERN EUROPE WORRY U.S.

BUDGET SURPLUS LIKELY—PLEA FOR TAX RELIEF

From Our Special Correspondent

New York, 10th December

AS the year 1959 comes to a close, there is much soul-searching. The trade deficit of the United States is one area of concern. As outlined in previous despatches, there are many reasons for it. U.S. foreign aid, since the end of the war, has helped in industrialising other nations which can now successfully compete in America and in the world markets because of brand new equipment and lower labour costs.

The U.S. has not been in this position since Colonial times. There are two new trade groups, comprising 13 countries, which are unlikely to make it easier for America to regain its former foreign trade position easily. One is the Common Market group, including France, West Germany, Italy, Holland, Belgium and Luxembourg. The other is the new free-trade group of Britain, Sweden, Norway, Denmark, Austria, Portugal as well as Switzerland. They have general trade-tariff agreements among themselves.

Tariff Talks

These 13 nations of Europe are participants, with more than 20 other countries, in the General Agreement on Tariffs and Trade (G.A.T.T.). Tariffs concessions are against G.A.T.T. rules and participating nations have not yet voiced their consent to the procedure, although it must be taken for granted that a majority will be on hand for this at the next Geneva conference. At that time, there may be expected strong bargaining by the U.S. It will be a tariff bargaining to hold markets rather than to gain new ones.

Nations of the European trade groups account together for some 20 to 25 per cent. of U.S. exports, or about \$4,000 to \$5,000 million a year. Although there has been some improvement in U.S. exports in recent months, there has been a long term major decline. As could be expected, this has resulted in a drop of U.S. gold stocks. Early in December, they stood at \$19,568 million, as compared with \$20,609 million twelve months previously. At this point, this is not alarming, because they are still the largest gold stocks of any nation in the world, but the trend has to be recognised.

There are two related factors in this picture. Foreign investments by American manufacturers have been expanding rapidly because of lower production costs overseas than in the U.S. and there has been also a considerable increase in tourism. Owing to the U.S. prosperity, travelling has become a national pastime.

It is particularly interesting to note that people in small towns, say in the Middle West, who, owing to their very location, lead humdrum and unsophisticated lives, are in the top echelon of those who travel overseas consistently. The airplane has a lot to do with this development, of course.

Previously, there was no point in contemplating a two-weeks holiday either in Europe or in the Far East because it took too long to get there. Today, one can fly across the oceans in a matter of half a day, money permitting, and see and enjoy other countries.

Hard Bargaining Ahead

Under the three-year extension of the Reciprocal Trade Agreements Act of 1958, Congress granted the Administration the authority to reduce tariffs up to 20 per cent. in the new G.A.T.T. bargaining. At this writing, this authority appears to this writer adequate to match the provisional reductions of the European trade groups.

Its real adequacy, however, can only be determined when the list of commodities on which the U.S. will negotiate is determined. There will be prolonged hearings before such a list is finalised. Among others, domestic producers will be heard and expectations are that hearings will begin next month.

Said the *New York Times*, the other day, "hearings and study will be required to determine just how much some tariff rates should be reduced. The outcome of these investigations may not permit full use of the authority to re-

duce tariffs 20 per cent. It may also restrict the list to less than the broad range of commodities on which the European groups have extended provisional 20 per cent. reductions."

"Combined with the adverse psychological position in which the U.S. will find itself in the Geneva bargaining, restriction of its bargaining," the paper added, "is likely to prove a handicap."

Surplus Budget?

While everything in this life is in flux, President Eisenhower, before he left on his trip visiting 11 nations, was advised that Federal revenues may jump \$4,000 million in the fiscal year, ending 30th June 1961, to \$83,000 million.

If this forecast by Government sources holds up in a final review later this month, the President is expected to send Congress a Budget in January calling for spending of about \$81,000 million which would produce a surplus of \$2,000 million. This would be the largest surplus Mr. Eisenhower's Administration would roll up in his two terms at the White House. Up to this point, the Administration has produced four Budget deficits and two surpluses.

There are constant drives for a cut in taxes. The latest one came from the Chamber of Commerce of the U.S. Along with the National Association of Manufacturers, the Chamber backs a Bill in Congress which aims at an immediate income-tax reduction at a graduated scale over a period of years. The Bill would also reduce estate and gift taxes and place depreciation rates on a realistic basis.

In its Washington Newsletter, the Chamber suggests that the tax cut be offset by a temporary sales tax applied across the board at a "low uniform rate" so that the U.S. Treasury may not lose any revenue. The letter added that the tax cut "would actually increase the amount of Government revenue in a short time, distribute the tax burden more equitably, promote the stability of the dollar, provide both the means and incentive for business to expand going enterprises and create more jobs for our growing population."

The trend of reasoning here is quite interesting, since it follows the assumption that incentives are needed. Other countries have reduced taxes and their Governments have found it quite profitable in the long run. My prediction is that, when Congress returns next month, the tax committees of both the House of Representatives and the Senate will not dare to introduce legislation which, according to the slide rule, would produce less revenue than before. Tax incentives in the future will have to be reckoned with, though, because continually rising taxes have proven that they are not the answer.—All Rights Reserved.

MODERN COWBOYS USE A TRUCK

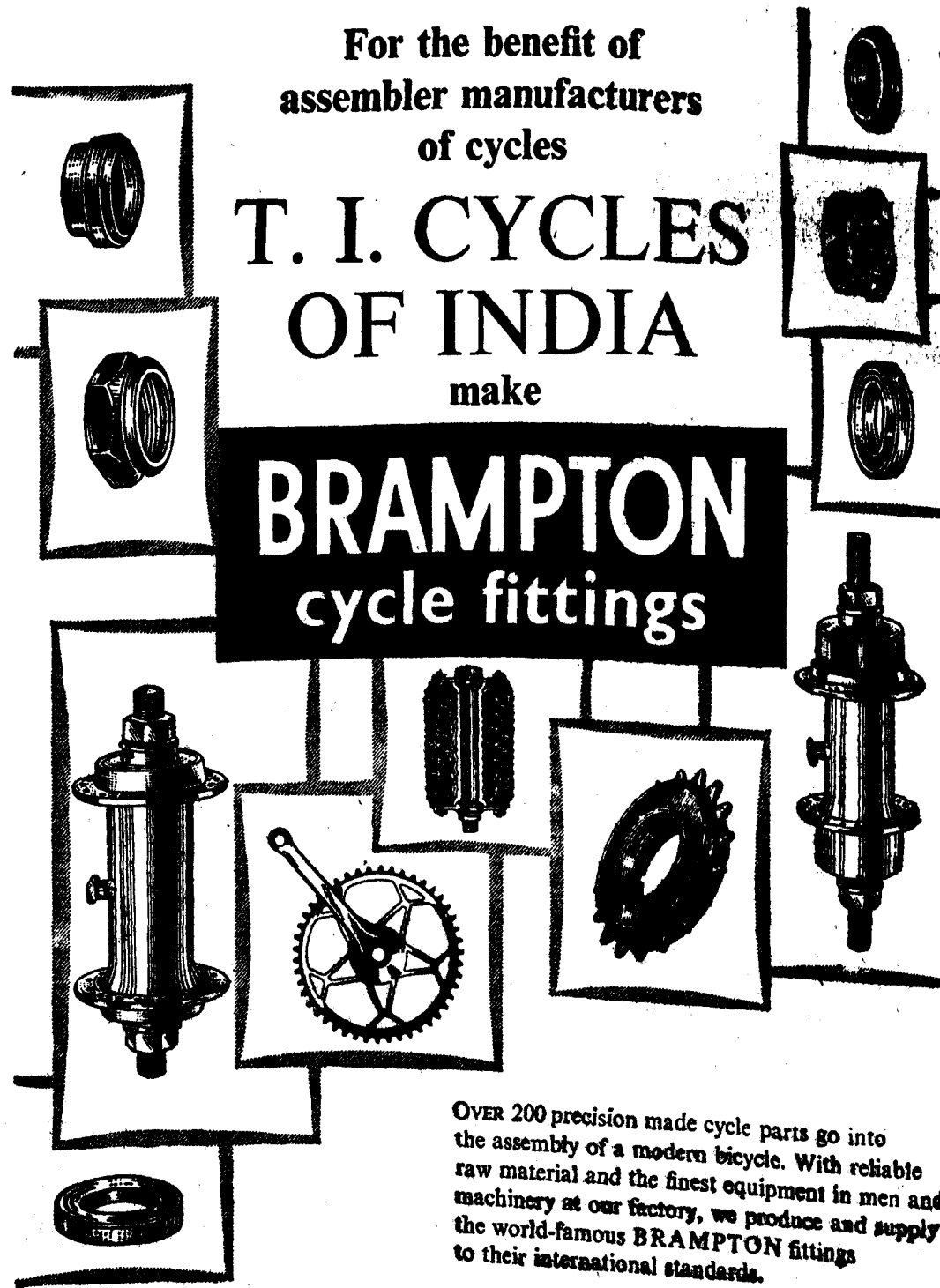
Cowboys in Guanacaste, the cattle territory of Costa Rica, have quickly adapted themselves to exchanging their saddles for seats on the roof of the truck's cab. The change in the cowboy's traditional method of operation is reported by Leyland Motors' agents in Costa Rica, Almacén Electra Super Comet truck there on this type of work. The Super Comet is equipped with a special cattle-cowboy can watch the cattle and provide them with water when necessary from a tank mounted at the side of his seat.

The 16 ft. 11 in. wheelbase truck's first test was to carry 18 head of cattle from Liberia to San José, 150 miles away. More than half of this journey was at sea level over the Pan-American Highway. High speeds were maintained on this stretch of road, but the average speed for the overall journey was reduced by the mountainous territory which the Super Comet had to negotiate. Further axle ratios.

For the benefit of
assembler manufacturers
of cycles

T. I. CYCLES
OF INDIA
make

BRAMPTON
cycle fittings



OVER 200 precision made cycle parts go into the assembly of a modern bicycle. With reliable raw material and the finest equipment in men and machinery at our factory, we produce and supply the world-famous BRAMPTON fittings to their international standards.

T. I. CYCLES OF INDIA, Madras

ORIENT EXPRESS TRAVEL SERVICE

Through its 3 offices in India and 350 correspondents in all principal cities throughout the world, Orient Express Travel Service places at the disposal of its clients a complete Travel Service. Air, Rail and Steamer tickets issued at tariff rates. Hotel reservations made anywhere. Advice and assistance given in securing Passports, Visas, Health Certificates and Travellers Cheques.

THE ORIENT EXPRESS CO.
PRIVATE LTD.

HEAD OFFICE:
70, JALPAITH, NEW DELHI-1.

CALCUTTA OFFICE:
NORTON BUILDINGS,
1 & 2, OLD COURT HOUSE
CORNER.

BOMBAY OFFICE:
PETIT BUILDING
359, D. NAOROJI ROAD.

S. S. Poddar,
Managing Director

FOR
INTERNATIONAL
AND
DOMESTIC
BANKING SERVICE

★
CONSULT

THE
BANK OF TOKYO
LIMITED

(Incorporated in Japan under the special law)

30 Overseas branches and representative offices
and

1 Affiliate Bank 1 Trust Company
All information concerning foreign trade
available

All the latest information in respect of the Japanese pattern of industry and business and the names of all the principal industrial manufacturers and manufactured commodities available for your ready reference.

★
K. Hashimoto
Manager
Bombay Office

Bombay Office:

"Jeevan Prakash", Sir Phirozshah Mehta Road
P.O. Box 1762, Bombay-1 Tel: 253857/58 & 253848
Office at Calcutta Representative at Delhi

THE TRAVANCORE BANK LIMITED
(Shortly to be taken over by the State Bank of India and
constituted as its subsidiary under the style
"STATE BANK OF TRAVANCORE")

At a very small cost, the Travancore Bank Limited undertakes:

- (a) buying, selling and transfer of securities and shares,
- (b) prompt and efficient collection of interest and dividends, and provides
- (c) safe custody for your Government securities, shares and debentures scrips.

SAFE DEPOSIT LOCKERS
In different sizes are available at our
TRIVANDRUM BRANCH
Phone: 3383

Our Bank is the only institution offering this valuable facility in Trivandrum.
For further particulars, please contact the nearest Branch of our Bank.

THE TRAVANCORE BANK LTD.

Only YOU
can cash your

Bank of Baroda

Travellers
Cheques



Even if you lose your Bank of Baroda Travellers Cheques, your money is safe because only you can cash your cheques! That's why Bank of Baroda Travellers Cheques are the safest, most handy way of carrying money when travelling. When you make your next trip, buy Bank of Baroda Travellers Cheques...from any of our many offices throughout the country. For complete information, write in for our FREE booklet

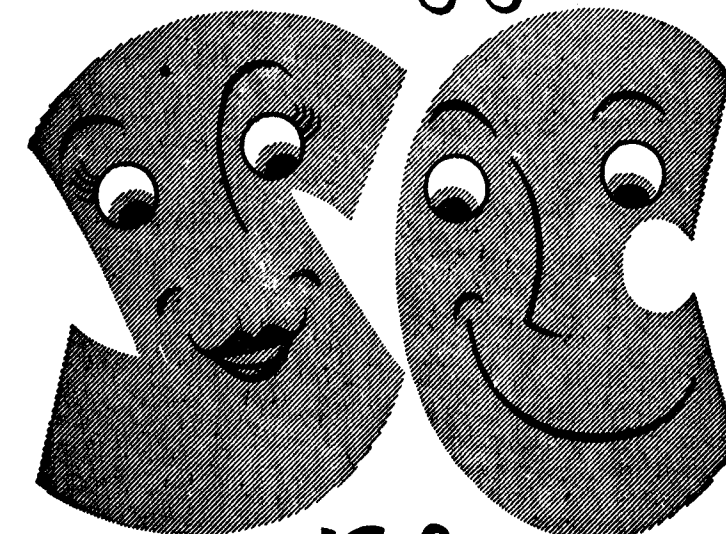
Don't carry cash—carry
BANK OF BARODA
Travellers Cheques!

THE BANK OF BARODA LIMITED
Estd: 1908

Head Office: Baroda

BBT 7569

Deliciously yours!



SATHE'S CHOCOLATES



Sathe Biscuit & Chocolate Co. Ltd., Poona-2.

Heros 102

AVOIDANCE OF DOUBLE TAXATION

SALIENT FEATURES OF RECENT FISCAL AGREEMENTS ANALYSED

By Vinod Sood and Rahul Bajaj

ECONOMIC development of any country, especially that of an underdeveloped country like India, is greatly dependent on the tax policy of the country. A heavy burden of tax tends to curb private initiative and enterprise. Furthermore, tax considerations often determine the flow of foreign investment, how much, and for what purpose. This note concerns itself mainly with double taxation of corporate earnings. It presents a clear picture as to the status of foreign nationals doing business in India as it is quite rare that an Indian company goes and collaborates with a foreign company in a foreign country. In this respect, the note is slightly one-sided.

The problem of international double (or multiple) taxation may arise whenever an enterprise extends its operations across national boundaries; then its income is likely to become taxable both in the country in which it arises (that is, the country of the source of the income) and in the home country of the enterprise. The recipient is liable to be taxed in the former country on the ground that income derived from source located in a country should be taxed in that country. At the same time, the recipient is also liable to be assessed in the latter country on the ground that the residents of a country should be assessed therein on the whole of their total world income. Thus, the same income is liable to be taxed in two countries and in these days of universal high taxation such a double impost may result in so high a burden as to discourage active participation of the residents of any country in business ventures in other countries. Such a situation will be particularly unfortunate for a country like India which wishes to attract foreign capital for the purposes of accelerating her industrial development.

Tax Treaties

Bilateral tax treaties have come increasingly into use, especially since the end of World War II, to eliminate or at least reduce multiplication of tax burden. These treaties operate either by assigning mutually exclusive tax jurisdiction to one or other contracting country over specified categories of income (for example, business profits, earned income, salaries) or by reducing the tax ordinarily due in one or both countries on the doubly taxed income. Tax treaties thus supplement and adjust the general tax rules prevailing under the domestic laws of contracting countries.

Last year, the Government of India began a series of negotiations with many Western countries for concluding double taxation avoidance agreements. In negotiating these agreements, India being an underdeveloped country, the Government kept two principles in the forefront. One was that the country in which the source of income arose should have the right to tax; and the other that the taxation incentives available under the Indian Income-tax Act should not be frustrated. The delay in reaching final agreements with certain countries is due to the opposition by certain sections in these countries to the acceptance of the above principles.

Double taxation avoidance agreements were signed with Aden, Pakistan (in 1947) and Ceylon (in 1957). The latest agreement to come in force is the one with Sweden. With no other country such an agreement has yet been finalised. Negotiations, however, are going on with France, Switzerland, the U.K. and the Netherlands amongst other countries, and it is expected that, in the near future, some more agreements will be concluded.

The agreements with the U.S., Japan and W. Germany have been signed by the representatives of the respective countries but are yet to be ratified by the respective legislatures.

Arrangements for double taxation relief (as distinguished from avoidance) have been in force for some years with the Governments of Kenya, Tanganyika, Uganda, Zanzibar, etc. Section 49A of the Indian Income-tax Act empowers the executive to conclude an agreement with another country either for the grant of reciprocal relief in case the same income is taxed both in India and that other country or for avoiding the taxing of the same income in

both countries. Furthermore, under Section 49D, relief is provided to the resident whose income arising in another country is charged to tax in that country and there is no convention whereby the double taxation is relieved. The relief is to be afforded by deducting from the Indian income-tax payable, the tax on the doubly taxed income either at the Indian rate or at the foreign rate, whichever is the lower.

Agreement with Sweden

Tax shall not be levied in India on the industrial or commercial profits of an enterprise of Sweden unless the profits are derived in India through a permanent establishment of the said enterprise situated in India. If profits are so derived, tax may be levied in India on the profits attributable to the said permanent establishment. Royalties derived by a resident of Sweden from sources in India may be taxed only in India. Dividends paid by a company which is a resident of India to a resident of Sweden may be taxed only in India. Interest on bonds, securities, notes, debentures or any other form of indebtedness, derived by a resident of Sweden from sources in India may be taxed only in India. Income from immovable property may be taxed only in the territory in which the property is situated. Capital gains derived from the sale, exchange or transfer of a capital asset, whether movable or immovable, may be taxed only in the territory in which the capital asset is situated at the time of such sale, exchange or transfer.

Profits or remuneration for professional services or for services as an employee (including services as a director) performed in India by an individual who is a resident of Sweden may be taxed only in India. An individual who is a resident of Sweden shall not be taxed in India on such profits or remuneration if: (a) he is temporarily present in India for a period or periods not exceeding in the aggregate 183 days during the relevant previous year, (b) the services are performed for or on behalf of a resident of Sweden, (c) the profits or remuneration are subject to Swedish tax and (d) the profits or remuneration are not deducted in computing the profits of an enterprise chargeable to Indian tax.

The rate of Swedish tax to be imposed on residents of Sweden may be calculated as though the income which under this agreement is not subject to Swedish tax was included in the amount of the total income.

West Germany

The agreement with West Germany has been signed at ministerial level but has yet to be ratified by the respective legislatures. The text of the agreement is, however, as follows:

1. (a) Subject to the provisions of paragraph (b) below, tax shall not be levied in India on the industrial or commercial profits of an enterprise of West Germany unless profits are derived in India

through a permanent establishment of the said enterprise situated in India. If profits are so derived tax may be levied in India on the profits attributable to the said permanent establishment.

(b) For the purposes of this agreement the terms "industrial or commercial profits" shall not include income in the form of rents, royalties, interest, dividends, management charges, remuneration for labour or personal services.

2. Dividends paid by a company which is a resident of India to a resident of West Germany may be taxed in both countries if the German company owns less than 25 per cent. of the voting shares of the Indian company. The German company will, however, be allowed a credit against the Federal Republic tax payable on an amount of thereon but in any case at least 50 per cent. of the Federal Republic tax. If, on the other hand, the German company owns more than 25 per cent. of the voting shares of the Indian company, there shall be excluded from the income upon which the Federal Republic tax is imposed, the dividend received by the German company. The Federal Republic, however, retains the right to take into account the dividend so excluded, for the determination of its rate of tax.

3. Interest on bonds, securities, notes, debentures or any other form of indebtedness, derived by a resident of one of the territories from sources in other territory may be taxed in both territories. However, a credit would be allowed against the Federal Republic tax payable to the extent of the Indian tax levied thereon, but in any case at least 50 per cent. of the Federal Republic tax.

4. Income from immovable property may be taxed in the territory in which the property is situated.

5. Capital gains arising from the sale, exchange, or transfer of a capital asset, whether movable or immovable, may be taxed in the territory in which the capital asset is situated at the time of such sale, exchange or transfer. For this purpose, the situs of the shares of a company shall be deemed to be in the territory where the company is incorporated.

6. (a) Profits or remuneration from professional services (including services as a director) or from services as an employee derived by an individual who is a resident of West Germany may be taxed in India only if such services are rendered in India.

(b) An individual who is a resident of the Federal Republic shall not be taxed in India on the profits or remuneration referred to in paragraph (a), if:

(i) he is temporarily present in India for a period or periods not exceeding in the aggregate 183 days during a relevant "previous year"; (ii) the services are rendered for or on behalf of a resident of the Federal Republic; (iii) the profits tax, and (iv) the profits or remuneration are not deducted in computing the profits of an enterprise chargeable to Indian tax.

7. (a) The laws in force in either of the territories will continue to govern the assessment and taxation of income in the respective territories except where express provision to the contrary is made in this agreement.

(b) There shall be excluded from the income upon which Federal Republic tax is imposed, any item of income from source within India which, India. The Federal Republic, however, retains the right to take into account in the determination of its rate of tax the items of income so deducted.

United States

The agreement with the U.S.A. has been signed at ministerial level but has still to be passed by the respective legislatures. The present position, however, is as follows: Unless the U.S. investor has the prior approval of the Commissioner of Internal Revenue, and he alone or along with other investors owns 80 per cent. or more of the stock of the foreign subsidiary when they complete the investment, he will have to pay a U.S. tax on his paper profit.

Excellent
cutting
performance



HACKSAW BLADES

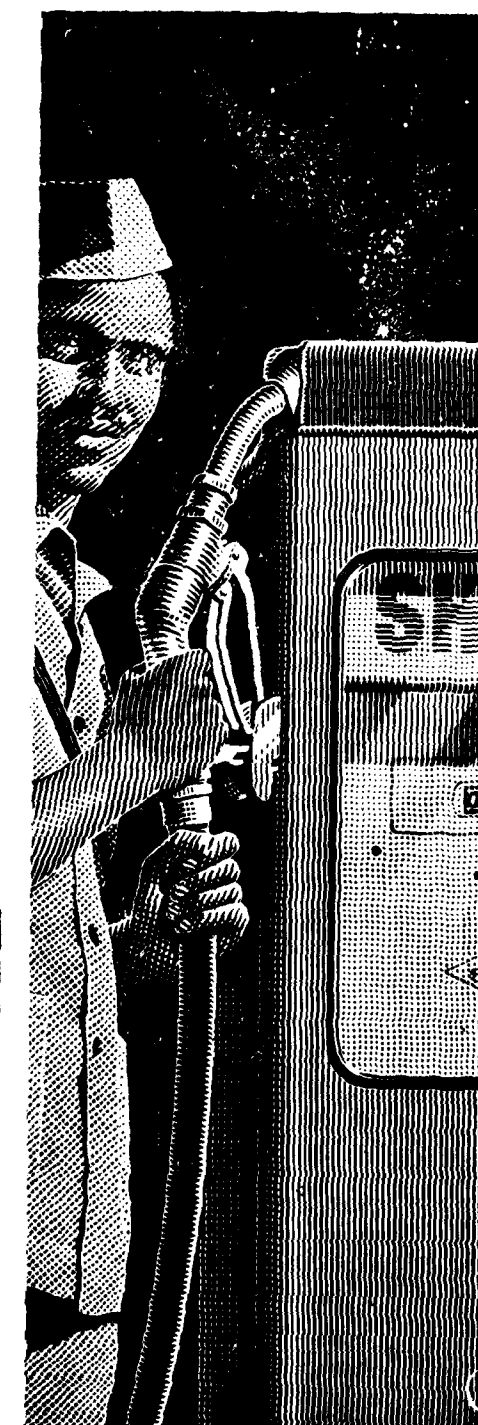
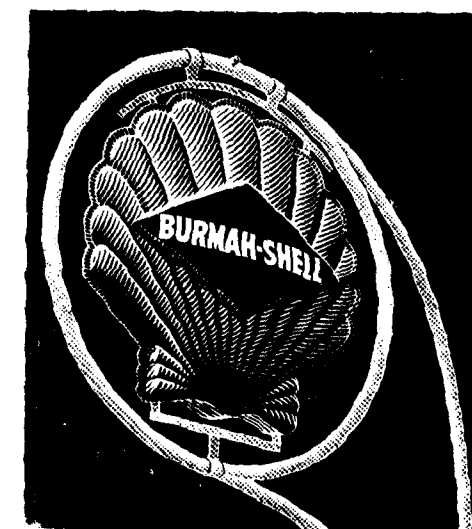
Manufactured from high quality steel. They can be used for cutting all types of steel, brass, copper, aluminium, plastics etc.

STEEL & ALLIED PRODUCTS LTD.
17, BRABOURNE ROAD, CALCUTTA-1



Sole Selling Agents:
VULCAN TRADING COMPANY, (PRIVATE) LTD.
CALCUTTA • BOMBAY • MADRAS • NEW DELHI

Courtesy
Speed
Efficiency



that's
Burmah-Shell Service!

COMMERCE

India's Premier Financial, Commercial and Industrial Journal

Rates of Subscription

	Inland	Outside India
Yearly	Rs. 65.00	Rs. 70.00
Half-Yearly	Rs. 35.00	Rs. 40.00

AIR MAIL RATES ON APPLICATION

COMMERCE (1935) LTD.
BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY
Telephone No. 253505

**Hastings
Belting**



BEST IN THE LONG RUN
BIRNBYE BROTHERS LIMITED
P. O. BOX 1A CALCUTTA

even though he has not received these profits in U.S. Capital losses on foreign investments can generally be deducted only against capital gains. Effective Indian tax rate on the locally incorporated subsidiary of a U.S. corporation is 61.5 per cent. of taxable income.

After foreign tax is taken from profits, the remaining profits are distributed as dividends. The dividend is subject to taxation at 52 per cent. on the U.S. parent corporation, but the foreign tax credit system as applied to foreign subsidiaries provides, in effect, that the rate of foreign tax is deducted from the rate of U.S. taxation, with only the remaining rate of U.S. tax being applied. It is noteworthy that this provides relief twice. First, the rate of foreign tax is deducted from U.S. rate and the difference, if any, is levied on these dividends. Obviously, no U.S. tax is payable if foreign tax rate is higher than the U.S. rate. Secondly, in case U.S. tax is levied, it is on the net amount of dividend received or the dividend after deduction of foreign tax and not gross dividend. This double relief often has the effect of making the combined incidence of foreign and U.S. tax less than 52 per cent. An example will illustrate this. Suppose the Indian rate is 50 per cent., the gross amount of dividends received in the U.S. is Rs. 20,000, net amount of dividends received in U.S. is Rs. 10,000 and the U.S. rate of tax 52 per cent. Now, in this case, in the U.S. 2 per cent. (difference between U.S. and Indian rate) will be on Rs. 10,000 (net dividend), that is, Rs. 200. Total tax paid in U.S. and India will be Rs. 200+Rs. 10,000 or Rs. 10,200. Total income on which above tax is paid is Rs. 20,000. Hence, the combined incidence is 51 per cent.

England

There is no agreement for the avoidance of double taxation between the U.K. and India. Negotiations started a long time back but it appears that there are certain fundamental differences between the viewpoints of the two countries. However, in view of the unilateral relief available in both the countries, a satisfactory position prevails to a great extent. One thing, nevertheless, must be borne in mind; whereas in India, the unilateral relief given under section 49D of the Income-tax Act (as stated above in this note) is clear and unambiguous, the U.K. Government is not so clear about its policy. A certain vagueness and ambiguity exists as regards the unilateral relief given by the British Government to its residents against the tax they have to pay on their overseas profits.

In essence, the system now prevalent is that a company managed and controlled in the U.K. but operating wholly overseas will not be liable to the U.K. tax on its trading profits unless or until these are remitted to the U.K. when remittances made out of trading profits will be charged to income-tax. The investment income of such a company, on the other hand, will remain liable to income-tax and profits tax in the normal way.

The above system, however, was only brought about by the Finance Act of April 1957. Previously, a company managed and controlled in the U.K. was subject to U.K. tax on its total profits wherever they arose and irrespective of whether any profits earned abroad were brought in the U.K. or retained overseas for reinvestment there. For a company to benefit by the provisions of the 1957 Finance Act, it must qualify as an overseas trade corporation. A company may rank as an O.T.C. for any tax year in which the whole of its trade or business is carried on outside the U.K., provided it can also satisfy certain detailed tests and requirements as to the nature of its business and the method by which that is conducted.

Income-tax

Investment income is liable to income-tax in the normal way. Trading income is exempt from income-tax unless remitted to the U.K. A remittance may be either a dividend, a grant or a loan. In charging remittances to tax, credit will be given for any overseas tax suffered. If the rate of overseas tax is higher than the standard rate of income-tax, the excess overseas tax may be carried over for set off against profits tax payable, if any, by the recipient of the dividend. Investment income is subject to profits tax in the normal way, that is at 30 per cent. Relief will be granted at 27 per cent. on the part which is not remitted. Trading income is exempt from profits tax.

Some European Countries

No agreement has been signed with Switzerland, Netherlands, France and Italy. Negotiations, however, are going on. Nothing definite can, therefore, be said. If a firm from one of the above countries wants to invest in India,

it does so at its own risk as far as relief for double taxation is concerned. It may or may not get relief; and the relief, if any, may be complete or partial. The concerned Government will consider each case on its merit. Some salient features, however, stand out. According to the Swiss Trade Commissioner's office, the fundamental reason as to why no agreement has been signed between the two countries is this. The Swiss Government wants to tax its residents on their total world income; the Indian Government wants to tax income in the country of its source of origin. At present, no unilateral relief is available to Swiss residents.

In France, corporate income tax is unrelated to the citizenship or residence of the corporate entity. The only fact that is of any consequence is where the corporation conducts the activities which result in the production of income, that is, whether in France or not. However, there is no assurance by the French Government whether relief will be given or not for the profit earned in India by French residents.

Netherlands

The Netherlands reduces its tax on certain categories of foreign income which have been taxed abroad, but the amount of this reduction is not dependent on the amount of the foreign tax. Reduction is equal to the amount of Netherlands tax which would be due on the foreign income if it were the recipient's only income.

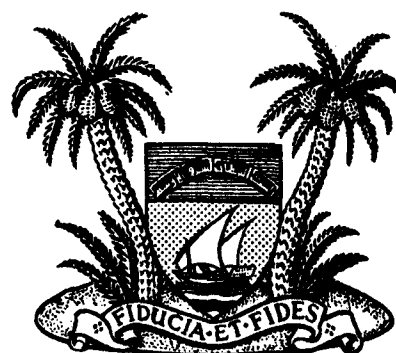
There are two types of taxes on companies in Italy—one is known as proportional schedular tax which is levied on inland income and the other is known as personal complementary tax which alone extends to foreign income. Italian firms, which operate abroad through established concerns having separate managements and separate balance-sheets, are not liable to pay income-tax in Italy on the profits earned abroad by the aforesaid established concerns, i.e., no personal complementary tax is payable. Where the abovementioned conditions do not exist, no fiscal relief is granted to Italian firms that operate in those foreign countries with which

no agreements for the avoidance of double taxation is in force. Hence, even royalties originating from such countries are subject to usual taxation in Italy, i.e., both proportional schedular tax and personal complementary tax are payable. If taxes are paid abroad, the amount of tax so paid is allowed to be deducted for purposes of assessment of the taxable income.

Recently, an agreement between the Japanese and Indian Governments for granting relief from double taxation has been signed at ministerial level but the text of the same is not known, as the agreement has yet to be ratified by the respective Parliaments. At present, there is no provision whereby Japanese Government grants unilateral relief as granted by the Indian Government under Section 49D of the Indian Income tax Act. However, the Japanese Government does take notice of any foreign tax paid by any of its residents but there is no certainty to this effect.

How to Solve Your Income-tax Problem. By B. D. Nagpal. Published by Kitab Mahal, Publishers, Allahabad-3. Pages: 352. Price: Rs. 7.50.

The book under review has been written primarily from the point of view of an average assessee, who is mainly concerned with the amount of tax he has to pay on his income rather than with the intricate problems of income-tax law. The author deals with such aspects of the subject as income that is liable to tax, the treatment accorded by the law to income from property, dividends, etc., and of Hindu undivided families. Super-tax, capital gains tax, wealth tax and expenditure tax have also been dealt with. A feature of the book is the large number of illustrative examples which have been worked out in an easily understandable manner. Since the book is meant for the layman, no elaborate discussion of the income-tax law is to be found in it. Nevertheless, the book will be found useful by the average assessee who continues to contribute an increasingly larger share of the tax revenue of the Central Government.



A tale of Twenty-two Cities

From Tunis to Bombay, from Aden to Iraq are the Cities, twenty-two of them—in fifteen states. They all have this in common: every one is in an area where a dramatic transformation is taking place, a transformation from a traditional past to modern statehood. Every one, too, contains a branch of The British Bank of the Middle East, a Bank dating back to

1889 and closely associated with the rapid development taking place today.

India, Aden, Dubai and Sharjah and Abu Dhabi, Oman and Muscat, Qatar, Bahrain, Kuwait, Saudi Arabia, Jordan, Iraq, The United Arab Republic (Syrian Region), Lebanon, Libya, and Tunisia: these are territories where The British Bank of the Middle East operates. It has

intimate knowledge and experience of their political, economic and financial affairs. If you are interested in new markets and the limitless possibilities of development in this vast area, The British Bank of the Middle East can give you the reliable help and advice you need.

THE BRITISH BANK OF THE MIDDLE EAST

Incorporated in England by Royal Charter 1889 with Limited Liability.
HEAD OFFICE: 7 King William Street, London E.C. 4.
BOMBAY OFFICE: 314 Dr. Dadabhai Navroji Road, Fort, Bombay.
Tel. Add: BACTRIA. Telephone: 23-2267
Capital and published reserves £4,375,000.

ASSOCIATED WITH:

THE BANK OF IRAN AND THE MIDDLE EAST
Capital Rials 200,000,000
HEAD OFFICE: TEHRAN, IRAN (PERSIA). (P.O. BOX 1080)

For
thousands
of young men
a new life



begins at Durgapur

Training completed, this young apprentice in Durgapur is on his first practical survey job in the field. When he becomes an experienced hand, efficient at his work, he will command a good salary and will have a future ahead, bright with promise.

In Durgapur today, ISCON, who are entrusted with the construction of the giant one million ton steel plant, have already helped to train up a large group of young Indians in the technical field. This is part and parcel of the ISCON scheme of collaboration—to work side by side with Indian technicians and workers, to instruct them on the spot and in steel factories in England so that in the future India will have, not only her steel plants but also technicians to run them.

ISCON

INDIAN STEELWORKS CONSTRUCTION CO. LTD.

Davy and United Engineering Company Limited. Head Wrightson & Company Ltd. Simon-Carves Ltd. The Wellman Smith Owen Eng. Corp. Ltd. The Cementation Company Ltd. British Thomson-Houston Co. Ltd. The English Electric Co. Ltd. The General Electric Co. Limited. Metropolitan-Vickers Electrical Export Co. Ltd. Sir William Arrol & Company Ltd. Cleveland Bridge & Engineering Co. Ltd. Porman Long (Bridge & Engineering) Ltd. Joseph Parks & Son Ltd. Iscon Cable Group (Siemens Edison Swan Ltd. and Pirelli General Cable Works Ltd.)

BRITISH COMPANIES WORKING FOR INDIA

THE SOUTH INDIA INSURANCE COMPANY LTD.

THE South India Insurance Company, Ltd., was sponsored by the Textile Mills Owners of Coimbatore in December 1934. The Company has now completed 25 years of existence and celebrates the Silver Jubilee on 21st December 1959. It is customary on such occasions to look back and cast a cursory glance at what transpired in two and a half decades. From small beginnings the Company has now grown into a fairly large and established institution enjoying a good reputation for stability, efficiency and progress on sound financial lines. In 1941 the New India Assurance Company, Ltd., acquired a controlling interest in this Company and since then this fruitful affiliation to the leading Insurance Company of the country continues.

With a view to commence operations on a wider scale and to establish an independent and profitable business organisation, the Company's Head Office was shifted from Coimbatore to Bombay in January 1948. The paid-up capital of the Company was increased from Rs. 3,30,540 to Rs. 10,00,000. The Company has shown encouraging progress in the last 10 years. It has acquired a substantial volume of business in all the departments and the patronage and support of a large and valuable clientele throughout India. The total direct gross premium written by the Company in 1948 was Rs. 9,80,214 whereas it has now increased to over Rs. 40,00,000. The Company is fortunate in having a competent and influential Board of Directors comprising of prominent indus-

trialists and business men of repute. Their foresight and business acumen are reflected in the fact that the Board has devoted special attention to build up a strong financial foundation for the Company and to see that the expanding volume of business is backed by progressive strengthening of the capital and reserve position of the Company. At the end of 1958, the Company had Capital and Reserves aggregating Rs. 38,95,000 as against Rs. 12,93,000 at the end of 1947. The dividend record of the Company has been good. Last year a dividend of Rs. 2.20 per share of Rs. 20 was declared.

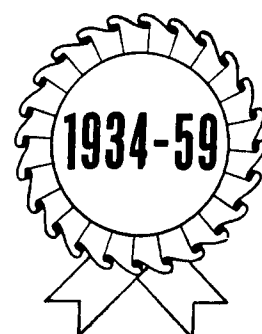
General insurance in this country today is beset with many problems. In spite of these it is gratifying to note that the "South India" has shown steady progress. Above all, it has endeavoured with success to offer excellent service to its clients and has earned a good name for efficient after-sale service to its policyholders. This has enabled the Company to attract a considerable volume of business all over India. In a highly competitive business like insurance, the Company's all-round progress is commendable.

With a fine record of solid achievement behind it, the Company faces the future with full confidence and it will be of greater service to the nation in the years that lie ahead.



We complete twenty-five years of Insurance Service to Indian Trade, Commerce and Industry as well as to the Insuring Public on 21st December, 1959. During this period, we have ceaselessly endeavoured to render the most efficient service, backed by financial stability and security.

On this happy occasion of our Silver Jubilee Celebration, we sincerely thank all our patrons, friends and well-wishers to whom we owe our very growth and progress.



**FIRE, MARINE AND
MISCELLANEOUS INSURANCE**

THE SOUTH INDIA INSURANCE CO. LTD.

Head Office:

Jehangir Building, 133, Mahatma Gandhi Road, BOMBAY-1

BRANCHES ALL OVER INDIA AND OVERSEAS

Make your
SAVINGS
grow through our
**RECURRING
DEPOSIT SCHEME**

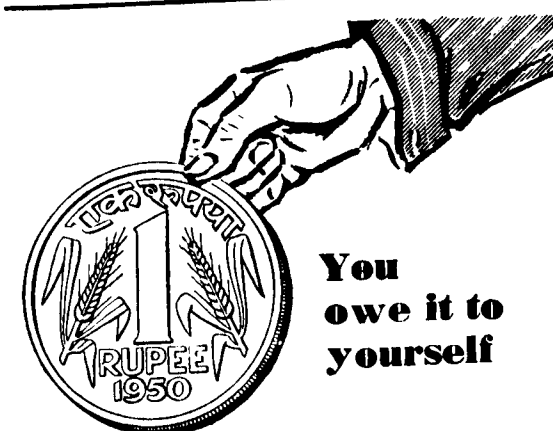
THE
**UNITED COMMERCIAL
BANK LTD.**

Head Office: CALCUTTA

SUBSCRIBED CAPITAL	Rs. 4,00,00,000
PAID-UP CAPITAL ...	Rs. 2,00,00,000
RESERVE FUND ...	Rs. 1,48,00,000

G. D. BIRLA
Chairman

S. T. SADASIVAN
General Manager



You
owe it to
yourself

Make it a habit to put
away that Extra Rupee—regularly—and soon
you will find a substantial amount at your
credit. You can then confidently plan your
future.

Working funds exceed Rs. 168 Crores.
Deposits exceed Rs. 135 Crores.

THE PUNJAB NATIONAL BANK LTD.

(ESTABLISHED 1895)
HEAD OFFICE: NEW DELHI

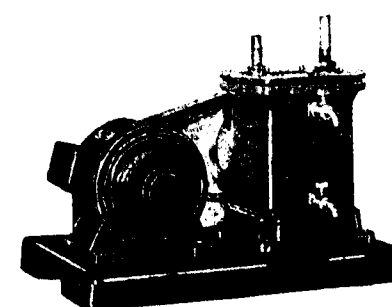


LABORATORY AND INDUSTRIAL VACUUM
EQUIPMENT AND MEASURING INSTRUMENTS

by

M/s. ARTHUR PFEIFFER, GERMANY

Manufacturers of High Vacuum Equipment like
Vacuum Pumps, Diffusion Pumps, Electric and
Mercury Vacuum Gauges, High Vacuum Evapor
Plants for Metal Coating, Etc.

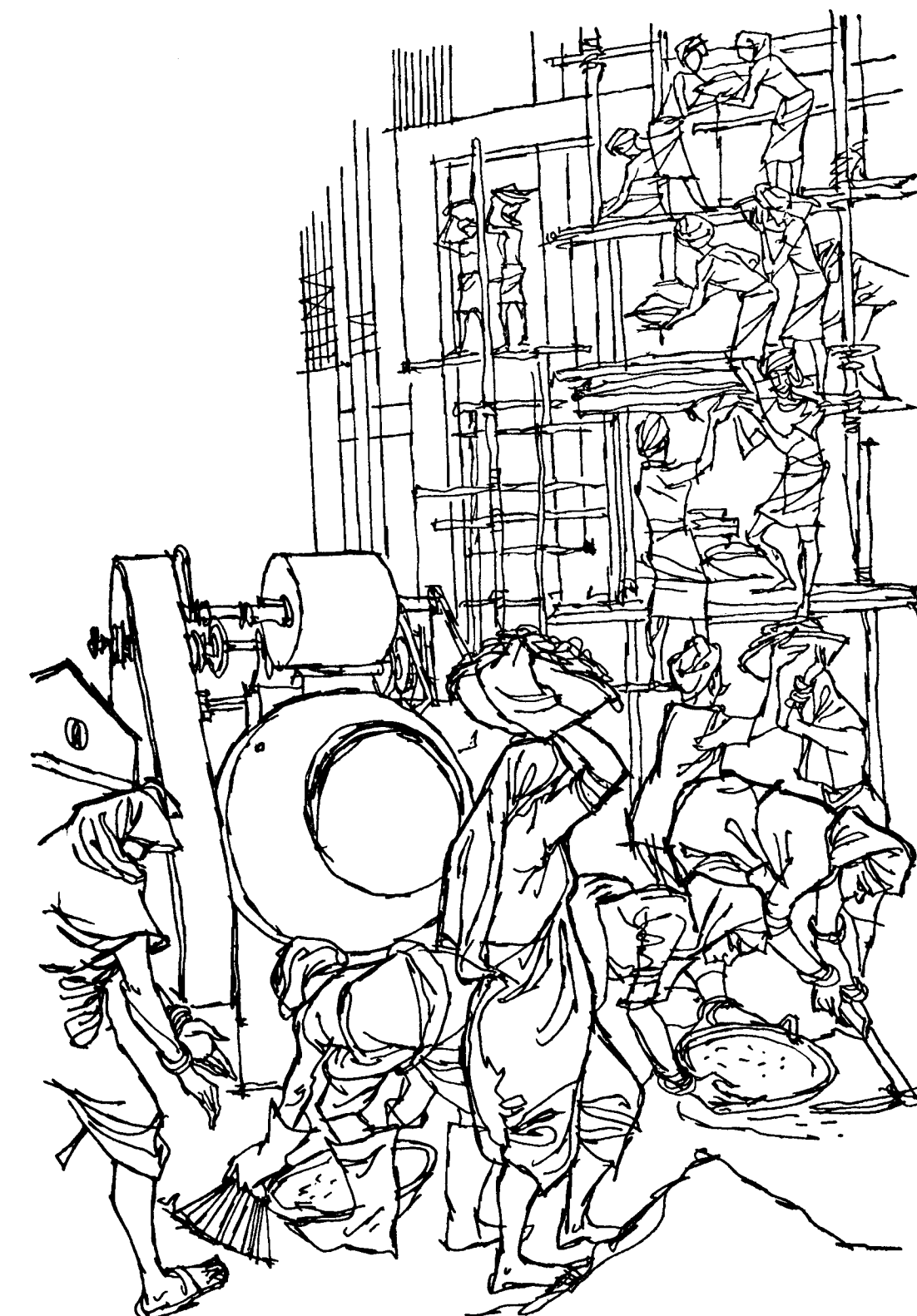


Sole Agents:

TOSHNIWAL BROTHERS (PVT.) LTD.
198, Jamshedji Tata Road, Bombay 1

Branches:

AMER CALCUTTA DELHI MADRAS



Vital to India's
planned development

ACC cement*

builds HOMES • FACTORIES •
HOSPITALS • SCHOOLS...

For your cement requirements contact any ACC stockist or
The Cement Marketing Company of India Private Limited,
Cement House, 121, Queen's Road, Bombay.

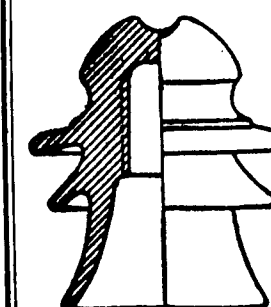
For free technical advice on any concrete construction
write to The Concrete Association of India, Cement House
121, Queen's Road, Bombay.

THE ASSOCIATED CEMENT COMPANIES LIMITED
The Cement Marketing Company of India Private Limited, Bombay 1

* Plenty available at controlled price!



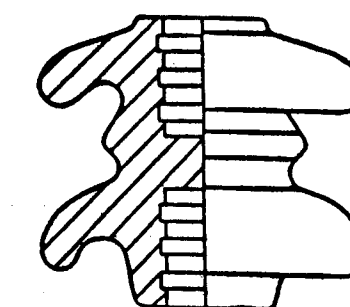
—an achievement of Free Enterprise



HIGH AND LOW TENSION INSU-
LATORS WITH FITTINGS AND
ALL ELECTRIC TRANSMISSION
LINE MATERIALS

**ORIENT TEXTILE
ENGINEERS LIMITED**

24, Netaji Subhas Road
CALCUTTA-1



LABOUR COST AND PRODUCTIVITY

VIEWS OF ASSOCIATED CHAMBERS OF COMMERCE

NO aspect of industrial production, or for that matter agricultural output, has received so much attention in recent times as productivity. In Parliament and the Press, debating forums and discussion groups, in fine, wherever economic development problems are discussed, productivity figures prominently. This is a good augury, for the essence of productivity improvement consists in creating a new psychology by allaying fears, overcoming hesitations and breaking with routine. In fact, the idea of productivity must become not a formula in industrial engineering, but a habit of the mind with workers, employers, Government and the consumers.

To countries like India, which are late comers to the industrial arena of the world, productivity has a special significance. In the words of Mr. G. L. Nanda, Union Minister for Labour, Planning and Employment, "productivity is a synonym for progress. For us, it means not merely progress but survival."

The employers' awareness of the importance of productivity is fully reflected in a resolution on labour costs and productivity unanimously adopted at the annual meeting of the Associated Chambers of Commerce held at Calcutta last week. The resolution reads:

"The Associated Chambers of Commerce are convinced that, at the present time, Indian industry's greatest need is increased productivity. The steady and widespread improvement in the wages and amenities of labour over the last ten years having failed to bring about a proportionate increase in output, the Chambers would urge that, in the interests of the country's economic progress, it should be accepted as a national objective that future wage increases can only be effected by linking such increases to increased productivity and that, with the same object, further efforts should be made to allay concerns to reduce losses of output through industrial disputes and labour indiscipline."

Give and Take

This resolution gives, in capsule form, the two most important aspects on which efforts should now be concentrated to increase production and productivity. They are: (1) productivity and the linking of wage increases to productivity, (2) minimising industrial disputes and indiscipline. Moving the resolution on behalf of the proposer, the Upper India Chamber of Commerce, Mr. J. K. Srivastava, made a convincing plea for an attitude of give and take between employers and workers. He said that productivity was a cumulative result of the operation of a large number of factors such as technological improvement, rate of operation, degree of efficiency, availability of raw materials and components, labour relations, skill and effort on the part of the workers as well as managerial ability. The management was not unmindful of the factors other than the effort of workers contributing to productivity. After emphasising that employers in general had not only fully realised their duty to workers but had given to the general body of workers more than what they and the country had received in return, he said that it was now for the worker to repay what had been given to him by way of increased wages, better amenities and the benefits of a mass of labour legislation, which, for the rapidity of its enactment and enforcement, was probably without precedent in any other part of the world. He added: "And the repayment can be made only by the workers agreeing to link up any further rise in wages with a corresponding increase in productivity, and further to implement in action as well as in words that portion of the recent Code of Discipline that relates to strikes without any justifiable cause and to indiscipline in general. There must, in short, be co-operation from the side of labour in return for all that has been done for it in the course of the last decade."

A Disturbing Feature

One of the most disturbing features of Indian economy, Mr. Srivastava rightly pointed out, was the high cost of production of most of the manufactures. The constant demands for higher wages and for what were known as fringe benefits, according to him, had loaded the cost structure with burdens which the industry could not bear if it were to be in a position to compete in international markets. High cost, and the consequent high price, met with consumer resistance in the internal markets also.

Referring to the Labour Minister's statement in Parliament, in April last, that neither the ratio of labour cost to total production nor that to the value added by manufacture had increased and that, therefore, the workers' share was not one of the factors that stood in the way of industrial progress, Mr. Srivastava said that

these conclusions were challenging ones which were contrary to the experience of all industrialists which was that productivity of the worker had not risen in proportion to the increase in income. He, however, could not give any figures in support of his contention, but felt that, if a comprehensive review of the cumulative effect of the legislation enacted in the last decade granting wage increases and fringe benefits were made, it would reveal that the rate of real earnings had outstripped the rate of increase in industrial production.

Productivity in Agriculture and Industry

Citing the sugar industry in the North as presenting an astonishing number of anomalies, Mr. Srivastava observed:

"In 1958, the controlled price of sugar was 95 p per seer. Out of this, 37 p or nearly 40 per cent., went to the grower, 33 p to the Government in taxation, and 7 p to the worker. This accounted for 81 per cent. of the cost of production and left only 18 p per seer with the manufacturer. In this case, the grower can also be treated as a worker, since India's largest industry is agriculture. Although the cultivator comes off very much the best in this combined industry, his productivity has certainly not increased, a fact which the Government are prepared to admit. The average production per factory worker in India is 11 tons per annum, as against no less than 144 tons in Australia. In the same way, the average production of the raw material per acre is about 400 maunds, which is far below that in any other cane producing country, and the quality is, on international standards, poor. I may add that it is anomalous that, while the Government admits that, in agriculture, as a whole, prices are high in relation to individual productivity per acre, which is for the most part the lowest in the world, it is unwilling to make the same admission in regard to the wages of industrial labour and its productivity."

Dealing with the second point embodied in the resolution, namely, strikes and general indiscipline, Mr. Srivastava stressed that strikes, legal or illegal, had considerable impact on the problem of productivity and production; the man-days lost could never be made good. Although a Code of Discipline had been adopted after considerable discussion, it was not observed by workers in their individual capacity or by their unions. He urged the Government to adopt a really realistic labour policy by which he meant "one less heavily overpainted with their nebulous and rather meaningless concept of social justice."

Litigation

Much concern has been expressed of late about the increase in labour litigation and, in particular, the frequent reference of industrial disputes to the Supreme Court. Mr. Srivastava made some pertinent observations regarding the causes of such litigation. To quote him:

"An objective study of this problem would show that the forces that have led to this state of affairs from the point of view of both employer and employee are the inconsistencies in decisions at the adjudication stage. It is to the interest of all that references to adjudication should be reduced to a minimum and should be sparingly used and reserved for important disputes. Establishment of proof for reference or non-reference and their practical application by executive action would greatly strengthen the process of negotiations, conciliation and agreement. However, the crux of the problem is the practical application of norms, standards and guiding principles which will ultimately depend on the calibre, sense of justice and fair play and independent outlook of the men in authority. Industrial Tribunals, indeed, have been so enamoured of this modern doctrine of social justice that, recently, two of them came to the curious decision that a strike that was otherwise illegal under the ordinary industrial law of the land became justifiable according to the dictates of what they considered to be socially just. It is satisfactory to note that the High Courts of the States concerned reversed, in due course, these astonishing decisions with some mildly eardonic reflections on their makers. Nevertheless, it is surprising that Industrial Tribunals, which are staffed with presumably reasonable men, should be able to arrive at decisions which are not merely palpably perverse, but which clearly stand in the way of an increase in productivity."

Trade Union Law

Trade union laws have a direct impact on industrial relations. According to Mr. Srivastava, defective laws have, to a significant extent, encouraged indiscipline and unhealthy unionism. The provisions of the Industrial Disputes Act in particular which allowed seven or more persons to apply for registration of unions, according to him, were directly responsible for the mushroom growth of trade unions. He urged the Government to amend the Act, so that, instead of a number being fixed as the minimum, the criterion for membership for registration should be on a percentage basis, say, for example, 33-1/3 per cent. of the workers employed in a particular unit. As the Act is now being applied

to all sorts of enterprises, big and small, it will also be necessary to qualify this percentage by specifying a minimum in number, too, subject to the condition that the higher of the two should prevail.

Seconding the resolution on behalf of the Bengal Chamber of Commerce and Industry, Mr. H. M. L. Williams stated that, given sufficient raw materials, no one single factor did so much damage to the prosperity of an industry as a machine which was idle when it should be producing. He said that just as a grounded aircraft was of use only to the enemy, an idle machine was of benefit only to India's competitors. He suggested that, in the interest of higher production, the slogan should be "Keep the wheels turning."

State Governments' Attitude

Mr. H. C. Mahindra, who supported the resolution on behalf of the Punjab and Delhi Chamber of Commerce, observed that the most distressing feature which continued to contribute to loss of output was the attitude of State Governments—the approach they brought to bear on the administration and implementation of labour legislation. As an example, he cited the conciliation machinery provided under the Industrial Disputes Act which, according to him, more often than not served merely as a reporting organisation, resulting in discriminate reference of even frivolous points for adjudication. This tended to undermine efforts to stabilise conditions conducive to industrial peace. There was, therefore, an immediate need for not only expert study at Governmental level of cases, precedents and practices already established by law but also determination on the part of State Governments to establish industrial peace on the basis of mutual rapprochement and understanding between labour and employers.

The aforementioned points have been made time and again by the leaders of industry and responsible politicians and administrators. But they have yet to find practical reflection in the day-to-day conduct of industry. What is required is, therefore, more vigorous efforts to educate workers and the public on the importance of productivity and industrial peace. Employers have a crucial role to play in driving home workers the point that their own prosperity and security are essentially dependent on the prosperity of the industry or the firm in which they work. They should take workers into confidence, tell them the problems confronting the industry and seek their help to solve them. Factors which prevent their being given higher wages and better amenities should be explained to them intelligibly and balance-sheets and such other disclosable information should be placed at their disposal, so that they can have a better understanding of the position of the firms in which they work. It is the absence of this kind of exchange of information that enables interested parties to sow the seeds of suspicion and disaffection among workers against their employers. Studies of productivity trends on an industry basis should be organised by employers themselves. It is noteworthy that Mr. Srivastava, or for that matter other employers or their organisations, could not produce any data to contradict the Minister's statement regarding the relative rise in productivity and wages. Why should not employers and their organisations sponsor the necessary studies without depending on the Government or other official or non-official bodies?

Moreover, within the limitations imposed by their capacity to pay, employers should, as far as possible, take a strictly legalistic but a human attitude to workers' demands for wage increases and better amenities. For, as Mr. John Marsh, Director of the Industrial Welfare Society of Britain recently observed, "a successful employer (manager) is one who could look at the wholeness of a problem, take quick decisions and, on the whole, err on the side of humanity."

EFFICIENCY AND WELFARE

Measures for stepping up efficiency and welfare in industry were discussed at the fifth meeting of the Sub-Committee on Workers' Participation in Management and Discipline in Industry, held in New Delhi on the 8th inst. Initiating the discussion, Mr. G. L. Nanda, Union Minister for Labour, stressed the need for a change of attitude on the part of management as well as labour. In tackling problems such as efficiency, he said, it was not so much a question of drawing up a Code of right attitude that was required.

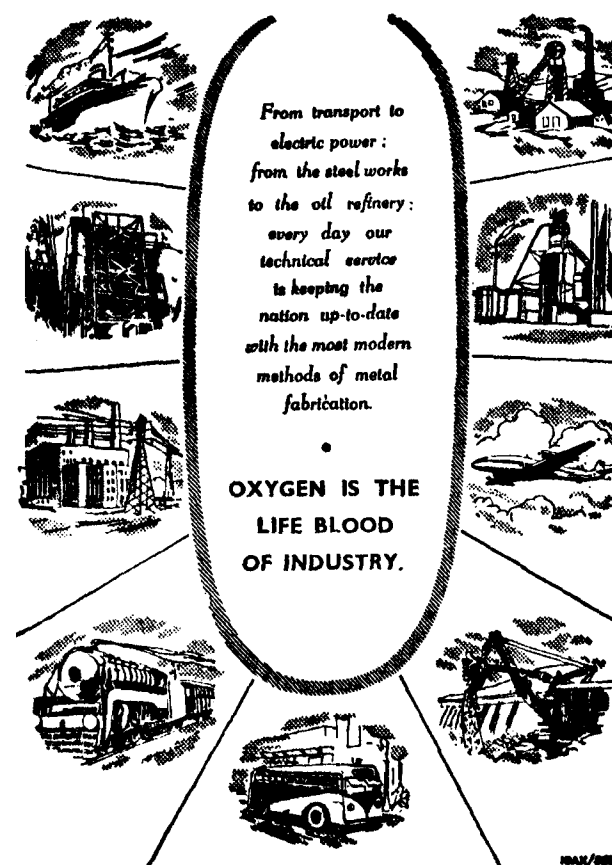
The Sub-Committee agreed to formulate broad guiding principles, which could be applied on pilot light of experience. It was also pointed out that discussions could be more fruitful if data on the operation of incentive schemes for promoting efficiency could be systematically collected and disseminated.

INDUSTRY EVERYWHERE

is served by

INDIAN OXYGEN

LIMITED



FORWARD MARKETS BULLETIN (Monthly)

Published by Forward Markets Commission Government of India, Bombay

REGULAR FEATURES

- A "General Review" presenting an assessment of trading conditions in the futures markets during the month
- Special articles on technical aspects of forward trading
- Extensive information relating to developments in futures markets
- Detailed commodity market review
- Comprehensive and up-to-date statistical supplement relating to crop estimates, production and consumption trends, price movements, trading against future contracts, etc.
- About 200 pages in print in crown & slip
- Attractive get-up

Annual subscription: In India .. Rs. 12.00 / In India .. Rs. 2.00 / Abroad .. Rs. 26.00 / Abroad .. Rs. 6.00

For further particulars please apply to:

The Secretary, Forward Markets Commission "Everest," 100, Marine Drive, Bombay-2

small packs

Distribute, market or export your products, liquids/solids, in lithographed or plain tin plate containers, in convenient, easy to handle sizes. All containers fully tested.

Manufactured to standard specifications on up to date automatic machinery, we can supply large quantities at competitive rates. Early Deliveries.

POYSHA INDUSTRIAL CO. PRIVATE LTD.

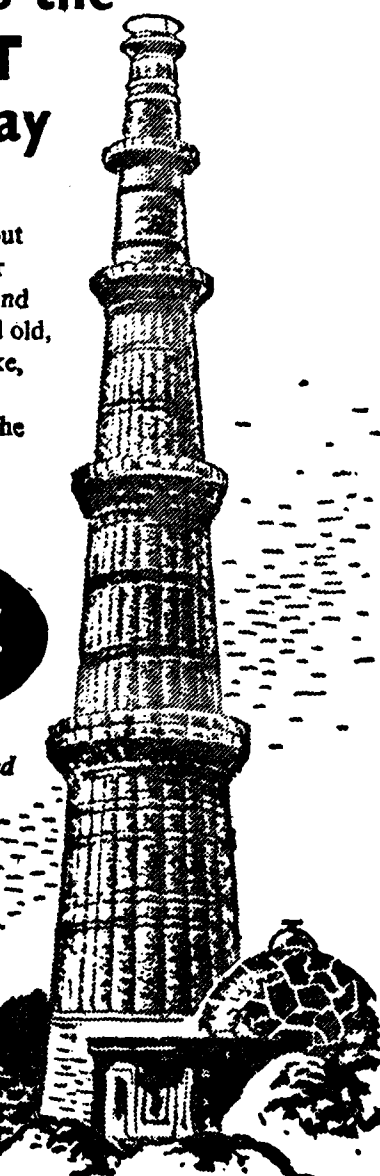
100, Marine Drive, Bombay-2

Commands the HIGHEST sales to-day

LOMA is not only a perfect hair darkener, but an excellent hair dresser too! That's why more and more people, young and old, men and women, all alike, go for Loma than any other hair-darkener in the length and breadth of India and abroad.



The universally acclaimed hair darkener.



Sole Agents:
M. M. KHAMBATWALA
Ahmedabad-1
Agents:
C. NAROTAM & CO.
Bombay-2



National and Grindlays Bank Ltd.

(Amalgamating National Bank of India Ltd., & Grindlays Bank Ltd.)
Registered in London under the Companies Act of 1962 on the 23rd March, 1966. The liability of members is limited.

Bankers to the Government in Aden, Kenya Colony, Zanzibar, Uganda and Somaliland Protectorate

Authorised Capital £4,562,400
Subscribed and Paid-Up Capital ... £3,421,875
Reserve Funds £3,000,000

Head Office: 26 BISHOPS-GATE, LONDON, E.C.2.

London Branches:
84 Parliament Street, S. W. 1: 13 St. James's Square, S. W. 1.

BRANCHES throughout India, Pakistan, Ceylon, Burma, Aden, Somaliland Protectorate, Zanzibar Island, Kenya, Uganda, Tanganyika Territory and Northern and Southern Rhodesia.

The Bank conducts all classes of Banking and Exchange Business throughout the world. Trusteeships and Executorships are undertaken.

The Bank undertakes the recovery of Income Tax and the preparation of Income Tax returns on behalf of constituents.

Bombay Branches:
90 Mahatma Gandhi Road
Mint Road (Corner of Mint Road and Sir P. M. Road)

PROTECTION TO BAKELITE EXTENDED PLASTIC BUTTONS, HOWEVER, DEPROTECTED

PLASTIC is a young and fast developing industry in India. One of the major segments of this industry, namely, the phenol formaldehyde moulding powder (bakelite), and also plastic buttons, have been making steady progress under the umbrella of protection given to them since 1950 and 1951, respectively. The Government has now decided to extend the period of protection granted to the p.f. moulding powder beyond this year till 31st December 1962, as recommended by the Tariff Commission. The protective duty will be maintained at 35 per cent. *ad valorem*. The button industry, however, will cease to receive protection beyond 1959, since it is considered to have come of age and is in a position to expand further without outside help. The Government has also decided to withdraw the existing concession of refund of duties on phenol, formaldehyde and hexamine to those manufacturers of p.f. moulding powder, whose production is not less than 200 tons per annum.

This has been done in response to the Tariff Commission's view that the continuance of duty concession, in the existing circumstances, is not justifiable. With the abolition of this duty, the protective duty required to equate the fair ex-works price of the indigenous p.f. moulding powder is no more than 1.93 per cent. *ad valorem*, as against 32 per cent. *ad valorem* estimated by the Commission at its previous enquiry in 1956. Many considerations, however, weighed with the Commission in suggesting a protective duty of 35 per cent. In the first place, the p.f. moulding powder continues to depend entirely on imports for its essential raw materials—a disadvantage, as compared with its foreign competitors who obtain raw materials at much cheaper prices. Secondly, the industry has plans to expand and diversify production. At present, the industry mainly manufactures G.P. grade moulding powder. But it proposes to undertake the manufacture of superior grades with foreign collaboration. The cost of production of superior grades will be higher in the initial stages. Thirdly, the industry has been asked to improve quality of its products in conformity with the standards specifications, which will involve investment in suitable laboratory equipment for testing raw materials and finished products.

Installed Capacity

The total installed capacity of p.f. moulding powder is estimated by the Development Wing to have gone up to 1,500 tons on single-shift basis, from 1,135 tons at the time of last enquiry in 1956. There are four units at present in this industry. They are the Industrial Plastics Corporation Ltd., Bombay, the Indian Plastics Ltd., Bombay, Rawji Amarsi, Satara (formerly Plastics Products of India Ltd.), and the Saurashtra Electrical and Metal Industries (Private) Ltd., Sihore, Saurashtra (formerly Bharat Electrical Manufacturing Company, Ltd.). The Industrial Plastics has been making steady progress. It installed a modern plant in 1958 for the manufacture of wood flour from sawdust. It has also commenced production of G.X. grade of p.f. moulding powder. This unit has entered into an agreement with M/s. N. V. Philips Gloeilampenfabrieken, Netherlands, for the manufacture of all grades of p.f. moulding powders by next year. The Indian Plastics has expanded its annual capacity from 128 tons to 300 tons on single shift basis. It is also seeking foreign collaboration for further development. The third unit, which had stopped production since 1954 as a result of financial difficulties, has been taken over by Rawji Amarsi. This unit resumed production in May 1958. The fourth unit had also been out of production for some time, but has recently started functioning under the new management.

The following table shows the production of each of the three units in operation during the last few years:

(In tons)				
	1956	1957	1958	1959 (Jan.-June)
The Industrial Plastics Corporation Ltd.	606.51	614.93	714.44	380.92
Indian Plastics Ltd.	377.90	560.40	601.05	330.48
Rawji Amarsi	...	...	35.69	92.50
Total	984.41	1,174.73	1,351.18	803.90

The domestic demand for p.f. moulding powder is estimated at about 1,800 tons in 1959

and is expected to increase by 20 per cent. per annum in the next three years. In 1958, the actual consumption of this material amounted to 1,585 tons (domestic production 1,346 tons and imports 239 tons), which compares favourably with 1,482 tons (1,181 tons and 301 tons) in 1957 and 1,285 tons (1,066 tons and 219 tons) in 1956. In view of the severe restrictions, imports have been relatively small. The import of p.f. moulding powder of G.P. grade is banned. In order to eliminate the possibility of importing this grade on licences issued to superior varieties, the Commission has asked the Government to issue necessary instructions to ensure that every consignment of p.f. moulding powder imported into the country is accompanied by a certificate of analysis from an independent and reputed Testing Laboratory in the exporting country, specifying the grade and quality of the contents.

Quality

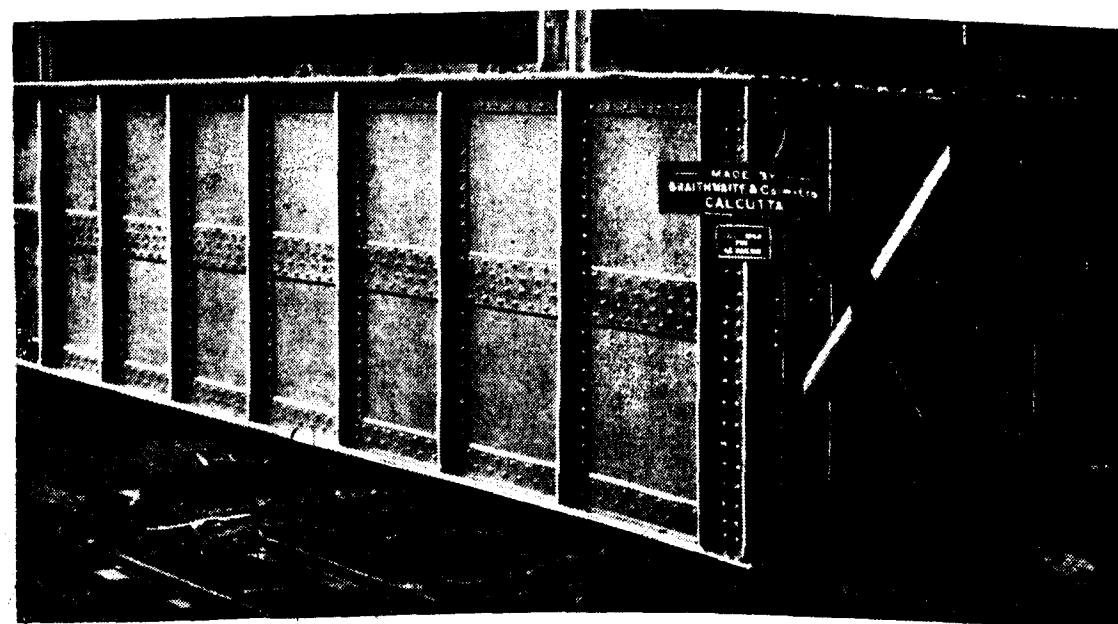
The quality of the indigenous p.f. moulding powder has been improving. The Development Wing has stated that there has been "slight improvement" in the quality of general purpose moulding powder. Some of the consumers, manufacturing general purpose and utility plasticware, have expressed the view that the "quality of the indigenous powder has improved, but is not yet upto the standard." There were, however, many complaints relating to "the lack of uniformity in quality, poor flow characteristics and poor finish of the moulded article." The Tariff Commission has called upon the industry to give adequate importance to ensure better quality of their products. It has also urged the manufacturers to equip themselves quickly with complete facilities for testing their moulding powder according to standard methods. The manufacturers have

been further asked to fix their selling prices in fair relation to their cost of production.

The principal raw materials used in the manufacture of p.f. moulding powder are phenol, formaldehyde, hexamine, wood flour and small quantities of sulphuric acid, stearic acid and lime. Phenol is produced in the country in small quantity by the process of coal tar distillation but is consumed by the manufacturing units. Consequently, the entire requirements of p.f. moulding powder industry are met from imports. The production of phenol from benzene on a commercial scale is expected to be undertaken in this country along with that of other intermediates for meeting the requirements of dyestuffs and other organic chemical industries. Formaldehyde is not produced at present in the country. However, two units are understood to have been licensed each for the manufacture of 6,000 tons of formaldehyde per annum. Hexamine is also imported at present. An annual capacity of 300 tons of hexamine per year has been licensed recently to an indigenous firm. The Tariff Commission considers it essential that these raw materials should be produced in the country and suggested that the Government should extend the necessary assistance for establishing the manufacture of these articles as early as possible. Wood flour is obtained from indigenous sources. One of the manufacturers has installed equipment for producing fine powder of the required mesh from sawdust. Wood flour is generally used as a filler; in addition, asbestos, mica and cotton flour are also used as fillers for the manufacture of special grades of moulding powder. It is claimed that the quality of wood flour made from imported timber is superior. The Commission has, therefore, recommended that manufacturers should obtain from the Forest Research Institute, Dehra Dun, proper advice on suitable Indian timber for this purpose.

To take the plastics button industry now. From a comparison of the landed cost without

(Continued on page 1063)



One of ten 100 ft. Plate Girder Spans fabricated
at our Works for the North Eastern Railway.



**BRAITHWAITE & CO
(INDIA) LIMITED**

HIDE ROAD, KIDDERPORE, CALCUTTA.

PSBT 79

THE BANK OF INDIA LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL—AUTHORISED, ISSUED AND
SUBSCRIBED Rs. 5,50,00,000
CAPITAL PAID-UP Rs. 3,00,00,000
RESERVE FUND Rs. 3,10,00,000

Head Office:
MAMATHA GANDHI ROAD, FORT, BOMBAY
BRANCHES IN INDIA:
AHMEDABAD Santa Cruz
Bhopal Sion
BHUJ (Kutch)
CALCUTTA
Manek Chowk
Maninagar
Navrangpura
Station Branch
AMRITSAR
BANGALORE
BARODA
BOMBAY
Andheri
Bandra
Bulfinch
Colaba
Exchange
Churchgate
Fort
Kalbadevi
Malabar Hill
MADRAS
JAMSHEDPUR
JUNAGADH
KANPUR
MADRAS
Armenian Street
Sowcarpet
NAGPUR
Kingsway
Itwari Bazar
NEW DELHI
PALANPUR
POONA
POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL
VISAKHAPATNAM

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

DIRECTORS
SIR COWASJEE JEHLANGIR, Baronet,
G.B.E., K.C.I.S., Chairman
Mr. A. D. SHROFF, Vice-Chairman
Mr. AMBALAL SARASWAI
Mr. RAHIMJI RAMNARAIN
Mr. BHAGYANAND C. MEHTA
Mr. KRISHNARAJ M. D. THACKERSEY
Mr. MADANMOHAN MANGALDAS
Mr. N. K. PETIGARA
Mr. JUGMOHAN PRASAD GOENKA
Mr. JAISINH VITHALDA
Mr. GIRDHARILAL MEHTA

Current Deposits Accounts—Except at certain places
interest is allowed on daily balances of Rs. 500 and above at
1 per cent. per annum. No credit will be given for interest
amounting to less than Rs. 5 per half-year.
Fixed, Short and Savings Bank Deposits received on
favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters
of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills
and Settlements and undertakes Banking business generally.
Every Description of Banking Business Undertaken.
T. R. LALWANI, General Manager.

THE SOUTH INDIA INSURANCE CO., LTD.

Incorporated in India
(Established 1934)

**FIRE, MARINE, ACCIDENT
AND MISCELLANEOUS
INSURANCE BUSINESS**

Head Office:

Jehangir Building

133, Mahatma Gandhi Road

Fort, BOMBAY

THE BANK OF JAIPUR LIMITED

Treasurers to the Rajasthan Government

Chairman

Shri G. D. SOMANI, M.P.

Authorised Capital - Rs. 2,00,00,000

Issued and Subscribed Capital - Rs. 1,00,00,000

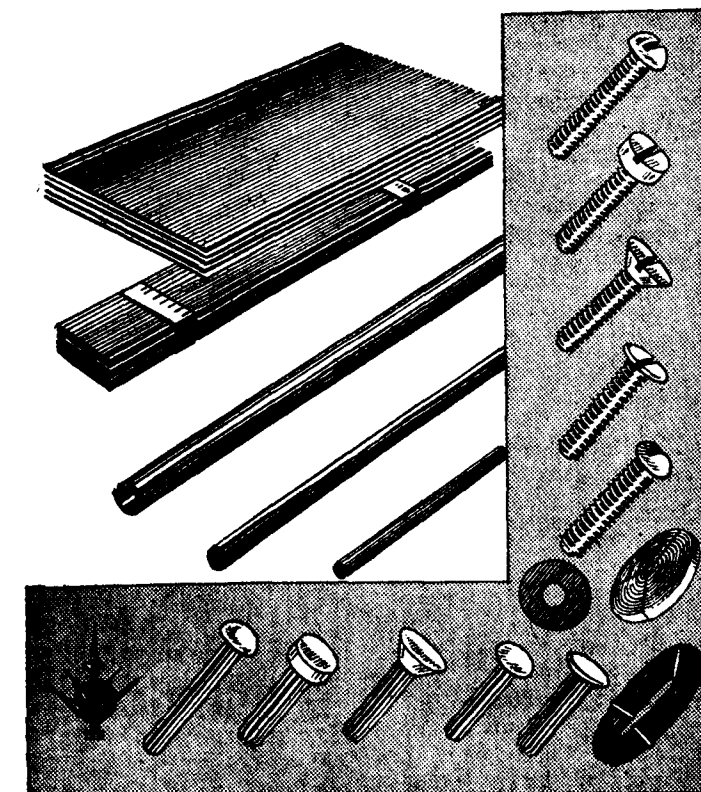
Paid-up Capital - Rs. 50,00,000

Reserve and other Funds - Rs. 25,00,000

Complete Banking Services inclusive of
Foreign Exchange

S. L. KOTHARI,
General Manager.

ALUMINIUM-BRASS-COPPER SHEETS • STRIPS • RODS • PIPES • SHEATHINGS RIVETS AND WASHERS



★
Brass Semi-tubular
(Automotive) Rivets

Brass and Mild Steel
Machine Screws, Copper
Strip and Lightning
Arrestors.

★

LALLUBHAI AMICHAND PRIVATE LTD.

48/50, KANSARA CHAWL, BOMBAY-2

Cables & 'Grams:
"CYCLEBRAND" Kalbadevi (Bombay)

Telephones:
73220, 41618



man's
faith

Faith that makes man aspire, strive ...
awakening him to tasks in the early-glow of dawn.
That melts rock, shapes granite; transforms
still waters to surging power.

A faith in the living future:
in a world that offers a little more—
a little less of the care, a little more of the joy.
Faith that gives meaning to life.

Today, as in the past, our products help to make homes
cleaner, healthier, happier. But today we are also working for...
Tomorrow, when the evergrowing urge for better living
will demand still greater efforts. And we shall be
ready with wider service, new ideas, new products...

Today and Tomorrow... Hindustan Lever serves the home

PR. 6-X52

IMPRESSIVE RESULTS OF TITAGHUR PAPER

SALES EXCEED RS. 9 CRORES—SHARP RISE IN PROFIT

IN consonance with the general trend of performance of paper mills, the Titaghur Paper Mills Company Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co., Private Ltd., Calcutta) also has done well during the year ended 31st March 1959. Thanks to the working of the mills to full capacity and as a result of additions to plant, the Company's production has recorded a rise over the year and sales have crossed the Rs. 9-crore mark to touch Rs. 9.42 crores, an increase of Rs. 1.32 crores over those in 1957-58. Though the increased production and sales have been followed by a rise in the cost of raw materials, stores, power and fuel, excise duty and other expenses, the gross profit has still improved by Rs. 33.58 lakhs or 28.9 per cent. to Rs. 149.77 lakhs, probably a record in the history of the Company. This is in refreshing contrast to the slight setback noted in the previous year, when the gross profit had shrunk from Rs. 121.13 lakhs to Rs. 116.19 lakhs.

The net profit, too, is higher, at Rs. 46.01 lakhs, as against Rs. 34.43 lakhs for the previous year, but the rise is less marked than that in gross profit, consequent on the larger provisions for taxation Rs. 62.56 lakhs (Rs. 48.05 lakhs), depreciation Rs. 29.06 lakhs (Rs. 24.62 lakhs) and managing agency commission at Rs. 12.14 lakhs (as against Rs. 9.08 lakhs). In fact, the net profit for the year under review falls short of that (Rs. 59.93 lakhs) earned in 1955-56. This is mainly accounted for by the substantial increase—nearly 100 per cent.—in the provisions for depreciation and taxation, as is borne out by the following comparative table:

	For the year ended 31st March			
	1959	1958	1957	1956
Sale proceeds	9,42.44	8,10.43	7,03.92	6,44.86
Other income	3.38	7.00	4.77	3.96
Closing stocks of finished paper and goods in process ..	11.78	12.76	18.50	25.08
Raw materials, stores, etc. consumed	3,09.48	2,94.62	2,18.83	1,90.68
Power and fuel	84.82	78.97	60.51	54.39
Excise duty	1,24.36	1,11.02	65.20	62.21
Other expenses	2,76.40	2,43.87	2,27.34	2,22.61
Gross profit	1,49.77	1,16.19	1,21.13	1,16.01
Managing Agency commission ..	12.14	9.08	9.51	8.02
Provision for—				
Depreciation	29.06	24.62	24.15	15.56
Taxation	62.56	48.05	46.00	32.50
Net profit	46.01	34.43	41.11	59.93
Provisions written back	0.66	9.77	38.84	..
Disbursements out of provisions written back	0.66	0.05	22.36	..
To reserves and other funds ..	16.12	16.21	29.25	33.75
Dividends—				
Preference and preferred	2.03	2.03	2.03	2.03
Ordinary	28.01	26.07	26.61	23.80
Carry forward	1.01	1.77	0.92	1.23

More than a third of the net profit has been ploughed back—Rs. 9.12 lakhs to the statutory development rebate reserve which had received Rs. 3.46 lakhs last year, and Rs. 7 lakhs, same as in the previous year, to the reserve for new mill project. In addition, a sum of Rs. 4.75 lakhs had been set aside a year ago for reserve for taxation contingencies, while no such addition has been made out of the profit for 1958-59. It may be noted here that, while a part of the additions to the reserves made last year had come from the pension fund (Rs. 9.72 lakhs), the entire amount ploughed back this year is out of the year's profit.

In consonance with the higher earnings, the distribution on ordinary shares is also to be raised to 25 per cent. from 23½ per cent. after maintaining it at the latter level for two years. This is being done by increasing the bonus part of it from 6½ per cent. to 7½ per cent., while the dividend as such is unchanged at 17½ per cent.

The Auditors' report contains a reservation on the interest paid to the Managing Agents on loans taken from them by the Company. The outstanding amount of the loan is Rs. 10 lakhs and the amount of interest paid during the year is Rs. 10,805. Adverting to this in their report, the Directors observe:

"Section 370 of the Companies Act 1956, permits the Managing Agents to make loans to any Company under their management. Clauses 60 and 62 of the Articles of Association of the Company empower your Company to take loans from the Managing Agents at the rate of interest to be agreed upon between them and the Board and it is also specifically mentioned that such interest shall not be deemed to be remuneration in respect of their services as Managing Agents.

"The Board considers that it is in the interest of the Company to borrow moneys from time to

time from the Managing Agents, if the Managing Agents are agreeable to loan such moneys at a rate of interest lower than the prevailing Bank rate. Further, counsel's opinion on the subject is also definite that a loan from the Managing Agents at interest does not come within the purview of any of the sections in Chapter III (inclusive of Section 360) of the Companies Act, 1956. The auditors are of the opinion, however, that the approval of shareholders, in terms of Section 360 of the Companies Act, 1956, is necessary to entitle the Managing Agents to receive interest on such loans. In order to remove any doubt in the matter, it is proposed to secure the concurrence of the shareholders on the subject."

The Directors are, accordingly, seeking the approval of the shareholders at the forthcoming annual meeting of the Company.

The Company has made a capital expenditure of Rs. 57.96 lakhs during the year under review, in pursuance of its scheme of renovation and expansion, bringing the total value of the block account to Rs. 726.92 lakhs, on which the depreciation provided so far is Rs. 402.88 lakhs, leaving the net book value of the fixed assets at Rs. 324.04 lakhs. The value of the block account includes a sum of Rs. 10 lakhs added on capital reorganisation in 1937 and of Rs. 76.30 lakhs added on revaluation of assets in 1948. The latter amount has, however, been set apart as revaluation of fixed assets reserve, which will be utilised specifically for the purpose of making adjustments in the future value of the fixed assets. The depreciation is now being calculated on the actual cost only and that, if a lower valuation of the fixed assets is called for in future, a suitable adjustment will be made by utilising the above reserve.

In addition to the net block account mentioned above, capital work-in-progress amounts to Rs. 194.93 lakhs and jobs in Choudwar mill completed but not in operation Rs. 4.93 lakhs. The other current assets aggregate Rs. 559.92 lakhs. The loans and current liabilities amount to Rs. 537.53 lakhs, leaving a net asset of Rs. 546.29 lakhs, represented by a paid-up capital of Rs. 142.92 lakhs and reserves and surplus of Rs. 403.37 lakhs.

The eighth stage of the renovation at the two mills of the Company has been virtually completed and the Directors will take up shortly the question of a further programme, aimed at reducing the cost of production. The major part of the land for No. 3 mill at Choudwar has been acquired and this mill is expected to reach production in the early part of next year. While such expansion programmes are of long-term benefit to the Company, the outlook for the current year has been somewhat dimmed by the cut in paper prices with effect from 1st January 1960. Another adverse factor which is likely to affect the current year's profit is the directive given in May 1959 by the Supreme Court in its judgment on the Company's appeal against the Appellate Tribunal's reversal of the Industrial Tribunal's award on production bonus and profit sharing bonus, to pay the workers of the Company profit bonus to the extent of one month's basic pay for 1951-52 over and above the production bonus entitlements. The scale of production bonus has also been revised upward and this takes retrospective effect from September 1956.

The Rs. 10 fully paid-up 'A' ordinary shares of the Company are being currently quoted at Rs. 41.12 ex-div. At this rate and on the basis on the latest dividend the yield on the shares is 6.1 per cent. per annum, free of tax.

(Concluded from next column)

lakhs spent in 1957-58 and Rs. 10.10 lakhs in 1956-57. The total gross value of the block account at the end of the year stands at Rs. 151.68 lakhs, as against which the depreciation written off is Rs. 35.94 lakhs, so that the net book value of the fixed assets amounts to Rs. 115.74 lakhs. The other assets aggregate Rs. 109.70 lakhs, exceeding the current liabilities and provisions, at Rs. 70.79 lakhs, by as much as Rs. 38.91 lakhs. The paid-up capital of Rs. 90.30 lakhs is supplemented by reserves and surplus aggregating Rs. 64.35 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 26 cum-div. On an ex-div. basis, the yield works out to 10.6 per cent. per annum, subject to deduction of tax, and 7.2 per cent. per annum, free of tax.

CONSOLIDATED COFFEE

EARNs MORE

NET RETURN TO SHAREHOLDERS IS, HOWEVER, LESS

A SUBSTANTIAL improvement in coffee output and a better price realisation have enabled the Consolidated Coffee Estates (1943) Ltd. (Managing Director: Mr. R. C. Paterson, Polibetta) to show a larger profit for the year ended 30th June 1959. The coffee crop has gone up from 2,462 tons (in 1957-58) to 2,758 tons. Though this is in line with the general trend of coffee crop for the 1958-59 season, it is by no means a record for the Company. Indeed, it falls short of the record output of 3,179 tons reached in 1956-57. It is, however, the second largest crop harvested in the last sixteen years of the Company's history. The crop has been valued at Rs. 2.37 per point, as against Rs. 2.25 in the previous year, and the final payment may be still higher.

The value of other crops has also gone up from Rs. 6.08 lakhs to Rs. 11.88 lakhs, but this is more than offset by the drop in profit earned on previous season's stocks.

The gross profit shows a sharp rise from Rs. 38.74 lakhs to Rs. 51.49 lakhs, thus making good, to some extent, the drop in the previous year from the record of Rs. 78.26 lakhs earned in 1956-57. The net profit, which had declined from Rs. 39.75 lakhs to Rs. 15.88 lakhs in 1957-58, has jumped up to Rs. 25.61 lakhs. In consonance with the upward trend in earnings, the addition to the reserves has also been raised from Rs. 1.50 lakhs (added to the general reserve last year) to Rs. 6.06 lakhs, made up of Rs. 6 lakhs to the general reserve and of Rs. 6.52 to the development rebate reserve. The distribution to ordinary shareholders has been raised from 20 per cent. to 25 per cent. (gross). As the dividend for the year under review is subject to deduction of tax at 30 per cent., the net return to the shareholders will be only 17.5 per cent., as against 20 per cent. for the previous year. Thus, the enhancement in the rate does not fully cover the loss to shareholders on account of the abolition of grossing up procedure.

The progress of the Company during the last three years is pictured in the following comparative table:

	For the year ended 30th June			
	1959	1958	1957	1956
Value of coffee crop	49.46	75.07	113.92	67.58
Profit on previous season's stocks	11.88	6.08	4.12	5.53
Other income	9.46	15.98	13.45	7.46
Closing stock	29.21	28.20	29.28	17.58
Expenses	1.15	0.93	1.13	0.81
Gross profit	89.77	83.40	70.23	59.36
Commission to Managing Director and co-opted staff ..	51.49	38.74	78.26	38.50
Depreciation	4.49	8.37	7.14	8.17
Taxation	16.50	15.12	29.62	4.59
Net profit	25.61	15.88	39.75	20.13
Provisions written back	0.67	0.67	..	..
To reserves	6.06	1.50	10.00	6.00
Dividends—				
6 per cent. preference	1.61	1.12	1.12	1.12
Ordinary	17.89	14.31	29.62	14.31
Carry forward	0.80	0.75	1.13	1.13
Output of—				
Coffee (tons)	2,758	2,462	3,179	2,096
Pepper (tons)	95	95	47	77
Cardamoms (maunds)	278	437	354	418

† Subject to deduction of tax.

There has been an increase in the total cultivated area of the Company from 7,951 acres to 8,086 acres, of which that under coffee shows a rise from 7,052 acres to 7,173 acres. The increase in crop produced has been shared by both arabica (from 31,662 cwt. to 35,293 cwt.) and robusta (from 17,582 cwt. to 19,861 cwt.). It may be noted here that the robusta coffee output is the highest in the history of the Company, while the arabica crop is 13,772 cwt., below the peak of 49,065 cwt. harvested in 1956-57. The output per acre of arabica has improved from 7.12 cwt. to 7.72 cwt., and that of robusta from 6.75 cwt. to 7.63 cwt.

The revised estimate of current year's coffee crop is placed at 2,805 tons, which represents a slight decline of 50 tons from the blossom estimate, but a rise of 47 tons over the actual crop for 1958-59.

The Company's curing works at Kushalnagar cured 2,205 tons of coffee, as against 2,743 tons in the previous year, while the actual receipts of 1958-59 crop for curing amounted to 3,149 tons.

The Company has made a capital expenditure of Rs. 10.63 lakhs during the year under review, of which labour and staff quarters account for Rs. 5.75 lakhs. This is on top of Rs. 18.46 lakhs (Continued in next column)

PREMIER AUTOMOBILES

GROSS PROFIT EXCEEDS ONE CRORE

THE recent hardening in the value of ordinary shares of the Premier Automobiles Ltd. (Managing Agents: Messrs. Aero-Auto Private Ltd., Bombay)—from Rs. 131 on the eve of Diwali to Rs. 158.50 at the time of writing—appears to be justified, to some extent, by the encouraging performance of the Company during the year ended 30th June 1959 and the prospects of an expansion programme being taken up shortly. The Company has earned a record gross profit of Rs. 104.51 lakhs for the year under review, which is more than double that (Rs. 50.49 lakhs) earned in the previous year and is higher than the previous high of Rs. 82.80 lakhs in 1956-57. The profit would have been higher still but for some adverse factors, over which the management had no control. The net profit, after providing larger sums for depreciation and taxation, shows a rise from Rs. 15.36 lakhs (in 1957-58) to Rs. 40.98 lakhs. After writing back excess provisions, and writing off expenses and taxes relating to previous years, as well as debenture issue expenses (as shown in the table below), the Directors have added Rs. 13 lakhs to the development rebate reserve, which had received Rs. 8 lakhs last year. They have also recommended a dividend of Rs. 9 per share, subject to deduction of tax. Even so, the tax-free return to the shareholders, at Rs. 6.30 per share, compares very favourably with Rs. 4 per share paid for 1957-58 and Rs. 6 per share for 1956-57, as will be seen from the following comparative table:

	For the year ended 30th June			
	1959	1958	1957	1956
Sale proceeds	17,42.80	14,47.32	18,08.67	14,29.43
Other income	12.25	17.38	5.66	8.55
Closing stocks of finished goods and work-in-progress	2,65.92	1,06.26	1,73.99	1,33.11
Expenses	16,60.55	14,14.05	17,31.53	13,54.22
Gross profit	1,04.51	50.49	82.80	78.76
Managing Agency remuneration	7.66	2.85	5.75	7.17
Provision for—				
Depreciation	28.84	24.02	22.72	23.87
Taxation	27.33	7.66	17.01	..
Net profit	40.98	15.36	37.32	47.71
Excess provisions written back	8.51	..	..	..
Expenses and taxes relating to previous years	8.94	0.19	..	..
Debenture issue expenses written off	4.73	5.00	24.00	34.50
To reserves	13.00	8.69	13.04	18.04
Dividend	(9%)	(4%)	(6%)	(6%)
Carry forward	2.72	4.79	6.31	6.03

† Subject to deduction of tax.

The Company is said to have produced about 8,400 vehicles—5,200 trucks and 3,200 cars—during the year, but the Directors' report does not make any mention of this. It is also reported that the Company hopes to raise the production to 11,000 vehicles during the current year. The production of indigenous contents of trucks and cars is making satisfactory progress. The indigenous contents of Fiat cars is expected to go up from the present level of 50 per cent. to 55 per cent. next year and those of trucks from 60 per cent. to 75 per cent. As regards the sheet metal components for the body of cars, the Directors report that plans for the manufacture of the same in the factory have reached an advanced stage. It is reported that the Company proposes to set up a body-building shop for cars at a capital outlay of Rs. 2 crores, but the Directors have not disclosed any details of this project in their report.

The Company's paid-up capital stands increased from Rs. 220.26 lakhs to Rs. 227.65 lakhs, on account of the conversion of 7,387 debentures issued during the year. The reserves and surplus aggregate Rs. 87.13 lakhs. During the year, the Company issued 6½ per cent. convertible redeemable (1968-73) debentures of the value of Rs. 1.60 crores, from the proceeds of which the outstanding loan of Rs. 45 lakhs (as on 30th June 1958) from the I.F.C. of India was repaid. The outstanding debentures at the end of the year under review, after conversion referred to above, amount to Rs. 152.61 lakhs. Other borrowings aggregate Rs. 361.33 lakhs and other current liabilities and provisions Rs. 362.23 lakhs. The gross block of the value of Rs. 477.85 lakhs (including additions to the tune of Rs. 90.74 lakhs made during the year) has been written down to Rs. 296.60 lakhs. The current assets amount to Rs. 934.35 lakhs, which exceed borrowings and other current liabilities (excluding debentures) by Rs. 210.79 lakhs.

The Rs. 100 paid-up ordinary shares of the Company are being currently quoted at Rs. 158.50 cum-div. On an ex-div. basis, and at the current rate of dividend, the shares offer a tax-free yield of 4.1 per cent. per annum.



\$aved
Rs. 4,00,00,000 worth of foreign exchange!

To-day, electric power is the motivator behind industrial development, increased agricultural output, and the sweetness and light of the home! From whatever source electricity may be obtained, and wherever it may go, in this vast land of ours, you'll find Alind conductors taking this power.

But Alind's contribution reflects itself not merely in the material welfare and progress of the country...it's seen in other ways, too.

For instance, in the last eight years, savings in foreign exchange should have amounted to something like Rs. 4 crores. And with our Hirakud plant now "on stream", and using indigenous metal, these savings bid fair to be as high as Rs. 1-5 crores a year!

Our lines include:
ALIND ACSR, ALL-ALUMINIUM CONDUCTORS & ACCESSORIES
ALIND ALL-WEATHER, ALIND KER-AL-LITE & ALIND AL-VINYL COVERED ALUMINIUM CONDUCTORS

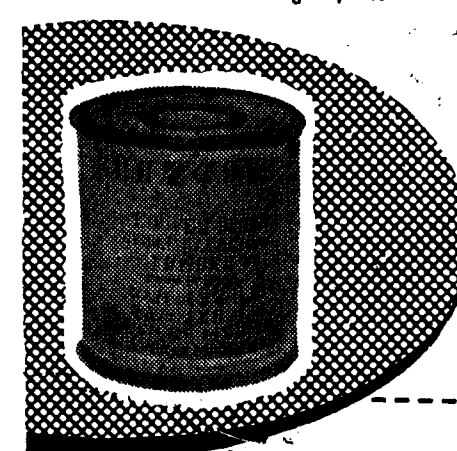


THE ALUMINIUM INDUSTRIES LIMITED
India's largest manufacturers of aluminium conductors and accessories
Registered Office: Kundara (Kerala)
Works at: Kundara (Kerala) & Hirakud (Orissa)
Managing Agents:
Seshasayee Brothers (Trav.) Private Limited

AL 618

CAUVERY BRAND STABLE BLEACHING POWDER

containing 33/37% available chlorine



for
textile bleaching,
water purification,
and environmental
sanitation.



THE METTUR CHEMICAL & INDUSTRIAL CORPN. LIMITED
Mettur Dam R. S. Salem Dt.
Managing Agents: SESHASAYEE BROTHERS PRIVATE LIMITED

MC-629

THE BOMBAY STATE COOPERATIVE BANK LIMITED

ESTD: 1911

9, BAKE HOUSE LANE, FORT, BOMBAY. P. O. Box No. 472

Telephone 255474-75

Grams: FARMERBANK

Money deposited with this Bank helps the Indian Agriculturists and Cooperators.

Paid-up share capital - Rs. 1.30 Crores **Total Deposits - Rs. 17.20 Crores**
Reserve & Other funds - Rs. 0.59 **Working Capital - Rs. 29.67**

Collection arrangements in all the important cities of Indian Union. Banking Business of every description transacted. Deposits of all kinds accepted. Terms on application.

Branches and Affiliates at 304 Places in Bombay State

G. M. LAUD, Managing Director

Prof. D. G. Karve, Chairman

— Our Branches in Greater Bombay —

BYCULLA, LALBAUG, PRABHADEVI, VILEPARLE AND COREGAON

SYNOPSIS OF COMPANY REPORTS

Ashoka Cement Ltd.

THE directors of the above Company (Chairman: Mr. S. P. Jain, Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

The year's working after providing interest amounting to Rs. 7,61,444 (Rs. 7,40,909) shows a surplus of Rs. 12,78,954 (Rs. 2,65,037). From this amount provisions have been made for bonus Rs. 74,870 (Rs. 70,508), for development rebate reserve Rs. 2,98,880 (Rs. 23,620) and for depreciation Rs. 6,51,733 (Rs. 21,936) leaving a balance of Rs. 2,53,471 (Rs. 8,415) after writing off Rs. 1,42,558 for bad debts, preliminary expenses and brokerage on shares, etc.). To this is added the balance brought forward from last year of Rs. 19,343 (Rs. 12,928) making available for appropriation a total of Rs. 2,72,814 (Rs. 19,343). From this the interim dividend at 3 (nil) per cent. (paid on 24th February 1959) absorbed Rs. 1,80,000 (nil) leaving a distributable sum of Rs. 92,814 (Rs. 19,343). The directors recommend a final dividend of 15 (nil) p per share, thus making a total of 45 (nil) p per share or 4½ (nil) per cent. on paid-up capital for the year. The balance of Rs. 2,814 (Rs. 19,343) is proposed to be carried forward.

It has been decided to spread out the incidence of depreciation evenly by adopting a flat rate of 4 per cent. of the original cost on plant and machinery and installations and 2½ per cent. on buildings. On this basis the total cost of plant and machinery and installations will be written off in 25 years and that of buildings in 40 years. At income-tax rates, 96 per cent. of the cost of plant and machinery and 87 per cent. of the cost of buildings would have been written off during the same period.

Production has been gradually improving. The following figures are indicative of the trend:

Calendar year	Clinker made	Cement made	Cement despatched
	(Tons)	(Tons)	(Tons)
1957	85,082	90,297	86,957
1958	1,14,013	1,17,850	1,16,617
1959 (upto November)	1,26,922	1,33,288	1,31,245

Cement production was affected at times due to the inability of the State Trading Corporation to provide despatch orders. The Steel Foundry installed by the Company for the manufacture of steel castings and grinding balls required by the cement industry worked for about six months in the year under review.

The retention price allowed for this Company's cement has been found to be unremunerative. The price of coal and stores has been on the increase. Railways have also enhanced their freight rates. Such increases have been found to be much higher than those assumed by the Tariff Commission in their estimates of future cost and have far exceeded in the very first year the contingency allowance of Rs. 2 per ton allowed by the Tariff Commission to cover exigencies extending over a period of three years. The actual production cost is also higher than that estimated by the Tariff Commission on account of their computing the costs on higher production basis which was not possible of achievement. This erroneous assumption by the Tariff Commission also resulted in the calculation of a lower profit element per ton allowed to this Company in the retention price. The Company has represented to the Government for a suitable increase in the retention price with effect from 1st July 1958. The Government could reasonably be expected to consider the Company's case sympathetically and not allow the industry to suffer on account of the increase in cost over which it has no control.

It is understood that the Wage Board for Cement Industry appointed by the Government of India has submitted its report. Implementation of the recommendations of the Wage Board as reported in the Press will lead to a substantial increase in production costs. The Wage Board has also recommended that there should be at the same time a corresponding increase in the retention price allowed to the manufacturers. Since the margin of profit allowed to the industry is already so meagre, the industry has no capacity whatever to bear any additional burden.

Accounts in brief are as under:—			
	Rs.	Assets	Rs.
LIABILITIES			
Capital	59,90,093	Gross block	1,72,94,932
Debitures	47,50,000	Less—Depreciation	6,73,669
Reserves	3,22,500		
LIABILITIES	1,12,33,000		
Profit and loss account (surplus)	2,814	Net block	1,66,21,263
		Machinery in stock	12,201
		Stock-in-trade	3,79,524
		Raw materials	4,12,268
		Stores, etc.	18,02,227
		Work-in-progress	16,31,688
		Debts, deposits and advances	13,26,523
		Investments	1,500
		Cash	27,821
		Debitures less expenses	83,392
	Rs. 2,22,98,407		Rs. 2,22,98,407

Hooghly Mills Co., Ltd.

The directors of the above Company (Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

The accounts before charging for depreciation, reveal a profit of Rs. 11,25,070 (Rs. 6,49,641). From this amount has to be deducted provision for depreciation of Rs. 1,76,947 (Rs. 2,08,780), develop-

ment reserve Rs. 5,936 (Rs. 1,43,671), provision for taxation Rs. 4,84,829 (Rs. 1,55,582), provision for wealth tax Rs. 26,379 (Rs. 21,245), proposed dividend at 10 per cent. on preference shares Rs. 1,17,600 (Rs. 1,17,600), proposed dividend at 6 (nil) per cent. on ordinary shares Rs. 1,00,800 (nil) and proposed transfer to general reserve of Rs. 1,78,165 (nil) leaving a balance of Rs. 35,314. To this amount is added the balance brought forward from the previous year of Rs. 14,440 making a total of Rs. 49,754 to be carried forward.

In accordance with working time agreement of the Indian Jute Mills Association the Mill worked 48 hours per week with 12½ per cent. of the total looms sealed and from 2nd March 1959, a further 1½ per cent. of the looms were sealed, which were subsequently unsealed from 22nd June 1959. A further 2½ per cent. looms were unsealed as from 24th August 1959.

No progress towards the modernisation of the Preparing and Spinning Departments has been made this year as the machineries ordered for have not yet arrived, but the scheme is expected to be completed in the near future.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
LIABILITIES			
Capital	28,56,000	Gross block	72,60,481
Reserves	21,42,845	Less—Depreciation	53,26,713
Provision for taxation	4,84,829		
Provision for wealth-tax	26,379	Net block	19,33,768
LIABILITIES	9,74,006	Stock-in-trade	24,03,348
Profit and loss account (surplus)	49,754	Stores, etc.	5,61,354
		Debts, deposits and advances	15,20,702
		Investments	81,075
		Cash	33,568
	Rs. 65,33,813		Rs. 65,33,813

National Iron and Steel Co., Ltd.

The directors of the above Company (Directors: Messrs. B. D. Agarwalla; Ranglal Bagaria and five others, Calcutta) present the audited accounts of the Company for the year ended 31st March 1959.

The net profit for the year amounts to Rs. 4,01,806 (Rs. 4,22,338) after providing Rs. 6,48,230 (Rs. 6,09,789) for depreciation, Rs. 2,72,000 (Rs. 1,80,000) for income-tax for the year 1958-59, Rs. 34,886 (Rs. 36,450) for wealth-tax for the year 1958-59 and Rs. 38,500 (Rs. 29,300) for development rebate reserve. The balance to the credit of the profit and loss account after making last year's adjustments and liabilities, together with this year's profit is Rs. 12,72,208 (Rs. 12,20,132) which the directors recommend to be dealt with as under:—

An amount of Rs. 3,74,700 (Rs. 3,09,752) in payment of a dividend at Rs. 0.75 (Rs. 0.62) per share free of income-tax, Rs. 5,00,000 (nil) to be transferred to create a dividend equalisation reserve, Rs. 1,34,000 (nil) to be transferred to general reserve, Rs. 1,30,000 (nil) to be transferred to create an investment depreciation reserve and Rs. 1,33,508 (Rs. 910,380) to be carried forward to the next year. The directors also report that Rs. 564 have been paid out of Rs. 1,16,627 brought forward in the general reserve account for unclaimed liabilities. The balance of Rs. 1,16,063 added with Rs. 1,34,000 being the amount proposed to be transferred from profit and loss account as aforesaid, makes a net balance of Rs. 2,50,063 (Rs. 910,380) which has been carried over to the next year.

As stated earlier a sum of Rs. 1,30,000 is proposed to be transferred to the investment depreciation reserve account in respect of the shares held in Messrs. Britannia Construction Co. Private Ltd. It is expected that the total realisable value of the said investments will not fall below Rs. 70,000. A representation has been made to the Government of India for the increase in the retention price of the Electric Furnace Billets due to increases in the cost of production. A provisional adjustment has been made in the accounts in respect of the dues to equalisation fund on the basis of the said representation.

The working of the year under review has not been satisfactory due to various reasons. As a result of the slow down while new ones could not be taken up at all due to various import restrictions, shortage of finance and other factors. The directors regret to report that the working of the development schemes taken up earlier had to be slowed down while new ones could not be taken up at all due to various import restrictions, shortage of finance and other factors.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
LIABILITIES			
Capital	49,94,000	Gross block	1,30,32,992
Debitures	2,00,000	Less—Depreciation	75,25,700
Reserves	15,78,502		
Provision for taxation	6,93,076	Net block	55,07,292
Provision for wealth-tax	34,886	Stock-in-trade	26,37,570
LIABILITIES	71,55,545	Stores, etc.	22,37,802
Profit and loss account (surplus)	1,33,508	Tractors and cranes, etc.	10,20,000
		Goods-in-transit	2,52,235
		Debts, deposits and advances	25,89,911
		Investments	3,05,806
		Cash	2,40,901
	Rs. 1,47,91,517		Rs. 1,47,91,517

Shree Bhawani Cotton Mills Ltd.

The directors of the above Company (Chairman and Managing Director: Mr. S. M. Mohita, Calcutta) submit the audited accounts of the Company for the year ended 31st March 1959.

The year's working shows a surplus of Rs. 4,73,148. Out of this provision has been made for depreciation upto 31st March 1958, of Rs. 2,78,704 leaving a sum of Rs. 1,94,442. From this amount has to be deducted the debit balance brought forward from the last account of Rs. 1,86,471 leaving a credit balance of Rs. 7,971 which the directors propose to carry forward.

The directors regret that it has not been possible to provide for depreciation for the year nor to pay the dividend on cumulative preference shares due to insufficient profit. The trading conditions continued to be difficult throughout the year and while cotton yarn rates tended towards lower levels, raw cotton remained proportionately high about the 1958-59 cotton crop, which were placed as high as 55 lakh bales, the actual output was only 48.50 lakh bales. Punjab was the worst sufferer of unfavourable weather conditions and the State's estimate of 5.66 lakh bales against the earlier mills have to depend almost entirely on Punjab adversely affected its working. The levy of purraw materials also added to its burdens. The Project, though better than previous year, was still power cuts from time to time. Considering the adverse factors noted above, the working results are considered quite satisfactory.

Although cotton yarn fetched lower rates during the year under report it continued to have a steady demand. The stocks with Indian mills are reported to have decreased from about 1.12 lakh bales in March 1958 to 55,000 bales in March 1959 and to only 27,000 bales in October 1959. The offtake position is therefore quite healthy and the rates have also satisfactorily improved since the last closing of accounts.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
LIABILITIES			
Capital	30,00,000	Gross block	50,68,704
Provision for taxation	908	Less—Depreciation	2,78,704
LIABILITIES	53,55,730		
Profit and loss account (surplus)	7,971	Net block	47,90,000
		Stock-in-trade	29,91,536
		Stores, etc.	2,74,235
		Debts, deposits and advances	2,56,158
		Investments	4,000
		Cash	45,680
	Rs. 83,64,809		Rs. 83,64,809

Rajendra Coffees Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Private Ltd., Madras) present the audited accounts of the Company for the year ended 31st March 1959.

The result of the Company's working for the period under review is a profit of Rs. 1,76,231 (Rs. 1,87,508). After deducting depreciation written off on buildings, machinery, etc., Rs. 9,179, Company's contribution to provident fund and Rs. 2,011 (Rs. 1,948) and loss in investment and Rs. 2,011 (Rs. 250) the net profit amounts to Rs. 1,94,791 (Rs. 1,57,792). To this is added the amount brought forward from last year of Rs. 34,432 (Rs. 31,341) making a total of Rs. 1,99,424 (Rs. 1,89,133). From this amount has been transferred to agricultural income-tax and Central income-tax reserve Rs. 46,000 (Rs. 43,000) leaving for appropriation the sum of Rs. 1,53,424 (Rs. 1,26,133) after transferring Rs. 20,000 to general reserve. The directors recommend to make the following appropriation:—To pay a dividend at 6 per cent. free of agricultural income-tax and Central income-tax on 10,000 cumulative preference shares absorbing Rs. 6,000 (Rs. 6,000), to pay a dividend at 5½ per cent. free of agricultural income-tax and Central income-tax on 10,000 redeemable cumulative preference shares absorbing Rs. 5,500 (Rs. 5,500) and to pay a dividend at 50 (40) per cent. free of agricultural income-tax on 40,000 ordinary shares absorbing Rs. 1,00,000 (Rs. 30,000) leaving a balance of Rs. 41,924 (Rs. 34,633) which the directors recommend to be carried forward to next year.

Crop:—The crop realised for the year under review was 185 (129) tons of robusta and 1 ton of arabica as against the estimate of 147 tons robusta and 1 ton arabica.

The coffee crop estimate for the year 1959-60 is 147 tons of robusta and 1 ton arabica. The estimated cultivation cost per acre of coffee works out to Rs. 434.23.

Accounts in brief are as under:—

	Rs.	Assets	Rs.
LIABILITIES			
Capital	4,00,000	Gross block	3,50,496
Reserves	1,05,983	Less—Depreciation	35,174
Provision for taxation	1,36,449		
LIABILITIES	2,59,307	Net block	3,15,322
Profit and loss account (surplus)	41,924	Stock of coffee	3,26,456
		Stock of cardamom	3,694
		Stores, etc.	28,361
		Debts, deposits and advances	1,15,999
		Investments	1,00,000
		Cash	1,14,000
	Rs. 10,03,643		Rs. 10,03,643

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

Notices

THE NATIONAL NEWSPRINT AND PAPER MILLS LIMITED

NEPANAGAR

NOTICE

IN CONTINUATION OF OUR NOTICE DATED 17th September, 1959 postponing the Annual General Meeting fixed for 28th September, 1959, Notice is hereby given that the Twelfth Annual General Meeting of the Shareholders of the National Newprint And Paper Mills Limited will now be held at Nepanagar on Wednesday the 6th January, 1960, at 3.30 p.m., to transact the following business:—

- To receive and adopt the Directors' Report, the Audited Profit and Loss Account for the period from 1st April, 1958 to 31st March, 1959 and the Balance Sheet as on 31st March, 1959, together with the comments of the Comptroller and Auditor General of India, with the observations of the Board of Directors thereon.

- To consider and, if deemed fit, to pass the following Resolution:—

"RESOLVED that the strength of Board of Directors inclusive of Managing Director and the Chairman be increased from 9 to 12 Directors."

- To consider and, if deemed fit, to pass the following Resolution with or without modifications:—

Special Notice of the intention to move the following Resolution has been given by a shareholder of the Company.

To be moved as an Ordinary Resolution:

"RESOLVED that sanction be and is hereby accorded to Sir A. Ramaswami Mudaliar to be re-elected as and continue to be the Director of the Board of Directors, notwithstanding that he has passed the age of 65, and the age limit prescribed under Section 280 of the Companies Act shall not apply to him."

- To elect a Director in place of Sir A. Ramaswami Mudaliar who retires under Article 140 of the Articles of Association and who is eligible for re-election.

- To elect a Director in place of Major Raja Bahadur Birendra Bahadur Singh who retires under Article 132 of the Articles of Association and is eligible for re-election.

- To elect a Director in place of Shri G. K. Moghe who retires under Article 132 of the Articles of Association and is eligible for re-election.

- To elect a Director in place of Shri Ashfaq Hussain who retires under Article 132 of the Articles of Association and is eligible for re-election.

- To elect a Director in place of Shri S. P. Mushran who retires under Article 132 of the Articles of Association and is eligible for re-election.

- To transact such other business as may be placed before the meeting by the Managing Director with the permission of the Chair.

By Order of the Board of Directors,

S. L. VISVANADHAN,

Managing Director.

Nepanagar, 3rd December, 1959.

The Share Transfer books of the Company will remain closed from 23rd December 1959 to 6th January 1960 (both days inclusive).

Shareholders desirous of having at the Annual General Meeting any information concerning the Accounts of the Company are requested to send a written requisition to the Managing Director so as to reach him seven (7) days before the meeting.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to

attend and vote instead of himself and a proxy need not be a member.

EXPLANATORY STATEMENT

Of Items 2 and 3 as required by Section 173 of the Companies Act 1956.

(1) Item No. 2.—The present strength of the Board of Directors as approved at the last Annual General Meeting is 9 including Chairman, Managing Director, 3 nominees of Union Government, 3 nominees of Government of Madhya Pradesh and 1 Director representing the shareholders. At the last Annual General Meeting it was expressed by the shareholders that the shareholders should have more representation on the Board. One more Director has therefore been co-opted to represent the shareholders. In addition, both the Union Government and the Madhya Pradesh Government have nominated one more Director each. This will therefore increase the strength of Board of Directors from 9 to 12.

(2) Item No. 3.—Sir A. Ramaswami Mudaliar retires under Article 140 of the Articles of Association and offers himself for re-election. Since his date of birth is 14th October 1887, the provision of Section 280 of the Companies Act is applicable in his case. It is therefore necessary to have the approval of the Annual General Meeting under Section 281 for his re-election and for his continuing to hold office as Director of the Company. Special Notice of the intention to move a Resolution to that effect has been given by a shareholder and accordingly the Resolution is submitted to the Meeting.

N.B.—Since the National Newprint and Paper Mills Limited is a Government Company within the meaning of Section 617 of the Companies Act, 1956, the Auditors of the Company will be appointed by the Central Government on the advice of the Comptroller and Auditor General of India under Section 619(2) of the Companies Act 1956.

MACHINERY MANUFACTURERS CORPORATION LIMITED

NOTICE

THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MACHINERY MANUFACTURERS CORPORATION LIMITED will be held on Thursday, 14th January, 1960, at 5.00 p.m., at the Registered Office of the Company, Gateway Building, Apollo Bunder, Fort, Bombay-1, to transact the following business:

- To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1959.

- To appoint a Director in place of Mr. K. C. Mahindra who is a Director and associate of Mahindra & Mahindra Ltd., the Managing Agents and who retires by rotation and offers himself for re-appointment and to consider and if thought fit to pass, with or without modification, if any, as may be agreed upon at the meeting, the following Special Resolution of which special notice has been duly received by the Company and is hereby given:

"RESOLVED that the age limit specified in Section 280 of the Companies Act, 1956, shall not apply to Mr. K. C. Mahindra who is now 65 years of age and that Mr. K. C. Mahindra who is a Director and associate of Mahindra & Mahindra Ltd., the Managing Agents, be and is hereby appointed a Director of the Company whose period of office is liable to determination by retirement of directors by rotation."

- To appoint a Director in place of Mr. M. A. Chidambaram who retires by rotation and who, being eligible, offers himself for reappointment.

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

By Order of the Board,

K. S. IYENGAR,

Secretary.

BOMBAY, 19th November, 1959.

(1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY

TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

(ii) The Transfer Books of the Company will be closed from 28th December 1959 to 14th January 1960, both days inclusive.

Annexure to the Notice dated 19th November 1959.

EXPLANATORY STATEMENTS

Item No. 2 of the Notice:

Mr. K. C. Mahindra, Director and Chairman of the Company, attained the age of 65 on 15th March 1959. Mr. K. C. Mahindra, Mr. D. N. Bhattacharjee and Mr. A. K. Mitra were appointed Directors of the Company on the same day and it has been agreed among themselves that Mr. K. C. Mahindra should retire by rotation at this meeting.

Mr. K. C. Mahindra is also the Chairman, Director, member and associate of Mahindra & Mahindra Ltd., the Managing Agents of the Company. The proposed resolution seeks to have Mr. K. C. Mahindra reappointed as a Director of the Company and the necessary declaration of the members is also sought that the age limit specified in Section 280 of the Companies Act, 1956 shall not apply to him. Your Directors are of opinion that it is in the interest of the Company that the Board should continue to receive the benefit of Mr. K. C. Mahindra's long experience and able guidance.

Mr. K. C. Mahindra, Mr. Jal H. Mehta and Mr. A. K. Mitra are interested in this item of business as Directors and members of Mahindra & Mahindra Ltd. The Managing Agents, Mahindra & Mahindra Ltd., are also interested therein as members of the Company.

To the shareholders of the Company and in particular to:

Mrs. Maryam Akhund, Bai Bachubai Sorabji Anklesaria, Messrs. British Cotton Growers Association Ltd., Mrs. Tehmina Hormasji Dalal, Mr. C. De Souza, Mr. Nadarshaw M. Dinshaw, Mr. R. C. Fernandes, Mr. Sorabji Hormusji Shahookar, Dr. (Miss) Shaikh Amna, Mr. Zaka Rahmatulla, Mr. Barkatullah Khan, Mr. Andrew Dollar Gillespie, Mr. Donald Gladding, Major Alastair Cameron, Mr. Mirza Ahmed Isphani, Sir William Roberts, Major General Shura Shum Shere Jung Bahadur Rana, Mr. Nootan Deb Pant, Mr. Mahendra Prasad, Sardar Soma Prasad Upadhyaya, Senior Comdg. General Baber Shum Shere, Mr. Pitamber Prasad Pantha, Messrs. John Inglis Company Limited, Rokla Sultan, Sogra Sultan, Khatija Begum, Robaba Khanum, Mr. John Lees, Mr. G. B. Gilby, Mono Shum Shere Jung Bahadur Rana, Major General Nara Shum Shere Jung Bahadur Rana, Rani Jagdamba Kumari Debi, Padma Narsingha Rana, Mohamed Khalil Serage, Bahadur Shum Shere Jung, Maj. General Krishna Shum Shere Jung Bahadur Rana, H. H. Maharani Gamvir Kumari, Bibudhendra Prasad, Mr. Keshava Ram Bhandary, Mr. Din Mohammed Malik, Mercantile Bank (Agency) Private Ltd., Mr. Piyusha Raj Sharma, Mr. Shivendra Prasad, Mr. Ramchand Khushiram Advani, Rani Beda Bhakta Laxmi Devi, Commanding General Ugni Shum Shere Jung Bahadur Rana, Mr. Toya Prakash Shum Shere Jung Bahadur Rana, Mr. Shambhu Shum Shere Jung Bahadur Rana, Mr. Surya Prakash Shum Shere Jung Bahadur Rana, Mr. Tej Prakash Shum Shere Jung Bahadur Rana and Mr. Karna Prakash Shum Shere Jung Bahadur Rana.

DECCAN SUGAR AND ABKHARI COMPANY LTD.

(Concluded from page 1023)

this was reduced to a figure which still accentuated the disparity. If it is politically undesirable to tax gur and khandasari, what the industry needs is a reduction in the Central excise duty sufficient to restore the relative positions prevailing prior to the 1957 Finance Act.

Sugar in Madras

"In May last, the position in Madras reached a stage where the ordinary channels of trade could no longer function. Your Board is firmly convinced that the long-term interests of the sugar industry, in general, and of this Company, in particular, are better served by avoiding the extension of control than by grasping the temporary and illusory profits that could have been made these last few months, had we sold at the highest prices obtainable. In the event, in common with other members of the South Indian Sugar Mills Association, we imposed a voluntary control on ex-factory prices at levels agreed with the Sugar Directorate and opened fair-price shops, no less than 6,000 in the Madras State, throughout the Southern Zone.

"Thus, the price of sugar was kept in reasonable bounds until early October when, with Deepavali looming ahead, the demand reached a stage where Government intervention could alone cope with the situation.

"Since October retailers have been given their quotas by District Collectors acting under the supervision of the Commissioner of Civil Supplies throughout the Madras State and, knowing something of their difficulties, I would like to say that these officials have done very well. This can only be a short-term measure. I hope that, in the near future, the distribution of sugar can be returned to the traditional and well-tried channels of factory to wholesaler, wholesaler to retailer and thence to the public.

"I referred a little while ago to our expansion plans for Samalkot and Pugalur against the background of larger production and lower costs.

"So far as Madras State is concerned, production in the existing five factories in a normal year is about 75,000 tons. The three new co-operatives under construction are together likely to contribute in the course of the next two or three years about 30,000 tons per annum. The consumption hitherto has been of the order of 120,000 tons. Granting that this will rise to 150,000 tons by the end of the third Plan, the deficit will be some 45,000 tons. Before aiming at self-sufficiency I submit that the authorities should consider the pattern of development that has evolved in the course of the last few years in the Southern region as a whole.

Andhra Pradesh

"It so happens that more factories came into being in that part of Andhra which, before separation formed part of the Madras Province, than in the Southern districts. When Telengana was added to the new State to form Andhra Pradesh, the State as a whole became surplus in sugar with an average annual production of 130,000 tons and a consumption between 80,000 and 85,000 tons. In the subsequent drive for increased sugar production and eagerness for co-operative factories some new units also were sanctioned. When these materialise, production in Andhra Pradesh will rise to about 170,000 tons. Assuming that in common with other Southern States consumption rises by 25 per cent.—though Andhra has the lowest per capita consumption among them—there will still be a surplus of 60,000 tons which should normally find its way into Madras and to a lesser extent Kerala.

"Kerala is presently deficit by 40,000 tons and this may grow to 50,000 tons when consumption increases. The State which has now only one sugar factory producing 10,000 tons is reported to have plans for two co-operative factories together capable of producing 20,000 tons.

"Mysore is more or less self-sufficient with possibly a small surplus easily absorbed by Kerala.

"Thus, the net deficit in the Southern region will be about 15,000 tons. This could be more than met by expansion of the existing units in the deficit Madras State at a cost—both in terms of rupees and foreign exchange—much lower than that of new and independent units. If, on the other hand, new factories have to be set up, not for economic reasons but to placate local interests, I appeal to the authorities to ensure that the locations are at such distances as will prevent the new units from encroaching on

the cane areas developed by existing factories at considerable expense and trouble. An irrational distribution of new units can neither be in the interests of the growers nor the industry.

New Sugar Policy

"The new sugar policy increases the price of cane by Rs. 5 per ton and offers an inducement to factories to make more sugar by offering a rebate of 50 per cent. of the excise duty on any sugar made in excess of the average production of the last two seasons. What the Government has now done is certainly a step in the right direction, and if it is continued, may produce marginal results. The concession of half the duty which can, at best, be earned on a small percentage of the crop, represents in effect a halting and hesitant reversion to the pre-1957 conditions. A little more courage and the position can be retrieved. Without in any way begrudging the cane growers their extra Rs. 5, I am still disappointed that this has been introduced as a flat rate and without giving any thought to the possibility of retaining a comparatively low minimum price and arriving at a system whereby factories pay a bonus for good cane, that is, cane that contains a high percentage of sucrose. Obviously, the higher the minimum price, the less can be the inducement that can be offered for the growing of good cane. It is particularly disappointing that this should have happened at the beginning of the first season in which the Pugalur factory was to distribute any bonus due under the S.I.S.M.A. or Price Linking Formula on a quality basis.

"Generally speaking, our relations with labour have been cordial, but I must refer here to a disturbing factor which is not confined to our industry. I refer to the Code of Discipline which, the unions having agreed to abide by is violated in the form of lightning strikes and 'go-slow' methods. These tactics can be very detrimental when they are employed in public utility services. It is regrettable that a close analysis of these methods should reveal that they often arise from political manoeuvring or inter-union rivalry.

Outlook for Current Year

"There is reason to believe that we shall have another satisfactory year. At Samalkot, we expect to crush this year 110,000 tons. Jagery prices have declined from the pre-Deepavali levels, but are still sufficiently attractive to cause some diversion of cane from the factory. Indications, however, are that supplies are adequate to take care of requirements for jagery. In Pugalur, we expect a total crush of 189,000 tons in the financial year ending 31st May 1960. The 1959 special season ended on 5th November. Usually there is an interval of three to four weeks between the close of the special season and the beginning of the main season, but this year because of the necessity for making sugar available early, the two seasons were linked with only a few hours' interval. I am glad to say that the recovery has not been affected by this early start, and is indeed better than that recorded at the start of the 1958-59 main season. It may be necessary to close for ten days in February for boiler cleaning and a quick overhaul.

"Sales of carbonic acid gas from the Samalkot factory continue to be satisfactory, though there is keen competition in this line in coastal Andhra. We are equipped for production of spirit to the extent of utilising all the molasses that the factory can produce, but here again the total output of the distilleries in Andhra is more than the alcohol-based industries in the State are able to absorb.

"I would like to take this opportunity to thank the staff and labour for their loyal co-operation during the year."

The report and accounts for the year ended 31st May 1959 were adopted and a final dividend at the rate of 18½ per cent. gross for the year ended 31st May 1959 (making a total of 25½ per cent. gross for the year, equivalent to 18 per cent. after deduction of income-tax at the rate applicable to resident individuals) was declared on the ordinary share capital of the Company, the dividend being payable on 19th December 1959. The dividends already paid on the preference share capital of the Company for the year ended 31st May 1959 were confirmed.

The retiring Directors, Mr. C. R. Srinivasan and Mr. V. Ramakrishna, were re-elected and the retiring auditors, Messrs. Lovejoy and Lewes, were re-appointed on the same remuneration as for the previous year.

N.B.—This does not purport to be a report of the proceedings of the General Meeting.

MUKAND IRON AND STEEL WORKS LTD.

CHAIRMAN, MR. KAMALNAYAN BAJAJ'S SPEECH

ADDRESSING the shareholders of the Mukand Iron and Steel Works Ltd. at their Twenty-first Annual Meeting held in Bombay on 10th December 1959, Mr. Kamalnayan Bajaj, Chairman of the Company, observed that the Company's efforts towards diversification of steel castings had met with success. He also disclosed that the Government had approved of the scheme to expand the Company's steel-making capacity by 30,000 tons per annum at a cost of Rs. 1.20 crores.

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

"LADIES AND GENTLEMEN: "I have great pleasure in welcoming you all to this twenty-first annual general meeting of the Company. The Directors' report and the accounts for the year ended 31st March 1959 have been in your hands for some time. With your permission I shall take them as read.

"The Indian economy, during the last year, has revealed a certain amount of sustained progress, but this has been offset to some extent by basic inflationary factors. The severe curtailment of imports and a large inflow of external assistance made it possible to hold on to the existing level of foreign exchange reserves. The cut in imports which was expected to reduce the adverse balance of payments had the effect of curtailing production due to the shortage of imported raw materials, which in turn affected the growth of the national income. However, there is a slight improvement in recent months.

"The target of Rs. 10,000 crores for the third Plan, while ambitious, is within our reach. It is reassuring to find that more realistic targets of production, especially of steel, are being considered. The imbalance in the economy developed in the early years of the Second Plan must be borne in mind. We should be conscious that these investments should be made in such a manner and programmes which would yield optimum returns, consistent with the defence, economic and social needs of the country and should ensure that these returns will be sustained and continuous.

"It should be possible for us to mobilise enough of our internal resources and supplement it with adequate foreign aid for the implementation of the third Plan. The immediate anxiety is with regard to the repayment of accumulated foreign loans, for the country's economy has not so far produced a favourable balance of payments surplus.

"Foreign loans can only go to a certain extent towards alleviating the needs of a developing economy. What India requires is more and more foreign capital on easier terms participating in selective enterprises as an alternative and also as a complement to borrowings. Secondly, technical collaboration on royalty basis should also go a long way in helping to develop our industries. At present, the rates of tax on non-resident companies and investors continue to be high. Royalties are taxed heavily, hampering many schemes of technical collaboration from materialising. Favourable conditions will have to be created for the inflow of foreign private investments and technical know-how, since we have to offer incentives in competition with other capital-hungry countries.

"It is encouraging that draft agreements for the avoidance of double taxation between India and other countries like the U.S.A., West Germany and Japan have been recently concluded, which are expected to be ratified in due course. This should serve to remove some of the inhibitions of foreign investors and stimulate especially the import of U.S. capital to India.

"Our efforts for the diversification of steel castings have met with considerable success. We have entered into agreements with the National Malleable and Steel Castings Company, Ohio, U.S.A., and the English Steel Castings Corporation Ltd., Sheffield, U.K., for the manufacture of automatic centre buffer couplers for the railways. These couplers are required for the larger type of wagons which the railways propose to introduce to cope with the huge transport potential. We have secured substantial orders for these automatic couplers which, like roller bearing axle boxes, are being manufactured for the first time in India.

(Continued on page 1063)

STRINGENCY IN MONEY GROWS

(From Our Own Correspondent)

BOMBAY, 16th December

There has been a broadening of demand for bank credit this week and conditions in the short-term money market have turned a little more stringent than a week ago. The floating funds have shrunk appreciably. Banks are said to be finding it difficult to get their immediate requirements from the market. Consequently, there has been a hardening of interest rates in the inter-bank call money section, from 3 per cent. to 3½ per cent. among the Exchange banks and big Indian banks and from 3½ per cent. to 4 per cent. among the smaller banks. The rates for one week deposits and other short-term deposits are unchanged at the levels mentioned in this column last week. The bank's preoccupation with financing seasonal requirements of trade and industry is reflected in the results of Treasury Bill tenders this week. The total amount offered at Rs. 2 crores was the same as that invited, thus indicating once again that the subscriptions to these bills must have come mainly from special quarters. In the absence of competition, the average rate of discount remained unchanged at 2.370 per cent. per annum. Tenders for next week are again unchanged at Rs. 2 crores. Sales of Intermediate Bills between 9th and 12th December amounted to Rs. 18 lakhs at a discount of 2.296 per cent., as against Rs. 5 lakhs in the previous week at 2.276 per cent. Sales of these bills will be held this week at Rs. 99.426 per cent., which means a discount of 2.296 per cent. per annum.

A further expansion of Rs. 21.11 crores in the circulation was disclosed by the Reserve Bank of India statement for the week ended 11th December 1959, bringing the aggregate increase in the last two weeks to Rs. 52.16 crores. Notes held in the Banking Department are lower by Rs. 6.04 crores and the consequent rise of Rs. 14.26 crores in the total note issue is covered by an increase of Rs. 15 crores in rupee securities and a small decline of Rs. 73 lakhs in rupee coin. Foreign securities are unchanged, but balances held abroad show a rise of Rs. 97 lakhs, lifting the total foreign assets by that amount to Rs. 205.19 crores. Central Government's deposits have gone up by Rs. 7.17 crores, while those of other Governments and banks have dropped by Rs. 5.32 crores and advances to Governments have gone up by Rs. 4.35 crores. There has been a fall of Rs. 15.59 crores in investments, but holdings of Treasury Bills are higher by Rs. 10.27 crores.

The Scheduled banks' statement for the week ended 4th December 1959 shows a fall of Rs. 9.21 crores in demand deposits, but this has been partially made good by the rise of Rs. 3.43 crores in time deposits. Inter-bank borrowings have dropped by Rs. 4.93 crores and borrowings from the Reserve Bank by Rs. 5.17 crores, while those from the State Bank of India are up by Rs. 3.11 crores. A sharp rise of Rs. 11.89 crores is noted in advances and bills. Investments have gone down by Rs. 1.26 crore, cash balances by Rs. 1.18 crore, and balances with other banks by Rs. 2.16 crores and money at call by Rs. 5.01 crores.

The gilt-edged market is dull, thanks to the growing stringency in the short-term money market, though the pressure of demand for credit has not so far had any adverse effect on securities. The undertone is fairly steady, on account of scattered enquiries for short-dated loans which are at a considerable discount, 3 per cent. 1986 Conversion Loan is weak with a further drop of 20 NP to Rs. 73.40 2½ per cent. 1962 has, however, hardened by 10 NP to Rs. 98. 3½ per cent. 1962 by 5 NP to Rs. 99.85 and 3½ per cent. 1964 by a similar extent to Rs. 100.25. 3 per cent. 1964 is placed at Rs. 98.15 ex-voucher, as against Rs. 98.25 cum-voucher a week ago. Proximity of the year-end has attracted some attention to 3½ per cent. 1969 and 4 per cent. 1979, which have gone up by 5 NP each to Rs. 99.45 and Rs. 100.15, respectively. State loans were listless with little variations in prices.

The rupee displayed some weakness in terms of the dollar earlier in the week, but soon regained its ground, in sympathy with sterling. After a rise from Rs. 478 to Rs. 478.25 banks' selling rate for U.S. T.T. (ready) moved back to Rs. 478 per \$100. Their buying rate is unchanged over the week at Rs. 474.75 per \$100, after moving up to Rs. 475. In New York, spot sterling receded from 279.97-280.00 cents to 279.86-279.89 cents before regaining to 280.05-280.09 cents on Monday. Yesterday, however, there was again a slight setback to 279.96-279.99 cents. Three months' forward suffered a loss over the week from 280.31-280.54 cents to 280.32-280.35 cents the premium over the spot having narrowed down from 0.54 cents to 0.36 cents.

KIPS IMPROVE

(From Our Own Correspondent)

MADRAS, 14th December

There were more inquiries for kips from the U.K. and sellers were able to obtain one penny increase, on light weights, medium run and fourths and inferior fifths 5½ lbs. It looked as though the bottom had been reached and prices were likely to look up, if sellers were not weak and nervous. There was good demand for cow calf, but stocks were small. Buffalo hides and calves were a shade firm. Demand for inland trade for lower grade kips was good and prices registered an increase of 5 per cent. over U.K. buyers' ideas.

In the tanned skins section, tanned goat 1½ lbs. ruled firmer, as also middle class sheep lower ends. Other lines remained steady.

In the last tanned skins London auctions which took place on the 30th ultimo, light weight kips remained unchanged to 6d. advance, while sheep skins were unchanged to 6d. down, while sheep skins, which were weak, met with limited inquiry.

BULLION RECOVERS

(From Our Own Correspondent)

BOMBAY, 16th December

The bullion market continued to rule easy during the major part of the week under review. The easiness was due to reports that a large number of silver coins (equivalent to about 400 bars) had arrived in Calcutta from Bhutan and that sizable quantity (estimated at 25,000 tolas) of unauthorised gold stocks had arrived in Bombay City. Further, some Calcutta interests were said to have sold forward about 25,000 tolas of gold on fears of large arrivals from Nepal. Consequently, prices tended to move down. Today, however, the market picked up considerable strength, thanks to the support lent by the spot houses. Not only were the previous losses fully made good but the closing rates were actually higher than those at the end of last week.

At its meeting held on Friday, the Board of the Bullion Association decided to permit business in February settlement in both silver and gold with effect from Saturday the 12th inst. It also warned the members against entering into transactions in March position before permission for that *vide* was granted by the Board.

In silver, December settlement encountered selling and receded from Rs. 209-8 on Friday to Rs. 206-11 on the following day. After recovering to Rs. 208-2 on Monday, it declined again to Rs. 207-2, but moved up to Rs. 208-4 today at which rate it went off the board. January settlement fluctuated between Rs. 210-11 and Rs. 207-14 before finishing today at Rs. 209-11. The rate for transferring commitments in silver from December to January settlement continued to be against bulls throughout the week, so that the bears had to pay a margin of Rs. 1,000 per bar on their outstanding positions. The carryforward charge today was higher at Re. 1-7, as against Re. 1-4 on Wednesday last. No transactions were put through in February settlement on Saturday, Monday and yesterday. Today, it opened at Rs. 210-9 and, after gaining As. 3, reverted to the opening level.

Ready silver began the week at Rs. 208-1, as against the previous day's closing of Rs. 207-10, and firmed up to Rs. 209-4 on Friday. Thereafter, it declined and touched Rs. 206-7 on Saturday. After recovering to Rs. 208-6 today, it finished As. 2 lower. The daily average arrivals of silver were 11 bars, while offtake was 13 bars. The floating stocks of silver are estimated at 1,500 bars.

In the gold section, December settlement ran off at Rs. 123-7 yesterday, as against Rs. 123-14 on Wednesday last week. January settlement, which had risen from Rs. 124-9 to Rs. 125-1-6 on Friday, eased to touch Rs. 123-8 on the 12th inst. After recovering to Rs. 124-9-6 subsequently, it retreated to Rs. 123-12-6, but rose again to Rs. 124-11 today. The carryforward rate for December settlement was against bulls to the extent of As. 11 till Tuesday when it widened to Rs. 14. The bears had to pay margin at the rate of Rs. 10 per tola on all the days. No business has so far been done in the February settlement.

Ready gold was somewhat well supported in the first two sessions and the quotation improved from Rs. 123-14 to Rs. 124-6-6. After declining to Rs. 122-15 on Saturday, it recovered to Rs. 123-14-6 on Monday, it declined again to Rs. 123-8-6 today, but finished higher at Rs. 124-3. The average daily arrivals and offtake of gold were 3,200 kias and 3,000 tolas, respectively. The floating stocks of gold are reported to be around 36,000 tolas.

Silver in the London bullion market ruled quiet during the week under review, with no change in spot and forward quotations; the former stood at 80½d. and the latter at 80d. Silver in New York was unaltered at 91.375 cents this week. Following the recovery in pound sterling vis-à-vis dollar, ready gold in London eased from 250s. 7d. to 250s. 3½d. The latest available world price for gold is \$35.044-\$35.061 per ounce, as against \$35.04-\$35.06 last week.

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

	16-12-59	Highest	Lowest	9-12-59
Ready Gold (per fine Mint)	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Forward	124 11	124 6	122 15	123 14
Sovereign	81 0	81 0	80 12	81 0
Ready Silver (per fine Mint)	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Forward	209 11	209 4	206 7	207 10
16-12-59	210 11	210 11	207 14	209 4
London Silver Ready	80 ½	—	—	81-50
London Forward	80 ½	—	—	80 ½
London Gold	250s. 3½d.	250s. 5½d.	250s. 3½d.	250s. 7d.
New York Silver	91.375c.	—	—	91.375c.

* 15th January settlement. † 15th January settlement.

LINSEED STEADY

(Messrs. A. Bradley and Co.)

CALCUTTA, 14th December

Steady conditions prevailed in the linseed market throughout. Arrival of seeds from up-country was very poor and turnover was small. The oil-market was stagnant, with very little business done during the week, but prices remained steady. The oilcake market was steady, some shippers were buying for ready deliveries to cover up previous sales, as the London markets were slightly better.

The latest quotations per maund are:—Ready-December Rs. 24.75, January Rs. 25, and May futures Rs. 25.94 per maund.

COTTON FUTURES DULL

(From Our Own Correspondent)

BOMBAY, 16th December

Limited turnover and narrow price movements characterised trading in the cotton futures market during the week under review. The series of measures taken by the Forward Markets Commission and the Textile Commissioner to curb the rising trend in cotton prices and the fear that further measures, possibly distribution control, would be introduced, made operators cautious. Prices, however, were firmly steady, with the Jarilla March contract fluctuating between Rs. 750 and Rs. 760. The declining trend in cloth stocks and rising mill consumption in the wake of a sharp reduction in crop estimate—the latest estimate varies from 4.3 to 4.5 million bales—indicated that the outlook for raw cotton was bullish. With the prospects of importing one million bales of cotton, as was recommended by the Indian Cotton Mills Federation, still remaining uncertain, the market preferred to be guided by the bullish pointers. Traders were eagerly awaiting the outcome of the meeting of the Cotton Advisory Board, scheduled to meet tomorrow, to assess the impact of the steps already taken and further measures necessary to check the rise in prices.

I.C.C. Moglai Jarilla March 1960 contract opened the week at Rs. 755.50 and after fluctuating between Rs. 758 and Rs. 750 closed at Rs. 757 yesterday. Commencing at Rs. 756 today the contract improved fractionally to Rs. 756.50 before closing lower at Rs. 753.50. The net loss over the week was Rs. 3.75.

In the spot section, following the uncertainty regarding the possible steps that will be taken by the Government in controlling the trend of prices, mills were hesitant to enter into large commitments. Consequently, prices of ready cotton and delivery contracts tended to ease. Upcountry advances also indicated a tendency for prices to look down. Mill demand for such varieties as CO2, Rajapalan and Laxmi was well maintained. Business, however, was reported in 197/3, Berar, Khandesh and other popular new crop varieties. The news that certain By-laws of the East India Cotton Association have been amended with a view to empowering the Forward Markets Commission to impose and vary margin on delivery contracts, besides hedge contracts, acted as a restraining influence.

Export business was moderate. Demand was reported in Bengal Deshi from Japan, but the volume of business done was not much. Export sales registered against the recent quota of 75,000 bales of Bengal Deshi up to the 12th inst. aggregated 16,599 bales. Among foreign cotton, U.S. growths, being the cheapest at present, evoked considerable interest. Californian GM 1-5/32" staple was done at prices ranging from Rs. 1,270 to Rs. 1,280. Mills also showed some interest in Pakistani cotton, following the announcement of the Government on the 10th inst., permitting import of 20,000 bales of Pakistani cotton of 1" staple and below for a value of Rs. 1 crore. This quantity, it has been notified, will be available for import by cloth exporting mills on a certain basis related to their entitlements for July-September 1959 quarter under the export incentive scheme. The trade notice outlining the basis of allotment and details of procedure in licensing of this cotton has yet to be issued.

The following are the latest available spot quotations—in rupees per candy of 784 lbs.—from Sewri:

Bengal Deshi 870; CO2 1,160; Laxmi 1,090; Kalyan 860; B.P. 52 1,475.

Cotton futures advanced further in the Karachi market during the week. Export demand was well maintained. Japan and Continental countries showed interest in Pakistan cotton. Local mill demand was fairly good. Paucity of offerings in the wake of keen demand pushed up prices. N.T.R.G. rose from Rs. 71-1 last week-end to Rs. 72-9. The March contract was quoted As. 13 higher at Rs. 71-7.

A mixed trend was witnessed on the Alexandria Cotton Exchange during the week. While the long-staple Karnak contracts eased, thanks to hedge pressure and speculative selling, the medium-staple Ashmouni contracts firmed up on keen buying following news that the Government had decided to suspend exports of Ashmouni grades up to Good plus 4 and Giza 30 and Giza 47 and Dendera grades Good and below. The export price discount during the week which began on last Monday remained unchanged at 20 per cent.

In its second estimate of the 1959-60 crop, the Egyptian Ministry of Agriculture has placed cotton production, less Scarso, at 9,881,000 kantars of ginned cotton (approximately 1,372,360 bales of 720 lbs.). The first official estimate in October had envisaged a crop of 9,819,000 kantars (about 1,363,750 bales). During the last season, production was 9,893,119 kantars (about 1,346,266 bales).

Dull conditions prevailed in the Liverpool cotton futures market during the week. Better activity in the yarn and piecegoods market tended to make trading active but rumours of a possible reduction in U.S. export subsidy had an unsettling effect. Operators were inclined to defer large-scale transactions. Trading was consequently thin and price movements narrow. Over the week, gains and losses were more or less evenly spread in both the American and American type contracts. Sudan contracts advanced further. The following are the latest available quotations—in pence per lb.—from Liverpool:

American cotton one inch staple contract: December-January 22.90; March-April 23.20; May 23.55; July 23.60.

American cotton mixed growth contract: December-January 23.65; March-April 23.70; May 23.70; July 23.65.

Sudan: January-February 32.50; May-June 32.00; July-August 32.00.

Cotton futures in the New York market ruled firm during the week under review. Mill and Commission House buying and trade support imparted strength to the market. Rumours of a possible change in subsidy acted as a restraining influence. The payment-in-kind export programme for the current season continues to make encouraging showing. Registrations under the programme upto the 4th inst. covered a quantity of 4,142,464 bales for shipment abroad.

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

	(In cents per lb.)	15-12-59	8-12-59	1-12-59
Spot	...	33.20	32.85	32.85
December	...	...	32.63	32.68
March	...	33.18	33.00	33.08
May	...	33.39	33.26	33.27
July	...	33.23	...	...

ART SILK YARN ALLOCATION

(From Our Own Correspondent)

BOMBAY, 16th December

The important announcement of the week in so far as the yarn market is concerned is the allocation of indigenous art silk yarn to the powerloom weaving units for the quarter January-March 1960 announced by the Textile Commissioner. The allocation, it is said, will be made on the basis of the average number of looms worked during the quarter July-September 1959 at the rate of 250 lbs. per working authorised and reported powerloom. It has been made clear that the allocation will be made only to such units as have been submitting their monthly production returns regularly in the prescribed form to the Textile Commissioner. The weaving units are required to apply for their necessary endorsement on the allocation card already issued in the preceding quarter or for the issue of fresh allocation card in respect of applicants who have not obtained any allocation card. The members of the associations are required to apply through their respective associations.

The above announcement did not have any effect on the market. Art silk yarn continued to rule distinctly quiet, as the operators preferred to await the emergence of a clearer picture regarding offtake from consuming centres. Staple fibre yarns tended to look up on hopes of enlarged demand from powerlooms. Cotton yarns were dull in the absence of any encouraging development.

Cupressa Bamberg yarn (80 x 2) December contract encountered selling and dropped Rs. 7 to Rs. 1,651, while February contract was somewhat favoured, the quotation rising from Rs. 1,700 to Rs. 1,704. Spot Cupressa eased by 3 nP to Rs. 1,472. Japan was dull at Rs. 5.50, but 150 Japan gathered 3 nP to Rs. 5.68. 120 Italy and 150 Italy were unchanged at Rs. 5.31 and Rs. 4.97, respectively. Indigenous yarns came in for selling. National Rayons 150 bright cones first grade declining by 16 nP to Rs. 4.18 and 120 bright cones first grade by 10 nP to Rs. 4.81.

Staple fibre yarns (40 x 2) December contract firmed up from Rs. 694 to Rs. 706. February contract advanced by Rs. 7 to Rs. 698. Spot Kohinoors put on 2 nP to Rs. 3.71. Centurys were fully maintained at Rs. 3.69. Among imported yarns (80 x 2), Paramounts hardened by 5 nP to Rs. 9.25.

In the cotton yarn section, ten counts Podars were quiet at Rs. 15.50, as also twenty counts Hinds at Rs. 19.50 and Moderns at Rs. 20. Forty counts Minaxis rose by 6 nP to Rs. 27.50. Moderns, however, receded from Rs. 27.37 to Rs. 27.31. Sixty counts attracted some support, Raghu-vamshis advancing by 50 nP to Rs. 57 and Finlays by 25 nP to Rs. 61. Eighty counts Mahendras picked up 75 nP to Rs. 73.75. Moderns were dull at Rs. 79 and Finlays at Rs. 81.

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

	18-12-59	9-12-59
Art silk yarn—		
60/1 Cupressa Bamberg December (100 Ks.)	1,651	1,658
60/1 Cupressa Bamberg spot (per lb.)	1,704	1,700
120 Japan (per lb.)	5.50	5.50
120 Italy (per lb.)	5.31	5.31
150 Italy (per lb.)	4.97	4.97
Staple fibre yarn—		
40 x 2 December (per case of 200 lbs.)	706	694
40 x 2 February	698	691
40 x 2 Kohinoor (per lb.)	3.71	3.71
40 x 2 City	3.68	3.69
Cotton yarn (per bundle of 10 lbs.)—		
10s Podar	15.50	15.50
20s Modern	20.00	20.00
40s Minaxi	27.50	27.44
50s Finlay	61.00	60.75
80s Mahendra	73.75	73.00

SEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 16th December

Barring linseed, which remained subdued in the absence of fresh support, the oilseeds market presented distinctly firm conditions during the week under review. Groundnuts, castor seeds and cottonseeds touched new peaks of the season. Consistent support, both by shippers and crushers, led to the rally in values. In the case of the week, however, the market turned slightly easy, owing particularly to larger arrivals and some profit-taking. In order to curb the rapid rise in prices in the groundnut section, the Reserve Bank of India has issued a fresh directive to all scheduled banks prescribing a new limit of advances against groundnut and other oilseeds. The directive says: Every scheduled bank (1) shall maintain in respect of each credit limit against the

security of groundnuts whether granted before or after the date of receipt of this directive, a margin of not less than 45 per cent. of the value of the relative stocks; (2) shall increase in respect of each credit limit against the security of other oilseeds granted before the date of receipt of this directive, the existing margin stipulated or kept to not less than 40 per cent. of the value of the relative stocks; (3) shall maintain in respect of each credit limit against the security of other oilseeds whether granted before or after the date of receipt of this directive, a margin of not less than 40 per cent. of the value of the relative stocks. This measure did not have any appreciable effect on the market.

The groundnut section witnessed cheerful conditions. In the beginning of the week, arrivals were rather limited and local crushers and vana-pati manufacturers extended good support which pushed up the values in this section. The spot section continued to be distinctly steady until almost the close of the week. Shippers made substantial purchases of groundnut oil and cake in order to meet their export commitments for December shipments. In these conditions, groundnut February 1960 contract, which had wound up last week-end at Rs. 189.87, gradually rose to Rs. 191.75 yesterday. It, however, closed a shade easy at Rs. 190.50. Nizam Bold gained 50 nP to Rs. 38.50 over the week, after fluctuating between Rs. 37.62 and Rs. 38.37. Groundnut oil ex-mill which had closed at Rs. 20.75 last week-end hardened by Rs. 20.87 yesterday. It closed lower today at Rs. 20.62.

Similarly, firm conditions prevailed in the castorseed section as well, thanks mainly to hectic short-covering by shippers induced by speculative support. Traders, however, seem to be rather optimistic about the export prospects for castor oil to the U.S. Castorseed May 1960 contract, which had finished at Rs. 172.12 last week-end, subsequently rose to touch Rs. 174.12 yesterday; but today it suffered some setback to close at Rs. 172.50. Bold ready was higher by 12 nP at Rs. 33.12. Oil B.S.S. picked up 13 nP to close at Rs. 19 yesterday, but lost some ground today to wind up the week at Rs. 18.

The linseed section was quiet, partly because of lack of fresh enquiries for linseed oil and partly on account of reports regarding the release of linseed oil from the U.S. stockpiles. The sustained disparity in Indian prices, as compared with foreign prices for linseed oil, continued to dampen the enthusiasm of traders. Linseed May 1960 contract lost 50 nP over the week to Rs. 34.50, after fluctuating between Rs. 34.89 and Rs. 34.87. Bold ready closed at Rs. 34.25, as against Rs. 34.50 last week-end. Similarly, linseed oil also shed 25 nP to close today at Rs. 16.75.

In sympathy with groundnut and castorseed, cottonseed staged a smart rally. Upcountry operators figured as prominent buyers. Cottonseed February 1960 contract closed today at Rs. 147, as compared with Rs. 144.50 last week-end.

The following table shows the closing prices of oilseeds and oils today, as compared with those of the two previous weeks:

	16-12-1959	9-12-1959	2-12-1959
Groundnut			
February 1960	190.50	189.87	189.87
Kandi bold	38.50	38.75	38.75
Command Ready	38.75	38.62	38.75
Kinnow quality	20.80	20.75	20.87
Oil ex-mill ready*	20.62	20.75	20.75
Railway receipts*	20.37	20.50	19.69
Castorseed			
May 1960	172.50	172.12	171.12
Ready Madras	33.12	33.00	32.37
Ready Kanpur	31.69	31.50	30.87
Oil B.S.S.†	18.00	18.37	18.50
Oil commercial†	18.00	17.37	17.50
Linseed			
May 1960	34.50	35.00	34.62
Bold ready	34.25	34.50	34.12
Oil ready†	16.75	17.00	16.87
Cotton seed			
February 1960	147.00	144.50	138.25
Nizam seed	31.25	31.00	31.25
Kandi seed	22.50	23.00	22.50

* Rates include excise duty but exclude sales tax.
† Rates exclude both excise duty and sales tax.
N.B.—All quotations for futures contracts are in terms of candy, except linseed, which is in cwt. A candy is 60 lbs., except in the case of cotton seed for which it is 70 lbs. Spot quotations of seeds are for per cwt. and those for oil per quart.

BLACK PEPPER STEADIER

(Messrs. Parekh and Co.)

BOMBAY, 16th December

Despite heavy arrivals, Malabar black pepper ruled steadier during the week, in the wake of sizable buying by New York which was said to have accepted almost all offers for December and Jan-Feb-March shipments at progressively high prices ranging from \$0.42 to \$0.46. Singapore from Str. \$236 to Str. \$250 for white under specific arrivals from Indonesia and Sarawak. Singapore is reported to be under the full control of Chinese June when the assessment of the outlook of the new crops of Sarawak, Lampong and Muntok can be had more clearly. New York spot, after going down to \$0.45, jumped up to \$0.50 under manipulation by speculators who were said to be holding a greater part of the spot stock in the port. They seem to have adopted the tactics of buying from India in rising market with a double motive of exiting Malabar and for maintaining the prices, however temporary. In the face of a larger new crop and in view of the proximity of the new

season, India is not likely to be misled by such tactics unless foreign countries are prepared to buy almost daily about 200 tons from now onwards, as the arrivals from the last week of December to the end of February are likely to average more than 250 tons daily. The months of January and February are considered to be the peak months of the season. Unless there are big inquiries during these months to relieve the pressure of arrivals, the market is not likely to maintain its present level which is said to have been overdone by the speculators from both New York and Singapore.

Calicut is quoted at Rs. 1,200, where arrivals have just started and are averaging about 100 candies daily. Garbled at Cochín and Alleppey is quoted at Rs. 200, and ungarbled at Rs. 1,150, with buyers holding off for lower prices.

Business in the forward ring at Cochín is reported to be poor, though it is officially opened since the 8th inst., as the terms of margin and the daily clearance are very stiff. The forward ring is established for affording hedge facilities to growers and to exporters. If the forward market is not run properly as it should, it is high time the F.M.C. should look somewhere else for establishing a forward ring for its smooth running. The bulls in the market are reported to be banking upon bulk buying by Russia sometime in January. It is, however, problematical whether Russia will buy in time to relieve the pressure of incoming arrivals, particularly in view of the recent change in their buying policy which is to buy only in a dropping market. Following the recent heavy arrivals, the analysts are now anticipating the final outcome of the new crop to reach a mark of 30,000 tons. As such, they do not expect higher prices unless export from India averages 1,500 tons per month, as inland consumption is likely to show decrease because of the higher prices.

Ready pepper in the local market is quoted at Rs. 150 per Bengal maund, with poor demand.

PLAIN TEAS WELL SUPPORTED

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

COCHIN, 11th December

Approximately 15 lakhs pounds were on offer in sale No. 47, which was held on Tuesday, 8th December. Quality again showed a slight seasonal decline, particularly from the medium grown districts. The sale opened to a very strong general demand which was maintained throughout. In particular, plain and low medium teas were well supported and can be quoted irregularly dearer. Medium sorts met with a useful enquiry, but a slightly better demand for high grown teas, but buyers followed quality closely. Whole leaf grades teas were steady. The following are the quotations:—

	1959	1958
Low medium	2.05 to 2.15	1.35 to 1.50
Medium	2.15 to 2.25	1.50 to 1.70
Good medium	2.25 to 2.40	1.80 to 2.10
Quality	2.50 to 4.10	2.20 to 3.65

Dust Sale "KK"—Approximately 500,000 pounds were offered in dust sale "KK" held on 10th December 1959. A useful selection of dusts was on offer. There was a strong general demand, but prices were irregularly 5 to 10 nP easier for all descriptions, particularly the colour mediums. However, there was keen competition for high quality. A small selection of clean, black, grainy dusts which sold at dearer rates following descriptions sold well and was the strongest feature of the sale. C.T.C. dusts met with useful support at last week's rate.

London Market: Sale of 7th December 1959.—Firm on last week.

Sale of 8th December 1959.—Fully firm with dearer tendency up to 4s. 3d.

Sale of 9th December 1959.—About steady on Monday with Plain tea strongest feature.

Colombo Market: Sale of 9th December 1959.—Active demand. Dimbula brokers generally dearer. Uvas irregular. Brighter sorts dearer. Mediums opened barely steady closed dearer. Low grown and commons firm to dearer. All fannings easier.

Sale of 8th December 1959.—Off grade fannings broken mixed fully firm to slightly dearer. Better sorts dearer. Poorer sorts easier.

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

"Sale 48.—150,000 lbs. Strong general demand, particularly for low and low medium, which are dearer. Medium and good medium fully firm. Best liquoring highgrown dearer with quality. Whole leaf very strong and dearer."

KEEN DEMAND FOR TEA FROM U. K.

(From Our Own Correspondent)

CALCUTTA, 15th December

A feature of the export auctions held yesterday was the unsatisfied demand shown by British buyers. This was not surprising in view of the low stocks in London. Shipments during the week indicated that bookings to the United Kingdom continued to be satisfactory. Interest on Russian account was on the decline, with Turkey and Egypt showing nominal interest only.

The North-east Indian production of tea up to the end of November comes to 545.1 million lbs., showing a rise of 1.9 million lbs. over that in the corresponding period of 1958. However, taken alone, the November output was lower by 2.5 million lbs. at 54.5 million lbs. compared to November of last year.

Conditions during yesterday's export sales were irregular, as demand was less general than

last week. Offerings amounted to 71,661 packages. While fanning grades recorded an irregular trend, plain and medium broken were firm to steady. Whole leaf grades, on increased support, added some gains, and tippy teas were fully firm. Darjeelings were quiet. Medium Assam B.O.P.s and O.P.s. were about easy. Best C.T.C.s gave way by 20 nP. Non-wither Doorgas were irregular. The quotations, exclusive of excise duty, were: best Assam C.T.C. fannings Rs. 2.55 to Rs. 2.75, clean black pekoe Rs. 2.18 to Rs. 2.24, best Assam C.T.C. B.P. Rs. 2.55 to Rs. 2.75, plain B.P. Rs. 2.04 to Rs. 2.12, medium fannings Rs. 2.16 to Rs. 2.24, plain fannings Rs. 2.10 to Rs. 2.18, and medium B.P. Rs. 2.02 to Rs. 2.12.

No business was done in export quota. Sellers were demanding 14 nP but buyers were willing to pay only 14 nP.

Dusts on offer during last week's sales amounting to 21,493 packages met with good general demand at easier rates. Darjeelings were fully steady on keener demand, and the flavour teas added 20 nP. In orthodox varieties, the poorer types gained, while others lost up to 4 nP. Leg-cut teas exhibited a similar trend. The quotations, exclusive of excise duty, were: best Assam C.T.C. Rs. 2.60 to Rs. 2.90, medium Assam C.T.C. Rs. 2.10 to Rs. 2.24, medium Doorgas Rs. 2.10 to Rs. 2.18, and medium Assam Rs. 2.06 to Rs. 2.12.

Leaf offerings amounting to 915 chests met with a good general demand.

At the internal sale held in Chittagong on 9th December, there was strong demand for the offerings of leaf amounting to 15,236 chests, and those of dusts 5,699 chests and supplement of 76 chests. In leaf, fannings hardened by As. 5 a lb. and other varieties by As. 3 to As. 4. Among green teas, offerings of which were only 280 chests, the polish grades added As. 5 to As. 6. Dusts also improved by As. 5 to As. 6 with plain Syihet being quoted at Rs. 3-7-6.

JUTE GOODS SOAR

(From Our Own Correspondent)

CALCUTTA, 15th December

Against the background of a sounder statistical position following the announcement of a decline in stocks of jute goods with mills surpassing earlier expectations, handsome gains were recorded in the prices of gunnies during the week under review. Genuine business passing was restricted, as buyers were not inclined to follow the higher levels. Speculative manipulations led to overactivity in futures trading, and as a result the margin deposits were again introduced and also increased during the week. Gunny during the week was clear that the Argentine had week, but it was clear that the Argentine had entered the market in a big way. Buoyancy prevailed in the fibre market, and very high levels were reached, although buying by mills was limited.

The rise in prices of goods was alarming and considered harmful in the long-term interests of the industry. There was the realisation on the part of the authorities of the East India Jute and Hessian Exchange Ltd. that speculation in futures had received the upper hand and that it was necessary to curb the manipulations by bulls. That this was so was indicated when on the 8th December the Exchange reimposed the margin deposit system should the price of gunny trading go beyond a certain level which was also fixed. The margin deposits were: Rs. 5 per 100 bags in B. twills if the price moved up beyond Rs. 105.50, Rs. 2.50 per 100 yards of hessian 40" 10 oz. for price above Rs. 41, and Rs. 2 a maund of raw jute for price above Rs. 29. This had a sobering effect, but as a protest against the action of the Exchange, the futures market remained closed on Wednesday following refusal by local operators to operate. Ready B. twills declined fractionally to Rs. 107 from Rs. 107.30, and hessian 40" 10 oz. to Rs. 41.45 from Rs. 41.80. On the following day, that is, Thursday, prices began rising again. There were wide fluctuations in prices following keen activity in futures. Ready B. twills surged to Rs. 108.75 and hessian 40" 10 oz. to Rs. 41.80. The E.I.J.H.E. took a serious view of the rapid rise in prices and the complete failure of the reintroduction of the margin deposit. Futures trading was suspended by the Exchange authorities on Friday to enable the exchange to reassess the changed situation. Meanwhile, ready B. twills advanced to Rs. 108.70 and hessian 40" 10 oz. to Rs. 41.70. On Saturday, the Exchange announced increased margins in order to arrest the up-trend. Accordingly, the margin on B. twills was raised from Rs. 5 to Rs. 6, that on hessian 40" 10 oz. from Rs. 2.50 to Rs. 3, and that of raw jute from Rs. 2 to Rs. 7, on outstanding purchases at prices above Rs. 105.50, Rs. 41 and Rs. 29, respectively. However, in spite of this the up-trend could not be arrested and over the week-end new high levels were touched for the week with ready B. twills at Rs. 109.50 and hessian 40" 10 oz. at Rs. 42.35. Mills remained closed yesterday following on-day strike by workers in order to push forward their demands. A Government of India tender for 30,000 bales of B. twills provided additional pep and zest to the rising trend yesterday. B. twills after opening at Rs. 109.50 rose as high as Rs. 110.90. Heavy selling pressure in futures intervened to arrest the up-trend and, in fact, a decline set in. At the close of the day the quotation dropped to Rs. 109.75. Ready hessian 40" 10 oz. closed lower at Rs. 42.10.

In raw jute, the bullish trend was so strong that new high levels were reached. However, the theory of scarcity was exploded when with the quantity on offer increased. Despite the imposition of heavy margin on futures trading, prices began moving up all the time and closing levels for the week were higher than those of the previous week. The market was in a state of confusion for December-January delivery, as the quotations of a week ago in brackets were not applicable in view of increased

import quota for Pakistani cuttings, forward delivery cuttings were shown much interest by mills. Daisse bottoms at Rs. 32 scored Rs. 4. Assam bottoms jumped to Rs. 31 from Rs. 27.50 and northern bottoms to Rs. 30.50 from Rs. 26.75. At Rs. 195, pucca bales 1st mark hardened by Rs. 10 per bale.

	Middles	Bottoms
WHITES:	Rs.	Rs.
Selected Assam	34.00 (30.25)	31.50 (27.75)
Ordinary Assam	33.50 (30.00)	31.00 (27.50)
Northern	33.00 (29.25)	30.50 (27.00)
Doal	33.00 (28.50)	29.50 (26.00)
Cuttack	34.50 (31.00)	32.00 (28.50)
Murshidabad	31.50 (27.50)	29.00 (25.00)
Bihar, Jungli, U.P.	32.00 (27.50)	28.50 (25.00)

	Rs.	Rs.
TOSAs:		
Ordinary daisse	34.50 (30.50)	32.00 (28.00)
Murshidabad	34.00 (30.25)	31.50 (27.50)
Assam-Agartha	33.00 (31.25)	32.50 (28.75)

	Rs.	Rs.
MSAs:		
Daisse	32.00 (28.00)	29.50 (25.50)
Jungli	31.00 (27.50)	28.50 (25.00)
Bimil (a.s.)	28.50 (25.00)	

	Rs.	Rs.
PUCCA BALEs:		
1st mark	195.00 (185.00)	per bale ready.

ELECTROLYTIC ZINC FIRM

(From Our Own Correspondent)

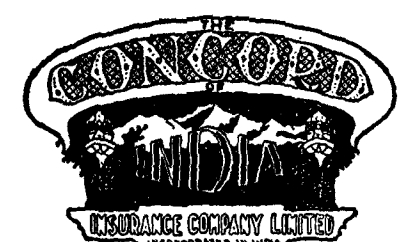
CALCUTTA, 15th December

Thanks to acute shortage of floating stocks, electrolytic zinc in the metal market forged ahead from Rs. 136.50 to Rs. 154 per cwt. during the week under review. There was an attempt on the part of speculators to locate as much supplies as possible. Fresh arrivals were required immediately to ease the situation, and market circles felt that the trade should be allowed to import more. In London also, tightness in supplies was a feature, the price hardening from £94 early in the week to £96 per ton. A further widening in backwardation was reported.

A quiet trend was in evidence locally in other metals. This followed the Supreme Court judgment holding clause 4 of the Non-ferrous Metals Control Order as void. However, steadiness slowly set in when the Government took necessary executive action in order to get over the legal difficulty. Referring to the new procedure for the import of copper and zinc against export of semis, trade circles considered that the fixation for export of one ton semis against import of 1.05 ton of the virgin metal was inequitable. Considering the melting loss and processing scrap, a greater difference should have been permitted. There was no comment available with regard to the rule according to which import against export of brass semis would be 70 per cent. copper and 30 per cent. zinc.

During the week, some arrivals of virgin copper were reported. There was less demand for copper scrap. Clean wire scrap sagged from Rs. 234 to Rs. 83 per cwt. On the London Metal Exchange, the price opened at £255 1/4 per ton and, after rising to £258 1/4, closed at £256 1/4. The hardening tendency was attributed to the firmer trend in New York, where the price shot up from 31.03 cents to 34.50 cents per lb.

Tin here declined by Rs. 2 to Rs. 560 per cwt., following improvement in supply position and subsequent slackness in demand. In London, tin opened at £766 per ton and improved to £794 before closing at £790. Lead eased from Rs. 73.25 to Rs. 73 per cwt. In London, the price was unchanged at £71 1/2 per ton.



For All Insurances

FIRE • TRANSIT • ENGINEERING
ERECTION • BURGLARY • MOTOR
VEHICLE • FIDELITY GUARANTEE
WORKMEN'S COMPENSATION

THE
CONCORD OF INDIA
INSURANCE CO., LTD.

(Incorporated in India)

Head Office:

8, Clive Row, CALCUTTA
Telephone: 22-4315
Telegrams: "YULINSURE"

BRANCHES AT:

AHMEDABAD • AMRITSAR • BARODA
BELGAUM • BHAYNAGAR • BOMBAY
INDORE • KANPUR • LONDON
MADRAS • NAGPUR • NEW DELHI
RAMPUR • SANGLI • SECUNDERABAD.

FOODGRAINS DEPRESSED

(From Our Own Correspondent)

HARUR, 14th December

The foodgrain market was depressed during the week, following slack demand locally and easy advices from other States where prices have fallen. The Deputy Minister for Food informed the Rajya Sabha that State trading in foodgrains with such modifications as circumstances warranted would be adopted for maintaining reasonable price levels and that the Government was thinking of some modifications in the zonal system.

Wheat at Harpur was almost unchanged during the week, average quality being quoted on Monday at Rs. 17.25 and for farm produce at Rs. 18.50. Arrivals of wheat in the open market were small on fears that 50 per cent. of arrivals would be taken over by the State Government at the controlled price of Rs. 13 to Rs. 15 a maund. In private, wheat was reaching here at an average of 100 maunds daily, to be lifted by consumers at above prices.

Rice eased further during the week, by 25 nP to 50 nP per maund, thanks to better supply position of new grains in the market. It was estimated that rice production this year would not fall far short of last year's record production of 3

MISCELLANEOUS STATISTICAL INFORMATION

Reserve Bank of India			
Statement of Affairs for the week ended 11th Dec., 1959			
BANKING DEPARTMENT			
LIABILITIES			
Capital paid-up	Rs.		5,00,00,000
Reserve Fund	Rs.		50,00,00,000
National Agricultural Credit (Long-term Operations) Fund	Rs.		30,00,00,000
National Agricultural Credit (Stabilisation) Fund	Rs.		4,00,00,000
Deposits—			
(1) Government—			60,05,78,000
(2) Other Governments—			9,33,60,000
(3) Banks—			68,53,76,000
(4) Others—			118,12,24,000
Bills Payable	Rs.		20,39,85,000
Other Liabilities	Rs.		28,74,35,000
Total	Rs.		424,19,58,000
ASSETS			
Notes	Rs.		8,36,11,000
Rupies Coin	Rs.		1,64,000
Subsidiary Coin	Rs.		8,10,000
Bills Purchased and Discounted—			
(a) Internal	Rs.		16,52,70,000
(b) External	Rs.		27,36,44,000
Loans and Advances to Government	Rs.		90,55,05,000
Other Loans and Advances	Rs.		227,15,06,000
Investments—			
Government and other Trusts	Rs.		11,11,63,000
Other Assets	Rs.		424,19,58,000
Total	Rs.		424,19,58,000
* Includes Cash and Short-term Securities.			
* Includes Temporary Overdrafts to State Governments.			
The item 'Other Loans and Advances' includes Rs. 5,00,000 advanced to scheduled banks against bills under Section 17(4) (c) of the Reserve Bank of India Act.			
ISSUE DEPARTMENT			
LIABILITIES			
Notes held in the Banking Department	Rs.		8,36,11,000
Notes in circulation	Rs.		173,37,08,000
Total Notes issued	Rs.		173,37,08,000
Notes held in the Banking Department	Rs.		173,37,08,000
Notes in circulation	Rs.		173,37,08,000
Total Notes issued	Rs.		173,37,08,000
ASSETS			
A. Gold Coin and Bullion—			
(a) Held in India	Rs.		117,76,03,000
(b) Held outside India	Rs.		163,00,89,000
Foreign Securities	Rs.		163,00,89,000
Total A	Rs.		280,76,92,000
B. Rupies Coin	Rs.		132,27,43,000
Government of India Rupies	Rs.		132,27,43,000
Internal Bills of Exchange and other commercial paper	Rs.		132,27,43,000
Total Assets	Rs.		173,37,08,000

COMPARATIVE BANKING STATISTICS*

(In crores of rupees)						
	1st Sept. 1959 (pre-war)	4th Dec. 1959	4th Dec. 1959	4th Dec. 1959	4th Dec. 1959	4th Dec. 1959
RESERVE BANK						
Notes in circulation	172.87	170.26	167.01	170.47	170.47	170.47
Notes held in Banking Department	35.05	15.20	28.56	10.81	11.04	11.04
Foreign Securities	59.50	163.01	163.01	163.01	164.63	164.63
Rupies Securities	74.89	131.69	129.69	130.66	117.43	117.43
Reserve Bank Deposits	14.89	52.89	49.46	52.85	61.59	61.59
Government of India	14.89	52.89	49.46	52.85	61.59	61.59
Other Governments	14.89	52.89	49.46	52.85	61.59	61.59
Balances held abroad	10.06	41.21	41.13	36.95	18.34	18.34
STATE BANK						
Notes in circulation	124.36	724.01	737.41	735.63	705.11	705.11
Notes held in Banking Department	102.24	1,150.92	1,148.24	1,125.24	1,125.24	1,125.24
Foreign Securities	59.50	163.01	163.01	163.01	164.63	164.63
Rupies Securities	74.89	131.69	129.69	130.66	117.43	117.43
Reserve Bank Deposits	14.89	52.89	49.46	52.85	61.59	61.59
Government of India	14.89	52.89	49.46	52.85	61.59	61.59
Other Governments	14.89	52.89	49.46	52.85	61.59	61.59
Balances held abroad	10.06	41.21	41.13	36.95	18.34	18.34
STATE BANK						
Notes in circulation	124.36	724.01	737.41	735.63	705.11	705.11
Notes held in Banking Department	102.24	1,150.92	1,148.24	1,125.24	1,125.24	1,125.24
Foreign Securities	59.50	163.01	163.01	163.01	164.63	164.63
Rupies Securities	74.89	131.69	129.69	130.66	117.43	117.43
Reserve Bank Deposits	14.89	52.89	49.46	52.85	61.59	61.59
Government of India	14.89	52.89	49.46	52.85	61.59	61.59
Other Governments	14.89	52.89	49.46	52.85	61.59	61.59
Balances held abroad	10.06	41.21	41.13	36.95	18.34	18.34

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

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	Dec. 1957	3.50	4
Austria	28th April, 1959	4	4.50
Belgium	7th Jan. 1959	3.50	4
Bolivia	30th Sept. 1959	5	6
Burma	Feb. 1948	5	6
Canada	16th Dec. 1959	5.13	5.16
Ceylon	16th Dec. 1959	2.50	3
Chile	Feb. 1957	4.50	6
Denmark	16th Dec. 1959	4.50	5
Egypt	15th May, 1948	7	10
France	15th May, 1948	2.50	3
Germany	15th May, 1948	2.50	3
Greece	23rd April, 1959	4.25	4
India	15th May, 1959	2.50	3
Indonesia	15th May, 1959	2.50	3
Ireland	22nd Dec. 1959	6.94	7.3
Italy	14th June, 1959	2.75	3.50
Japan	22nd Dec. 1959	6.94	7.3
Malaya	14th June, 1959	2.75	3.50
Netherlands	14th June, 1959	2.75	3.50
New Zealand	14th June, 1959	2.75	3.50
Norway	14th June, 1959	2.75	3.50
Philippines	14th June, 1959	2.75	3.50
Portugal	14th June, 1959	2.75	3.50
South Africa	14th June, 1959	2.75	3.50
Spain	14th June, 1959	2.75	3.50
Sweden	14th June, 1959	2.75	3.50
Switzerland	14th June, 1959	2.75	3.50
Thailand	14th June, 1959	2.75	3.50
United Kingdom	14th June, 1959	2.75	3.50
U.S.A.	14th June, 1959	2.75	3.50
West Germany	14th June, 1959	2.75	3.50

* Bank Rate in Canada fluctuates in tune with Treasury Bill Rate. The interest rate is shown here, as compared with that for the preceding week.

State Bank of India

Statement of Affairs for the week ended 11th Dec., 1959			
CAPITAL AND LIABILITIES			
Capital—	Rs.		20,00,00,000
Authorized Capital—	Rs.		20,00,00,000
Issued, Subscribed and Paid-up—	Rs.		5,62,50,000
Reserve Fund and Other Reserves	Rs.		5,62,50,000
Deposits and Other Accounts	Rs.		7,00,00,000
Borrowings from Other Banking Companies, Agents, etc.	Rs.		576,18,15,000
Bills Payable	Rs.		1,87,50,000
Bills for Collection being Bills receivable as per contra	Rs.		8,91,24,000
Acceptances, Endorsements and Other Obligations per contra	Rs.		1,43,79,000
Other Liabilities (including Inter-Office Adjustments)	Rs.		1,48,35,000
Total	Rs.		617,26,49,000
ASSETS			
Cash in hand and with Reserve Bank	Rs.		20,84,21,000
Loans and Advances to Government	Rs.		1,80,00,000
Other Loans and Advances	Rs.		3,06,87,000
Investments—			
Government and other Trusts	Rs.		894,14,52,000
Other Assets (including Inter-Office Adjustments)	Rs.		144,47,22,000
Bills Discounted and Purchased—			
(a) Internal	Rs.		14,90,33,000
(b) External	Rs.		159,27,55,000
Bills Receivable being Bills for Collection as per contra	Rs.		1,43,79,000
Consentments' Liabilities for Acceptances, Endorsements and Other Obligations per contra	Rs.		1,48,35,000
Premises less Depreciation	Rs.		1,21,84,000
Furniture and Fixtures less Depreciation	Rs.		1,09,87,000
Other Assets (including Inter-Office Adjustments)	Rs.		22,51,54,000
Total	Rs.		617,26,49,000

Scheduled Banks*

Statement of Affairs for the week ended 4th Dec., 1959			
Demand Liabilities in India:			
(i) Borrowings from banks other than the State Bank and a notified bank	Rs.		16,19,31,000
(ii) Other demand liabilities	Rs.		707,22,08,000
Total Liabilities in India:	Rs.		723,41,39,000
(i) Borrowings from banks other than the State Bank and a notified bank	Rs.		29,84,82,000
(ii) Other time liabilities	Rs.		112,07,50,000
Total Liabilities in India from the State Bank and/or a notified bank:	Rs.		141,92,32,000
(i) Demand Liabilities	Rs.		5,59,52,000
(ii) Time Liabilities	Rs.		6,73,25,00,000
Borrowings in India from the Reserve Bank of India:	Rs.		12,00,00,000
Cash in India	Rs.		42,95,00,000
Balances with the Reserve Bank in India	Rs.		75,16,70,000
Advances in India	Rs.		811,55,01,000
Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposits Receipts	Rs.		105,18,94,000
Inland Bills, purchased and discounted in India	Rs.		43,95,13,000
Foreign Bills, purchased and discounted in India	Rs.		43,95,13,000
Total Assets	Rs.		361,08,86,000

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

TREASURY BILLS

Date of tender	Offered	Applied for	Allotted	Average rate of discount	Rate of allotment in full
22nd September 1959	2.00	2.00	2.00	2.40	99.390
23rd to 26th Sept.	0.85	0.85	0.85	2.40	99.406
29th September	2.00	2.00	2.00	2.440	99.406
30th Sept.	2.00	2.25	2.00	2.440	99.406
13th October	2.00	2.03	2.00	2.440	99.406
14th to 17th Oct.	4.25	8.85	4.25	2.435	99.406
20th October	6.05	6.05	6.05	2.435	99.406
21st to 24th Oct.	2.00	3.53	2.00	2.440	99.406
27th October	2.00	2.00	2.00	2.440	99.406
30th October	2.00	2.00	2.00	2.440	99.406
1st to 4th Nov.	1.50	1.50	1.50	2.389	99.410
7th to 10th Nov.	2.00	2.00	2.00	2.389	99.410
13th to 16th Nov.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Nov.	2.00	2.00	2.00	2.389	99.410
25th to 28th Nov.	2.00	2.00	2.00	2.389	99.410
1st to 4th Dec.	2.00	2.00	2.00	2.389	99.410
7th to 10th Dec.	2.00	2.00	2.00	2.389	99.410
13th to 16th Dec.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Dec.	2.00	2.00	2.00	2.389	99.410
25th to 28th Dec.	2.00	2.00	2.00	2.389	99.410
1st to 4th Jan.	2.00	2.00	2.00	2.389	99.410
7th to 10th Jan.	2.00	2.00	2.00	2.389	99.410
13th to 16th Jan.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Jan.	2.00	2.00	2.00	2.389	99.410
25th to 28th Jan.	2.00	2.00	2.00	2.389	99.410
1st to 4th Feb.	2.00	2.00	2.00	2.389	99.410
7th to 10th Feb.	2.00	2.00	2.00	2.389	99.410
13th to 16th Feb.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Feb.	2.00	2.00	2.00	2.389	99.410
25th to 28th Feb.	2.00	2.00	2.00	2.389	99.410
1st to 4th Mar.	2.00	2.00	2.00	2.389	99.410
7th to 10th Mar.	2.00	2.00	2.00	2.389	99.410
13th to 16th Mar.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Mar.	2.00	2.00	2.00	2.389	99.410
25th to 28th Mar.	2.00	2.00	2.00	2.389	99.410
1st to 4th Apr.	2.00	2.00	2.00	2.389	99.410
7th to 10th Apr.	2.00	2.00	2.00	2.389	99.410
13th to 16th Apr.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Apr.	2.00	2.00	2.00	2.389	99.410
25th to 28th Apr.	2.00	2.00	2.00	2.389	99.410
1st to 4th May	2.00	2.00	2.00	2.389	99.410
7th to 10th May	2.00	2.00	2.00	2.389	99.410
13th to 16th May	2.00	2.00	2.00	2.389	99.410
19th to 22nd May	2.00	2.00	2.00	2.389	99.410
25th to 28th May	2.00	2.00	2.00	2.389	99.410
1st to 4th Jun.	2.00	2.00	2.00	2.389	99.410
7th to 10th Jun.	2.00	2.00	2.00	2.389	99.410
13th to 16th Jun.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Jun.	2.00	2.00	2.00	2.389	99.410
25th to 28th Jun.	2.00	2.00	2.00	2.389	99.410
1st to 4th Jul.	2.00	2.00	2.00	2.389	99.410
7th to 10th Jul.	2.00	2.00	2.00	2.389	99.410
13th to 16th Jul.	2.00	2.00	2.00	2.389	99.410
19th to 22nd Jul.	2.00	2.00	2.00	2.389	99.41

MISCELLANEOUS STATISTICAL INFORMATION—Continued.

INDEX NUMBERS OF SECURITY PRICES

(1952-53=100)

Group and Sub-Group	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES—ALL INDIA.								
1. Total	101.6	101.6	101.7	100.5				
2. Government of India	101.5	101.5	101.6	100.3				
3. State Government	101.7	101.7	101.8	101.8				
4. Municipal, Port Trust, etc.	101.6	101.6	101.7	100.5				
DEBENTURES OF JOINT STOCK COMPANIES—ALL INDIA.								
5. Total	101.7	101.8	102.0	100.9				
PREFERENCE SHARES—ALL INDIA.								
6. Total	91.7	92.4	92.8	88.1				

VARIABLE DIVIDEND INDUSTRIAL SECURITIES—ALL INDIA.

7. Total	155.5	155.2	157.2	139.5				
8. Agriculture and Allied Activities, Total	155.0	155.0	155.0	139.5				
9. Tea Plantations	155.0	155.0	155.0	139.5				
10. Coffee Plantations	155.0	155.0	155.0	139.5				
11. Rubber Plantations	155.0	155.0	155.0	139.5				
12. Mining and Quarrying: Total	155.0	155.0	155.0	139.5				
13. Coal	155.0	155.0	155.0	139.5				
14. Other Mining	155.0	155.0	155.0	139.5				
15. Processing and Manufacturing: Total	155.0	155.0	155.0	139.5				
16. Textiles and Apparel (Food, etc., Textiles, etc.) Total	155.0	155.0	155.0	139.5				
17. Sugar	155.0	155.0	155.0	139.5				
18. Cotton Textiles	155.0	155.0	155.0	139.5				
19. Jute Textiles	155.0	155.0	155.0	139.5				
20. Silk and Woolen	155.0	155.0	155.0	139.5				
21. Processing and Mfg. (Metals, Chemicals, etc.) Total	155.0	155.0	155.0	139.5				
22. Iron and Steel	155.0	155.0	155.0	139.5				
23. Transport Equipment	155.0	155.0	155.0	139.5				
24. Electrical Machinery	155.0	155.0	155.0	139.5				
25. Machinery other than Transport and Electrical	155.0	155.0	155.0	139.5				
26. Basic Industrial Chemicals	155.0	155.0	155.0	139.5				
27. Processing and Mfg. (Others)	155.0	155.0	155.0	139.5				
28. Cement	155.0	155.0	155.0	139.5				
29. Paper	155.0	155.0	155.0	139.5				
30. Other Industries: Total	155.0	155.0	155.0	139.5				
31. Electricity Generation and Supply	155.0	155.0	155.0	139.5				
32. Trading	155.0	155.0	155.0	139.5				
33. Shipping and Other Transport	155.0	155.0	155.0	139.5				
34. Construction	155.0	155.0	155.0	139.5				
35. Financial: Total	155.0	155.0	155.0	139.5				
36. Banks	155.0	155.0	155.0	139.5				
37. Insurance	155.0	155.0	155.0	139.5				
38. Investment Trusts	155.0	155.0	155.0	139.5				

* Including 'Miscellaneous'. † Including 'Edible and Vegetable Oils'.

IRON AND STEEL PRODUCTION (In Tons)

Year ended 31st March, 1957	Year ended 31st March, 1958	Year ended 31st March, 1959
1,155,500	1,073,600	797,500
Do. 31st March, 1958	1,098,300	786,900
Do. 31st March, 1959	1,137,500	884,700
August 1958	90,500	106,000
Sept. "	89,000	95,000
October "	94,200	79,000
November "	84,200	85,100
August 1959	128,700	125,500
Sept. "	124,300	117,800
October "	132,200	120,000
November "	128,900	104,000
Indian Iron and Steel Co., Ltd.		
Year ended 31st March, 1957	655,156	632,315
Do. 31st March, 1958	782,845	625,539
Do. 31st March, 1959	959,938	696,206
January to March, 1958	199,839	138,563
January to March, 1959	222,705	174,438
May 1959	94,105	57,438
June "	78,795	62,510
July "	87,082	71,411
August "	94,830	66,444
September "	79,815	60,701
October "	79,530	60,568
November "	77,380	71,112

INDUSTRIAL DISPUTES (All-India)

Month	Number of disputes	Total of Average Number of workers involved	Number of man-days lost
1957*	1,830	868,871	6,429,919
1958*	1,524	928,586	7,797,586
April 1958	176	65,124	567,289
May "	182	106,658	1,027,927
June "	164	162,355	1,539,111
July "	170	101,757	469,474
August "	148	85,029	355,029
September "	128	62,554	283,741
October "	181	63,764	354,517
November "	161	79,638	456,688
December "	142	57,913	245,881
1959	141	63,716	289,759

* In progress during the month. Figures in brackets show the number of cases for which the relevant information is not available. Figures relate to all states and centrally administered areas as far as organization.

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita Income (Rs.)
India†	1957-58	392.94	10,880	2,75.6	
Pakistan†	1957-58	20.00	1,450	4.22	
Burma†	1957-58	9.1	2,820.00	10.15	
Ceylon	1957-58	2.2	1,237	5.670	
Japan	1957-58	22.40	8,799	2,095	
Philippines	1957-58	2.2	1,237	5.670	
New Zealand	1957-58	2.2	1,237	5.670	
U.S.A.	1957-58	14.0	17,800	10,213	
U.K.	1957-58	51.00	18,230	4,771	
Canada	1957-58	24.00	17,800	10,213	
France	1957-58	52.1	17,800	10,213	
Germany	1957-58	62.1	17,800	10,213	
Italy	1957-58	48.0	17,800	10,213	
Norway	1957-58	2.2	1,237	5.670	
Sweden	1957-58	7.0	1,237	5.670	
Netherlands	1957-58	16.0	1,237	5.670	
Denmark	1957-58	4.0	1,237	5.670	
Switzerland	1957-58	5.10	1,237	5.670	

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
† Preliminary estimates for 1958-59 are based on the sixth issue of the annual paper on National Income issued by the Central Statistical Organisation.
†† According to budget speech of Pakistan Finance Minister.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

Year	All India (1949=100)	Bombay (1949=100)	Madras (1949=100)	Calcutta (1949=100)	Delhi (1949=100)	Almora (1949=100)	Gauhati (1949=100)	Jamshedpur (1949=100)	Jalandhar (1949=100)	Rangoon (1949=100)
1952 Average	103	103	103	103	103	103	103	103	103	103
1953	106	106	106	106	106	106	106	106	106	106
1954	101	101	101	101	101	101	101	101	101	101
1955	95	95	95	95	95	95	95	95	95	95
1956	105	105	105	105	105	105	105	105	105	105
1957	111	111	111	111	111	111	111	111	111	111
1958	116	116	116	116	116	116	116	116	116	116
May 1958	113	113	113	113	113	113	113	113	113	113
June	116	116	116	116	116	116	116	116	116	116
July	119	119	119	119	119	119	119	119	119	119
August	120	120	120	120	120	120	120	120	120	120
September	121	121	121	121	121	121	121	121	121	121
October	121	121	121	121	121	121	121	121	121	121
November	119	119	119	119	119	119	119	119	119	119
December	122	122	122	122	122	122	122	122	122	122
January	123	123	123	123	123	123	123	123	123	123
February	124	124	124	124	124	124	124	124	124	124
March	125	125	125	125	125	125	125	125	125	125
April	126	126	126	126	126	126	126	126	126	126
May	127	127	127	127	127	127	127	127	127	127
June	128	128	128	128	128	128	128	128	128	128
July	129	129	129	129	129	129	129	129	129	129
August	130	130	130	130	130	130	130	130	130	130
September	131	131	131	131	131	131	131	131	131	131
October	132	132	132	132	132	132	132	132	132	132

† Provisional.

SMALL SAVINGS

Year Month	5-Year National Savings Certificates	7-Year National Savings Certificates	12-Year National Savings Certificates	Post Office Savings Deposits	10-Year National Savings Certificates	15-Year National Savings Certificates	10-Year Treasury Savings Certificates	15-Year Treasury Savings Certificates	Total
1955-56	2,000	6,01	163.68	178.97	195.50	25.38	38.82	44.28	225.88
1956-57	2,222	7,73	143.45	171.45	195.50	25.38	38.82	44.28	225.88
1957-58	2,444	8,85	151.11	178.97	195.50	25.38	38.82	44.28	225.88
1958-59	2,666	9,97	158.78	186.49	195.50	25.38	38.82	44.28	225.88
1959-60	2,888	11,09	166.45	194.01	195.50	25.38	38.82	44.28	225.88
January 1959	1,80	3,83	122.38	147.10	147.10	21.27	40.13	45.57	187.91
February	1,78	3,78	119.11	144.06	144.06	21.01	40.13	45.57	187.91
March	1,76	3,76	115.94	141.02	141.02	20.75	40.13	45.57	187.91
April	1,74	3,74	112.77	137.98	137.98	20.49	40.13	45.57	187.91
May	1,72	3,72	109.60	134.94	134.94	20.23	40.13	45.57	187.91
June	1,70	3,70	106.43	131.90	131.90	19.97	40.13	45.57	187.91
July	1,68	3,68	103.26	128.86	128.86	19.71	40.13	45.57	187.91
August	1,66	3,66	100.09	125.82	125.82	19.45	40.13	45.57	187.91
September	1,64	3,64	96.92	122.78	122.78	19.19	40.13	45.57	187.91
October	1,62	3,62	93.75	119.74	119.74	18.93	40.13	45.57	187.91

Note.—Outstandings relate to end of period and do not include Indian Union share of pre-partition liabilities. Payments, however, include those from pre-partition holdings of Indian investors. A—Discontinued from July 1, 1953. B—Discontinued from June 1, 1957. C—Issued from June 1, 1957. D—Issued from May 10, 1954 to May 30, 1957. E—Progressive net repayments at the end of period from August 15, 1947. F—No sales from June 1, 1957. G—Issued from June 1, 1957. H—Issued from June 1, 1957. I—Issued from June 1, 1957. J—Issued from June 1, 1957. K—Issued from June 1, 1957. L—Issued from June 1, 1957. M—Issued from June 1, 1957. N—Issued from June 1, 1957. O—Issued from June 1, 1957. P—Issued from June 1, 1957. Q—Issued from June 1, 1957. R—Issued from June 1, 1957. S—Issued from June 1, 1957. T—Issued from June 1, 1957. U—Issued from June 1, 1957. V—Issued from June 1, 1957. W—Issued from June 1, 1957. X—Issued from June 1, 1957. Y—Issued from June 1, 1957. Z—Issued from June 1, 1957.

1954 H—Outstandings in respect of items of August 1954 are rupees fifteen lakhs. 10-Year Cumulative Time Deposits commenced from 2nd January, 1959 and the outstandings at the end of August 1959 are rupees nine lakhs.

1959 and the outstandings at the end of August 1959 are rupees nine lakhs.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation	Amount	Interest per cent	Year of Issue	Repayable	Market quotation	Amount	Interest per cent	Year of Issue	Repayable	Market quotation
TERMINABLE LOANS					BOMBAY					BOMBAY				
Rs.					Rs.					Rs.				
4	Bond	1926-33	63,30,25,000	1950-70	100.65									
2	Loan	1939-39	11,17,40,000	1968-65	98.15	36,50,000	4	1904	1904	30,00,000	4	1901	1901	
3	Loan	1950	80,33,10,000	1968-65	98.15	35,00,000	4	1905	1905	30,00,000	4	1902	1902	
4	Loan	1950	1,10,11,78,000	1968-65	98.15	15,00,000	4	1906	1906	60,00,000	4	1903	1903	
5	Loan	1950	1,15,05,83,000	1970-75	98.15	44,00,000	4	1907	1905	50,00,000	4	1904	1904	
6	Dev. Loan	1946	45,83,07,000	1968-65	98.70	75,00,000	4	1908	1908	50,00,000	4	1905	1905	97
7	Loan	1946	57,00,09,000	1961	88.40	40,00,000	4	1909	1909	20,00,000	4	1906	1906	
8	Loan	1946	14,77,48,000	1970	83.25	58,00,000	4	1910	1971	15,00,000	4	1907	1907	
9	Loan	1947	75,86,72,000	1962	88.00	75,00,000	4	1911	1972	25,00,000	4	1908	1908	
10	N. P. Bonds	1954	1,55,17,00,000	1961	100.25	1,10,00,000	4	1912	1973	18,00,000	4	1909	1909	
11	N. P. Bonds	1954	1,55,17,00,000	1964	100.25	1,43,58,876	4	1913*	1906	18,00,000	4	1910	1912	
12	N. P. Bonds	1954	1,55,17,00,000	1964	100.25	80,00,000	4	1913	1974	25,00,000	4	1911	1914	
13	N. P. Bonds	1955	1,03,67,92,000	1962	99.85	88,25,000	4	1914	1975	40,00,000	4	1912	1912	
14	N. P. Bonds	1955	1,03,67,92,000	1962	99.85	10,36,000	4	1915*	1906	40,00,000	4	1913	1917	118
15	N. P. Bonds	1956	63,81,83,000	1967	99.60	55,00,000	4	1916*	1975	20,00,000	4	1914	1974	
16	N. P. Bonds	1956	66,63,53,000	1974	99.65	61,81,000	4	1917*	1906	25,00,000	4	1915	1915	115
17	N. P. Bonds	1956	66,63,53,000	1974	99.65	11,51,000	4	1924*	1906	10,00,000	3	1927	1901	98
18	N. P. Bonds	1957	56,99,30,000	1967	100.85	18,25,000	4	1926*	1906		3	1936	1906	
19	N. P. Bonds	1957	49,17,27,000	1972	101.60	12,50,000	4	1929*	1906		3	1936	1906	
20	Loan	1957	49,17,27,000	1972	100.20	12,50,000	4	1930*	1930		3	1936	1906	
21	Loan	1958	85,92,92,000	1968	99.60	12,50,000	4	1931*	1961		3	1936	1906	
22	Loan	1958	30,00,00,000	1968	101.50	13,50,000	4	1932*	1961		3	1936	1906	
23	Loan	1958	34,39,04,000	1968	101.50	24,98,000	4	1933*	1961		3	1936	1906	
24	Loan N.P.B.	1958	45,51,44,000	1973	101.50	24,98,000	4	1935*	1975		3	1936	1906	
25	Loan	1959	1,02,91,00,000	1969	99.45	15,00,000	4	1936*	1966	50,00,000	4	1934	1904	99
26	Loan	1959	80,93,08,000	1970	100.15	48,04,000	4	1937*	1966	55,00,000	4	1935	1904	99
27	Loan	1959	80,93,08,000	1970	100.15	10,00,000	4	1938*	1968		4	1935	1904	99
TERMINABLE LOANS					CALCUTTA					CALCUTTA				
Rs.					Rs.					Rs.				
1	Loan	1926-33	63,30,25,000	1950-70	100.65									
2	Loan	1939-39	11,17,40,000	1968-65	98.15	36,50,000	4	1904	1904	30,00,000	4	1901	1901	
3	Loan	1950	80,33,10,000	1968-65	98.15	35,00,000	4	1905	1905	30,00,000	4	1902	1902	
4	Loan	1950	1,10,11,78,000	1968-65	98.15	15,00,000	4	1906	1906	60,00,000	4	1903	1903	
5	Loan	1950	1,15,05,83,000	1970-75	98.15	44,00,000	4	1907	1905	50,00,000	4	1904	1904	
6	Dev. Loan	1946	45,83,07,000	1968-65	98.70	75,00,000	4	1908	1908	50,00,000	4	1905	1905	97
7	Loan	1946	57,00,09,000	1961	88.40	40,00,000	4	1909	1909	20,00,000	4	1906	1906	
8	Loan	1946	14,77,48,000	1970	83.25	58,00,000	4	1910	1971	15,00,000	4	1907	1907	
9	Loan	1947	75,86,72,000	1962	88.00	75,00,000	4	1911	1972	25,00,000	4	1908	1908	
10	N. P. Bonds	1954	1,55,17,00,000	1961	100.25	1,10,00,000	4	1912	1973	18,00,000	4	1909	1909	
11	N. P. Bonds	1954	1,55,17,00,000	1964	100.25	1,43,58,876	4	1913*	1906	18,00,000	4	1910	1912	
12	N. P. Bonds	1954	1,55,17,00,000	1964	100.25	80,00,000	4	1913	1974	25,00,000	4	1911	1914	
13	N. P. Bonds	1955	1,03,67,92,000	1962	99.85	88,25,000	4	1914	1975	40,00,000	4	1912	1912	
14	N. P. Bonds	1955	1,03,67,92,000	1962	99.85	10,36,000	4	1915*	1906	40,00,000	4	1913	1917	118
15	N. P. Bonds	1956	63,81,83,000	1967	99.60	55,00,000	4	1916*	1975	20,00,000	4	1914	1974	
16	N. P. Bonds	1956	66,63,53,000	1974	99.65	61,81,000	4	1917*	1906	25,00,000	4	1915	1915	115
17	N. P. Bonds	1956	66,63,53,000	1974	99.65	11,51,000	4	1924*	1906	10,00,000	3	1927	1901	98
18	N. P. Bonds	1957	56,99,30,000	1967	100.85	18,25,000	4	1926*	1906		3	1936	1906	
19	N. P. Bonds	1957	49,17,27,000	1972	101.60	12,50,000	4	1929*	1906		3	1936	1906	
20	Loan	1957	49,17,27,000	1972	100.20	12,50,000	4	1930*	1930		3	1936	1906	
21	Loan	1958	85,92,92,000	1968	99.60	12,50,000	4	1931*	1961		3	1936	1906	
22	Loan	1958	30,00,00,000	1968	101.50	13,50,000	4	1932*	1961		3	1936	1906	
23	Loan	1958	34,39,04,000	1968	101.50	24,98,000	4	1933*	1961		3	1936	1906	
24	Loan N.P.B.	1958	45,51,44,000	1973	101.50	24,98,000	4	1935*	1975		3	1936	1906	
25	Loan	1959	1,02,91,00,000	1969	99.45	15,00,000	4	1936*	1966	50,00,000	4	1934	1904	99
26	Loan	1959	80,93,08,000	1970	100.15	48,04,000	4	1937*	1966	55,00,000	4	1935	1904	99
27	Loan	1959	80,93,08,000	1970	100.15	10,00,000	4	1938*	1968		4	1935	1904	99

STOCK & SHARE QUOTATIONS

Abbreviations: D—Deferred shares; P—Preferred shares; A—Accounts published yearly; H—Accounts published half-yearly; B—Balance sheet published yearly; C—Company has debentures; N—Nominal quotations; X—As at; Dividend—C—Cash dividend; A—Accounts dividend; F—Dividend for first half of the year.

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

Accounts—Figures in the 'Accounts Closed' column represent the months of the year in which the

respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December respectively. Reserves include general and other reserves and all other funds, which a company may have, land, buildings, machinery and all other items on which depreciation is allowed, less sales. If any, and stands for the gross figures except where otherwise indicated.

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

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Deprecia- tion	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed		M/M	Latest avail- able Quota- tion	Dividend Per Ordinary Shares					Acoun- ta Closed	Re- marks
						Spindles	Looms			1956	1957	1958	1959			
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. n.P.	Rs. n.P.	Rs. n.P.	Rs. n.P.		

BOMBAY CITY AND ISLAND

10,00,000	24,00,000	1,17,32,000	11,17,32,000	11,17,32,000	Rajputana Text. (Agencies) Pvt. Ltd.	56,468	898	1.04	2	0.19	NH	NH	12	Y.P.	
40,00,000	8,45,87,968	9,01,44,450	4,42,94,600	50,59,500	Novrosjee Wadia & Sons (Pvt.) Ltd.	50,595	1,021	23.52	100	NH	NH	NH	12	Y.P.	
1,00,00,000	1,02,75,100	8,26,61,464	81,17,333	3,12,75,392	Ramnarain Sons Private Ltd.	43,784	806	130.50	25	2.50	2.50	1.00	12	Y.P.	
26,00,000	29,04,920	1,21,43,644	73,38,437	1,20,75,752	Birra Brothers Private Ltd.	43,000	680	130.50	25	2.50	2.50	1.00	12	Y.P.	
28,00,000	15,01,090	85,42,424	64,50,661	16,34,876	Cowasjee Jehangir & Co. Pvt. Ltd.	43,000	680	133.75	100	15.50*	22.00	22.00	8.00	12	Y.P.
29,98,050	11,19,546	1,43,32,618	81,20,935	51,51,687	Ramnarain Sons Private Ltd.	43,000	680	130.50	25	2.50	2.50	1.00	12	Y.P.	
50,00,000	63,57,852	1,81,16,305	95,84,207	37,155	R. B. Jalan, Esq. (Chairman)	46,620	886	Epilustone Spg. & Wvg.	50	15.00	15.00	15.00	12	Y.P.	
50,00,000	48,52,027	1,00,12,312	64,97,387	10,233	James Finlay & Co. Ltd.	45,708	1,018	Finlay Mills Ltd.	100	20.00	20.00	20.00	12	Y.P.	
12,00,000	1,17,23,947	1,94,91,703	1,40,81,408	4,27,400	James Finlay & Co. Ltd.	45,708	1,018	Finlay Mills Ltd.	100	32.00	32.00	32.00	12	Y.P.	
2,00,00,000	1,16,525	5,09,92,595	3,08,18,422	57,69,994	K. M. D. Thackersey, Esq. (Chairman)	50,240	1,120	Indian United Mills Ltd.	1,000	992.50	815.87	85.50*	350.00	8	Y.P.
18,00,000	97,77,876	1,83,36,241	1,28,55,126	17,439	K. M. D. Thackersey Esq. (Chairman)	57,440	1,412	Indian Mills	1,000	1,000.00	824.82	325.00*	270.00	8	Y.P.
59,85,000	61,10,344	3,52,99,951	2,54,17,423	23,727	Khatun Makani Spg. & Wvg.	59,772	1,152	Khatun Makani Spg. & Wvg.	100	150.00	162.50*	162.50	100.00	8	Y.P.
1,00,00,000	1,04,66,767	3,75,23,474	2,00,25,380	39,844	Kohinoor Mills	1,20,504	1,846	Kohinoor Mills	100	18.00	18.00	18.00	16.00*	8	Y.P.
1,46,47,850	1,00,00,000	2,84,52,913	2,05,23,269	2,38,354	N. Sirur & Co. Private Ltd.	71,604	1,652	Morarjee Goudas Spg. & Wvg.	100	15.00	15.00	3.00		12	Y.P.
1,46,47,850	1,00,00,000	2,84,52,913	2,05,23,269	2,38,354	Piramal Sons Private Ltd.	71,604	1,652	National Rayon Corporation	100	14.00*	14.00	14.00	21.00*	6	Y.P.
1,46,47,850	1,00,00,000	2,84,52,913	2,05,23,269	2,38,354	Chinalco & Co. Private Ltd.	71,604	1,652	New City of Bombay Mill	100	10.00	5.00	11.20*		12	Y.P.
64,40,000	22,76,321	82,93,090	49,70,077	8,04,750	W. H. Brady & Co. Ltd.	45,944	432	New Great Spg. & Wvg.	100	10.00	5.00	NH	NH	12	Y.P.
24,00,000	7,01,106	1,09,27,346	63,37,035	8,83,612	W. H. Brady & Co. Ltd.	40,012	790	Podar Mills	100	12.00	12.00	18.00	10.00	12	Y.P.
40,00,000	67,19,167	1,76,53,754	1,16,85,593	36,494	Ramnarain Sons Private Ltd.	32,660	930	Podar Mills	100	12.00	12.00	18.00	10.00	12	Y.P.
40,00,000	76,38,190	97,18,476	51,87,478	20,271	Poda Sons Private Ltd.	20,271	318	Sassoon & Alliance Silk Mill	100	10.00	10.00	10.00	10.00	12	Y.P.
10,00,000	29,29,573	1,12,11,113	11,12,113	1,83,358	R. A. Podar, Esq. (Chairman)	18,358	96	Shree Nipaw Cotton Mills	100	2.00	2.00	2.00	10.00	12	Y.P.
87,70,100	1,18,66,148	2,61,80,351	1,40,71,893	5,465	M. G. Investment Corp. Private Ltd.	96,488	2,137	Singh Niwas Cotton Mills	100	12.00	2.00	2.00	10.00	12	Y.P.
40,03,453	1,45,27,052	1,77,12,736	88,88,081	5,144,171	Forbes, F. Campbell & Co. Pvt. Ltd.	40,840	1,620	Singh Niwas Cotton Mills	100	12.00	8.50	8.50	10.00	12	Y.P.
41,41,400	1,45,27,052	1,77,12,736	88,88,081	5,144,171	Forbes, F. Campbell & Co. Pvt. Ltd.	40,840	1,620	Singh Niwas Cotton Mills	100	12.00	8.50	8.50	10.00	12	Y.P.
1,00,75,000	2,39,76,022	3,46,88,221	2,04,23,247	1,708	Malatali Gashalhai & Sons	96,488	2,137	Singh Niwas Cotton Mills	100	22.50	22.50	22.50	20.00	12	Y.P.
1,00,00,000	95,94,087	3,02,12,000	1,95,92,715	29,124	Tata Industries Private Ltd.	2,000	2,000	Singh Niwas Cotton Mills	100	22.00	22.00	22.00	20.00	12	Y.P.
1,00,00,000	98,08,030	3,09,58,755	1,95,92,715	29,062	James Finlay & Co. Ltd.	40,828	549	Singh Niwas Cotton Mills	100	22.00	22.00	22.00	20.00	12	Y.P.
65,57,875	49,27,888	2,40,99,631	91,06,631	17,925	Tata Industries Private Ltd.	70,988	1,688	Victoria Mills Ltd.	100	20.00	2.00	2.00	10.00	12	Y.P.
16,00,000	61,80,867	97,18,091	68,31,090	17,690	Maidas Industries Private Ltd.	68,310	1,688	Western India Spg. & Wvg. Mills	1,000	300.00	325.00*	325.00	325.00	12	Y.P.
1,00,00,000	1,17,32,000	1,17,32,000	1,17,32,000	17,065,399	K. M. D. Thackersey (Chairman)	54,604	1,225								

MISCELLANEOUS COMPANIES—Continued

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up Share	Dividend per Share	Accounts Closed	Refer- ence			
Rs.	Rs.	Rs.	Rs.	Rs.			Rs. n.p.	Rs.	1956 Rs. n.p.	1957 Rs. n.p.	1958 Rs. n.p.	1959 Rs. n.p.		
PAPER														
45,00,000	41,25,865	2,20,92,169	1,63,34,169	54,751	Balmer Lawrie & Co. Ltd.	Bental Paper Mills	96.00	25	2.50	3.12	5.50		12	Y.P.
65,00,000	55,47,064	2,20,92,169	1,63,34,169	54,751	Andrew Yule & Co. Ltd.	India Paper Mills	21.31	10	1.39/25	1.40	1.00		3	Y.P.
25,00,000	33,79,729	1,52,01,952	90,72,755	43,794	M. B. Subramaniam, Esq. (Chairman)	Nyore Paper Mills	23.65	10	0.62	1.50	1.25		3	Y.P.
1,48,52,500	2,91,58,721	9,63,25,424	2,26,10,663	1,09,004	Birla Brothers Private Ltd.	Orient Paper	36.35	10	1.00	1.00	1.00	1.25	3	Y.P.
1,25,50,000	68,20,921	1,94,16,399	1,14,73,940	75,301	K. C. Thapar & Bros. Private Ltd.	Shree Gopal Paper Mills	22.62	10	1.25	1.25	1.50		12	Y.P.
50,00,000	6,19,123	74,75,136	39,88,407	20,483	Bajaria & Co.	Star Paper Mills	12.37	A. 10	1.05	0.80	0.60		9	Y.P.
2,10,00,000	51,23,786	3,99,56,536	1,10,56,136	18,794	Birla Brothers Private Ltd.	Sirpur Paper Mills	13.20	A. 10	0.50	0.50	0.60		6	Y.P.
50,00,000	4,02,95,603	7,29,92,665	4,02,95,603	1,01,112	F. W. Heijgers & Co. Private Ltd.	Titagarh Paper Mills Co., Ltd.	41.50	B. 10	1.12	2.38	2.38	2.50	3	Y.P.
4,37,50,000							3.90	P.O. 24	0.12	0.24	0.24	0.25	3	Y.P.
SAW MILLS AND TIMBER														
18,90,908	22,88,839	32,79,430	13,61,671	4,00,122	Bird & Co. (Private) Ltd.	Assam Saw Mills	2.69	3	NH	NH			Y.	
42,00,000	3,45,21,358	5,63,39,009	2,47,17,106	67,223	Wallace & Co.	Bombay-Burmah Trading Corpn.	195.00	Old 125	40.00	47.50	22.50	23.75	0	Y.
20,00,000	20,50,362	21,44,636	16,00,639	1,05,936	Gillanders Arbuthnot & Co. Ltd.	Indian Wood Products	31.75	10	3.00	2.75	2.50		0	Y.
SUGAR (U.P. and Bihar)														
214,00,000	16,00,406	43,47,523	32,35,804	59,415	M.	Balrampur Sugar	3.62	A. 100	NH	0.25	0.25	0.40	6	Y.
12,80,000	34,01,284	62,73,828	39,92,820	104,000	Narang Bros. & Co. Private Ltd.	Basti Sugar	127.00	B. 10	1.00	1.00	1.00		4	Y.
3,00,000	13,08,913	39,09,191	25,76,447	68,832	Banpur Bros. Ltd.	Besund Sugar	11.50	10	1.00	1.00	1.00		4	Y.
19,00,000	13,08,913	39,09,191	25,76,447	68,832	Cotton Agents Private Ltd.	Bharat Sugar	15.50	10	1.00	1.00	1.00		4	Y.
82,00,000	23,38,522	1,04,01,234	1,02,01,879	11,728	Gladstone Lyle & Co. Ltd.	Cawnpore Sugar	11.75	10	NH	NH	0.25		6	Y.P.
1,00,00,000	1,04,01,234	1,04,01,234	1,04,01,234	1,04,01,234	Begg, Sutherland & Co. Private Ltd.	Champuram Sugar	19.75	10	0.75	NH	NH		10	Y.
6,58,252	6,58,252	24,52,378	18,08,326	34,928	K. C. Thapar & Bros. Private Ltd.	Hindustani Sugar Mills	24.15	10	0.50	NH	0.50		6	Y.P.
1,00,00,000	1,04,01,234	1,04,01,234	1,04,01,234	1,04,01,234	Bachchal & Co. Private Ltd.	Jaypur Sugar	14.00	10	0.50	1.00	1.00		10	Y.
60,00,000	2,11,44,128	86,21,248	43,24,248	24,248	Mr. Tulsidas Kishorelal (Chairman)	Kesari Sugar	67.00	40	15.00	15.00	15.00		6	Y.P.
18,00,000	13,01,234	82,18,300	62,18,300	74,285	Cotton Agents Private Ltd.	New India Sugar Mills	28.00	10	2.50	2.50	2.50		7	Y.P.
2,80,000	2,56,524	50,24,248	28,80,749	18,295	K. C. Thapar & Bros. Private Ltd.	New Sagar	8.47	10	0.50	0.50	0.50		6	Y.P.
11,00,000	43,08,884	20,20,520	20,20,520	3,947	Cotton Agents Private Ltd.	New Swadeshi Sugar Mill	50.00	100	20.00	20.00	20.00		6	Y.P.
13,25,000	48,26,135	78,03,274	20,12,884	24,741	Cotton Agents Private Ltd.	Oudh Sugar	15.00	10	5.00	5.00	5.00		6	Y.P.
77,48,500	2,24,06,690	32,42,208	15,02,208	15,02,208	Begg, Sutherland & Co. Private Ltd.	Purabhar Sugar	12.50	10	11.00	12.50	12.50		7	Y.P.
9,00,000	10,54,140	87,09,568	34,12,900	6,965	Govan Bros. (Rampur) Private Ltd.	Raza Indur Sugar	12.60	10	1.50	1.50	1.25		10	Y.
6,00,000	6,30,752	29,26,300	23,02,208	1,013	Ram Sugar	Samsatpur Central Sugar	12.75	10	1.75	1.50	1.50		10	Y.
11,90,000	10,90,877	3,01,234	26,01,234	20,014	Sahu Jain Ltd.	Shree Krishna Gyanodai Sugar	13.25	10	1.00	1.00	1.00		7	Y.P.
40,00,000	25,24,247	1,30,71,199	76,04,522	837	H. K. Ghosh, Esq. and R. N. Datta	Sitapur Sugar	6.00	10	NH	NH			7	Y.P.
10,00,000	24,000	32,42,065	1,48,50,000	4,066	M.	Siri Sagar Sugar	10.19	10	1.00	0.50	NH		6	Y.
15,80,000	13,52,431	35,59,550	20,58,359	40,666	Cotton Agents Private Ltd.	Upper Gomti Sugar	24.18	10	1.00	5.00	5.00		6	Y.
8,00,000	87,71,616	86,53,602	86,53,602	24,618	M.	United Provinces Sugar	17.12	10	0.50	0.75	1.00		6	Y.
16,00,000	9,72,016	85,64,066	27,87,195	60,290	M.								6	Y.
Other Centres														
80,00,000	23,00,000	84,58,992	24,22,599	22,006	Ranarao & Co.	Andhra Sugars Ltd.	24.60	10	1.00	1.25	1.50		9	Y.P.
70,49,000	1,30,94,058	1,59,69,456	1,07,41,236	75,919	W. H. Brady & Co. Ltd.	Belapur Company	25.00	10	1.00	1.00	20.00	21.00	9	Y.P.
17,50,000	13,19,902	42,54,150	25,49,204	1,21,343	A. H. Bhambhaniwalla & Co. (Bombay)	Chitaval Sugar	28.00	12.50	1.00	2.00	2.00		9	Y.P.
87,50,000	10,61,750	78,12,457	35,59,913	2,72,721	Private Ltd.	Deccan Sugar & Akbar	13.90	10	0.75	0.75	0.00	0.00	9	Y.P.
36,50,000	36,50,000	71,19,655	66,641	66,641	Parry & Co. Ltd.	East India Sugarcane & Sugar	80.00	100	6.00	5.00	5.00		4	Y.P.
1,00,00,000	1,19,38,536	41,80,707	2,00,00,000	2,00,00,000	Parry's Holdings Private Ltd.	Gwalior Sugar	12.00	10	1.00	1.00	1.00		4	Y.P.
15,90,000	21,59,353	45,68,550	27,83,325	24,812	Sir J. P. Sivasubramanian & Sons	India Sugar and Refineries	14.00	10	1.00	1.00	1.00		4	Y.P.
63,97,000	17,21,816	1,30,59,912	16,14,400	91,745	R. S. Ind Corp. Private Ltd.	Indra Sugar	14.00	10	0.75	0.60	0.60		6	Y.P.
39,24,100	97,20,000	3,52,12,000	64,34,323	2,98,574	Y. Ramakrishna & Sons Private Ltd.	K. C. P. Ltd.	24.00	50	100.00	100.00	17.00	1.50	1.50	Y.P.
57,50,000	45,82,607	82,18,300	62,18,300	74,285	M. L. Dahanukar & Co. Pvt. Ltd.	Maharashtra Sugar Mills Co.	14.25	50	2.00	2.00	3.00		6	Y.P.
21,79,280	27,35,108	1,57,31,199	90,17,873	1,44,257	B. M. Krishnan, Esq. (Mg. Director)	Myseor Sugar	17.25	50	2.00	2.00	3.00		6	Y.P.
50,00,000	53,21,400	1,06,88,154	67,30,841	1,47,239	Madurai Aye and Kantil Pvt. Ltd.	Phalari Sugar	20.12	10	2.00	1.50	1.50		6	Y.P.
16,50,000	38,73,600	72,02,379	30,23,278	19,835	Anderson Wright Ltd.	Ramunagar Cane and Sugar	14.00	10	1.00	1.00	1.00		6	Y.P.
20,00,000	2,47,500	24,70,555	13,97,551	788	Govan Bros. (Rampur) Private Ltd.	Rampur Distillery & Chemical Co., Ltd.	14.00	10	1.00	1.00	1.00		6	Y.P.
20,00,000	42,50,000	1,16,40,781	62,30,097	72,206	Wealden & Co. Private Ltd.	Ravallan Sugar Farm	30.00	D. 50	1.00	0.70	3.75		9	Y.P.
4,00,000	20,67,000	67,73,349	30,49,961	1,06,833	Parry & Co. Ltd.	Travancore Sugars	315.50	100	21.00	21.00	21.00	1.00	7	Y.P.
1,01,00,000	1,17,38,888	2,96,28,114	1,17,67,839	1,78,037	Wealden & Co. Private Ltd.	Wealden Sugar Industries	315.50	100	21.00	21.00	21.00	1.00	7	Y.P.
TRANSPORT														
20,00,000	90,30,970	1,22,58,916	50,71,672	88,927	Andrew Yule & Co. Ltd.	Bental-Asam Steamship Co.	89.50	100	7.50	5.00	6.00		10	Y.P.
1,00,00,000	1,09,44,724	1,77,08,572	1,77,08,572	33,791	Dinshaw (Private) Ltd.	Bharat Line	10.40	10	0.50	1.20	1.20		10	Y.P.
80,00,000	2,04,75,067	8,76,00,428	1,74,50,547	3,34,489	A. H. Bhambhaniwalla & Co. (Bombay)	Great Eastern Shipping Co.	12.12	6(New)	1.00	1.50	1.50	1.05	6	Y.P.
80,00,000	2,04,75,067	8,76,00,428	1,74,50,547	3,34,489	Kilburn & Co. Private Ltd.	India General Navigation & Ry. Co.	69.50	10	NH	NH			10	Y.P.
1,00,00,000	1,09,44,724	1,77,08,572	1,77,08,572	33,791	Louel Edwards (Private) Ltd.	India Steamship Co.	17.20	20	1.00	1.00	1.00		12	Y.P.
2,47,50,000	2,50,52,958	18,77,40,719	4,00,03,455	2,00,413	M. A. Hydar and Mr. S. G. Goshwami	Scindia Steam Navigation Co.	4.00	O. 1	0.14	0.14	0.14		12	Y.P.
11,28,19,293	10,91,45,114	80,05,36,672	6,94,73,743	6,65,069	R. R. Aiyer, Esq. (Manager)	Walford Transport Ltd.	2.58	P.O. 1	0.12	0.12	0.12		12	Y.P.
8,40,80,000	20,01,702	12,88,452	8,75,376	1,40,960									12	Y.P.
8,40,80,000	20,01,702	12,88,452	8,75,376	1,40,960									12	Y.P.
UNCLASSIFIED (Bombay)														
5,57,00,000	1,20,48,754	5,27,61,888	66,49,054	1,85,61,936	S. H. Turner, Esq. (Chairman)	Hindustan Lever	37.00	10	1.25	1.40	1.50		12	Y.P.
1,07,00,000	12,11,431	1,20,48,754	1,20,48,754	1,20,48,754	Birla Brothers Private Ltd.	Hind Cycles	95.00	100	5.00	12.50	7.00		12	Y.P.
1,07,00,000	1,20,48,754	1,20,48,754	1,20,48,754	1,20,48,754	Chromal Manganese Private Ltd.	Indra Batteries	77.50	10	3.00	3.50	3.50	3.50	12	Y.P.
1,07,00,000	1,20,48,754	1,20,48,754	1,20,48,754	1,20,48,754	Freemond Roychoudhury & Sons	Industrial Investment Trust	77.50	10	3.00	3.50	3.50	3.50	12	Y.P.
99,99,250	20,21,704	1,27,76,392	1,27,76,392	1,27,76,392	K. G. Milne, Esq. (Mg. Director)	Killick Industries								

4. The Register of Members of the Company will remain closed from the 29th December, 1959 to the 8th January, 1960 both days inclusive.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Capital Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up Share Rs. or £	Dividend per Share 1957 1958 1959 Rs. or £	Accounts Closed	Reference
10,00,000	1,00,00,000	8,83,958	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
14,50,000	1,01,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,01,00,000	1,01,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.
1,00,00,000	1,00,00,000	24,205	Andhra Bank	171.00	100	18.00 18.00 18.00	12	Y.P.

PRINCIPAL EXCHANGE BANKS

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation Rs. or £	Principal Repayable
10,00,000	6	1st December and 1st June	British Bank of the Middle East	1953	104	1st June 1953
10,00,000	6	1st March and 1st September	British Bank of the Middle East	1953	104	1st September 1953
10,00,000	6	1st August and 1st February	British Bank of the Middle East	1953	104	1st February 1954
10,00,000	6	1st May and 1st November	British Bank of the Middle East	1953	104	1st November 1953
10,00,000	6	1st May and 1st November	British Bank of the Middle East	1953	104	1st November 1953

DEBENTURES

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation Rs. or £	Principal Repayable
10,00,000	6	1st December and 1st June	Breweries and Sugar	1953	98.00	1st June 1953
10,00,000	6	1st March and 1st September	Breweries and Sugar	1953	98.00	1st September 1953
10,00,000	6	1st August and 1st February	Breweries and Sugar	1953	98.00	1st February 1954
10,00,000	6	1st May and 1st November	Breweries and Sugar	1953	98.00	1st November 1953
10,00,000	6	1st May and 1st November	Breweries and Sugar	1953	98.00	1st November 1953

RAILWAYS; STEAMSHIP AND TRAMWAY

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation Rs. or £	Principal Repayable
10,00,000	6	1st January and 1st July	Calcutta Tramways	1950	106.10N	At 105% at any time or at par or every seventh year thereafter
10,00,000	6	1st April and 1st October	Calcutta Tramways	1950	106.10N	At 105% at any time or at par or every seventh year thereafter
10,00,000	6	1st January and 1st July	Calcutta Tramways	1950	106.10N	At 105% at any time or at par or every seventh year thereafter
10,00,000	6	1st April and 1st October	Calcutta Tramways	1950	106.10N	At 105% at any time or at par or every seventh year thereafter

NAVIGATION

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation Rs. or £	Principal Repayable
10,00,000	6	1st January and 1st July	Nikhil Tea	1950	100.20	1st April 1950
10,00,000	6	1st January and 1st July	Nikhil Tea	1950	100.20	1st April 1950
10,00,000	6	1st January and 1st July	Nikhil Tea	1950	100.20	1st April 1950
10,00,000	6	1st January and 1st July	Nikhil Tea	1950	100.20	1st April 1950

MISCELLANEOUS

Amount	Rate of Interest	Interest Payable on	Company	Date of Issue	Latest Available Quotation Rs. or £	Principal Repayable
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	1st December 1955
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	1st December 1955
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	1st December 1955
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	92.00	1st December 1955

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend transactions on the Bombay Stock Exchange during the week ended 17th December 1959

Closing quotations 10-12-1959	High	Low	Closing quotations 17-12-59
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00

Bank of India (50)	100.00	100.00	100.00	100.00
Bank of Bengal (50)	100.00	100.00	100.00	100.00
Bank of Commerce (50)	100.00	100.00	100.00	100.00
Bank of Calcutta (50)	100.00	100.00	100.00	100.00
Bank of Madras (50)	100.00	100.00	100.00	100.00